90th anniversary forward 100th

ANNUAL REPORT 2013

For The Year Ended March 31, 2013

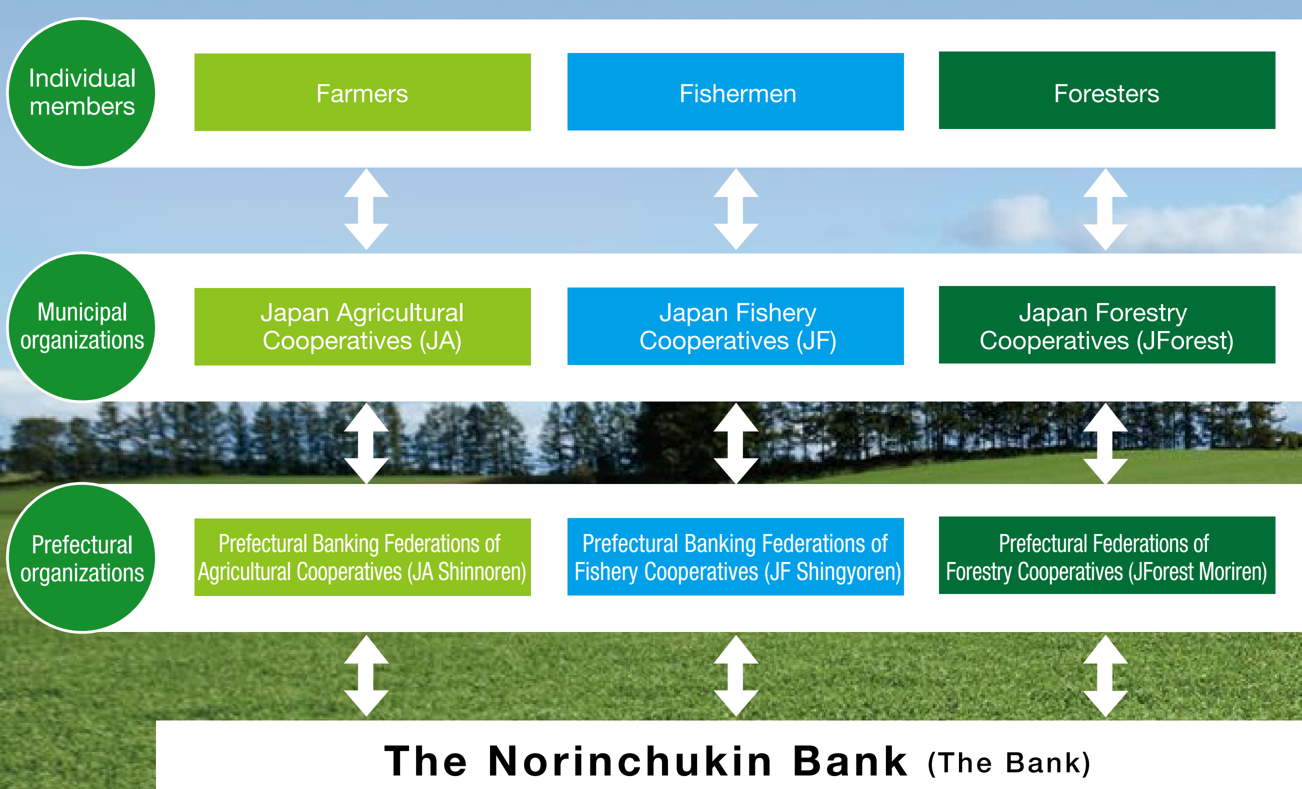
The Norinchukin Bank

Leading Bank of Agriculture, Forestry, and Fishery Supporting the Industry, Food, and Local Living

The mission of The Norinchukin Bank is to fully support Japan's agricultural, fisheries and forestry industries as the national-level organization of JA Bank Group, JF Marine Bank Group and JForest Group. Through this support, the Bank contributes to development of food production and consumption and a better quality of life for the people living in local communities.

Securing stable profits through global investments as one of Japan's leading institutional investors is an important activity that we undertake to fulfill our mission.

In December 2013, The Norinchukin Bank will celebrate its 90th anniversary. As we head into our 100th anniversary, courageously facing change, we will pursue our unchanging mission and continue to challenge new horizons.



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	■ Akira Banzai
President and Chief Executive Officer	■ Yoshio Kono
Paid-in capital	■ ¥3,425.9 billion (US$ 36.4 billion) (As of March 31, 2013) *All capital is from private parties (members and investors in preferred securities).
Total assets (On a consolidated basis)	■ ¥81,496.8 billion (US$ 866.0 billion) (As of March 31, 2013)
Capital ratio (On a consolidated basis, Basel III standard)	■ Common Equity Tier 1 Capital Ratio 16.01% (as of March 31, 2013) ■ Tier 1 Capital Ratio 16.13% (as of March 31, 2013) ■ Total Capital Ratio 23.56% (as of March 31, 2013)
Members	■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry cooperative organizations that have invested in the Bank (Number of shareholders: 3,829) (As of March 31, 2013)
Number of employees	■ 3,289 (As of March 31, 2013)
Business locations	(In Japan) ■ Head office: 1 ■ Branch: 19 ■ Branch annex: 3 ■ Office: 17 (Overseas) ■ Branch: 3 ■ Representative office: 2 (As of July 31, 2013)

Ratings

Ratings agency	Long-term debt	Short-term debt
Standard & Poor's	A+	A-1
Moody's Investors Service	A1	P-1

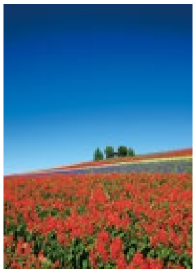
(As of March 31, 2013)

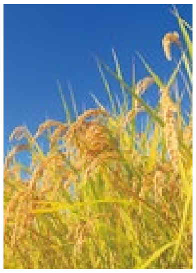
In this report, Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF, and Japan Forestry Cooperatives as JForest.

Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of March 31, 2013 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the businesses and prospects of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

Contents





Message from the Management

Akira Banzai
Chairman
The Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

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

Annual Report 2013 contains details of the business performance and new Medium-Term Management Plan, as well as the summary of operations over the year at JA Bank, JF Marine Bank and JForest Group.

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

As the national-level financial institution for agricultural, fishery and forestry cooperatives in Japan, the mission of The Norinchukin Bank ("the Bank") is to contribute to the development of relevant industries and to national economic prosperity by facilitating access to financial resources. With the stable funding base provided by capital from Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF) and Japan Forestry Cooperatives (JForest), as well as deposits from individual members and customers of JA Bank and JF Marine Bank, the Bank, to achieve its mission, lends funds to members, agricultural, fishery and forestry workers, and companies related to the agricultural, fisheries and forestry industries. 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 services for supporting the cooperative banking business of JA and JF. They include planning and implementation of policies, development of human resources and provision of business infrastructure. The Bank also provides operational guidance for the cooperative banking business of JA and JF based on relevant rules and regulations, and it is building a safety net for the JA Bank and JF Marine Bank Systems. The Bank continues to work to improve trust in its cooperative banking business while recognizing the importance of strengthening and expanding the cooperative banking business.

Business Performance in Fiscal 2012

In fiscal 2012, under its Medium-Term Management Plan, which covers a two-year period beginning from fiscal 2011, The Norinchukin Bank made provision of support for reconstruction from the Great East Japan Earthquake its highest priority. At the same time, the Bank expanded its role as the central organization for cooperatives as well as financial institution for farmers, fishermen and foresters.

To support reconstruction in the aftermath of the Great East Japan Earthquake, under the Reconstruction Support Program (duration: about four years; financial support: ¥30 billion) established in fiscal 2011, the Bank carried out initiatives with director and employee participation. They include support to disaster-affected agricultural, fishery and forestry workers, to those in disaster-stricken areas to restore their lives, and to disaster-affected members to meet their business and management needs. With respect to its role as the central organization for cooperatives as well as financial institution for farmers, fishermen and foresters, the Bank made steady progress in strengthening financial services for agricultural, fishery and forestry workers, promoting agricultural, commercial and industrial cooperation and other areas.

Regarding financial management, while continuing to maintain a prudent investment stance under a globally diversified investment portfolio based on the adequate practice of risk management, we strengthened our financial position and achieved our earnings target. As a result, the Bank achieved ordinary profit of ¥102.7 billion (on a consolidated basis) and attained its profit target. At the same time, the capital ratio has been maintained at a high level, with a Common Equity Tier 1 capital ratio of 16.01%, a Tier 1 capital ratio of 16.13% and a total capital ratio of 23.56% (all on a consolidated basis, Basel III standard).

Future Business Management Policies

The Bank formulated a new Medium-Term Management Plan, which covers the three-year period from fiscal 2013 through fiscal 2015.

In the Medium-Term Management Plan, the Bank employs the following slogan, "Challenge for a New Stage." Under this slogan, while we will make further efforts for enhanced profitability and organizational strength, we will proactively work on various efforts. Such efforts include development of the agricultural, fisheries and forestry industries, which are expected to become Japan's growth industries; sustainable development of local communities, which includes the reconstruction of the disaster-affected areas; and strengthening of JA Bank and JF Marine Bank, which includes development of human resources. We will strive to become a "leading bank that supports the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities."

Conclusion

In December 2013, The Norinchukin Bank will celebrate its 90 anniversary thanks to all related to the Bank. JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agricultural, fisheries and forestry industries and their rural communities.

Finally, we would like to ask our readers for their continued support for JA Bank, JF Marine Bank, JForest Group and The Norinchukin Bank.

July 2013

Akira Banzai
Chairman of the Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

Fiscal 2012 Results and Fiscal 2013 Financial Management

Financial Results and Capital Adequacy in Fiscal 2012

In fiscal 2012, the Bank achieved Ordinary Profit* of ¥88.1 billion and Net Income of ¥106.8 billion (on a non-consolidated basis), not only achieving its target (¥50.0 – 100.0 billion), but increasing its earnings. In addition, valuation difference on securities increased substantially, rising ¥1,236.6 billion year on year, to ¥1,740.9 billion.

Although we have been applying Basel III as the standard that banks with international operations must maintain, the capital adequacy ratio has been maintained at a high level, even under the new standard, with a Common Equity Tier 1 Capital Ratio of 15.98%, a Tier 1 Capital Ratio of 16.10% and a Total Capital Ratio of 23.77%.

* Ordinary Profit represents Ordinary Income less Ordinary Expenses. Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.

Summary of Earnings (Non-Consolidated Basis)

(Billions of yen)

	FY2010	FY2011	FY2012
Ordinary Profit	117.3	68.4	88.1
Net Income	144.3	61.6	106.8
Net Assets	4,250.4	4,820.4	5,734.9
Common Equity Tier 1 Capital Ratio*	—	—	15.98%
Tier 1 Capital Ratio*	16.80%	18.22%	16.10%
Capital Ratio*	22.76%	24.83%	23.77%
Valuation Difference on Securities, etc.	(342.9)	504.2	1,740.9

**Basel III standard has been applied since fiscal 2012 (capital ratio is the total capital ratio)*

Financial and Risk Management Efforts in Fiscal 2013

Under the Medium-Term Management Plan started in fiscal 2013, the Bank has conducted adequate financial management taking into account market environment and other factors, and implemented risk management that contributes to enhanced competitiveness.

In the new Medium-Term Management Plan (covering a three-year period), we have set an ordinary profit target of approximately ¥100.0 billion and will continue to strengthen our financial position with sound financial management. As a globally operating financial institution, we will maintain capital adequacy at a suitable level.

To ensure a solid profit base, we will focus on flexible asset allocation management that is responsive to market conditions and on upgrading and accumulating investment know-how. At the same time, we will selectively pursue new, high quality investment opportunities while taking into account market conditions.

As for risk management initiatives to help strengthen business competitiveness, we will build and operate a framework for forward-looking risk management through effective control that takes into account the Bank's business characteristics.

Adequate Financial Management Taking into Account Market Environment

- Ordinary profit target: about ¥100.0 billion
- As a globally operating financial institution, maintain capital adequacy at a suitable level.
- Keeping an eye on market conditions, revisions of financial regulations, including Basel III, and other trends, review financial management on an as-needed basis from the standpoint of maintaining business competitiveness.

Bank Initiatives

Overview of the Medium-Term Management Plan

The Bank has formulated a new Medium-Term Management Plan, which covers the three-year period from fiscal 2013 through fiscal 2015.

Under the following slogan, "Challenge for a New Stage," while we will make further efforts for enhanced profitability and organizational strength, we will proactively work on various efforts. Such efforts include development of the agricultural, fisheries and forestry industries, which are expected to become Japan's growth industries; sustainable development of local communities, which includes the reconstruction of the disaster-affected areas; and strengthening of the cooperative banking business (JA Bank and JF Marine Bank), which includes development of human resources. We will strive to become a "leading bank that supports the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities."

▼ Medium-Term Management Plan (FY 2013 — 2015)

Future Vision for the 100th Anniversary (2023)

Leading Bank that Supports the Agricultural, Fisheries and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

4 Future Visions

1. The Bank that provides financial solutions for sustainable development of the agricultural, fisheries and forestry industries and local communities
2. The Bank that develops network-based banking service that values ties and relationships
3. The Bank that demonstrates its presence in domestic and global financial markets to support the agricultural, fisheries and forestry industries, food production and consumption, and local communities
4. The Bank, as a team of professionals, that takes on challenges with no fear of charge

Positioning of the Medium-Term Management Plan (FY 2013 — 2015)
=> Period that determines "future visions"

Basic Concept of the Medium-Term Management Plan (FY 2013 — 2015)

Challenge for new initiatives that contribute to the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities	Strengthening of profitability and organizational strengths that leads to enhanced competitiveness of the Bank and the cooperative system

Policies of the Medium-Term Management Plan

Challenge for new initiatives that contribute to the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities

1. Proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry industries, food production/consumption, and revitalization of local communities

- Continued efforts to reconstruct the disaster-affected areas
- Strengthening the ability to cater to leaders and efforts to enhance the profitability of the agricultural, fisheries and forestry industries
- New efforts to revitalize local communities

2. Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business

- Initiatives that contribute to reconstruction and expansion of the user base
- Enhancement of business management arrangements and development and management of business infrastructures
- Initiatives for the development of cooperative banking-related human resources who can put business strategies into practice

Strengthening of profitability and organizational strengths that leads to enhanced competitiveness of the Bank and the cooperative system

3. Strengthening of profitability through appropriate risk management

- Flexible and strategic asset allocation
- Strengthening corporate lending and pursuing new investment opportunities
- Implementation of risk management that contributes to enhanced competitiveness

4. Building up of organizational strengths through strategic use and enhancement of management resources

- Putting emphasis on cultivating “human resources” who will play a key role in the Bank and the cooperative system
- Adequate financial management (ordinary profit target: ¥100 billion)
- Aggressive injection of management resources for improved competitiveness

Status of Reconstruction Support Efforts

Outline of the Reconstruction Support Program

As the central organization founded on the agricultural, fisheries and forestry industries, in fiscal 2011, the Bank set up the Reconstruction Support Program (duration: about four years; financial support: ¥30 billion) to provide full and multifaceted assistance for the recovery and reconstruction of the agricultural, fisheries and forestry industries severely affected by the Great East Japan Earthquake.

Specifically, the program provides (1) financial support to affected agricultural, fisheries and forestry industry workers and (2) business and management support to affected members. The Bank provides material support including sending of employees into the disaster areas.

Outline of the Reconstruction Support Program

	Support recipients	Description
Financial Support Program	Agricultural, fisheries and forestry industry workers	Financial support (interest subsidies, reconstruction/recovery loans [low-interest loans], etc.)
Business & Management Support Program	Members	Business recovery (support for infrastructure recovery including branches, ATMs, terminals, etc.)
		Business support (support to strengthen members’ business foundations)

• Recovery Support for Producers and Communities

For the business reconstruction of disaster-affected farmers, fishermen and foresters, the Bank has provided long-term low-interest loans, for instance, through a reconstruction loan (the Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan); funding through a reconstruction fund (the Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) via its affiliate company, the Agribusiness Investment & Consultation Co., Ltd.; and assistance to formulate reconstruction plans. Further, the Bank has provided interest subsidies for the disaster funds of JA Bank and JF Marine Bank to help ease the interest burden of disaster-affected agricultural and fishery workers. To encourage speedy restoration of affected workers' businesses, JA has begun offering lease subsidies to farmers who buy farm equipment through leasing.


Steel pipe greenhouses funded by the reconstruction fund

Product	Number of loans	Amount
Reconstruction loan (Tohoku Agricultural, Forestry, and Fishery Industries Support Loan) (since December 2011)	Number of loans 45	Total loans outstanding ¥17,073 million
Reconstruction fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) (since February 2012)	Number of investments 9	Total investments outstanding ¥165 million
Lease subsidies (since July 2012)	Number of subsidies 370	Total lease amount ¥1,586 million

*Cumulative total as of March 31, 2013

Also, for disaster-affected fishermen, the Bank has subsidized the cost of cardboard boxes for collective shipment of aqua-farmed wakame and kombu seaweed and donated fish boxes for transporting ocean-caught fish. In addition, we have donated benches and tables made from lumber produced in disaster-afflicted areas to local community centers. In fiscal 2013, for disaster-affected rice farmers, the Bank will start subsidizing the cost of production materials to help them resume farming.

In March 2013, we held the Tohoku Reconstruction Support Business Conference in Sendai for the six prefectures of the Tohoku region to help expand the sales channels of disaster-affected agricultural, fisheries and forestry workers.


Cardboard boxes procured using subsidies


Tohoku Reconstruction Support Business Conference


Benches and tables donated by the Bank

• Recovery Support for Members and Customers

For disaster-affected customers of JA Bank and JF Marine Bank, we have provided financial services in a stable manner through continuous operation of a call center in JA Bank and donation of mobile terminals to JF which suffered extensive damage from the disaster. Furthermore, the Bank has helped customers in the disaster-stricken areas to restore their lives by assisting with the Reconstruction Support Time Deposits and the Reconstruction Support Loan of JA Bank and JF Marine Bank and by appropriately responding to the double-loan problem and the project to promote collective relocation for disaster prevention.

Moreover, the Bank has supported JA and JF which underwent a capital increase under the Framework for Special Post-Earthquake Support. To support their efforts to provide and maintain financial services, the Bank has offered guidance and advice based on its plan to help strengthen the cooperative banking business, for instance, by dispatching its employees.

Directors and employees at the head office and branches and the employees sent to help disaster-affected members will continue to work as a team, and work toward disaster recovery in collaboration with the government and relevant organizations.

Customer support center

Mobile branch vehicle equipped with donated mobile terminals

Reconstruction Support Efforts by JA Group, JF Group and JForest Group

JA Group, JF Group and JForest Group have implemented programs to assist agricultural, fisheries and forestry industries hit with enormous damage in the aftermath of the Great East Japan Earthquake. Cooperative organizations have collaborated and launched the following website (Japanese only) to record these efforts for posterity.

Website name: Record of Reconstruction Initiatives of Agricultural, Fisheries and Forestry Cooperatives

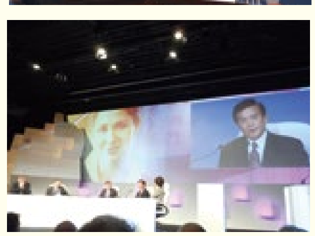
Initiatives in the International Year of Cooperatives 2012 (IYC)

Banking on Trusted Networks Connected to People, Committed to People

In 2012, which was declared as the International Year of Cooperatives (IYC), the Bank made numerous efforts to spread the word both in Japan abroad about the role of cooperative banking institutions and contributions they had made to social and economic development.

For example, at the annual meeting of the Institute of International Finance (IIF), which was held in Japan for the first time, Yoshio Kono (President and CEO of The Norinchukin Bank), representing cooperative banking institutions, talked about support for recovery in the aftermath of the Great East Japan Earthquake. The president presented an example in the area of disaster reconstruction of highly visible community-based activities conducted by cooperative financial institutions including JA, JF, shinkin banks, credit associations and labor banks in the disaster-stricken areas. In addition to financial services provided in these areas, he also cited major contributions made in the reconstruction of communities. Furthermore, he called provision of financial service whereby bonds are organically formed between people and organizations as “Banking on Trusted Networks.” In an environment that faces a difficult road to recovery and a global economy marked by growing uncertainty, he advanced the idea that this type of network-based banking service that values ties and relationship may be a new financial ideal that could point the way to financial market growth.

Other examples in 2012 include cooperative festivals and commemorative lectures held all over Japan, and the International Summit of Cooperatives, the ICA (International Co-operative Alliance) Asia Pacific Regional Assembly, the Credit Agricole SA Conference, and the European Association of Cooperative Banks (EACB) held outside Japan. Leveraging these opportunities, the Bank spread the message about the role of cooperative financial institutions and mutual assistance efforts for earthquake disaster recovery to an international audience both in Japan and overseas.



2012 International Year of Co-operatives

〉〉〉Initiatives in the Agricultural, Fisheries and Forestry Industries

Preparation for Sixth Industrialization

The Bank is taking steps to further expand its role as the central organization for cooperatives in Japan by giving its first priority to contributing to its members and the agricultural, fisheries and forestry industries. In the new Medium-Term Management Plan, which begins from fiscal 2013, contributing to Japan's agricultural, fisheries and forestry industries and food production and consumption as well as to the revitalization of local communities has been positioned as one of the plan's four core policies. In light of the Japanese government's growth strategy ("agriculture, forestry and fisheries on the offensive") with the goal of taking the lead in supporting agricultural, fisheries and forestry industry leaders in local communities, enhancing their business strength, and revitalizing local communities, the Bank will develop and deploy new financial tools and measures in order to meet the diverse needs of agricultural, fisheries and forestry workers.

In order to respond to the forward-looking financial needs of agricultural, fisheries and forestry workers, the Bank is expanding loan services to these workers. It has also established a capital funding framework for the development of agricultural corporations, providing comprehensive financial services. Through these efforts, the Bank is strengthening its role as the financial institution for the agricultural, fisheries and forestry industries.

The Bank also organizes business conferences, providing export support and business-matching to assist business diversification of farmers, fishermen, foresters, and their communities in rural areas with a view to support the sixth industrialization of the agricultural, fisheries and forestry industries and their villages

• Expansion of Financial Services for Agricultural, Fisheries and Forestry Workers

Expansion of Loan Services

As the main bank for the agricultural, fisheries and forestry industries, the Bank has created a unique cooperative financing program called the Agricultural, Forestry, and Fisheries Support Fund. It is aimed at providing financial support for the development of Japan's agricultural, fisheries and forestry industries, as well as organizations in the cooperative system. This is accomplished by developing leaders in the agricultural, fisheries and forestry industries and promoting environment-friendly agricultural practices.

Specifically, we offer the Agriculture, Forestry, Fishery and Ecology Business Loan, which is not excessively dependent on collateral and guarantees to meet a wide range of needs for equipment and working capital required for the production, processing, distribution and sale of agricultural and marine products. There is also the Management Improvement Support Loan for agricultural, fisheries and forestry businesses actively engaging in management reform. We also offer the Agricultural Corporation Development Loan (Agri-Seed Loan), which, in principle, is unsecured and non-guaranteed financing with a loan ceiling of ¥10 million per corporation to meet the new business needs of agricultural corporations run by agricultural leaders for working capital for agricultural production and processing, distribution and sale of agricultural products.

▼ Types of Loans (As of March 31, 2013)

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

<Millions of Yen>

Product	Number of loans	Total loans outstanding
Agriculture, Forestry, Fishery & Ecology Business Loan (since October 2009)	131	36,066
Agri-Seed Loan* (since December 2009)	26	223

*Cumulative total as of March 31, 2013

As the main bank for the primary industries, the Bank meets the business consulting and management needs of those engaged in these industries in a speedy and appropriate manner. We are proactively building relationships with everyone involved in these industries through support to prepare management improvement plans, provision of business matching information, and other means.

To speed up recovery of producers who were devastated by the Great East Japan Earthquake, the Bank established in December 2011 the Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan, which lightens the immediate principal and interest payment burden of borrowers.

Enhancement of Capital Funding Schemes

In fiscal 2010, the Bank established the Agri-Seed Fund, a new framework for supplying capital to agricultural corporations including agricultural production corporations. The Bank develops new agricultural leaders in their areas by investing, in principle, a maximum of ¥10 million per corporation in technically competitive, yet undercapitalized agricultural corporations.

The Agri-Eco Fund also supplies funds as part of the JA Bank Agri-Support Project (CSR project) to support business entities that aggressively promote agriculture and contribute to the environment and community.

<Millions of Yen>

Product	Number of investments	Total investments outstanding
Agri-Seed Fund (since April 2010)	63	563
Agri-Eco Fund (since October 2009)	33	1,172

*Cumulative total as of March 31, 2013

The Bank launched the Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund in February 2012 for agricultural, fisheries and forestry corporations that suffered damage from the Great East Japan Earthquake.

Strawberry farm funded by the Agri-Seed Fund

Wine facility funded by the Agri-Seed Fund

• Support for the Sixth Industrialization of Agricultural, Fisheries and Forestry Industries

JA Bank and JF Marine Bank organize various types of business conferences, business-matching events, and export support by leveraging the strengths and advantages of the cooperative system, as part of their support for the sixth industrialization of agricultural, fisheries and forestry industries and communities. Through these efforts, they promote coordination of production, processing and distribution (sales) by agricultural, fisheries and forestry industry workers and cooperation between the secondary and tertiary industries. In addition, we have established the Sixth Industrialization Fund to support sixth industrialization initiatives financially, operationally and administratively.

▼ Business Conferences Held in Fiscal 2012

Venue	Date	Name	Number of seller groups	Number of buyer companies	Number of meetings
Osaka	November 2012	JA Group/JF Group Kinki Business Conference	24	24	137
Kanazawa	December 2012	JA Group/JF Group Hokuriku Business Conference	37	32	174
Tokyo	February 2013	JA Group National Agricultural and Livestock Producers' Business Conference	144	4,523 people (Number of visitors)	1,794
Sendai	March 2013	Tohoku Reconstruction Support Business Conference Sponsored by JA Group	51	44	250

Business Conferences and Business Matching Initiatives

In fiscal 2012, the Bank held local business conferences in Osaka and Kanazawa and a national business conference in Tokyo. In addition, the Reconstruction Support Business Conference was held in Sendai under the theme of "Full Support for the Recovery of Local Industries." Many producers from devastated coastal areas attended the conference, which was highly rated by seller groups and buyer companies.

National Agricultural and Livestock Producers' Business Conference

Kinki Business Conference

Hong Kong Food Expo 2012

Export Support Initiatives

To provide export assistance to members and agricultural, fisheries and forestry industry workers, in August 2012, we participated, together with JA, agricultural corporations and others, in the Hong Kong Food Expo 2012, one of Asia's largest food trade shows. In March 2013, we invited overseas buyers from Hong Kong and Singapore to the Asia Food Market Opening Seminar 2013 held in Tokyo and Osaka, which was aimed at cooperative organizations, agricultural cooperatives and others.

Asia Food Market Opening Seminar 2013

Agriculture, Forestry, and Fisheries Cooperative Fund (JA Sixth Industrialization Fund; JF Sixth Industrialization Fund; JForest Sixth Industrialization Fund)

JA Group, including the Bank, exercises the Group's collective and organizational strengths in an integrated manner, and through strategic application of measures and policies including the Sixth Industrialization Funds, it specifically promotes these policies. As a result of these policies, we have set up the Agriculture, Forestry, and Fisheries Cooperative Fund" (JA Sixth Industrialization Fund; JF Sixth Industrialization Fund; JForest Sixth Industrialization Fund), a sub-fund jointly capitalized by Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE-J) and cooperative system members. The fund financially, operationally and administratively supports agricultural management entities that are grappling with sixth industrialization, as well as business entities established by JA and partner companies.

Moreover, the fund plans to not only deal with business entities established by agricultural workers, but also those set up by workers, cooperatives, partner companies and others in the fisheries and forestry sectors.

• Environmental Finance Initiatives

In 2010, the Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System for evaluating members and companies that practice environment-friendly initiatives. Items subject to evaluation under this system include environment-friendly initiatives, biodiversity preservation and sixth industrialization initiatives. Under this new system, the Bank extended loans totaling ¥5.0 billion in fiscal 2012.

In March 2012, the Bank began acting as an intermediary for the Offset Credit (J-VER) Scheme. The J-VER scheme is a domestic emissions trading scheme run by the Japanese government. Emission credits are issued based on the reduction of greenhouse gas emissions through the use of energy-saving equipment and the absorption of greenhouse gases by forest thinning. By acting as an intermediary for the trading of J-VER emission credits derived from the agricultural, fisheries and forestry industries, the Bank seeks to support environment-friendly industries and corporate environmental protection measures.

• Initiatives in Renewable Energy Business

Taking advantage of the introduction of the Feed-in Tariff Scheme for Renewable Energy, the Bank is reinforcing its efforts by establishing a division dedicated to renewable energy business and collaborating with related organizations. We are also learning risk analysis methods and acquiring commercialization know-how while preparing a financing framework for renewable energy business.

In addition to leveraging financial tools, in light of the fact that the introduction of renewable energy can lead to revitalization of local communities, we seek to provide not only financial support, but other support needed for commercialization.

Initiatives to Facilitate Financing

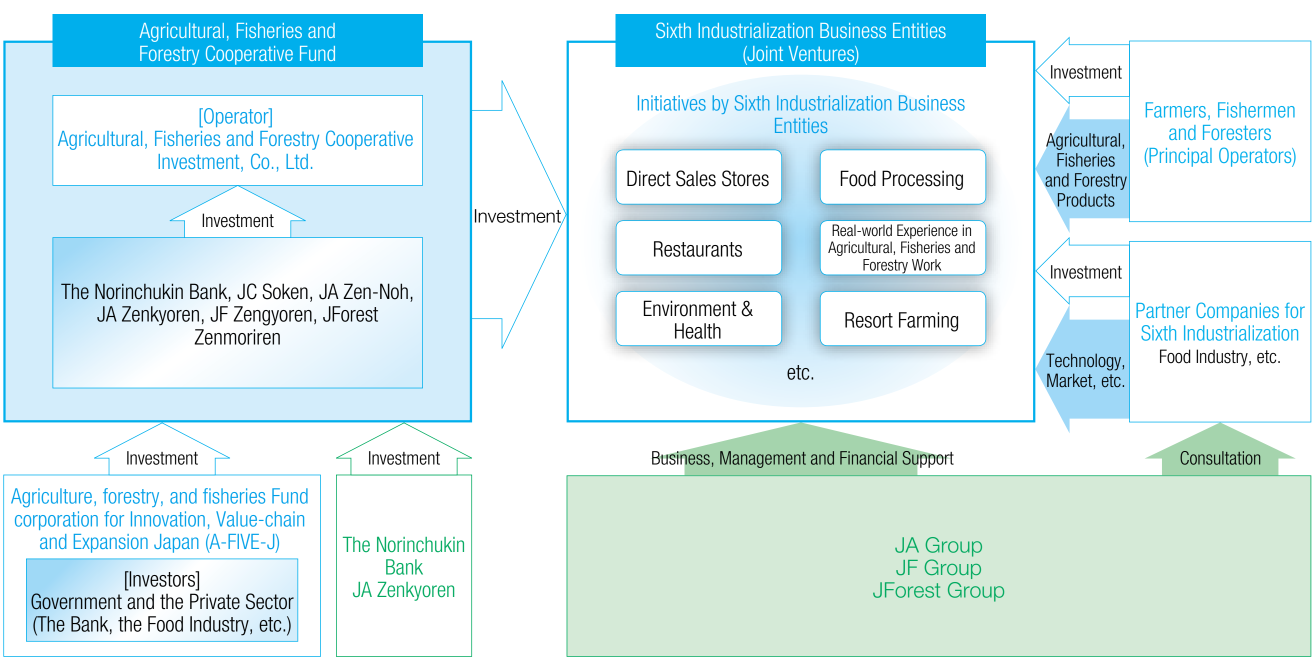
• Policies for Financial Facilitation

As the central organization for Japan's agricultural, fisheries and forestry cooperatives, the Bank views the supply of needed funds to customers, including agricultural, fisheries and forestry workers and small- and medium-sized enterprises, as one of its most important functions. Therefore, it has established the following basic policies for financial facilitation: (1) flexibly handle loan applications from customers, (2) restructure loans in response to customer requests for liability relief, and (3) proactively respond to business inquiries from customers and support business improvement efforts.

To advance the above initiatives in an efficient manner, the Bank has established the Financing Facilitation Management Committee (chaired by a director in charge), the Financing Facilitation Promotion Office

▼ Initiatives for Promoting Sixth Industrialization

- Support for participation by farmers, fisherman and foresters in the processing, distribution and service industries (sixth industrialization) as well as promotion for creation of value-added agricultural, fisheries and forestry products
- Support for initiatives by sixth industrialization business entities where farmers, fishermen and foresters participate through investment in the Agricultural, Fisheries and Forestry Cooperative Fund and others



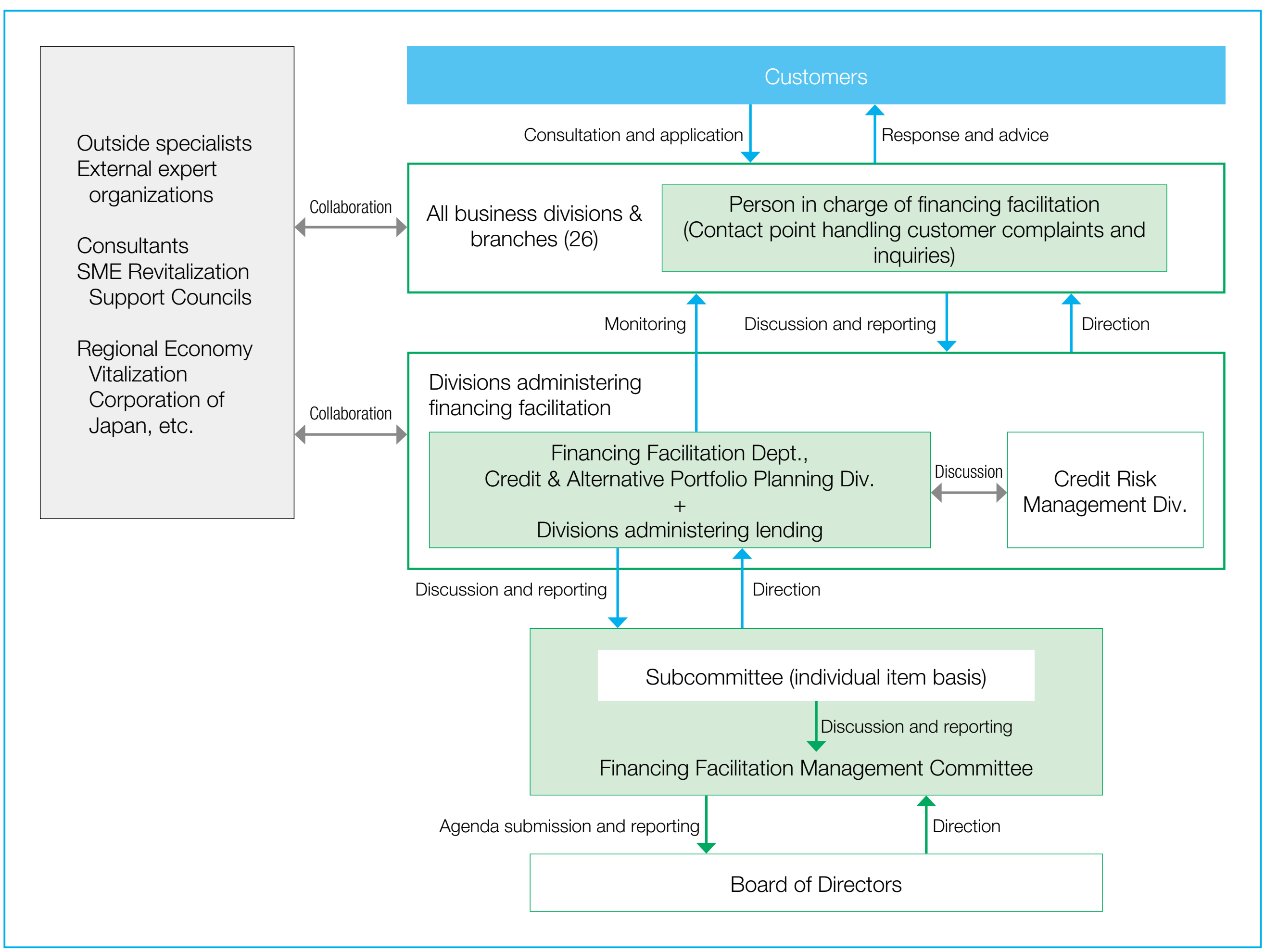
(a specialized unit), a position in charge of facilitating financing in each branch that cooperates with the Financing Facilitation Promotion Office, and a contact point handling customer complaints and inquiries.

Although the Act concerning Temporary Measures to Facilitate Financing for Small and Medium-sized Enterprises (SME Financing Facilitation Act) expired on March 31, 2013, the basic policies and framework of the Bank will remain unchanged.

• Management Support Initiatives for Customers

The Bank deals with customers requiring support for management improvement and business revitalization on a priority basis, fully taking into account its impact on the local economy. Divisions and branches that handle customer transactions and specialized units of the head office work together to support customer efforts by drawing up and executing plans, and reviewing their progress and, when necessary, the plans themselves. As appropriate, the Bank collaborates with relevant external organizations including consulting companies, Small-and Medium-sized Enterprise Revitalization Support Councils (SMERSCs) and Regional Economy Vitalization Corporation of Japan (REVIC). In this way, using various means, we work to achieve an optimal solution.

▼ Financial Facilitation System



〉〉〉CSR Initiatives

As the central organization for Japan's agricultural, fisheries and forestry cooperatives and a financial institution that conducts investment activities globally, winning the trust of diverse stakeholders and contributing to sustainable social and economic development is the basis of the Bank's CSR (corporate social responsibility) activities. In our CSR initiatives, "strong internal controls including legal compliance" and "personnel policies that enable diverse human resources to play an active role" are the basis for all trust. The Bank and its group companies will continue pursuing CSR activities throughout our business under the three pillars of contributing to (1) members, (2) the advancement of the agricultural, fisheries and forestry industries, and (3) the community at large.

The Bank has actively carried out CSR activities. In fiscal 2008, we established the CSR Committee and a division dedicated to CSR. Ever since, we have enhanced our CSR efforts, including annual publication of the CSR Report.

Specifically, the Bank has subsidized activities for revitalization of Japan's private forests through the Norinchukin 80th Anniversary Forest Rejuvenation Fund (FRONT80); helped promote the agricultural industry by working on the JA Bank Agri-Support Project in collaboration with JA and JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives); and conducted other community and social contribution activities, which include the "Hana Ippai Undo (flower planting campaign)," where we donated flower seeds and tulip bulbs, sponsorship for regional development campaigns, and participation in environmental beautification campaigns as clean-up volunteers.

JA Bank Agri-Support Project

Initiatives for Fiscal 2012	
Providing support for agricultural leaders	**Interest Subsidy Project: Implemented a maximum 1% interest subsidy scheme for agriculture-related loans provided by JA** The Bank received applications for a total of approximately ¥1.3 billion subsidies from about 78,000 applicants for JA agricultural loans. The Bank granted subsidies for 69,469 applications accepted last year for a total amount of ¥1.213 billion.
	Investment Project: Support via funding of corporations in agricultural and environmental fields The Agri-Eco Support Fund invested ¥2 billion in the Agri-Eco Fund, which has been established to assist corporations actively engaged in promoting agriculture and contributing to the environment and society. Investments have been made in 28 corporations thus far totaling ¥1.172 billion.
	New farmer support project: Support to encourage acceptance of new entrants into the farming sector in order to develop new agricultural leaders In order to help train new agricultural leaders of the future, the Bank subsidized farmers and JA that took on trainees who wished to start a career in agriculture. The Bank accepted 545 applications, with planned funding of ¥56 million. The Bank granted subsidies for 515 applications received last year for a total amount of ¥51 million.
Assistance for initiatives that contribute to agriculture and local communities	**JA Bank Food & Farming Education Support Project: Financial assistance for JA's food and farming education and creation and donation of textbooks** Textbook Donation Project: JA Bank created original textbooks for senior elementary school students on the subject of food and farming, and donated textbooks to about 20,000 schools nationwide. Furthermore, 1.42 million textbooks were donated to Japanese schools outside the country. A special needs education version was also published in 2012 based on a new universal design approach. Educational Activities Aid Project: Financial aid was provided for JA's food and farming education-related activities targeted at children. The Bank accepted 2,246 applications with planned funding of ¥664 million. The Bank granted subsidies for 2,233 applications in the second half of fiscal 2011 and first half of fiscal 2012 for a total of ¥484 million.

Japan Institute of Agricultural Management

To develop farmers equipped with a global perspective and high-level practical knowledge, the Japan Institute of Agricultural Management was established and the first batch of 21 students was enrolled in April 2013. The Bank, together with JA Zenchu (Central Union of Agricultural Cooperatives), JA Zen-Noh (National Federation of Agricultural Cooperative Associations) and JA Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives), has been deeply involved since the establishment of AgriFuture Japan, the operator of the school, and has supported the development of the next-generation of farmers to pioneer Japan's agricultural future.

The Cooperative System and the Cooperative Banking Business

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

The Cooperative System and the Cooperative Banking Business

In addition to "banking business," which involves accepting deposits and making loans, our cooperative members engage in a number of other business activities. Among these are providing "guidance" for business and day-to-day matters for farmers, fishermen and foresters; "marketing and supplying" through sale of agricultural, fisheries and forestry products as well as procurement of production materials; and "mutual insurance" as insurance coverage for various unforeseen events.

The cooperative members that perform this wide range of activities comprise JA, JF and JForest at the municipal level and their respective federations and unions at the prefectural and national level (as indicated in the accompanying chart). This nationwide structure from the municipal level to the national level is generally known as the "cooperative system."

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

Business Activities of Cooperatives

• Japan Agricultural Cooperatives (JA)

JA are cooperatives, established under the Agricultural Cooperative Law, that conduct a wide range of businesses and activities in the spirit of mutual assistance. The principal business activities of JA encompass (1) offering guidance for improving individual members' management of their farms and their standards of living; (2) providing marketing and supplying functions for farming, including gathering and selling of crops, and supplying materials needed for production and daily living; (3) providing mutual insurance, such as life and auto insurance; and (4) offering banking-related services, such as accepting deposits, making loans and remitting funds.

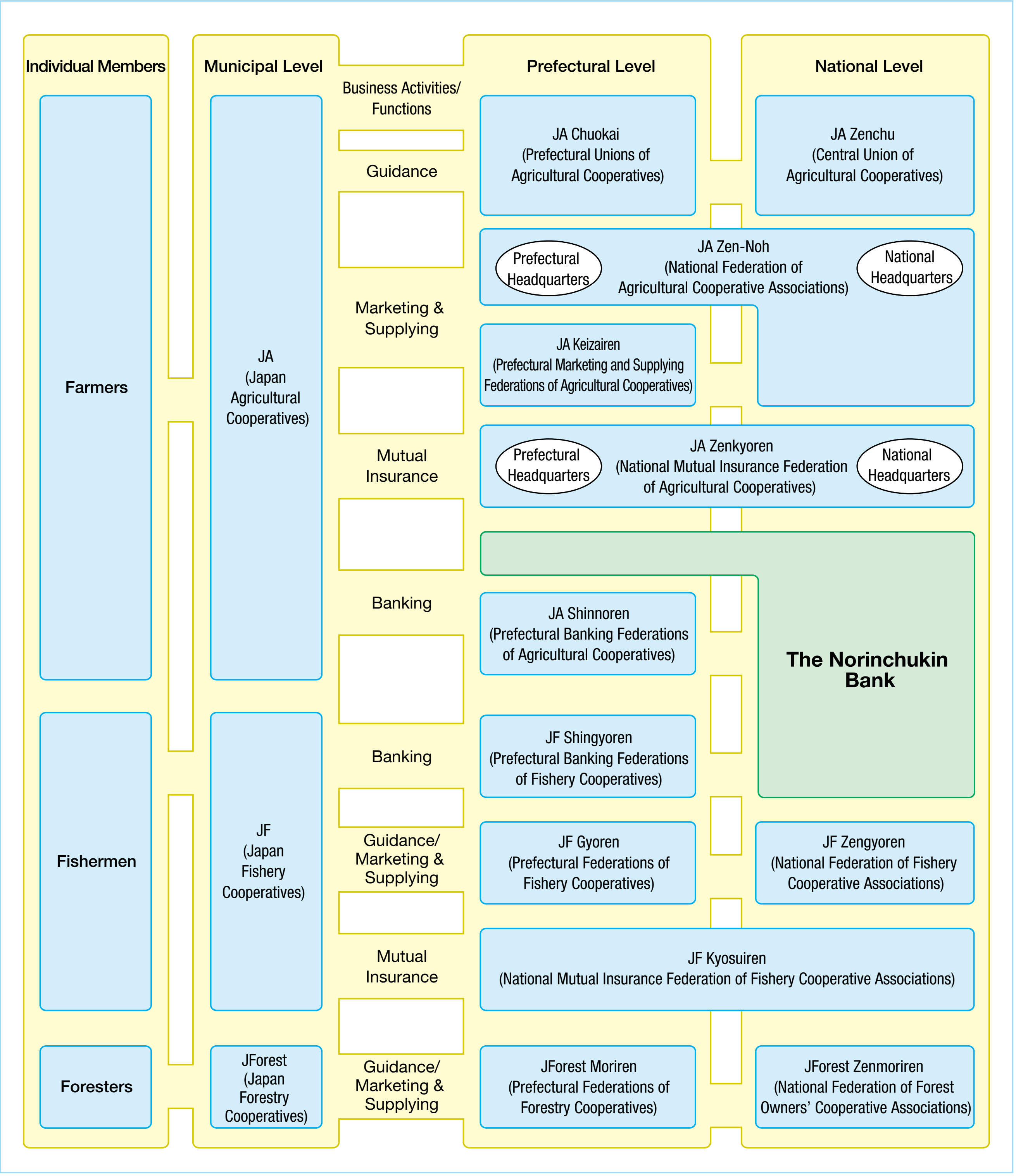
As of April 1, 2013, there were 703 JA throughout Japan that contribute to the agricultural industry as well as the development of rural communities through their various businesses and other activities.

• Japan Fishery Cooperatives (JF)

JF are cooperatives established under the Fishery Cooperative Law with the objective of overseeing and protecting the businesses and lives of fishermen. The principal business activities of JF include providing (1) guidance for the management of marine resources and for the improvement of individual members' management of their business and production technology; (2) marketing and supplying for individual members for the storage, processing and sale of caught fish and other marine products, and for the supply of materials required for their business and daily lives; (3) banking services, including acceptance of deposits and lending of needed funds; and (4) mutual life and non-life insurance. As of April 1, 2013, there were 977 JF throughout Japan that contribute to both the fisheries industry and to the development of fisheries communities through a broad range of activities.

As of April 1, 2013, there were 137 JF throughout Japan that conduct JF's banking business. In addition to these JF, there are JF that act as agents of JF Shingyoren providing their banking services for fisheries communities. They provide banking services for the fisheries industry in their respective prefectures.

Structure of the Cooperative System



• Japan Forestry Cooperatives (JForest)

JForest, established under the Forestry Cooperative Law, are cooperatives for private forest owners. The ownership structure of Japan's forests consists mostly of small forest owners, and forestry cooperatives play an important role in organizing and representing their interests.

The principal business activities of JForest consist of planting, undergrowth removal and thinning of forests owned by individual members, as well as sale of forest products, such as logs and timber.

