The Norinchukin Bank

2014
ANNUAL REPORT

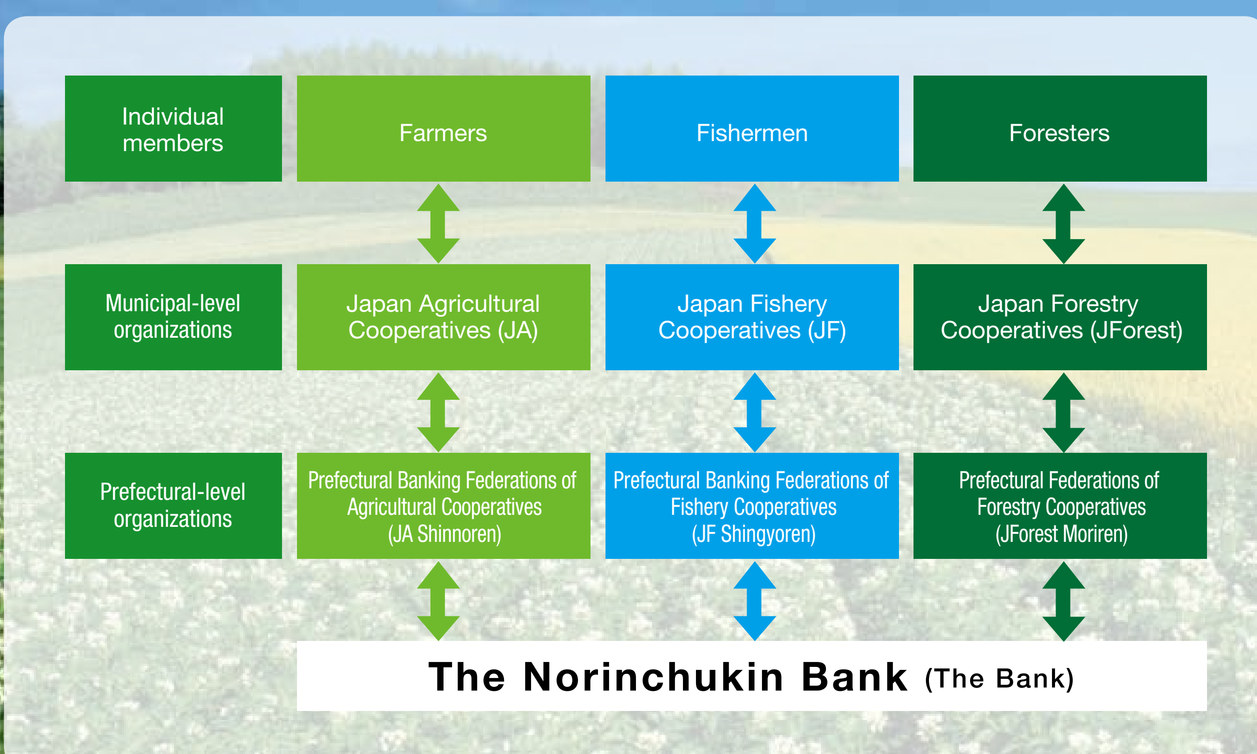
For The Year Ended March 31, 2014

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

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

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

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



Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of March 31, 2014 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the prospects, business plans, targets, etc. of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

Corporate Outline

Name
■ The Norinchukin Bank

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

Date of establishment
■ December 20, 1923

Chairman of the Supervisory Committee
■ Akira Banzai

President and Chief Executive Officer
■ Yoshio Kono

Paid-in capital
■ ¥3,425.9 billion (US$33.2 billion)
(As of March 31, 2014)
*All capital is from private parties (members and investors in preferred securities).

Total assets
(On a consolidated basis)
■ ¥83,143.6 billion (US$808.0 billion)
(As of March 31, 2014)

Capital ratio
(On a consolidated basis, Basel III standard)
■ Common Equity Tier 1 Capital Ratio 17.43%
(As of March 31, 2014)
■ Tier 1 Capital Ratio 17.56%
(As of March 31, 2014)
■ Total Capital Ratio 25.24%
(As of March 31, 2014)

Members
■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry cooperative organizations that have invested in the Bank
(Number of shareholders: 3,790)
(As of March 31, 2014)

Number of employees
■ 3,323 (As of March 31, 2014)

Business locations
(In Japan) ■ Head office: 1 ■ Branch: 19
■ Branch annex: 2 ■ Office: 17
(Overseas) ■ Branch: 3
■ Representative office: 2
(As of July 31, 2014)

Ratings

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

(As of March 31, 2014)

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

Contents

Message from the Management

Akira Banzai
Chairman of
the Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

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

This disclosure report contains details of the business performance for fiscal 2013, as well as a summary of the general situation at JA Bank, JF Marine Bank and JForest Group. Please have a look.

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

As the national-level financial institution for agricultural, fishery and forestry cooperatives in Japan, the mission of The Norinchukin Bank ("the Bank") is to contribute to the development of the agriculture, fishery and forestry industries and to national economic prosperity by facilitating access to financial resources. With the capital provided by Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forestry Cooperatives (JForest), etc., as well as the stable funding base through customer deposits at JA Bank and JF Marine Bank, the Bank, to achieve its mission, lends funds to its members, agricultural, fishery and forestry workers, and companies related to the agricultural, fisheries and forestry industries. As the ultimate manager of these funds, the Bank also conducts various lending and investment activities in Japan and abroad, efficiently manages funds, and stably returns profits to its members.

Moreover, the Bank provides various services for supporting the cooperative banking business of JA and JF, including the planning and implementation of policies, development of human resources, and provision of business infrastructure. The Bank also provides operational guidance for the cooperative banking business based on relevant rules and regulations, and is working to build a safety net for the JA Bank and JF Marine Bank Systems. The Bank continues to work to improve trust in its cooperative banking business, while playing the important role of strengthening and expanding the cooperative banking business.

Business Performance in Fiscal 2013

In fiscal 2013, the first year of the Medium-Term Management Plan (FY2013 to 2015) towards becoming the "leading bank that supports the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities," the Bank gradually implemented a series of initiatives in line with the following four policies.

1. Proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry industries, food production/consumption, and revitalization of local communities
2. Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business
3. Strengthening of profitability through appropriate risk management
4. Building up of organizational strengths through strategic use and enhancement of management resources

For "Proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry industries, food production/consumption, and revitalization of local communities," we engaged in efforts to reconstruct disaster affected areas to strengthen our ability to cater to leaders supporting the sustainable development of the agricultural, fisheries and forestry industries, to enhance the profitability of these industries, and to revitalize local communities through the agricultural, fisheries and forestry industries. Furthermore, in March of this year, we set up the Fund for Future Agricultural, Fisheries and Forestry Industries, supporting proactive initiatives by agricultural, fishery and forestry workers in local communities.

For "Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business," we planned and implemented initiatives that contribute to the reconstruction and expansion of the user base, built further frameworks to enhance business management arrangements and management foundation, built and operated business infrastructures which support the implementation of business strategies, and reinforced initiatives for the development of cooperative banking-related human resources who can put business strategies into practice.

For "Strengthening of profitability through appropriate risk management," we engaged in flexible and strategic asset allocation, secured a solid earnings base through stable funding, pursued new investment opportunities to enhance profitability, strengthened corporate lending, and implemented risk management that contributes to enhanced competitiveness.

For "Building up of organizational strengths through strategic use and enhancement of management resources," we engaged in the cultivation of human resources, the appropriate allocation of management resources, and the strengthening of compliance and business management systems. Regarding financial management, we worked to strengthen our financial condition and achieve our earnings targets under appropriate risk management. As a result, the Bank achieved a consolidated ordinary profit of ¥190.3 billion, and was able to maintain consolidated capital ratios at a high level, with a Common Equity Tier 1 Capital Ratio of 17.43%, a Tier 1 Capital Ratio of 17.56%, and a Total Capital Ratio of 25.24%.

Future Business Management Policies

In fiscal 2014, the intermediate year in the Medium-Term Management Plan, which was formulated with a vision for the 100th anniversary, we will make further efforts for enhanced profitability and organizational strength. In addition, we will proactively work on efforts that will contribute to the development of the agricultural, fisheries and forestry industries, which are expected to become Japan's growth industries; the sustainable development of local communities, which includes the reconstruction of the disaster-affected areas; and the future strengthening of the cooperative banking business, which includes the development of human resources. We will strive to become a "leading bank that supports the agricultural, fisheries and forestry industries, food production and consumption, and the daily lives of local communities."

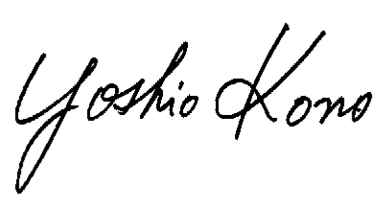
In Conclusion

The bank celebrated its 90th anniversary in December of last year. JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers and contribute to the advancement of the agricultural, fisheries and forestry industries and their rural communities.

Finally, we would like to ask you all for your continued support for JA Bank, JF Marine Bank, JForest Group and The Norinchukin Bank.

July 2014

Akira Banzai
Chairman of the Supervisory Committee



Yoshio Kono
President and Chief Executive Officer

Fiscal 2013 Results and Outline of the Medium-Term Management Plan

■ Financial Results and Capital Adequacy in Fiscal 2013

In fiscal 2013, the Bank achieved Ordinary Profit of ¥190.3 billion and Net Income of ¥155.7 billion (both on a consolidated basis), achieving its target levels (about ¥100 billion), and increased its earnings from the previous year.

The Bank's capital adequacy ratios on a consolidated basis were maintained at a high level even after the application of Basel III, with a Common Equity Tier 1 Capital Ratio of 17.43%, a Tier 1 Capital Ratio of 17.56% and a Total Capital Ratio of 25.24%.

Summary of Earnings

(Billions of yen)

	FY2011	FY2012	**FY2013**
Ordinary Profit	75.6	102.7	**190.3**
Net Income	70.5	119.8	**155.7**
Net Assets	4,838.9	5,767.2	**5,976.5**
Common Equity Tier 1 Capital Ratio*	—	16.01%	**17.43%**
Tier 1 Capital Ratio*	18.25%	16.13%	**17.56%**
Capital Ratio*	24.67%	23.56%	**25.24%**

*Figures based on the Basel Ⅲ standards for FY2012 onward (the capital adequacy ratio is the total capital adequacy ratio)

■ Outline of the Medium-Term Management Plan

The Bank operates its business based on the Medium-Term Management Plan, which covers the three-year period from fiscal 2013 to fiscal 2015.

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

Future Vision for the 100th Anniversary (FY2023)

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

Positioning of the Medium-term Management Plan (FY2013 – 2015) → Period that determines "future visions"

Medium-Term Management Plan (FY2013 – FY2015)

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

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

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

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

3 Strengthening of profitability through appropriate risk management

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

Bank Initiatives

Status of Reconstruction Support Efforts

■ Outline of the Restoration Support Program

To provide full and multifaceted assistance for the recovery and reconstruction of the agricultural, fisheries and forestry industries severely affected by the Great East Japan Earthquake, the Bank established the Reconstruction Support Program in April 2011. The program has provided financial support to affected agricultural, fisheries and forestry industry workers as well as business and management support to affected members.

Outline of the Reconstruction Support Program

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

● Reconstruction Support for Producers and Communities

For the business reconstruction of disaster-affected farmers, fishermen and foresters, the Bank has provided long-term low-interest reconstruction loans (Tohoku Agricultural, Forestry, and Fishery Industries Support Loan) and reconstruction funding (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) through its affiliate, the Agribusiness Investment & Consultation Co., Ltd., as well as assistance to formulate reconstruction plans.

The Bank has been involved in reconstruction projects in disaster-stricken areas since their conceptual stages and is lending various kinds of support for the reconstruction of local communities. Further, the Bank has offered a wide variety of financial assistance, for example, providing interest subsidies for disaster funds extended by JA Bank and JF Marine Bank to agricultural and fishery workers to help ease their interest burden. The Bank has also provided lease subsidies to agricultural workers who acquire farm machinery and horticultural facilities through leasing.

Hydroponic farming business of a reconstruction fund recipient

Cattle barn of a reconstruction fund recipient

In addition, the Bank has provided finely-tuned non-financial assistance, including the provision of subsidies to agricultural workers for the costs of materials and equipment to resume operations and to seaweed farmers for the costs of cardboard boxes for seaweed, donation of "sky tanks" (large fish containers used to carry marine products) to fish markets, and provision of subsidies to fishery workers in Fukushima for the costs of test operations. The Bank also engages in initiatives to expand the market for agricultural, fishery and forestry products of the disaster-stricken areas. For example, the Tohoku Reconstruction Support Business Conference held in Sendai-shi, Miyagi in February 2014 was joined by 49 seller groups, including JA Group and JF Group, as well as 65 buyers nationwide, including food processors and distributors, and 163 business negotiations were conducted.


Provision of subsidies to a fishery worker for the cost of purchasing ice


Donation of fish containers to a fish market


Tohoku Reconstruction Support Business Conference


Provision of subsidies to agricultural workers covering the equipment costs for resuming operations

(Millions of yen)

Product	Number of loans, etc.	Amount
Reconstruction Loan (Tohoku Agricultural, Forestry, and Fishery Industries Support Loan) (since December 2011)	Number of loans 68	Total loans outstanding 23,942
Reconstruction Fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) (since February 2012)	Number of investments 16	Total investments outstanding 277
Lease subsidies (since July 2012)	Number of subsidies 543	Total lease amount 2,620

*Cumulative total as of March 31, 2014

● Reconstruction Support for Members and Customers

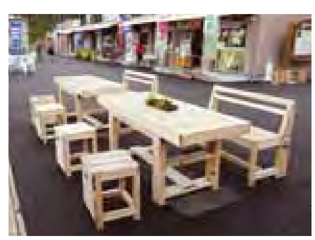
The Bank has supported JA (Japan Agricultural Cooperatives) and JF (Japan Fisheries Cooperatives) that underwent capital increases under the Framework for Special Post-Earthquake Support. To support their efforts to provide and maintain financial services, the Bank has offered guidance and advice based on its plan to help strengthen the cooperative banking business, for instance, by dispatching its staff.

Stable financial functions are provided to JA Bank and JF Marine Bank users through the continuous provision of consultation services (through a call center) at JA Bank and utilization of movable terminals at JF Marine Bank. In addition, the Bank has also conducted initiatives to restore customers' lives by supporting the Reconstruction Support Time Deposit and the Reconstruction Loan offered by JA Bank and JF Marine Bank and by appropriately responding to the "double-loan" problem and the collective relocation promotion project for disaster prevention. Furthermore, the Bank has donated benches, tables and play equipment made of local timber to local community spaces and indoor play facilities in Fukushima.

Officers and employees of the Bank's head office and branches, together with the staff dispatched to the disaster-stricken members, will continue our efforts for reconstruction from the Great East Japan Earthquake in an integrated manner, as well as in collaboration with administrative authorities and related organizations.


Consultation service (call center)


Mobile branch on a car equipped with movable terminals


Donation of benches and tables

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

JA Group, JF Group and JForest Group have jointly launched a website to introduce their activities in helping the agricultural, fishery and forestry industries recover from the vast damage caused by the Great East Japan Earthquake and reconstruction initiatives, and to record these efforts into the future.

Website name: Record of Reconstruction Initiatives of Agricultural, Fisheries and Forestry Cooperatives (in Japanese only)

Agricultural, Fishery and Forestry Finance Initiatives

■ Initiatives toward Strengthening Agricultural, Fishery and Forestry Finance Functions

The Bank conducts initiatives to further exert its role as the central organization for agricultural, fisheries and forestry cooperatives, focusing on contribution to its members and the agricultural, fishery and forestry industries as a matter of the highest priority. The Medium-Term Management Plan starting from fiscal 2013 also positions "proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry industries, food production/consumption, and revitalization of local communities" as the highest priority issue among its four policies.

In June 2013, the Japanese Government approved the Japan Revitalization Strategy in a Cabinet Meeting to turn "agriculture, forestry and fishery into growth industries." Then in December 2013, the Headquarters on Creating Dynamism through Agriculture, Forestry and Fishery Industries and Local Communities, established in the Office of the Prime Minister, decided on the Plan for the Creation of Vibrant Agricultural, Forestry and Fishery Industries and Local Communities focusing on the "expansion of domestic and international demand," "increase of the added values of agricultural, fishery and forestry products," "maintenance and fulfillment of multiple functions" and "strengthening of production sites."

Under such environment, the Bank identified "support for leaders in the local agricultural, fishery and forestry industries," "support for enhancing their business strength" and "support for the revitalization of local communities" as three areas to focus on to reinforce its agricultural, fishery and forestry finance functions, and is implementing various measures to achieve the Medium-Term Management Plan.

■ Initiatives to Support Leaders in the Local Agricultural, Forestry and Fishery Industries

As the main bank for the agricultural, fishery and forestry industries, the Bank financially supports the development of these industries and cooperative organizations in Japan by providing funds to leaders in these industries.

● Provision of Various Financial Tools (Loans and Investments)

Provision of Loans

We offer the Agriculture, Forestry, Fishery and Ecology Business Loan, which allows businesses in the agricultural, fishery and forestry industries access to funding that is not excessively dependent on collateral and guarantees to meet their wide range of needs for equipment and working capital required for the production, processing, distribution and sale of agricultural and marine products. There is also the Management Improvement Support Loan for businesses in these industries which make proactive efforts for business improvement. For agricultural corporations run by those expected to be agricultural leaders of tomorrow, we offer the Agricultural Corporation Development Loan (Agri-Seed Loan) and the Agricultural Corporation Support Loan for operating funds for agricultural production and the processing of farm products without collateral or guarantee in principle.

