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	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	D1.1+D1.2
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	—			
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	—			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	—			D2.1+D2.2
Tier 2 instruments plus related capital surplus issued by special purpose viecles and other equivalent entities	—			
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					
			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 (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	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 / 30	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	**—**			E7
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	**—**			
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					
			Re-securitization exposure			
	Amount of exposure	Deductions from capital	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.