Playing a central role in forestland improvement, 650 JForest (as of April 1, 2013) throughout Japan contribute to helping forests perform their diverse range of natural functions, including supply of timber and other forest resources, preservation of national land, protection of watersheds, maintenance of living environment, and provision of places for health and relaxation.

Position of the 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 were created with the aim of improving the economic and social positions of farmers, foresters and fishermen through cooperative efforts of their respective individual members under the slogan "one for all and all for one."

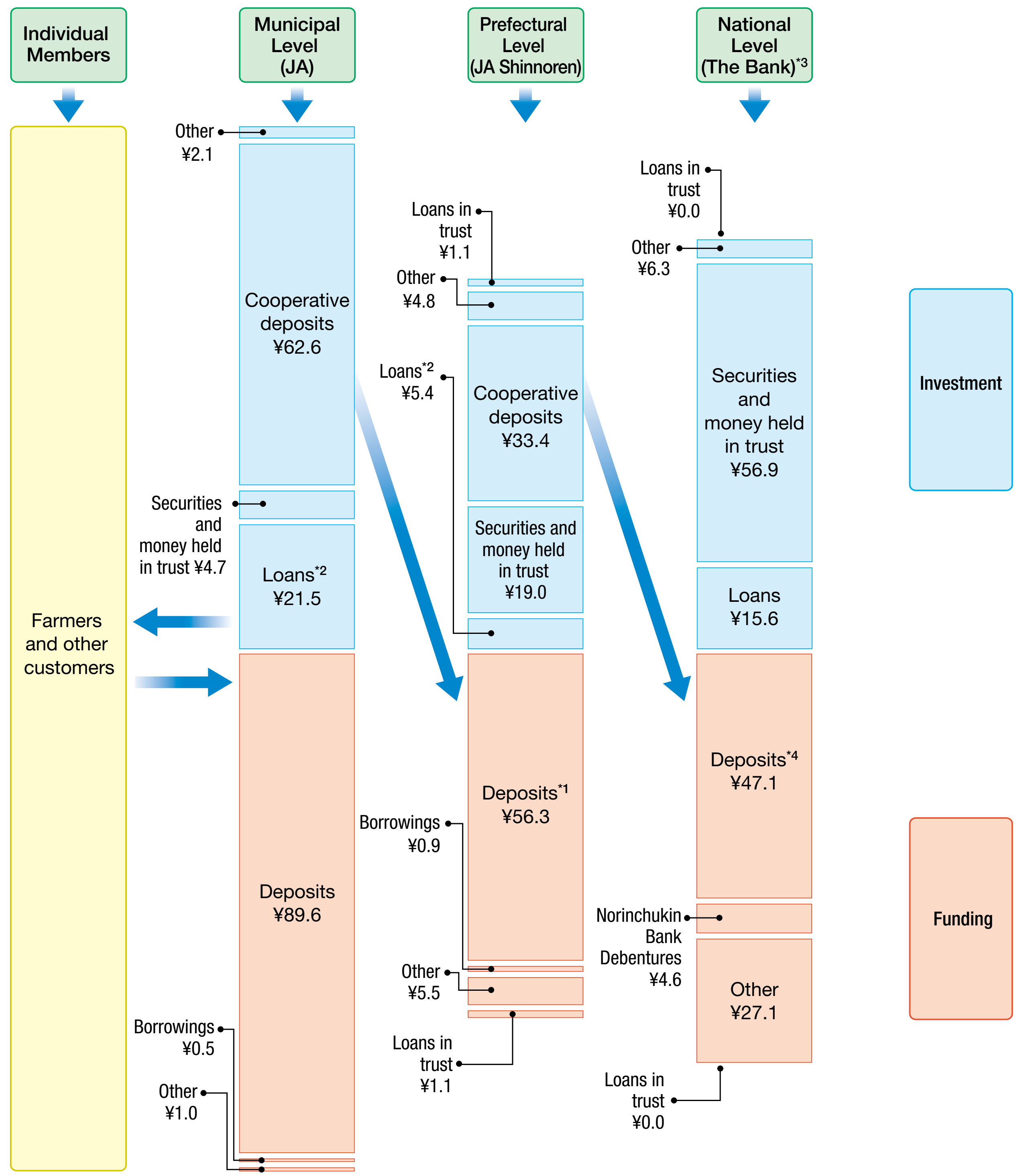
The Bank is a national-level cooperative financial institution whose membership (i.e. shareholders) comprises the previously mentioned municipal cooperatives, prefectural federations and other organizations. Furthermore, the Bank plays a major role in Japanese society as a contributor to the development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

The Bank's funds are derived from member deposits (the majority of funds held at the Bank are deposits of individual members of JA and JF) and the issuance of Norinchukin Bank debentures. The Bank also raises capital in financial markets. These financial resources are then lent to farmers, fishermen, foresters, corporations connected to the agricultural, fisheries and forestry industries, local governments and public entities. In addition to the aforementioned activities, the Bank efficiently manages its funds through investments in securities and other financial instruments. The Bank stably returns to its members profits on investment and lending activities and provides various other financial services. Through these various services and activities, the Bank plays a major role as the national-level financial institution for cooperatives.

Article 1 of the Norinchukin Bank Law

As a financial institution based on agricultural, fisheries and forestry cooperatives as well as other members of the agriculture, fisheries and forestry cooperative system, the Bank contributes to the development of the nation's economy by supporting the advancement of the agricultural, fisheries and forestry industries by providing financial services for the member organizations of the cooperative system.

▼ Flow of Funds within JA Cooperative Banking System (As of March 31, 2013) (Trillions of Yen)



Totals of "investment" and "funding" may not equal the sum of their components due to rounding.

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

*2. The loan balances of JA and JA 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 those from JA, but also those from JF, JForest Group and other financial institutions.

Current State of Japan's Agricultural, Fisheries, and Forestry Industries

• Agricultural Industry

With many problems surrounding Japanese agriculture including a shortage of leaders in rural communities due to a sharp decrease in agricultural incomes, dwindling population and an aging society, uncertainties are mounting. These include rising grain prices resulting from economic growth in emerging countries and other factors, as well as the move to join the Trans-Pacific Partnership (TPP).

Against this backdrop, the government, under the banner of "agriculture, forestry and fisheries policies on the offensive," increased the budget for the agricultural, fisheries and forestry industries in fiscal 2013 for the first time in 13 years. The budget for agriculture and rural area development projects has increased, measures for the "People and Farmland Plan" have been strengthened, and the Agricultural, Fisheries and Forestry Industries Growth Fund has been established.

JA Group's strategy for the three-year period beginning from fiscal 2013 was decided at the 26th JA National Convention held in October 2012. One of its pillars, the local agricultural strategy, addresses the formulation and practical application of a "vision for local agriculture," which is to be promoted in an integrated manner with the "People and Farmland Plan" being pursued by the Ministry of Agriculture, Forestry and Fisheries. With the government indicating that it will participate in Trans-Pacific Partnership (TPP) negotiations, the agricultural situation is increasingly uncertain, but there continues to be a need to work toward the sustainable development of Japanese agriculture.

• Fisheries Industry

Circumstances surrounding the fisheries industry and its communities are growing increasingly harsh due to rising fuel prices, deteriorating fishing grounds, stagnant resources, advancing age of existing fishermen, and other factors.

Given these circumstances, the Fisheries Agency implemented resource management and fisheries industry income compensation measures that combine resource management and income stabilization measures; and cost measures that protect against sharply rising fuel and other prices. Furthermore, the agency is implementing measures that reduce the interest burden on funds for equipment investment and working capital and that provide loans that do not require collateral or a guarantor. Fisheries cooperative organizations are now collaborating more closely with the government and relevant groups so that Japan's fisheries industry can continue to develop.

• Forestry Industry

Japan's forests cover 25 million hectares, or about two-thirds of the country's land mass. Private forests, which account for about 70% of the forest area in Japan, are not properly cared for and have become unproductive partly due to the trend of aging population and depopulation in rural mountain villages and a lower interest in entering the forestry sector, where wood prices have been in a long-term slump. This explains why cedar and cypress forests throughout Japan planted after World War II are losing the capacity to properly perform their functions even though the trees have reached maturity.

Under these circumstances, in December 2009, the Ministry of Agriculture, Forestry and Fisheries instituted the Forestland and Forestry Regeneration Plan, a roadmap for the regeneration of forestlands and the forestry industry. In fiscal 2011, the Forest Act and the Basic Plan for Forest and Forestry were revised. Now, these revised rules are in the full implementation phase, with the Forest Management Plan System fully implemented in fiscal 2014.

JForest Group decided to take part in the Movement to Expand the Use of Domestic Lumber and Revitalize Forestland and the Forestry Industry, a cooperative campaign that covers the five-year period from fiscal 2011 through fiscal 2015. The Group is pursuing the following three agendas as part of this campaign: (1) expand domestic lumber use and reform distribution system, (2) prioritize implementation of proposal-based forest management consolidation and establish a sustainable low-cost forestry industry, and (3) establish an organization and management that gains the trust of cooperative members and citizens.

Operations of the JA Bank System

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

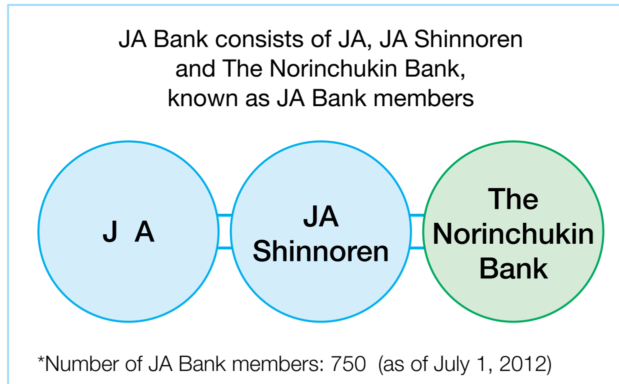
What is JA Bank?

• JA Bank is the Name of a Group of Financial Institutions

The JA Bank System consists of JA, JA Shinnoren and The Norinchukin Bank, which are together referred to as 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, 2012, JA Bank contained 713 JA, 36 JA Shinnoren and The Norinchukin Bank, for a total of 750 entities.

▼ JA Bank

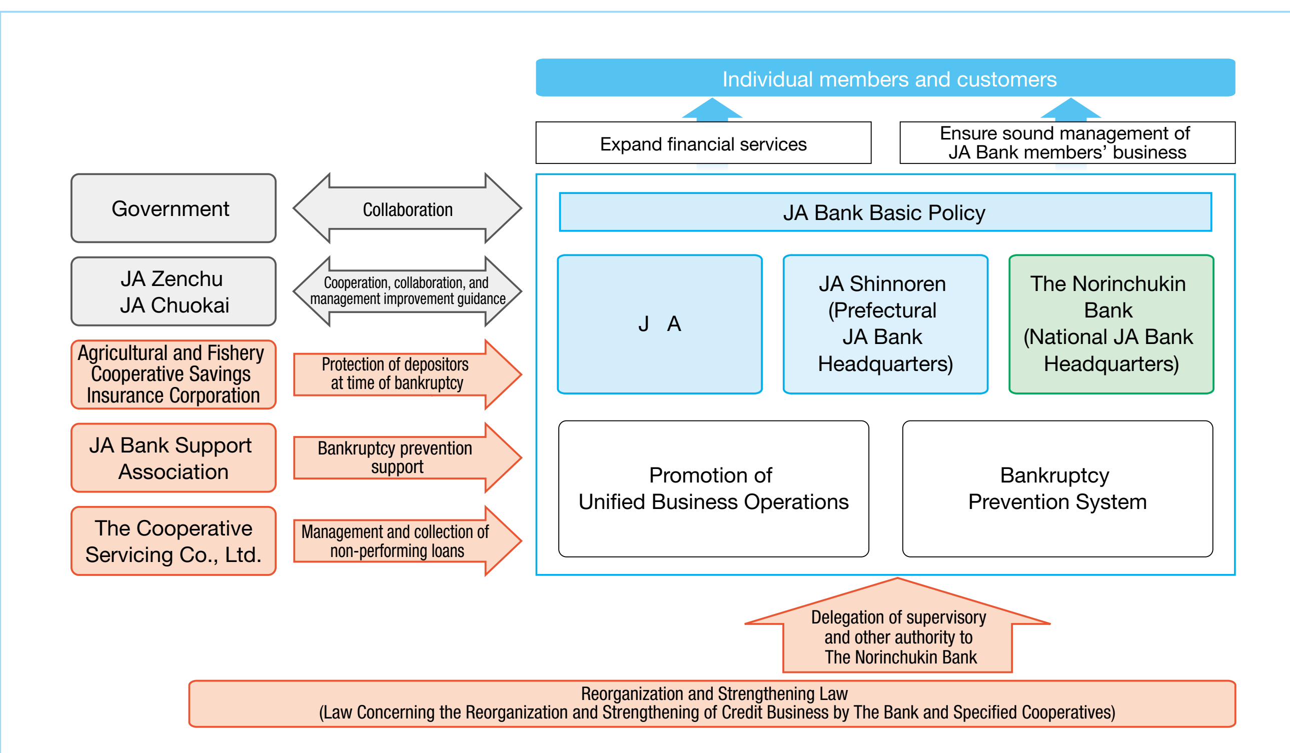


JA Bank System

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

To ensure that individual members and customers of JA Bank have even stronger confidence in the cooperative banking system and make increased use of its services,

▼ Framework of the JA Bank System



we have established the JA Bank Basic Policy. This policy is based on the Reorganization and Strengthening Law (Law Concerning the Reorganization and Strengthening of Credit Business by the Bank and Specified Cooperatives) and is implemented with the consent of all JA Bank members. The framework for integrated and systematic cooperation among JA, JA Shinnoren and The Norinchukin 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 "unified business operations," which seeks to improve and strengthen financial services provided by JA Bank by taking advantage of both economies of scale and meticulous customer care. The second is the "bankruptcy prevention system," which ensures the reliability of JA Bank.

• Comprehensive Strategy of JA Bank

JA Bank has instituted the JA Bank Medium-Term Strategies as a comprehensive management and business strategy. In fiscal 2012, under the JA Bank Medium-Term Strategies (fiscal 2010 through fiscal 2012), which has as its basic objective to establish JA

▼ JA Bank Medium-Term Strategies (fiscal 2013 through fiscal 2015) and JA Bank Medium-Term Human Resources Plan (Fiscal 2013 through fiscal 2015)

Future Vision in 10 Years Time

- The Bank that Contributes to Food Production and Consumption, Agriculture, and Local Communities More than Ever
- The Bank Chosen and Trusted by Customers

JA Bank Medium-Term Strategies and Human Resources Development Plan

Proposal and Provision of Products and Services from Customers' Perspectives

Visiting Customers
Improvement of agricultural financial services for farmers
Improvement of financial services for daily living

Service Locations
Demonstration of the ability to consult and provide products and services

Target
JA Savings: ¥95 trillion
JA Bank Loans: ¥10 trillion

Improvement and Review of Product and Service Quality

Enhancement of the Role as the Main Bank for the Agricultural Industry
- More appealing agricultural financial products (e.g. provision of interest subsidy and various funds)
- Promotion of agricultural, commercial and industrial cooperation and sixth industrialization
- Support for revitalization of local communities (e.g. use of renewable energy)

Provision of Financial Services for Daily Living that Meet Customer Needs
- Support for customers to build assets in a secure manner through savings, JGB, and investment trusts
- Assistance for secure inheritance of assets to the next generation on an individual basis
- Pursuit of "convenience" (e.g. expansion of affiliated ATM networks and charge-free ATM)

Demonstration of Financial Institution's Functions of a Public Nature

- Appropriate response to facilitate financing on a continuous basis
- Stable operation of computer systems under reliable system risk management
- Implementation of various measures for uninterrupted provision of basic financial services in the event of a large-scale disaster

Cultivation and Development of Human Resources — Fundamental Resources for Provision of Services and Management

Development and raising awareness of leaders who can formulate strategies and policies in accordance with changing environment as well as employees chosen and trusted by customers

Bank as a bank that contributes to both the agricultural industry and people's daily lives, is chosen by the people, and continues to grow, JA and other JA Bank members at the prefectural and national levels implemented measures to strengthen JA Bank's role as the main bank for the agricultural industry as well as for local residents in order to achieve the numerical targets for JA Bank.

Holding to the ideal of establishing itself as a bank that contributes more than ever to food, agriculture and local communities and is chosen and trusted by the people as the vision JA Bank seeks to achieve 10 years from now, we have formulated new JA Bank Medium-Term Strategies (fiscal 2013 through fiscal 2015), which incorporate measures to achieve this ideal. With appropriate role-sharing between JA, JA Shinnoren and The Norinchukin Bank, we are taking steps to promote business and ensure management soundness.

In conjunction with this, we have formulated JA Bank Medium-Term Human Resources Plan (fiscal 2013 through fiscal 2015) to train and develop the skills of human resources who will put the Medium-Term Strategies into practice. In this way, we are developing highly specialized employees for the banking business who can meet the needs of individual members and customers.

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

As the main bank for Japan's agricultural industry, JA, JA Shinnoren and The Norinchukin Bank work in unison to enhance financial services for the agricultural industry.

In addition to proper provision of financial services to small- and medium-sized farmers, especially regular members, JA Bank has enhanced its agricultural financial centers function at the prefectural level in order to address the wide-ranging needs of large-scale farmers and agricultural corporations. Specific initiatives being taken include proactively visiting customers, providing agricultural loans and consultations, interest subsidies (up to 1%) and capital for agricultural corporations; holding business conferences in preparation for sixth industrialization; and offering business matching services and export assistance.

In addition, JA Bank has focused on developing human resources, such as personnel in charge of agricultural loans. Thus far, a total of 2,950 have been certified as JA Bank Agriculture Financial Planners, an agriculture financial certification established in fiscal 2011.

• Initiatives to Strengthen Its Role as the Main Bank for Local Residents

Seeking to be the main bank for individual members and customers, JA Bank, with JA, JA Shinnoren and The Norinchukin Bank work in unison, puts the highest priority on providing meticulous customer care and raising customer satisfaction.

Specific measures taken include providing products related to deposit, mortgage loans and others as well as consultation services on pension receipt and inheritance issues; increasing the number of ATMs at other banks that JA Bank's individual members can use free of charge; and enhancement of Internet banking functions. Under JA Bank Medium-Term Strategies (fiscal 2013 through fiscal 2015), JA Bank is taking steps to strengthen the proposal-making ability of JA's sales and counter staff, ensuring that it provides services from the customers perspective by carrying out improvements based on its customer satisfaction surveys, and working so that it continues to be a bank that is chosen and trusted by everyone.

• Initiatives to Develop Efficient Business Operation

The JASTEM System, a unified nationwide IT system managed by the Bank for JA Bank, is JA Bank's core infrastructure needed to provide a consistent level of service to users everywhere in Japan. While fulfilling our social responsibility, we are upgrading the system to create greater convenience for JA and its individual members and customers and to fulfill and streamline the functions required for JA business operations.

To upgrade to the next-generation system when the current system's lifecycle ends, JA Bank is sorting out work and system issues, coordinating medium- to long-term business strategies and the framework for an infrastructure upgrade plan, and conducting a working-level review.

• Initiatives to Ensure Sound and Stable JA Bank System

Under the "bankruptcy prevention system," JA Bank 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, a designated support corporation founded based on the Reorganization and Strengthening Law, has established the JA Bank Support Fund with financial resources contributed by JA Bank members nationwide. This fund can inject capital and provide other needed support to JA Bank members.

Through these initiatives, we ensure that JA Bank enjoys an even greater degree of confidence from its individual members and customers.

In addition, JA, JA Shinnoren and The Norinchukin Bank participate in the Agricultural and Fishery Cooperative Savings Insurance System, a public savings insurance system.

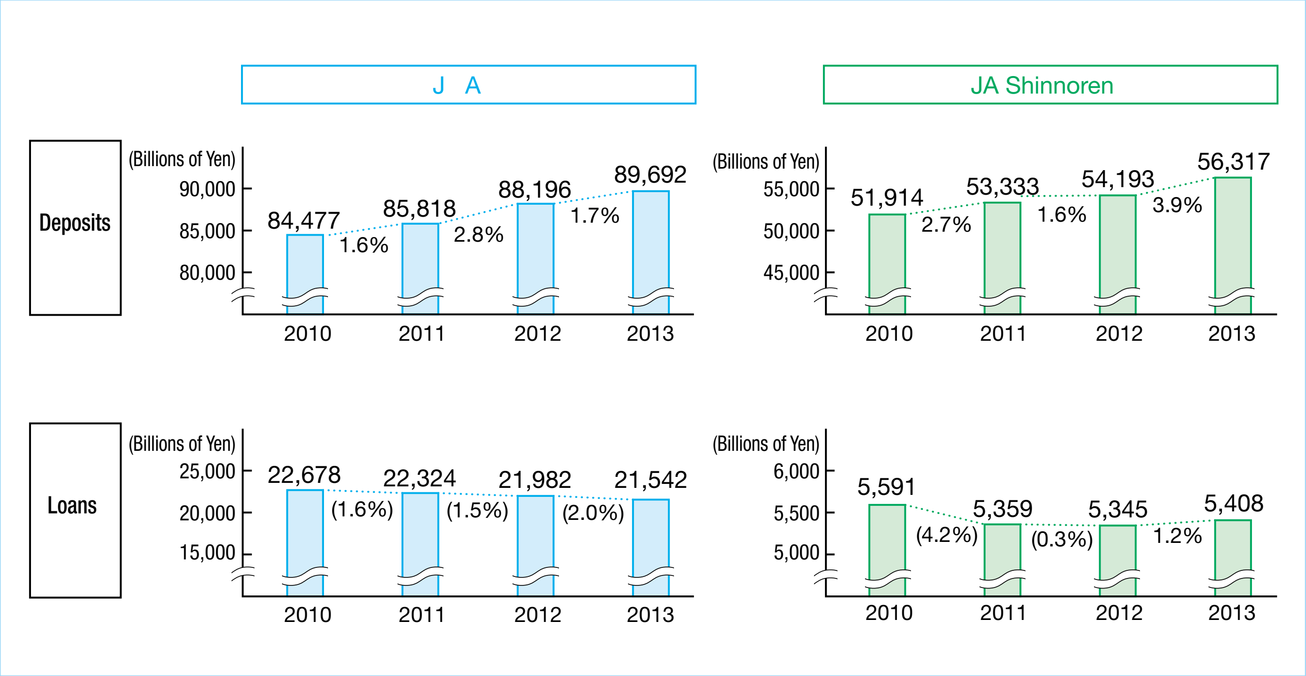
Trends of Cooperative Members and the Cooperative Banking Business

• Trends of JA Group Funds

In fiscal 2012, JA deposits rose 1.7% year on year, to a year-end balance of ¥89,692.9 billion. This was largely due to an increase in deposits mainly from individuals as a result of providing financial services meeting customers' needs.

Although JA focused on expanding personal loans, especially mortgage loans, total loans declined 2.0% year on year, to a year-end balance of ¥21,542.9 billion. This was mainly due to sluggish growth from intensifying interest rate competition with other banks and a decrease in the balance for loans for local governments

▼ Deposits and Loans (As of March 31, 2013)



and public entities. Securities held by JA decreased 4.1% year on year, to a year-end balance of ¥4,745.6 billion.

Deposits with JA Shinnoren increased 3.9% year on year, to a year-end balance of ¥56,317.4 billion.

The balance of loans issued by JA Shinnoren increased 1.2 % year on year, to a year-end balance of ¥5,408.6 billion. Securities (including money held in trust) held by JA Shinnoren increased 1.8%, to a year-end balance of ¥19,058.6 billion.

Reorganization of JA Cooperative Banking Business

To deal effectively with changes in the operating environment of the agricultural industry as well as individual members and JA, JA Bank has rationalized and streamlined the organization and business of its cooperative banking system.

The Norinchukin Bank has also conducted the following organizational streamlining by shifting from a three-tier structure consisting of JA at the municipal level, JA Shinnoren at the prefectural level, and The Norinchukin Bank at the national level to a two-tier structure of JA and The Norinchukin Bank. This was achieved by the merger of JA Shinnoren in ten prefectures (Aomori, Miyagi, Akita, Yamagata, Fukushima, Tochigi, Toyama, Okayama, Nagasaki, and Kumamoto). Also, a partial transfer of the operations of JA Shinnoren in Gunma Prefecture to The Norinchukin Bank has been carried out.

A partial transfer of JA Shinnoren operations in Chiba Prefecture to The Norinchukin Bank was completed on July 16, 2013.

Elsewhere, the goal of "one JA in each prefecture," whereby the rights and obligations of both JA Shinnoren and JA Keizairen (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.

The Bank will continue to steadily support functional and system reforms of JA and its efforts to rationalize and streamline operations with the goal of creating a cooperative banking structure capable of meeting the expectations and winning the trust of both individual members and customers.

JF Marine Bank's Operations

JF Marine Bank provides financial support to coastal communities and appropriate financial functions to the fisheries industry

What is JF Marine Bank?

• JF Marine Bank is the Name of a Group of Financial Institutions

JF Marine Bank is the name of a nationwide financial group consisting of JF Marine Bank members (JF that engage in the cooperative banking business including deposits and loans, JF Shingyoren and The Norinchukin Bank) and JF Zengyoren (National Federation of Fishery Cooperative Associations).

As of April 1, 2013, JF Marine Bank members totaled 168, consisting of 137 JF that offer financial services and 30 JF Shingyoren and The Norinchukin Bank.

▼ JF Marine Bank

JF Marine Bank Members
- JF that offer cooperative banking services
- JF Shingyoren
- The Norinchukin Bank

JF Zengyoren

*Number of JF Marine Bank members: 168 (as of April 1, 2013)

Direction of JF Marine Bank

• JF Marine Bank Basic Policy

JF Marine Bank formulated its Basic Policy in January 2003, based on the provisions of the Reorganization and Strengthening Law. The objectives of the Basic Policy are: (1) to protect depositors by ensuring that JF Marine Bank conducts business in a sound and proper manner and (2) to properly respond to the financial needs of individual members and customers by restructuring JF Marine Bank's business, organization and management.

• Framework for Bankruptcy Prevention

To further increase the adequacy and soundness of business operations, all JF Marine Bank members are required to submit management data to JF Marine Bank Headquarters, where such data is examined. 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 preventive actions, thereby creating a system that assures depositors' peace of mind. These activities are taken under the guidance of The Norinchukin Bank and JF Shingyoren.

In addition to these activities, JF, JF Shingyoren and The Norinchukin Bank have jointly established the JF Marine Bank Support Fund and set up a framework for encouraging the voluntary efforts of cooperative members toward organizational and business reforms.

JF, JF Shingyoren and The Norinchukin Bank also participate in the Agricultural and Fishery Cooperative Savings Insurance System, a public savings insurance system.

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

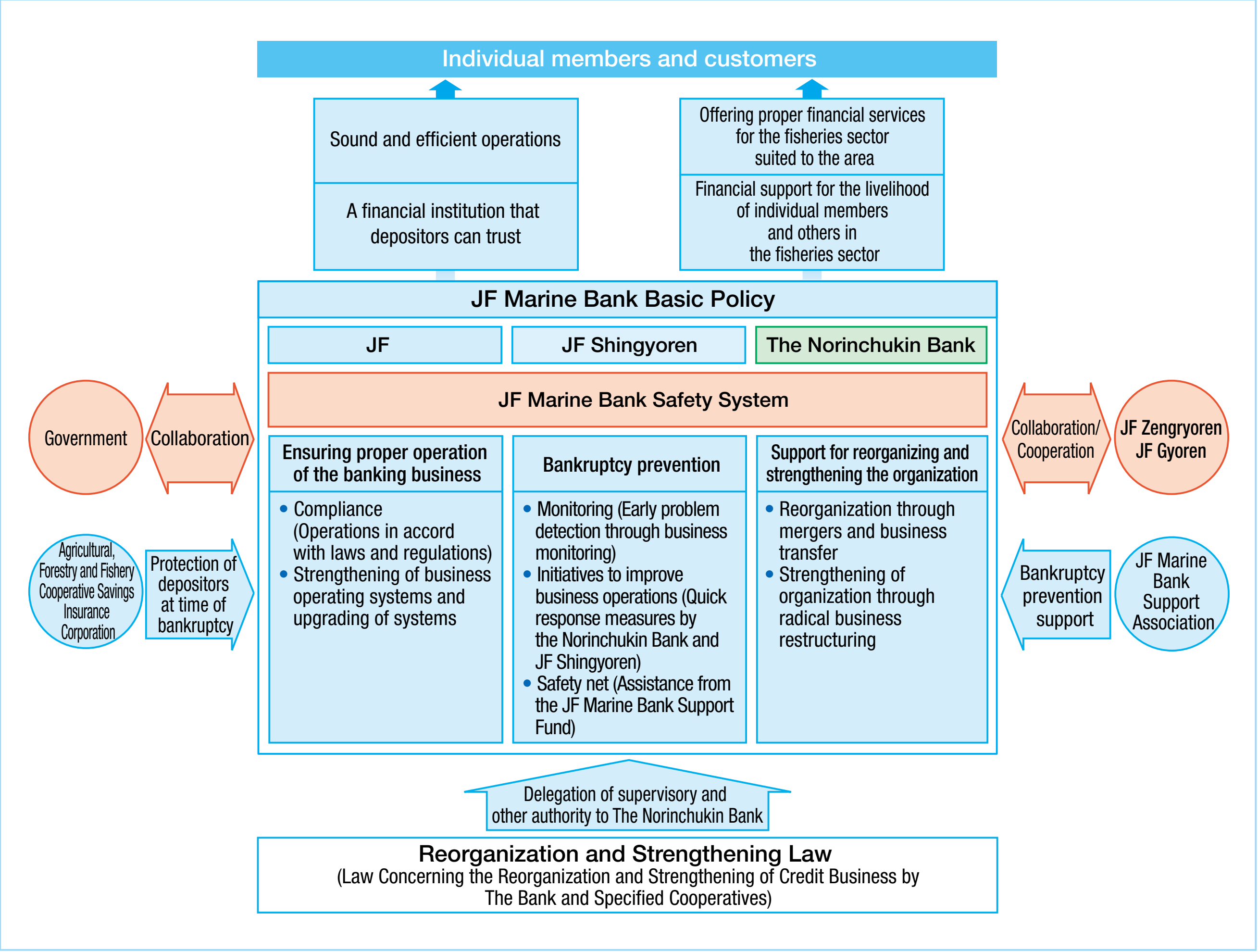
JF Marine Bank provides community-based financial services to members of the fisheries industry and assumes an essential role in coastal communities. To make improvements that will ensure that JF Marine Bank has a management system appropriate for a member of Japan's financial system, a "system of one fishery cooperative banking business in each prefecture" has been carried out. Under the system, JF and JF Shingyoren in the same prefecture conduct in unison the cooperative banking business. As a result, a fishery cooperative banking business had been established in each prefecture as of the end of fiscal 2009.

With the goal of making this foundation even stronger and achieving sound and efficient business operation, we have set up the JF Marine Bank Safety System (Stable and Responsible JF Cooperative Banking Business System). Under the system, business of JF Marine Bank is managed by (1) a JF Shingyoren formed through merger of several JF Shingyoren in the same prefecture, (2) a JF Shingyoren together with more than one JF in the same prefecture, (3) a JF in its prefecture, and (4) a JF Shingyoren covering more than one prefecture.

JF Marine Bank has formulated the JF Marine Bank Medium-Term Business Promotion Policy to include efforts for banking business. Under this policy, JF Marine Bank is continuing to take steps to improve its management and strengthen its financial position in line with the JF Marine Bank Basic Policy, while placing an even greater emphasis than before on the improvement of fishery operations, the basis of sound operations of JF Marine Bank.

JF Marine Bank is working to be a trusted provider of financial services for fishing communities. As a cooperative banking institution, it believes that its purpose is to serve not only its individual members and customers, but also communities and local societies. To these aims, JF Marine Bank will work to respond to the financial needs of the fishery industry suited to the area.

▼ Management Framework of JF Marine Bank



JForest Group Initiatives

Trends of JF Cooperative Banking Business

The balance of deposits held with JF Bank increased 2.2% year on year, to ¥2,376.2 billion, at the end of fiscal 2012.

The balance of loans at JF Bank fell 0.4% year on year, to ¥649.0 billion, due to such factors as easing of demand for new financing amid a harsh environment for fisheries business.

Reorganization of JF Cooperative Banking Business

JF cooperative banking business is being reorganized to create a more sound and efficient management system by means of the following two methods:

Through the efforts of merger among several JF and transfer of banking business from JF to JF Shingyoren, the number of JF engaged in banking business has been reduced to 137 as of April 1, 2013 from 875 as of March 31, 1999.

The total number of JF, including those not engaged in banking business, decreased by 11 in fiscal 2012. As a result, the number of JF stood at 977 as of April 1, 2013, reflecting progress made toward consolidation.

In the future, greater emphasis will be placed on policies to strengthen and reorganize JF cooperative banking business under the JF Marine Bank Safety System (Stable and Responsible JF Cooperative Banking Business System), which serves as a framework for JF Marine Bank's business management.

The Norinchukin Bank supports these initiatives with JF cooperative members.

Current State of Cooperative Activities

JForest Group has established the Movement to Expand the Use of Domestic Lumber and Revitalize Forestlands and the Forestry Industry, a new cooperative campaign policy that runs from fiscal 2011 through fiscal 2015. With the goal of developing more than 70% of private forest and supplying more than 50% domestic lumber in the next decade, JForest Group is carrying out the following three agendas: (1) expand domestic lumber use and reform distribution system, (2) consolidate management and establish low-cost forestry industry, and (3) establish management and accountability system. Through these efforts, JForest Group will play a key role in regenerating Japan's forests and the forestry industry.

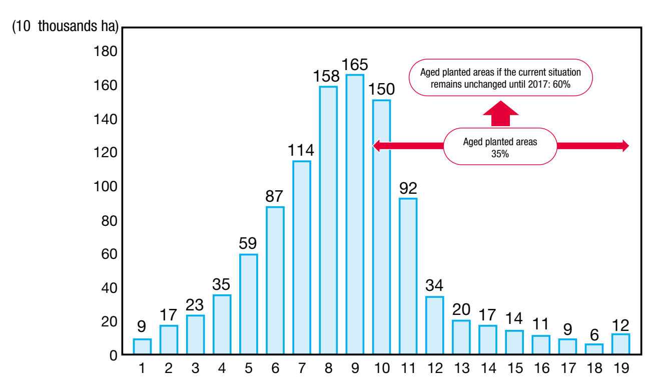
Norinchukin Bank Initiatives

In addition to providing financial support for JForest Group's various initiatives, the Bank provides non-financial support and works so that JForest Group can play a key role in Japan's forestlands and forestry industry.

• Forest Rejuvenation Fund (FRONT80)

In 2005, the Bank established the Norinchukin 80th Anniversary Forest Rejuvenation Fund, a public trust, to support projects and campaigns aimed at

▼ Japan's Planted Forest Areas by Age Class



Source: Forestry Agency, "Fiscal 2011 Forestlands and Forestry Industry White Paper" revitalizing Japan's deserted private forests and demonstrating multi-faceted roles of forests. Between fiscal 2005 and 2012, the Bank received 297 applications nationwide for the fund, out of which a total of 45 were selected to receive subsidies.

• Support for Initiatives to Consolidate Forest Management

Cooperative campaign policies prioritize implementation of proposal-based forest management consolidation, including clarification of forest boundaries and establishment of a forest information database.

The Bank has partially subsidized the expenses for introducing the Geographic Information System (GIS) and Global Positioning System (GPS), which were needed for defining mountain and forest boundaries and collecting forest information. Over the four-year period from fiscal 2009 through fiscal 2012, the Bank subsidized 609 projects, with about 60% of those being subsidized for forestry cooperatives nationwide.

• Support to Expand Domestic Lumber Use

Forestry cooperatives are working to promote the use of domestic wood instead of imported wood and to make its use widespread in an effort to expand domestic lumber use. In fiscal 2012, the Bank partially subsidized expenses incurred for efforts to expand the use of domestic lumber in 20 prefectures.

Forest after thinning (planted cypress forest)

Processing trees into logs with a harvester

• Support to Strengthen Management System

Further, in collaboration with JForest Zenmoriren (National Federation of Forest Owners' Cooperative Associations), the Bank subsidized the cost of revising working-level manuals such as the Q&A on Matters Relating to the Operation of JForest and the JForest Accounting Handbook and assisted with compliance workshops held at the prefectural level.

The Bank will continue to support JForest Group efforts.

Development of Human Resources of Cooperative Members and Enhancement of Their Skills

JA Bank, JF Marine Bank and JForest Group are working to develop human resources that meet and fulfill the expectations of individual members and customers.

Developing JA Bank and JF Marine Bank Employees Highly Specialized in Banking Business

JA Bank and JF Marine Bank are developing highly specialized employees for their banking business who can meet the needs of individual members and customers by providing them with group trainings, correspondence courses and certification exams through our subsidiary, Kyodo Seminar Co., Ltd., which specializes in training cooperative employees.

• Strengthen Human Resource Training Initiatives to Achieve JA Bank Medium-Term Strategies

JA Bank formulated JA Bank Medium-Term Human Resource Plan (fiscal 2013 through fiscal 2015) and took steps in fiscal 2013 to train staff who will take the lead in transforming and innovating JA and related prefectural-level organizations and those who will be chosen and trusted by customers. To expand these human resource development initiatives in an integrated manner nationwide, it has been decided that the Bank's division that develops human resources for JA and JA Shinnoren, Kyodo Seminar, and JA Shinnoren's human resource related division will be unified under the name of the JA Bank Academy. Trainings organized by them will also be given this name. Prior to the formal implementation of these initiatives, the JA Bank Central Academy Managers Course targeted at directors and employees engaged in the banking business of JA was held in fiscal 2012 with 101 participants.

• Human Resource Training Initiatives at JF Marine Bank

JF Marine Bank has positioned human resource training as a pillar in the JF Marine Bank Medium-Term Business Promotion Policy (fiscal 2012 through 2014). With the goal of becoming a bank that contributes to the fisheries industry and fishing communities, JF Marine Bank is developing financial consultants who can provide enhanced financial services to the industry and is training human resources with the aim of improving customer protection and provide services appropriate to customers. In fiscal 2012, JF Marine Bank held national conferences for financial consultants for the fisheries industry and conducted compliance workshops for the directors of JF and JF Shingyoren.

▼ Kyodo Seminar's Training Record in Fiscal 2012

Number of employees who took group trainings	2,154
Number of employees who took correspondence courses	13,926
Number of employees who took certification exams	14,620

Support for Human Resources Training for JForest Group

JForest Group has been training engineers (e.g. forestry management planners) to deal with proposal-based forest management consolidation. In fiscal 2012, at trainings held by JForest Zenmoriren and JForest Moriren (Prefectural Federation of Forest Owners' Cooperative Association), lectures were given on points to remember regarding financial and cash flow management in forest management planning as well as compliance. JForest Top Management Seminar targeted at the management of JForest and the Prefectural Federation of Forest Owners' Cooperative Association was also held.

Personnel Exchanges between the Bank and JA or JA Shinnoren

The Bank has enhanced personnel exchanges between itself and JA or JA Shinnoren, and has been working to achieve mutual understanding and sharing of know-how within JA Bank Group.

Specifically, the Bank accepts trainees from JA to train them so that they can play a key role in banking business and gain wide-ranging business know-how. The Bank also accepts staff and trainees seconded from JA Shinnoren, and they work in various areas such as retail planning, administration, systems, agricultural and corporate loans, and securities investment. Moreover, the Bank sends staff as secondees to cooperative organizations (e.g. JA, JA Shinnoren and JA Chuokai (Prefectural Unions of Agricultural Cooperatives) in order to deepen their understanding of the actual work of cooperatives from the point of view of employees of the central organization for cooperatives as well as financial institution for farmers, fishermen and foresters).

JA Bank Central Academy Management Course

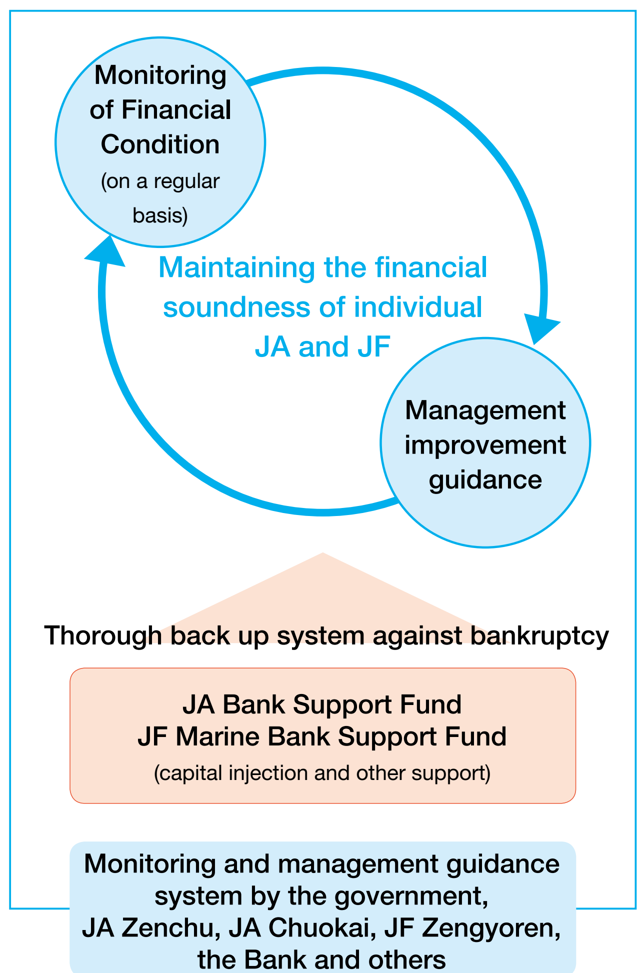
Safety Net for the Cooperative Banking System

JA Bank and JF Marine Bank have established a safety net based on the Bankruptcy Prevention System and the Agricultural and Fishery Cooperative Savings Insurance System to provide an increased sense of security for their individual members and customers.

Bankruptcy Prevention System

JA Bank and JF Marine Bank have developed their own respective systems to prevent JA and JF from bankruptcy.

Specific functions of these systems include: (1) monitoring of the business conditions of individual JA and JF to identify problems at an early stage, (2) taking steps at the earliest stage possible to prevent bankruptcy, and (3) injecting necessary funds drawn from the JA Bank Support Fund or the JF Marine Bank



Support Fund*, the funds of which are collected from JA Bank and JF Marine Bank members nationwide, in order to maintain the sound management of individual JA and JF.

** As of March 31, 2013 the balance of the JA Bank Support Fund was ¥170.3 billion and that of the JF Marine Bank Support Fund was ¥24.6 billion.*

Agricultural and Fishery Cooperative Savings Insurance System

When a member organization of the cooperative banking system, such as JA or JF, becomes unable to reimburse deposited funds to its individual members and customers, this system provides policy coverage for depositors and ensures settlement of funds, thereby contributing to the stability of the cooperative banking system. The system is same as the Savings Insurance System, for which banks, shinkin banks, credit associations and labor banks are members.

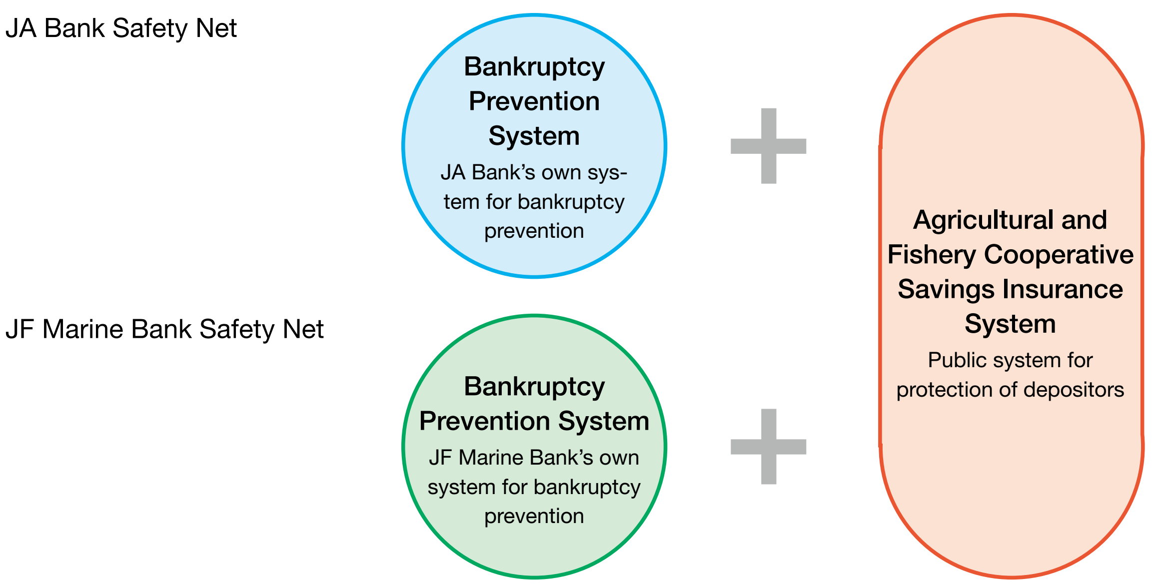
The Agricultural and Fishery Cooperative Savings Insurance System is provided for under the Agricultural and Fishery Cooperative Savings Insurance Law. It is managed by the Agricultural and Fishery Cooperative Savings Insurance Corporation, which has been established through joint investment by the Japanese government, the Bank of Japan, The Norinchukin Bank, JA Shinnoren, JF Shingyoren and other entities.

When funds are deposited in agricultural or fishery cooperatives that are covered by the system, the deposits are automatically guaranteed by this system.

Even though the blanket deposit insurance system was fully discontinued on April 1, 2005, payment and settlement deposits (deposits that satisfy the following three conditions: (1) bearing no interest, (2) redeemable on demand, and (3) provide normally required payment and settlement services) are still fully protected by the system. However, all other types of deposits are only covered up to ¥10 million in principal (per depositor at each cooperative organization), plus interest accrued.

As of March 31, 2013 the balance of the reserve fund of the Agricultural and Fishery Cooperative Savings Insurance System was ¥333.2 billion.

▼ Safety Net for the Cooperative Banking System



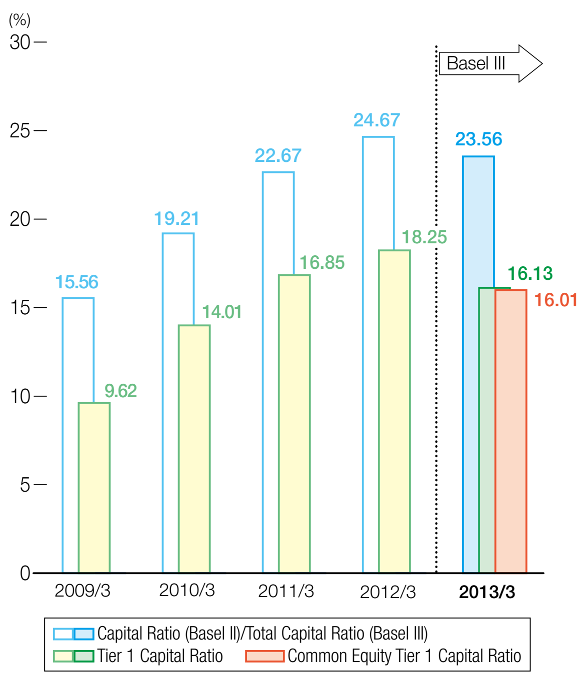
Capital Position

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 the "stable return of profits" to its members and to enhance its role as the central bank for Japan's agricultural, forestry and fishery cooperatives, to contribute to those industries and the development of the cooperative banking business, and to align itself with the diverse needs of its customers. As of March 31, 2013, the Bank's capital ratio on a consolidated and non-consolidated basis were both in the 23% range (Basel III standard). This was attributable to ordinary profit and a significant improvement in unrealized profits on securities.