(Millions of yen)

Product	Number of loans	Total loans outstanding
Agriculture, Forestry, Fishery & Ecology Business Loan (since October 2009)	114	29,638
Agri-Seed Loan* (since December 2009)	33	294
Agricultural Corporation Support Loan* (since April 2013)	37	4,398

*Cumulative total as of March 31, 2014

In addition to direct financing as mentioned above, the Bank reduces interest burdens on agricultural workers, for example by providing subsidies to borrowers of JA Bank's agricultural loans to cover up to one percent of the interest cost.

For the four years from fiscal 2009 to fiscal 2012, the Bank provided subsidies of ¥4.5 billion in total for

260,000 agricultural loans. In fiscal 2013, the Bank accepted applications for 90,000 loans worth ¥1.5 billion and is making payments of the subsidies in an orderly manner.

In December 2011, in order to encourage the acceleration of recovery and stabilization of management for producers affected by the Great East Japan Earthquake, the Bank established the Reconstruction Loan (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan) to reduce their principal and interest burdens for the time being, and in March 2014 the Bank established the 2014 Heavy Snow Relief Fund to support the resumption of farming operations of the agricultural corporations hit by the heavy snow in February 2014.

Enhancement of Capital Funding Schemes

Since 2010, as a framework to supply capital to agricultural corporations, the Bank, in collaboration with The Agribusiness Investment & Consultation, Ltd. and JA Bank Agri-Eco Support Fund, established the Agri-Seed Fund, which invests up to ¥10 million, in principle, for each corporation that is technically competent yet undercapitalized. The total number of investments has reached 100 and the agricultural corporations which have received investments have stably grown as core leaders of their areas and industries.

In June 2013, the Bank established the Support Fund for Business Entities of Agricultural Leaders to meet the business expansion needs of agricultural corporations which plan on the utilization of abandoned farmland, farmland accumulation and the so-called sixth industrialization. The fund made three investments in the first year.

(Millions of yen)

Product	Number of investments	Total investments outstanding
Agri-Seed Fund (since April 2010)	100	836
Support Fund for Business Entities of Agricultural Leaders (since June 2013)	3	68

*Cumulative total as of March 31, 2014

The Bank also offers the Reconstruction Fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) for agricultural, forestry and fishery corporations affected by the Great East Japan Earthquake and the 2014 Heavy Snowfall Relief Fund for agricultural corporations hit by the heavy snow in 2014.


Bedding plant farm of an Agri-Seed Fund recipient


Fruit farm of an Agri-Seed Fund recipient

Types of Loans (As of March 31, 2014)

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

● Stronger Collaboration with the Japan Agricultural Corporations Association

In February 2014, the Bank entered into a comprehensive partnership agreement with the Japan Agricultural Corporations Association, a public interest incorporated association with about 1,800 pioneering agricultural corporation members nationwide. The partnership enables the association's members to more easily address issues they face, including their capital investments, management streamlining and value-adding to agricultural and livestock products, as well as provides a wide range of support for the creation of new customers and export of products by utilizing the Bank's network.

The agricultural industry will make efforts to vitalize the industry, food production and consumption and local communities in an integrated manner by sharing the management know-how of large-scale farm operators and utilizing JA Group's financial functions.

■ Support for Enhancing Business Capability

In order to strengthen the business capability and earning capacity of the agricultural, fishery and forestry industries, the Bank is making extensive efforts in supporting market expansion through business conferences and business matching services, supporting export expansion, adding value to products through the sixth industrialization of the agricultural, fishery and forestry industries, as well as collaboration beyond the boundaries of the cooperative system and industries, and fulfilling its diversified functions as a "bridge between the agricultural, fishery and forestry workers and the business community."

Business Conferences and Business Matching Initiatives

The Bank capitalizes on the characteristics of the cooperative system as a nationwide system to identify the business needs of cooperative organizations, agricultural, fishery and forestry workers and corporate clients, and provide business matching services and conferences to lead to constant business transactions among them.

In fiscal 2013, 117 contracts were signed as a result of the above initiatives, and 328 contracts have been concluded since the start of the initiatives in fiscal 2009.

In fiscal 2013, we held 11 nationwide and local business conferences, and they were highly rated by participated seller groups and buyer companies.

JA Group Business Conference on Domestic Agricultural and Livestock Products

JA Bank Shikoku Business Conference

Export Support Initiatives

In August 2013, the Bank, as part of its export support to its members and agricultural, fishery and forestry workers, ran a booth at Hong Kong Food Expo 2013, one of the largest food exhibitions in Asia, together with JA Zen-Noh (National Federation of Agricultural Cooperative Associations), JF Zengyoren (National Federation of Fishery Cooperative Associations) and the Japan Agricultural Corporations Association. Five JA organizations, one JF organization and five agricultural corporations participated in this event and had business negotiations with buyers from Hong Kong and other Asian countries. The Bank also provides information on matters such as overseas market trends and holds export seminars for individual consultations.

Export seminar

Hong Kong Food Expo 2013

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

JA Group, including the Bank, laid out a policy to exercise its comprehensive and organizational strength as a group in an integrated manner to promote the sixth industrialization of the agricultural, fishery and forestry industries.

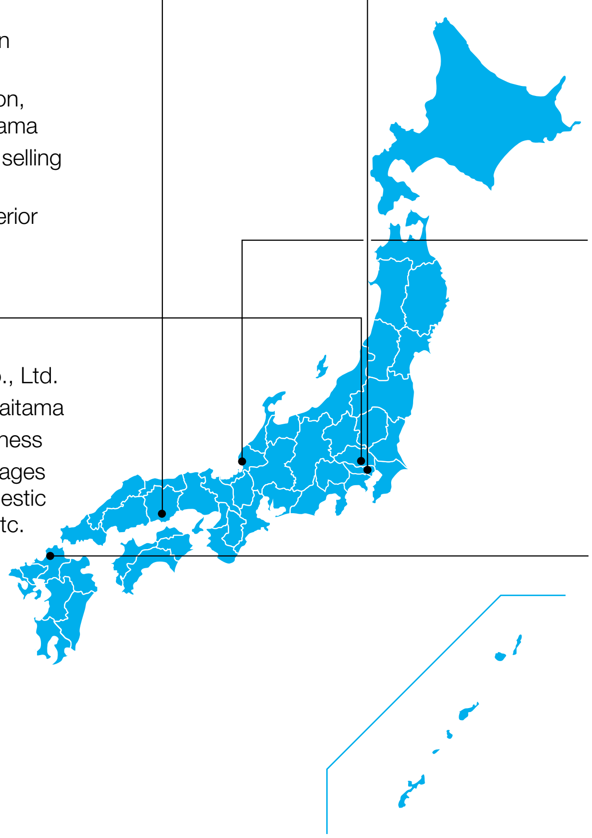
In May 2013, the Agriculture, Forestry, and Fisheries Cooperative Fund (JA Sixth Industrialization Fund; JF Sixth Industrialization Fund; JForest Sixth Industrialization Fund), a sub-fund jointly capitalized by Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE-J) and cooperative organizations, was established. Various financial, business and management support, along with support for the development of business plans, has been provided to agricultural, fishery and forestry businesses that are committed to the sixth industrialization, as well as entities constituted by JA and partner companies.

Since its establishment, decisions were made to make investments in five entities involved in the sixth industrialization, including those established through a joint venture founded by agricultural, fishery and forestry workers and a partner company (as of May 31, 2014), the largest number of investments made among sub-funds nationwide. The Bank will continue to contribute to the further development of the local agricultural, fishery and forestry industries through the utilization of the fund.

Timber processing/selling business of a fund recipient

A fund recipient's production/sales business using agricultural and livestock products in Kyushu

Overview of Investments Made by the Agricultural, Forestry and Fisheries Cooperative Fund



[Investment No. 1]
Company name: Mirai Trading Co., Ltd.
Location: Chiyoda-ku, Tokyo
Business: Packaging, processing and selling of food
Products: Packed lettuce

[Investment No. 2]
Company name: Maisen Fine Food Co., Ltd.
Location: Sabae-shi, Fukui
Business: Processing and selling of food
Products: Pseudo meat products made from brown rice

[Investment No. 3]
Company name: Izumo Food Processing Co., Ltd.
Location: Itoshima-shi, Fukuoka
Business: Production and selling of delicatessens
Products: Delicatessens made from agricultural and livestock products of Kyushu

[Investment No. 4]
Company name: Nishiawakurason Mori no Gakko
Location: Nishiawakura-son, Aida-gun, Okayama
Business: Processing and selling of timber
Products: Flooring and interior materials, etc.

[Investment No. 5]
Company name: J-ACE Hibiki Co., Ltd.
Location: Kawagoe-shi, Saitama
Business: Restaurant business
Products: Food and beverages made from domestic pork, chicken, etc.

(As of May 31, 2014)

Business Conferences Held in Fiscal 2013

Venue	Date	Name	Number of sellers	Number of buyers	Number of meetings
Tokyo	April 2013	JA Bank Nagano Agricultural and Livestock Producers' Business Conference	4	7	28
Fukuoka	June 2013	2nd JA Group/JF Group Kyushu Business Conference	61	55	371
Akita	October 2013	JA Group Akita Business Matching Meeting	14	11	43
Koriyama	November 2013	Oishii (Delicious) Fukushima Food Business Conference 2013	41	44	94
Osaka	November 2013	JA/JF Group Kinki Business Conference	23	19	80
Tokyo	January 2014	JA Bank Shikoku Business Conference	51	69	371
Shizuoka	January 2014	Fujinokuni Food Development Exhibition 2014*	191	1,233 (visitors)	— (exhibition style)
Utsunomiya	January 2014	Tochigi Food and Agriculture Exhibition and Business Conference 2014*	182	2,000 (visitors)	— (exhibition style)
Hiroshima	February 2014	JA Bank Hiroshima Food and Agriculture Matching Fair	20	205 (visitors)	— (exhibition style)
Sendai	February 2014	Tohoku Reconstruction Support Business Conference Sponsored by JA Group	49	58	163
Tokyo	March 2014	JA Group National Agricultural and Livestock Producers' Business Conference	171	4,318 (visitors)	— (exhibition style)

*Business conferences organized in collaboration with administrative bodies; the Bank cooperated in inviting the sellers/buyers

Establishment of a Study Group for the "Enhanced Competitiveness of Food and Agriculture Business"

Three parties – the Bank, JA Zen-Noh and Mizuho Bank – established the Study Group for the Enhanced Competitiveness of Food and Agriculture Business in August 2013 to create a framework to examine the possibility for future collaboration, including the "sixth industrialization" and export toward the strengthening of the competitiveness of Japanese agriculture and food related industries. Under subjects such as the improvement of producers' income, promotion of local agricultural production and a return to the use of domestic agricultural and livestock products from imports, the study group will be exploring concrete measures for adding value to agricultural and livestock products and creating value chains in partnership with food-related industries, through collaboration among the three parties.

■ Initiatives to Support Revitalization of Local Communities

As initiatives to contribute to the revitalization of local economies and the creation of a recycling-based society, the Bank supports renewable energy businesses and projects which encourage food and agricultural education that help deepen the understanding of the primary industries.

● Initiatives for Renewable Energy Projects

JA Group aims, by advancing the community-driven development of renewable energy supply, to promote sustainable local agriculture, revitalize farming, fishing and mountain villages, and establish a recycling-based society. Based on JA Group's polices, JA Bank provides consultation and proper funding by utilizing financing and investment tools for locally-led renewable energy projects from the perspective of revitalizing local communities, securing local jobs, utilizing idle land and maintaining local communities.

With the objective of revitalizing farming, fishing and mountain villages, the Ministry of Agriculture, Forestry and Fisheries implemented the Act for Promotion of Power Generation of Renewable Energy Electricity to take Harmony with Sound Development of Agriculture and Forest in May 2014 to promote the adoption of renewable energy, subject to consensus formation at, for example, a consultative meeting organized by local interested parties.

With an awareness of coordination with such administrative activities, JA Group has a policy to proactively engage in renewable energy projects which will result in the revitalization of local communities in harmony with the agricultural, fishery and forestry industries representing local communities and farmers. The Bank, together with JA Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives), established a fund and set up a structure to provide financial assistance to community-led renewable energy projects.

The Bank aims to continue providing not only financial but other support required for commercialization to members of cooperatives and local residents for the renewable energy projects which contribute to the promotion of the agricultural, fishery and forestry industries and revitalization of local communities.

● Initiatives for Food and Farming Education Projects

The Bank provides subsidies for "food and farming education" projects that aim to deepen children's understanding of agriculture and food and to contribute to the development of local communities. We donate study materials for agriculture and food education, support initiatives to incorporate local agricultural products into school lunch menus, and organize cooking classes from the perspective of local production for local consumption. In fiscal 2013, we donated 1.39 million books to primary schools nationwide and provided subsidies of ¥455 million to local food and agricultural education activities.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies which practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound agricultural, fishery and forestry industries and for the sixth industrialization. In fiscal 2013, loans totaling ¥520 million were extended based on this system.

In March 2012, the Bank began acting as a broker of domestic emission credits (J-VER). The J-VER System is the domestic emission trading scheme operated by the government. By acting as a broker of J-VER trading derived from the agricultural, fishery and forestry industries, we aim to support initiatives for environmentally-responsible agricultural and forestry operations such as forest improvement and environmental measures of companies.

In fiscal 2013, we conducted carbon offset using J-VER set up by forestry cooperatives at events sponsored by the Bank.

Events where carbon offset was conducted	Carbon offsets equivalent to reduction in greenhouse gas emissions	Emission credit originators
The 45th All-Japan University Ekiden Championship (November 3, 2013)	49t in total	JForest Kamaishi (Iwate), Mita Norin Co., Ltd. (Iwate), JForest Tsunan-machi (Niigata)
The 4th Farmers& Kids Festa 2013 (November 9 and 10, 2013)	10t in total	JForest Higashi-Shirakawa-mura (Gifu), JForest Kashimo (Gifu)

Finance Facilitation Initiatives

• Policies on Finance Facilitation

As the financial institution founded on agricultural, fishery and forestry cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in agricultural, fishery and forestry operations and SMEs, and conducts initiatives under basic policies for finance facilitation, including the flexible handling of loan applications from customers, making changes to financing conditions in response to customers' request for the reduction of debt repayment burdens, proactive response to management consultation from customers, and support for their initiatives for management improvement.

In addition, in order to proceed with these initiatives properly, the Bank has developed a structure through the establishment of the Financing Facilitation Management Committee chaired by the governing director and the Financing Facilitation Department as a specialized unit, assignment of a financing facilitator at each branch who can collaborate with the Financing Facilitation Department, and creation of a customer service counter to respond to complaints and consultations from customers.

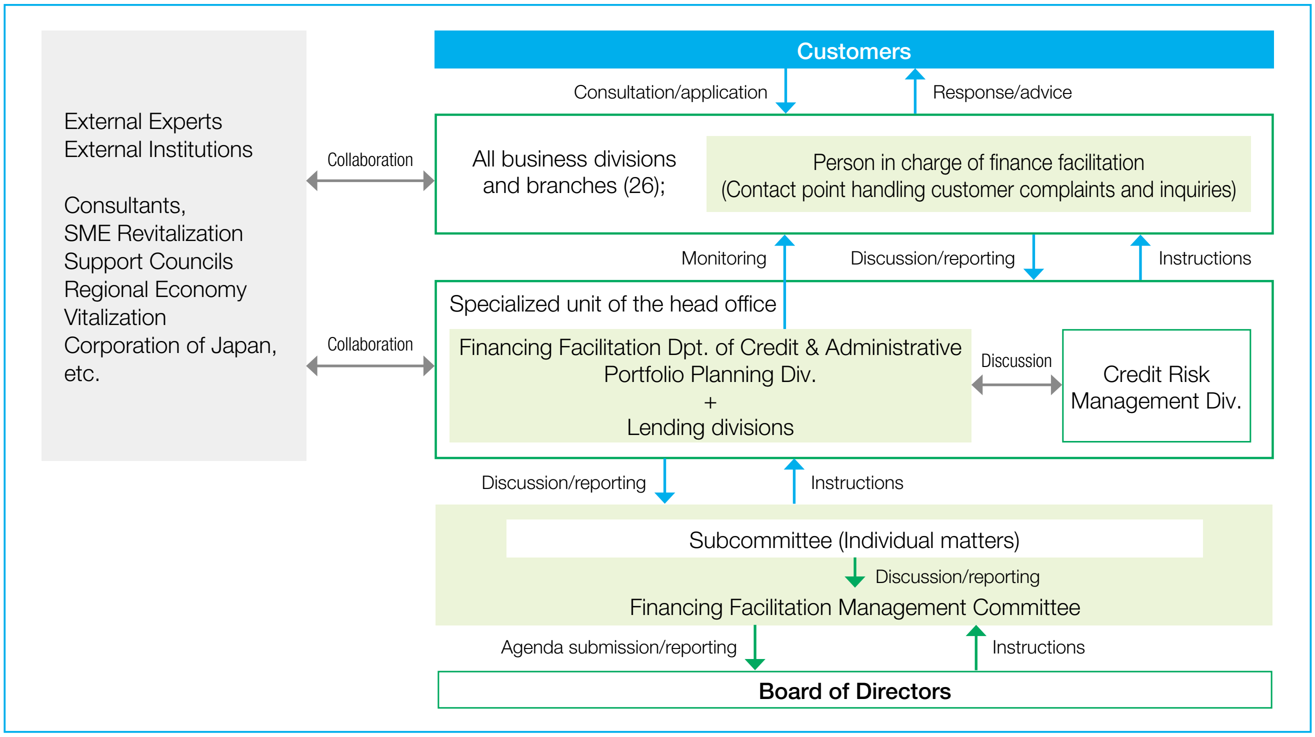
• Management Support Initiatives for Customers

The Bank focuses on providing services to customers who need support for management improvement and business reconstruction with due consideration to the impact on their local communities and other factors. Divisions and branches that handle customer transactions, together with a specialized unit of the head office, assist with the customers' efforts in the development and execution of plans, and review their progress and revise them as appropriate. We also collaborate with external parties, including consulting firms, Small- and Medium-size Enterprise Revitalization Support Councils (SMERSCs) and the Regional Economy Vitalization Corporation of Japan (REVIC) as the need arises, using various tools to achieve the best solution.

• Policy to Address the Guidelines regarding Personal Guarantee

The Bank has developed a structure based on the Guidelines regarding Personal Guarantees published in December 2013. We will continue efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Finance Facilitation System



Establishment of the Fund for Future Agricultural, Fisheries and Forestry Industries

In March 2014, the Bank established the Fund for Future Agricultural, Fisheries and Forestry Industries to contribute to the "agricultural, fishery and forestry industries," "food production and consumption" and "local communities," and provided funding of ¥20 billion.

The fund will promote projects with the three goals as shown to the right and support ingenious efforts by agricultural, fishery and forestry workers.

As a member of JA (Japan Agricultural Cooperatives), JF (Japan Fishery Cooperatives) and JForest (Japan Forestry Cooperatives) Groups, the Bank will make full efforts to solve issues of the agricultural, fishery and forestry industries, pursue these industries' "future" and "possibilities" and make progress together with local communities.

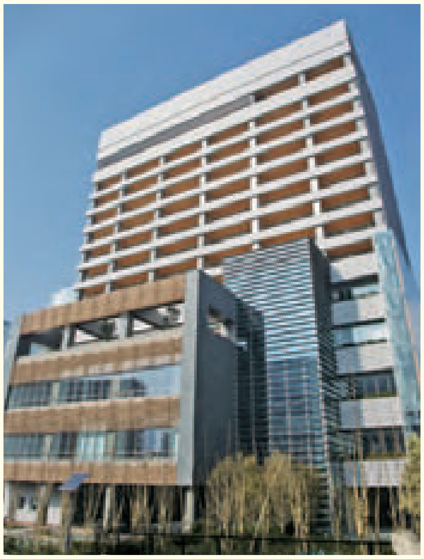
(1) Support for leaders who support the sustainable development of the agricultural, fisheries and forestry industries
(2) Support for efforts to enhance the profitability of the agricultural, fisheries and forestry industries
(3) Support for efforts to revitalize local communities centering on the agricultural, fisheries and forestry industries

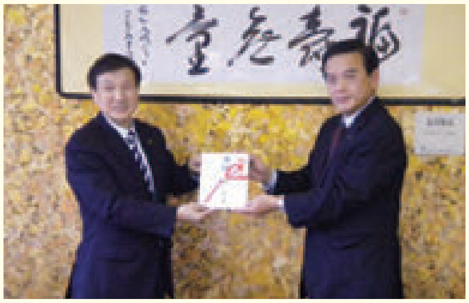
Completion of Norinchukin Bank Shinagawa Training Center

In February 2014, to commemorate the Bank's 90th anniversary, the Norinchukin Bank Shinagawa Training Center was completed. The Shinagawa Training Center was constructed given the necessity to enhance and strengthen training for the Bank and cooperative organizations in addition to the deterioration and capacity shortage of the existing Koganei Training Center.

The new center is not only used as the core platform for human resource development at the Bank and cooperative organizations, but also as the school building of the Japan Institute of Agricultural Management to serve as a place of learning for students who will be responsible for the agricultural management in the future.

Upon completion of the Shinagawa Training Center, the existing Koganei Training Center was closed at the end of March 2014. As the Koganei Training Center is located within the Suzuki archaeological site, where we can learn about peoples' lives in the late Stone Age, part of the site and building were donated to Kodaira-shi. The site will be developed as a park so that it can be designated as a historically significant site by the government.


Norinchukin Bank Shinagawa Training Center


Ceremony for donation of Koganei Training Center site to Kodaira-shi


Lecture held at Japan Institute of Agricultural Management

CSR Initiatives

As the financial institution founded on the platform of agricultural, fishery and forestry cooperatives as well as an institution engaging in global investment and loan activities, the Bank has a basic policy on its CSR (corporate social responsibility) activities to gain the trust of various stakeholders and contribute to the sustainable development of economy and society.

The Norinchukin Group engages in CSR activities based on the following three policies: (1) contribution to members; (2) contribution to the advancement of the agricultural, fishery and forestry industries; and (3) contribution to the community at large.

In fiscal 2008, the Bank established the CSR Committee and a division dedicated to CSR to enhance the structure for our initiatives, and since then the Bank has issued a CSR report every year and actively engaged in CSR activities.

Major Achievements in Social/Environmental Contribution Activities (Fiscal 2013)

Contribution to the Agricultural Industry


Textbook of food and farming education

JA Bank Agri-Support Project
- Interest subsidy scheme for JA's agriculture-related loans (subsidies totaling ¥1.3 billion provided for 80,000 loans)
- Support for business entities in the agriculture and environmental sectors (investments totaling ¥1.2 billion made to 28 companies through funds)
- Support to encourage acceptance of potential new farmers (subsidies totaling ¥50 million provided to 530 farmers and JA that accepted new farmers)
- Production and donation of study materials for food and agriculture education (about 1.39 million books donated to primary schools nationwide and Japanese schools overseas)
- Support for food and agriculture education activities (subsidies totaling ¥500 million provided for 2,000 activities)

Contribution to Local Communities and Society

Nationwide deployment of the "Hana Ippai Campaign (flower planting campaign)"
Donation of tulip bulbs and flower seeds to local authorities, schools, social welfare councils, etc. (through 40 departments, branches and offices nationwide)

Participation in environmental beautification campaigns, donations to environmental beautification groups and events, etc.

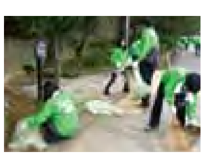
Sponsorship of regional development activities organized by local authorities, cooperative organizations, etc.

Special sponsorship of the All-Japan University Ekiden Championship

Social Welfare and Monetary Donation Activities
- Cooperation in fund raising and monetary donations for Great East Japan Earthquake victims and the Japanese Red Cross Society
- Calls for blood donation on the streets, donation of security buzzers and schoolbag covers to primary school children, etc.

Initiatives outside Japan
- Donation to cultural and art facilities through the Norinchukin Fund (New York)
- Sponsorship of events introducing Japanese food (London)
- Donation of study materials for food and agricultural education to Japanese schools (London)
- Acceptance of Chinese trainees for practical training (Beijing), etc.


Planted Flowerbeds (Sapporo Branch)


Cleaning volunteers (Wakayama Office)


All-Japan University Ekiden Championship

Contribution to the Fishery Industry


Garbage bag for beach cleaning

Interest subsidy scheme for JF Marine Bank's fishery-related loans

Support for JF Group's environmental conservation activities, resource-managed fisheries, etc.
- Distribution of waste disposal bags to support beach cleaning activities (150,000 bags)
- Distribution of pressed seaweed bookmarks for environmental protection studies (180,000 bookmarks)
- Offering of "eco-friendly chopsticks" made from timber from forest thinning for food and agriculture education activities, etc.

Sponsorship of the "Zenkoku Yutakana Umizukuri Taikai (National Convention on Actions towards Resource-Rich Seas)"

Sponsorship of the "Zenkoku Uminoko Art Exhibition (National Children's Art Exhibition on Sea)" and networking events for young and female fishery workers

Contribution to the Forest Industry

Provision of subsidies to seven projects through the Norinchukin 80th Anniversary Forest Rejuvenation Fund, a trust fund

Support for initiatives to consolidate forest management projects
- Provision of subsidies for the costs of purchasing and leasing GIS (geographic information system) and GPS (global positioning system) for identifying boundaries (25 JForest)

Environmental and Natural Protection Activities

Cooperation in global warming prevention and biodiversity preservation activities
- Promotion of the use of timber from forest thinning
- Donation of wood pellet stoves, wood benches, flowerbeds, study desks, etc.
- Cooperation in activities of the Wild Bird Society of Japan

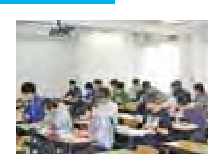
Activities for reducing environmental burden
- Energy-saving measures
- Promotion of paperless society, resource recycling and purchasing of products conforming to the Act on Promoting Green Purchasing
- Signing of the Principles for Financial Action towards a Sustainable Society (the Principles for Financial Action for the 21st Century), etc.


Donation of wood products (Osaka Branch)

Education and Training Support Activities

Development of future industry leaders
- Support for AgriFuture Japan's farm worker development activities (Japan Institute of Agricultural Management opened in April 2013)

Establishment of endowed lectures at universities
- Establishment of endowed lectures at and dispatch of lecturers to six universities (Tokyo, Waseda, Keio, Tokyo University of Science, Hitotsubashi and Kyoto), participation in symposiums, etc.


Endowed lecture at university

The Cooperative System and the Cooperative Banking Business

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

■ The Cooperative System and the Cooperative Banking Business

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

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

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

■ Business Activities of Cooperatives

• Japan Agricultural Cooperatives (JA)

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

As of April 1, 2014, there were 699 JA throughout Japan that contribute to the development of the agricultural industry and rural communities through their various businesses and other activities.

• Japan Fishery Cooperatives (JF)

JF are cooperatives established under the Fishery Cooperative Law with the objective of overseeing and protecting the businesses and lives of fishermen. The principal business activities of JF include (1) providing guidance for the management of marine resources and for the improvement of individual members' management of their business and production technology; (2) marketing and supplying for individual members for the storage, processing and sale of caught fish and other marine products, and for the supply of materials required for their business and daily lives; (3) banking services, including the acceptance of deposits and lending of needed funds; and (4) mutual life and non-life insurance. As of April 1, 2014, there were 969 JF throughout Japan that contribute to the development of the fisheries industry and fisheries communities through a broad range of activities.

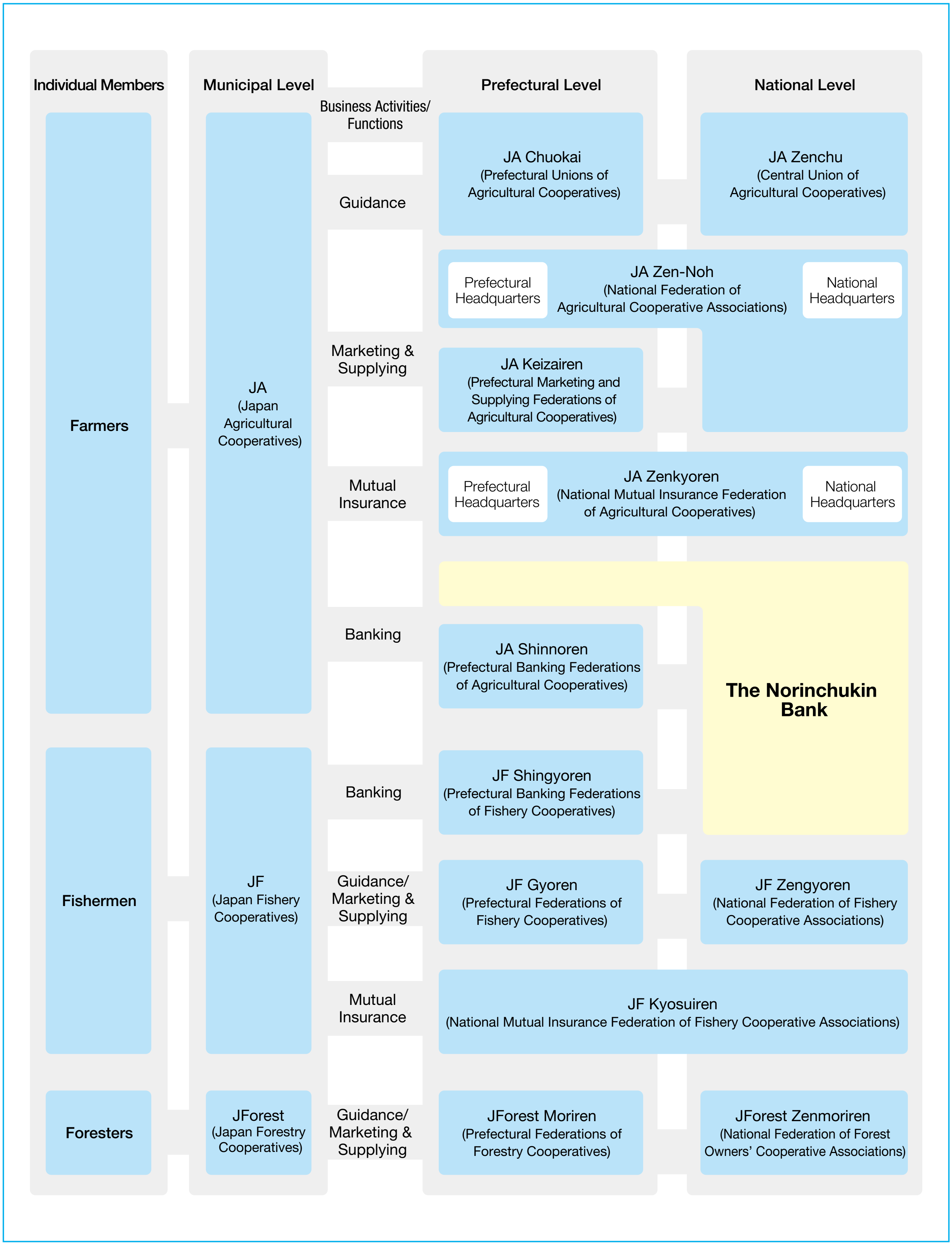
As of April 1, 2014, there were 125 JF throughout Japan that conduct JF's banking business. In addition to these JF, there are JF that act as agents of JF Shingyoren providing banking services for fisheries communities. They provide banking services for the fisheries industry in their respective prefectures.

• Japan Forestry Cooperatives (JForest)

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

The principal business activities of JForest consist of planting, undergrowth removal and the thinning of for-

Structure of the Cooperative System



ests owned by individual members, as well as the sale of forest products, such as logs and timber.

Playing a central role in forestland improvement, 638 JForest (as of April 1, 2014) throughout Japan contribute to helping forests perform their diverse range of natural functions, including the supply of timber and other forest resources, preservation of national land, protection of watersheds, maintenance of living environment, and provision of places for health and relaxation.

■ Position of the Bank within the Cooperative Banking Business

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

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

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

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

Article 1 of the Norinchukin Bank Law

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

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

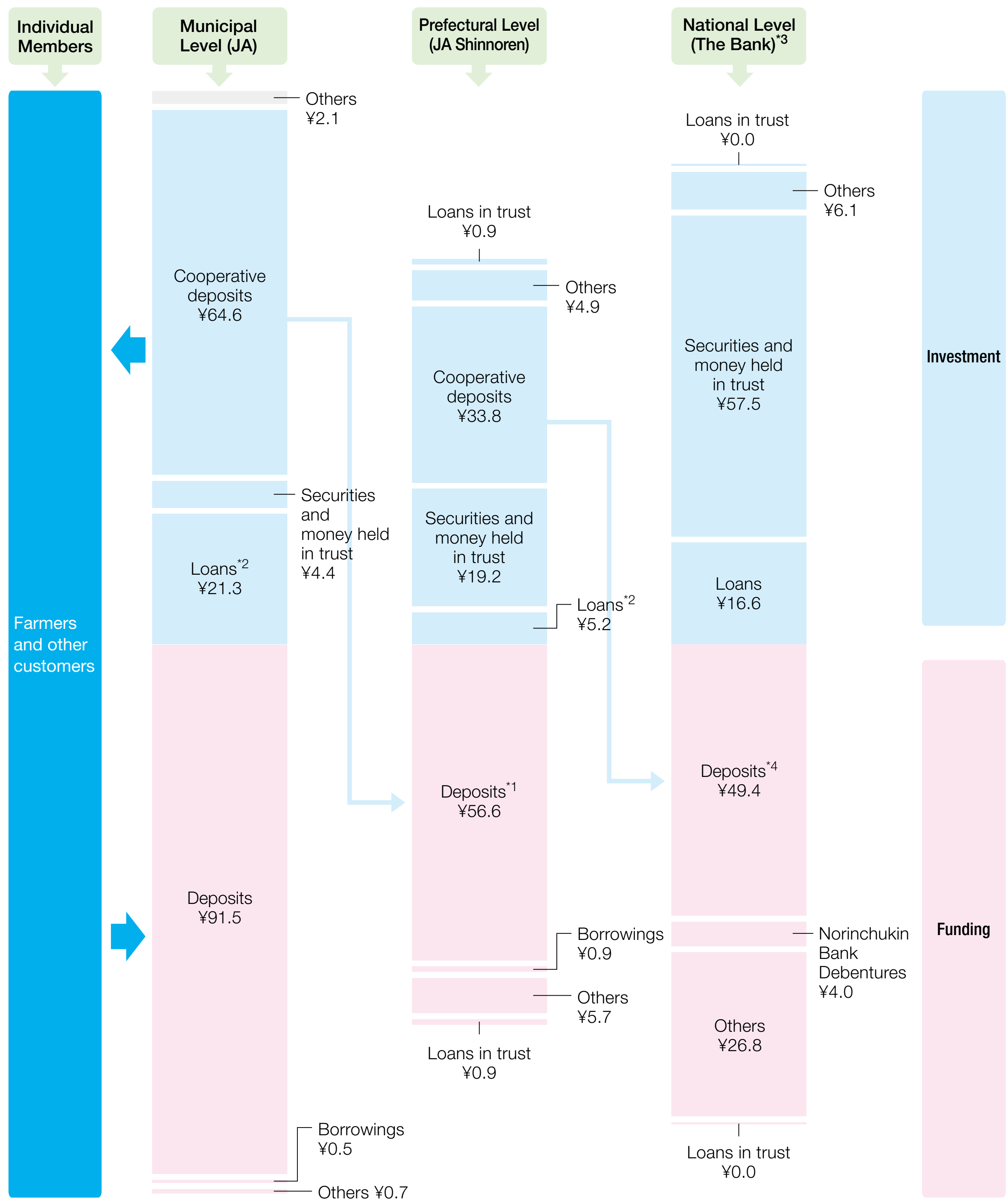
● Agricultural Industry

With many problems surrounding agriculture, including a shortage of operators in agricultural, fisheries and forestry communities and an increase of abandoned farmland due to a dwindling population and an aging society, uncertainties are mounting. These include the TPP (Trans-Pacific Partnership) negotiations.