Capital Ratio (consolidated basis)



Enhancing the Bank's Capital Adequacy and Financial Position

Amid the unprecedented financial crisis and market turmoil, the Bank carried out a major capital increase of ¥1.9 trillion during fiscal 2008. Its aim was to ensure operational soundness and to properly meet the needs of members, customers, and domestic and overseas markets, and to maintain their confidence.

By increasing its capital with the full understanding and support of members, the Bank intends to improve its capital adequacy both qualitatively and quantitatively so that it can ensure a sufficient capital ratio, the key indicator of soundness for financial institutions, especially for banks subject to international standards. In addition, the Bank has a stable financial position and has maintained a high level of capital since introducing the Basel III framework in Japan in March 2013.

In the years ahead, the Bank faces a trend of stronger international capital regulations for financial institutions. The center of the Bank's management agenda will henceforth be to expand its role as the central bank for the cooperatives, while maintaining its capital at a sufficiently high level, and to ensure "stable return of profits" 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 financial soundness and facilitate their ability to extend credit, the Bank, based on its capital adequacy, has not applied for such an injection.

Features of Regulatory Capital Instruments

Features of regulatory capital instruments can be found in the IR Library of the Bank's website at http://www.nochubank.or.jp/

Risk Management

Approach to Risk Management

Essential components of financial institution management are generation of stable profits and maintenance of an optimal portfolio. Management must also address various types of risks arising from changes in the overall business environment, especially volatility 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.

In the wake of the financial market turmoil of 2008, the Bank, as a result of a major capital injection in March 2009 and continued financial improvement since then, along with various steps taken to strengthen the Bank's risk management system, was able to maintain a high capital adequacy ratio as of March 31, 2013. To execute the Bank's basic mission of maintaining stable returns to members, achieving stable regional development including in the agricultural, fisheries and forestry industries, reconstructing disaster-stricken areas following the Great East Japan Earthquake, and taking steps to strengthen the future of the cooperative banking business, the ceaseless upgrading of its risk-management system continues to be an important management task in helping it to maintain management stability in a global economic and financial environment full of uncertainties.

Risk management initiatives by the Bank are stipulated in its Basic Policies for Risk Management. The policy identifies the types of risks to be managed and the basic framework for risk management, including organizational structure and methodology. In accordance with this policy, the Bank manages individual risks after assessing the materiality of risks it faces in managing its business and identifying risks subject to management taking into account the nature of each type of risk, and measures the overall magnitude of these risks using quantitative methods to control integrated risk by comparing the amount of risk with the Bank's capital resources.

To implement integrated risk management, the Bank has set up the Risk Management Committee. At the Committee, the Bank's management discusses important issues relating to its risk management framework and capital adequacy and determines respective management frameworks. The committee also ensures that the total risk amount is kept within capital resource limits. The structure also requires that the integrated risk management status (such as significant decisions made by the Risk Management Committee, current overall risk management issues) be reported to the Board of Directors on a regular basis. The Bank has also established a number of committees based on the type of risk, i.e. the Market Portfolio Management Committee (market risk and 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 management to discuss and decide what measures are needed to control risks that arise in the execution of management strategy and business policies to within an acceptable level. In line with the controls described above, under the risk management framework, including economic capital management determined by the Risk Management Committee, and based on the need to carefully maintain a balance between return, capital and risk, amid the uncertain economic and financial conditions surrounding the Bank, the Bank has built and operated a framework for forward-looking risk management by steadily grasping the changing trends in international financial regulations and exercising effective restraints.

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 these divisions are clearly defined in the Bank's policy. The Bank also ensures the maintenance of appropriate internal controls among these divisions.

Compliance with Basel Banking Regulations

Basel Banking Regulations are international prudential regulation standards established by the Basel

Committee on Banking Supervision. In Japan, the application of Basel II began from March 31, 2007. Basel II is comprised of three pillars. Pillar I is minimum capital requirements, Pillar II is verification through financial institution self-assessment and supervisory review, and Pillar III is the promotion of market discipline through proper disclosure. To calculate its capital adequacy ratio, the Bank has adopted the "Foundation Internal Ratings-Based Approach (F-IRB)" for credit risk and "The Standardized Approach (TSA)" for operational risk, pursuant to the Notification Regarding Capital Adequacy Ratio.

In Basel II, a review was carried out based on the lessons learned from the recent financial crisis, and in December 2010, the Basel III agreement was announced by the Basel Committee on Banking Supervision. As a global regulatory framework for creating stronger banks and strengthening the global banking system, Basel III re-examines and reinforces capital regulations while introducing new liquidity regulations. Of these regulations, the Bank has begun to introduce some revised capital regulations, such as higher standards and quality for capital by introducing the Tier 1 capital ratio for common equity and the stronger acquisition of counterparty credit risk, following the revision of Notification Regarding Capital Adequacy Ratio at the end of March 2013. The Bank also plans to introduce supplementing capital adequacy regulations based on leverage ratio and a capital buffer for easing pro-cyclicality. Further, as an international framework for liquidity risk regulation, Basel III will also usher in the Liquidity Coverage Ratio (an indicator that expresses the capacity to deal with large financial outflows under short-term stress conditions) and the Net Stable Funding Ratio (an index for measuring the stability of the fund procurement and management structure).

The Bank has taken appropriate risk management review steps including their application to Basel III targets, particularly as they deal with Basel III capital adequacy ratio regulations. The Bank will continue to respond in an appropriate manner while keeping a close eye on any new regulatory requirements.

Risk Appetite

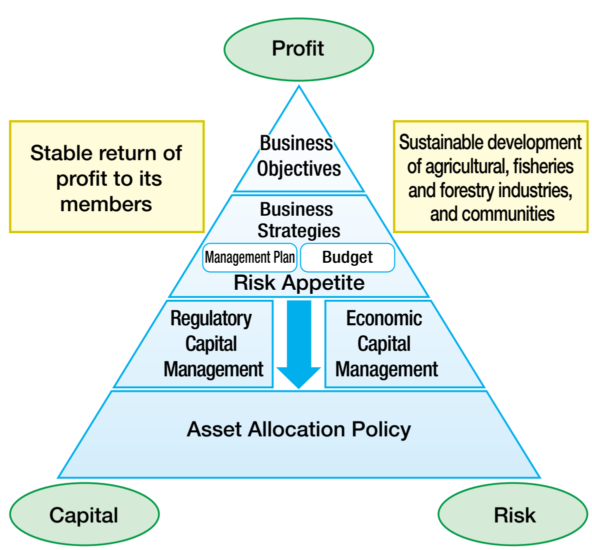
In implementing the Bank's strategies, such as budget and management plan for attaining its business objectives, Risk Appetite reflects specific views on risk-taking, and defines what types of risk and magnitude of risk the Bank is willing to accept. Under Risk Appetite, the level of risk to be managed is also determined by various related indicators, and from both a qualitative and a quantitative perspective. The proper setting of risk appetite by the Board of Directors is important in order to raise the effectiveness of governance in risk management.

The Bank's Risk Appetite establishes qualitative indicators in consideration of its basic mission and role as the central bank for cooperatives, as well as quantitative indicators related to profit, capital, risk and other factors. The Bank's portfolio management strategy (Asset Allocation Policy) for executing globally diversified investments is viewed as the manifestation of Risk Appetite.

Internal Capital Adequacy Assessment Process (ICAAP)

To manage profits, capital and risk in a consistent and efficient manner, the Bank conducts the Internal Capital Adequacy Assessment Process (ICAAP), an assessment process based on the International Convergence of

▼ ICAAP Concept



Capital Measurement and Capital Standards: a Revised Framework of Basel Banking Regulations. Under the ICAAP, the Bank comprehensively manages its capital resources, from both capital (the numerator of the capital adequacy ratio) and risk asset (the denominator of the capital adequacy ratio) perspectives.

The ICAAP is a process for demonstrating the appropriate management of risks facing a company so that it can achieve its business objectives, and a sufficient level of internal capital to cover these risks. The purpose of the ICAAP is not only to understand capital in relation to risk, but to recognize capital adequacy as a "triangular" relationship among profit, capital and risk needed to attain management objectives and strategies. Its aim is to simultaneously achieve high level of soundness and profitability through a proper balance between these three factors.

The ICAAP ascertains the consistency between the risk quantitatively recognized based on the aforementioned Risk Appetite, and internally managed capital resources. This process is achieved through two different types of frameworks to maintain capital adequacy: regulatory capital management and economic capital management.

• Framework for Maintaining Capital Adequacy

The Bank establishes a budget and management plan consistent with Risk Appetite and manages finances and operations by maintaining a balance between risk and capital. Capital management checkpoints are established in order to ensure that capital adequacy is maintained above a certain level determined by Risk Appetite, even in uncertain economic and financial environments.

The checkpoints provide a framework to ensure that capital adequacy is maintained above a predetermined level regardless of volatility caused by various factors. This is done by monitoring key volatility factors and by discussing countermeasures at an early stage.

Specific checkpoints are determined according to the Bank's risk profiles. Under this mechanism, each checkpoint is determined from the two perspectives of regulatory capital management and economic capital management. Appropriate levels of capital are maintained by closely monitoring two major variables: the level of unrealized gains and losses on securities, and measured risk amount.

• Implementation of Stress Tests

In principle, stress tests are performed together with the implementation of the fiscal year's ICAAP. By preparing strict 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 these stresses on capital adequacy. Based on this, the Bank implements the ICAAP, which includes a review of countermeasure assumptions at times of stress. In addition, the stress analysis of the portfolio is performed separately along with semi-annual budget planning. The impact of major changes in market risks and credit risks that are to be assumed in day-to-day portfolio management is verified by both the regulatory capital management and economic capital management and this information is used in decision making.

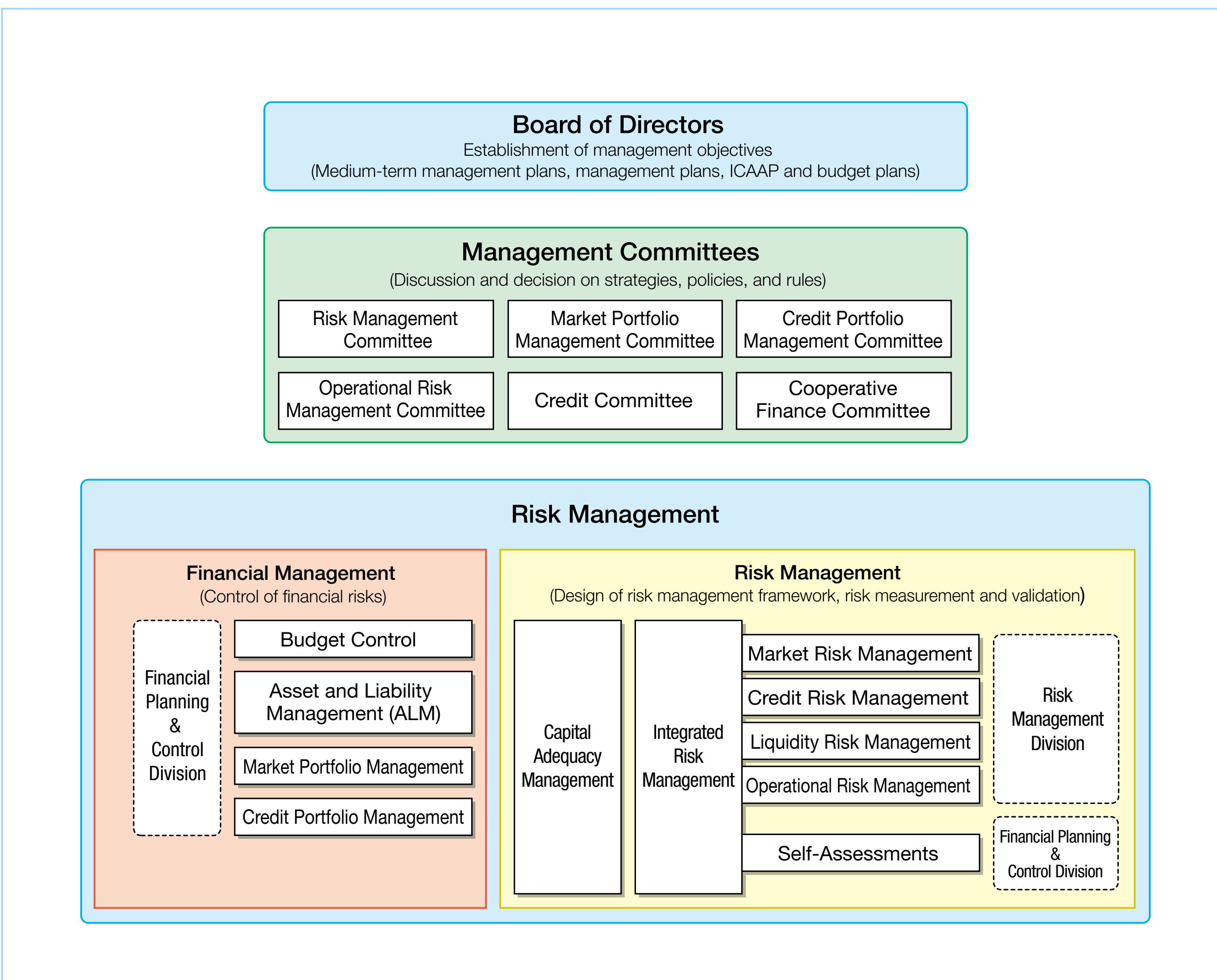
Integrated Risk Management

Based on the Basic Policies for Risk Management, the Bank stipulates a core risk management framework that quantifies and manages risk comprehensively in comparison with capital, which represents its financial strength. The core function within the risk management process is economic capital management.

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

In the Bank's economic capital management, regardless of the definition used in Basel III for calculating the capital adequacy ratio, Tier 1 capital, which is comprised of basic capital and retained earnings, has been established as capital to provide against risk. Moreover, Tier 2 capital, which consists of subordinated debt, is viewed as a buffer against unexpected stress situations. The Bank categorizes the types of risks to be controlled into market risk, credit risk and operational risk. To maximize the benefit of the globally diversified investment concept, the Bank manages the economic capital on an aggregate basis instead of allocating the capital to each asset class or to each business segment, as the Bank believes such an approach should fit in the

Risk Management System



business profile of the Bank. In addition, the definition of internal capital applied and the economic capital management framework are determined by the Board of Directors, while the middle office is responsible for monitoring the fluctuating capital levels and the amount of risk during each fiscal year. These results are reported to management on a timely basis and are useful for sharing an awareness of the risk environment between the middle office and the front office, which is responsible for investment.

Market risk is primarily measured by Value-at-Risk (VaR), using a historical simulation method with a 99.50% confidence interval and one-year holding period. Credit risk is mainly measured by Value-at-Risk (VaR), using a Monte Carlo simulation method with a 99.50% confidence interval and rating transition within a one-year holding period. And operational risk is measured by The Standardized Approach (TSA) based on Basel Banking Regulations.

Through these measures, the Bank comprehensively manages risk across the entire business with the goal of further developing its risk management framework.

• Integrated Risk Management Consistent with Financial Management

The Bank's integrated risk management framework is carried out 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 a prompt response to changes in financial market conditions. The Bank conducts 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 the impact on interest rate changes. In addition, as a part of asset and liability management (ALM), the Bank measures the risk volume, taking into 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 loss arising from a credit event such as 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 for all credit portfolios and on an individual credit basis for all credit risk assets including loans. In this way, the Bank appropriately manages the amount of credit risk to ensure stable earnings.

• Credit Risk Management Framework

The Bank's credit risk management framework comprises four committees (Risk Management Committee, Credit Committee, Credit Portfolio Management Committee and Cooperative Finance Committee) 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. The front office executes loan transactions and credit investments in accordance with the credit policy and within the credit limits of that policy. The middle office, which is independent from the front office, monitors changes in the credit risk portfolio and reports them to the committees. 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 to it by the management. The Risk Management Committee is responsible for deliberation on the basic framework for overall credit risk management, including the Bank's internal rating system, self-assessment system, the economic capital management system and the credit ceiling system for credit overconcentration risk. Moreover, the Credit Committee functions as a venue for the discussion of policies about how to deal with the obligations of borrowers whose financial condition has deteriorated.

The Credit Portfolio Management Committee and the Cooperative Finance Committee formulate basic strategies and execution policies regarding loans and investments, and decide on business strategy for important or large transactions.

The middle office monitors the credit risk portfolio status and other items. In addition, the status of credit risk management (such as market overview; important decisions 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

The Bank has steadily upgraded its credit risk analysis capability for each investment risk. To perform highly specialized credit analysis according to borrower characteristics for cooperative loans, corporate loans, credit for financial institutions, overseas borrowers, and securitized products, the Bank leverages its investment and loan knowledge developed over many years and analyzes the borrower's credit by industry and product type.

This is done by having senior credit administrators in charge of specific sectors and products research the borrower's background through financial and cash flow analysis. In addition, the Bank has introduced a framework that enables accurate credit decisions to be made by researching the borrower's industry utilizing the Bank's research capabilities and then comparing the borrower with other companies in the same industry. When evaluating loans to overseas borrowers, the Bank reviews country risk, an inherently different category of risk from domestic corporations, by analyzing economic and political conditions based on the country ceiling system that takes into account risks that differ from domestic loans. The credit risk on overseas loans is appropriately managed together with the credit review performed by region-specialized senior credit administrators. In addition, structured finance such as those backed by cash flows generated from mortgages, commercial real estate and other loans, are subject to due diligence and credit analysis according to the risk profile of each product. Also, the Bank continuously monitors and reviews the performance of the underlying assets of these products throughout the maturity of investment.

Through those credit analysis systems, the Bank conducts advanced credit risk management based on stringent analytical standards, proprietary financial and cash flow analysis methods, and monitoring reviews.

• 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 the financial institution specializing in the agricultural, fisheries and forestry 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, and industry. Accordingly, the Bank manages these diverse assets that make up its portfolio in an integrated and unified manner and the volume of risk calculated using its credit risk model is controlled so that it is kept within a range that its financial strength, or capital adequacy, can tolerate. In this way, the Bank ensures the soundness of its business and maintains 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 evaluates the exposure grades of corporate borrowers. The Bank has 15 borrower grades: 10 borrower grades for non-defaulted borrowers and five for defaulted borrowers. Each borrower grade defines the debt repayment capacity of a borrower.

In principle, borrower ratings are evaluated and assigned using a combination of quantitative and qualitative factors. For certain assets such as investment funds, 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 clearly maps its internal grades to the scale used by the credit rating agencies (e.g., grade "1-1" corresponds to the external grade "AAA" and "Aaa"). This mapping is based on the 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 evaluate the factors affecting the recoverability 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), capital structure (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 basis for the calculation of the capital adequacy ratio for regulatory capital, the primary indicator for the financial soundness of a bank. At the same time, in its economic capital management, the Bank applies the same PD for each rating calculated for the capital adequacy ratio for regulatory capital to measure the amount of risk deriving from credit risk assets.

In addition, the Bank differentiates interest rates according to the debtor ratings and collateral provided in order to maintain a sufficient return based on the degree of credit risk. Further, when managing credit overconcentration risk, the Bank sets a credit ceiling for each debtor rating.

Design of the Internal Rating Framework and Validation Procedures

At the Bank, the middle office, which is independent from the front office, designs the internal rating system based on the characteristics of the credit portfolio and establishes rules concerning internal rating objectives, each rating grade criteria, evaluation methods and mapping criteria, approval authority, and review and validation of rating. Validation and monitoring of the internal rating system to ensure appropriate implementation is performed on a regular basis.

In addition, the Internal Audit Division periodically audits the appropriateness of the internal rating system's PDCA cycle management status, estimated parameters including PD, as well as compliance with minimum IRB Approach requirements, and reports the results of the audits to the Board of Directors.

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

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

The self-assessment process initially classifies debtors in line with the Bank's debtor ratings. There are five classifications: standard, substandard, doubtful, debtors in default, and debtors in bankruptcy.

Subsequently, within each of these categories, the credit for each individual debtor is classified into four categories (I, II, III and IV) according to its recoverability.

• Criteria for Write-Offs and Provisions to Reserves

Write-offs and provisions to reserves for possible loan losses are made according to the criteria set by the Bank for each debtor classification by self-assessment. For exposure to standard debtors and substandard debtors, the Bank makes provisions to general reserves for possible loan losses for each category of borrower based on the expected loss ratio, which is calculated from historical loss data, including losses from defaults. For debtors under requirement of control with substantial

▼ 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	4	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 grades of credit rating agencies.	Standard
1-2	5				
2	6				
3	7				
8-1		Substandard	Ⅱ	Debtors requiring close monitoring going forward	
8-2					
8-3		Other substandard debtors			
8-4		Debtors under requirement of control			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		Debtors who are legally and formally bankrupt	

▼ The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of March 31, 2013) (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 122.2	Bankrupt or De facto bankrupt 0.7	Loans to borrowers under bankruptcy proceedings 0.5
Doubtful debtors	Portion deemed to be recoverable through collateral or guarantees		Provision ratio: 93.7%			Doubtful 160.7	Delinquent loans 160.1
Substandard debtors: Special attention	Provision ratio of the uncovered portion: 14.6%				General reserve for possible loan losses 48.5 (Note 1)	Special attention 59.9	Loans with principal or interest payments three months or more in arrears 0
Substandard debtors: (Claims on debtors under requirement of control)	Claims on substandard debtors other than "Special Attention"					Standard loans 16,062.4	Restructured loans 59.9
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 0.41% for standard debtors, 5.65% for substandard debtors (excluding claims under requirement of control), and 5.82% 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.

exposure, provisions to specific 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 Provisions to Reserves

<table>
<tr><th colspan="2">Debtor Classification</th><th>Criteria for Write-Offs and Reserves for Possible Loan Losses</th><th>Provision Ratio as of March 31, 2013</th></tr>
<tr><td colspan="2">Standard debtors</td><td>Provisions are made to reserve for possible loan losses, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio.</td><td>0.41%</td></tr>
<tr><td rowspan="2">Substandard debtors</td><td>Other substandard debtors</td><td rowspan="2">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 Discounted Cash Flow (DCF) method to debtors with large exposure if classified as “Debtors under requirement of control.”
Provisions are made to reserve for possible loan losses, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio for each category of borrower.</td><td>5.65%</td></tr>
<tr><td>Debtors under requirement of control</td><td>5.82%
(Excluding borrowers to whom the DCF method is applied)</td></tr>
<tr><td colspan="2">Doubtful debtors</td><td>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.</td><td>93.79% of the unrecoverable portion</td></tr>
<tr><td colspan="2">Debtors in default</td><td rowspan="2">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 uncollectable or unrecoverable), regardless of treatment under criteria in tax law.</td><td rowspan="2">The full amount of the unrecoverable portion is written off or provisioned</td></tr>
<tr><td colspan="2">Debtors in bankruptcy</td></tr>
</table>

Credit Costs in Fiscal 2012 (On a Non-consolidated Basis)

	Billions of Yen
Loan write-offs	¥ 9.0
Provision to general reserve for possible loan losses	4.6
Provisions to specific reserve for possible loan losses	(0.2)
Provision to reserve for specified overseas debts	—
Other	(0.0)
Total credit costs	¥13.4

• 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 corporations), and Bank Ceilings (for credit exposure to financial institutions). Total credit exposure for each ceiling category is monitored on a regular basis and controlled to avoid any overconcentration of credit exposure.

Regarding the Corporate Ceilings, maximum lending limits are set for each borrower, based on the rankings assigned by the debtor rating system. Limits are set and lending is managed not only on an individual debtor 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 overconcentration of 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 scope of credit risk measurements 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.

In estimating credit risk, the Bank calculates Value-at-Risk (VaR) by using the Monte Carlo Method. With this simulation, the Bank runs thousands of scenarios involving losses and the deterioration of asset value resulting from default of customers or products, rating changes and other factors, using statistical models. It also estimates the distribution of potential losses on the Bank's credit portfolio over the next year. 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.

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 incurred in a specific confidence interval in the simulation. Utilizing EL and Maximum Projected Loss, the Bank monitors the utilization of allocated risk capital against the amount of risk under economic capital management.

Market Risk Management

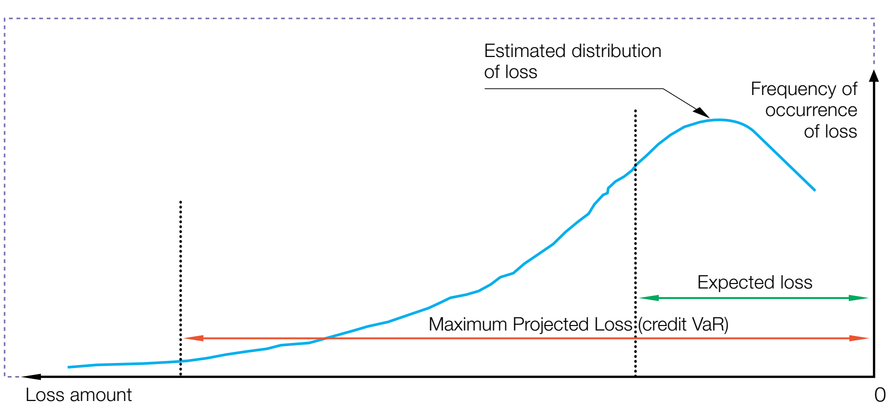
The Bank deems market risk, such as interest rate risk and equity risk, to be one of the most significant risk factors affecting the Bank's earnings base, along with credit risk. Through active and appropriate risk-taking supported by a robust risk management framework, the Bank aims to retain a stable level of profit by constructing a market portfolio that balances profit, capital and risk.

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 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 office executes transactions in accordance with the allocation policy, and the middle office monitors. Matters relevant to the market risk portfolio management activities (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.

• Market Risk Management Framework

The basis of market portfolio risk management is to verify the status of the market portfolio, such as by the risk-return profile of each asset class, and the correlation among asset classes, and to manage the risk balance and the level of earnings of the market portfolio based on the allocated capital under economic capital management according to the financial position of the Bank,

▼ 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 Maximum Projected Loss (credit VaR) are calculated using this model.

market trends, economic and financial conditions, and other factors.

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 office, including the amount of aggregate risk, risk indicators such as Value at Risk (VaR) and Basis Point Value (BPV), and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook of 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 historical simulation method for the calculation of VaR. Moreover, by using an alarm point for losses in each asset class and risk volume increase, as well as VaR based on the variance-covariance method taking into account the impact of short-term market fluctuations, the Bank can quickly detect changes in the market environment and then review the Bank's market portfolio management policies expeditiously and flexibly.

Below is the principal market portfolio management process.

Decision Making

Material decisions on market investments are made at the Board level. The Board of Directors formulates the annual allocation policy. Based on this, the Market Portfolio Management Committee-composed of Board members involved in market portfolio management-makes decisions, together with general managers, on specific policies related to market investments after reviewing and discussing them.

Decision-making on 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 respond to changes in market conditions.

Execution

Based on the investment decisions made by the Market Portfolio Management Committee, the front office executes securities transactions and risk hedging. The front office, which is in charge of execution, is 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

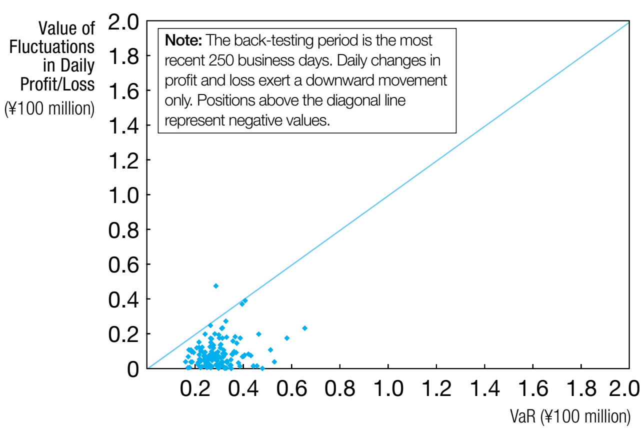
The term "monitoring functions" refers to checking whether the execution of transactions made by the front office is compliant with the investment decisions approved by the Market Portfolio Management Committee, and measuring the amount of risk in the Bank's investment portfolio. To maintain an appropriate risk balance among asset classes, various risk indicators as well as risk amount measured for economic capital management are monitored. The middle office, which is independent of the front office, is responsible for those risk measurements and regularly reports to the Board of Directors about the results of monitoring. 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 that aim to generate profits from short-term market fluctuations are organizationally separated from other front office. The front office in charge of trading activities conducts trades within the approved position and loss limits determined from a risk-return perspective. The middle office, which is segregated from the front office, measures the amount of risk including VaR and monitors the status of risk taking by the front office.

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.

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



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

	VaR (in ¥100 million)
June 29, 2012	0.2
September 28, 2012	0.4
December 28, 2012	0.1
March 29, 2013	0.3

Risk Measurement Methods

For risk measurements, the Bank uses an internal model approach based on 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 periodically validated by both the middle office 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 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. The Bank also performs a series of monthly stress tests assuming extremely volatile market situations, such as the largest interest rate changes in the last five years.

Glossary of Terms

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.

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 this as the index to indicate the impact of the change assuming a parallel shift in the yield curve.

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 market turmoil, or from being forced to execute transactions under significantly less favorable conditions than normal occasions (market liquidity risk)." The Bank properly manages liquidity risk based on these definitions.

The appropriate management of cash flow risk is a prerequisite for business continuity and stable portfolio management. Considering the characteristics of the

Bank, such as its steady fund procurement structure, which is primarily centered on deposits from its membership, together with its assets of low market liquidity that holds, and examining the funding procurement capability under stressed environments, 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 aggregated basis at the head office. For this purpose, various operating limits including currency, funding instruments and individual funding office are established considering the global market situation and these are approved by the Risk Management Committee. Specific 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. Execution strategies are discussed every week based on the predetermined cash flow management plan. The Bank conducts appropriate cash flow management in response to circumstances by constantly monitoring market conditions. The execution status is continuously reviewed each and every month.

Market liquidity risk is considered to be an important factor for investment decisions in order to maintain a flexible asset 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. Market liquidity risk is applied to the evaluation of stabilities on funding procurement as well. For this reason, the middle office regularly reviews and analyzes the market liquidity of financial products, considering 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

For its basic policy for the management of operational risk, the Bank has established definitions, management framework, and basic management processes for operational risk, which have been approved by its Board of Directors.

• The Objective of the Operational Risk Management

The Bank categorizes and ranks by importance each risk arising from daily operations such as processing risk, legal risk, and IT systems risk; and handles these risks according to their category and rank. This allows the Bank to reach its objective of effectively allocating the organization's management resources, and at the same time minimizes the likelihood of risk event occurrence arising from business operations which per se do not generate profit, and losses incurred from such events.

• 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. Operational risk is further broken down into subcategories, such as processing risk, legal risk, IT systems risk, personnel risk, tangible assets risk, information security risk, business continuity risk, reputational risk, and regulatory risk.

• Organizational Structure of Operational Risk Management

Important issues such as the basic policies and annual planning of the Bank's operational risk management are approved by its Board of Directors. The Operational Risk Management Committee, comprised of relevant members of the Board as well as the heads of related divisions, is set under the Board's supervision, and monitors the current status of the Bank's operational risk management. The committee also promotes cross-risk as well as cross-divisional approaches towards managing operational risk. Furthermore, the Bank have established a division to be in charge of operational risk management, which is separate from the business lines as well as a division to be in charge of individual risks. The Bank have also designated a person to be in charge of operational risk management in each branch and division.

• Basic Approach of Operational Risk Management

Of the various subcategories of operational risk, for those risks (such as processing risk, legal risk, IT systems risk, personnel risk, tangible assets risk, and information security risk) for which the bank's key management strategy is the prevention of risk event occurrence, the Bank has put into effect the following controlling measures in accordance with risk characteristics and the effectiveness of those controls. In order to identify, analyze, assess, manage, and mitigate risk effectively, the Bank employs the results of its RCSA (Risk & Control Self-Assessment), as well as the collection and analysis of information of actual loss and near-miss events using the organization's operational risk reporting framework. The Bank's RCSA is carried out in the following manner. Each division identifies the potential risks inherent in the business activities they are in charge of, analyzes the effectiveness of the controls which have been put in place, and assesses what risks reside. Important vulnerabilities which have been recognized as a result of the RCSA are tended to by including their control into the annual risk management plan. The Bank's operational risk reporting framework amasses and analyzes information based on a clear reporting standard which comprehends the classification of loss events defined by the Basel framework. From the collected information, specific cases may be fed back to the Bank's RCSA (for example when a certain reported risk was overlooked by the assessment made by the division in charge), and new controls may be imposed to prevent their recurrence.

The Bank is currently enhancing its ability to counter business continuity risk, which constitutes a subcategory of risk for which the Bank's key management strategy is the mitigation of the impact and effect of risk events following their occurrence, and it is incorporating lessons learned from the Great East Japan Earthquake. In addition, the Bank augments the effectiveness of its business continuity framework through regular drills which assume scenarios such as the occurrence of an earthquake in the Tokyo metropolitan area, or the outbreak of a pandemic.

Risks other than the above (such as reputational risk, regulatory risk, and risks associated with changes to legal systems), are defined as risks which should be dealt in accordance with the Bank's business judgment. The Bank strives to take proactive action in order to prevent the occurrence of risk events of this type while continuously monitoring these risks for signs of change, and endeavors to incorporate those changes in the Bank's management strategy.

The Bank's current status in operational risk management is reported to the Operational Risk Management Committee and the Board of Directors periodically, and (based on these reports) the basic policy for the management of operational risk is reviewed when necessary. In addition, the overall operational risk management framework is subject to thorough internal audit on a regular basis, in order to continuously improve its effectiveness.

The Bank has adopted The Standardized Approach (TSA) for calculating operational risk capital requirements.

• Processing Risk Management

The Bank defines processing risk as the risk of suffering losses caused by improper activities performed in the course of business or by the Bank's directors or employees. To be more precise, processing risk is defined as the risk of suffering losses due to accidents, fraud, or failing to comply with the established procedure manuals; or the risk of inadequate performance of business operations due to faults in the procedure manuals or the lack of a manual itself, and it is managed accordingly.

The Bank's framework for managing processing risk comprises the following procedures. A processing risk management plan which includes methods for further development of risk mitigation measures and steps to enhance the current risk management framework is created based on the result of the Bank's Processing Risk RCSA, as well as the information of actual loss and near-miss events which have been accumulated using the Bank's operational risk reporting framework. The progress of this plan is reported to the Bank's management (namely the Operational Risk Management Committee) periodically. In addition, various procedures, such as implementing preventive procedures for specific risk events which have surfaced in the past, updating the current procedure manuals, carrying out self-checking exercises, and hosting staff training sessions, have been continuously performed by the Bank in order to mitigate the occurrence of processing risk events. Should there be any major environmental changes in the Bank's business procedures (for example due to the adoption of new products and services, organizational restructuring, etc.), and should this change have a certain impact on the current business processes and operating manuals, the Bank takes steps deemed necessary to address this change.

• IT Systems Risk Management

The Bank defines IT systems risk as the risk of suffering losses from computer system crashes, errors, system defects, improper computer use, or from the inadequate operation of system development projects, and it manages this risk accordingly.

Specifically, the Bank incorporates new measures to face emerging risks generated by changes in the domestic and international environment, while simultaneously taking steps to upgrade its management of IT systems risk, by formulating and implementing the IT Systems Risk RCSA and risk management plans. The bank collects and analyzes information on system failure, and reports the analysis along with future prevention plans to the Bank's management. In addition to the above, the Bank endeavors to adopt measures necessary to address system failure. For example, in order to minimize the impact of such failures, the Bank has reexamined its system recovery procedures using scenarios of major system failures.

In this way, the Bank strives to strengthen its internal controls and management of IT systems risk in order to respond to the public's demand for a stable financial service (which constitutes part of the social infrastructure), and for a more rigorous management of information security.

• Legal Risk Management

The Bank defines legal risk as the risk of incurring losses or facing transactional problems in the context of a management decision or execution of a business operation by violating the law or by entering into an inappropriate contract.

As the Bank reorganizes the agricultural and fishery cooperative banking 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 branches and divisions, and strives to enforce its legal management framework.

• Business Continuity Risk Management

The Bank defines business continuity risk as the risk of being incapable of continuing critical businesses in the aftermath of a natural disaster or a major system failure, due to lack of effective countermeasures. The Bank treats its business continuity risks based on various related procedure manuals and enhances its ability to handle such risks through regular drills.

The issues that surfaced from the experiences of discussing and implementing measures to continue the Bank's business after the Great East Japan Earthquake in 2011 and the power shortages that followed are currently being incorporated into the Bank's framework to counter business continuity risk, and the Bank works ceaselessly to enhance its ability to meet such risk.

Risk Management in Group Companies

The associated companies in The Norinchukin Bank Group prepare a feasible and effective risk management policy and framework taking into account the Bank's Basic Policies for Risk Management 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 each company bears.

To ensure adequate risk management and compliance throughout the group, the department with overall responsibility for group companies categorizes group companies according to risk profiles and other characteristics. The required risk management frameworks and controls are specified by the Bank in its policies for each category of group company. The risk management of group companies is performed based on those policies. When deemed necessary, meetings between the Bank and group companies are held and attended by executive management and working-level managers. The risk management framework and administrative operations of group companies are subject to the Bank's internal audit on a regular basis in order to continuously improve its effectiveness.

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 exhaustively monitoring and measuring the Bank's risks including the risks of consolidated subsidiaries. Among consolidated entities, The 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.

Based on the efforts described above, the Bank seeks to upgrade its management of risk for the entire group.

Corporate Governance

(The number of directors shown in the text below is as of July 1, 2013)

The Norinchukin Bank's Management System

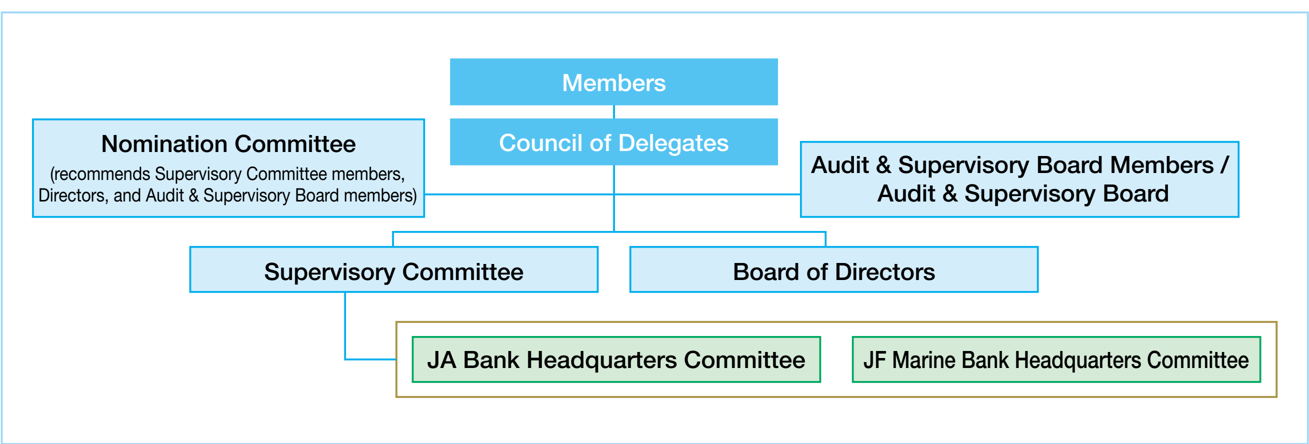
The Bank is both the national-level organization for Japan's agricultural, fisheries and forestry cooperatives as well as an institutional investor that plays a major role in the financial and capital markets through investment of large amounts of funds in Japan and overseas. Naturally, the Bank adheres 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 the Bank's decision-making, while taking into consideration the internal and external situations of the cooperatives.

Supervisory Committee

The Supervisory Committee is responsible for submitting agendas for discussion and reporting to the Council of Delegates as well as for making decisions on important issues related to agricultural, fishery and forestry cooperatives. The Supervisory Committee also has the authority to oversee business activities performed by directors. This includes the authority to request that board members attend meetings to explain their business activities and to request the Council of Delegates to dismiss board members. At present, the Supervisory Committee has 16 members selected from among the board members of cooperative organizations, people engaged in the agricultural, fishery and forestry 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 the Bank's members, and are then 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 cooperatives and the Bank's directors. These committees deliberate on basic policies of the banking business conducted by the agricultural and fishery cooperatives as well as on operational guidance for the Bank's members acting in the name of the headquarters.

Management System of the Bank



Initiatives for Strengthening Internal Control

Board of Directors

The Board of Directors makes decisions regarding execution of business activities, excluding those matters under the jurisdiction of the Supervisory Committee, and performs a cross-checking function on the exercise of directors' business affairs. The members of the Board are elected by the Supervisory Committee and assume their positions upon approval of the Council of Delegates. There are 14 full-time board members, two of whom are selected as representative directors and appointed as members of the Supervisory Committee. Hence, decisions made by the Supervisory Committee and the Board of Directors are closely coordinated.

Audit & Supervisory Board Members/ Audit & Supervisory Board

Audit & Supervisory Board members are elected directly by the Council of Delegates, and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business activities. The Audit & Supervisory Board currently comprises five Audit & Supervisory Board members (three full-time and two part-time), four of whom satisfy the conditions stated in Article 24-2 of the Norinchukin Bank Law*, and are equivalent to external auditors in publicly traded companies.

* *According to Article 24-2 of the Norinchukin Bank Law, at least one of the Audit & Supervisory Board members must satisfy the following conditions: The Audit & Supervisory Board member 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 Audit & Supervisory Board member: (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), executive officer or employee of one of the Bank's subsidiaries*

Basic Approach

For the Bank to fulfill its fundamental mission as the central organization for Japan's agricultural, fisheries and forestry cooperatives as well as its social responsibility, the Bank views construction of management control systems as its highest priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and relevant laws and regulations, proper management of risks, as well as appropriate business activities in general.

Basic Internal Control Policy

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

(1) To ensure sound management through compliance with laws and regulations, the Bank has established its Corporate Ethics Charter and Compliance Manual. It has taken steps to ensure that all directors and employees are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.

(2) To ensure that directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and Audit & Supervisory Board members. In addition, the Compliance Division, which supervises the Bank's overall compliance matters, reviews important decisions in advance.

(3) With respect to 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.

(4) The Bank institutes a Compliance Program each fiscal year that includes systematic compliance promotion and education and training programs for employees.

(5) The Bank takes a strong and resolute stance against anti-social elements that pose a threat to social order and security, and maintains a policy of exclusion towards them.

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

• Systems for Retaining and Managing Information Related to Directors' Execution of Duties

(1) Important documents related to execution of directors' duties, such as minutes of Board of Directors meetings and other important meetings, as well as documents requiring approval, are properly managed by specifying their retention period and management standards.
(2) The Bank's business units are obligated, upon the request of directors and Audit & Supervisory Board members, to present information related to the performance of their duties for their inspection.

• Rules and Other Systems for Managing the Risk of Loss

(1) The Bank views proper implementation of risk management as a major business challenge for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that the management must be aware of, and risk management systems and frameworks.
(2) Risks that need to be managed are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of generating profit. 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 procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.
(3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds of risks and ensures that total risk capital remains within the limits of the Bank's regulatory capital requirement.
(4) To comply with requirements for ensuring management soundness set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management based on the conditions stipulated in legal provisions.
(5) In case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

• Systems for Ensuring Efficient Execution of Directors' Duties

(1) The Bank establishes its medium-term management plans, business plans and other plans for business execution, and periodically assesses their progress.
(2) To ensure that decision-making by the Board of Directors is efficient, 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 discuss management issues on a regular or as-needed basis. Their duties include discussion of proposals on matters to be decided by the Board of Directors.
(3) To ensure that directors and employees perform their duties efficiently, the Bank takes steps to improve its organizational system by clearly establishing its organizational structure, authorities and responsibilities.

• Systems for Ensuring that Operations are Conducted Properly at the Bank, Its Subsidiaries and Other Group Companies

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

(2) The Bank and each group company have agreed on matters to be discussed and reported to ensure smooth operation within the group. In addition, the Bank monitors the conduct of management and operation of each group company, provides guidance, advice and supervision, and reviews performance, as needed.

• Internal Audit System

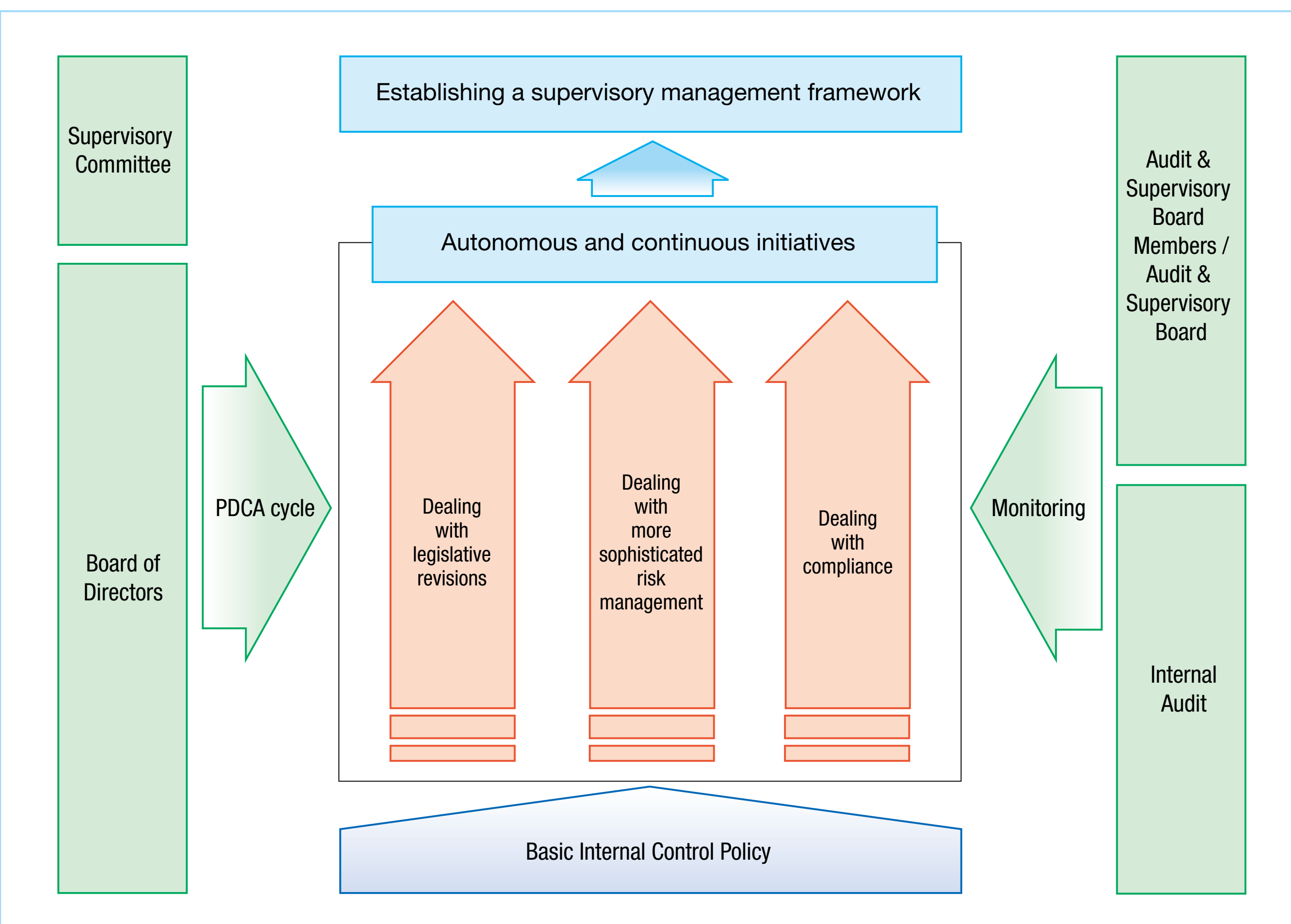
(1) To contribute to proper operation of its business, the Bank has created the Internal Audit Division, which is independent of the units that carry out business operation. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.