Against this backdrop, the government approved the Japan Revitalization Strategy in June 2013, and in order to achieve a two-fold increase in revenue for agriculture and rural areas as a whole, "increasing competitiveness through initiatives such as the accumulation of farmland for operators, as well as the prevention and resolution of farmland abandonment," "promoting the advancement of the sixth industrialization through agriculture-commerce-industry collaboration," "formulating country- and product-specific export strategy," etc., were positioned as policies to be addressed early on. In addition, the Agriculture, Forestry and Fisheries/Regional Revitalization Plan was decided in the Headquarters on Creating Dynamism through Agriculture, Forestry, and Fishery Industries and Local Communities, established inside the Cabinet in December 2013, with the "expansion of domestic and international demand," "increase of the added values of agricultural, fishery and forestry products," "maintenance and fulfillment of multiple functions" and "strengthening of production sites" as its main pillars.

Flow of Funds within JA Cooperative Banking System (As of March 31, 2014)

(Trillions of yen)



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

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

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

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

*4. The Bank's deposits include not only those from JA Group but also those from JF and JForest Groups and other financial institutions.

As part of measures to realize the plan, related Acts for the Development of Farmland Intermediary Management Institutions were enacted to accelerate the accumulation of farmland for operators, and in the budget for the agricultural, fisheries and forestry industries for fiscal 2014, "farmland intermediary management institution-related business" was incorporated, in addition to policies related to the People and Farmland Plan and "sixth industrialization."

• Fisheries Industry

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

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

• Forestry Industry

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

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

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

Operations of the JA Bank System

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

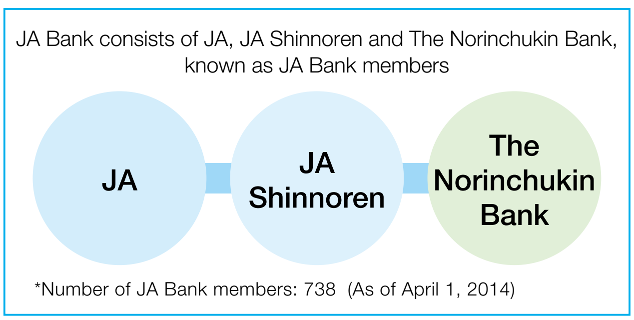
■ What is JA Bank?

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

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

As of April 1, 2014, JA Bank contained 702 JA, 35 JA Shinnoren and The Norinchukin Bank, for a total of 738 entities.

JA Bank



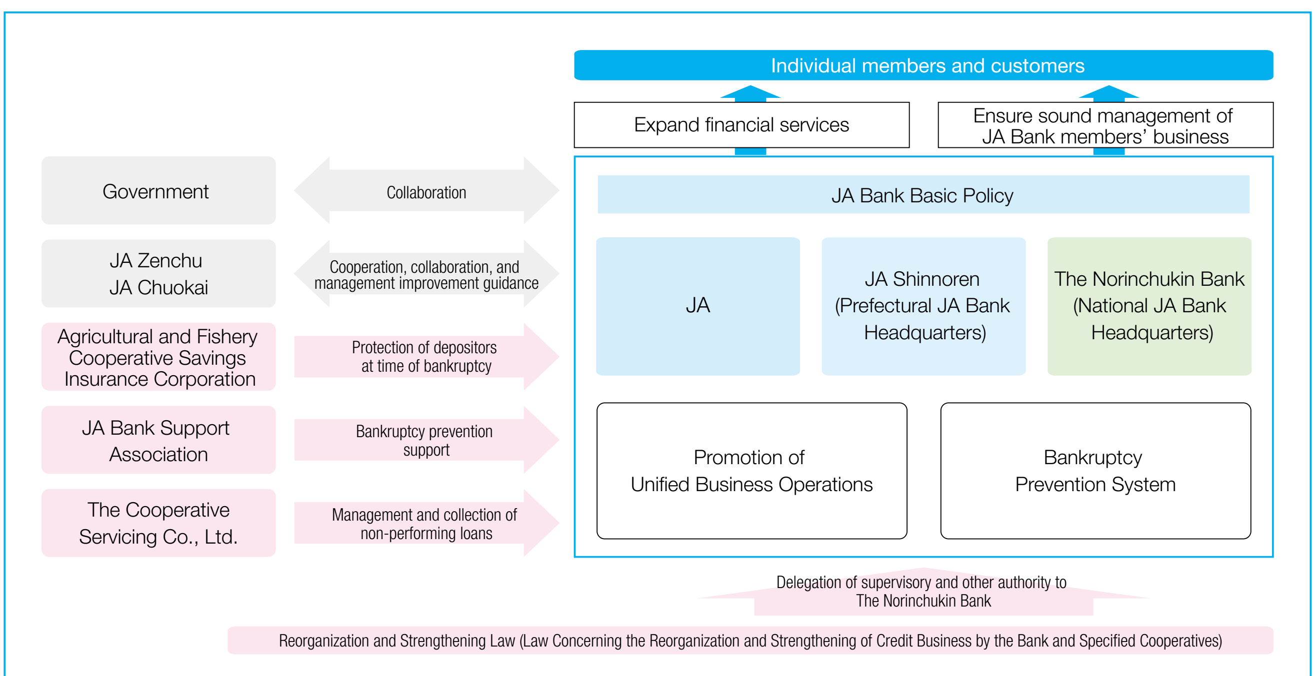
■ JA Bank System

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

To ensure that individual members and customers of JA Bank have even stronger confidence in the cooperative banking system and make increased use of its services, we have established the JA Bank Basic Policy. This policy is based on the Reorganization and Strengthening Law (Law Concerning the Reorganization and Strengthening of Credit Business by the Bank and Specified Cooperatives) and is implemented with the consent of all JA Bank members. The framework for integrated and systematic cooperation among JA, JA Shinnoren and The Norinchukin Bank is based on the JA Bank Basic Policy and is referred to as the "JA Bank System."

The JA Bank System is founded on two basic pillars. The first is "unified business operations," which seeks to improve and strengthen financial services provided by JA Bank by taking advantage of both economies of scale and meticulous customer care. The second is the "bankruptcy prevention system," which ensures the reliability of JA Bank.

Framework of the JA Bank System



● Comprehensive Strategy of JA Bank

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

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

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

Future Vision in 10 Years Time

The Bank that Contributes to Food Production and Consumption, Agriculture, and Local Communities More than Ever

The Bank Chosen and Trusted by Customers

JA Bank Medium-Term Strategies and Human Resources Development Plan

Proposal and Provision of Products and Services from Customers' Perspectives

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

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

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

Improvement and Review of Product and Service Quality

Enhancement of the Role as the Main Bank for the Agricultural Industry

· More appealing agricultural financial products (e.g. provision of interest subsidy and various funds)
· Promotion of agricultural, commercial and industrial cooperation and sixth industrialization
· Support for revitalization of local communities (e.g. use of renewable energy)

Provision of Financial Services for Daily Living that Meet Customer Needs

· Support for customers to build assets in a secure manner through savings, JGB, and investment trusts
· Assistance for secure inheritance of assets to the next generation on an individual basis
· Pursuit of "convenience" (e.g. expansion of affiliated ATM networks and charge-free ATMs)

Demonstration of Financial Institution's Functions of a Public Nature

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

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

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

● Initiatives to Strengthen Its Role as the Main Bank for the Agricultural Industry

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

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

In addition, JA Bank has focused on developing human resources, such as personnel in charge of agricultural loans. As of March 31, 2014, a total of 5,162 people had been certified as JA Bank Agriculture Financial Planners, an agriculture financial certification established in fiscal 2011.

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

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

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


A meeting in the CS Improvement Program

● Initiatives to Develop Efficient Business Operation

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

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

● Initiatives to Ensure Sound and Stable JA Bank System

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

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

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

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

■ Trends of Cooperative Members and the Cooperative Banking Business

● Trends of JA Funds

In fiscal 2013, JA deposits rose 2.0% year on year (a 1.8% increase in deposits from individuals), to a year-end balance of ¥91,507.9 billion. This was largely due to an increase as a result of providing financial services meeting customers' needs.

Although JA focused on expanding personal loans, especially mortgage loans, total loans declined 0.9% year on year, to a year-end balance of ¥21,349.9 billion. This was mainly due to a decrease in the balance for loans for local governments and public entities. Securities held by JA decreased 5.2% year on year, to a year-end balance of ¥4,499.2 billion.

■ Reorganization of JA Bank Business

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

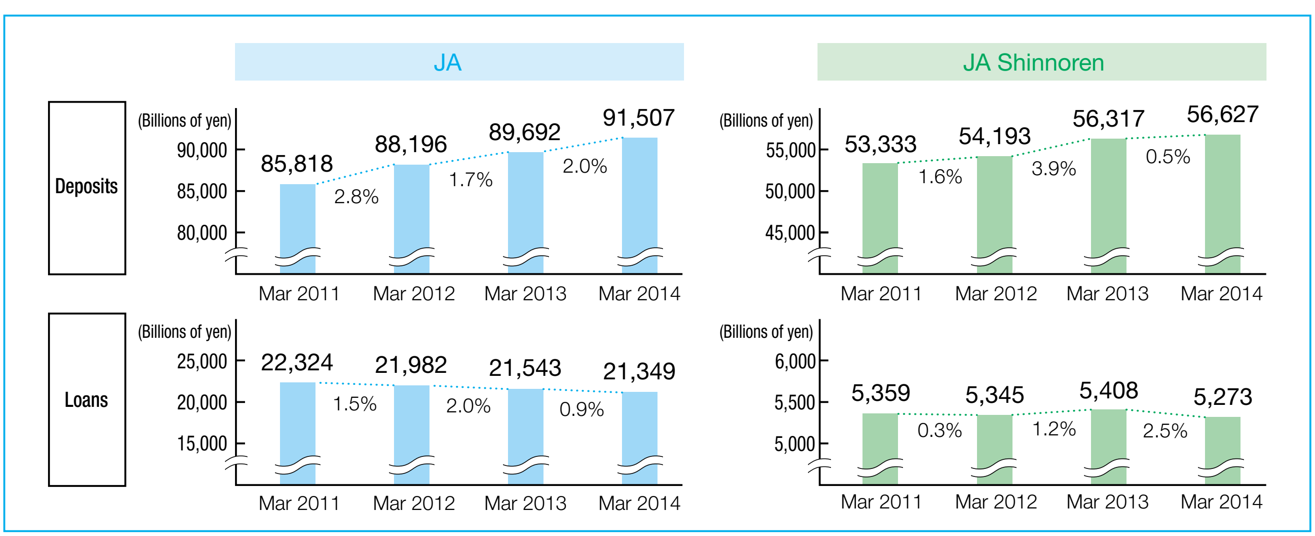
The Norinchukin Bank has also conducted the following organizational streamlining by shifting from a three-tier structure consisting of JA at the municipal level, JA Shinnoren at the prefectural level, and The Norinchukin Bank at the national level to a two-tier structure of JA and The Norinchukin Bank.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

In addition, preparations are currently underway for the complete business transfer of JA Shinnoren in Gunma and JA Shinnoren in Chiba to the Bank in October 2014 and January 2015, respectively.

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

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

Deposits and Loans



Operations of JF Marine Bank

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

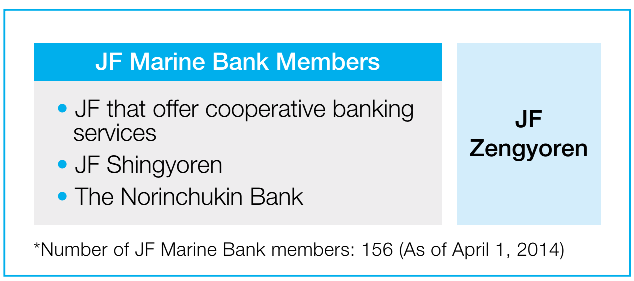
■ What is JF Marine Bank?

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

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

As of April 1, 2014, JF Marine Bank members totaled 156, consisting of 125 JF that offer financial services, 30 JF Shingyoren and The Norinchukin Bank.

JF Marine Bank



■ Direction of JF Marine Bank

• JF Marine Bank Basic Policy

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

• Framework for Bankruptcy Prevention

To further increase the adequacy and soundness of business operations, all JF Marine Bank members are required to submit management data to JF Marine Bank Headquarters, where such data is examined. JF Marine Bank Headquarters can prevent organizations, such as JF, that have problems with their operations, from falling into bankruptcy by quickly identifying issues and taking preventive actions, thereby creating a system that assures depositors' peace of mind. These activities are taken under the guidance of The Norinchukin Bank and JF Shingyoren.

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

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

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

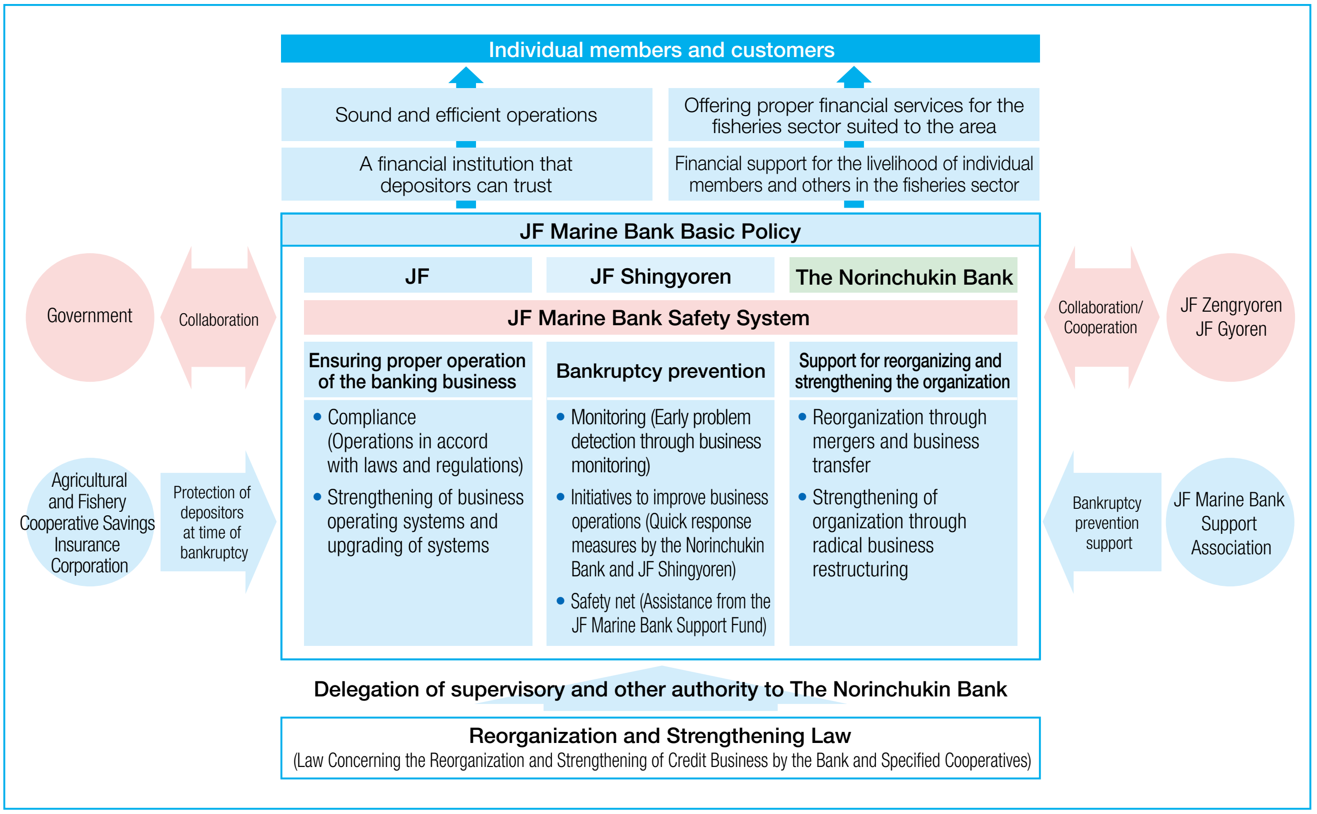
JF Marine Bank provides community-based financial services to members of the fisheries industry and assumes an essential role in fishing communities. To make improvements that will ensure that JF Marine Bank has a management system appropriate for a member of Japan's financial system, the "system of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

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

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

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

Management Framework of JF Marine Bank



• Trends of JF Funds

The balance of deposits held with JF Bank increased 1.6% year on year, to ¥2,413.4 billion as of March 31, 2014.

The balance of loans at JF Bank fell 3.3% year on year, to ¥627.6 billion, due to such factors as the easing of demand for new financing amid a difficult environment for fisheries business.

■ Reorganization of JF Marine Bank Business

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

Through the efforts of mergers among several JF and the transfer of banking business from JF to JF Shingyoren, the number of JF engaged in banking business had been reduced to 125 as of April 1, 2014 from 875 in March 31, 2000.

The total number of JF, including those not engaged in banking business, decreased by 8 in fiscal 2013. As a result, the number of JF stood at 969 as of April 1, 2014, reflecting progress made toward consolidation.

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

The Norinchukin Bank supports these initiatives at JF cooperative members.

JForest Group Initiatives

■ Current State of Cooperative Activities

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

■ Norinchukin Bank Initiatives

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

● Forest Rejuvenation Fund (FRONT80) / Nochu Potential Forest Productivity Fund

In order to promote activities aimed at the sustainable demonstration of the multi-faceted roles of forests, through the revitalization of private forests in danger of becoming deserted, the Norinchukin 80th Anniversary Forest Rejuvenation Fund (FRONT80) was established in 2005 (final offers in fiscal 2013). In the nine years since then, the Bank has received 319 applications from all over the country, among which we have selected 52 projects and have provided subsidies totaling ¥942 million.

We have been working to share the broad range of knowledge acquired through FRONT80, such as forest maintenance technology and know-how, through the JForest Top Management Seminar/Forest Rejuvenation Fund Project Presentations and the Nochu Management Sophistication Summit.

Moreover, from fiscal 2014, in order to promote efforts for the consolidation of facilities and provide a boost to forestry cooperatives, taking into account changes to JForest's surrounding environment such as governmental policies, the Nochu Potential Forest Productivity Fund has been established as a successor to FRONT80, and support will be given to forestry cooperatives carrying out advanced initiatives.

● Support for Initiatives to Consolidate Forest Management

The Bank has partially subsidized the expenses for introducing the Geographic Information System (GIS) and Global Positioning System (GPS) needed for JForest to define mountain and forest boundaries and collect forest information. Over the five-year period from fiscal 2009 through fiscal 2013, the Bank subsidized 634 projects, worth ¥251 million. As a result, about 60% of forestry cooperatives nationwide have receired subsidies.

● Support to Expand Domestic Lumber Use

JForest Group is working to expand the use of domestic lumber, and the Bank is also supporting JForest Group in its efforts. In April, 2013, a financing scheme was established for forestry cooperatives and federations actively involved in the building of distribution and sales systems for lumber, and in fiscal 2013, loans totaling ¥2.4 billion were extended to 20 projects.

In anticipation of increased demand for domestic lumber due to the widespread use of woody biomass power generation, JForest Moriren (National Federation of Forest Owners' Cooperative Associations), Norinchukin Research Institute and the Bank established the Cooperative Woody Biomass Study Group in August 2013. The Bank is also looking into the sharing of information inside JForest Group as well as the provision of support in accordance with local circumstances.

In addition, as support for initiatives which contribute to the expansion of domestic lumber use and forest conservation, the Bank has been engaging in the donation of wood products made from local lumber, sponsorship for tree-planting events, and subsidization of wood education activity expenses. In fiscal 2013, we provided subsidies totaling ¥29 million to 30 prefecture-level organizations, as well as donating wood products worth ¥32 million to 215 parties in the areas affected by the Great East Japan Earthquake.

• Support to Strengthen Management System

Furthermore, in collaboration with JForest Zenmoriren, the Bank subsidized the cost of workshops for forestry cooperative auditors, in order to support the strengthening of the management systems of JForest. Moreover, we continue to give lectures at compliance study groups held at prefectural-level organizations.

Forest after thinning (planted cypress forest)

Processing trees into logs with a harvester

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

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

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

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

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

JA Bank formulated the JA Bank Medium-Term Human Resource Plan (fiscal 2013 through fiscal 2015) and has been taking steps since fiscal 2013 to train "staff who will take the lead in transforming and innovating JA and related prefectural-level organizations" and "those who will be chosen and trusted by customers." To expand these human resource development initiatives in an integrated manner nationwide, the Bank's division that develops human resources for JA and JA Shinnoren, Kyodo Seminar, and JA Shinnoren's human resource-related division are unified under the name of the JA Bank Academy.

Specifically, the Bank has been engaged in the expansion and provision of level-specific training for JA and JA Shinnoren employees, such as the JA Bank Central Academy – Managers Course (cumulative total of 271 participants as of March 31, 2014) targeted at directors engaged in the banking business of JA and the JA Bank Central Academy – Senior Executives Course targeted at JA Shinnoren's general managers.

• Human Resource Training Initiatives at JF Marine Bank

JF Marine Bank has positioned human resource training as a pillar in the JF Marine Bank Medium-Term Business Promotion Policy (fiscal 2012 through fiscal 2014). In order to contribute even further to the fisheries industry and fishing communities, JF Marine Bank is focusing on developing financial consultants who can provide "enhanced financial services to the fisheries industry" and training human resources with the aim of improving customer protection and providing services appropriate to customers. In fiscal 2013, JF Marine Bank held the JF Marine Bank Level-Specific Training - Branch Manager Course for the first time (with 36 participants) targeted at branch managers of JF Shingyoren, etc. in addition to national conferences for financial consultants for the fisheries industry and compliance workshops for directors of JF and JF Shingyoren on a continuing basis.

Kyodo Seminar's Training Record in Fiscal 2013

Number of employees who took group training	2,067
Number of employees who took correspondence courses	13,941
Number of employees who took certification exams	15,268

■ Support for Human Resources Training by JForest Group

JForest Group has been engaged in training engineers (e.g. forestry management planners) to advance proposal-based forest management consolidation by making use of training programs offered by the Forestry Agency, as well as focusing on strengthening auditing and compliance systems for cooperatives.

For nurturing forestry management planners, the Bank provides advice on training programs by dispatching counselors. For strengthening auditing and compliance systems for cooperatives, the Bank has been providing support through subsidizing auditor lectures and sending lecturers for compliance training.

■ Personnel Exchanges between the Bank and JA and JA Shinnoren

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

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

JA Bank Central Academy-Managers Course

Safety Net for the Cooperative Banking System

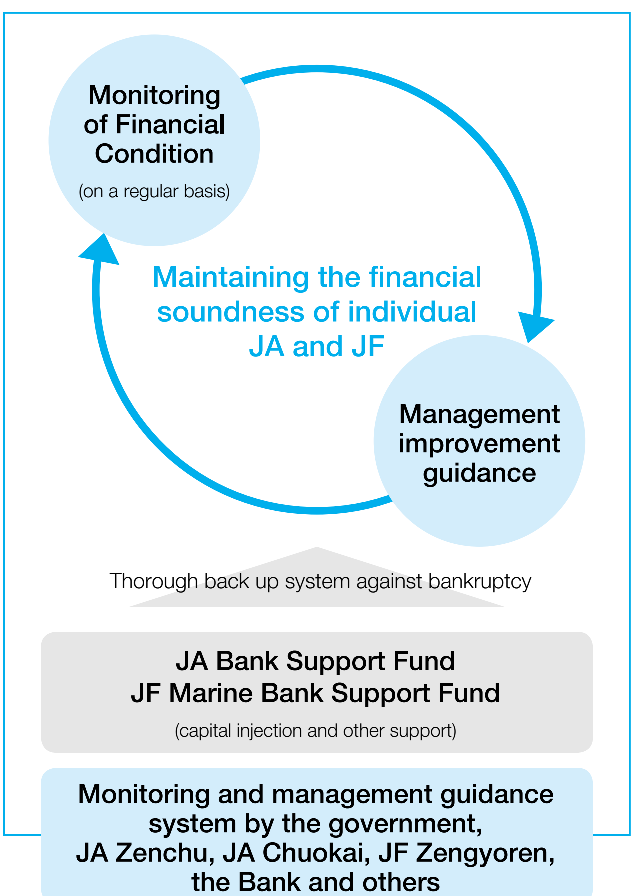
JA Bank and JF Marine Bank have established a safety net based on the Bankruptcy Prevention System and the Agricultural and Fishery Cooperative Savings Insurance System to provide an increased sense of security for their individual members and customers.

■ Bankruptcy Prevention System

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

Specific functions of these systems include: (1) monitoring of the business conditions of individual JA and JF to identify problems at an early stage, (2) taking steps at the earliest stage possible to prevent bankruptcy, and (3) injecting necessary funds drawn from the JA Bank Support Fund or the JF Marine Bank Support Fund*, the funds of which are collected from JA Bank and JF Marine Bank members nationwide, in order to maintain the sound management of individual JA and JF.

**As of March 31, 2014, the balance of the JA Bank Support Fund was ¥170.5 billion and that of the JF Marine Bank Support Fund was ¥24.8 billion.*



■ Agricultural and Fishery Cooperative Savings Insurance System

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

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

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

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

As of March 31, 2014, the balance of the reserve fund of the Agricultural and Fishery Cooperative Savings Insurance System was ¥348.9 billion.

Safety Net for the Cooperative Banking System

JA Bank Safety Net

Bankruptcy Prevention System

JA Bank's own system for bankruptcy prevention

+

JF Marine Bank Safety Net

Bankruptcy Prevention System

JF Marine Bank's own system for bankruptcy prevention

+

Agricultural and Fishery Cooperative Savings Insurance System

Public system for protection of depositors

Financial Institutions and Savings Covered by the Savings Insurance System, and the Scope of Protection

Covered Agricultural and Fishery Cooperatives

JA (limited to those engaged in banking business), JA Shinnoren, JF (limited to those engaged in banking business), JF Shingyoren, Marine Product Processing Cooperative (limited to those engaged in banking business), Federations of Marine Product Cooperatives (limited to those engaged in banking business), The Norinchukin Bank

Covered Savings, etc.

Savings, fixed term savings, Norinchukin Bank debentures (limited to custody products), as well as installment savings and property accumulation savings products using such savings, savings related to the investment of defined-contribution pension reserves, etc.

Scope of Protection

Types of savings, etc.			Scope of protection
Savings, etc. covered by the insurance	Payment and Settlement Deposits	Savings which meet the three requirements, such as bearing no interest (*1)	Full amount (permanent measure)
	Ordinary savings, etc.	Savings other than those for payment and settlement purposes (*2)	Total of principal up to ¥10 million and interest thereon (*3) [The portion in excess of ¥10 million will be paid according to the financial status of the failed cooperative (may be subject to deductions)]
Savings, etc. not covered by the insurance		Foreign currency savings, negotiable certificate of deposits, Norinchukin Bank debentures (excluding custody products), etc.	Not protected [Payable according to the financial status of the failed cooperative (may be subject to deductions)]

*1 Savings satisfying the three requirements of "bearing no interest, being redeemable on demand, providing payment and settlement services."
*2 Savings earmarked for taxes, installment savings and property accumulation savings products using insured savings will be protected.
*3 Distribution of earnings on fixed term savings will be protected in the same way as interest.

Capital Position

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

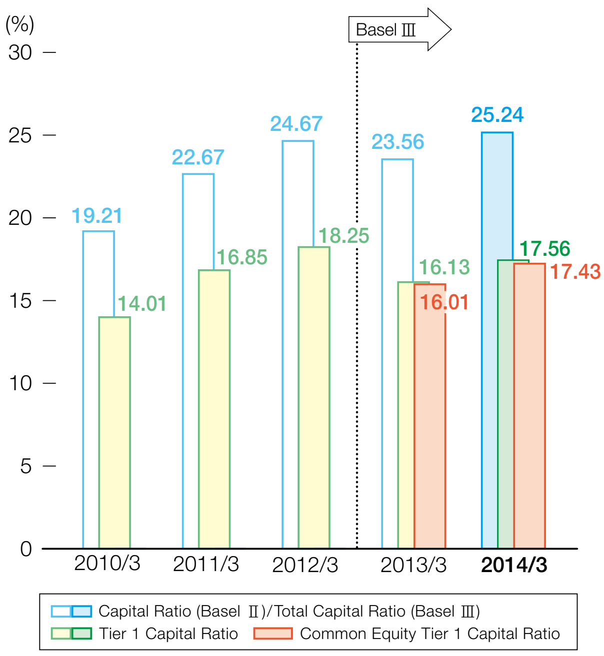
■ Capital Resources

The Bank considers it a major management priority to secure a sufficiently high level of capital resources in order to maintain and strengthen its financial position. It does so to ensure the stable return of profits to its members and to enhance its role as the central bank for Japan's agricultural, fisheries and forestry cooperatives, to contribute to those industries and the development of the cooperative banking business, and to align itself with the diverse needs of its customers.

The Bank has the strong membership of the cooperative system as its base, and has ensured a sufficient capital ratio that meets international standards. Furthermore, the Bank refinanced subordinated loans (¥1,400 billion) in line with Basel III in fiscal 2013, with the full understanding and support of its members, which improved the quality of its capital and strengthened its compliance with Basel III standards.

As a result, together with securing profits throughout the fiscal year, the Bank's total capital ratio on a consolidated and a non-consolidated basis were both in the 25% range (Basel III standard).

Capital Ratio (Consolidated Basis)



In the years ahead, the Bank faces a trend towards stronger international capital regulations for financial institutions. The Bank's core management agenda will henceforth be to strengthen its role as the central bank for the cooperatives, while maintaining its capital at a sufficiently high level, and to ensure stable return of profits to its members.

■ Strong Capital Base

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

While major commercial banks in Japan have received injections of public funds to restore financial soundness and to facilitate their ability to extend credit, the Bank, given its capital adequacy, has not applied for any such injection.

■ Features of Regulatory Capital Instruments

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

Risk Management

■ Approach to Risk Management

Essential components of financial institution management include the generation of stable profits and the maintenance of an optimal portfolio. Management must also address various types of risks arising from changes in the overall business environment, especially volatility in economic conditions and financial markets. Financial institutions must also maintain a high level of public confidence by providing reliable services and maintaining financial soundness.

As a result of a major capital injection from members following the financial crisis in 2008 and continued financial improvement since then, along with various steps taken to strengthen the Bank's risk management system, the Bank has been able to maintain a high capital adequacy ratio. To execute the Bank's basic mission of maintaining stable returns to its members; achieving stable regional development in the agricultural, fisheries and forestry industries; reconstructing disaster-stricken areas following the Great East Japan Earthquake; and taking steps to strengthen the cooperative banking business, the ongoing upgrade of its risk management framework continues to be an important task, which helps the Bank maintain management stability in a global economic and financial environment full of uncertainties.

Risk management initiatives by the Bank are stipulated in its Basic Policies for Risk Management. The policies identify the types of risks to be managed and the basic framework for risk management, including organizational structure and methodology. In accordance with the policies, the Bank manages individual risks after assessing the materiality of risks and identifying risks to be managed. The Bank also implements integrated risk management by measuring the overall amount of risk using quantitative methods and comparing it with the Bank's capital resources.

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

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

■ Compliance with Basel Banking Regulations

Basel Banking Regulations are international prudential regulation standards established by the Basel Committee on Banking Supervision. In Japan, the application of Basel II began from March 31, 2007. Basel II is comprised of three pillars. Pillar I is the set of minimum capital requirements, Pillar II is verification through financial institution self-assessment and supervisory review, and Pillar III is the promotion of market discipline through proper disclosure. To calculate its capital adequacy ratio, the Bank has adopted the "Foundation

Internal Ratings-Based Approach (F-IRB)" for credit risk and "The Standardized Approach (TSA)" for operational risk, pursuant to the Notification Regarding Capital Adequacy Ratio.

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

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

■ Risk Appetite

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

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

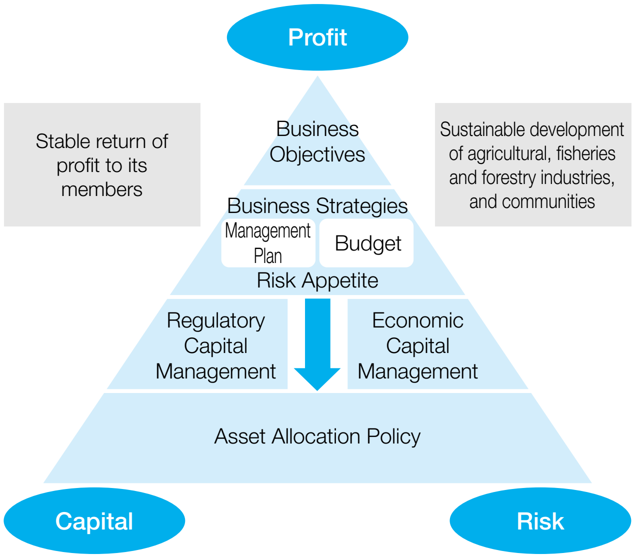
■ Internal Capital Adequacy Assessment Process (ICAAP)

To manage profits, capital and risk in a consistent and efficient manner, the Bank conducts the Internal Capital Adequacy Assessment Process (ICAAP), an assessment process based on the International Convergence of Capital Measurement and Capital Standards: a Revised Framework of Basel Banking Regulations. Under the ICAAP, the Bank comprehensively manages its capital resources, in terms of both capital (the numerator of the capital adequacy ratio) and risk asset (the denominator of the capital adequacy ratio).