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

(3) The Internal Audit Division periodically reports a summary of audit results to the Board of Directors and related divisions.

(4) Members of the Internal Audit Division meet periodically and as needed with Audit & Supervisory Board members and accounting auditors to exchange views and information as well as to better coordinate their auditing activities.

▼ Initiatives for Strengthening Internal Control



• Details regarding Staff who Support Audit & Supervisory Board Members and Their Independence from Directors

(1) The Office of Audit & Supervisory Board members, an independent unit, has been formed by the Bank to assist its members in fulfilling their duties.

(2) In principle, three or more full-time employees are assigned to the Office of Audit & Supervisory Board members to perform clerical work to help administer the Audit & Supervisory Board and other tasks specified by the members.

(3) Employees assigned to the Office of Audit & Supervisory Board members work in accordance with the instructions of the Audit & Supervisory Board members.

(4) Full-time Audit & Supervisory Board members' views on the performance evaluations of employees assigned to the Office of Audit & Supervisory Board members and employees' reassignment to other departments are obtained in advance and duly respected.

• Systems for Directors and Employees to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

(1) When a director discovers information that could cause serious damage to the Bank, it must be reported immediately to the Audit & Supervisory Board.

(2) When the Compliance Division discovers information that is important from a compliance perspective or that is vital to the compliance system in general, the division must report these matters to Audit & Supervisory Board members.

(3) The Internal Audit Division reports its findings regarding internal audits to Audit & Supervisory Board members, and the two groups engage in discussion periodically.

(4) Documents related to major decisions and other important documents related to business conduct are provided to Audit & Supervisory Board members for review.

• Other Systems to Ensure Effective Conduct of Audits by Audit & Supervisory Board Members

Fully aware of the importance and value of the audits by Audit & Supervisory Board members, the following systems have been created to ensure that they are conducted effectively.

(1) Audit & Supervisory Board members are allowed to attend Board of Directors meetings, Supervisory Committee meetings and other important meetings, and are free to express their opinions.

(2) Representative directors and Audit & Supervisory Board members periodically meet to exchange views.

(3) Directors and employees must cooperate with Audit & Supervisory Board members' investigation and interview requests.

(4) In general, directors and employees must comply with matters set forth in the Rules of the Audit & Supervisory Board and the Standards for Audits.

Internal Audit System

Position of the Internal Audit

The Bank defines internal audit as objective and rational verification and evaluation of the appropriateness and effectiveness of the internal management system by an independent internal audit unit based on the Bank's business characteristics and risk conditions.

The objective of internal audit is to contribute to proper execution of business by helping audited divisions develop corrective action plans to resolve issues that have been identified as a result of verification and assessment, and then by verifying the effectiveness of these plans.

The scope of internal audit includes all operations and assets managed by all divisions and branches of the Bank. Internal audits are conducted on affiliates that have signed agreements for business audits and on contractually outsourced businesses for which business audit contracts have been signed as long as these audits do not infringe on the scope of the agreements, contracts and laws and regulations.

For businesses of affiliates and contractually outsourced businesses that are not subject to audit, internal audits are conducted on the management status of relevant businesses by responsible divisions.

Outline of the Internal Audit System

The Bank's Board of Directors has established the Internal Audit Policy, which set out the basic internal auditing functions, including definitions, objectives, scope and positioning of auditing within the organization.

Based on this policy, the Bank has established the Internal Audit Division as an internal auditing unit that is independent from other business divisions.

In addition, the Bank has formed the Internal Audit Committee, which includes representative directors. The purpose of the committee is to consider and discuss matters related to internal audits in general, including planning, implementation and improvements, and to facilitate reporting of internal audit matters to the management and follow up of audit results.

Moreover, the Internal Audit Division, Audit & Supervisory Board members and accounting auditors meet to exchange views and information on a periodic and as-needed basis in order to strengthen their cooperative efforts.

Preparation of Internal Audit Plans

Internal audits are implemented by instituting individual audit execution plans based on medium-term and annual internal audit plans approved by the Board of Directors.

An efficient and effective audit execution plan is established after first understanding the status of risk management in the department to be audited and then taking into account the frequency and depth of the audit based on the type and extent of risks.

Implementation of Effective Internal Audits

To ensure the effectiveness and improvement of internal audits, personnel with highly specialized knowledge are assigned to the Internal Audit Division. After assignment, they continue to upgrade their knowledge and skills through training and are encouraged to obtain external qualifications.

In addition, the Internal Audit Division makes use of a variety of auditing methods to conduct internal audits effectively and efficiently. They include unannounced audits, off-site audits for which on-site auditing is not required and off-site monitoring to gather daily audit-related information.

Reporting of Audit Results and Follow-Up

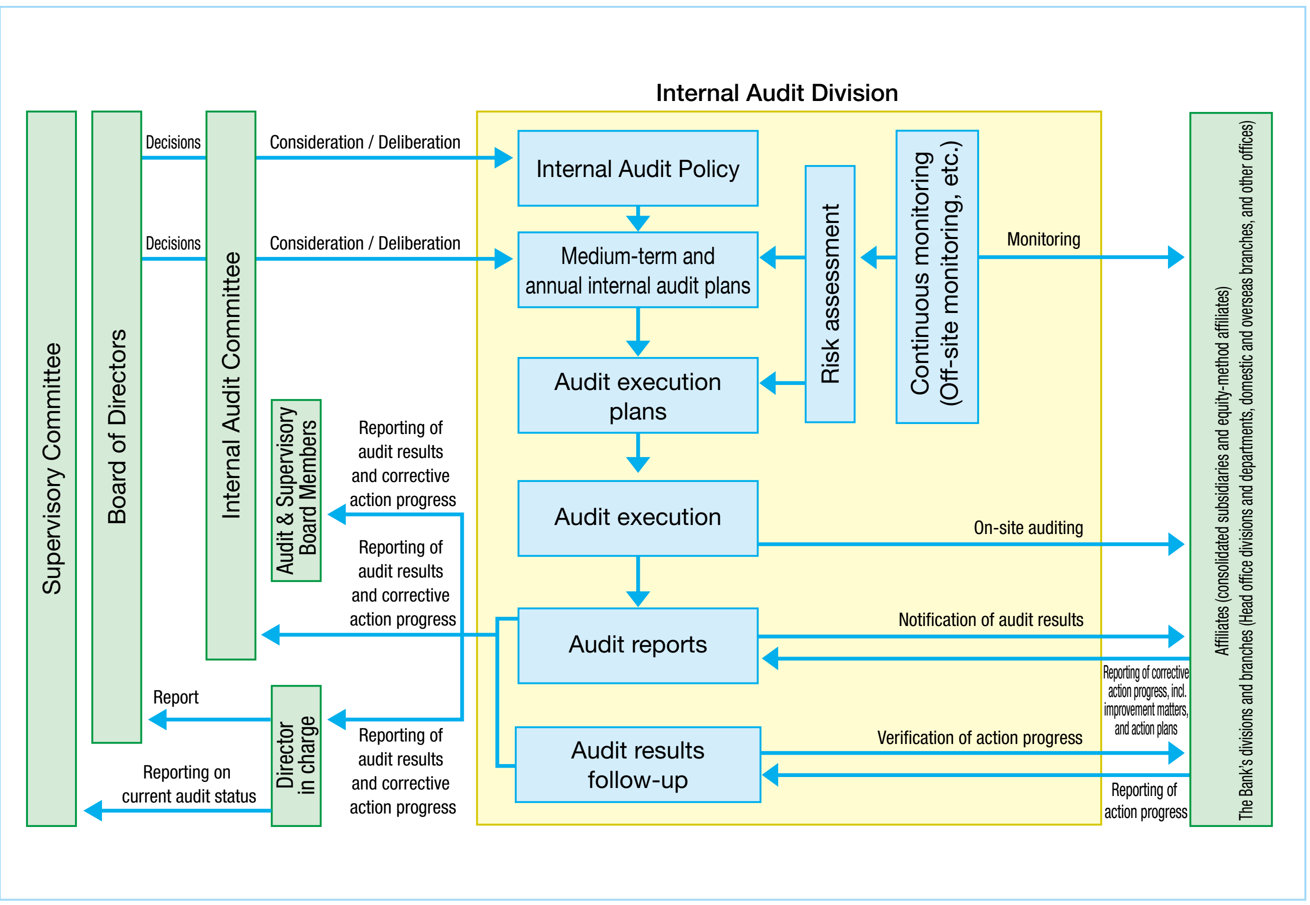
After audits are completed by the Internal Audit Division, the audited divisions or branches are notified of the results by the Internal Audit Division. The audited divisions or branches are to take corrective actions on the recommendations by the Internal Audit Division by specified deadlines. When necessary, they prepare corrective action plans and report them to the Internal Audit Division.

The Internal Audit Division reports and explains its audit results together with the audited divisions' report to directors and Audit & Supervisory Board members. In addition, a summary of the audit results is reported to the Board of Directors on a quarterly basis, and reports on the performance of internal audits are presented to the Supervisory Committee periodically. Matters of special importance must be immediately reported to representative directors, Audit & Supervisory Board members and the Board of Directors, and, when deemed necessary, to the Supervisory Committee as well.

Auditing of Assets

The Internal Audit Division audits the Bank's assets and verifies the accuracy and appropriateness of the Bank's internal ratings, self-assessments, loan write-offs and amounts 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, creation of an enhanced and 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 global financial institution that plays a central role in Japan's financial system, and the national-level financial institution serving as the umbrella organization for JA Bank and JF Marine Bank, the Bank is committed to fulfilling its basic mission and social responsibilities. To prove itself worthy of its customers' and members' trust in light of changes in the social and business environment, the Bank continues its unceasing efforts in the area of compliance by managing its business in accordance with societal norms, for instance by fully complying with laws and regulations based on the principle of total self-reliance. We are also constantly working to achieve a higher degree of transparency by emphasizing proper disclosure and accountability.

As part of this effort, we have defined 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 incorporated in the Compliance Manual the following sections: the "Interpretation of laws and regulations to be observed by directors and employees of the Bank" and the "Outline of the compliance systems of the Bank." These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business.

In response to recent growing societal demand for

Corporate Ethics Charter

The Bank's Basic Mission and Social Responsibilities

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

Provision of High-Quality Financial Services

2. By providing high-quality financial services that take advantage of the Bank's creativity and ingenuity, the Bank fulfills its role as the national-level financial institution engaging in the cooperative banking business that meets the needs of its customers and users. The Bank also contributes to the economic and social development of Japan 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 business in a fair and impartial manner according to social norms.

Elimination of Anti-social Elements

4. The Bank maintains a resolute stance in opposition to anti-social elements who pose a threat to social order and security.

Creation of an Organizational Culture Committed to Highly Transparent Disclosure

5. The Bank continually strives to improve communication with parties inside and outside the cooperative system, for instance through forthcoming and fair disclosure of business information. The Bank also maintains good relationships with these parties while building a corporate culture with a high degree of transparency based on respect for human rights.

greater customer protection, based on its Customer Protection Management Policy, the Bank has taken steps to reinforce its management systems as part of its compliance efforts aimed at winning customer trust. These steps include providing explanations to customers, handling customer complaints and inquiries, managing customer information, managing contractors in case of outsourcing customer-related business, and managing transactions that may involve a conflict of interest with customers.

Compliance Activities Directly Linked to Management

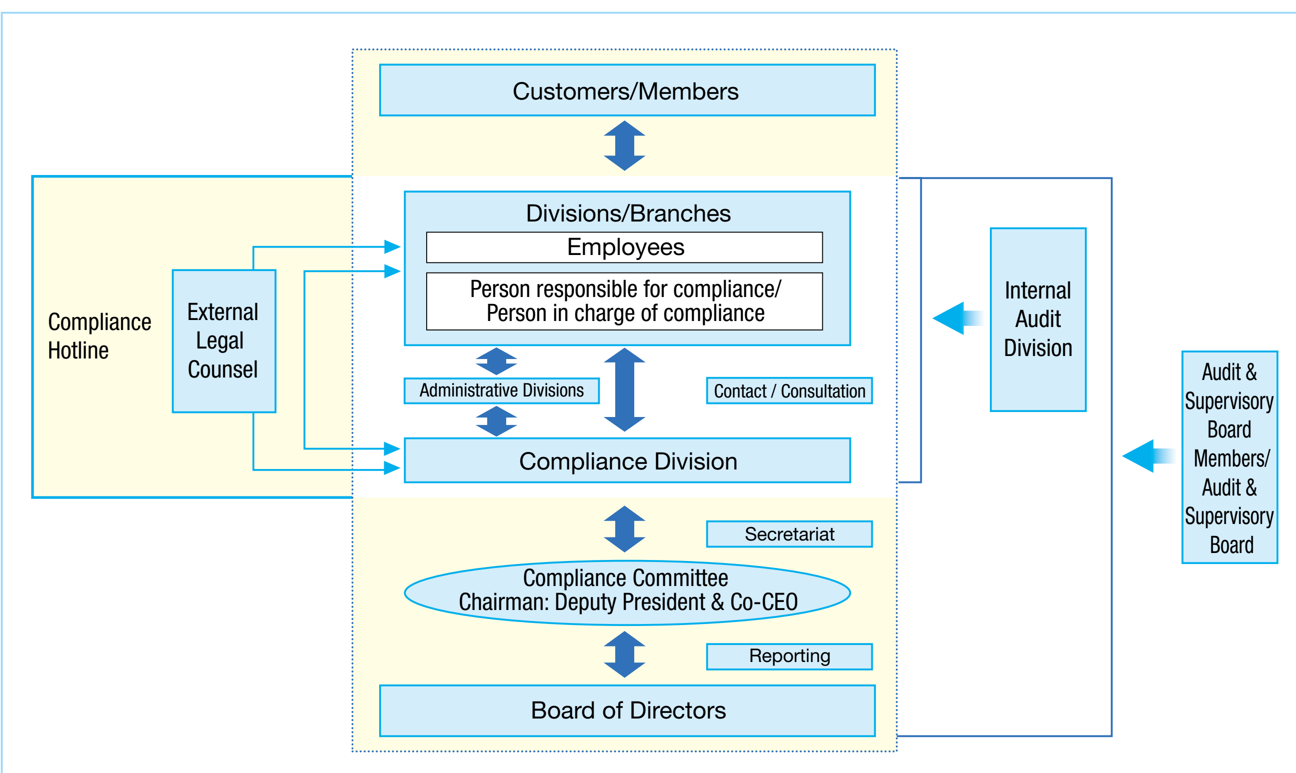
The Bank's compliance framework is comprised of the Compliance Committee, the Compliance Division (in charge of overall compliance activities) and administrative divisions of relevant businesses, as well as personnel responsible for compliance, those in charge of compliance and compliance leaders assigned to the Bank's divisions and branches. The Compliance Committee (chaired by Deputy President) has been established as a body under the Board of Directors to deliberate on basic compliance issues. Topics of high-level importance discussed by the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, basic issues relating to customer protection are discussed by this committee.

Compliance Practices within the Bank

The compliance framework at individual branches and divisions is based on the combined efforts of each and every employee, centered primarily on the general manager of the relevant branch or division who is assigned responsibility for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Compliance Division, persons in charge of compliance oversee all compliance-related matters at their branch or division. They are expected to keep track of day-to-day compliance activities by using checklists to handle requests for advice or questions from other members of staff, to

Compliance Framework



organize branch or divisional training and educational programs, and to liaise with, report to, and handle requests to the Compliance Division.

The Compliance Division, supervising overall compliance activities, acts as the secretariat for the Compliance Committee. It strives to strengthen the Bank's compliance framework by conducting compliance reviews, responding to requests from branches and divisions for compliance-related advice, and conducting compliance monitoring, which includes visiting branches and divisions to verify their compliance practices directly while providing guidance.

The Compliance Division has also installed a Compliance Hotline to enable employees to report on compliance issues to the Compliance Division or outside legal counsel by telephone or email.

The Compliance Division supervises compliance activities in the area of customer protection as well, and ensures that branches and divisions are practicing compliance while coordinating and guiding other related divisions.

Compliance Program

Each fiscal year, the Bank institutes a Compliance Program incorporating its management frameworks for compliance, customer protection and information security, as well as promotion, education and training plans for them. The Compliance Division implements the Compliance Program and monitors its progress to further reinforce the Bank's compliance framework.

Cooperation with Subsidiaries and Affiliates

The Bank is taking steps to strengthen its group's compliance systems by promoting a common awareness of compliance issues discussed at regular meetings with personnel responsible for compliance at its group companies.

Enhancing Disclosure

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

Measures to Prevent Money Laundering

The Bank has established policies to prevent 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 sound management, the Bank has devised a set of measures for eliminating anti-social elements by establishing a Corporate Ethics Charter, a code of conduct for all Bank directors and employees and other related measures, and through continuing cooperation with outside agencies such as the police, the National Center for the Elimination of Boryokudan (criminal organizations) and attorneys. These measures are based on our policy of maintaining a firm stance and strong conviction to eliminate unjustified demands from these anti-social elements by taking civil and criminal legal action.

Measures to Combat Bank Transfer Fraud

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

Disclosure Policy

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank places fulfillment of its basic mission and social responsibilities and management of its business to high standards of transparency by focusing on information disclosure and accountability as its key management priority. Accordingly, the Bank strives for appropriate information disclosure by complying with disclosure requirements under applicable foreign and domestic laws as well as securities and exchange laws.

Handling of Material Information

1. The Bank considers the following information material and subject to public disclosure:
   (i) Information subject to mandatory disclosure under applicable domestic and foreign laws as well as securities and exchange laws.
   (ii) Information not subject to mandatory disclosure as (i) above but may have a significant impact on investor decisions.

Methods of Disclosure

2. The Bank discloses information that is subject to mandatory disclosure under applicable domestic and foreign laws and securities and exchange laws using predefined disclosure procedures, such as the information distribution systems of domestic and foreign securities and stock exchanges. In addition, the Bank has taken steps to diversify its methods of information disclosure, for instance online disclosure.

Fairness of Disclosure

3. When disclosing the aforementioned information, the Bank observes the principle of fair disclosure so that information is disclosed timely and appropriately.

Disclosure of Forward-Looking Information

4. The Bank discloses information containing future forecasts to enable capital market participants to accurately assess its present condition, future outlook, debt repayment ability and other matters. This forward-looking information is based on estimates from information available at the time the forecasts were prepared, and contains elements of risk and uncertainty. For this reason, actual results may differ substantially from the forecast because of changes in economic and business conditions affecting the Bank's operations.

Enhancement of Internal Systems

5. To disclose information in line with its Disclosure Policy, the Bank strives to upgrade and expand necessary internal systems.

Policy Regarding Market Rumors

6. The Bank's basic policy is to not comment on rumors once it is clear that the source of the rumors did not originate from within the Bank. However, when the Bank decides that the rumors could have a major impact on capital markets, or when stock exchanges or other parties demand an explanation, the Bank may comment on such rumors at its own discretion.

Information Security Initiatives

Importance of Information Security

Because of the progress and evolution of information technology, appropriate protection and management of information assets (information and information systems) have become extremely important management issues.

In transactions with customers, the Bank is in the position of receiving information from them and it also retains a wide variety of information, which it uses in its various businesses. On the other hand, as information technology has progressed, the speed of communication has rapidly changed. At the same time, the environment where information is handled and the purpose of its use have become much more diverse. Therefore, because the Bank places great emphasis on information security, it is further tightening its security-related measures.

Control Structure

The Bank works systematically to enhance its information security, centered on the Compliance Division with overall responsibility for information security planning, promotion and progress management. It appoints personnel responsible for information security (division and branch managers serving concurrently as data administrators) and staff to be in charge of information security in each division and branch.

The Bank's Compliance Committee discusses basic issues concerning the Bank's information security.

Protection of Personal Information

The Personal Information Protection Law went into full effect in April 2005 in Japan. As a business responsible for handling personal information, the Bank created a required framework to facilitate proper handling of personal information. As part of these activities, the Bank educates and trains employees to ensure that personal information is properly handled and managed effectively and efficiently.

In addition, the Bank is working to speed up its response to complaints and inquiries regarding the handling of personal information. When necessary, it reviews and improves its measures for handling personal information and information security management.

Personal Information Protection Declaration (Excerpt)

Collection of Personal Information

Personal information is collected to the extent needed for business by lawful and just means.

Purpose of Use of Personal Information

Collected personal information is used to the extent needed in accordance with the purpose of use of the personal information.

Provision of Personal Information to Third Parties

Personal information shall never be provided to third parties without obtaining the prior consent of the user, except in special cases.

Handling of Sensitive Information

Sensitive information shall never be collected, used or provided to third parties, except in special cases.

Outsourcing the Handling of Personal Information

A portion of the clerical work related to the handling of personal information is outsourced.

Provision of Personal Security Management Measures

The Bank takes steps to securely manage personal information. The Bank conducts necessary and appropriate supervision of its employees and contractors.

Disclosure, Revision, Suspension of Use, etc. of Personal Information

The Bank will disclose, revise and suspend use of personal information in its possession based on the Private Information Protection Law.

Handling of Complaints and Other Inquiries

The Bank responds to complaints and inquiries regarding the handling of personal information swiftly and in good faith.

Creating a Pleasant Working Environment

Offering Employees Opportunities to Excel

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank operates a wide range of services with a small workforce. To fulfill its basic mission in every field, the Bank believes it is absolutely essential that it create a pleasant work 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.

With this approach, our effort is focused on proper management of personnel systems including performance and competency assessment systems and personnel development. Goals are set during interviews between superiors and their subordinates, their achievements are validated, and employee competency demonstrated in various work-related situations is reviewed. Through repetition of this process, the Bank improves employee awareness and efforts to contribute to the Bank's performance and develop competency while also supporting it through extensive training options.

The Bank bases its deployment and assignment of personnel on the competency, aptitude and career perspective of each person assessed through competency assessment, various interviews, self-assessment and other means. In this way, it supports employee career development and self-fulfillment through work, by recruiting and assigning the right person to the right job, with consideration given to employee rotation during a fixed period.

Further, we are takings steps to improve health management and benefit programs for employees so that they can work in a state of health and with peace of mind. In health management, not only does it provide periodic health examinations, the Bank conducts programs that lead to a healthier life, organizes mental health counseling with a medical specialist and offers self-care techniques for managing stress. Moreover, the Bank has focused on building an environment in which employees can devote themselves. To that end, it is providing stronger child raising and nursing-care support and establishing a system of obtaining legal advice from a lawyer.

In this way, the Bank is providing each and every employee with the opportunity to grow and succeed while maximizing innate strengths, regardless of gender or age.

Human Resource Initiatives

With the goal of training core personnel in each division to have a spirit of challenge that enables them to flexibly deal with changes in the business environment, the Bank is actively providing opportunities for them to develop their skills in order to support the self-motivated efforts of each and every employee.

In addition to group training, subsidy programs for correspondence courses, certification exams, foreign language study and sending employees to overseas study and cross-industry seminars, the Bank holds after-work training and Saturday seminars based on required subjects in each business field. The Bank is also focusing on education in such areas as compliance and human rights through group study by years in service or by rank.

To raise the management capabilities of managers, not only do we offer group training according to management level, we offer programs for employees to study at European and U.S. business schools to develop global management skills as well as personal coaching to help managers steadily implement the Bank's management plan.

We are deepening employee understanding of the Bank's basic mission by sending new and mid-career employees along with management-level employees to JA, JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) and other cooperative organizations and by holding workshops led by specialists in the cooperative system and the agricultural, fisheries and forestry industries. At the same time, we are developing human resources who can play a role in the Bank's business as employees of the cooperative system.

In addition to entry training, new employees are sent for two weeks at a time to JA nationwide and experience a wide range of work at JA and on-site agricultural work. Based on a workplace training system for new employees, the Bank also provides on-the-job training to each and every new employee supervised by training supervisors and senior Bank associates acting as instructors.

Along with these various training systems, the Bank operates the Career Development Support System to help employees with their career development.

In this system, employees take an inventory of their abilities through career development interviews with their superiors and career development training. After defining their career goals, employees proactively work on their own career development based on the ability requirements of employees to carry out their job in each business field.

Principal Human Resource Programs

Group Training
• Career development training: Foster an awareness of career development by taking an inventory of employee abilities and through self-analysis • Management training: Acquire and improve knowledge and business skills needed for management, including leadership, junior staff development, vision making and work efficiency • Business skill training: Acquire and improve business skills, including coaching, negotiation, presentation and the seven habits • Management consultant training: Improve and deepen understanding of basic business management theory and consulting abilities
Personal Development Support
• Financial support for correspondence courses, gaining certifications outside the Bank and foreign language training: Support for employee self-directed career development by partially subsidizing various studies
Outside Studies
• Graduate School of Business (Management program): Acquire advanced management skills at domestic and overseas universities • Overseas study: Acquire specialized knowledge and global viewpoint through attendance at an MBA or LL.M program • Overseas branch trainee system: Develop a global perspective in less-experienced staff by posting them at overseas branches • Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, management companies, JA and JA Shinnoren
New Employee Training
• Workplace training system for new employees, instructor training • Orientation training, basic training for new employees, on-site training at JA

Other
• Personal coaching • After-work training, Saturday seminars • Lectures by specialists from cooperatives, foster awareness as employees of the cooperative system through staff workshops • Group English lessons for staff • e-Learning

Creating a Working Environment that Respects Human Rights

In order to comply with the Act on Promotion of Education and Enlightenment of Human Rights, the Bank strives to create a highly transparent corporate culture underpinned by respect for human rights, which is incorporated in our Corporate Ethics Charter. The Bank therefore conducts ongoing education and awareness programs for directors and employees on various human rights issues.

Measures designed to instill respect for human rights are discussed by the Human Rights Education Promotion Committee, and policies are set by the Board of Directors. Measures are implemented primarily by the Personnel Division's Human Rights Team and personnel in charge of 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, local offices and overseas locations 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 set up an outside hotline. These are just some of many measures we are taking.

As a member of JA Group, we are working in close collaboration with JA Zenchu (Central Union of Agricultural Cooperatives) to further raise awareness throughout the Norinchukin Group regarding human rights issues.

Business Outline

FINANCE FOR COOPERATIVE ORGANIZATIONS

As the main bank for the agricultural, fisheries and forestry industries, the Bank has created a unique cooperative financing program called the Agricultural, Forestry, and Fisheries Support Fund. It is aimed at providing financial support for the development of Japan's agricultural, fisheries and forestry industries, as well as related cooperative organizations. This is accomplished by developing leaders in the agricultural, fisheries and forestry industries and promoting environment-friendly agricultural practices.

Although cooperative organizations (JA, JF, JForest and other related federations) are taking a leading role in these initiatives as financial contact points for leaders in the agricultural, fisheries and forestry industries, the Bank is playing a complimentary role and providing financial support to the cooperative organizations. This financing for cooperative organizations, which is directly linked to the development of the agricultural, fisheries and forestry industries, has been positioned as the Bank's core business since its establishment.

CORPORATE FINANCE

The Bank's customers span a wide range of fields including those directly involved in the agricultural, fisheries and forestry industries, such as the food industry where agricultural, fishery and forestry products are processed; the pulp and paper industries; the chemical and machinery industries that produce production materials for primary industries; and the trading, supermarket and restaurant industries that distribute primary industry products. The Bank also deals with customers in other fields, including the leasing, credit, IT, telecommunications, real estate and service industries.

The Bank provides its customers with a diverse range of financial services drawing on its solid financing ability and its expertise cultivated from the experience in its global investment and lending activities. The Bank's basic policy is to contribute to the socioeconomic development of Japan as well as to the development of Japan's agricultural, fisheries and forestry industries. Through these contributions, the Bank hopes to grow and develop together with its customers.

For customers entering overseas market and requiring funding for M&A, the Bank actively responds to them using its foreign currency funding ability through cooperation among its overseas offices located in New York, London and Singapore and branches in Japan.

Additionally, the Bank proactively offers business matching services for its customers and primary industry workers to act as a "bridge" between their needs.

SECURITIES INVESTMENT

The Bank's Basic Asset Management Approach

The Bank is one of the largest financial institutions in Japan and, at the same time, it is one of Japan's leading institutional investors. The Bank's balance of securities and money held in trust totals approximately ¥57 trillion, which accounts for a major portion of the Bank's total assets under management.

The Bank invests in securities under the basic concept of "globally diversified investment." The goal of this approach is to achieve a high return in the medium- to long-term by investing in assets with diversified risk-return characteristics while minimizing risks encountered each fiscal year in situations such as rising interest rates and declining stock prices. The Bank conducts a multifaceted analysis based on geographical location (Japan, the United States, Europe, and other countries and regions) and asset class (bonds, equities, credit assets and alternative investments), and then flexibly reviews its allocation of assets depending on changes in market conditions.

In pursuit of investment returns, the Bank uses external investment companies. The Bank carefully reviews the investment processes, compliance systems, management philosophy and strategies, asset management records, and other matters of external investment companies under consideration. After selection, the Bank closely monitors their performance from both quantitative and qualitative perspectives. This allows the Bank to systematically examine their performance on a continuing basis to decide whether or not to continue business relationship.

Investment Approach by Asset Type

Bonds account for a major portion of the Bank's assets due to their risk-return characteristics and other attributes, and are the Bank's core investment tool. 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, government agency bonds, mortgage-backed bonds and foreign corporate bonds.

In selecting equity investments, the Bank considers risk-return characteristics and correlations with other asset classes to manage 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 beyond those obtained from the index-linked passive approach through diversified domestic and foreign stock investments.

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

In managing foreign currency assets, the Bank takes steps to limit foreign exchange risk in most of these investments by employing various tools, such as foreign currency funding.

Market Asset Management System

Major decisions related to the Bank's market investment portfolio are reached systematically by the Market Portfolio Management Committee and the Credit Portfolio Management Committee, both of which are composed of the management and general managers of relevant divisions. Moreover, in sections engaging in market transactions, the Bank has created a mutual checking system among the front office (for execution of transactions), middle office (for monitoring) and back office (for processing and settlement) that operate independently from each other.

The front office executes transactions based on policies drawn up at each Portfolio Management Committee. The committee also focuses on optimizing transaction efficiency, constant and careful 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 create more efficient and effective management systems wherein domestic and international investments are integrated within bonds, equities and other investment instrument categories.

The middle office sections are responsible for checking the appropriateness of front office sections' execution, as well as measurement of risk volumes utilizing stress tests and other methods.

Short-Term Money Market Transactions

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

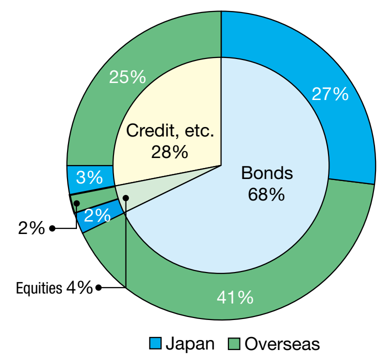
In addition, as a leading institutional investor, the Bank makes diversified investments in international capital markets and actively uses foreign currency markets to fund these investments.

Proper liquidity risk management is a prerequisite for the Bank's business continuity and stable management of its portfolio. Accordingly, the Bank monitors its cash flow and that of the cooperative banking system, as well as domestic and international market trends. In Japan, the Bank is an active participant in the interbank market and other markets such as the repo market. The Bank assumes a leadership position in these markets and also plays a major role in expanding market functions. Through its participation in the Research Committee for Revitalization of Short-Term Money Market and other organizations, the Bank also contributes to improving market practices.

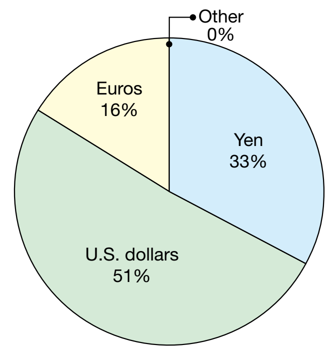
In foreign currency funding markets, backed by its high credit standing, the Bank conducts stable and efficient transactions, such as foreign currency funding transactions for globally diversified investment. Foreign currency funding utilizing various funding tools is managed in unison among teams in the Bank's head office and its three overseas branches in New York, London and Singapore.

Additionally, the Bank exercises exacting control over settlement and liquidity risks while simultaneously providing settlement functions at the Bank of Japan on behalf of cooperative organizations. Through its participation in the CLS System (multi-currency cash settlement system), a framework for foreign currency settlement, the Bank contributes to building a network required for managing settlements in U.S. dollars, euros and other major currencies.

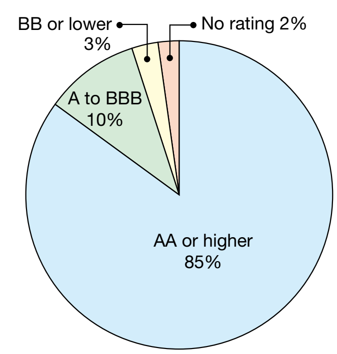
Breakdown of Market Assets by Risk



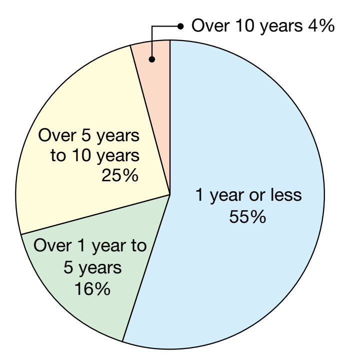
Breakdown of Market Assets by Currency



Breakdown of Bonds and Credit Assets by Rating



Breakdown of Bonds and Credit Assets (excluding those with no maturity) by Maturity



* All data are as of March 31, 2013, on a non-consolidated basis.

Foreign Exchange Transactions

As a market participant representing the cooperative banking system, the Bank 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, fisheries and forestry industries.

Trading Services

The Bank trades in financial derivatives and various other financial products in order to meet the needs of its customers. It also strives to improve dealing profitability from its various financial products through arbitrage transactions, options and a range of other techniques.

DEPOSIT SERVICES

Features of the Bank's Deposits

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

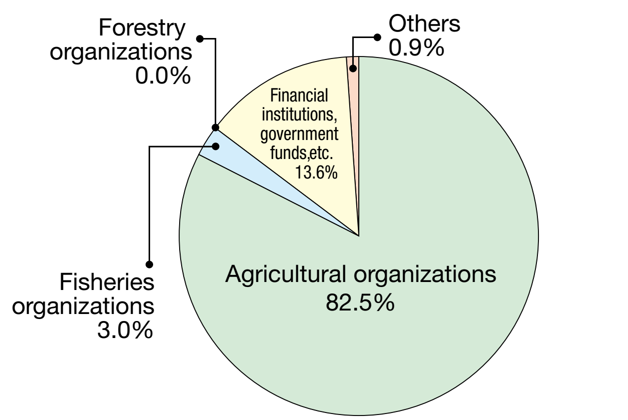
• Deposits from JA Bank and JF Marine Bank Members

Savings deposited with JA and JF by their individual members and local customers are used to finance individual members, local customers, companies, local public bodies and other such organizations. Surplus funds are then deposited with JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) or JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives) at the prefectural level. These funds, in turn, are used by JA Shinnoren or JF 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 the national-level cooperative banking institution in the cooperative banking system, the Bank is responsible for centrally managing funds steadily deposited in this manner.

To enable members and local customers to deposit their valued savings with a sense of security, JA, JF, JA Shinnoren, JF Shingyoren and the Bank are protected under the Agricultural and Fishery Cooperative Savings Insurance System, a public system that insures deposits.

▼ Balance of Deposits with the Bank



(As of March 31, 2013) **Total: ¥47,456.4 billion**

* 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, primarily issued to institutional investors as a five-year investment product, and the Zaikeisai, issued as a savings product.

The balance of issued and outstanding debentures as of March 31, 2013 totaled ¥4,619.2 billion. The funds raised through issuance of Norinchukin Bank Debentures have been used for purposes that include financing for the agricultural, fisheries and forestry industries as well as for companies related to these industries.

SETTLEMENT SERVICES

Cooperative financial institutions, comprising JA, JA Shinnoren, JF, JF Shingyoren and the Bank, have one of the largest networks among private financial institutions in Japan, at approximately 8,800 locations (as of March 31, 2013). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated jointly by the cooperative financial institutions.

Domestic Exchange Business Leveraging Special Characteristics of Cooperatives

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank has focused on expanding and upgrading settlement services for all cooperatives. Domestic exchange business plays an important role in the settlement of proceeds from the sale of agricultural, fishery and forestry products that connect points of consumption and production. Leveraging the special characteristics of cooperatives with their extensive nationwide network, the Bank conducts domestic exchange transactions with banks that are members of the national bank domestic exchange system through the Interbank Online Data Telecommunication System in Japan (Zengin System).

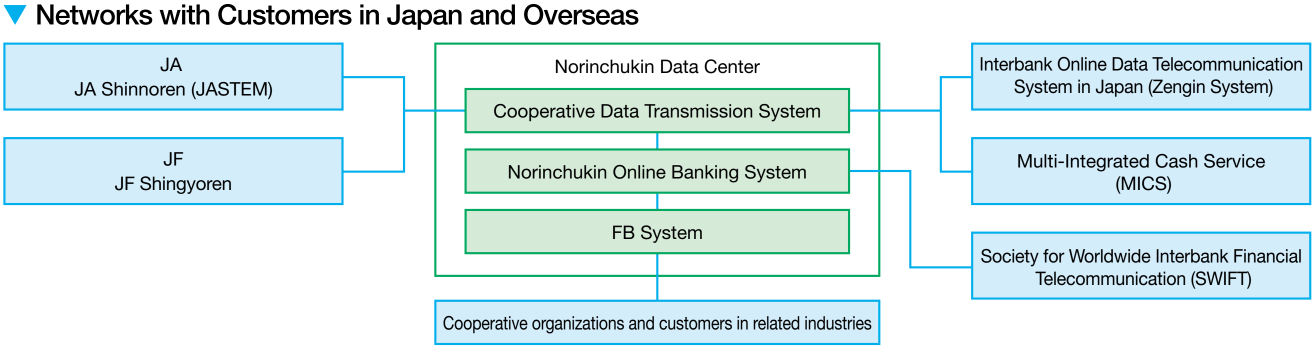
Cash Dispenser and ATM Network

Through the JA Online Savings Service and the JF Online Savings Service, cooperative banking 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 cooperative banking institutions are part of an alliance of seven private sector banks (city banks, regional banks, trust banks, second-tier regional banks, shinkin banks, credit associations and labor banks). This enables savings withdrawals and balance inquiries at cash dispensers and ATMs, not only at the cooperative banking institutions, but also at most other financial institutions throughout Japan. The cooperative banking institutions have also formed cash dispenser and ATM online alliances with Japan Post Bank and Seven Bank.

Direct Deposit and Fund Transfer Services

Massive volumes of various data related, for instance, to direct deposit of salary and pension and direct transfer of utility payments are swiftly processed in cooperation with the Cooperative Data Transmission System and unified IT infrastructure platforms for JA and JF. By connecting to the Zengin System, the Bank receives data on direct deposits of salary and other information from other financial institutions.

Networks with Customers in Japan and Overseas



Networks with Customers in Japan and Overseas

The Bank has formed a network for customer transactions placing the Cooperative Data Transmission System and the Norinchukin Online Banking System at its core. It also offers a diversified range of sophisticated services, such as remittance services through the "firm banking" system for cooperative banking customers, and uses the Society for Worldwide Interbank Financial Telecommunication (SWIFT) settlement system for transactions between the Bank's head office or overseas branches and overseas financial institutions.

Number of Cash Dispensers and ATMs

	No. of cooperative members*	No. of locations*	No. of ATMs and cash dispensers
Norinchukin Bank	1	20	0
JA Shinnoren	35	54	701
JA	711	8,352	11,408
JF Shingyoren	30	120	268
JF	137	221	133
Total	914	8,767	12,510

* Number of cooperative members and locations that handle domestic exchange operations, as of March 31, 2013

HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

The Bank's Domestic Offices

Domestic offices of the Bank comprise the head office and 19 branches located throughout Japan (as of July 31, 2013).

In February 2013, the Chiba Branch was opened.

• Domestic Branches' Roles

The principal business roles of domestic branches are to: (1) act as fund-receiving centers for deposits made by cooperative members; (2) make loans to agricultural, fisheries and forestry industry workers, corporations related to these industries and local public bodies as part of investment activities and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

• The Bank's Overseas Branches and Representative Offices

To respond accurately to 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 is expanding and enhancing its international financial functions.

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

The Norinchukin Group Companies

The Bank, in line with its overall strategy for the cooperative banking business, works together with its group companies engaging in a wide range of business activities related to the Bank.

Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd. plays the following basic roles by providing: (1) trust products and services to individual members of cooperatives such as JA and local communities, leveraging the network of the agricultural, fishery and forestry cooperatives, (2) asset investment and management products to organizations connected to the Bank and its group companies and (3) financing and fund management tools for customers including corporations and pension funds that leverage its trust services. Assets under management and administration by this company exceed ¥15 trillion. The Norinchukin Trust & Banking also focuses on asset management for individual members of JA, offering inheritance trust services.

Companies that Support the Organizational Base of the Cooperative Banking Business

- Norinchukin Research Institute Co., Ltd. is the think tank of cooperative financial institutions and supports the cooperative banking business through its survey and research activities. The scope of its activities includes (1) performing medium- to long-term research for the agricultural, fisheries and forestry industries and on environmental issues, (2) practical research on agricultural, fishery and forestry cooperatives, (3) providing economic and financial information to cooperative organizations and customers and (4) research that contributes to recovery from the Great East Japan Earthquake. The Institute's periodicals and research including The NORIN KINYU, Monthly Review of Agriculture, Forestry and Fishery Finance and the Kinyu Shijo (Financial Markets) can be viewed on its website.
(http://www.nochuri.co.jp/english/index.html)

- Kyodo Seminar Co., Ltd., as a training specialist for cooperative members, is involved in training directors and employees engaging in banking business by conducting group trainings, correspondence courses, certification exams, dispatching trainers, and publishing training materials. In fiscal 2012, 14,000 employees took correspondence courses and 14,000 took certification exams, new records for both.

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 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 cooperative members, through development and offering of investment funds. It is one of Japan's top originators of funds sold through private offering. This company also offers main investment trust products sold in the branches and offices of cooperative banking institutions.

- The Cooperative Servicing Co., Ltd., is a Ministry of Justice-approved debt collection company that manages and collects non-performing loans held by cooperative members. It also seeks early repayment of delinquent loans.

- JA MITSUI LEASING, LTD. is a general leasing company that responds to the increasingly diverse and sophisticated financial needs of customers. It plays a key role in providing lease-related services to cooperative members and people engaged in the agricultural, fisheries and forestry industries. (https://www.jamitsuilease.co.jp/en/index.html)

- The Agribusiness Investment & Consultation Co., Ltd., incorporated in accordance with the Act on Special Measures concerning Facilitation of Investment to Agricultural Corporations, invests in agricultural corporations nationwide and in companies involved in processing and distribution of agricultural products in order to help secure financial stability and growth of agricultural leaders of tomorrow.

- Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd. was established in February 2013 as a company that manages a fund (Limited Partnership for Investment in Agricultural, Forestry and Fishery Enterprises) capitalized by investors such as the Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE-J). Through investment by the fund in sixth industrialization business entities, the company helps develop these entities and contributes to the regeneration of the agricultural, fisheries and forestry industries, improve the incomes of workers in these industries, revitalize rural communities and boost employment.

- Mitsubishi UFJ Nicos Co., Ltd. is a leading Japanese credit card company. It issues JA Cards, cash-and-credit cards for JA, and arranges guarantees for JA Bank loans. There are currently about 1.6 million JA Card members.

Companies Working to Rationalize and Streamline the Cooperative Banking Business

- Nochu Business Support Co., Ltd. is entrusted with the administrative work of the Bank and its group companies to meet their outsourcing needs. For instance, the Bank's Operations Center entrusts its work to the company.

- Norinchukin Facilities Co., Ltd. is entrusted with facilities-related work such as cleaning and security as well as food service operation at Bank-owned facilities. It became a wholly-owned subsidiary of the Bank in May 2012 and changed its name from Eiraku Co., Ltd. in April 2012.

- Nochu Information System Co., Ltd. is entrusted with the development and operation of the Bank's various computer systems, including the core banking system. It 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, JA Bank's key computer system (a large retail system, which administers approximately 45 million accounts and 12,000 ATMs).

- Daiichi Life Norinchukin Building Management Co., Ltd. manages, operates and maintains DN Tower 21, which is occupied by Dai-ichi Life Insurance Company and the Bank.

Others

- Ant Capital Partners Co., Ltd., invests in and manages private equity funds. (http://www.antcapital.jp/english/index.html)

- Norinchukin Finance (Cayman) Limited is a special purpose company incorporated outside Japan for the purpose of raising capital for the Bank.

Financial Review

■ Financial Results for the fiscal year ended March 31, 2013 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2013 include the results of 9 consolidated subsidiaries and 5 affiliates which are accounted for by the equity method.
The following is a summary of Financial Results for the fiscal year 2012.

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥9,233.9 billion from the previous fiscal year-end to ¥81,496.8 billion, and consolidated Total Net Assets increased by ¥928.3 billion from the previous fiscal year-end to ¥5,767.2 billion.

On the assets side, Loans and Bills Discounted increased by ¥1,486.3 billion to ¥16,224.5 billion, and Securities increased by ¥4,419.3 billion to ¥50,045.7 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥3,892.4 billion to ¥47,442.8 billion, and Debentures decreased by ¥510.9 billion to ¥4,606.9 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥102.7 billion, up ¥27.0 billion from the previous fiscal year, and consolidated Net Income was ¥119.8 billion, up ¥49.3 billion from the previous fiscal year.

* Ordinary Profits 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 Ratios (Basel III standard) were as follows: Consolidated Common Equity Tier 1 Capital Ratio 16.01%, Consolidated Tier 1 Capital Ratio 16.13%, and Consolidated Total Capital Ratio 23.56% as of March 31, 2013.

Key Management Indicators (Consolidated)

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

	2009/3	2010/3	2011/3	2012/3	**2013/3**	**2013/3**
Total Income	¥ 1,438.0	¥ 1,270.5	¥ 1,111.4	¥ 952.6	**¥ 995.5**	**$ 10,580**
Total Expenses	2,048.1	1,194.8	986.7	878.4	**893.6**	**9,497**
Net Income (Loss)	(572.1)	33.0	129.5	70.5	**119.8**	**1,274**
Total Comprehensive Income	/	/	303.7	600.4	**949.7**	**10,093**
Total Net Assets	2,492.7	3,956.0	4,259.8	4,838.9	**5,767.2**	**61,289**
Total Assets	62,593.9	68,676.7	69,833.8	72,262.8	**81,496.8**	**866,066**
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	/	**16.01**	**16.01**
Tier 1 Capital Ratio (%)	/	/	/	/	**16.13**	**16.13**
Total Capital Ratio (%)	15.56	19.21	22.67	24.67	**23.56**	**23.56**

Notes: 1. U.S. dollars have been converted at the rate of ¥94.10 to U.S. $1, the effective rate of exchange at March 31, 2013.
2. 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. The Basel II standard was applied in calculating the Consolidated Capital Adequacy Ratios prior to the fiscal year ended March 31, 2013.

■ Financial Results for the fiscal year ended March 31, 2013 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥9,141.9 billion to ¥80,861.0 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥914.5 billion to ¥5,734.9 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥16,127.6 billion, and Securities was ¥50,072.3 billion.

On the liabilities side, Deposits amounted to ¥47,456.4 billion, and Debentures was ¥4,619.2 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2013 totaled to ¥94.3 billion, up ¥31.2 billion from the previous fiscal year.

The results of total credit cost were ¥13.4 billion in net losses, up ¥20.4 billion from the previous fiscal year, mainly from decrease of the reversal of the reserve.

As for the results of securities investments, net losses on sales decreased by ¥1.6 billion to ¥12.4 billion from the previous fiscal year, and the net gains of provisions and impairments for price-decline of securities and other reasons increased by ¥18.5 billion to ¥0.1 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥88.1 billion in Ordinary Profits, up ¥19.6 billion and ¥106.8 billion in Net Income, up ¥45.1 billion from the previous fiscal year, respectively. The Bank's net operating losses stood at ¥43.7 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 15.98%, Tier 1 Capital Ratio 16.10%, and Total Capital Ratio 23.77% as of March 31, 2013.

Key Management Indicators (Non-consolidated)

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

	2009/3	2010/3	2011/3	2012/3	**2013/3**	**2013/3**
Total Income	¥ 1,426.7	¥ 1,259.4	¥ 1,101.7	¥ 934.9	**¥ 972.9**	**$ 10,340**
Total Expenses	2,030.7	1,189.0	963.3	870.6	**885.6**	**9,412**
Net Income (Loss)	(565.7)	29.5	144.3	61.6	**106.8**	**1,135**
Paid-in Capital	3,421.3	3,425.9	3,425.9	3,425.9	**3,425.9**	**36,407**
Total Net Assets	2,472.3	3,931.6	4,250.4	4,820.4	**5,734.9**	**60,946**
Total Assets	62,499.2	68,470.3	69,551.9	71,719.1	**80,861.0**	**859,310**
Deposits	37,501.5	39,108.7	40,957.0	43,563.1	**47,456.4**	**504,319**
Debentures	5,255.0	5,611.7	5,421.6	5,125.6	**4,619.2**	**49,088**
Loans and Bills Discounted	10,947.8	13,038.0	14,002.3	14,655.7	**16,127.6**	**171,389**
Securities	39,558.8	44,013.7	43,070.0	45,655.4	**50,072.3**	**532,118**
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	/	**15.98**	**15.98**
Tier 1 Capital Ratio (%)	/	/	/	/	**16.10**	**16.10**
Total Capital Ratio (%)	15.65	19.26	22.76	24.83	**23.77**	**23.77**

Notes: 1. U.S. dollars have been converted at the rate of ¥94.10 to U.S. $1, the effective rate of exchange at March 31, 2013.
2. The calculation of the Bank's Non-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. The Basel II standard was applied in calculating the Capital Adequacy Ratios prior to the fiscal year ended March 31, 2013.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	**¥ 4,419,087**	¥ 1,687,337	**$ 46,962**
Call Loans and Bills Bought (Note 32)	**1,527,128**	832,440	**16,229**
Receivables under Resale Agreements	**—**	44,987	**—**
Receivables under Securities Borrowing Transactions	**—**	492,481	**—**
Monetary Claims Bought (Notes 32 and 33)	**179,373**	222,980	**1,906**
Trading Assets (Notes 3, 32 and 33)	**36,602**	32,658	**389**
Money Held in Trust (Notes 9, 32 and 34)	**6,892,281**	7,027,597	**73,244**
Securities (Notes 4, 9, 21, 32 and 33)	**50,045,795**	45,626,464	**531,836**
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	**16,224,595**	14,738,276	**172,419**
Foreign Exchange Assets (Note 6)	**268,750**	44,797	**2,856**
Other Assets (Notes 7, 9 and 32)	**1,251,733**	971,610	**13,302**
Tangible Fixed Assets (Note 8)	**109,541**	119,055	**1,164**
Intangible Fixed Assets (Note 8)	**33,424**	43,563	**355**
Deferred Tax Assets (Note 18)	**2,119**	2,121	**22**
Customers' Liabilities for Acceptances and Guarantees (Note 19)	**688,399**	618,301	**7,316**
Reserve for Possible Loan Losses (Note 32)	**(175,959)**	(229,414)	**(1,870)**
Reserve for Possible Investment Losses	**(6,065)**	(12,374)	**(64)**
Total Assets	**¥81,496,808**	¥72,262,884	**$866,066**
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 32)	**¥47,442,849**	¥43,550,349	**$504,175**
Negotiable Certificates of Deposit (Note 32)	**2,397,290**	1,882,426	**25,476**
Debentures (Notes 11 and 32)	**4,606,940**	5,117,872	**48,958**
Bonds (Note 12)	**50,000**	50,000	**531**
Call Money and Bills Sold (Notes 9 and 32)	**452,214**	524,922	**4,806**
Payables under Repurchase Agreements (Notes 9 and 32)	**12,349,745**	7,800,406	**131,241**
Payables under Securities Lending Transactions (Note 9)	**6,129**	10,654	**65**
Trading Liabilities (Notes 13 and 32)	**10,139**	10,595	**108**
Borrowed Money (Notes 9, 14 and 32)	**1,779,106**	1,814,807	**18,906**
Foreign Exchange Liabilities (Note 15)	**78**	10	**1**
Short-term Entrusted Funds (Note 32)	**4,235,124**	4,351,710	**45,006**
Other Liabilities (Notes 16 and 32)	**1,286,866**	1,571,006	**13,675**
Reserve for Bonus Payments	**6,747**	6,474	**72**
Reserve for Employees' Retirement Benefits (Note 17)	**11,414**	6,188	**121**
Reserve for Directors' Retirement Benefits	**1,032**	1,018	**11**
Deferred Tax Liabilities (Note 18)	**395,295**	94,249	**4,201**
Deferred Tax Liabilities for Land Revaluation	**10,158**	12,932	**108**
Acceptances and Guarantees (Note 19)	**688,399**	618,301	**7,316**
Total Liabilities	**75,729,534**	67,423,926	**804,777**
Net Assets			
Paid-in Capital (Note 22)	**3,425,909**	3,425,909	**36,407**
Capital Surplus	**25,020**	25,020	**266**
Retained Earnings	**1,130,521**	1,024,914	**12,014**
Treasury Preferred Stock	**(150)**	(150)	**(2)**
Total Owners' Equity	**4,581,301**	4,475,694	**48,685**
Net Unrealized Gains on Other Securities	**1,267,652**	373,302	**13,471**
Net Deferred Losses on Hedging Instruments	**(105,743)**	(40,825)	**(1,124)**
Revaluation Reserve for Land	**17,723**	24,841	**189**
Foreign Currency Transaction Adjustments	**(20)**	(40)	**(0)**
Total Accumulated Other Comprehensive Income	**1,179,611**	357,277	**12,536**
Minority Interests	**6,361**	5,985	**68**
Total Net Assets	**5,767,273**	4,838,957	**61,289**
Total Liabilities and Net Assets	**¥81,496,808**	¥72,262,884	**$866,066**

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

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Income			
Interest Income:	**¥637,775**	¥597,750	**$ 6,778**
Interest on Loans and Bills Discounted	**78,828**	85,943	**838**
Interest and Dividends on Securities	**539,766**	495,889	**5,736**
Interest on Call Loans and Bills Bought	**1,486**	1,668	**16**
Interest on Receivables under Resale Agreements	**10**	7	**0**
Interest on Receivables under Securities Borrowing Transactions	**508**	540	**5**
Interest on Due from Banks	**4,766**	5,393	**51**
Other Interest Income	**12,407**	8,307	**132**
Fees and Commissions	**21,120**	18,397	**225**
Trading Income (Note 23)	**485**	753	**5**
Other Operating Income (Note 24)	**115,659**	86,637	**1,229**
Other Income (Note 25)	**220,506**	249,108	**2,343**
Total Income	**995,547**	952,648	**10,580**
Expenses			
Interest Expenses:	**589,742**	587,554	**6,267**
Interest on Deposits	**34,557**	41,704	**367**
Interest on Negotiable Certificates of Deposit	**7,128**	3,680	**76**
Interest on Debentures	**45,233**	59,125	**481**
Interest on Borrowed Money	**80,517**	80,284	**855**
Interest on Call Money and Bills Sold	**346**	453	**4**
Interest on Payables under Repurchase Agreements	**15,530**	15,233	**165**
Interest on Payables under Securities Lending Transactions	**3**	8	**0**
Interest on Bonds	**1,260**	5,678	**13**
Other Interest Expenses	**405,165**	381,385	**4,306**
Fees and Commissions	**13,178**	11,648	**140**
Trading Expenses (Note 26)	**224**	—	**3**
Other Operating Expenses (Note 27)	**132,835**	96,164	**1,412**
General and Administrative Expenses	**123,924**	118,917	**1,317**
Other Expenses (Note 28)	**33,710**	64,162	**358**
Total Expenses	**893,616**	878,447	**9,497**
Income before Income Taxes and Minority Interests	**101,931**	74,200	**1,083**
Income Taxes — Current	**1,299**	2,085	**14**
Income Taxes — Deferred	**(19,612)**	1,549	**(209)**
Total Income Taxes	**(18,313)**	3,634	**(195)**
Income before Minority Interests	**120,244**	70,566	**1,278**
Minority Interests in Net Income	**378**	48	**4**
Net Income	**¥119,866**	¥ 70,518	**$ 1,274**

	Yen		U.S. Dollars (Note 1)
	2013	2012	**2013**
Net Income per Share	**¥22.17**	¥14.54	**$0.24**

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

(2) Consolidated Statement of Comprehensive Income

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Income before Minority Interests	**¥120,244**	¥ 70,566	**$ 1,278**
Other Comprehensive Income	**829,496**	529,922	**8,815**
Net Unrealized Gains on Other Securities (Note 29)	**894,047**	595,754	**9,501**
Net Deferred Losses on Hedging Instruments (Note 29)	**(64,859)**	(67,551)	**(689)**
Revaluation Reserve for Land (Note 29)	**—**	1,609	**—**
Foreign Currency Transaction Adjustments (Note 29)	**20**	(1)	**0**
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	**288**	110	**3**
Total Comprehensive Income	**¥949,741**	¥600,488	**$10,093**
Attributable to:			
Owners of the Parent	**949,318**	600,430	**10,088**
Minority Interests	**423**	58	**5**

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

Consolidated Statement of Capital Surplus and Retained Earnings

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Capital Surplus			
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	**$ 266**
Balance at the End of the Fiscal Year	**25,020**	25,020	**266**
Retained Earnings			
Balance at the Beginning of the Fiscal Year	**1,024,914**	972,337	**10,892**
Additions:			
Net Income for the Fiscal Year	**119,866**	70,518	**1,274**
Transfer from Revaluation Reserve for Land	**7,118**	3,434	**75**
Deductions:			
Dividends	**21,377**	21,375	**227**
Balance at the End of the Fiscal Year	**¥1,130,521**	¥1,024,914	**$12,014**

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

Consolidated Statement of Cash Flows

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	**¥ 101,931**	¥ 74,200	**$ 1,083**
Depreciation	**19,997**	19,999	**212**
Losses on Impairment of Fixed Assets	**1,493**	4,588	**16**
Gains on Negative Goodwill Incurred	**(19)**	(2,729)	**(0)**
Equity in Earnings of Affiliates	**(6,727)**	(7,113)	**(71)**
Net Decrease in Reserve for Possible Loan Losses	**(53,455)**	(39,892)	**(568)**
Net Decrease in Reserve for Possible Investment Losses	**(6,309)**	(57)	**(67)**
Net Increase in Reserve for Bonus Payments	**272**	1,837	**3**
Net Increase in Reserve for Employees' Retirement Benefits	**5,226**	2,288	**56**
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	**14**	(32)	**0**
Interest Income	**(637,775)**	(597,750)	**(6,778)**
Interest Expenses	**589,742**	587,554	**6,267**
Losses on Securities	**153,526**	48,044	**1,632**
Losses (Gains) on Money Held in Trust	**(10,946)**	3,428	**(116)**
Foreign Exchange Losses (Gains)	**(4,527,579)**	314,547	**(48,115)**
Gains on Disposals of Fixed Assets	**(702)**	(404)	**(7)**
Net Increase in Trading Assets	**(3,944)**	(13,280)	**(42)**
Net Decrease in Trading Liabilities	**(455)**	(1,129)	**(5)**
Net Increase in Loans and Bills Discounted	**(1,486,184)**	(627,455)	**(15,794)**
Net Increase in Deposits	**3,892,385**	1,681,174	**41,364**
Net Increase in Negotiable Certificates of Deposit	**514,864**	1,114,307	**5,471**
Net Decrease in Debentures	**(510,931)**	(298,488)	**(5,430)**
Net Decrease in Borrowed Money (Excluding Subordinated Borrowed Money)	**(35,700)**	(51,200)	**(379)**
Net Increase in Interest-bearing Due from Banks	**(11,764)**	(380,356)	**(125)**
Net Decrease (Increase) in Call Loans and Bills Bought and Other	**(602,382)**	494,066	**(6,402)**
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	**492,481**	(259,787)	**5,234**
Net Increase (Decrease) in Call Money and Bills Sold and Other	**4,476,630**	(671,401)	**47,573**
Net Decrease in Short-term Entrusted Funds	**(116,586)**	(45,569)	**(1,239)**
Net Decrease in Payables under Securities Lending Transactions	**(4,525)**	(822,575)	**(48)**
Net Decrease (Increase) in Foreign Exchange Assets	**(223,953)**	264,949	**(2,380)**
Net Increase in Foreign Exchange Liabilities	**67**	10	**1**
Interest Received	**653,552**	626,006	**6,945**
Interest Paid	**(592,544)**	(597,543)	**(6,297)**
Other, Net	**(170,998)**	(343,774)	**(1,817)**
Subtotal	**1,898,703**	476,462	**20,177**
Income Taxes Refund (Paid)	**2,217**	(3,933)	**24**
Net Cash Provided by Operating Activities	**1,900,920**	472,528	**20,201**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	**2013**
Cash Flows from Investing Activities:			
Purchases of Securities	**(30,200,852)**	(30,101,719)	**(320,944)**
Proceeds from Sales of Securities	**1,786,024**	833,008	**18,980**
Proceeds from Redemption of Securities	**28,593,913**	27,220,017	**303,867**
Increase in Money Held in Trust	**(666,090)**	(1,042,889)	**(7,078)**
Decrease in Money Held in Trust	**1,324,776**	1,410,795	**14,078**
Purchases of Tangible Fixed Assets	**(5,559)**	(2,552)	**(59)**
Purchases of Intangible Fixed Assets	**(2,027)**	(2,543)	**(22)**
Proceeds from Sales of Tangible Fixed Assets	**10,267**	5,038	**109**
Purchases of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	**—**	(1,832)	**—**
Purchases of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	**(28)**	(286)	**(0)**
Proceeds from Business Transfer	**—**	895,606	**—**
Net Cash Provided by (Used in) Investing Activities	**840,423**	(787,356)	**8,931**
Cash Flows from Financing Activities:			
Payments for Redemption of Subordinated Bonds	**—**	(195,026)	**—**
Dividends Paid	**(21,377)**	(21,375)	**(227)**
Net Cash Used in Financing Activities	**(21,377)**	(216,402)	**(227)**
Net Increase (Decrease) in Cash and Cash Equivalents	**2,719,966**	(531,230)	**28,905**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**414,965**	946,195	**4,410**
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	**¥ 3,134,931**	¥ 414,965	**$ 33,315**

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 ¥94.10=U.S.$1, the approximate rate of exchange prevailing on March 31, 2013, 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

(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 numbers of subsidiaries as of March 31, 2013 and 2012 were 10 and 9, respectively, out of which 9 and 9 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.

Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd. which was newly established in the fiscal year ended March 31, 2013 was neither consolidated nor accounted for by the equity method since it was not material to the consolidated financial statements.

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 numbers of affiliates as of March 31, 2013 and 2012 were 6 and 6, respectively, out of which 5 and 5 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 except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliates accounted for by the equity method are as follows:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

(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 statement of operations.

Securities, monetary claims and certain other instruments held for trading purposes are valued at fair value prevailing at the end of the period. 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 period.

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 unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. In principle, other securities 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 extremely 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 in (2) and (3) a. 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 deferral method of hedge accounting to the hedge transactions to manage interest rate risk associated with various financial assets and liabilities, which is described in “Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks,” issued by the Japanese Institute of Certified Public Accountants (“JICPA”), (JICPA Industry Audit Committee Report No. 24). Hedge effectiveness of a fair value hedge is assessed by identified groups of hedged items, such as loans and deposits, and the corresponding groups of hedging instruments, such as interest rate swaps within the same maturity 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.

(b) Hedge of Foreign Exchange Rate Risk

The Bank applies the deferral method of hedge accounting to the hedge transactions 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 deferral 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 deferral method or the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps. Under the deferral 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.

(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.

(Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates)

Due to the enacted revision of "Corporation Tax Act," the Bank and its consolidated domestic subsidiaries apply the revised depreciation method exclusively to the Tangible Fixed Assets acquired on or after April 1, 2012 from the fiscal year ended March 31, 2013. The impacts of the change on the financial results of the period are immaterial.

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 from 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 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 lease 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 disposals 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 ¥30,840 million ($328 million) and ¥63,829 million for the fiscal years ended March 31, 2013 and 2012, 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 the financial condition 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 period.

(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 (10 years) within the employees' average remaining service period using the straight-line method beginning in the fiscal year in which the difference had been incurred.

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

Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the reserve is provided at the amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

(13) Reserve for Directors' Retirement Benefits

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

(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 Statement of Cash Flows

"Cash and Cash Equivalents" in the consolidated statement of cash flows represents cash and non-interest bearing due from banks in Cash and Due from Banks on the consolidated balance sheet.

Non-interest bearing due from banks 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 per Share

Net Income per Share is computed based upon the weighted average number of shares outstanding during the period.

The total dividends for lower dividend rate stocks and preferred stocks and the total special dividends are deducted from the numerator, the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator, respectively, in the calculation of Net Income per Share.

3. Trading Assets

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Trading Securities	**¥25,821**	¥21,425	**$275**
Derivatives of Trading Securities	**7**	1	**0**
Derivatives of Securities Related to Trading Transactions	**20**	—	**0**
Trading-related Financial Derivatives	**10,752**	11,231	**114**
Total	**¥36,602**	¥32,658	**$389**

4. Securities

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Japanese Government Bonds	**¥13,562,941**	¥17,541,008	**$144,133**
Municipal Government Bonds	**2,039**	1,874	**22**
Corporate Bonds	**76,229**	97,844	**810**
Stocks	**587,925**	504,161	**6,248**
Other	**35,816,659**	27,481,576	**380,623**
Foreign Bonds	**24,775,862**	17,698,881	**263,293**
Foreign Stocks	**49,810**	48,101	**529**
Investment Trusts	**10,450,778**	9,160,667	**111,060**
Other	**540,208**	573,924	**5,741**
Total	**¥50,045,795**	¥45,626,464	**$531,836**

The maturity profile of securities is as follows:

As of March 31, 2013	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	**¥ 910,866**	**¥ 1,876,364**	**¥10,111,935**	**¥ 742,044**	**¥ —**
Japanese Government Bonds	**867,238**	**1,855,031**	**10,107,571**	**733,100**	**—**
Municipal Government Bonds	**59**	**1,165**	**784**	**29**	**—**
Corporate Bonds	**43,568**	**20,166**	**3,579**	**8,914**	**—**
Stocks	**—**	**—**	**—**	**—**	**587,925**
Other	**3,965,420**	**12,103,546**	**7,789,617**	**2,225,605**	**9,732,469**
Foreign Bonds	**3,878,364**	**11,810,138**	**7,613,213**	**1,474,145**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**49,810**
Investment Trusts	**25,409**	**50,491**	**1,273**	**731,339**	**9,642,265**
Other	**61,647**	**242,916**	**175,129**	**20,121**	**40,393**
Total	**¥4,876,287**	**¥13,979,910**	**¥17,901,553**	**¥2,967,650**	**¥10,320,394**

As of March 31, 2012	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	¥ 7,013,684	¥ 539,573	¥ 9,343,698	¥ 743,770	¥ —
Japanese Government Bonds	6,985,821	478,626	9,342,968	733,592	—
Municipal Government Bonds	58	1,052	730	33	—
Corporate Bonds	27,804	59,894	—	10,144	—
Stocks	—	—	—	—	504,161
Other	3,207,981	11,317,099	2,792,113	1,538,646	8,625,735
Foreign Bonds	3,163,529	10,989,124	2,535,514	1,010,712	—
Foreign Stocks	—	—	—	—	48,101
Investment Trusts	25,514	81,336	950	507,488	8,545,377
Other	18,936	246,638	255,649	20,444	32,255
Total	¥10,221,665	¥11,856,673	¥12,135,812	¥2,282,417	¥9,129,896

	Millions of U.S. Dollars				
As of March 31, 2013	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	**$ 9,680**	**$ 19,940**	**$107,459**	**$ 7,886**	**$ —**
Japanese Government Bonds	**9,216**	**19,713**	**107,413**	**7,791**	**—**
Municipal Government Bonds	**1**	**13**	**8**	**0**	**—**
Corporate Bonds	**463**	**214**	**38**	**95**	**—**
Stocks	**—**	**—**	**—**	**—**	**6,248**
Other	**42,140**	**128,625**	**82,780**	**23,652**	**103,426**
Foreign Bonds	**41,215**	**125,506**	**80,906**	**15,666**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**529**
Investment Trusts	**270**	**537**	**13**	**7,772**	**102,468**
Other	**655**	**2,582**	**1,861**	**214**	**429**
Total	**$51,820**	**$148,565**	**$190,239**	**$31,538**	**$109,674**

Notes: 1. The above amount is based on the consolidated balance sheet amount at the end of the fiscal year.
2. Investment Trusts include Japanese trusts and foreign trusts.

5. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Loans on Deeds	**¥14,677,599**	¥13,156,036	**$155,979**
Loans on Bills	**240,721**	232,534	**2,558**
Overdrafts	**1,300,864**	1,344,308	**13,824**
Bills Discounted	**5,410**	5,397	**58**
Total	**¥16,224,595**	¥14,738,276	**$172,419**

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Loans to Borrowers under Bankruptcy Proceedings	**¥ 799**	¥ 1,102	**$ 8**
Delinquent Loans	**166,237**	197,354	**1,767**
Loans Past Due for Three Months or More	**172**	42	**2**
Restructured Loans	**61,211**	71,496	**650**
Total	**¥228,420**	¥269,995	**$2,427**

(1) Loans to borrowers under bankruptcy proceedings are loans (excluding the parts written-off for possible loan losses) stipulated in Article 96-1-3, 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97, 1965) on which interest is placed on an no-accrual status (hereinafter referred to as "Non-accrual Loans") since the loan principals and/or their pertaining interests are determined to be uncollectible considering the period of time past due and other reasons.
(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.
(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

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Due from Foreign Banks	**¥268,750**	¥44,797	**$2,856**
Total	**¥268,750**	¥44,797	**$2,856**

7. Other Assets

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Prepaid Expenses	**¥ 659**	¥ 645	**$ 7**
Accrued Income	**157,405**	104,711	**1,673**
Derivatives other than for Trading	**106,871**	40,073	**1,136**
Cash Collateral Paid for Financial Instruments	**778,131**	759,895	**8,269**
Other	**208,666**	66,285	**2,217**
Total	**¥1,251,733**	¥971,610	**$13,302**

8. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Buildings	**¥ 35,275**	¥ 35,396	**$ 375**
Land	**52,899**	63,104	**562**
Lease Assets	**12,903**	13,158	**137**
Construction in Progress	**1,958**	604	**21**
Other	**6,504**	6,792	**69**
Total Net Book Value	**109,541**	119,055	**1,164**
Accumulated Depreciation Deducted	**¥107,797**	¥104,608	**$1,146**

Intangible Fixed Assets

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Software	**¥27,628**	¥38,284	**$294**
Lease Assets	**2,495**	3,234	**26**
Other	**3,299**	2,043	**35**
Total	**¥33,424**	¥ 43,563	**$355**

9. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Securities	**¥14,067,246**	¥10,617,645	**$149,493**
Loans and Bills Discounted	**8,596,567**	7,821,553	**91,356**

Liabilities secured by the above assets are as follows:

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Call Money and Bills Sold	**¥ 425,000**	¥ 455,000	**$ 4,516**
Payables under Repurchase Agreements	**12,349,745**	7,755,429	**131,241**
Payables under Securities Lending Transactions	**4,567**	4,633	**49**
Borrowed Money	**229,923**	283,800	**2,443**

In addition, as of March 31, 2013 and 2012, Securities (including transactions of Money Held in Trust) of ¥8,249,498 million ($87,667 million) and ¥7,217,404 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2013 and 2012, initial margins of futures markets of ¥2,075 million ($22 million) and ¥1,949 million, respectively, cash collateral paid for financial instruments of ¥778,131 million ($8,269 million) and ¥759,895 million, respectively, and guarantee deposits of ¥9,231 million ($98 million) and ¥6,033 million, respectively, were included in Other Assets.

10. Deposits

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Time Deposits	**¥39,866,477**	¥36,683,500	**$423,661**
Deposits at Notice	**88,937**	84,318	**945**
Ordinary Deposits	**1,025,390**	1,065,109	**10,897**
Current Deposits	**74,493**	131,389	**792**
Other Deposits	**6,387,549**	5,586,032	**67,880**
Total	**¥47,442,849**	¥43,550,349	**$504,175**

11. Debentures

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
One-year Discount Debentures	**¥ —**	¥ —	**$ —**
Long-term Coupon Debentures	**4,606,940**	5,117,872	**48,958**
Total	**¥4,606,940**	¥5,117,872	**$48,958**

12. Bonds

Bonds were subordinated bonds of ¥50,000 million ($531 million) and ¥50,000 million as of March 31, 2013 and 2012, respectively.

13. Trading Liabilities

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Derivatives of Trading Securities	**¥ 31**	¥ —	**$ 0**
Derivatives of Securities Related to Trading Transactions	**32**	13	**1**
Trading-related Financial Derivatives	**10,075**	10,581	**107**
Total	**¥10,139**	¥10,595	**$108**

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million ($15,792 million) and ¥1,486,007 million as of March 31, 2013 and 2012, respectively.

15. Foreign Exchange Liabilities

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Foreign Bills Payable	**¥78**	¥10	**$1**
Total	**¥78**	¥10	**$1**

16. Other Liabilities

As of March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Accrued Expenses	**¥ 50,041**	¥ 52,829	**$ 532**
Income Taxes Payable	**952**	796	**10**
Unearned Income	**1,037**	1,159	**11**
Derivatives other than for Trading	**705,609**	698,326	**7,498**
Accounts Payable for Securities Purchased	**434,098**	715,536	**4,613**
Other	**95,127**	102,358	**1,011**
Total	**¥1,286,866**	¥1,571,006	**$13,675**

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, 2013 and 2012, are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Projected Benefit Obligations	**¥(104,880)**	¥(103,363)	**$(1,115)**
Plan Assets	**84,399**	67,647	**897**
Unfunded Retirement Benefit Obligations	**(20,480)**	(35,715)	**(218)**
Unrecognized Actuarial Differences	**8,056**	28,359	**86**
Unrecognized Prior Service Cost	**1,009**	1,168	**11**
Net Amounts Reported in the Consolidated Balance Sheets	**(11,414)**	(6,188)	**(121)**
Prepaid Pension Cost	**—**	—	**—**
Reserve for Employees' Retirement Benefits	**¥ (11,414)**	¥ (6,188)	**$ (121)**

Note: Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees voluntarily terminate the employment and certain other alternative measures may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

Assumptions used in the above calculation are as follows:

As of or for the fiscal years ended March 31	**2013**	2012
Discount Rate	**1.2%**	1.2%
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**	10 years

18. Accounting for Income Taxes

Components of deferred tax assets and liabilities are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Deferred Tax Assets:			
Reserve for Possible Loan Losses	**¥ 34,933**	¥ 50,770	**$ 371**
Write-off of Loans	**1,935**	9,528	**21**
Losses on Revaluation of Securities	**72,532**	95,451	**771**
Reserve for Employees' Retirement Benefits	**10,642**	8,988	**113**
Depreciation Expense	**384**	478	**4**
Net Operating Losses Carried Forward	**26,532**	6,851	**282**
Unrealized Losses on Other Securities	**16**	14	**0**
Deferred Losses on Hedging Instruments	**48,581**	22,983	**516**
Unrealized Losses on Reclassification	**25,987**	42,394	**276**
Other	**66,452**	64,853	**706**
Subtotal	**288,000**	302,313	**3,060**
Valuation Allowance	**(136,087)**	(165,867)	**(1,446)**
Total Deferred Tax Assets	**151,912**	136,445	**1,614**
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	**(4,959)**	(4,959)	**(53)**
Unrealized Gains on Other Securities	**(458,417)**	(126,443)	**(4,872)**
Deferred Gains on Hedging Instruments	**(8,115)**	(7,392)	**(86)**
Unrealized Gains on Reclassification	**(40,744)**	(46,379)	**(433)**
Other	**(32,852)**	(43,398)	**(349)**
Total Deferred Tax Liabilities	**(545,088)**	(228,573)	**(5,793)**
Net Deferred Tax Liabilities	**¥(393,176)**	¥ (92,128)	**$(4,179)**

19. Acceptances and Guarantees

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Letters of Credit	**¥ 106**	¥ 174	**$ 1**
Guarantees	**688,293**	618,126	**7,315**
Total	**¥688,399**	¥618,301	**$7,316**

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 the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥2,648,354 million ($28,144 million) and ¥2,658,983 million as of March 31, 2013 and 2012, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥1,829,389 million ($19,441 million) and ¥1,843,793 million as of March 31, 2013 and 2012, 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 overall financial conditions, 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 ¥136,070 million ($1,446 million) and ¥129,823 million as of March 31, 2013 and 2012, 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 of ¥1,560 million ($17 million) and ¥50,151 million as of March 31, 2013 and 2012, respectively, and securities held without re-pledge of ¥825,839 million ($8,776 million) and ¥1,361,956 million as of March 31, 2013 and 2012, respectively. No such securities are re-loaned to the third parties.

22. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Common Stock	**¥3,400,909**	¥3,400,909	**$36,141**
Preferred Stock	**24,999**	24,999	**266**
Total	**¥3,425,909**	¥3,425,909	**$36,407**

The Common Stock account includes lower dividend rate stock with a total par value of ¥2,975,192 million ($31,617 million) and ¥2,975,192 million as of March 31, 2013 and 2012, respectively.

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

23. Trading Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	**2013**
Income from Trading Securities and Derivatives	**¥416**	¥590	**$ 4**
Income from Securities and Derivatives Related to Trading Transactions	**—**	9	**—**
Income from Trading-related Financial Derivatives	**69**	154	**1**
Total	**¥485**	¥753	**$ 5**

24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	**2013**
Gains on Sales of Bonds	**¥ 54,002**	¥24,919	**$ 574**
Gains on Redemption of Bonds	**16,365**	16,557	**174**
Other	**45,292**	45,160	**481**
Total	**¥115,659**	¥86,637	**$1,229**

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	**2013**
Gains on Sales of Stocks and Other Securities	**¥ 11,126**	¥ 14,318	**$ 118**
Gains on Money Held in Trust	**191,264**	211,387	**2,033**
Equity in Earnings of Affiliates	**6,727**	7,113	**71**
Gains on Disposals of Fixed Assets	**2,065**	1,865	**22**
Recoveries of Written-off Claims	**1,086**	2,962	**12**
Reversal of Reserve for Possible Loan Losses	**—**	6,787	**—**
Gains on Negative Goodwill Incurred	**19**	2,729	**0**
Other	**8,217**	1,943	**87**
Total	**¥220,506**	¥249,108	**$2,343**

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	**2013**
Expenses on Securities and Derivatives Related to Trading Transactions	**¥224**	¥ —	**$3**
Total	**¥224**	¥ —	**$3**

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	**2013**
Amortization of Debenture Issuance Costs	**¥ 442**	¥ 466	**$ 5**
Losses on Foreign Exchange Transactions	**12,745**	4,486	**136**
Losses on Sales of Bonds	**73,316**	28,908	**779**
Losses on Redemption of Bonds	**107**	136	**1**
Losses on Revaluation of Bonds	**872**	1,969	**9**
Losses on Derivatives other than for Trading or Hedging	**5,381**	12,992	**57**
Other	**39,970**	47,203	**425**
Total	**¥132,835**	¥96,164	**$1,412**

28. Other Expenses

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2013**	2012	**2013**
Write-off of Loans	**¥ 9,112**	¥ 1,783	**$ 97**
Provision of Reserve for Possible Loan Losses	**3,240**	—	**34**
Losses on Sales of Stocks and Other Securities	**4,293**	21,179	**46**
Losses on Revaluation of Stocks and Other Securities	**1,280**	15,243	**14**
Losses on Money Held in Trust	**1,386**	11,794	**15**
Losses on Disposals of Fixed Assets	**1,362**	1,461	**14**
Other	**13,033**	12,699	**138**
Total	**¥33,710**	¥64,162	**$358**

29. Other Comprehensive Income

Reclassification adjustments and income tax effects on the Other Comprehensive Income are as follows:

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2013**	2012	**2013**
Net Unrealized Gains on Other Securities:			
Gains arising during the fiscal year	**¥1,212,074**	¥740,113	**$12,881**
Reclassification adjustments to profit or loss	**24,735**	107,189	**263**
Amounts before income tax effects	**1,236,809**	847,303	**13,144**
Income tax effects	**(342,761)**	(251,548)	**(3,643)**
Total	**894,047**	595,754	**9,501**
Net Deferred Losses on Hedging Instruments:			
Losses arising during the fiscal year	**(199,680)**	(177,707)	**(2,122)**
Reclassification adjustments to profit or loss	**109,945**	82,443	**1,169**
Amounts before income tax effects	**(89,735)**	(95,263)	**(953)**
Income tax effects	**24,875**	27,711	**264**
Total	**(64,859)**	(67,551)	**(689)**
Revaluation Reserve for Land:			
Gains (Losses) arising during the fiscal year	**—**	—	**—**
Reclassification adjustments to profit or loss	**—**	—	**—**
Amounts before income tax effects	**—**	—	**—**
Income tax effects	**—**	1,609	**—**
Total	**—**	1,609	**—**
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	**20**	(1)	**0**
Reclassification Adjustments to profit or loss	**—**	—	**—**
Amounts before income tax effects	**20**	(1)	**0**
Income tax effects	**—**	—	**—**
Total	**20**	(1)	**0**
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	**269**	(31)	**3**
Reclassification Adjustments to profit or loss	**19**	142	**0**
Total	**288**	110	**3**
Total Other Comprehensive Income	**¥ 829,496**	¥529,922	**$ 8,815**

30. Cash Flows

The reconciliation of Cash and Due from Banks in the consolidated balance sheet to "Cash and Cash Equivalents" at the end of the fiscal year is as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Cash and Due from Banks	**¥4,419,087**	¥1,687,337	**$46,962**
Less: Interest-bearing Due from Banks	**(1,284,155)**	(1,272,371)	**(13,647)**
Cash and Cash Equivalents at the End of the Fiscal Year	**¥3,134,931**	¥ 414,965	**$33,315**

31. Segment Information

Fiscal year ended March 31, 2013

(1) Segment Information

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information

a. Information about Services

	Millions of Yen			
Fiscal year ended March 31, 2013	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	**¥81,724**	**¥817,923**	**¥93,815**	**¥993,463**

	Millions of U.S. Dollars			
Fiscal year ended March 31, 2013	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	**$869**	**$8,692**	**$997**	**$10,558**

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

b. Information about Geographic Areas

(a) Ordinary Income

	Millions of Yen				
Fiscal year ended March 31, 2013	Japan	Americas	Europe	Others	Total
	¥966,021	**¥4,240**	**¥9,207**	**¥13,994**	**¥993,463**

	Millions of U.S. Dollars				
Fiscal year ended March 31, 2013	Japan	Americas	Europe	Others	Total
	$10,266	**$45**	**$98**	**$149**	**$10,558**

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

(b) Tangible Fixed Assets

	Millions of Yen				
As of March 31, 2013	Japan	Americas	Europe	Others	Total
	¥108,966	**¥297**	**¥175**	**¥101**	**¥109,541**

	Millions of U.S. Dollars				
As of March 31, 2013	Japan	Americas	Europe	Others	Total
	$1,158	**$3**	**$2**	**$1**	**$1,164**

c. Information about Major Customers

		Millions of Yen	
Fiscal year ended March 31, 2013	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	**¥101,486**	—

		Millions of U.S. Dollars	
Fiscal year ended March 31, 2013	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	**$1,078**	—

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

(3) Information about Impairment Loss of Fixed Assets in Reportable Segments

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments

None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments

Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

Fiscal year ended March 31, 2012

(1) Segment Information

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information

a. Information about Services

	Millions of Yen			
Fiscal year ended March 31, 2012	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥98,069	¥770,466	¥79,517	¥948,053

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

b. Information about Geographic Areas

(a) Ordinary Income

	Millions of Yen				
Fiscal year ended March 31, 2012	Japan	Americas	Europe	Others	Total
	¥924,745	¥4,128	¥8,640	¥10,539	¥948,053

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

(b) Tangible Fixed Assets

	Millions of Yen				
As of March 31, 2012	Japan	Americas	Europe	Others	Total
	¥118,494	¥292	¥170	¥98	¥119,055

c. Information about Major Customers

		Millions of Yen	
Fiscal year ended March 31, 2012	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥107,761	—

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

(3) Information about Impairment Loss of Fixed Assets in Reportable Segments

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments
None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments
Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

32. 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 "globally diversified investment." 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 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 purposes. These securities are exposed to the market risk arising from interest rates, currency exchange rates and price fluctuations, as well as the credit risk 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 item 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 the 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 the 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 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 on 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.

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2013 and 2012 summed up to ¥39 million ($0 million) and ¥24 million respectively in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back tests for the fiscal years ended March 31, 2013 and 2012 actual results, the Bank had only one exception for each fiscal year where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank and its consolidated subsidiaries from the banking operations totaled ¥2,326,126 million ($24,720 million) and ¥2,278,254 million as of March 31, 2013 and 2012, respectively, under the historical simulation method with holding period of 1 year, a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid- to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured by using the historical simulation method VaR as mentioned above.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. VaR, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover risks in extremely volatile market conditions.

(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 an 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, 2013 and 2012 are as follows:

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

	Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2013	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	**¥ 4,419,087**	**¥ 4,419,087**	**¥ —**	**$ 46,962**	**$ 46,962**	**$ —**
(2) Call Loans and Bills Bought	**1,527,128**	**1,527,128**	**—**	**16,229**	**16,229**	**—**
(3) Monetary Claims Bought (*1)	**178,228**	**178,299**	**71**	**1,894**	**1,895**	**1**
(4) Trading Assets (*2)						
Trading Securities	**25,821**	**25,821**	**—**	**275**	**275**	**—**
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	**27,217**	**27,217**	**—**	**289**	**289**	**—**
Other Money Held in Trust	**6,863,763**	**6,874,350**	**10,586**	**72,941**	**73,053**	**112**
(6) Securities						
Held-to-Maturity Debt Securities	**17,561,519**	**17,905,289**	**343,770**	**186,626**	**190,279**	**3,653**
Other Securities	**31,980,621**	**31,980,621**	**—**	**339,858**	**339,858**	**—**
(7) Loans and Bills Discounted	**16,224,595**			**172,419**		
Reserve for Possible Loan Losses (*1)	**(167,706)**			**(1,783)**		
	16,056,888	**16,107,868**	**50,979**	**170,636**	**171,178**	**542**
Total Assets	**¥78,640,276**	**¥79,045,683**	**¥405,407**	**$835,710**	**$840,018**	**$4,308**
(1) Deposits	**¥47,442,849**	**¥47,442,902**	**¥ 53**	**$504,175**	**$504,175**	**$ 0**
(2) Negotiable Certificates of Deposit	**2,397,290**	**2,397,290**	**—**	**25,476**	**25,476**	**—**
(3) Debentures	**4,606,940**	**4,645,856**	**38,915**	**48,958**	**49,372**	**414**
(4) Call Money and Bills Sold	**452,214**	**452,214**	**—**	**4,806**	**4,806**	**—**
(5) Payables under Repurchase Agreements	**12,349,745**	**12,349,745**	**—**	**131,241**	**131,241**	**—**
(6) Borrowed Money	**1,779,106**	**1,779,106**	**—**	**18,906**	**18,906**	**—**
(7) Short-term Entrusted Funds	**4,235,124**	**4,235,124**	**—**	**45,006**	**45,006**	**—**
Total Liabilities	**¥73,263,272**	**¥73,302,240**	**¥ 38,968**	**$778,568**	**$778,982**	**$ 414**
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge Transactions	**¥ 176**	**¥ 176**	**¥ —**	**$ 2**	**$ 2**	**$ —**
Transactions Accounted for as Hedge Transactions	**(599,256)**	**(599,256)**	**—**	**(6,368)**	**(6,368)**	**—**
Total Derivative Instruments	**¥ (599,080)**	**¥ (599,080)**	**¥ —**	**$ (6,366)**	**$ (6,366)**	**$ —**

(*) 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 Liabilities, Other Assets and Other Liabilities are shown by net position. Receivables and payables which arise from Derivative Instruments are shown on a net basis.

As of March 31, 2012	Millions of Yen Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 1,687,337	¥ 1,687,337	¥ —
(2) Call Loans and Bills Bought	832,440	832,440	—
(3) Monetary Claims Bought (*1)	221,643	221,657	14
(4) Trading Assets (*2)			
Trading Securities	21,425	21,425	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	25,546	25,546	—
Other Money Held in Trust	6,999,992	7,013,133	13,140
(6) Securities			
Held-to-Maturity Debt Securities	15,819,186	16,150,261	331,074
Other Securities	29,201,854	29,201,854	—
(7) Loans and Bills Discounted	14,738,276		
Reserve for Possible Loan Losses (*1)	(175,093)		
	14,563,183	14,606,572	43,389
Total Assets	¥69,372,610	¥69,760,229	¥387,618
(1) Deposits	¥43,550,349	¥43,550,422	¥ 72
(2) Negotiable Certificates of Deposit	1,882,426	1,882,426	—
(3) Debentures	5,117,872	5,170,488	52,616
(4) Call Money and Bills Sold	524,922	524,922	—
(5) Payables under Repurchase Agreements	7,800,406	7,800,406	—
(6) Borrowed Money	1,814,807	1,814,807	—
(7) Short-term Entrusted Funds	4,351,710	4,351,710	—
Total Liabilities	¥65,042,494	¥65,095,183	¥ 52,688
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge Transactions	¥ 1,562	¥ 1,562	¥ —
Transactions Accounted for as Hedge Transactions	(660,160)	(660,160)	—
Total Derivative Instruments	¥ (658,598)	¥ (658,598)	¥ —

(*) 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 Liabilities, 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 period. 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, etc.

(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 institutions.

(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 34. 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. The estimates for the valuations of some securitized products are calculated according to 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, or the quoted prices provided by brokers or venders, or both.

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 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 33. 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 maturities, interest rates and other terms.

Liabilities

(1) Deposits

With respect to demand deposits, the amounts payable on demand as of the consolidated balance sheet date (the carrying value) are estimated at 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 its 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 hedged 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 35. 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" in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes the transactions of the table below.

As of March 31, 2013	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	**¥233,374**	**$2,480**
Bonds (*2)	**8,292**	**88**
Investments in Partnership and Others (*3)	**261,986**	**2,784**
Total	**¥503,654**	**$5,352**

(*) 1. Unlisted Stocks and Others 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. The amount of revaluation losses for the fiscal year ended March 31, 2013 was ¥132 million ($1 million) on Unlisted Stocks and Others and ¥872 million ($9 million) on Bonds.
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."

As of March 31, 2012	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥224,684
Bonds (*3)	96,295
Investments in Partnership and Others (*4)	281,265
Total	¥602,245

(*) 1. Unlisted Stocks and Others 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. The amount of revaluation losses for the fiscal year ended March 31, 2012 was ¥524 million on Unlisted Stocks.
3. Out of Bonds (including 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 ¥42,499 million, in accordance with the Bank's internal rules.
4. 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."