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

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

ICAAP Concept



• Framework for Maintaining Capital Adequacy

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

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

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

• Implementation of Stress Tests

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

■ Integrated Risk Management

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

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

In the Bank's economic capital management, regardless of the definition used in Basel III for calculating the capital adequacy ratio, Tier 1 capital, which is comprised of basic capital and retained earnings, has been established as capital to provide against risk. Moreover, Tier 2 capital, which consists of subordinated debt, is viewed as a buffer against unexpected stress situations. The Bank categorizes the types of risks to be controlled into market risk, credit risk and operational risk. To maximize the benefit of the globally diversified investment concept, the Bank manages the economic capital on an aggregate basis instead of allocating the capital to each asset class or to each business segment, as the Bank believes such an approach should fit in the business profile of the Bank. In addition, the definition of internal capital applied and the economic capital management framework are determined by the Board of Directors, while the middle office is responsible for monitoring the fluctuating capital levels and the amount of risk during each fiscal year. These results are reported to management on a timely basis and used for sharing an awareness of the risk environment between the middle office and the front office.

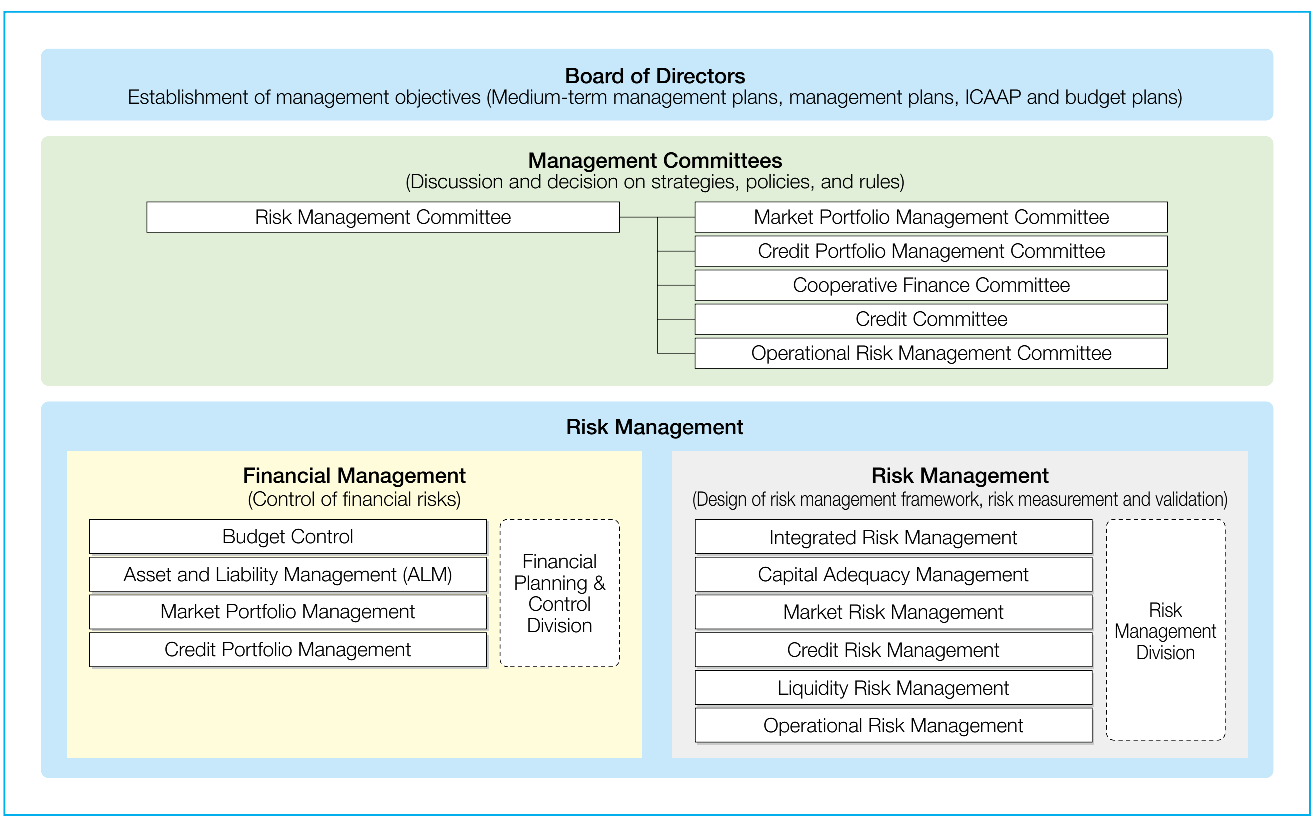
Market risk is measured primarily by Value-at-Risk (VaR), using a method which simulates scenarios such as interest rate and stock price fluctuations, based on past data (historical simulation method), with a 99.50% confidence interval and one-year holding period. Credit risk is mainly measured by Value-at-Risk (VaR), using a method which simulates scenarios such as default and rating fluctuations, with a 99.50% confidence interval and one-year holding period. And operational risk is measured by The Standardized Approach (TSA) based on Basel banking regulations.

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

• Integrated Risk Management Consistent with Financial Management

The Bank's integrated risk management framework is carried out in a way that is consistent with its financial management framework, to maintain a balance between a sound financial position and adequate profitability. The Bank has established the market risk management infrastructure to enable a prompt response to changes in financial market conditions. The Bank conducts analysis based on various approaches, including static and dynamic interest rate sensitivity analyses toward the impact on profit/loss, and price sensitivity analysis of its assets for the impact on interest rate changes. In addition, as a part of asset and liability management (ALM), the Bank measures the amount of risk, taking into account of price volatility of bonds and stocks as well as volatility in foreign currency exchange rates, and conducts scenario simulations under various stress assumptions. Through the analysis described above, the Bank strives for flexible financial management by understanding the impact of market volatilities on the value of its assets.

Risk Management System



■ Credit Risk Management

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

For the Bank, transactions involving credit risk are one of the most important sources of earnings from a strategic point of view. The Bank comprehensively manages credit risk both on credit portfolio basis and on an individual credit basis for all credit risk assets. Thus the Bank appropriately manages the amount of credit risk to ensure stable earnings.

● Credit Risk Management Framework

The Bank's credit risk management framework comprises four committees (the Risk Management Committee, the Credit Committee, the Credit Portfolio Management Committee and the Cooperative Finance Committee) that are managed by the directors and general managers involved in risk management. These committees determine the Bank's credit risk management framework as well as its credit investment policies. The front office executes loan transactions and credit investments in accordance with the credit policies and within the credit limits of these policies. The middle office, which is independent of the front office, monitors changes in the credit risk portfolio and reports them to the committees. Feedback is then used for upgrading the risk management framework and for future credit investment planning.

Each of the four committees has a specific role assigned to it by the management. The Risk Management Committee is responsible for deliberation on the basic framework for overall credit risk management, including the Bank's internal rating, self-assessment, economic capital management and credit ceiling for credit overconcentration risk. Moreover, the Credit Committee functions as a venue for the discussion of policies about how to deal with the obligations of borrowers whose financial condition has deteriorated.

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

The middle office monitors the credit risk portfolio status and other items. In addition, the status of credit risk management (such as market overview; important decisions made by the Credit Committee, the Credit Portfolio Management Committee and the Cooperative Finance Committee; overview of the credit risk portfolio; current approach to risk management) is regularly reported to the Board of Directors.

● Credit Risk Analysis Framework

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

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

The Bank conducts advanced credit risk management as described above, based on stringent analytical standards, proprietary financial and cash flow analysis, and monitoring reviews.

● The Bank's Internal Rating Framework

Outline of the Internal Rating Framework and Special Features

In addition to the Bank's traditional lending activities as the financial institution specializing in the agricultural, fisheries and forestry industries, the Bank adopts a management strategy of diversified investment and pursues an optimized investment portfolio by diversifying investment assets according to product profile, region and industry. The Bank manages these diverse assets in its portfolio in an integrated and unified manner, and the amount of risk calculated by its credit risk model is controlled so that it is kept within a range of its financial strength, or capital adequacy. Thus the Bank ensures the soundness of its business and maintains profitability.

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

Structure and Application of the Internal Rating Framework

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

The Borrower Rating System evaluates the exposure to corporate borrowers. The Bank has 15 borrower grades: 10 for non-defaulted borrowers and 5 for defaulted borrowers. Each borrower grade defines the debt repayment capacity of a borrower.

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

The Loan Recovery Rating System targets corporate exposure, etc., and is used to evaluate the factors affecting the recoverability from collateral, guarantees and the priority of repayment of debt (senior or subordinate). The Bank assigns ratings according to the expected recovery ratios.

The Retail Exposure Internal Rating System estimates Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) on an exposure pool basis. The Bank allocates individual retail exposure into eligible retail pools and assigns ratings at the pool level.

The internal rating framework is a fundamental system for the calculation of the capital adequacy ratio, the primary indicator for the financial soundness of a bank. At the same time, in its economic capital management, the Bank applies the same PDs, which were used for calculation of capital adequacy ratio, to measure the amount of credit risk.

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

Design of the Internal Rating Framework and Validation Procedures

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

In addition, the Internal Audit Division periodically audits the appropriateness of the internal rating framework's PDCA cycle management status, estimated parameters including PD, as well as compliance with IRB

Approach requirements, and reports the results of the audits to the Board of Directors.

• Self-Assessment Based on Internal Rating

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

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

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

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

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

• Write-Offs and Provisions to Reserves

Write-offs and provisions to reserves for possible loan losses are made according to the criteria set by the Bank for each debtor classification by self-assessment. For exposure to standard debtors and substandard debtors, the Bank makes provisions to general reserves for possible loan losses for each category of borrower based on the expected loss ratio, which is calculated from historical loss data, including losses from defaults. For debtors under requirement of control with substantial exposure, provisions to specific reserves for possible loan losses are calculated by the Discounted Cash Flow (DCF) method on an individual basis. For exposure to doubtful debtors or lower, provisions to specific reserves for possible loan losses are made, or write-offs are performed, for the necessary amount classified as Category III and IV which are not recovered by collateral or guarantee.

The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of March 31, 2014) (On a Non-Consolidated Basis)

(Billions of Yen)

Self-Assessment: Debtor classification	Category Ⅰ	Category Ⅱ	Category Ⅲ	Category Ⅳ	Reserves for Possible Loan Losses	Claims Disclosed under the Financial Revitalization Law	Risk-Managed Loans (Note 2)
Debtors in bankruptcy Debtors in default	Portion deemed to be recoverable through collateral or guarantees		Provisions are made to cover the entire amount	Full amount written off or provisions made	Specific reserve for possible loan losses 122.1	Bankrupt or de facto bankrupt 1.0	Loans to borrowers under bankruptcy proceedings 0.6
Doubtful debtors	Portion deemed to be recoverable through collateral or guarantees		Provision ratio: 94.5%			Doubtful 154.6	Delinquent loans 154.3
Substandard debtors: Special attention	Provision ratio of the uncovered portion: 15.2%				General reserve for possible loan losses 44.9 (Note 1)	Special attention 38.7	Loans with principal or interest payments three months or more in arrears —
Substandard debtors: (Claims on debtors under requirement of control)	Claims on substandard debtors other than "Special Attention"					Standard loans 17,250.2	Restructured loans 38.7
Substandard debtors: Other substandard debtors							
Standard debtors							

Notes: 1. The expected default ratios for computing the provisions to the general reserve for possible loan losses are 0.41% for standard debtors, 6.08% for substandard debtors (excluding claims under requirement of control), and 6.08% for claims under requirement of control.

Notes: 2. The difference between the total of claims disclosed under the Financial Revitalization Law and the total of risk-managed loans is the inclusion of claims other than loans.

Criteria for Write-Offs and Provisions to Reserves

Debtor Classification		Criteria for Write-Offs and Reserves for Possible Loan Losses	Provision Ratio as of March 31, 2014
Standard		Provisions to general reserves for possible loan losses are made, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio.	0.41%
Substandard	Other substandard debtors	Initially, categorize debtors into two groups: "debtors under requirement of control" or "other substandard debtors" in accordance with credit quality of debtors. Debtors in the latter group are further classified into sub-categories. Provisions to general reserves for possible loan losses are made, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio for each group. Applies Discounted Cash Flow (DCF) method to debtors with large exposure if classified as "debtors under requirement of control."	6.08%
	Debtors under requirement of control		6.08% (Excluding borrowers to whom the DCF method is applied)
Doubtful		Provisions to specific reserves for possible loan losses are made to the necessary amount classified as Category Ⅲ (amount not likely to be recovered by collateral or guarantee) on an individual borrower basis.	94.59% of the unrecoverable portion
Debtors in default		Provisions to specific reserves for possible loan losses are made on an individual borrower basis for the entire amount classified as Category Ⅲ. Write-offs are performed on an individual borrower basis for the amount classified as Category Ⅳ (the amount estimated as uncollectable or unrecoverable), regardless of treatment under criteria in tax law.	The full amount of the unrecoverable portion is written off or provisioned
Debtors in bankruptcy			

Credit Costs in Fiscal 2013 (On a Non-Consolidated Basis)

	Billions of Yen
Loan write-offs	0.0
Provisions to general reserve for possible loan losses	(3.6)
Provisions to specific reserve for possible loan losses	3.7
Provisions to reserve for specified overseas debts	—
Other	—
Total credit costs	0.1

● Credit Overconcentration Risk

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

Regarding the Corporate Ceilings, maximum lending limits are set for each borrower based on the internal debtor ratings. In addition, limits are set and lending is managed on a corporate group basis. The Bank Ceiling is precisely managed and credit limits are set for each type of transaction. Regular reviews are also performed on overconcentration of credit exposure of each industry.

● Measuring Credit Risk

The Bank measures the amount of credit risk using statistical methods and applies it to economic capital management. In calculating credit risk, all of the financial assets in the Bank's portfolio (such as loans, securities and off-balance sheet transactions) are targeted and, after considering the overconcentration risk for corporate group, industry type and region, the Bank runs scenarios involving losses and deterioration of asset value resulting from default, downgrades and expansion of credit spread, etc., and estimates the distribution of potential losses over the year. After the maximum projected loss (VaR) and the expected loss have been established from this loss distribution, the difference (unexpected loss) is recognized and managed as the amount of credit risk.

■ Market Risk Management

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

To ensure the effectiveness of market risk management, the Bank carries out duties among divisions in charge of decision-making (planning) for allocation policies, execution of individual transactions, and monitoring of risk positions. Specifically, the Risk Management Committee is responsible for and discusses overall risk management framework, the Market Portfolio Management Committee sets market portfolio allocation policies, the front office executes transactions in accordance with the policies, and the middle office measures and monitors the amount of risk. Matters relevant to the market risk portfolio management activities (such as market conditions, major investment decisions made by the Market Portfolio Management Committee, condition of the market portfolio, and views on near-term market portfolio management) are reported to the Board of Directors on a regular basis.

● Market Risk Management Framework

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

Specifically, the risk balance of the market portfolio is managed by analyzing and understanding the status of the portfolio based on risk indicators measured by the middle office, such as the amount of aggregate risk, Value at Risk (VaR), Basis Point Value (BPV) and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook of economic and financial conditions supported by research on macro-economic factors and the financial markets, and simulations of earnings, unrealized gains and losses of the portfolio, and the capital adequacy ratio.

Moreover, by using an alarm point for losses in each asset class and risk volume increase, as well as VaR taking into account of the impact of short-term market fluctuations, the Bank can quickly detect changes in the market environment and then review its market portfolio management policies expeditiously and flexibly.

The principal market portfolio management process is as described below.

Decision Making

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

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

Execution

Based on the investment decisions made by the Market Portfolio Management Committee, the front office executes securities transactions and risk hedging. The front office is not only responsible for executing transactions efficiently but also monitoring market conditions closely to propose new investment strategies to the Market Portfolio Management Committee.

Monitoring

The term "monitoring functions" refers to checking whether the execution of transactions made by the front office is compliant with the investment decisions approved by the Market Portfolio Management Committee, and to measuring the amount of risk in the Bank's investment portfolio. To maintain an appropriate risk balance among asset classes, various risk indicators as well as risk amount for economic capital management are measured and monitored. The middle office, which is independent of the front office, is responsible for those risk measurements and regularly reports to the Board members about the results of monitoring. Monitoring reports are used to analyze the current situation of the market portfolio and as a data source for discussing the investment strategies in the near future at the Market Portfolio Management Committee.

Measuring Market Risk

In measuring market risk in economic capital management, all of the financial assets and liabilities in the Bank's portfolio are targeted, and through simulations of scenarios such as interest rate and stock price fluctuations based on past data (historical simulation method), the distribution of potential losses over the year are estimated. From this loss distribution, the maximum projected loss (VaR) is recognized and managed as the amount of risk.

• Trading Operations

The Bank's trading operations that aim to generate profits from short-term market fluctuations are organizationally separated from other front offices. The front office in charge of trading activities executes trades within the approved position and loss limits determined from a risk-return perspective. The middle office, which is independent of the front office, measures the amount of risk including VaR and monitors the status of risk taking by the front office.