(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, 2013	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)	**¥ 4,310,632**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Call Loans and Bills Bought	**1,527,128**	**—**	**—**	**—**	**—**	**—**
Monetary Claims Bought	**1,569**	**7,124**	**8,783**	**—**	**3,648**	**159,364**
Securities						
Held-to-Maturity Debt Securities	**1,096,118**	**3,266,995**	**4,365,132**	**2,877,376**	**5,431,451**	**543,787**
Other Securities held that have Maturity	**3,768,692**	**2,723,035**	**3,439,974**	**3,185,138**	**5,774,515**	**1,990,910**
Loans and Bills Discounted (*2)	**12,921,383**	**1,678,007**	**812,087**	**340,108**	**212,873**	**92,401**
Total	**¥23,625,524**	**¥7,675,162**	**¥8,625,977**	**¥6,402,622**	**¥11,422,488**	**¥2,786,463**

	Millions of U.S. Dollars					
As of March 31, 2013	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)	**$ 45,809**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Call Loans and Bills Bought	**16,229**	**—**	**—**	**—**	**—**	**—**
Monetary Claims Bought	**17**	**76**	**93**	**—**	**39**	**1,694**
Securities						
Held-to-Maturity Debt Securities	**11,648**	**34,718**	**46,388**	**30,578**	**57,720**	**5,779**
Other Securities held that have Maturity	**40,050**	**28,938**	**36,557**	**33,849**	**61,366**	**21,157**
Loans and Bills Discounted (*2)	**137,315**	**17,832**	**8,630**	**3,614**	**2,262**	**982**
Total	**$251,068**	**$81,564**	**$91,668**	**$68,041**	**$121,387**	**$29,612**

(*) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."
2. Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥167,733 million ($1,783 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

	Millions of Yen					
As of March 31, 2012	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)	¥ 1,550,737	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	832,440	—	—	—	—	—
Monetary Claims Bought	13,661	7,703	16,357	—	4,000	184,724
Securities						
Held-to-Maturity Debt Securities	2,159,050	2,987,946	2,120,237	2,358,936	5,779,668	480,794
Other Securities held that have Maturity	8,096,709	4,925,885	1,694,201	867,925	2,904,769	1,473,886
Loans and Bills Discounted (*2)	11,378,860	2,304,301	363,465	300,449	93,928	98,719
Total	¥24,031,459	¥10,225,836	¥4,194,261	¥3,527,311	¥8,782,366	¥2,238,124

(*) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."
2. Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥198,551 million within Loans and Bills Discounted, 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, 2013	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)	**¥47,436,168**	**¥ 5,469**	**¥ 1,211**	**¥ —**	**¥ —**	**¥ —**
Negotiable Certificates of Deposit	**2,397,290**	**—**	**—**	**—**	**—**	**—**
Debentures	**1,219,799**	**1,778,656**	**1,608,479**	**5**	**—**	**—**
Call Money and Bills Sold	**452,214**	**—**	**—**	**—**	**—**	**—**
Payables under Repurchase Agreements	**12,349,745**	**—**	**—**	**—**	**—**	**—**
Borrowed Money (*2)	**288,805**	**3,763**	**529**	**—**	**—**	**1,486,007**
Short-term Entrusted Funds	**4,235,124**	**—**	**—**	**—**	**—**	**—**
Total	**¥68,379,149**	**¥1,787,890**	**¥1,610,220**	**¥ 5**	**¥ —**	**¥1,486,007**

	Millions of U.S. Dollars					
As of March 31, 2013	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)	**$504,104**	**$ 58**	**$ 13**	**$ —**	**$ —**	**$ —**
Negotiable Certificates of Deposit	**25,476**	**—**	**—**	**—**	**—**	**—**
Debentures	**12,963**	**18,902**	**17,093**	**0**	**—**	**—**
Call Money and Bills Sold	**4,806**	**—**	**—**	**—**	**—**	**—**
Payables under Repurchase Agreements	**131,241**	**—**	**—**	**—**	**—**	**—**
Borrowed Money (*2)	**3,069**	**40**	**6**	**—**	**—**	**15,792**
Short-term Entrusted Funds	**45,006**	**—**	**—**	**—**	**—**	**—**
Total	**$726,665**	**$19,000**	**$17,112**	**$ 0**	**$ —**	**$15,792**

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

	Millions of Yen					
As of March 31, 2012	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)	¥43,516,029	¥ 30,701	¥ 3,619	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	1,882,426	—	—	—	—	—
Debentures	1,280,873	2,166,794	1,670,198	5	—	—
Call Money and Bills Sold	524,922	—	—	—	—	—
Payables under Repurchase Agreements	7,800,406	—	—	—	—	—
Borrowed Money (*2)	328,800	—	—	—	—	1,486,007
Short-term Entrusted Funds	4,351,710	—	—	—	—	—
Total	¥59,685,168	¥2,197,495	¥1,673,817	¥ 5	¥ —	¥1,486,007

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

33. Fair Value of Securities

Trading Securities

	Millions of Yen	Millions of U.S. Dollars
As of March 31, 2013	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
Trading Securities	**¥159**	**$2**

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

	Millions of Yen
As of March 31, 2012	Unrealized Gain Recognized as Income
Trading Securities	¥20

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

Held-to-Maturity Debt Securities

As of March 31, 2013	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 7,560,076	¥ 7,686,649	¥126,573
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	8,945,379	9,167,364	221,984
	Foreign Bonds	8,917,299	9,139,220	221,920
	Other	28,080	28,143	63
	Sub total	16,505,456	16,854,014	348,557
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,087,942	1,083,219	(4,723)
	Foreign Bonds	1,084,142	1,079,419	(4,723)
	Other	3,800	3,800	—
	Sub total	1,087,942	1,083,219	(4,723)
	Total	¥17,593,399	¥17,937,233	¥343,834

As of March 31, 2013	Type	Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	$ 80,341	$ 81,686	$1,345
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	95,062	97,421	2,359
	Foreign Bonds	94,764	97,122	2,358
	Other	298	299	1
	Sub total	175,403	179,107	3,704
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	11,562	11,512	(50)
	Foreign Bonds	11,521	11,471	(50)
	Other	41	41	—
	Sub total	11,562	11,512	(50)
	Total	$186,965	$190,619	$3,654

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

As of March 31, 2012	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 7,572,633	¥ 7,794,668	¥222,035
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	6,824,875	6,955,238	130,362
	Foreign Bonds	6,817,385	6,947,735	130,349
	Other	7,490	7,503	13
	Sub total	14,397,509	14,749,907	352,398
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,435,547	1,414,237	(21,310)
	Foreign Bonds	1,429,167	1,407,857	(21,310)
	Other	6,379	6,379	—
	Sub total	1,435,547	1,414,237	(21,310)
	Total	¥15,833,056	¥16,164,144	¥331,088

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

Other Securities

As of March 31, 2013	Type	Millions of Yen: Consolidated Balance Sheet Amount	Millions of Yen: Acquisition Cost	Millions of Yen: Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 366,616	¥ 209,505	¥ 157,111
	Bonds	6,021,255	5,834,786	186,468
	Japanese Government Bonds	6,002,865	5,817,522	185,342
	Municipal Government Bonds	2,039	1,969	70
	Corporate Bonds	16,350	15,295	1,055
	Other	21,886,327	20,656,964	1,229,363
	Foreign Bonds	12,990,787	12,429,272	561,515
	Foreign Stocks	22,679	17,408	5,270
	Investment Trusts	8,760,651	8,107,544	653,107
	Other	112,209	102,739	9,469
	Sub total	28,274,199	26,701,256	1,572,943
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	42,379	50,891	(8,512)
	Bonds	59,878	60,463	(585)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	59,878	60,463	(585)
	Other	3,790,104	3,984,491	(194,386)
	Foreign Bonds	1,775,339	1,784,361	(9,022)
	Foreign Stocks	—	—	—
	Investment Trusts	1,662,812	1,846,278	(183,465)
	Other	351,953	353,850	(1,897)
	Sub total	3,892,362	4,095,846	(203,483)
	Total	¥32,166,562	¥30,797,102	¥1,369,459

As of March 31, 2013	Type	Millions of U.S. Dollars: Consolidated Balance Sheet Amount	Millions of U.S. Dollars: Acquisition Cost	Millions of U.S. Dollars: Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	$ 3,896	$ 2,227	$ 1,669
	Bonds	63,988	62,006	1,982
	Japanese Government Bonds	63,792	61,823	1,969
	Municipal Government Bonds	22	21	1
	Corporate Bonds	174	162	12
	Other	232,586	219,521	13,065
	Foreign Bonds	138,053	132,086	5,967
	Foreign Stocks	241	185	56
	Investment Trusts	93,099	86,158	6,941
	Other	1,193	1,092	101
	Sub total	300,470	283,754	16,716
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	450	541	(91)
	Bonds	636	643	(7)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	636	643	(7)
	Other	40,278	42,343	(2,065)
	Foreign Bonds	18,867	18,963	(96)
	Foreign Stocks	—	—	—
	Investment Trusts	17,671	19,620	(1,949)
	Other	3,740	3,760	(20)
	Sub total	41,364	43,527	(2,163)
	Total	$341,834	$327,281	$14,553

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

As of March 31, 2012	Type	Millions of Yen Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 253,885	¥ 169,963	¥ 83,922
	Bonds	3,771,111	3,713,486	57,624
	Japanese Government Bonds	3,760,604	3,703,059	57,544
	Municipal Government Bonds	1,682	1,635	46
	Corporate Bonds	8,824	8,790	33
	Other	14,635,563	14,002,992	632,571
	Foreign Bonds	8,209,604	7,932,534	277,069
	Foreign Stocks	9,492	8,954	537
	Investment Trusts	6,369,212	6,018,096	351,115
	Other	47,255	43,407	3,847
	Sub total	18,660,561	17,886,442	774,118
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	77,631	90,341	(12,709)
	Bonds	6,296,826	6,298,518	(1,692)
	Japanese Government Bonds	6,207,771	6,208,411	(640)
	Municipal Government Bonds	191	192	(0)
	Corporate Bonds	88,863	89,914	(1,051)
	Other	4,388,636	4,938,986	(550,349)
	Foreign Bonds	1,146,585	1,255,804	(109,219)
	Foreign Stocks	6,498	6,498	—
	Investment Trusts	2,771,525	3,208,307	(436,782)
	Other	464,027	468,376	(4,348)
	Sub total	10,763,095	11,327,846	(564,751)
	Total	¥29,423,656	¥29,214,289	¥209,367

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interests 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 the Fiscal Year

The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities for the fiscal years ended March 31, 2013 and 2012.

Other Securities Sold during the Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
Fiscal year ended March 31, 2013	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	**¥ 1,057**	**¥ 502**	**¥ 49**	**$ 11**	**$ 5**	**$ 0**
Bonds	**613,584**	**8,071**	**2,330**	**6,521**	**86**	**25**
Japanese Government Bonds	**613,584**	**8,071**	**2,330**	**6,521**	**86**	**25**
Municipal Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Corporate Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Other	**1,324,541**	**48,579**	**70,455**	**14,076**	**516**	**749**
Foreign Bonds	**1,196,438**	**37,938**	**53,466**	**12,715**	**403**	**568**
Foreign Stocks	**8,150**	**198**	**814**	**87**	**2**	**9**
Investment Trusts	**119,365**	**10,442**	**10,620**	**1,268**	**111**	**113**
Other	**587**	**—**	**5,553**	**6**	**—**	**59**
Total	**¥1,939,183**	**¥57,154**	**¥72,835**	**$20,608**	**$607**	**$774**

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2012	Millions of Yen Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 26,313	¥ 3,847	¥21,198
Bonds	203,351	3,506	—
Japanese Government Bonds	203,351	3,506	—
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	569,589	29,740	23,851
Foreign Bonds	531,022	17,464	23,848
Foreign Stocks	614	2	2
Investment Trusts	32,323	10,491	—
Other	5,629	1,782	—
Total	¥799,254	¥37,094	¥45,050

Note: Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, 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 years ended March 31, 2013 and 2012 ("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 ended March 31, 2013 was ¥1,821 million ($19 million) including ¥1,148 million ($12 million) on Stocks, ¥0 million ($0 million) on Foreign Bonds and ¥673 million ($7 million) on Other.

The amount of revaluation loss for the fiscal year ended March 31, 2012 was ¥18,906 million including ¥1,655 million on Stocks, ¥1,066 million on Bonds (Corporate Bonds), ¥903 million on Foreign Bonds, ¥13,063 million on Foreign Stocks and ¥2,217 million on Other.

The criteria for determining whether the securities' fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair values are equal to or less than 50% of their acquisition costs (and other)

Securities whose fair values remain between 50% (exclusive) and 70% (inclusive) of their acquisition costs (and other) for a certain period

34. Fair Value of Money Held in Trust

Money Held in Trust for Trading Purposes

	Millions of Yen		Millions of U.S. Dollars	
As of March 31, 2013	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	**¥27,217**	**¥1,816**	**$289**	**$19**

	Millions of Yen	
As of March 31, 2012	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥25,546	¥557

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

	Millions of Yen				
As of March 31, 2013	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	**¥6,865,063**	**¥6,546,492**	**¥318,571**	**¥321,877**	**¥3,306**

As of March 31, 2013	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	**$72,955**	**$69,570**	**$3,385**	**$3,420**	**$35**

Note: "Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost" and "Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost" are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in "Difference."

As of March 31, 2012	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	¥7,002,051	¥6,721,400	¥280,650	¥287,011	¥6,361

Note: "Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost" and "Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost" are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in "Difference."

35. Fair Value of Derivative Instruments

(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 consolidated balance sheet date, and determination of fair value are as follows.

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

Interest Rate-Related Derivative Instruments

As of March 31, 2013	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								
Interest Rate Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	**6,992**	**6,992**	**1**	**1**	**74**	**74**	**0**	**0**
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	**284,878**	**222,969**	**10,670**	**10,670**	**3,027**	**2,369**	**113**	**113**
Rec.: Flt.-Pay.: Fix.	**294,809**	**223,678**	**(9,982)**	**(9,982)**	**3,133**	**2,377**	**(106)**	**(106)**
Rec.: Flt.-Pay.: Flt.	**11,000**	**2,000**	**4**	**4**	**117**	**21**	**0**	**0**
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	**¥ /**	**¥ /**	**¥ 694**	**¥ 694**	**$ /**	**$ /**	**$ 7**	**$ 7**

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.

As of March 31, 2012	Millions of Yen: Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	320,011	242,639	11,194	11,194
Rec.: Flt.-Pay.: Fix.	307,520	238,705	(10,542)	(10,542)
Rec.: Flt.-Pay.: Flt.	23,500	11,000	15	15
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 667	¥ 667

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, 2013	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	**616,870**	—	**(18,322)**	**(18,322)**	**6,555**	—	**(195)**	**(195)**
Purchased	**968,130**	—	**17,842**	**17,842**	**10,288**	—	**190**	**190**
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	**¥ /**	**¥ /**	**¥ (480)**	**¥ (480)**	**$ /**	**$ /**	**$ (5)**	**$ (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:
Fair value is determined based on the discounted net present value model.

As of March 31, 2012	Millions of Yen 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	185,874	1,951	(1,682)	(1,682)
Purchased	249,756	1,951	2,588	2,588
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 906	¥ 906

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

As of March 31, 2013	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**	**—**	**—**	**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.

	Millions of Yen			
As of March 31, 2012	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	—	—
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

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2013	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	**¥ 2,451**	**¥ —**	**¥(32)**	**¥(32)**	**$ 26**	**$ —**	**$(0)**	**$(0)**
Purchased	**18,567**	**—**	**(6)**	**(6)**	**197**	**—**	**(0)**	**(0)**
Bond Futures Options:								
Sold	**2,920**	**—**	**(4)**	**0**	**31**	**—**	**(0)**	**0**
Purchased	**2,900**	**—**	**7**	**3**	**31**	**—**	**0**	**0**
Over-the-counter Transactions								
Bond Options:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**¥ /**	**¥ /**	**¥(36)**	**¥(35)**	**$ /**	**$ /**	**$(0)**	**$(0)**

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.

As of March 31, 2012	Millions of Yen Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Bond Futures:				
Sold	¥7,237	¥ —	¥(11)	¥(11)
Purchased	—	—	—	—
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥(11)	¥(11)

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, 2013 and 2012.

Credit Derivative Instruments

As of March 31, 2013	Millions of Yen Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Millions of U.S. Dollars 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**	**—**	**—**	**133**	**133**	**—**	**—**
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," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the 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.

	Millions of Yen			
As of March 31, 2012	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	—	—
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," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the 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 consolidated balance sheet date, and determination of fair value are as follows.

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

Interest Rate-Related Derivative Instruments

As of March 31, 2013			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	**¥2,510,000**	**¥2,360,000**	**¥ 15,560**	**$26,674**	**$25,080**	**$ 165**
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	**3,803,049**	**3,234,685**	**(164,933)**	**40,415**	**34,375**	**(1,752)**
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	**142,688**	**141,371**	Note 3	**1,516**	**1,502**	Note 3
Total			**¥ /**	**¥ /**	**¥(149,373)**	**$ /**	**$ /**	**$(1,587)**

Notes: 1. Primarily, the Bank applies the deferral 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 hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

As of March 31, 2012

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen: Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥1,540,000	¥1,390,000	¥ 10,407
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	3,054,338	3,054,338	(69,306)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	135,428	134,360	Note 3
Total			¥ /	¥ /	¥(58,898)

Notes: 1. Primarily, the Bank applies the deferral 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 hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

Currency-Related Derivative Instruments

As of March 31, 2013

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen: Contract Amount or Notional Amount	Over 1 Year	Fair Value	Millions of U.S. Dollars: Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	**¥11,062,395**	**¥4,535,378**	**¥(219,988)**	**$117,560**	**$48,197**	**$(2,338)**
	Forex Forward		**6,300,988**	**—**	**(229,895)**	**66,961**	**—**	**(2,443)**
Total			**¥ /**	**¥ /**	**¥(449,883)**	**$ /**	**$ /**	**$(4,781)**

Notes: 1. Primarily, the Bank applies the deferral 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.

As of March 31, 2012

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen: Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥9,252,230	¥1,496,653	¥(418,920)
	Forex Forward		4,273,708	—	(182,341)
Total			¥ /	¥ /	¥(601,262)

Notes: 1. Primarily, the Bank applies the deferral 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, 2013 and 2012.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2013 and 2012.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2013**	2012	**2013**
Assets			
Cash and Due from Banks	**¥ 4,403,890**	¥ 1,672,889	**$ 46,800**
Call Loans	**1,527,128**	832,440	**16,229**
Receivables under Resale Agreements	**—**	44,987	**—**
Receivables under Securities Borrowing Transactions	**—**	492,481	**—**
Monetary Claims Bought	**179,373**	222,980	**1,906**
Trading Assets	**36,602**	32,658	**389**
Money Held in Trust	**6,891,232**	7,026,907	**73,233**
Securities	**50,072,352**	45,655,404	**532,118**
Loans and Bills Discounted	**16,127,677**	14,655,723	**171,389**
Foreign Exchange Assets	**268,750**	44,797	**2,856**
Other Assets	**1,248,265**	968,159	**13,265**
Tangible Fixed Assets	**107,435**	116,866	**1,142**
Intangible Fixed Assets	**32,187**	42,133	**342**
Customers' Liabilities for Acceptances and Guarantees	**142,169**	140,502	**1,511**
Reserve for Possible Loan Losses	**(170,847)**	(221,671)	**(1,816)**
Reserve for Possible Investment Losses	**(5,120)**	(8,065)	**(54)**
Total Assets	**¥80,861,096**	¥71,719,196	**$859,310**
Liabilities and Net Assets			
Liabilities			
Deposits	**¥47,456,419**	¥43,563,186	**$504,319**
Negotiable Certificates of Deposit	**2,397,290**	1,882,426	**25,476**
Debentures	**4,619,200**	5,125,655	**49,088**
Call Money	**452,214**	524,922	**4,806**
Payables under Repurchase Agreements	**12,349,745**	7,800,406	**131,241**
Payables under Securities Lending Transactions	**6,129**	10,654	**65**
Trading Liabilities	**10,139**	10,595	**108**
Borrowed Money	**1,772,106**	1,819,807	**18,832**
Foreign Exchange Liabilities	**78**	10	**1**
Short-term Entrusted Funds	**4,235,124**	4,351,710	**45,006**
Other Liabilities	**1,263,850**	1,550,927	**13,431**
Reserve for Bonus Payments	**5,382**	5,129	**57**
Reserve for Retirement Benefits	**10,084**	4,945	**107**
Reserve for Directors' Retirement Benefits	**722**	704	**7**
Deferred Tax Liabilities	**395,295**	94,249	**4,201**
Deferred Tax Liabilities for Land Revaluation	**10,158**	12,932	**108**
Acceptances and Guarantees	**142,169**	140,502	**1,511**
Total Liabilities	**75,126,111**	66,898,765	**798,364**
Net Assets			
Paid-in Capital	**3,425,909**	3,425,909	**36,407**
Capital Surplus	**25,020**	25,020	**266**
Retained Earnings	**1,104,386**	1,011,806	**11,736**
Total Owners' Equity	**4,555,316**	4,462,736	**48,409**
Net Unrealized Gains on Other Securities, net of taxes	**1,267,564**	373,612	**13,470**
Net Deferred Losses on Hedging Instruments, net of taxes	**(105,620)**	(40,760)	**(1,122)**
Revaluation Reserve for Land, net of taxes	**17,723**	24,841	**189**
Total Valuation and Translation Adjustments	**1,179,667**	357,693	**12,537**
Total Net Assets	**5,734,984**	4,820,430	**60,946**
Total Liabilities and Net Assets	**¥80,861,096**	¥71,719,196	**$859,310**

(2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen 2013	Millions of Yen 2012	Millions of U.S. Dollars 2013
Income			
Interest Income:	**¥634,759**	¥594,671	**$ 6,746**
Interest on Loans and Bills Discounted	**74,967**	81,856	**797**
Interest and Dividends on Securities	**540,622**	496,906	**5,745**
Interest on Call Loans	**1,486**	1,668	**16**
Interest on Receivables under Resale Agreements	**10**	7	**0**
Interest on Receivables under Securities Borrowing Transactions	**508**	540	**5**
Interest on Due from Banks	**4,756**	5,384	**51**
Other Interest Income	**12,407**	8,307	**132**
Fees and Commissions	**13,543**	12,693	**144**
Trading Income	**485**	753	**5**
Other Operating Income	**113,702**	84,785	**1,208**
Other Income	**210,469**	242,029	**2,237**
Total Income	**972,961**	934,934	**10,340**
Expenses			
Interest Expenses:	**589,693**	587,538	**6,267**
Interest on Deposits	**34,559**	41,706	**367**
Interest on Negotiable Certificates of Deposit	**7,128**	3,680	**76**
Interest on Debentures	**45,294**	59,183	**481**
Interest on Borrowed Money	**81,671**	85,891	**868**
Interest on Call Money	**346**	453	**4**
Interest on Payables under Repurchase Agreements	**15,530**	15,233	**165**
Interest on Payables under Securities Lending Transactions	**3**	8	**0**
Other Interest Expenses	**405,159**	381,380	**4,306**
Fees and Commissions	**11,605**	11,082	**123**
Trading Expenses	**224**	—	**3**
Other Operating Expenses	**132,795**	95,947	**1,411**
General and Administrative Expenses	**116,565**	112,054	**1,239**
Other Expenses	**34,737**	64,075	**369**
Total Expenses	**885,623**	870,698	**9,412**
Income before Income Taxes	**87,337**	64,236	**928**
Income Taxes — Current	**94**	1,203	**1**
Income Taxes — Deferred	**(19,595)**	1,391	**(208)**
Total Income Taxes	**(19,501)**	2,594	**(207)**
Net Income	**¥106,839**	¥ 61,641	**$ 1,135**

	Yen 2013	Yen 2012	U.S. Dollars 2013
Net Income per Share	**¥19.11**	¥12.45	**$0.20**

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 26, 2013.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	**¥ 21,483**	**$228**
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	**25,543**	**271**
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	**2,975**	**32**
Dividends on Preferred Stock (at the rate of 18% of the ¥100 face value, or ¥18.00 per share)	**1,004**	**11**

38. Subsequent Events

Business Transfer

In accordance with the approval made at the extraordinary Council of Delegates meeting on March 22, 2013, the Bank concluded the contract with Chiba Prefectural Credit Federations of Agricultural Cooperatives to take over a portion of the banking business as of April 3, 2013.

(1) The Objectives of the Business Transfer

The business transfer aims at streamlining the prefectural level of the agricultural cooperative system and facilitating efficient and sound banking operations of JA Bank Chiba, which would meet the expectations and secure the trust of both cooperative members and other customers.

(2) The Name of the Transferor

Chiba Prefectural Credit Federations of Agricultural Cooperatives
(The Shinnoren of Chiba Prefecture)

(3) The Description of the Business to be Transferred

A portion of the banking business

(4) The Amounts of the Major Assets and Liabilities to be Transferred

The details and amounts of the assets and liabilities to be transferred remain undefined at this moment.

(5) The Date of Transfer

July 16, 2013

ERNST & YOUNG

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

Independent Auditor's Report

The Board of Directors
The Norinchukin Bank

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of operations, comprehensive income, capital surplus and retained earnings, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Norinchukin Bank and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 26, 2013

Capital Adequacy (Consolidated)

Disclosure Regarding Capital Adequacy

The Bank calculates its capital adequacy ratio based on the formula contained in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled "Standards for Judging the Soundness of Management of The Norinchukin Bank" (hereinafter "Notification Regarding Capital Adequacy Ratio"). In addition, to calculate risk-weighted assets for credit risk, the Bank has adopted the "Foundation Internal Ratings-Based Approach (F-IRB)" and "The Standardized Approach (TSA)" for calculating operational risk capital charges.

Regarding the calculation of capital adequacy ratio, the Bank has been audited by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-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 agreed-upon procedures on internal control of the capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not express any audit opinion as a result of the review.

The disclosure requirements for the Bank are provided in Notification No. 6 of the 2007 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled "Disclosure Items Related to Capital Adequacy of The Norinchukin Bank" (hereinafter, "Disclosure Notification"). These disclosures can be found in this annual report as well as in the IR Library of the Bank's website at http://www.nochubank.or.jp/.

• Items for Qualitative Disclosure Related to Capital Adequacy Condition

Qualitative disclosure items including explanations of risk management policies are contained in the section "Capital and Risk Management" and in this document.

The Disclosure Notification requires disclosure of risk management policies and other items on both a consolidated and non-consolidated basis.

However, since the Bank conducts its primary business on a non-consolidated basis, the Bank provides information generally on a non-consolidated basis (For consolidated subsidiaries, information is provided in the section "Risk Management in Group Companies").

• Items for Quantitative Disclosure Related to Capital Adequacy Condition

Quantitative disclosures of the Bank in line with the Disclosure Notification are described on the following pages.

• Compensation Structure Disclosure

The Bank has disclosed its compensation structure as of March 2013 based on Notification No. 10 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled "Matters set forth separately by the Minister of Agriculture, Forestry and Fisheries of Japan and the Financial Services Agency Commissioner based on Article 112-6 of the Ordinance for Enforcement of The Norinchukin Bank Law, Article 112-6 and Article 113-4 of said Ordinance" (hereinafter "Compensation Notification").

Glossary of Terms

Exposure
Exposure is defined as the sum of the corresponding credit amount (before credit risk mitigation) of assets recognized on balance sheet, plus those of off-balance sheet transaction.

Risk-Weighted Asset for Credit Risk (RA)
RA is the amount of credit risk computed from exposure in accordance with the relevant credit risk. Since the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB), the amount of RAs is computed based on certain parameters—namely, probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Probability of Default (PD)
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 to herein includes costs and period of recovering the claim.

Exposure at Default (EAD)
EAD is the amount of the exposure at the time of default, taking into account those of the additional drawdown from the commitment line. Since the Bank adopts the F-IRB, it is required to estimate EAD for retail exposure. Regarding corporate, sovereign, and bank exposure, however, the Bank computes EAD based on the calculation method described in the Notification Regarding Capital Adequacy Ratio.

Risk Weight (RW)
RW indicates the ratio of RA to EAD. The following formula applies:

EAD x RW (%) = RA

As the Bank adopts F-IRB, with regard to most of the Bank's assets, RW is determined by parameters, including PD which corresponds to the grade of debtor rating.

Total Regulatory Required Capital
Total Regulatory required capital is the amount, calculated from the amount of risk, the denominator of the capital adequacy ratio, multiplied by 8%.

To the amount of total regulatory required capital for each exposure of risk-weighted assets for credit risk in the quantitative disclosures of the Bank, the expected loss, included in the numerator of the capital adequacy ratio, is added and shown.

■ Items for Quantitative Disclosure Related to Capital Adequacy Condition

Capital Adequacy

Items		Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to composition of capital	Composition of capital	Detailed components of Common Equity Tier 1 capital, Additional Tier 1 and Tier 2 capital	123	156
	Reconciliation with the balance sheet	Explanation on reconciliation between balance sheet items and regulatory capital elements	126	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 required capital and details of principal exposure (credit risk exposure, market risk, operational risk, etc.)	131	164

Details of Risks and Risk Exposures

Items				Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to credit risk	Credit risk exposure			Credit risk exposure (excluding securitization exposure and funds), details on the reserve for possible loan losses by region and industry	132	165
		Exposure subject to Internal Ratings-Based Approach (IRB)	Corporate, sovereign, and bank exposure	Details on PD, LGD, RW and EAD for corporate, sovereign, bank, and equity subject to the PD/LGD approach	135	168
			Retail exposure	Details on PD, LGD, RW and EAD	138	170
			Actual losses, etc., on exposure to corporate, sovereign, bank and retail	Comparison between actual losses in the previous fiscal year and past financial results	139	172
			Exposure to Specialized Lending subject to supervisory slotting criteria	Amount of exposure by RW	141	173
			Equity exposure subject to the simple risk-weighted method	Amount of exposure by RW	141	173
		Exposure subject to Standardized Approach		Amount of exposure by RW	142	174
Items related to credit risk mitigation				Coverage/application of collateral, guarantees, etc.	143	174
Items related to counterparty risk in derivative transactions				Derivative transaction activity	145	175
Items related to securitization exposure				Details on securitization exposure	146	176
Items related to market risk				VaR and amount of market risk in trading account	151	179
Items related to equity exposure				Details of equity exposure those directly held	152	180
Items related to exposure subject to risk-weighted asset calculation for investment fund				Risk-weighted assets for investment fund	154	181
Items related to interest rate risk				Interest rate risk for internal management purposes	155	181

1. Capital Structure Information (Consolidated)

1 CAPITAL ADEQUACY RATIO (CONSOLIDATED)

As of March 31, 2013

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Common Equity Tier 1 capital: instruments and reserves				
Directly issued qualifying common share capital plus related capital surplus and retained earnings	**4,480,442**		1a+2-26	Σ (E1, E2, -E3, E4)
of which: capital and capital surplus	**3,400,930**		1a	E1=Σ (E1.1, -E1.2, E1.3)
of which: retained earnings	**1,130,518**		2	E2
of which: cash dividends to be paid	**51,006**		26	E3
of which: other than the above	—			E4
Accumulated other comprehensive income and other disclosed reserves	—	**1,179,611**	3	E5
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—		5	E9.1
Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	**3,744**			
of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	**3,744**			
Common Equity Tier 1 capital: instruments and reserves (A)	**4,484,187**		6	
Common Equity Tier 1 capital: regulatory adjustments				
Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	—	**41,841**	8+9	A1+A2
of which: goodwill (net of related tax liability, including those equivalent)	—	**17,561**	8	A1=A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	—	**24,280**	9	A2=A2.1-A2.2
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	10	A3
Deferred gains or losses on derivatives under hedge accounting	—	**(65,362)**	11	E8
Shortfall of eligible provisions to expected losses	—	**38,219**	12	
Securitisation gain on sale	—	—	13	
Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	14	
Defined-benefit pension fund net assets (prepaid pension costs)	—	—	15	A4-D4
Investments in own shares (excluding those reported in the Net Assets section)	—	—	16	A5
Reciprocal cross-holdings in common equity	—	—	17	A6
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	—	—	18	A7
Amount exceeding the 10% threshold on specified items	—	—	19+20+21	Σ (A8:A10)
of which: significant investments in the common stock of financials	—	—	19	A8
of which: mortgage servicing rights	—	—	20	A9
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	21	A10
Amount exceeding the 15% threshold on specified items	—	—	22	Σ (A11:A13)
of which: significant investments in the common stock of financials	—	—	23	A11
of which: mortgage servicing rights	—	—	24	A12
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	25	A13
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—		27	
Common Equity Tier 1 capital: regulatory adjustments (B)	—		28	
Common Equity Tier 1 capital (CET1)				
Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	**4,484,187**		29	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Additional Tier 1 capital: instruments				
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	**49,000**		31a / 30	E6=E6.1+E6.2
Subscription rights to Additional Tier 1 instruments	—		31b / 30	
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		32 / 30	D1.1+D1.2
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	—		30	
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	**2,504**		34-35	E9.2
Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	**764**		33+35	
of which: directly issued capital instruments subject to phase out from Additional Tier 1	**764**		33	
of which: instruments issued by subsidiaries phase out	—		35	
Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(20)**			
of which: Amounts of counted in to base item of Additional Tier 1 by phase-out arrangements that related other comprehensive income	**(20)**			
Additional Tier 1 capital: instruments (D)	**52,248**		36	
Additional Tier 1 capital: regulatory adjustments				
Investments in own Additional Tier 1 instruments	—	—	37	A14
Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	38	A15
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	39	A16
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	**35,863**	40	A17
Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**19,109**			
of which: 50% of balance due to pay of eligible provisions	**19,109**			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		42	
Additional Tier 1 capital: regulatory adjustments (E)	**19,109**		43	
Additional Tier 1 capital (AT1)				
Additional Tier 1 capital (AT1) ((D)-(E)) (F)	**33,138**		44	
Tier 1 capital (T1=CET1+AT1)				
Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	**4,517,326**		45	
Tier 2 capital: instruments and provisions				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	—		46	E7
Subscription rights to Tier 2 instruments	—		46	
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		46	D2.1+D2.2
Tier 2 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	—		46	
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	**102**		48-49	E9.3
Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**1,382,406**		47+49	
of which: directly issued capital instruments subject to phase out from Tier 2	**1,382,406**		47	
of which: instruments issued by subsidiaries subject to phase out	—		49	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Total of general allowance for loan losses and eligible provisions included in Tier 2	**15**		50	
of which: general allowance for possible loan losses	**15**		50a	A18
of which: eligible provisions	**—**		50b	A19
Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**770,801**			
of which: Amounts of counted in to base item of Additional Tier 1 by transitional arrangements that related other comprehensive income	**770,801**			
Tier 2 capital: instruments and provisions (H)	**2,153,325**		51	
Tier 2 capital: regulatory adjustments				
Investments in own Tier 2 instruments	**—**	**—**	52	A20
Reciprocal cross-holdings in Tier 2 instruments	**—**	**—**	53	A21
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	**—**	**—**	54	A22
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**—**	**—**	55	A23
Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	**72,534**			
of which: intangibles assets other than mortgage servicing rights	**17,561**			
of which: 50% of balance due to pay of eligible provisions	**19,109**			
of which: significant investments in the additional Tier 1 capital of other financial institutions	**35,863**			
Tier 2 capital: regulatory adjustments (I)	**72,534**		57	
Tier 2 capital (T2)				
Tier 2 capital (T2) ((H)-(I)) (J)	**2,080,791**		58	
Total capital (TC=T1+T2)				
Total capital (TC=T1+T2) ((G) + (J)) (K)	**6,598,117**		59	
Risk weighted assets				
Total of items included in risk weighted assets subject to phase out arrangements	**24,280**			
of which: intangibles assets other than mortgage servicing rights	**24,280**			
Risk weighted assets (L)	**28,000,947**		60	
Capital Ratio (consolidated)				
Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	**16.01%**		61	
Tier 1 capital ratio (consolidated) ((G)/(L))	**16.13%**		62	
Total capital ratio (consolidated) ((K)/(L))	**23.56%**		63	
Regulatory Adjustments				
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	**487,531**		72	A24
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	**43,592**		73	A25
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	**—**		74	A26
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	**—**		75	A27
Provisions included in Tier 2 capital: instruments and provisions				
Provisions (general reserve for possible loan losses)	**15**		76	
Cap on inclusion of provisions (general reserve for possible loan losses)	**98**		77	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	**—**		78	
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**150,438**		79	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Capital instruments subject to phase-out arrangements				
Current cap on Additional Tier 1 instruments subject to phase-out arrangements	**764**		82	
Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	**84**		83	
Current cap on Tier 2 instruments subject to transitional arrangements	**1,382,406**		84	
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	**153,600**		85	

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Consolidated)

As of March 31, 2013

(Millions of yen)

Items	Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
(Assets)			
Loans and Bills Discounted	**16,224,595**		
Foreign Exchanges Assets	**268,750**		
Securities	**50,045,795**	**50,045,545**	
Money Held in Trust	**6,892,281**	**6,892,281**	
Securities and Money Held in Trust of which: Goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		**17,561**	A1.1
Securities and Money Held in Trust of which: Investments in own capital instruments		—	
Common Equity (excluding those reported in the Net Assets section)		—	A5
Additional Tier 1 capital		—	A14
Tier 2 capital		—	A20
Securities and Money Held in Trust of which: Reciprocal cross-holdings in capital instruments		—	
Common Equity		—	A6
Additional Tier 1 capital		—	A15
Tier 2 capital		—	A21
Securities and Money Held in Trust of which: Investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		**487,531**	
Common Equity		—	A7
Additional Tier 1 capital		—	A16
Tier 2 capital		—	A22
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		**487,531**	A24
Securities and Money Held in Trust of which: Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		**79,455**	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11
Additional Tier 1 capital		**35,863**	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**43,592**	A25

(Millions of yen)

Items	Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
Trading Assets	**36,602**		
Monetary Claims Bought	**179,373**		
Call Loans and Bills Bought	**1,527,128**		
Receivables under Resale Agreements	**—**		
Receivables under Securities Borrowing Transactions	**—**		
Cash and Due from Banks	**4,419,087**		
Other Assets	**1,251,733**	**1,251,733**	
of which: Defined-benefit pension fund net assets (prepaid pension costs)		**—**	A4
Tangible Fixed Assets	**109,541**		
Buildings	**35,275**		
Land	**52,899**		
Lease Assets	**12,903**		
Construction in Progress	**1,958**		
Other	**6,504**		
Intangible Fixed Assets	**33,424**	**33,424**	
Software	**27,628**	**27,628**	
Lease Assets	**2,495**	**2,495**	
Other	**3,299**	**3,299**	
of which: Goodwill and those equivalents (excluding those reported in the Net Assets section)		**—**	A1.2
of which: Other intangible assets other than goodwill and mortgage servicing rights		**33,424**	A2.1
of which: Amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**9,143**	A2.2
of which: Mortgage servicing rights (net of related deferred tax liabilities)		**—**	
Amount exceeding the 10% threshold on specified items		**—**	A9
Amount exceeding the 15% threshold on specified items		**—**	A12
Amount below the thresholds for deduction (before risk weighting)		**—**	A26
Deferred Tax Assets	**2,119**	**2,119**	
of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)		**—**	A3
of which: Deferred tax assets arising from temporary differences (net of related deferred tax liabilities)		**—**	
Amount exceeding the 10% threshold on specified items		**—**	A10
Amount exceeding the 15% threshold on specified items		**—**	A13
Amount below the thresholds for deduction (before risk weighting)		**—**	A27
Customers' Liabilities for Acceptances and Guarantees	**688,399**		
Reserve for Possible Loan Losses	**(175,959)**	**(175,959)**	
of which: general reserve for possible loan losses includes Tier 2		**15**	A18
of which: eligible provisions includes Tier 2		**—**	A19
Reserve for Possible Investment Losses	**(6,065)**		
Total Assets	**81,496,808**		
(Liabilities)			
Deposits	**47,442,849**		
Negotiable Certificates of Deposit	**2,397,290**		
Debentures	**4,606,940**		
Bonds	**50,000**	**50,000**	
of which: Qualifying Additional Tier 1 instruments		**—**	D1.1
of which: Qualifying Tier 2 instruments		**—**	D2.1
Trading liabilities	**10,139**		

(Millions of yen)

Items	Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
Borrowed money	1,779,106	1,779,106	
of which: Qualifying Additional Tier 1 instruments		—	D1.2
of which: Qualifying Tier 2 instruments		—	D2.2
Call Money and Bills Sold	452,214		
Payables under Repurchase Agreements	12,349,745		
Payables under Securities Lending Transactions	6,129		
Foreign Exchanges Liabilities	78		
Trust Money	4,235,124		
Other Liabilities	1,286,866		
Reserve for Bonus Payments	6,747		
Reserve for Employees' Retirement Benefits	11,414		
Reserve for Directors' Retirement Benefits	1,032		
Deferred Tax Liabilities	395,295	395,295	
of which: prepaid pension cost		—	D4
Deferred Tax Liabilities for Land Revaluation	10,158	10,158	
Acceptances and Guarantees	688,399		
Total Liabilities	75,729,534		
(Net Assets)			
Paid-in Capital	3,425,909	3,425,909	E1.1
of which: Preferred stock		24,999	E1.2
of which: Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E6.1
Capital Surplus	25,020	25,020	
of which: Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E6.2
of which: other capital surplus		20	E1.3
Retained Earnings	1,130,521	1,130,518	E2
of which: cash dividends to be paid		51,006	E3
Treasury Preferred Stock	(150)	(150)	
Total Owners' Equity	4,581,301	4,581,298	
of which: Others		—	E4
of which: Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E7
Net Unrealized Gains on Other Securities	1,267,652	1,267,652	
Net Deferred Losses on Hedging Instruments	(105,743)	(105,743)	
of which: Net Deferred Losses on Hedge		(65,362)	E8
Revaluation Reserve for Land	17,723	17,723	
Foreign Currency Translation Adjustment	(20)	(20)	
Total Accumulated Other Comprehensive Income	1,179,611	1,179,611	E5
Minority Interests	6,361	6,361	
of which: Common equity issued by subsidiaries and held by third parties (amount allowed in group CET1)		—	E9.1
of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		2,504	E9.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		102	E9.3
Total Net Assets	5,767,273		
Total Liabilities and Net Assets	81,496,808		

Notes: 1. "Balance sheet based on regulatory scope of consolidation" contains only the items used in calculating capital adequacy.
2. With respect to the amount of disclosure items related to composition of capital based on links to a reference number, the amount included in capital adequacy, as well as the amount excluded due to transitional arrangements in "Capital Structure Information" are included in order to state the value before taking into account transitional arrangement. The items counted to Capital by transitional arrangement are not included by the above.

As of March 31, 2012

(Millions of yen)

Items			
Tier 1 capital	Capital stock		3,425,909
	Included as non-cumulative, perpetual preferred stock		24,999
	Deposit for subscription to preferred stock		—
	Capital surplus		25,020
	Earned surplus		1,003,537
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries		—
	Less: Treasury stock		150
	Deposit for subscription to treasury stock		—
	Unrealized loss on other securities		—
	Foreign currency transaction adjustment		(40)
	Stock acquisition rights		—
	Minority interest of consolidated subsidiaries		6,007
	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		37,531
	Subtotal	(A)	4,422,752
	Including preferred securities with interest rate step-up clause		—
	(Ratio of the value of such preferred securities to Tier 1 capital)		—
Tier 2 capital	45% of unrealized gains on other securities		223,019
	45% of unrealized gains on land		16,998
	General reserve for possible loan losses		29
	Qualifying subordinated debt		1,536,007
	Included as perpetual subordinated bonds and loans		1,486,007
	Included as dated subordinated bonds, loans, and preferred stock		50,000
	Subtotal		1,776,054
	Tier 2 capital included as qualifying capital	(B)	1,776,054
Tier 3 capital	Short-term subordinated debt		—
	Including amount added to capital	(C)	—
Deductions	Deductions	(D)	219,435
Total Capital	(A)+(B)+(C)-(D)	(E)	5,979,371
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	21,794,392
	Including on-balance sheet		20,633,139
	Including off-balance sheet		1,161,253
	Assets equivalent to market risk (H)/8%	(G)	1,886,536
	(For reference: actual market risk volume)	(H)	150,922
	Amount corresponding to operational risk (J)/8%	(I)	549,785
	(For reference: amount corresponding to operational risk)	(J)	43,982
	Total risk-weighted assets (F)+(G)+(I)	(K)	24,230,715
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			24.67%
Tier 1 ratio = (A)/(K) × 100%			18.25%

Notes: 1. The Tier 2 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.

2. 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 Ratio, Article 8).

3. 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 Ratio, Article 129.

2 REMARKS ON COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO

Scope of Consolidation

Reason for discrepancies between 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 Ratio, Article 3, (hereinafter, "the Consolidated Group") and the companies included in the scope of consolidation, based on "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statement" under Ministerial Ordinance No. 28, issued by the Ministry of Finance in 1976 (hereinafter, "Ordinance on Consolidated Financial Statement").

Subsidiary (Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.) not included in the scope of consolidation based on the principle of materiality of Ordinance on Consolidated Financial Statement (Article 5.2) are included in the Consolidated Group based on the Notification Regarding Capital Adequacy Ratio (Article 3) since the subsidiary operates finance business. Therefore, there are discrepancies between companies belonging to the Bank's Consolidated Group and companies included in the scope of consolidation.

- As of March 31, 2013, the Bank had nine 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 and guarantees for housing and related purposes
- Companies belonging to the Consolidated Group but not included in the scope of consolidation:

  Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.

  Total assets: ¥248 million; Net assets: ¥248 million; Principal line of business: Management and operation of limited liability partnership investment business
- Companies not belonging to the Consolidated Group but included in the scope of consolidation

  Not applicable
- Affiliated companies engaged in financial service business that were subject to the provisions of Article 9 of the Notification Regarding Capital Adequacy Ratio

  Not applicable
- Restrictions on the transfer of funds and capital between the members of the Consolidated Group

  Not applicable

Companies with Less than the Regulatory Required Capital and the Amount of Shortfall

With regard to the group companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy Ratio, names of those companies whose capital are less than the regulatory required capital and the total amount of shortfalls in their capitals.

Not applicable

2. Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category)

Regulatory Required Capital

(Billions of yen)

Items	As of March 31, 2013		As of March 31, 2012	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**104,066**	**2,182**	82,163	2,067
Exposure subject to Internal Ratings-Based Approach	**94,616**	**2,164**	82,114	2,066
Corporate exposure (excluding Specialized Lending)	**5,490**	**287**	5,237	296
Corporate exposure (Specialized Lending)	**226**	**35**	390	75
Sovereign exposure	**44,099**	**0**	38,459	0
Bank exposure	**18,138**	**159**	13,793	100
Retail exposure	**760**	**33**	696	29
Retail exposure secured by residential properties	**716**	**28**	653	24
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**44**	**4**	43	4
Securitization and re-securitization exposure	**5,509**	**124**	4,462	183
Equity portfolios	**821**	**143**	694	136
Equity portfolios subject to PD/LGD approaches	**155**	**24**	81	11
Equity portfolios subject to simple risk-weighted method	**29**	**9**	30	10
Equities under the internal models approach	**257**	**76**	270	88
Grandfathered equity exposure	**379**	**32**	311	26
Exposure subject to risk-weighted asset calculation for investment fund	**19,244**	**1,362**	18,027	1,229
Other debt purchased	**104**	**9**	53	1
Other exposures	**218**	**8**	298	12
Exposure subject to Standardized Approach	**41**	**0**	49	1
Assets subject to Standardized Approach on a non-consolidated basis	**4**	**0**	7	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**36**	**0**	41	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**—**	**—**	0	0
Amount corresponding to CVA risk	**502**	**10**	/	/
CCP-related exposures	**8,881**	**4**	/	/
Items that included by transitional arrangements	**24**	**1**	/	/
Amount of regulatory required capital for market risk	**/**	**178**	/	150
Standardized Approach	**/**	**177**	/	149
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**177**	/	149
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**1**	/	1
Amount of regulatory required capital for operational risk	**/**	**39**	/	43
Offsets on consolidation	**/**	**2,401**	/	2,262

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy Ratio, Article 144.

3. The Notification Regarding Capital Adequacy Ratio, Article 13 of supplemental provision contains a grandfathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Risk-weighted asset calculation for investment fund includes ¥0.7 billion EAD and ¥0 billion of Required Capital of CPP-related exposures.

5. 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 Ratio. 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 Ratio, Article 282).

(Billions of yen)

Items	As of March 31, 2013	As of March 31, 2012
Consolidated total required capital	**2,240**	1,938

Note: Consolidated total required capital is an amount that results from multiplying the denominator of the formula by 8% as stipulated in Notification Regarding Capital Adequacy Ratio, Article 2.

3. Credit Risk (Consolidated)

(Funds and securitization exposures are excluded.)