The risk involved in trading operations, which is a part of market risk, is managed under the economic capital management framework.

VaR Status

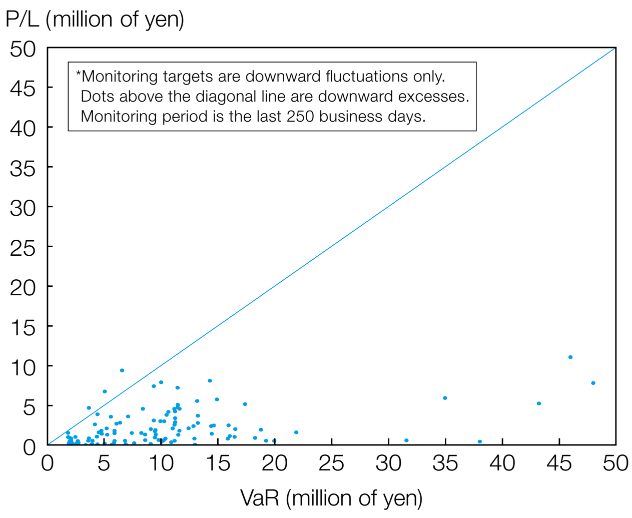
For risk measurements, the Bank uses an internal model approach based on a variance-covariance method with a one-tailed 99% confidence interval and a 10-business day holding period, and measures VaR on a daily basis. The Bank's model is validated by the middle office that conducts periodical quantitative and qualitative evaluations, as well as the Internal Audit Division and outside experts.

The Bank conducts backtesting to quantitatively validate its internal model, where the VaR (1 day) calculated by the model is compared with the volatilities in daily profit and loss. After an attribution analysis, if it was determined that the discrepancies between the model's estimates and actual results go beyond a certain level due to the designs of the model, the Bank scrutinizes the relevant model factors and revises the model if necessary. The Bank also performs a series of monthly stress tests assuming extremely volatile market situations, such as the largest interest rate fluctuation in the last five years.

Changes in VaR (with a 10-business day holding period) in Trading Divisions

	VaR (million of yen)
June 28, 2013	50
September 30, 2013	27
December 31, 2013	18
March 31, 2014	26

Backtest Status (1 day VaR)



Glossary of Terms

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

BPV (Basis Point Value)
BPV refers to the changes in the value with respect to a 0.01% change in interest rates given the current position. The Bank uses this as the index to indicate the impact of the change assuming a parallel shift in the yield curve.

Liquidity Risk Management

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

The appropriate management of cash flow risk is a prerequisite for business continuity and stable portfolio management. Considering the characteristics of the Bank, such as its steady fund procurement structure, which is primarily centered on deposits from its membership, and examining the funding procurement capability under stressed environments, the Bank takes initiatives to diversify and enhance the varieties of funding instruments, placing emphasis on the stability of cash flows. Cash flow management is conducted on an aggregated basis at the head office in collaboration with relevant branches. For this purpose, various operating limits including currency, funding instruments and individual funding offices are established considering the global market situation and these are approved by the Risk Management Committee. Specific cash flow management plans are approved by the Market Portfolio Management Committee on a quarterly basis, taking into consideration the Bank's investment portfolio projection, its expected funding procurement capacity and regulations concerning liquidity under Basel III. Execution strategies are discussed on a weekly basis according to the predetermined cash flow management plan. The Bank conducts appropriate cash flow management in response to circumstances by constantly monitoring market conditions. The execution status is continuously reviewed on a monthly basis.

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

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

■ Operational Risk Management

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

• The Objective of Operational Risk Management

The Bank categorizes and ranks by importance each risk arising from business operations such as processing risk, legal risk and IT systems risk, and handles these risks according to their category and rank. This allows the Bank to allocate the organization's management resources effectively. The objective of operational risk management is to minimize the likelihood of risk event occurrence and the estimated losses arising from business operations which per se do not generate profit.

• Definition of Operational Risk

The Bank defines operational risk as the risk that arises in the course of business operations which per se do not generate profit. Operational risk is different from market risk, credit risk and liquidity risk, or the types of risks the Bank actively takes to generate profits. Operational risk is further broken down into subcategories, such as processing risk, legal risk, IT systems risk, personnel risk, tangible assets risk, information security risk, business continuity risk, reputational risk and regulatory risk.

• Organizational Structure of Operational Risk Management

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

• Basic Approach to Operational Risk Management

The Bank has established policies and procedures to manage and control individual operational risks such as processing risk, legal risk, IT systems risk, personnel risk, tangible assets risk and information security risk, for which the Bank's key management strategy is the prevention of risk event occurrence. The Bank also employs the following common risk management methods in order to identify, analyze, assess, manage and mitigate risks effectively: the operational risk reporting system for collection and analysis of risk events which have come to light, as well as RCSA (Risk & Control Self-Assessment) system for the evaluation of potential risks. In the operational risk reporting system, a clear reporting standard is established that covers the classifications of loss events defined by the Basel regulatory framework, and information of risk events is collected and analyzed. With RCSA, individual processing sections uncover the risks inherent in their own business, and evaluate the validity of controls and remaining risks. Important matters that require improvement are incorporated into the management plan for the year. Moreover, important risk events collected in the operational risk reporting system are reflected in RCSA to be addressed with these risk management methods.

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

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

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

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

• Processing Risk Management

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

The Bank formulates a processing risk management plan, which includes methods for further development of risk mitigation and steps to enhance the current risk management framework, based on the result of the Bank's Processing Risk RCSA as well as the information of risk events collected and analyzed through the Bank's operational risk reporting system. The progress of the plan is reported to the Bank's management periodically. In addition, various procedures, such as implementing preventive procedures for specific risk events which have surfaced in the past, updating the current procedure manuals, carrying out self-checking exercises and hosting staff training sessions, have been continuously performed by the Bank in order to mitigate the occurrence of processing risk events. Should there be any major environmental changes in the Bank's business procedures due to the adoption of new products and services or organizational restructuring etc., and should these changes have a certain impact on the current business processes and operating manuals, the Bank takes necessary steps in order to manage processing risk appropriately.

• IT Systems Risk Management

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

The Bank handles emerging risks generated by changes in the domestic and international environment, while simultaneously taking steps to upgrade its management of IT systems risk, by formulating and implementing the IT Systems Risk RCSA and risk management plans. The Bank collects and analyzes information on system failures, and reports the analysis along with future prevention plans to the Bank's management. In addition, the Bank has reexamined its system recovery procedures assuming occurrence of major system failures in order to minimize the impact of such failures. Thus the Bank strives to strengthen its internal controls and IT systems risk management in order to meet the public demand for stable financial services and for more rigorous management of information security.

• Legal Risk Management

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

The Bank considers legal risk management to be a key issue for all of its branches and divisions as the Bank reorganizes the cooperative banking system, offers new financial services and engages in investment activities, in addition to providing traditional financial services. The Bank strives to enforce its legal management framework.

• Business Continuity Risk Management

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

With the knowledge and experience the Bank has gained through taking measures to continue its business properly in the face of the Great East Japan Earthquake in 2011 and the power shortages following the earthquake, the Bank continues to work ceaselessly to enhance the effectiveness of the risk management framework for the Bank and the cooperative banking system as a whole.

■ Risk Management in Group Companies

The associated companies in The Norinchukin Bank Group prepare feasible and effective risk management policies and framework taking into account the Bank's Basic Policies for Risk Management as well as the nature of their own business activities and risk profile. The Bank and each group company confer and decide on a risk management framework for the company, taking into consideration the characteristics of the risks the company bears.

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

In addition, the Bank performs economic capital management on a consolidated basis and ensures that the amount of risk is kept within the allocated capital including consolidated subsidiaries. Among consolidated entities, The Norinchukin Trust & Banking Co., Ltd. and Kyodo Housing Loan Co., Ltd. manage market risk, credit risk, liquidity risk and operational risk. Other consolidated entities manage operational risk.

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

Corporate Governance

(The number of directors shown in the text below is as of July 1, 2014)

The Norinchukin Bank's Management System

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

Supervisory Committee

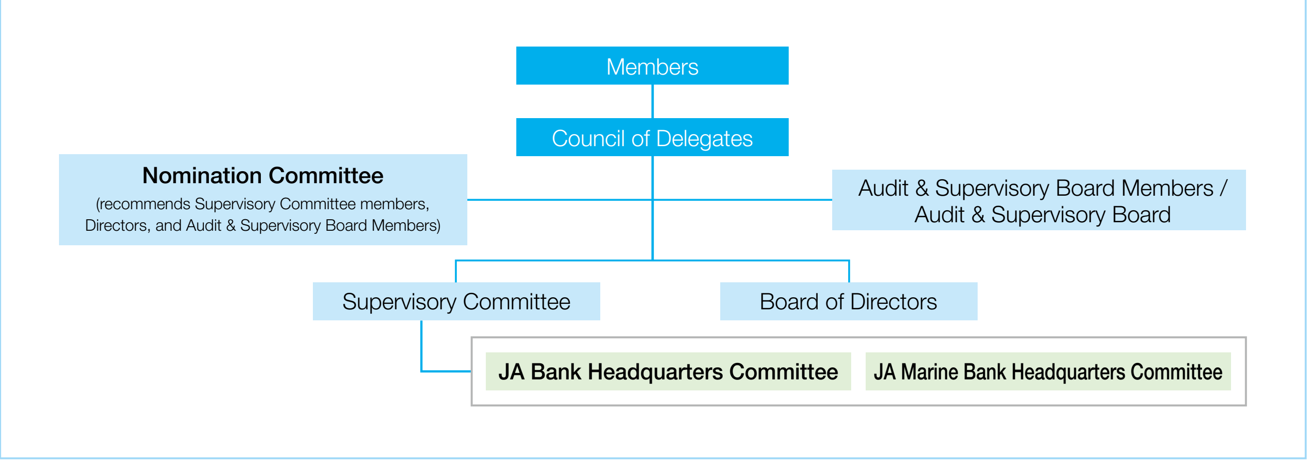
The Supervisory Committee is responsible for submitting agendas for discussion and reporting to the Council of Delegates as well as for making decisions on important issues related to agricultural, fishery and forestry cooperatives. The Supervisory Committee also has the authority to oversee business activities performed by directors. This includes the authority to request that board members attend meetings to explain their business activities and to request the Council of Delegates to dismiss board members. At present, the Supervisory Committee has 14 members selected from among board members of cooperative organizations, people engaged in the agricultural, fishery and forestry industries, as well as individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of the Bank's members, and are then appointed by the Council of Delegates.

Under the jurisdiction of the Supervisory Committee are the JA Bank Headquarters Committee and the JF Marine Bank Headquarters Committee, which are composed of representatives from member cooperatives and the Bank's directors. These committees deliberate on basic policies of the banking business conducted by the agricultural and fishery cooperative organizations as well as on operational guidance for the Bank's members acting in the name of the headquarters.

Board of Directors

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

Management System of the Bank



Initiatives for Strengthening Internal Control

■ Audit & Supervisory Board Members/Audit & Supervisory Board

Audit & Supervisory Board Members are elected directly by the Council of Delegates, and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business activities. Moreover, the Audit & Supervisory Board, comprised of Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Law. It currently comprises five Audit & Supervisory Board Members (three full-time and two part-time).

In addition, four Audit & Supervisory Board Members satisfy the conditions stated in Article 24-3 of the Norinchukin Bank Law*, and are equivalent to external auditors in publicly traded companies.

* *According to Article 24-3 of the Norinchukin Bank Law, at least one of the Audit & Supervisory Board Members must satisfy the following conditions: The Audit & Supervisory Board Member must not be a director or employee of a corporation that is a member of The Norinchukin Bank and must not have held any of the following positions in the five years before being appointed Audit & Supervisory Board Member: (1) director, member of the Supervisory Committee, or employee of The Norinchukin Bank, or (2) director, accounting advisor (if the advisor is a corporation, then an employee who performs such duties), executive officer or employee of one of the Bank's subsidiaries.*

■ Basic Approach

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

■ Basic Internal Control Policy

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

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

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

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

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

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

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

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

(1) Important documents related to the execution of directors' duties, such as minutes of Board of Directors meetings and other important meetings, as well as documents requiring approval, are properly managed by specifying their retention period and management standards.

(2) The Bank's business units are obligated, upon the request of directors and Audit & Supervisory Board Members, to present information related to the performance of their duties for inspection.

Rules and Other Systems for Managing the Risk of Loss

(1) The Bank views the proper implementation of risk management as a major business challenge for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that the management must be aware of, and risk management systems and frameworks.

(2) Risks that need to be managed are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of generating profit. These risks include credit risk, market risk and liquidity risk. The second type of risk is operational risk. Based on the nature of these various kinds of risks, the Bank has established risk management policies and procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.

(3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds of risks and ensures that total risk capital remains within the limits of the Bank's regulatory capital requirement.

(4) To comply with requirements for ensuring management soundness set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management based on the conditions stipulated in laws and regulations.

(5) In case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

Systems for Ensuring Efficient Execution of Directors' Duties

(1) The Bank establishes its medium-term management plans, business plans and other plans for business execution, and periodically assesses their progress.

(2) To ensure that decision-making by the Board of Directors is efficient, the Bank has formed committees composed of directors to which the board delegates specific matters and tasks for implementation. The Bank has also formed councils to discuss management issues on a regular or as-needed basis. Their duties include the discussion of proposals on matters to be decided by the Board of Directors.

(3) To ensure that directors and employees perform their duties efficiently, the Bank takes steps to improve its organizational system by clearly establishing its organizational structure, authorities and responsibilities.

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

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

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

Internal Audit System

(1) To contribute to the proper operation of its business, the Bank has created the Internal Audit Division, which is independent of units that carry out business

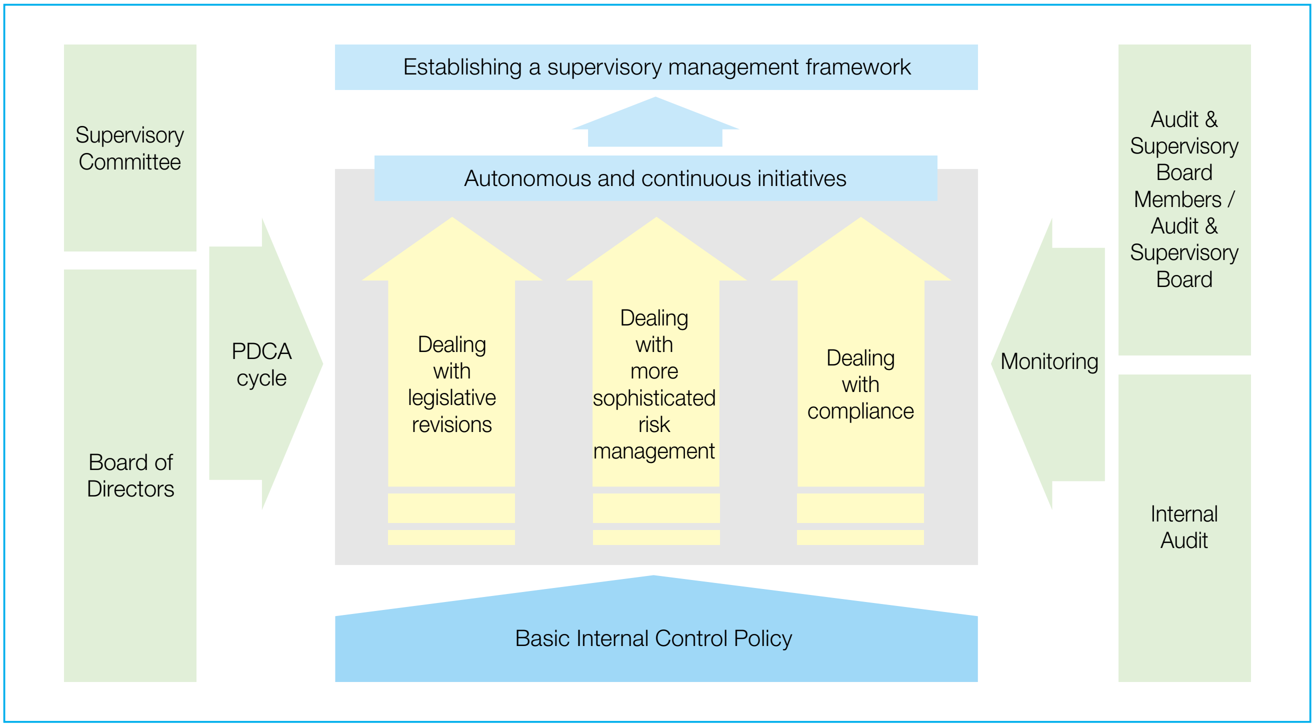
operations. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.