1 CREDIT RISK EXPOSURE

For Fiscal 2012, ended March 31, 2013

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	18,036	15,152	10	5,972	39,172	182
Asia except Japan	147	131	—	408	687	—
Europe	53	9,793	0	8,253	18,100	—
The Americas	375	9,004	3	12,059	21,443	—
Other areas	18	1,003	0	232	1,254	—
Amounts held by consolidated subsidiaries	764	35	—	37	836	9
Total	19,395	35,121	13	26,963	81,495	192

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	2,686	265	1	0	2,953	31	0
Agriculture	40	0	—	0	40	6	0
Forestry	10	—	—	—	10	0	—
Fishing	30	—	—	0	30	19	0
Mining	3	—	—	0	3	—	—
Construction	129	7	—	0	136	3	—
Utility	124	4	0	0	128	1	—
Information/telecommunications	64	4	0	1	70	1	—
Transportation	587	78	3	0	668	25	—
Wholesaling, retailing	1,643	54	0	0	1,699	27	0
Finance and insurance	2,566	10,603	9	26,701	39,880	15	—
Real estate	460	107	—	1	569	36	—
Services	1,322	35	—	1	1,359	14	—
Municipalities	127	15	—	—	143	—	—
Other	8,831	23,910	0	220	32,962	0	—
Amounts held by consolidated subsidiaries	764	35	—	37	836	9	1
Total	19,395	35,121	13	26,963	81,495	192	1

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	15,203	3,879	5	25,870	44,959
Over 1 year to 3 years	1,514	4,010	0	0	5,525
Over 3 years to 5 years	1,259	7,058	2	—	8,319
Over 5 years to 7 years	316	5,651	1	—	5,968
Over 7 years	334	12,886	4	—	13,224
No term to maturity	3	1,600	—	1,055	2,659
Amounts held by consolidated subsidiaries	764	35	—	37	836
Total	19,395	35,121	13	26,963	81,495

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2012.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 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 ¥41.3 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For Fiscal 2011, ended March 31, 2012

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	16,738	18,189	6	2,606	37,541	239
Asia except Japan	100	115	—	314	530	—
Europe	41	4,227	0	3,006	7,275	—
The Americas	327	8,861	3	5,938	15,130	—
Other areas	19	741	—	308	1,070	—
Amounts held by consolidated subsidiaries	705	31	—	39	776	14
Total	17,932	32,167	9	12,214	62,324	253

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	2,479	231	0	0	2,711	31	1
Agriculture	43	0	—	0	43	7	0
Forestry	12	—	—	0	12	0	—
Fishing	28	—	—	0	28	18	0
Mining	3	—	—	0	3	—	—
Construction	116	5	—	0	121	2	—
Utility	120	3	0	0	124	1	—
Information/telecommunications	54	3	0	0	57	1	—
Transportation	633	59	3	0	695	16	—
Wholesaling, retailing	1,585	50	0	0	1,636	31	0
Finance and insurance	1,736	7,451	5	11,869	21,062	33	—
Real estate	546	156	—	0	704	78	23
Services	1,410	60	—	1	1,472	15	0
Municipalities	164	13	—	0	178	—	—
Other	8,291	24,100	—	302	32,695	0	—
Amounts held by consolidated subsidiaries	705	31	—	39	776	14	1
Total	17,932	32,167	9	12,214	62,324	253	26

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	13,603	9,794	1	11,046	34,446
Over 1 year to 3 years	1,852	5,909	1	0	7,764
Over 3 years to 5 years	1,124	2,724	0	—	3,850
Over 5 years to 7 years	448	2,742	1	—	3,192
Over 7 years	192	10,201	3	—	10,396
No term to maturity	6	763	—	1,128	1,898
Amounts held by consolidated subsidiaries	705	31	—	39	776
Total	17,932	32,167	9	12,214	62,324

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2011.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 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 ¥48.5 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, 2013	As of March 31, 2012	Increase/(decrease)
General reserve for possible loan losses	**45**	39	**5**
Specific reserve for possible loan losses	**66**	102	**(36)**
Japan	**66**	102	**(36)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**6**	9	**(2)**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**116**	150	**(33)**

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, 2013	As of March 31, 2012	Increase/(decrease)
General reserve for possible loan losses	**45**	39	**5**
Specific reserve for possible loan losses	**66**	102	**(36)**
Manufacturing	**10**	12	**(2)**
Agriculture	**4**	4	**(0)**
Forestry	**0**	0	**(0)**
Fishing	**10**	8	**1**
Mining	**—**	—	**—**
Construction	**0**	0	**(0)**
Utility	**1**	1	**(0)**
Information/telecommunications	**0**	0	**—**
Transportation	**7**	6	**0**
Wholesaling, retailing	**3**	4	**(0)**
Finance and insurance	**4**	21	**(17)**
Real estate	**15**	32	**(16)**
Services	**8**	10	**(1)**
Municipalities	**—**	—	**—**
Other	**—**	0	**(0)**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**6**	9	**(2)**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**116**	150	**(33)**

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

Types of Exposure by Portfolio and Overview of Internal Rating Procedures

■ Corporate, Sovereign and Bank Exposure

Types of Exposure

Corporate exposure includes general business corporation exposure, sovereign (country) exposure, bank exposure, and Specialized Lending exposure.

Within these categories, corporate exposure is subdivided into resident and non-resident corporate, depending on head office location.

Specialized Lending is subdivided into Income-Producing Real Estate (IPRE), High-Volatility Commercial Real Estate (HVCRE), Object Finance (OF) and Project Finance (PF).

Overview of Debtor Rating Procedure

The Bank's general procedure for assigning a debtor rating for corporate exposure is for the front office to apply for a rating and for the credit risk management section to then review and approve it. To be more precise, a debtor rating is assigned as specified for each type of exposure including resident and non-resident corporate, sovereign, bank and Specified Lending.

Work Flow for Assigning Debtor Ratings

The Bank assigns ratings after taking into account all of the latest available and most relevant information.

Ratings undergo "periodic review" at least once a year in order to quickly reflect the financial status of the borrower in the revised rating. When an event occurs that could cause a change in the rating, the Bank conducts an "ad-hoc review."

	Items for Review	Content of Review
1	Financial rating	Based on quantitative data of an obligor, including financial statements, the relevant quantitative model according to the risk profile of the obligor is applied to assign a financial rating.
2	Adjustments in financial rating	In addition to the process stated above, the Bank takes into account the events which should affect the obligor, and adjusts the financial rating.
3	Qualitative evaluation	Among significant elements to evaluate creditworthiness of the obligor, those elements which are not captured fully by quantitative evaluation are evaluated.
4	Country adjustments	A rating of obligor is adjusted not to exceed the rating of the country to which substantial risk of obligor belongs to as the ceiling on the rating the Bank assigns.
5	Consideration of external information	Supplemental to quantitative and qualitative evaluation, the Bank may consider other elements, such as changes in agency rating, CDS or corporate bond spread, or stock price, and adjust the rating.
6	Determination of debtor classification	Determine the classification of an 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.

The internal auditing units of the Bank, which is independent of the front section and the credit risk management section, also audits the ratings to ensure the appropriateness of the internal ratings assessment method and the accuracy of the rating results.

■ Equity Exposure

The Bank assigns internal ratings to equity exposure according to the same process used in assigning ratings to corporate exposure whenever possible.

■ Retail Exposure

For retail exposure, the Bank stipulates eligible criteria for retail pool, the pool which requires risk management framework for 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 these pools.

a. Corporate, Sovereign and Bank Exposure

Relationship between Internal Ratings and Parameter Estimates

At the Bank, the 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.

The Bank's definition of default used in estimating the probability of default and in validation satisfies the IRB Approach criteria.

For Specialized Lending, the Bank applies slotting criteria to compute risk-weighted assets.

Fiscal 2012 (Ended March 31, 2013)

(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	3.26%	44.93%	65%	5,490	4,783	707
1-1 to 4	0.12%	44.99%	34%	4,610	3,957	652
5 to 7	2.11%	44.79%	128%	565	525	39
8-1 to 8-2	15.78%	44.30%	316%	183	169	13
Subtotal	0.87%	44.95%	53%	5,358	4,652	705
8-3 to 10-2	100.00%	44.25%	556%	132	130	1
Sovereign Exposure	0.00%	45.00%	0%	44,099	42,452	1,647
1-1 to 4	0.00%	45.00%	0%	44,099	42,452	1,647
5 to 7	0.86%	45.00%	128%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	44,099	42,452	1,647
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	21.01%	11%	18,138	7,502	10,636
1-1 to 4	0.03%	21.02%	11%	18,075	7,444	10,631
5 to 7	2.32%	20.17%	71%	52	47	4
8-1 to 8-2	8.94%	8.42%	49%	10	10	0
Subtotal	0.04%	21.01%	11%	18,138	7,502	10,636
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.59%	90.00%	199%	155	155	—
1-1 to 4	0.13%	90.00%	165%	137	137	—
5 to 7	3.47%	90.00%	457%	16	16	—
8-1 to 8-2	15.84%	90.00%	370%	1	1	—
Subtotal	0.58%	90.00%	199%	155	155	—
8-3 to 10-2	100.00%	90.00%	1,193%	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 the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).

Fiscal 2011 (Ended March 31, 2012)

(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	3.94%	44.93%	71%	5,237	4,545	692
1-1 to 4	0.13%	44.96%	31%	4,193	3,569	623
5 to 7	2.56%	44.87%	132%	698	650	48
8-1 to 8-2	15.82%	45.07%	324%	192	173	18
Subtotal	1.06%	44.95%	56%	5,084	4,393	691
8-3 to 10-2	100.00%	44.37%	557%	152	151	1
Sovereign Exposure	0.00%	44.99%	0%	38,459	36,982	1,477
1-1 to 4	0.00%	44.99%	0%	38,459	36,982	1,477
5 to 7	0.70%	45.00%	122%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	38,459	36,982	1,477
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.07%	21.73%	9%	13,793	5,921	7,871
1-1 to 4	0.05%	21.74%	9%	13,734	5,867	7,866
5 to 7	1.67%	19.82%	50%	47	42	4
8-1 to 8-2	7.07%	10.56%	53%	11	11	0
Subtotal	0.06%	21.73%	9%	13,793	5,921	7,871
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.76%	90.00%	174%	81	81	—
1-1 to 4	0.14%	90.00%	126%	66	66	—
5 to 7	3.49%	90.00%	388%	14	14	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.75%	90.00%	173%	81	81	—
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 the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).

b. Retail Exposure

Relationship between Retail Pools and Parameter Estimates

On retail exposure, the Bank estimates parameters, namely PD, LGD, and EAD for each retail pool. Each of those parameters is estimated based on observed data of defaults and losses net of recovered amounts as well as external data. The applicable EAD is the end-of-period balance, since the Bank has no exposure for revolving products, with which balances may be changed within the predetermined credit lines at discretions of the obligors.

The Bank's definition of default used in estimating and validating the parameters satisfies the criteria stipulated in the Notification Regarding Capital Adequacy Ratio.

Fiscal 2012 (Ended March 31, 2013)
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	2.03%	50.15%	97.52%	83.65%	61%	907	313	594
Not default Not delinquent	0.48%	50.17%	/	/	41%	884	293	591
Not default Delinquent	27.90%	48.80%	/	/	454%	12	11	1
Not default Subtotal	0.87%	50.15%	/	/	47%	896	304	592
Default	100.00%	/	97.52%	83.65%	1,219%	10	8	2
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	5.23%	62.78%	115.78%	99.49%	127%	45	40	4
Not default Not delinquent	0.88%	62.80%	/	/	67%	42	38	4
Not default Delinquent	26.36%	60.52%	/	/	349%	0	0	0
Not default Subtotal	1.01%	62.78%	/	/	68%	43	38	4
Default	100.00%	/	115.78%	99.49%	1,447%	1	1	0
Total	2.18%	50.75%	100.30%	86.07%	64%	952	353	599
Not default Not delinquent	0.50%	50.76%	/	/	42%	927	331	595
Not default Delinquent	27.88%	48.99%	/	/	452%	12	11	1
Not default Subtotal	0.87%	50.73%	/	/	48%	940	343	596
Default	100.00%	/	100.30%	86.07%	1,254%	12	10	2

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 Ratio, 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, 2013, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2011 (Ended March 31, 2012)
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	2.19%	50.50%	97.36%	83.19%	60%	873	347	525
Not default Not delinquent	0.41%	50.54%	/	/	37%	847	324	522
Not default Delinquent	28.42%	48.34%	/	/	453%	13	12	0
Not default Subtotal	0.87%	50.50%	/	/	44%	861	337	523
Default	100.00%	/	97.36%	83.19%	1,217%	11	9	1
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	5.89%	63.27%	114.89%	99.30%	137%	44	39	5
Not default Not delinquent	0.93%	63.28%	/	/	69%	42	36	5
Not default Delinquent	26.59%	62.05%	/	/	363%	0	0	0
Not default Subtotal	1.11%	63.27%	/	/	72%	42	37	5
Default	100.00%	/	114.89%	99.30%	1,436%	2	2	0
Total	2.37%	51.12%	100.09%	85.69%	64%	917	386	531
Not default Not delinquent	0.44%	51.14%	/	/	39%	889	361	528
Not default Delinquent	28.39%	48.64%	/	/	451%	14	13	1
Not default Subtotal	0.88%	51.10%	/	/	45%	903	374	529
Default	100.00%	/	100.09%	85.69%	1,251%	13	11	2

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 Ratio, 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, 2012, 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

(Billions of yen)

Type of exposure	As of March 31, 2013	As of March 31, 2012	Increase/(decrease)
Corporate exposure	**1**	9	**(7)**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	0	**(0)**
Retail exposure secured by residential properties	**0**	1	**(1)**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**
Total	**2**	11	**(8)**

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.

Comparison between actual losses in the previous fiscal year and past financial results and Analysis of Causes

Corporate exposure has been improved because there was reversal of reserve for possible loan losses according to the collection of the loan and the recovery of the confidence situation of investment and accommodation ahead and redemption.

Actual losses of fiscal 2012 became a decrease in comparison with the previous year by ¥8.9 billion.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of March 31, 2013		As of March 31, 2012		As of March 31, 2011	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**24**	**1**	42	9	73	7
Sovereign exposure	**0**	**—**	0	—	0	—
Bank exposure	**0**	**—**	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	2	0	3	0
Retail exposure secured by residential properties	**1**	**0**	1	1	1	0
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—
Other retail exposure	**1**	**0**	0	0	0	0

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. 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.

2. Estimated losses of each year are amount of expected losses.

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, 2013	As of March 31, 2012
Specialized Lending exposure subject to supervisory slotting criteria	**226**	391
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**185**	315
Risk weight of 50%	**24**	75
Risk weight of 70%	**108**	137
Risk weight of 90%	**18**	6
Risk weight of 115%	**—**	—
Risk weight of 250%	**28**	28
Risk weight of 0% (default)	**5**	68
High-Volatility Commercial Real Estate (HVCRE)	**40**	75
Risk weight of 70%	**—**	—
Risk weight of 95%	**5**	13
Risk weight of 120%	**—**	19
Risk weight of 140%	**—**	—
Risk weight of 250%	**18**	21
Risk weight of 0% (default)	**17**	22

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 Ratio, 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 Ratio, 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 Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6.

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, 2013	As of March 31, 2012
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**29**	30
Risk weight of 300%	**—**	—
Risk weight of 400%	**29**	30

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 Ratio, Article 143-4).

4 EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Overview

The Bank adopts IRB Approach in computing credit 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 the Bank's consolidated subsidiaries, with the exception of Kyodo Housing Loan Co., Ltd.
- The following assets held by the Bank and Kyodo Housing Loan: Suspense payments (with the exception of the account for securities), prepaid expenses, foreign currency forward contracts for foreign currency deposits of cooperative organizations and current account overdrafts (to holders of the Bank's debentures).

The Bank applies the ratings of five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in computing its risk assets, namely Moody's Investors Service, Standard & Poor's, 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, sovereign and bank exposure (excluding past due exposure for three months or more) in accordance with the Notification Regarding Capital Adequacy Ratio, 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, 2013		As of March 31, 2012	
	Exposure	**Refer to ECAI**	**Exposure**	**Refer to ECAI**
Exposure subject to Standardized Approach	**41**	**—**	48	—
Risk weight of 0%	**30**	**—**	31	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**2**	**—**	4	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	—	—
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**6**	**—**	11	—
Risk weight of 150%	**—**	**—**	—	—
Risk weight of 1,250%	**—**	**—**	0	—
Others	**0**	**—**	0	—

Notes: 1. Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.
2. The amount of deducted from capital has been described in Risk weight of 1,250% of fiscal 2011.

4. 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 businesses of the debtors as funds for recovery of its claims on those businesses. Collateral is viewed as supplementary for the recovery of its claims. The Bank applies a collateral evaluation method to ensure that the amount recovered from collateral is not less than the assessed value of the collateral, even in the case that it becomes necessary to recover claims from collateral.

Specifically, the Bank values collateral based on objective evidence such as appraisals, official land valuations for inheritance tax purposes, and market value. Further, it has established detailed valuation procedures that make up its internal rules. In addition, the procedures stipulate the frequency of valuation reviews according to collateral type and the creditworthiness of debtors, which routinely reflects changes in value. The Bank conducts verification whenever possible, even when setting policies for debtors and during self-assessment. The Bank also estimates the recoverable amount by multiplying the weighing factor based on collateral type, and then uses that estimate as a secured amount for the depreciation allowance.

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 through the term of contract.

■ Principal Types of Collateral

The principal types of collateral are marketable securities, commercial bills 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 and local governments, financial institutions and corporates. When evaluating the creditworthiness of guarantors, the Bank evaluates their financial soundness after assigning a debtor rating and assessing their creditworthiness.

■ Scope of Credit Risk Mitigation

Taking account of the conditions stated in the Notification Regarding Capital Adequacy Ratio and the Bank's operating practices, the Bank adopts Credit Risk Mitigation (the "CRM") as follows.

Eligible Financial Collateral

For repo-type transactions and secured derivative transactions (transaction based on a CSA contract), the Bank recognizes the effectiveness of CRM as stipulated in the Notification Regarding Capital Adequacy Ratio.

For transactions other than repo-type transactions and secured derivative transactions, the Bank recognizes the effectiveness of CRM in such case where deposits with the Bank (including Norinchukin Bank Debentures) or stocks, etc. are pledged as collateral.

Other Eligible Collateral

The Bank does not take into account the effects of CRM for collateral such as real estate, commercial bills, and other eligible assets.

Setoff for Loans and Deposits

The Bank does not take into account the effects of CRM for deposits held with the Bank unless pledged as collateral.

Guarantees and Credit Derivatives

Guarantees derived from guarantors recognized for maintaining effective guarantees take into account the effects of CRM, including the assignment of a debtor rating higher than that of the guaranteed party. These are no transactions that use credit derivatives to reduce credit risk.

Legally Binding Bilateral Netting Contracts for Derivatives and Repo-Type Transactions

The Bank considers legally binding bilateral netting contracts for derivatives and transactions subject to netting in the ISDA Master Agreement as a means of CRM. In addition, legally binding netting contracts are managed by verifying the necessity of the contract itself and scope of transactions on a regular and as needed basis.

Regarding repo-type transactions, although the Bank has concluded legally binding netting agreements with its major counterparties, taking account of the stipulations of the Notification Regarding Capital Adequacy Ratio and the Bank's operating practices, the Bank does not consider these agreements as a means of mitigating credit risk.

■ Information about Credit and Market Risk Concentration arising from the Application of CRM Techniques

For exposure where the credit risk has been transferred from a guaranteed party to a guarantor, as a result of CRM techniques, the Bank monitors the concentrations of credit risk, and manages exposures accordingly. Regarding market risk, there is no exposure of credit derivatives 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, 2013	As of March 31, 2012
Foundation Internal Ratings-Based Approach	**10,093**	7,896
Eligible financial collateral	**8,983**	6,623
Corporate exposure	**8**	7
Sovereign exposure	**—**	4
Bank exposure	**8,975**	6,611
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,109**	1,273
Corporate exposure	**207**	141
Sovereign exposure	**200**	179
Bank exposure	**702**	951
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Note: Exposure subject to risk-weighted asset calculation for investment fund 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

The Bank manages credit risk involving derivative transactions with financial institutions within the risk limits (Bank Ceiling) established in each group financial institution. Bank Ceiling is established in each front section on the basis of each entity within the customer's group and each type of transaction (derivatives, financial transactions, loans, etc.). Credit exposures related with derivative transactions are managed so as not to exceed the limits. Under the Bank Ceiling system, the exposure of derivatives that are to be managed is calculated utilizing the current exposure method (the replacement cost (mark-to-market) of the transaction plus an add-on deemed to reflect the potential future exposure).

■ 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 CSA contract with major counterparties. In some cases, the Bank receives collateral from these counterparties. The collateral posted may vary depending on the terms of the CSA contract, but mainly it consists of Japanese government bonds (JGBs), Japanese yen cash, U.S. Treasury bonds, and U.S. dollar cash. Regarding replacement costs for derivative transactions (the required cost when renegotiating the same transaction on the market), the Bank has allocated a required reserve depending on the debtor classification of the financial institution counterparty.

■ Remarks on Impact in Case the Bank is Required to Post Additional Collateral when its Credit Standing Deteriorates

If the Bank's credit rating is downgraded, the Bank's financial institution counterparty will reduce its credit risk limit and may demand the Bank to post collateral. However, the Bank has a sufficiently high level of liquid assets, such as government bonds that can be used as collateral, and the amount of those assets is periodically checked by the Market Portfolio Management Committee. For this reason, even if the Bank is required to post additional collateral, the impact on the Bank will be minimal.

Methods Used for Calculating Amount of Credit Exposure

The current exposure method has been adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of March 31, 2013	As of March 31, 2012
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**117**	50
Total gross add-ons	(B)	**430**	252
Gross credit exposure	(C) = (A)+(B)	**547**	302
Foreign exchange related		**453**	219
Interest rate related		**91**	81
Equity related		**2**	2
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	0
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	**63**	(7)
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**483**	310
Amount of collateral	(F)	**0**	0
Eligible financial collateral		**0**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**482**	309

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 Ratio, 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, 2013	As of March 31, 2012
To buy protection	**—**	—
Credit default swaps	**—**	—
To sell protection	**—**	—
Credit default swaps	**—**	—
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 Ratio, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Consolidated)

Overview of Risk Management Policy and Risk Feature for Securitization Exposure

From the standpoint of globally diversified investments, the Bank invests in securitized (structured finance) transactions to generate earnings from global credit risk. 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 utilize such transactions while managing the risk arising from those transactions appropriately.

The Bank's risk management for securitization exposure is in line with the credit and market risk management framework and consists of a cycle that is mainly focused on establishing investment policy, performing individual analysis during initial investment research (due diligence), credit screening, implementation, monitoring, and investment policy review.

Securitization exposure changes the risk-return profile of the underlying asset and transfer all or part of them to investors. Therefore, in general, securitization exposure is a complex investment structure with a different risk-return profile than the underlying assets. In view of the risk characteristics of securitization exposure, to properly evaluate risk return, the Bank has established a systematic risk evaluation process, which includes setting investment approval limits based on credit rating, monitoring the rating methods of credit rating agencies, and quantitative analysis of repayment ability. Further, after performing due diligence and identifying items to be monitored and reviewed for each asset class and securitization and re-securitization, the Bank carefully examines risk in the underlying assets and structure at the time of investment. The Bank monitors and reviews the credit condition of each investment on an ongoing basis and analyzes and assesses the market environment for each asset class, taking into account underlying asset performance.

The securitization exposure which contains securitization exposure as underlying asset is called re-securitization exposure. Among the re-securitization exposure, wherein the majority of underlying assets are comprised of securitization exposure, the Bank treats them as Secondary, Tertiary Re-securitization Exposure and separately manages from other re-securitization exposure to monitor closely. The Bank does not plan to acquire new Secondary, Tertiary Re-securitization Exposure.

Regarding its securitization exposure, the Bank appropriately calculates the amounts of credit risk assets based on the Notification Regarding Capital Adequacy Ratio. As part of its integrated risk management, based on the risk properties of the securitization exposure, the Bank computes risk amounts and engages in other initiatives to enhance the accuracy and sophistication of its risk management.

As of March 31, 2013, the Bank engaged in no securitization transactions in which the Bank acts as an originator and recognized regulatory risk asset mitigation effects. In addition, the Bank has had no securitization transactions involving third-party assets using a Special Purpose Entity (SPE), nor do the Bank's subsidiaries (excluding consolidated subsidiaries) or affiliates have securitization exposure involving securitization transactions performed by the Bank in fiscal 2012.

Calculation of Risk-Weighted Assets for Credit Risk in Securitization Exposure

The Bank calculates the amount of risk-weighted assets for credit risk for securitization exposure by applying the "Ratings-Based Approach (RBA)" or "Supervisory Formula (SF)." In cases in which it cannot apply the "Ratings-Based Approach (RBA)" or "Supervisory Formula (SF)," the Bank applies a risk weight of 1,250%. In addition, the Bank does not use the "Internal Assessment Approach (IAA)."

The Bank has no securitization exposure containing securitization exposure as an underlying asset, for which risk-weighted assets for credit risk is calculated not as re-securitization exposure but as securitization exposure based on rules in the Notification Regarding Capital Adequacy Ratio. For investments in which the Ratings-Based Approach is applied, the Bank relies on the following five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in calculating risk weighted assets: Moody's Investors Service, Standard & Poor's, Fitch Ratings, Ltd., Rating & Investment Information, Inc., and Japan Credit Rating Agency, Ltd.

The Bank treats securitized instruments in accordance with the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14) for accounting purposes.

No material changes have been made to quantitative data. Moreover, the Bank holds no assets for the purpose of securitization transactions.

1 ITEMS TO CALCULATE CREDIT RISK ASSETS

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
Total amount of underlying assets	—	—
Amounts of assets held by securitization transactions purpose	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—
Amounts of securitization exposure	—	—
Amounts of re-securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Amounts of securitization exposure that applied risk weight 1,250%	—	—
Amounts of re-securitization exposure subject to credit risk mitigation techniques	—	—

Note: The amount of deducted from capital has been described in Amounts of securitization exposure that applied risk weight 1,250% of fiscal 2011.

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Risk weight 1,250%
Amounts of exposures	5,509 (3)	36 (2)	397	125	271	15
Individuals						
Asset-Backed Securities (ABS)	1,917 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	2,387 (—)	6 (—)	14	—	14	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	216 (—)	9 (—)	24	—	24	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	937 (—)	15 (—)	358	125	233	15
Collateralized Loan Obligations (CLO)	812 (—)	— (—)	233	—	233	—
Asset-Backed Securities CDOs (ABS-CDO)	125 (—)	15 (—)	125	125	—	15
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	50 (3)	5 (2)	—	—	—	—

Notes: 1. "Risk weight 1,250%" is securitization exposure that applied to risk weight 1,250% under Article 224 of the Notification Regarding Capital Adequacy Ratio.
2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2011 (Ended March 31, 2012)

(Billions of yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Deductions from capital	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Deductions from capital
Amounts of exposures	4,467 (22)	78 (1)	436	124	311	20
Individuals						
Asset-Backed Securities (ABS)	1,743 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,394 (—)	34 (—)	20	—	20	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	290 (—)	18 (—)	21	—	21	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	939 (19)	20 (—)	395	124	270	20
Collateralized Loan Obligations (CLO)	793 (19)	— (—)	249	—	249	—
Asset-Backed Securities CDOs (ABS-CDO)	124 (—)	20 (—)	124	124	—	20
Collateralized Bond Obligations (CBO)	21 (—)	— (—)	21	—	21	—
Others	98 (2)	5 (1)	—	—	—	—

Notes: 1. "Deductions from capital" is securitization exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy Ratio.
2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	**5,112**	**5,109**	**3**	**74**	**71**	**2**
Risk weight: 20% or less	**4,878**	**4,878**	**0**	**30**	**30**	**0**
Risk weight: exceeding 20% to 50% or less	**79**	**79**	**—**	**2**	**2**	**—**
Risk weight: exceeding 50% to 100% or less	**83**	**83**	**—**	**5**	**5**	**—**
Risk weight: exceeding 100% to 250% or less	**32**	**32**	**—**	**6**	**6**	**—**
Risk weight: exceeding 250% to less than 1,250%	**17**	**16**	**1**	**6**	**6**	**0**
Risk weight: 1,250%	**21**	**18**	**2**	**22**	**20**	**2**
Amount of re-securitization exposure	**397**	**397**	**—**	**50**	**50**	**—**
Risk weight: 20% or less	**14**	**14**	**—**	**0**	**0**	**—**
Risk weight: exceeding 20% to 50% or less	**267**	**267**	**—**	**8**	**8**	**—**
Risk weight: exceeding 50% to 100% or less	**37**	**37**	**—**	**2**	**2**	**—**
Risk weight: exceeding 100% to 250% or less	**16**	**16**	**—**	**2**	**2**	**—**
Risk weight: exceeding 250% to less than 1,250%	**46**	**46**	**—**	**19**	**19**	**—**
Risk weight: 1,250%	**15**	**15**	**—**	**16**	**16**	**—**

Fiscal 2011 (Ended March 31, 2012)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	4,031	4,008	22	127	125	2
Risk weight: 20% or less	3,578	3,559	19	23	23	0
Risk weight: exceeding 20% to 50% or less	154	154	—	4	4	—
Risk weight: exceeding 50% to 100% or less	113	113	—	7	7	—
Risk weight: exceeding 100% to 250% or less	61	61	—	10	10	—
Risk weight: exceeding 250% to less than 1,250%	63	62	1	22	21	0
Deductions from capital	58	56	1	58	56	1
Amount of re-securitization exposure	436	436	—	55	55	—
Risk weight: 20% or less	20	20	—	0	0	—
Risk weight: exceeding 20% to 50% or less	292	292	—	10	10	—
Risk weight: exceeding 50% to 100% or less	34	34	—	2	2	—
Risk weight: exceeding 100% to 250% or less	26	26	—	3	3	—
Risk weight: exceeding 250% to less than 1,250%	42	42	—	18	18	—
Deductions from capital	20	20	—	20	20	—

Amount of Re-Securitization Exposure held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of March 31, 2013		As of March 31, 2012	
	Amount of exposure	Regulatory required capital	Amount of exposure	Regulatory required capital
Amount of re-securitization exposure	—	—	—	—
Risk weight applied to guarantor: 20% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 20% to 50% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 50% to 100% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 100% to 250% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 250% to less than 1,250%	—	—	—	—
Risk weight applied to guarantor: 1,250%	—	—	—	—

Note: The amount of deducted from capital has been described in Risk weight applied to guarantor 1,250% of fiscal 2011.

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

2 SECURITIZATION EXPOSURE SUBJECT TO MARKET RISK

Not applicable

7. Market Risk (Consolidated)

Methods for Calculating Market Risk Amounts and Applicable Valuation Methods

The Bank utilizes an internal models approach to measure “general market risk in trading accounts.” The Bank applies a standardized approach for measuring “individual risk in trading accounts,” “foreign currency exchange risk,” “commodity risk,” “assets and liabilities related to trading accounts in consolidated subsidiaries,” and “foreign currency exchange risk and commodity risk in consolidated subsidiaries.” The amount of market risk in securitization exposure is also calculated using this method.

The financial products pertaining to trading accounts are limited to financial products and transactions of extremely high liquidity such as JGBs, derivatives (interest rate futures, bond futures, interest rate swaps, and other products). Securitization exposure is not covered by these accounts.

Computation of the Market Risk Amount using Internal Models Approach

■ Scope of Market Risk Amounts Computed by the Internal Models Approach

The model covers general market risk within the trading accounts. The scope of market risk amounts is the same on a consolidated and non-consolidated basis.

When computing market risk amounts, the assumed holding period is set at 10 business days based on the characteristics of the product handle, and the market risk amount is the combined total of stress VaR calculated after taking into account market fluctuations at times of past stress affecting the portfolio under review and the VaR measured during the most recent observation period.

■ Internal Models Approach

(1) Applied model: Variance-covariance matrix

(2) Confidence interval: 99th percentile, one-tailed confidence interval

(3) Holding period: 10 business days
(Calculated based on a holding period of one business day by multiplying by the square root of 10)

■ VaR

(Millions of yen)

	Fiscal 2012	Fiscal 2011
Base date of computation	**2013. 3. 29**	2012. 3. 30
VaR (For the most recent 60 business days)		
Base date of computation	**124**	78
Maximum	**139**	224
Minimum	**50**	61
Average	**83**	103

■ Stress VaR

(Millions of yen)

	Fiscal 2012	Fiscal 2011
Base date of computation	**2013. 3. 29**	2012. 3. 30
Stress VaR (For the most recent 60 business days)		
Base date of computation	**500**	247
Maximum	**605**	443
Minimum	**235**	225
Average	**379**	327

■ Amounts of Market Risk

(Millions of yen)

		Fiscal 2012	Fiscal 2011
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**1,388**	1,292
Value at Risk (MAX (C, D))	(B)	**250**	311
Amount on base date of computation	(C)	**124**	78
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**250**	311
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**1**	1
Stress Value at Risk (MAX (H, I))	(G)	**1,137**	981
Amount on base date of computation	(H)	**500**	247
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**1,137**	981
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2012, actual gains and losses did not diverge substantially downward from the VaR value.
2. When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain times, the Bank scrutinizes the relevant model factors and revises the model if necessary.
3. Since the bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.

8. Equity Exposure (Consolidated)

(Includes items such as shares, excludes items in trading accounts)

Overview of Risk Management Policies 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 Notification Regarding Capital Adequacy Ratio. For internal management purposes, the Bank conducts comprehensive risk management within its economic capital management framework, as described in the section, "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 "Risk Management."

■ Stocks of Subsidiaries and Affiliates

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 which are extremely difficult to determine the fair value 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.

■ Calculating Risk-Weighted Assets of Equity Exposure

The Bank applies the PD/LGD approach to calculate risk-weighted assets for credit risk for equity exposure, and the simple risk-weighted method and internal models approach under the market-based approach.

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2013		As of March 31, 2012	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**821**	/	753	/
Exposure to publicly traded equity	**676**	**676**	608	608
Exposure to privately held equity	**145**	/	145	/

Notes: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	Fiscal 2012			Fiscal 2011		
	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	**11**	**4**	**1**	14	21	15

Note: Amounts reflect relevant figures posted in the consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2013	As of March 31, 2012
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**153**	71

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13	**379**	326
Corporate	**365**	315
Bank	**8**	5
Sovereign	**5**	5

Note: The Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision 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 Policies and Procedures Related to Exposure Subject to Risk-Weighted Asset Calculations 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. Assets under management include equities, bonds and credit assets, which are the Bank's primary investment assets. Risk management policies are stipulated for each risk of the assets. An outline is provided in the section "Risk Management." In addition to assets managed by the Bank itself, the Bank utilizes investment funds in which asset management is entrusted with management firms. Risk is managed by applying method appropriate for each type of funds in accordance with the Bank's internal rules. In order to select a manager and entrust assets with, the Bank performs thorough due-diligence on the manager's ability, including operating organization, risk management, compliance framework, management philosophy and strategies as well as past performance. In addition, during entrusting assets to managers, the Bank monitors their performance from quantitative and qualitative perspectives and conducts reviews of performance on a regular basis to assess whether to maintain or replace individual managers.

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of March 31, 2013		As of March 31, 2012	
	Exposure	**(For reference) Weighted-average risk weight**	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**15,989**	**59%**	15,020	56%
Majority approach	**407**	**432%**	469	376%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,696**	**260%**	1,404	248%
Others (simple approach)	**233**	**437%**	240	458%
Total	**18,326**	**88%**	17,134	85%

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 Ratio, 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 Ratio, 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 Ratio, 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 Ratio, 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 Ratio, Article 144-5.)

6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.

10. Interest Rate Risk (Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

Overview of Risk Management and Procedures for Interest Rate Risk

As described in the "Risk Management" section, in its economic capital management, the foundation of the Bank's risk management, the Bank primarily conducts overall risk management taking into account the correlation between asset classes such as bonds, stocks, and credit assets under the Bank's core concept of globally diversified investment.

The Bank manages interest rate risk, which is one risk factor, by performing profit and loss simulation analyses under a wide range of scenarios. The Bank also conducts various interest rate sensitivity analyses, such as BPV and yield-curve risk, and static and dynamic revenue and expenditure impact analyses by major currencies. Along with this, the Bank manages interest rate risk based on interest rate risk standards for banking accounts. The Bank is constructing a framework that will enable it properly monitor the multifaceted effects of interest rate risk.

The Bank verifies the proper operation of interest rate risk management, besides the management of other major risks, from the point of view of the assessment of capital adequacy by monitoring checkpoints for the Bank's capital management and conducting sets of stress testing.

Key Assumptions for Interest Rate Risk Management and Frequency of Risk Measurement

As previously mentioned, economic capital management forms the core of the Bank's risk management. The Bank measures its securities portfolio risk on a daily basis. In addition, the internal management of interest rate risk based on interest rate risk standards for banking accounts applies a one year holding period and at least a five year historical observation period to measure interest rate volatility. The Bank calculates monthly declines in economic value corresponding to a 99% confidence interval for interest rate volatility. The measurements cover, in principle, all financial assets and liabilities, but the measurement process itself does not take into account inter-grid factors and correlations with other assets.

Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
Interest rate risk	**2,261**	1,377
Yen interest rate risk	**269**	173
U.S. dollar interest rate risk	**1,503**	1,044
Euro interest rate risk	**482**	154
Interest rate risk in other currencies	**5**	4

Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility. Because the interest rate risk of consolidated subsidiaries is limited from the standpoint of the asset value of subsidiaries, the non-consolidated risk of the Bank is calculated.

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 due to call conditions and other factors.

1. Capital Structure Information (Non-Consolidated)

1 CAPITAL ADEQUACY RATIO (NON-CONSOLIDATED)

As of March 31, 2013

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Common Equity Tier 1 capital: instruments and reserves				
Directly issued qualifying common share capital plus related capital surplus and retained earnings	**4,454,652**		1a+2-26	∑(E1, E2, -E3, E4, E5)
of which: capital and capital surplus	**3,400,930**		1a	E1=E1.1+E1.2
of which: retained earnings	**1,104,728**		2	E2
of which: cash dividends to be paid	**51,006**		26	E3
of which: other than the above	—			E4
Valuation and translation adjustments and other disclosed reserves	—	**1,179,646**	3	E5
Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	—			
Common Equity Tier 1 capital: instruments and reserves (A)	**4,454,652**		6	
Common Equity Tier 1 capital: regulatory adjustments				
Total intangible assets (excluding those relating to mortgage servicing rights)	—	**23,039**	8+9	A1+A2
of which: goodwill (including those equivalent)	—	—	8	A1=A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights	—	**23,039**	9	A2=A2.1-A2.2
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	10	A3
Deferred gains or losses on derivatives under hedge accounting	—	**(65,239)**	11	E8
Shortfall of eligible provisions to expected losses	—	**34,427**	12	
Gain on sale on securitization transactions	—	—	13	
Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	14	
Prepaid pension cost	—	—	15	A4-D4
Investments in own shares (excluding those reported in the Net Assets section)	—	—	16	A5
Reciprocal cross-holdings in common equity	—	—	17	A6
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	—	—	18	A7
Amount exceeding the 10% threshold on specified items	—	—	19+20+21	∑(A8:A10)
of which: significant investments in the common stock of financials	—	—	19	A8
of which: mortgage servicing rights	—	—	20	A9
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	21	A10
Amount exceeding the 15% threshold on specified items	—	—	22	∑(A11:A13)
of which: significant investments in the common stock of financials	—	—	23	A11
of which: mortgage servicing rights	—	—	24	A12
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	25	A13
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—		27	
Common Equity Tier 1 capital: regulatory adjustments (B)	—		28	
Common Equity Tier 1 capital				
Common Equity Tier 1 capital ((A)-(B)) (C)	**4,454,652**		29	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.		Ref. No.
Additional Tier 1 capital: instruments					
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	**49,000**		31a	30	E6=E6.1+E6.2
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**—**		32		D1.1+D1.2
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	**—**				
Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	**899**		33+35		
Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(20)**				
of which: Amounts of counted in to base item of Additional Tier 1 by transitional arrangements that related valuation and translation adjustments	**(20)**				
Additional Tier 1 capital: instruments (D)	**49,879**		36		
Additional Tier 1 capital: regulatory adjustments					
Investments in own Additional Tier 1 instruments	**—**	**—**	37		A14
Reciprocal cross-holdings in Additional Tier 1 instruments	**—**	**—**	38		A15
Non-significant Investments in the Additional Tier 1 capital of other financials, net of eligible short positions (amount above 10% threshold)	**—**	**—**	39		A16
Significant investments in the Additional Tier 1 capital of other financials (net of eligible short positions)	**—**	**35,448**	40		A17
Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**17,213**				
of which: 50% of balance due to pay of eligible provisions	**17,213**				
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**—**		42		
Additional Tier 1 capital: regulatory adjustments (E)	**17,213**		43		
Additional Tier 1 capital					
Additional Tier 1 capital ((D)-(E)) (F)	**32,665**		44		
Tier 1 capital					
Tier 1 capital ((C)+(F)) (G)	**4,487,318**		45		
Tier 2 capital: instruments and provisions					
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	**—**		46		E7
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**—**				D2.1+D2.2
Tier 2 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	**—**				
Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**1,382,406**		47+49		
Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**8**		50		
of which: general reserve for possible loan losses	**8**		50a		A18
of which: eligible provisions	**—**		50b		A19
Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**770,843**				
of which: Amounts of counted in to base item of Additional Tier 1 by transitional arrangements that related valuation and translation adjustments	**770,843**				
Tier 2 capital: instruments and provisions (H)	**2,153,258**		51		

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Tier 2 capital: regulatory adjustments				
Investments in own Tier 2 instruments	—	—	52	A20
Reciprocal cross-holdings in Tier 2 instruments	—	—	53	A21
Non-significant Investments in the Tier 2 capital of other financials, net of eligible short positions (amount above the 10% threshold)	—	—	54	A22
Significant investments in the Tier 2 capital of financials (net of eligible short positions)	—	—	55	A23
Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	**17,213**			
of which: 50% of balance due to pay of eligible provisions	**17,213**			
Tier 2 capital: regulatory adjustments (I)	**17,213**		57	
Tier 2 capital				
Tier 2 capital ((H)-(I)) (J)	**2,136,044**		58	
Total capital				
Total capital ((G) + (J)) (K)	**6,623,363**		59	
Risk weighted assets				
Total of items included in risk weighted assets under phase-out arrangements	**88,845**			
of which: intangibles assets other than mortgage servicing rights	**23,039**			
of which: Significant investments in the Additional Tier 1 capital of other financials (net of eligible short positions)	**65,805**			
Risk weighted assets (L)	**27,863,036**		60	
Capital ratio (non-consolidated)				
Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	**15.98%**		61	
Tier 1 capital ratio (non-consolidated) ((G)/(L))	**16.10%**		62	
Total capital ratio (non-consolidated) ((K)/(L))	**23.77%**		63	
Regulatory adjustments				
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	**486,233**		72	A24
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	**64,258**		73	A25
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74	A26
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		75	A27
Provisions included in Tier 2 capital: instruments and provisions				
Provisions (general reserve for possible loan losses)	**8**		76	
Cap on inclusion of provisions (general reserve for possible loan losses)	**56**		77	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		78	
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**149,763**		79	
Capital instruments subject to phase-out arrangements				
Current cap on Additional Tier 1 instruments subject to phase-out arrangements	**899**		82	
Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities)	**99**		83	
Current cap on Tier 2 instruments subject to phase-out arrangements	**1,382,406**		84	
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	**153,600**		85	

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Non-Consolidated)

As of March 31, 2013

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
(Assets)			
Loans and Bills Discounted	**16,127,677**		
Loans on deeds	**14,510,581**		
Loans on bills	**240,721**		
Overdrafts	**1,370,964**		
Bills discounted	**5,410**		
Foreign Exchanges Assets	**268,750**		
Due from foreign banks	**268,750**		
Securities	**50,072,352**	**50,072,346**	
Japanese government bonds	**13,545,158**	**13,545,158**	
Municipal government bonds	**2,039**	**2,039**	
Corporate bonds	**76,229**	**76,229**	
Stocks	**633,129**	**633,129**	
Other securities	**35,815,795**	**35,815,789**	
Money Held in Trust	**6,891,232**	**6,891,232**	
Securities and Money Held in Trust of which: Goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		**—**	A1.1
Securities and Money Held in Trust of which: Investments in own capital instruments		**—**	—
Common Equity (excluding those reported in the Net Assets section)		**—**	A5
Additional Tier 1 capital		**—**	A14
Tier 2 capital		**—**	A20
Securities and Money Held in Trust of which: Reciprocal cross-holdings in capital instruments		**—**	—
Common Equity		**—**	A6
Additional Tier 1 capital		**—**	A15
Tier 2 capital		**—**	A21
Securities and Money Held in Trust of which: Investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		**486,233**	—
Common Equity		**—**	A7
Additional Tier 1 capital		**—**	A16
Tier 2 capital		**—**	A22
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		**486,233**	A24
Securities and Money Held in Trust of which: Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		**99,707**	—
Amount exceeding the 10% threshold on specified items		**—**	A8
Amount exceeding the 15% threshold on specified items		**—**	A11
Additional Tier 1 capital		**35,448**	A17
Tier 2 capital		**—**	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**64,258**	A25
Trading Assets	**36,602**		
Trading securities	**25,821**		
Derivatives of trading securities	**7**		
Derivatives of securities related to trading transactions	**20**		
Trading-related financial derivatives	**10,752**		
Monetary Claims Bought	**179,373**		
Call Loans	**1,527,128**		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
Receivables under Resale Agreements	—		
Receivables under Securities Borrowing Transactions	—		
Cash and Due from Banks	**4,403,890**		
Cash	**108,450**		
Due from banks	**4,295,439**		
Other Assets	**1,248,265**	**1,248,264**	
Domestic exchange settlement account, debit	**81**	**81**	
Prepaid expenses	**430**	**430**	
Accrued income	**155,535**	**155,534**	
Initial margins of futures markets	**2,075**	**2,075**	
Valuation margins of futures markets	**7**	**7**	
Derivatives other than for trading	**106,871**	**106,871**	
Cash collateral paid for financial instruments	**778,131**	**778,131**	
Others	**205,132**	**205,132**	
of which: Defined-benefit pension fund net assets (prepaid pension costs)		—	A4
Tangible Fixed Assets	**107,435**		
Buildings	**34,456**		
Land	**51,947**		
Lease assets	**12,832**		
Construction in progress	**1,958**		
Other	**6,240**		
Intangible Fixed Assets	**32,187**	**32,187**	
Software	**26,707**	**26,707**	
Lease assets	**2,494**	**2,494**	
Other	**2,985**	**2,985**	
of which: Goodwill and those equivalents (excluding those reported in the Net Assets section)		—	A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights		**32,187**	A2.1
of which: Amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**9,148**	A2.2
of which: Mortgage servicing rights (net of related deferred tax liabilities)		—	—
Amount exceeding the 10% threshold on specified items		—	A9
Amount exceeding the 15% threshold on specified items		—	A12
Amount below the thresholds for deduction (before risk weighting)		—	A26
Deferred Tax Assets		—	
of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)		—	A3
of which: Deferred tax assets arising from temporary differences (net of related deferred tax liabilities)		—	—
Amount exceeding the 10% threshold on specified items		—	A10
Amount exceeding the 15% threshold on specified items		—	A13
Amount below the thresholds for deduction (before risk weighting)		—	A27
Customers' Liabilities for Acceptances and Guarantees	**142,169**		
Reserve for Possible Loan Losses	**(170,847)**	**(170,612)**	
of which: general reserve for possible loan losses includes Tier 2		**(8)**	A18
of which: eligible provisions includes Tier 2		—	A19
Reserve for Possible Investment Losses	**(5,120)**		
Total Assets	**80,861,096**		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
(Liabilities)			
Deposits	**47,456,419**		
Time deposits	**39,871,077**		
Deposits at notice	**88,937**		
Ordinary deposits	**1,029,832**		
Current deposits	**78,863**		
Other deposits	**6,387,707**		
Negotiable Certificates of Deposit	**2,397,290**		
Debentures	**4,619,200**		
Debentures issued	**4,619,200**		
Bonds Payable		**50,000**	
of which: Qualifying Additional Tier 1 instruments of which: classified as liabilities		**—**	D1.1
of which: Qualifying Tier 2 instruments of which: classified as liabilities		**—**	D2.1
Trading Liabilities	**10,139**		
Derivatives of trading securities	**31**		
Derivatives of securities related to trading transactions	**32**		
Trading-related financial derivatives	**10,075**		
Borrowed Money	**1,772,106**	**1,722,106**	
Borrowings	**1,772,106**	**1,722,106**	
of which: Qualifying Additional Tier 1 instruments		**—**	D1.2
of which: Qualifying Tier 2 instruments		**—**	D2.2
Call Money	**452,214**		
Payables under Repurchase Agreements	**12,349,745**		
Payables under Securities Lending Transactions	**6,129**		
Foreign Exchanges Liabilities	**78**		
Foreign bills payable	**78**		
Trust Money	**4,235,124**		
Other Liabilities	**1,263,850**		
Domestic exchange settlement account, credit	**93**		
Accrued expenses	**51,504**		
Income taxes payable	**97**		
Unearned income	**991**		
Employees' deposits	**8,341**		
Derivatives other than for trading	**705,609**		
Cash collateral received for financial instruments	**1,010**		
Lease liabilities	**15,585**		
Others	**480,617**		
Reserve for Bonus Payments	**5,382**		
Reserve for Employees' Retirement Benefits	**10,084**		
Reserve for Directors' Retirement Benefits	**722**		
Deferred Tax Liabilities	**395,295**	**395,360**	
of which: prepaid pension cost		**—**	D4
Deferred Tax Liabilities for Land Revaluation	**10,158**	**10,158**	
Acceptances and Guarantees	**142,169**		
Total Liabilities	**75,126,111**		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Basel III template No. under the composition of capital disclosure	Ref. No.
(Net Assets)			
Paid-in Capital	**3,425,909**	**3,425,909**	
Common equity	**3,400,909**	**3,400,909**	E1.1
of which: lower dividend rate stock	**2,975,192**	**2,975,192**	
Preferred stock	**24,999**	**24,999**	
of which: Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**24,500**	E6.1
Capital Surplus	**25,020**	**25,020**	
Capital surplus	**24,999**	**24,999**	
of which: Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**24,500**	E6.2
Other capital surplus	**20**	**20**	E1.2
Reserve for revaluation	**20**	**20**	
Retained Earnings	**1,104,386**	**1,104,728**	E2
Legal reserves	**481,266**	**481,266**	
Voluntary reserves	**623,120**	**623,462**	
Special reserves	**49,200**	**49,200**	
General reserves	**394,403**	**394,403**	
Reserves for tax basis adjustments of fixed assets	**8,015**	**8,015**	
Others	**7**	**7**	
Unappropriated retained earnings	**171,494**	**171,836**	
Net income	**106,839**	**106,867**	
of which: cash dividends to be paid		**51,006**	E3
Total Owners' Equity	**4,555,316**	**4,555,664**	
of which: Others		**—**	E4
of which: Directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**—**	E7
Net Unrealized Gains on Other Securities	**1,267,564**	**1,267,564**	
Net Deferred Losses on Hedging Instruments	**(105,620)**	**(105,620)**	
of which: Net Deferred Losses on Hedging Instruments		**(65,239)**	E8
Revaluation Reserve for Land, net of taxes	**17,723**	**17,723**	
Foreign Currency Translation Adjustment		**(20)**	
Total Valuation and Translation Adjustment	**1,179,667**	**1,179,646**	E5
Total Net Assets	**5,734,984**		
Total Liabilities and Net Assets	**80,861,096**		

Notes: 1. "Balance sheet based on regulatory scope of consolidation" contains only the items used in calculating capital adequacy.

2. With respect to the amount of disclosure items related to composition of capital based on links to a reference number, the amount included in capital adequacy, as well as the amount excluded due to transitional arrangements in "Capital Structure Information" are included in order to state the value before taking into account transitional arrangement. The items counted to Capital by transitional arrangement are not included by the above.

As of March 31, 2012

(Millions of yen)

Items			
Tier 1 capital	Capital stock		3,425,909
	Included as non-cumulative, perpetual preferred stock		24,999
	Deposit for subscription to preferred stock		—
	Capital surplus		25,020
	Earned surplus		990,743
	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		—
	Foreign currency transaction adjustment		(40)
	Stock acquisition 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		36,203
	Subtotal	(A)	4,405,428
	Including preferred securities with interest rate step-up clause		—
	(Ratio of the value of such preferred securities to Tier 1 capital)		—
Tier 2 capital	45% of unrealized gains on other securities		223,294
	45% of unrealized gains on land		16,998
	General reserve for possible loan losses		14
	Qualifying subordinated debt		1,536,007
	Included as perpetual subordinated bonds and loans		1,486,007
	Included as dated subordinated bonds, loans, and preferred stock		50,000
	Subtotal		1,776,314
	Tier 2 capital included as qualifying capital	(B)	1,776,314
Tier 3 capital	Short-term subordinated debt		—
	Including amount added to capital	(C)	—
Deductions	Deductions	(D)	179,283
Total Capital	(A)+(B)+(C)-(D)	(E)	6,002,459
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	21,750,323
	Including on-balance sheet		20,714,374
	Including off-balance sheet		1,035,948
	Assets equivalent to market risk (H)/8%	(G)	1,886,536
	(For reference: actual market risk volume)	(H)	150,922
	Amount corresponding to operational risk (J)/8%	(I)	529,012
	(For reference: amount corresponding to operational risk)	(J)	42,320
	Total risk-weighted assets (F)+(G)+(I)	(K)	24,165,872
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			24.83%
Tier 1 ratio = (A)/(K) × 100%			18.22%

Notes: 1. The Tier 2 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.

2. 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 Ratio, Article 20).

3. 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 Ratio, Article 129.

2. Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category)

Regulatory Required Capital

(Billions of yen)

Items	As of March 31, 2013		As of March 31, 2012	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**103,435**	**2,164**	81,604	2,053
Exposure subject to Internal Ratings-Based Approach	**93,984**	**2,141**	81,597	2,053
Corporate exposure (excluding Specialized Lending)	**5,553**	**286**	5,318	298
Corporate exposure (Specialized Lending)	**226**	**35**	390	75
Sovereign exposure	**44,099**	**0**	38,458	0
Bank exposure	**18,138**	**159**	13,793	100
Retail exposure	**4**	**1**	5	2
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**4**	**1**	5	2
Securitization and re-securitization exposure	**5,509**	**124**	4,462	183
Equity portfolios	**886**	**153**	793	149
Equity portfolios subject to PD/LGD approaches	**196**	**32**	143	21
Equity portfolios subject to simple risk-weighted method	**29**	**9**	30	10
Equities under the internal models approach	**257**	**76**	270	88
Grandfathered equity exposure	**403**	**34**	348	29
Exposure subject to risk-weighted asset calculation for investment fund	**19,243**	**1,362**	18,025	1,229
Other debt purchased	**104**	**9**	53	1
Other exposures	**217**	**8**	295	12
Exposure subject to Standardized Approach	**4**	**0**	7	0
Overdrafts	**—**	**—**	—	—
Prepaid expenses	**0**	**0**	0	0
Suspense payments	**4**	**0**	6	0
Other	**—**	**—**	—	—
Amount corresponding to CVA risk	**502**	**10**	/	/
CCP-related exposures	**8,881**	**4**	/	/
Items that included by transitional arrangements	**62**	**7**	/	/
Amount of regulatory required capital for market risk	**/**	**178**	/	150
Standardized Approach	**/**	**177**	/	149
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**177**	/	149
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**1**	/	1
Amount of regulatory required capital for operational risk	**/**	**37**	/	42
Offsets on consolidation	**/**	**2,380**	/	2,247

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy Ratio, Article 144.

3. The Notification Regarding Capital Adequacy Ratio, Article 13 of supplemental provision contains a grandfathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Risk-weighted asset calculation for investment fund includes ¥0.7 billion EAD and ¥0 billion of Required Capital of CPP-related exposures.

5. 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 Ratio. 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 Ratio, Article 282).

(Billions of yen)

Items	As of March 31, 2013	As of March 31, 2012
Non-consolidated total required capital	**2,229**	1,933

Note: Non-consolidated total regulatory required capital is an amount that results from multiplying the denominator of the formula by 8% as stipulated in Notification Regarding Capital Adequacy Ratio, Article 14.

3. Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded.)

1 CREDIT RISK EXPOSURE

For Fiscal 2012, ended March 31, 2013

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	18,036	15,152	10	5,972	39,172	182
Asia except Japan	147	131	—	408	687	—
Europe	53	9,793	0	8,253	18,100	—
The Americas	375	9,004	3	12,059	21,443	—
Other areas	18	1,003	0	232	1,254	—
Total	18,631	35,086	13	26,926	80,658	182

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	2,686	265	1	0	2,953	31	0
Agriculture	40	0	—	0	40	6	0
Forestry	10	—	—	—	10	0	—
Fishing	30	—	—	0	30	19	0
Mining	3	—	—	0	3	—	—
Construction	129	7	—	0	136	3	—
Utility	124	4	0	0	128	1	—
Information/telecommunications	64	4	0	1	70	1	—
Transportation	587	78	3	0	668	25	—
Wholesaling, retailing	1,643	54	0	0	1,699	27	0
Finance and insurance	2,566	10,603	9	26,701	39,880	15	—
Real estate	460	107	—	1	569	36	—
Services	1,322	35	—	1	1,359	14	—
Municipalities	127	15	—	—	143	—	—
Other	8,831	23,910	0	220	32,962	0	—
Total	18,631	35,086	13	26,926	80,658	182	0

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	15,203	3,879	5	25,870	44,959
Over 1 year to 3 years	1,514	4,010	0	0	5,525
Over 3 years to 5 years	1,259	7,058	2	—	8,319
Over 5 years to 7 years	316	5,651	1	—	5,968
Over 7 years	334	12,886	4	—	13,224
No term to maturity	3	1,600	—	1,055	2,659
Total	18,631	35,086	13	26,926	80,658

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2012.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥4.5 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For Fiscal 2011, ended March 31, 2012

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	16,738	18,189	6	2,606	37,541	239
Asia except Japan	100	115	—	314	530	—
Europe	41	4,227	0	3,006	7,275	—
The Americas	327	8,861	3	5,938	15,130	—
Other areas	19	741	—	308	1,070	—
Total	17,227	32,136	9	12,175	61,548	239

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	2,479	231	0	0	2,711	31	1
Agriculture	43	0	—	0	43	7	0
Forestry	12	—	—	0	12	0	—
Fishing	28	—	—	0	28	18	0
Mining	3	—	—	0	3	—	—
Construction	116	5	—	0	121	2	—
Utility	120	3	0	0	124	1	—
Information/telecommunications	54	3	0	0	57	1	—
Transportation	633	59	3	0	695	16	—
Wholesaling, retailing	1,585	50	0	0	1,636	31	0
Finance and insurance	1,736	7,451	5	11,869	21,062	33	—
Real estate	546	156	—	0	704	78	23
Services	1,410	60	—	1	1,472	15	0
Municipalities	164	13	—	0	178	—	—
Other	8,291	24,100	—	302	32,695	0	—
Total	17,227	32,136	9	12,175	61,548	239	25

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	13,603	9,794	1	11,046	34,446
Over 1 year to 3 years	1,852	5,909	1	0	7,764
Over 3 years to 5 years	1,124	2,724	0	—	3,850
Over 5 years to 7 years	448	2,742	1	—	3,192
Over 7 years	192	10,201	3	—	10,396
No term to maturity	6	763	—	1,128	1,898
Total	17,227	32,136	9	12,175	61,548

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2011.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥7.3 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, 2013	As of March 31, 2012	Increase/(decrease)
General reserve for possible loan losses	**45**	39	**5**
Specific reserve for possible loan losses	**66**	102	**(36)**
Japan	**66**	102	**(36)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**111**	142	**(30)**

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, 2013	As of March 31, 2012	Increase/(decrease)
General reserve for possible loan losses	**45**	39	**5**
Specific reserve for possible loan losses	**66**	102	**(36)**
Manufacturing	**10**	12	**(2)**
Agriculture	**4**	4	**(0)**
Forestry	**0**	0	**(0)**
Fishing	**10**	8	**1**
Mining	**—**	—	**—**
Construction	**0**	0	**(0)**
Utility	**1**	1	**(0)**
Information/telecommunications	**0**	0	**—**
Transportation	**7**	6	**0**
Wholesaling, retailing	**3**	4	**(0)**
Finance and insurance	**4**	21	**(17)**
Real estate	**15**	32	**(16)**
Services	**8**	10	**(1)**
Municipalities	**—**	—	**—**
Other	**—**	0	**(0)**
Others	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**111**	142	**(30)**

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

Fiscal 2012 (Ended March 31, 2013)

(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	3.12%	44.93%	64%	5,553	4,846	707
1-1 to 4	0.12%	44.99%	34%	4,680	4,027	652
5 to 7	2.10%	44.79%	128%	564	524	39
8-1 to 8-2	15.78%	44.29%	316%	182	168	13
Subtotal	0.86%	44.95%	53%	5,427	4,721	705
8-3 to 10-2	100.00%	44.22%	556%	126	125	1
Sovereign Exposure	0.00%	45.00%	0%	44,099	42,451	1,647
1-1 to 4	0.00%	45.00%	0%	44,099	42,451	1,647
5 to 7	0.86%	45.00%	128%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	44,099	42,451	1,647
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	21.01%	11%	18,138	7,501	10,636
1-1 to 4	0.03%	21.02%	11%	18,075	7,444	10,631
5 to 7	2.32%	20.17%	71%	52	47	4
8-1 to 8-2	8.94%	8.42%	49%	10	10	0
Subtotal	0.04%	21.01%	11%	18,138	7,501	10,636
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.66%	90.00%	205%	196	196	—
1-1 to 4	0.14%	90.00%	178%	177	177	—
5 to 7	3.49%	90.00%	458%	16	16	—
8-1 to 8-2	15.84%	90.00%	334%	2	2	—
Subtotal	0.65%	90.00%	205%	196	196	—
8-3 to 10-2	100.00%	90.00%	1,193%	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 the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).

Fiscal 2011 (Ended March 31, 2012)

(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	3.71%	44.94%	70%	5,318	4,626	692
1-1 to 4	0.13%	44.96%	31%	4,193	3,569	623
5 to 7	2.37%	44.89%	126%	791	742	48
8-1 to 8-2	15.82%	45.07%	324%	191	172	18
Subtotal	1.05%	44.95%	57%	5,175	4,484	691
8-3 to 10-2	100.00%	44.33%	557%	142	141	1
Sovereign Exposure	0.00%	44.99%	0%	38,458	36,981	1,477
1-1 to 4	0.00%	44.99%	0%	38,458	36,981	1,477
5 to 7	0.70%	45.00%	122%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	38,458	36,981	1,477
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.07%	21.73%	9%	13,793	5,921	7,871
1-1 to 4	0.05%	21.74%	9%	13,734	5,867	7,866
5 to 7	1.67%	19.82%	50%	47	42	4
8-1 to 8-2	7.07%	10.56%	53%	11	11	0
Subtotal	0.06%	21.73%	9%	13,793	5,921	7,871
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.88%	90.00%	189%	143	143	—
1-1 to 4	0.15%	90.00%	127%	103	103	—
5 to 7	2.57%	90.00%	343%	39	39	—
8-1 to 8-2	15.84%	90.00%	713%	0	0	—
Subtotal	0.87%	90.00%	189%	143	143	—
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 the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).

b. Retail Exposure

Fiscal 2012 (Ended March 31, 2013)

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	5.74%	46.07%	93.18%	75.43%	109%	190	190	—
Not default Not delinquent	0.70%	46.07%	/	/	48%	173	173	—
Not default Delinquent	28.92%	46.07%	/	/	436%	10	10	—
Not default Subtotal	2.26%	46.07%	/	/	70%	183	183	—
Default	100.00%	/	93.18%	75.43%	1,165%	6	6	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	26.41%	77.32%	115.11%	99.68%	448%	5	2	2
Not default Not delinquent	1.90%	77.51%	/	/	119%	3	1	2
Not default Delinquent	38.54%	56.26%	/	/	439%	0	0	0
Not default Subtotal	2.23%	77.32%	/	/	122%	4	1	2
Default	100.00%	/	115.11%	99.68%	1,439%	1	1	0
Total	6.30%	46.92%	96.75%	79.38%	118%	195	192	2
Not default Not delinquent	0.72%	46.78%	/	/	50%	177	174	2
Not default Delinquent	28.95%	46.11%	/	/	436%	10	10	0
Not default Subtotal	2.26%	46.74%	/	/	71%	187	184	2
Default	100.00%	/	96.75%	79.38%	1,209%	8	8	0

Notes: 1. As of March 31, 2013, the majority of retail exposure is purchased retail receivables which are included in investment funds. 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 Ratio, 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, 2013, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2011 (Ended March 31, 2012)
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	5.66%	45.96%	93.82%	76.04%	105%	218	218	—
Not default Not delinquent	0.60%	45.96%	/	/	44%	199	199	—
Not default Delinquent	29.28%	45.96%	/	/	437%	11	11	—
Not default Subtotal	2.19%	45.96%	/	/	66%	211	211	—
Default	100.00%	/	93.82%	76.04%	1,173%	7	7	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	23.79%	76.69%	113.70%	99.36%	408%	6	3	3
Not default Not delinquent	1.87%	76.76%	/	/	118%	4	1	3
Not default Delinquent	44.77%	66.84%	/	/	586%	0	0	0
Not default Subtotal	2.17%	76.69%	/	/	121%	4	1	3
Default	100.00%	/	113.70%	99.36%	1,421%	1	1	0
Total	6.16%	46.82%	96.84%	79.58%	113%	225	221	3
Not default Not delinquent	0.63%	46.69%	/	/	46%	204	201	3
Not default Delinquent	29.33%	46.02%	/	/	437%	11	11	0
Not default Subtotal	2.19%	46.66%	/	/	67%	215	212	3
Default	100.00%	/	96.84%	79.58%	1,210%	9	9	0

Notes: 1. As of March 31, 2012, the majority of retail exposure is purchased retail receivables which are included in investment funds. 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 Ratio, 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, 2012, 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

(Billions of yen)

Type of exposure	As of March 31, 2013	As of March 31, 2012	Increase/(decrease)
Corporate exposure	**1**	9	**(7)**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	0	**(0)**
Retail exposure secured by residential properties	**—**	—	**—**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**
Total	**1**	9	**(7)**

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.

Comparison between actual losses in the previous fiscal year and past financial results and Analysis of Causes

Corporate exposure has been improved because there was reversal of reserve for possible loan losses according to the collection of the loan and the recovery of the confidence situation of investment and accommodation ahead and redemption.

Actual losses of fiscal 2012 became a decrease in comparison with the previous year by ¥7.6 billion.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of March 31, 2013		As of March 31, 2012		As of March 31, 2011	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**24**	**1**	42	9	73	7
Sovereign exposure	**0**	**—**	0	—	0	—
Bank exposure	**0**	**—**	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	2	0	3	0
Retail exposure secured by residential properties	**—**	**—**	—	—	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—
Other retail exposure	**0**	**0**	0	0	0	0

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. 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.

2. Estimated losses of each year are amount of expected losses.

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, 2013	As of March 31, 2012
Specialized Lending exposure subject to supervisory slotting criteria	**226**	391
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**185**	315
Risk weight of 50%	**24**	75
Risk weight of 70%	**108**	137
Risk weight of 90%	**18**	6
Risk weight of 115%	**—**	—
Risk weight of 250%	**28**	28
Risk weight of 0% (default)	**5**	68
High-Volatility Commercial Real Estate (HVCRE)	**40**	75
Risk weight of 70%	**—**	—
Risk weight of 95%	**5**	13
Risk weight of 120%	**—**	19
Risk weight of 140%	**—**	—
Risk weight of 250%	**18**	21
Risk weight of 0% (default)	**17**	22

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 Ratio, 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 Ratio, 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 Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6.

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, 2013	As of March 31, 2012
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**29**	30
Risk weight of 300%	**—**	—
Risk weight of 400%	**29**	30

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 Ratio, 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, 2013		As of March 31, 2012	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**4**	**—**	7	—
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%	**4**	**—**	7	—
Risk weight of 150%	**—**	**—**	—	—
Risk weight of 1,250%	**—**	**—**	—	—
Others	**—**	**—**	—	—

Notes: 1. Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.
2. The amount of deducted from capital has been described in Risk weight of 1,250% of fiscal 2011.

4. 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, 2013	As of March 31, 2012
Foundation Internal Ratings-Based Approach	**10,093**	7,896
Eligible financial collateral	**8,983**	6,623
Corporate exposure	**8**	7
Sovereign exposure	**—**	4
Bank exposure	**8,975**	6,611
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,109**	1,273
Corporate exposure	**207**	141
Sovereign exposure	**200**	179
Bank exposure	**702**	951
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Note: Exposure subject to risk-weighted asset calculation for investment fund 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, 2013	As of March 31, 2012
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**117**	50
Total gross add-ons	(B)	**430**	252
Gross credit exposure	(C) = (A)+(B)	**547**	302
Foreign exchange related		**453**	219
Interest rate related		**91**	81
Equity related		**2**	2
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	0
Reduction in credit exposure due to netting contracts	(D)	**63**	(7)
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral (including collateral pledged for CSA)	(E) = (C)–(D)	**483**	310
Amount of collateral	(F)	**0**	0
Eligible financial collateral		**0**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**482**	309

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 Ratio, 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, 2013	As of March 31, 2012
To buy protection	**—**	—
Credit default swaps	**—**	—
To sell protection	**—**	—
Credit default swaps	**—**	—
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 Ratio, Article 21-2 and Article 21-3, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Non-Consolidated)

1 ITEMS TO CALCULATE CREDIT RISK ASSETS

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
Total amount of underlying assets	—	—
Amounts of assets held by securitization transactions purpose	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—
Amounts of securitization exposure	—	—
Amounts of re-securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Amounts of securitization exposure that applied risk weight 1,250%	—	—
Amounts of re-securitization exposure subject to credit risk mitigation techniques	—	—

Note: The amount of deducted from capital has been described in Amounts of securitization exposure that applied risk weight 1,250% of fiscal 2011.

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

Classification	Total amount of securitization exposure					
			Re-securitization exposure			
	Amount of exposure	Risk weight 1,250%	Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Risk weight 1,250%
Amounts of exposures	5,509 (3)	36 (2)	397	125	271	15
Individuals						
Asset-Backed Securities (ABS)	1,917 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	2,387 (—)	6 (—)	14	—	14	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	216 (—)	9 (—)	24	—	24	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	937 (—)	15 (—)	358	125	233	15
Collateralized Loan Obligations (CLO)	812 (—)	— (—)	233	—	233	—
Asset-Backed Securities CDOs (ABS-CDO)	125 (—)	15 (—)	125	125	—	15
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	50 (3)	5 (2)	—	—	—	—

Notes: 1. "Risk weight 1,250%" is securitization exposure that applied to risk weight 1,250% under Article 224 of the Notification Regarding Capital Adequacy Ratio.

2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2011 (Ended March 31, 2012)

(Billions of yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Deductions from capital	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Deductions from capital
Amounts of exposures	4,467 (22)	78 (1)	436	124	311	20
Individuals						
Asset-Backed Securities (ABS)	1,743 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,394 (—)	34 (—)	20	—	20	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	290 (—)	18 (—)	21	—	21	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	939 (19)	20 (—)	395	124	270	20
Collateralized Loan Obligations (CLO)	793 (19)	— (—)	249	—	249	—
Asset-Backed Securities CDOs (ABS-CDO)	124 (—)	20 (—)	124	124	—	20
Collateralized Bond Obligations (CBO)	21 (—)	— (—)	21	—	21	—
Others	98 (2)	5 (1)	—	—	—	—

Notes: 1. "Deductions from capital" is securitization exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy Ratio.
2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	**5,112**	**5,109**	**3**	**74**	**71**	**2**
Risk weight: 20% or less	**4,878**	**4,878**	**0**	**30**	**30**	**0**
Risk weight: exceeding 20% to 50% or less	**79**	**79**	**—**	**2**	**2**	**—**
Risk weight: exceeding 50% to 100% or less	**83**	**83**	**—**	**5**	**5**	**—**
Risk weight: exceeding 100% to 250% or less	**32**	**32**	**—**	**6**	**6**	**—**
Risk weight: exceeding 250% to less than 1,250%	**17**	**16**	**1**	**6**	**6**	**0**
Risk weight: 1,250%	**21**	**18**	**2**	**22**	**20**	**2**
Amount of re-securitization exposure	**397**	**397**	**—**	**50**	**50**	**—**
Risk weight: 20% or less	**14**	**14**	**—**	**0**	**0**	**—**
Risk weight: exceeding 20% to 50% or less	**267**	**267**	**—**	**8**	**8**	**—**
Risk weight: exceeding 50% to 100% or less	**37**	**37**	**—**	**2**	**2**	**—**
Risk weight: exceeding 100% to 250% or less	**16**	**16**	**—**	**2**	**2**	**—**
Risk weight: exceeding 250% to less than 1,250%	**46**	**46**	**—**	**19**	**19**	**—**
Risk weight: 1,250%	**15**	**15**	**—**	**16**	**16**	**—**

Fiscal 2011 (Ended March 31, 2012)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	4,031	4,008	22	127	125	2
Risk weight: 20% or less	3,578	3,559	19	23	23	0
Risk weight: exceeding 20% to 50% or less	154	154	—	4	4	—
Risk weight: exceeding 50% to 100% or less	113	113	—	7	7	—
Risk weight: exceeding 100% to 250% or less	61	61	—	10	10	—
Risk weight: exceeding 250% to less than 1,250%	63	62	1	22	21	0
Deductions from capital	58	56	1	58	56	1
Amount of re-securitization exposure	436	436	—	55	55	—
Risk weight: 20% or less	20	20	—	0	0	—
Risk weight: exceeding 20% to 50% or less	292	292	—	10	10	—
Risk weight: exceeding 50% to 100% or less	34	34	—	2	2	—
Risk weight: exceeding 100% to 250% or less	26	26	—	3	3	—
Risk weight: exceeding 250% to less than 1,250%	42	42	—	18	18	—
Deductions from capital	20	20	—	20	20	—

Amount of Re-Securitization Exposure held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of March 31, 2013		As of March 31, 2012	
	Amount of exposure	Regulatory required capital	Amount of exposure	Regulatory required capital
Amount of re-securitization exposure	—	—	—	—
Risk weight applied to guarantor: 20% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 20% to 50% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 50% to 100% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 100% to 250% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 250% to less than 1,250%	—	—	—	—
Risk weight applied to guarantor: 1,250%	—	—	—	—

Note: The amount of deducted from capital has been described in Risk weight applied to guarantor 1,250% of fiscal 2011.

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

2 SECURITIZATION EXPOSURE SUBJECT TO MARKET RISK

Not applicable

7. Market Risk (Non-Consolidated)

Computation of the Market Risk Amount by the Internal Models Approach

■ VaR

(Millions of yen)

	Fiscal 2012	Fiscal 2011
Base date of computation	**2013. 3. 29**	2012. 3. 30
VaR (For the most recent 60 business days)		
Base date of computation	**124**	78
Maximum	**139**	224
Minimum	**50**	61
Average	**83**	103

■ Stress VaR

(Millions of yen)

	Fiscal 2012	Fiscal 2011
Base date of computation	**2013. 3. 29**	2012. 3. 30
Stress VaR (For the most recent 60 business days)		
Base date of computation	**500**	247
Maximum	**605**	443
Minimum	**235**	225
Average	**379**	327

■ Amounts of Market Risk

(Millions of yen)

		Fiscal 2012	Fiscal 2011
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**1,388**	1,292
Value at Risk (MAX (C, D))	(B)	**250**	311
Amount on base date of computation	(C)	**124**	78
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**250**	311
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**1**	1
Stress Value at Risk (MAX (H, I))	(G)	**1,137**	981
Amount on base date of computation	(H)	**500**	247
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**1,137**	981
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2012, actual gains and losses did not diverge substantially downward from the VaR value.
2. When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain times, the Bank scrutinizes the relevant model factors and revises the model if necessary.
3. Since the bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.

8. Equity Exposure (Non-Consolidated)

(Includes items such as shares, excludes items in trading accounts)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2013		As of March 31, 2012	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**886**	/	792	/
Exposure to publicly traded equity	**676**	**676**	608	608
Exposure to privately held equity	**210**	/	184	/

Note: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	Fiscal 2012			Fiscal 2011		
	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	**11**	**4**	**1**	14	21	15

Note: Amounts reflect relevant figures posted in the income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2013	As of March 31, 2012
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**153**	71

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13	**403**	348
Corporate	**369**	317
Bank	**28**	25
Sovereign	**5**	5

Note: The Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision 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, 2013		As of March 31, 2012	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**15,989**	**59%**	15,019	56%
Majority approach	**407**	**432%**	469	376%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,696**	**260%**	1,404	248%
Others (simple approach)	**232**	**438%**	240	458%
Total	**18,325**	**88%**	17,133	85%

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 Ratio, 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 Ratio, 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 Ratio, 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 Ratio, 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 Ratio, Article 144-5.)

6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.

10. Interest Rate Risk (Non-Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of yen)

Classification	As of March 31, 2013	As of March 31, 2012
Interest rate risk	**2,261**	1,377
Yen interest rate risk	**269**	173
U.S. dollar interest rate risk	**1,503**	1,044
Euro interest rate risk	**482**	154
Interest rate risk in other currencies	**5**	4

Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility.

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 due to call conditions and other factors.

Compensation

1 COMPENSATION STRUCTURE FOR DIRECTORS AND EMPLOYEES OF THE BANK

Definition of the Directors and Employees Process

The scope of the Directors and the Employees stipulated in the Compensation Notification (Notification No. 10 in 2012 of the Financial Services Agency and Ministry of Agriculture, Forestry and Fisheries of Japan) who are subject to compensation disclosure is described below.

■ Definition of the Directors

The Directors are the Bank's Board members and Audit & Supervisory Board members. The Supervisory Committee members and part-time Audit & Supervisory Board members are excluded from the scope.

■ Definition of the Employees

Among the Bank's directors other than the Directors, and the Bank's employees, as well as the Bank's major consolidated subsidiaries' directors and employees, who are "Highly Compensated Persons" that exert a major material impact on the business operations or financial status of the Bank or its major subsidiaries are deemed the Employees and are thereby subject to compensation disclosure. None of the Bank's directors other than the Directors, or the Bank's employees, as well as the directors or employees of its major subsidiaries fall under the category of the Employees.

Definition of Major Consolidated Subsidiaries

Major consolidated subsidiaries are the subsidiaries whose ratio of total assets to the Bank's consolidated total assets is 2% or higher, and have a material impact on the Group management. However, none of the Bank's consolidated subsidiaries fall under this category.

Definition of "Highly Compensated Persons"

Highly Compensated Persons are persons whose compensation is higher than the average for the Directors, and is calculated by dividing Total Compensation described in the chart "Total Compensation for the Directors" by the number of directors stipulated in the table. Regarding retirement lump sum payments, once the total retirement lump sum payment has been subtracted from total compensation, the amount obtained by dividing the total lump sum payment by the number of years in office is then added to the remaining compensation amount. This amount is regarded as person's total compensation and becomes the basis of the judgment whether the person will be a Highly Compensated Person. None of the Bank's directors other than the Directors, or the Bank's employees falls under this category.

Definition of "Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group"

Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group are those whose ordinary transactions and areas of management exert a considerable influence on the business operations of the Bank, the Group, and the major consolidated subsidiaries, or persons whose transactions exert a considerable influence on the financial status of the Group through the generation of losses.

None of the Bank's directors other than the Directors, or the Bank's employees, as well as the directors or employees of its major subsidiaries fall under the category of Highly Compensated Persons and Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group.

Determining the Directors' Compensation

Regarding the Bank's compensation structure for directors, the Bank established the Director Compensation Deliberation Committee as a body under the advisory of the Supervisory Committee that deliberates on compensation issues. The Director Compensation Deliberation Committee deliberates on the Bank's director compensation standards and total compensation of those who are eligible to retirement benefit payments, as well as the standards of such payment. The Director Compensation Deliberation Committee is composed of committee members (cooperative organization representatives, attorneys, CPAs, and President and Chief Executive Officer) commissioned by the Supervisory Committee, and the Chairman of the Director Compensation Deliberation Committee is appointed by the Chairman of the Supervisory Committee from among those committee members who are attorneys and CPAs.

Based on the results of the Director Compensation Deliberation Committee's discussions, proposals concerning total director compensation and retirement benefits are presented to the Supervisory Committee and those proposals are finally discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members' consultation, respectively.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members' consultation for Audit & Supervisory Board members, respectively.

Total Compensation Paid to Director Compensation Deliberation Committee Members and Number of Times the Committee has Convened

The Director Compensation Deliberation Committee convened three times between April 2012 and March 2013.

The Committee members receive no compensation.

2 MATTERS RELATED TO THE EVALUATION OF THE APPROPRIATENESS OF THE DESIGN AND OPERATION OF THE BANK'S COMPENSATION STRUCTURE FOR THE DIRECTORS

Compensation Policy

■ Compensation Policy for the Directors

The actual compensation of directors of the Bank is composed of the directors' compensation and retirement benefits.

In light of the special nature of the Bank's role as the central bank for cooperatives as well as financial institution for farmers, fishermen, and foresters, director compensation is decided and fixed based on the directors' rank after taking into account the business conditions of the Bank and trends in cooperative groups and other business sectors.

Retirement benefits are calculated by applying a fixed weight based on the directors' compensation during his or her term of office in line with retirement benefit payment rules.

The decision-making process for the retirement benefits is as follows. Proposals presented for total director compensation and retirement benefits are decided in the Supervisory Committee based on the results of the Director Compensation Deliberation Committee's discussions. These proposals are then finally discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members' consultation, respectively.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members' consultation for Audit & Supervisory Board members, respectively.

3 THE BANK'S COMPENSATION STRUCTURE FOR THE DIRECTORS, ITS RISK MANAGEMENT CONSISTENCY, AND THE LINK BETWEEN COMPENSATION AND PERFORMANCE

As described in the previous section, the final decision on the Directors' total compensation is decided at the Council of Delegates.

The Bank's compensation structure has no adverse effect on risk management, nor is it disproportionally linked to performance.

4 OTHER MATTERS FOR REFERENCE CONCERNING THE BANK'S COMPENSATION STRUCTURE FOR THE DIRECTORS

Aside from that mentioned in the preceding paragraph, no matters fall under this category.

Total Compensation for the Directors (from April 1, 2012 to March 31, 2013)

Category	Number of directors	Total compensation (Millions of yen)				
			Basic compensation	Bonus	Retirement benefits	Other
Subject directors	21	¥660	¥470	—	¥190	—

Notes: 1. Retired directors are included in the number of subject directors.

2. Retired benefits are the total amount of retirement benefits (excluding retirement benefits provided in past fiscal years) paid in fiscal 2012 and provision of reserve for retirement benefits posted in fiscal 2012.

Status of Capital and Shareholders

Members and Share Ownership (As of March 31, 2013)

(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	887 (147)	5,755,161,240 (4,860,280,000)
Federations of Agricultural Cooperatives	110 (35)	27,192,192,470 (24,289,510,000)
Forestry Cooperatives	651 (0)	19,586,080 (0)
Forestry Production Cooperatives	11 (0)	14,650 (0)
Federations of Forestry Cooperatives	47 (0)	22,945,840 (0)
Fishery Cooperatives	1,006 (4)	126,293,651 (66,520,000)
Fishery Production Cooperatives	25 (0)	203,140 (0)
Federations of Fishery Cooperatives	86 (30)	860,763,889 (535,610,000)
Marine Products Processing Cooperatives	41 (0)	627,300 (0)
Federations of Marine Products Processing Cooperatives	6 (0)	694,650 (0)
Mutual Insurance Federation of Fishery Cooperative Associations	1 (0)	7,064,800 (0)
Agricultural Mutual Relief Insurance Associations	35 (0)	380,700 (0)
Federations of Agricultural Mutual Relief Insurance Associations	41 (0)	978,100 (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	785 (0)	2,878,040 (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	15 (0)	133,500 (0)
Total	3,829 (216)	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 30, 2009	1,380,537	3,421,370	Allotment
September 28, 2009	4,539	3,425,909	Allotment

Organizational Diagram (As of July 1, 2013)

- Council of Delegates
  - Supervisory Committee
    - JA Bank Headquarters
    - JF Marine Bank Headquarters
  - Board of Directors
    - President & CEO
    - Deputy President & Co-CEO
    - Senior Managing Directors
    - Managing Directors
  - Audit & Supervisory Board Members
  - Audit & Supervisory Board
    - Office of Audit & Supervisory Board Members

Divisions (under President & CEO):

- Secretariat
- Coordination Div.
  - CSR Promotion Dept.
  - BCP Dept.
- Compliance Div.
- Legal Div.
- Internal Audit Div.
- Personnel Div.
  - Career Development Dept.
- Corporate Planning Div.
  - Business Development Dept.
  - Public Relations Planning Dept.
  - Facilities Management Dept.
  - Branch Strategy & Management Dept.
  - Subsidiaries & Affiliates Management Dept.
- Financial Planning & Control Div.
  - Controller's Dept.
- Risk Management Div.
- Systems Planning Div.
- Procedures & Operations Planning Div.
  - Procedures & Operations Risk Management Dept.
- Transaction Services Planning Div.
- Credit Risk Management Div.
- Business Revitalization Div.
- JA Bank System Management Div.
  - JA Bank Management Dept. for two-tiered prefectures
- JA Bank System Monitoring & Consulting Div.
- JA Bank System Planning & Promotion Div.
- Cooperative System Human Resource Development Div.
- JF Marine Bank Management Div.
  - Monitoring & Advisory Dept.
- Credit & Alternative Portfolio Planning Div.
  - Financing Facilitation Dept.
- Agriculture, Forestry, Fishery & Ecology Business Planning Div.
  - Ecology & Food Business Promotion Dept.
- Fixed Income Investment Div.
- Equity Investment Div.
- Credit & Alternative Investment Div.
- Treasury & Forex Div.
- Investment Documentation Div.
- Risk Monitoring Div.
- Operations Planning & Solutions Div.
- Treasury & Securities Operations Div.
- Corporate Business Div. I
- Corporate Business Div. II
- Corporate Business Div. III
- Corporate Business Div. IV
- Corporate Business Div. V
- Agriculture, Forestry, Fishery & Ecology Business Div.
- Cooperative Finance & Administration (Kanto Area) Div.
  - Mito Office
  - Kofu Office
  - Nagano Office
- Head Office Business Service Div.
- Foreign Business Operation & Management Div.

[Branches]

- Sapporo Branch
- Aomori Branch
- Sendai Branch
  - Morioka Office
- Akita Branch
- Yamagata Branch
- Fukushima Branch
- Utsunomiya Branch
- Maebashi Branch
- Chiba Branch
- Toyama Branch
  - Niigata Office
  - Kanazawa Office
- Nagoya Branch
  - Shizuoka Office
- Osaka Branch
  - Wakayama Office
- Okayama Branch
  - Tottori Office
  - Matsue Office
  - Hiroshima Office
  - Yamaguchi Office
- Takamatsu Branch
  - Tokushima Office
  - Matsuyama Office
  - Kochi Office
- Fukuoka Branch
  - Miyazaki Office
  - Kagoshima Office
- Nagasaki Branch
- Kumamoto Branch
- Oita Branch
- Naha Branch
- New York Branch
- London Branch
- Singapore Branch
- Hong Kong Representative Office
- Beijing Representative Office

Directors and Auditors (As of July 1, 2013)

Supervisory Committee

Akira Banzai
Ichio Kuramitsu
Keiichi Tabata
Noboru Sugimoto
Shigeyoshi Sato
Kiichi Sugawara
Zenichi Shimura
Toshihisa Futamura
Chikaaki Kitabata
Masao Uchimura
Motonori Baba
Tsuguo Yaguchi
Hideaki Kubori
Eiichiro Kinoshita
Yoshio Kono
Masataka Miyazono

Board of Directors

President & Chief Executive Officer

Yoshio Kono

Deputy President &
Co-Chief Executive Officer

Masataka Miyazono

Senior Managing Directors

Norihiro Takahashi
Hideaki Iida
Kazuto Oku

Managing Directors

Shoji Yukimoto
Shinichi Saitoh
Kazuhiko Otake
Minoru Ohta
Noritsugu Sato
Norihiro Suzuki
Katsuyuki Touyama
Kohei Taneda
Shozo Goto

Audit & Supervisory Board

Kozo Konishi
Joichi Yamazaki
Masaya Oishi
Tatsuhiko Tanaka
Koji Hatsukawa

History

Milestones in the Bank's 89-Year History

1923 • The Bank established with government funds under special legislation as the central bank for Japanese cooperatives, "Sangyo Kumiai" (December)

1938 • Fisheries cooperatives became members of the Bank

1943 • Forestry cooperatives became members of the Bank (March)
• The Bank's name officially changed to the Norinchukin Bank (September)

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) (October)

1984 • The New York Representative Office upgraded to branch status (October)

1985 • A representative office opens in London (January)

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 (October)

1991 • The London Representative Office upgraded to branch status (April)

1993 • The Singapore Representative Office upgraded to branch status (April)
• Norinchukin Securities Co., Ltd., established (July)
• Norinchukin Investment Trust Management Co., Ltd., established (September)

1995 • Preferred stocks issued, opening the way for capital increases through the participation of ordinary investors (February)
• The Norinchukin Trust & Banking Co., Ltd., established (August)

1996 • Laws concerning the integration of the Bank and Shinnoren enacted (December)

1998 • Issuance of ¥1 trillion in lower dividend rate stock to Shinnoren and Shingyoren and ¥0.5 trillion in subordinated loan transaction completed (March)
• Substantial reorganization of the market risk investment sections, updating these to match global asset management styles
• Representative offices open in Hong Kong and Beijing (July, November)

2000 • Norinchukin-Zenkyoren Asset Management Co., Ltd., established (October)

2001 • The Norinchukin Bank Law is revised (June)
• The law concerning the reorganization and strengthening of credit business by the Bank and specified cooperatives is revised (June)

2002 • The JA Banking System begins (January)
• A capital increase of ¥100 billion in common stock is conducted, and ¥183 billion in funds is procured through the permanently subordinated loans (September, November)
• The consolidation of Shinnoren with the Bank begins

2003 • JF Marine Bank implements fundamental policies (January)

2004 • Norinchukin Securities Co., Ltd., liquidated (September)

2005 • Increase in capital of ¥225 billion in common stock and perpetual subordinated loans of ¥212 billion (December)

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)
• 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)

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)

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)

2010 • Growth Base Reinforcement Fund (¥100.0 billion) established (August)
• Growth Base Support Fund (¥600.0 billion) established (December)

2011 • Reconstruction Support Program established (April)
• Partial Integration of Gunma Shinnoren (October)

2012 • Norinchukin Facilities Co., Ltd. became wholly-owned subsidiary company (May)
• Domestic emission credits (J-VER) service started (as a broker) (June)
• Final integration of Aomori Shinnoren (October)
• Global Seed Fund (¥500 billion) established (November)
• JA savings deposits top ¥90 trillion (December)

2013 • Partial integration of Chiba Shinnoren (July)

List of Group Companies

As of March 31, 2013

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	20,000 100.00
Norinchukin Facilities Co., Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-0012, Japan	Building Management & Facility Management	August 6, 1956	197 100.00
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Research	March 25, 1986	300 100.00
Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan	Fund Management	February 15, 2013	125 100.00
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	100 100.00
Kyodo Seminar Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Training	May 25, 1981	20 100.00
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan	Mortgage Loans Housing Loan Guarantee	August 10, 1979	10,500 91.68
Nochu Information System Co., Ltd.	5-3, Musashino 3-chome, Akishima-City, Tokyo 196-0021, Japan	System Development & Maintenance	May 29, 1981	100 90.00
Norinchukin Zenkyoren Asset Management Co., Ltd.	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan	Asset Management & Investment Advice	September 28, 1993	3,420 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 39.61
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
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 27.00
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	$50,000 100.00

Global Network (As of August 1, 2013)

Overseas Branches

New York Branch
Tadayuki Hagiwara, *General Manager*

21st Floor, 245 Park Avenue,
New York, NY 10167-0104, U.S.A.
Telephone: 1-212-697-1717
Fax: 1-212-697-5754
SWIFT: NOCUUS 33

London Branch
Takaaki Yamamiya, *General Manager*

4th Floor, 155 Bishopsgate,
London EC2M 3YX, U.K.
Telephone: 44-20-7588-6589
Fax: 44-20-7588-6585
SWIFT: NOCUGB2L
Company number: BR001902

Singapore Branch
Toru Wada, *General Manager*

80 Raffles Place, #53-01,
UOB Plaza 1, Singapore 048624
Telephone: 65-6535-1011
Fax: 65-6535-2883
SWIFT: NOCUSGSG
Telex: RS21461

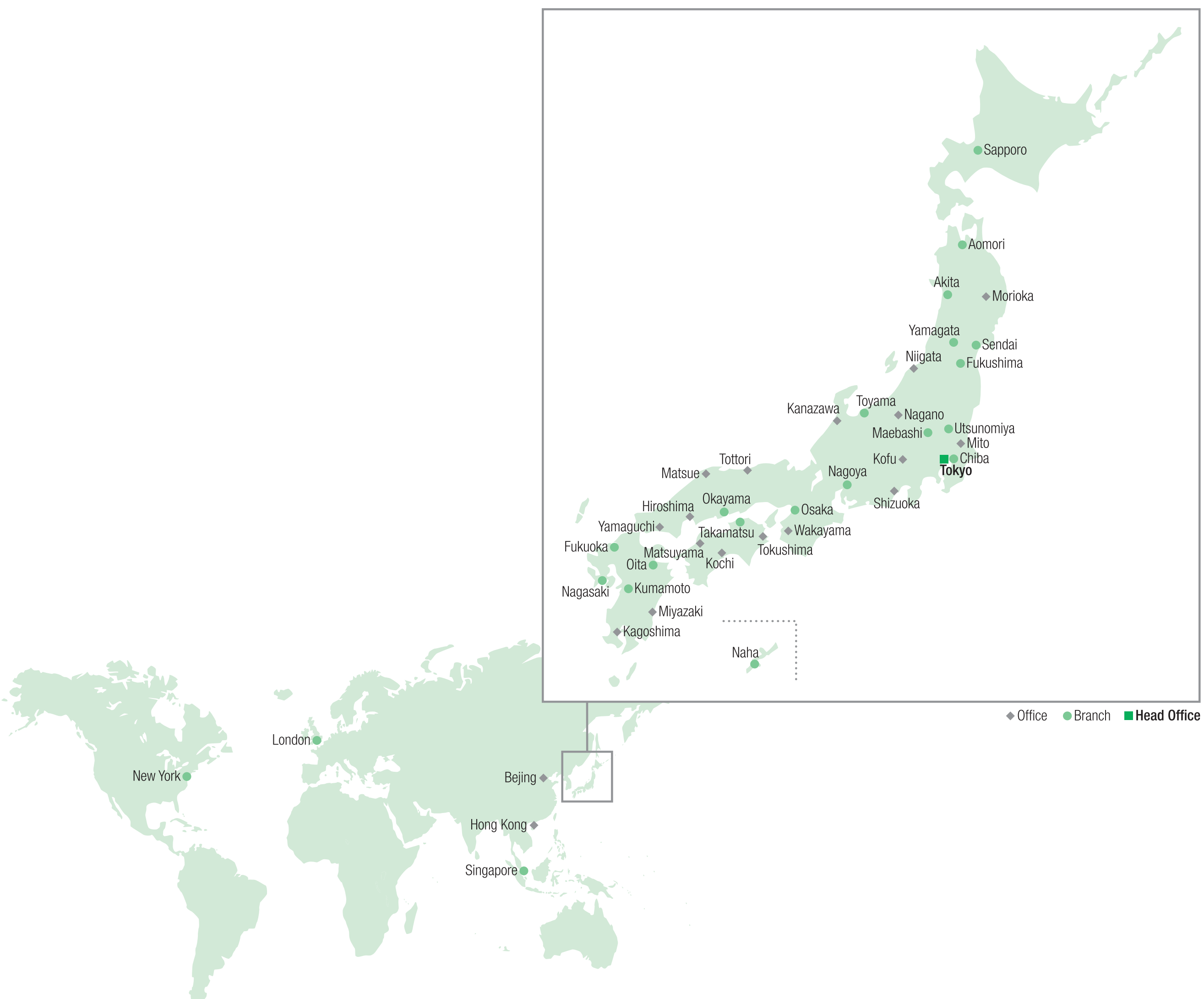
Overseas Representative Offices

Hong Kong Representative Office
Akihisa Ochiai, *Chief Representative*

34th Floor, Edinburgh Tower,
The Landmark, 15 Queen's Road,
Central, Hong Kong
Telephone: 852-2868-2839
Fax: 852-2918-4430

Beijing Representative Office
Katsuhide Hirayama, *Chief Representative*

Room 601, Chang Fu Gong Building,
Jia-26, Jianguo Men Wai St.,
Beijing, China 100022
Telephone: 86-10-6513-0858
Fax: 86-10-6513-0859



MIX
Paper from
responsible sources
FSC® C014622

VEGETABLE OIL INK

Contact information of Head Office:

13-2, Yurakucho 1-chome, Chiyoda-ku,
Tokyo 100-8420, Japan
URL: http://www.nochubank.or.jp/en/
SWIFT: NOCUJPJT

The Norinchukin Bank