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

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

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

Initiatives for Strengthening Internal Control



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

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

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

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

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

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

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

Internal Audit System

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

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

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

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

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

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

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

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

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

■ Position of the Internal Audit

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

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

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

■ Outline of the Internal Audit System

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

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

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

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

Preparation of Internal Audit Plans

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

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

Implementation of Effective Internal Audits

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

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

Reporting of Audit Results and Follow-Up

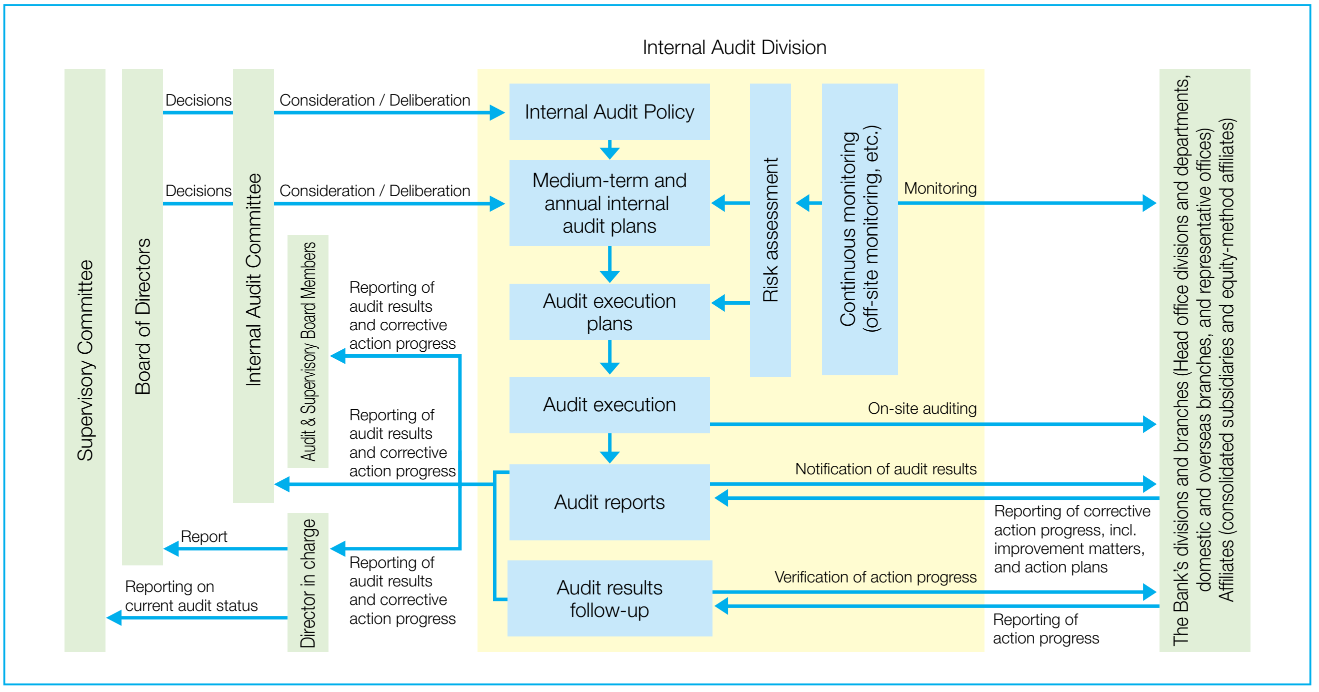
After audits are completed by the Internal Audit Division, the audited divisions or branches are notified of the results by the Internal Audit Division. The audited divisions or branches are to take corrective actions on the recommendations by the Internal Audit Division by specified deadlines. They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

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

Auditing of Assets

The Internal Audit Division audits the Bank's assets and verifies the accuracy and appropriateness of the Bank's internal ratings, self-assessments, loan write-offs and amounts of capital set aside for reserves.

Overview of Internal Audit System



Continuing as a Financial Institution Trusted by the Public

COMPLIANCE INITIATIVES

■ Basic Compliance Policies

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

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

As part of this effort, we have defined our basic compliance policy in our Corporate Ethics Charter and a code of conduct for all Bank directors and employees. To further ensure full compliance awareness among all directors and employees, we have incorporated in the Compliance Manual the following sections: the "Interpretation of laws and regulations to be observed by directors and employees of the Bank" and the "Outline of the compliance systems of the Bank." These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business.

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

Corporate Ethics Charter

The Bank's Basic Mission and Social Responsibilities

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

Provision of High-Quality Financial Services

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

Strict Compliance with Laws and Regulations

3. The Bank complies with all relevant laws and regulations and conducts its business in a fair and impartial manner according to social norms.

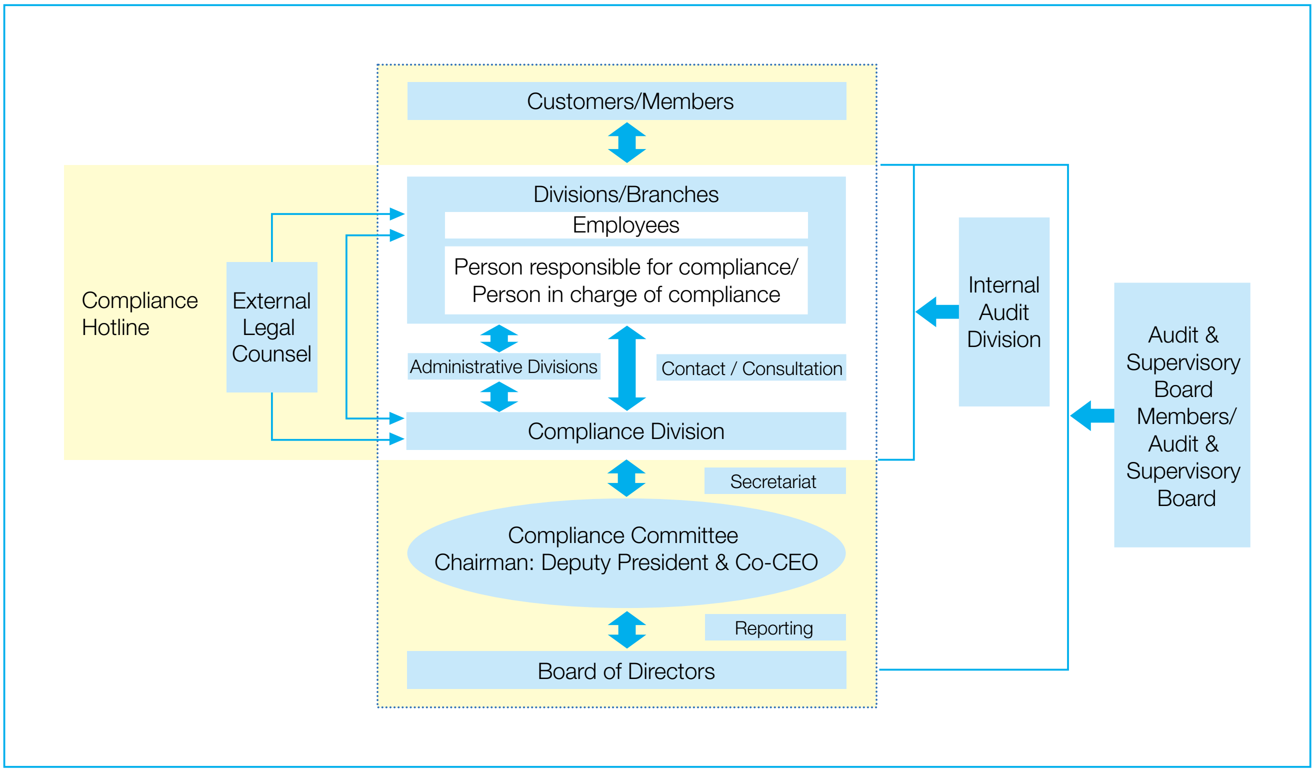
Elimination of Anti-social Elements

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

Creation of an Organizational Culture Committed to Highly Transparent Disclosure

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

Compliance Framework



Compliance Activities Directly Linked to Management

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

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the Compliance Framework Analysis and Assessment Subcommittee, a subcommittee under the Compliance Committee.

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

Compliance Practices within the Bank

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

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

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

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

■ Compliance Program

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

■ Cooperation with Group Companies

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

■ Enhancing Disclosure

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

■ Measures to Prevent Money Laundering

The Bank has established policies to prevent money laundering and is strengthening preventive measures in this area as part of an international cooperative effort.

■ Measures to Combat Bank Transfer Fraud

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

■ Measures to Eliminate Anti-Social Elements

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

Disclosure Policy

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

Handling of Material Information

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

Methods of Disclosure

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

Fairness of Disclosure

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

Disclosure of Forward-Looking Information

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

Enhancement of Internal Systems

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

Policy Regarding Market Rumors

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

Information Security Initiatives

Importance of Information Security

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

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

Control Structure

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

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

Protection of Personal Information

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

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

Personal Information Protection Declaration (Excerpt)

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

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

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

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

Outsourcing the Handling of Personal Information
Part of the clerical work related to the handling of personal information is outsourced.

Provision of Personal Security Management Measures
The Bank takes steps to securely manage personal information. The Bank conducts necessary and appropriate supervision of its employees and contractors.

Disclosure, Revision, Suspension of Use, etc. of Personal Information
The Bank will disclose, revise and suspend the use of personal information in its possession based on the Private Information Protection Law.

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

Creating a Pleasant Working Environment

■ Offering Employees Opportunities to Excel

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank operates a wide range of services with a small workforce. To fulfill its basic mission in every field, the Bank believes it is absolutely essential that it create a pleasant work environment in which all employees can put the full range of their abilities to good use and feel motivated and fulfilled as they go about their work.

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

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

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

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

■ Human Resource Initiatives

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

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

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

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

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

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

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


Entry training for new employees

Principal Human Resource Programs

Group Training

- Career development training: Foster an awareness of career development by taking an inventory of employee abilities and through self-analysis
- Management training: Acquire and improve knowledge and business skills needed for management, including leadership, junior staff development, vision making and work efficiency
- Managerial development training: Acquire and improve knowledge required for organizational management, branch and division management, etc.
- The Bank Business School: Improve and deepen understanding of basic business management theory and consulting abilities, and build cross-departmental networks

Personal Development Support

- Financial support for correspondence courses, gaining certifications outside the Bank and foreign language training: Support for employee self-directed career development by partially subsidizing various studies

Outside Studies

- Graduate School of Business (managers program): Acquire advanced management skills at domestic and overseas universities
- Overseas study: Acquire specialized knowledge and global viewpoint through attendance at an MBA or LL.M program
- Overseas branch trainee system: Develop a global perspective in less-experienced staff by posting them at overseas branches
- Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, management companies, JA and JA Shinnoren

New Employee Training

- Workplace training system for new employees, instructor training
- Entry training, basic training for new employees, on-site training at JA

Other

- Personal coaching
- After-work training, Saturday seminars
- Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops
- In-house English language classes
- e-Learning

■ Creating a Working Environment that Respects Human Rights

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

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

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

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

Business Outline

FINANCE FOR COOPERATIVE ORGANIZATIONS

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

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

CORPORATE FINANCE

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

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

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

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

SECURITIES INVESTMENT

■ The Bank's Basic Asset Management Approach

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

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

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

■ Investment Approach by Asset Type

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

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

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

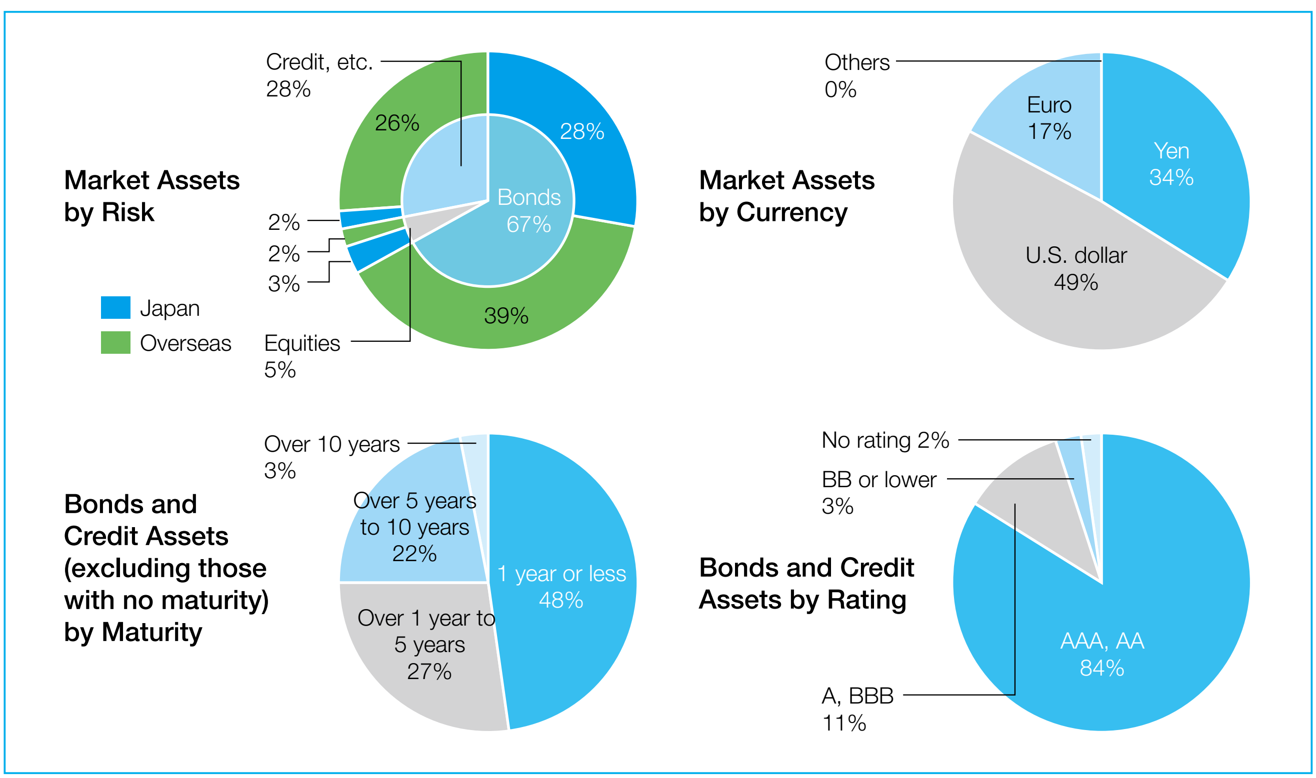
In managing foreign currency assets, the Bank takes steps to limit foreign exchange risk in most of these investments by employing various tools, such as foreign currency funding.

■ Market Asset Management System

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

The front office executes transactions based on policies drawn up at each Portfolio Management Committee. The committee also focuses on optimizing transaction

Breakdown of Investment Assets (As of March 31, 2014)



efficiency, the constant and careful monitoring of market trends, developing proposals for new transaction plans, and other activities. To put the Bank's concept of globally diversified investment into practice, the front office sections create more efficient and effective management systems wherein domestic and international investments are integrated within bonds, equities and other investment instrument categories.

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

■ Short-Term Money Market Transactions

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

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

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

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

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

■ Foreign Exchange Transactions

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

■ Trading Services

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

DEPOSIT SERVICES

■ Features of the Bank's Deposits

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

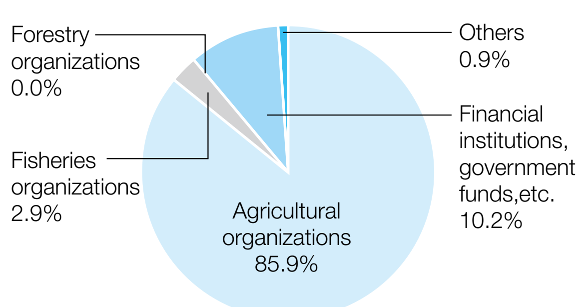
● Deposits from JA Bank and JF Marine Bank Members

Savings deposited with JA and JF by their individual members and local customers are used to finance individual members, local customers, companies, local public bodies and other such organizations. Surplus funds are then deposited with JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) or JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives) at the prefectural level. These funds, in turn, are used by JA Shinnoren or JF Shingyoren to finance agricultural and fisheries organizations, companies involved in the agricultural and fisheries industries, local public bodies and other such organizations. Surplus funds are then deposited with the Bank.

In its capacity as the national-level cooperative banking institution in the cooperative banking system, the Bank is responsible for centrally managing funds steadily deposited in this manner.

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

Balance of Deposits with the Bank



(As of March 31, 2014) **Total: ¥49,731.1 billion**
* Excludes negotiable certificates of deposit

NORINCHUKIN BANK DEBENTURES

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

The balance of issued and outstanding debentures as of March 31, 2014 totaled ¥4,037.5 billion. The funds raised through the issuance of Norinchukin Bank Debentures have been used for purposes that include financing for the agricultural, fisheries and forestry industries as well as for companies related to these industries.

SETTLEMENT SERVICES

Cooperative financial institutions, comprising JA, JA Shinnoren, JF, JF Shingyoren and the Bank, have one of the largest networks among private financial institutions in Japan, with approximately 8,600 locations (as of March 31, 2014). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated jointly by the cooperative financial institutions.

■ Domestic Exchange Business Leveraging Special Characteristics of Cooperatives

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

■ Cash Dispenser and ATM Network

Through the JA Online Savings Service and the JF Online Savings Service, cooperative banking institutions are developing a nationwide network of ATM machines and cash dispensers. In addition, as a member of the Multi-Integrated Cash Service (MICS) network, a cross-sector online alliance service of cash dispenser and ATM operators, the cooperative banking institutions are part of an alliance of seven private sector banks (city banks, regional banks, trust banks, second-tier regional banks, shinkin banks, credit associations and labor banks). This enables savings withdrawals and balance inquiries at cash dispensers and ATMs, not only at the cooperative banking institutions, but also at most other financial institutions throughout Japan. Cooperative institutions have expanded their ATM networks through affiliation with Japan Post Bank and convenience store ATMs, and now lead in the number of ATMs usable for free during the day on weekdays, including affiliated ATMs.

■ Direct Deposit and Fund Transfer Services

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

■ Networks with Customers in Japan and Overseas

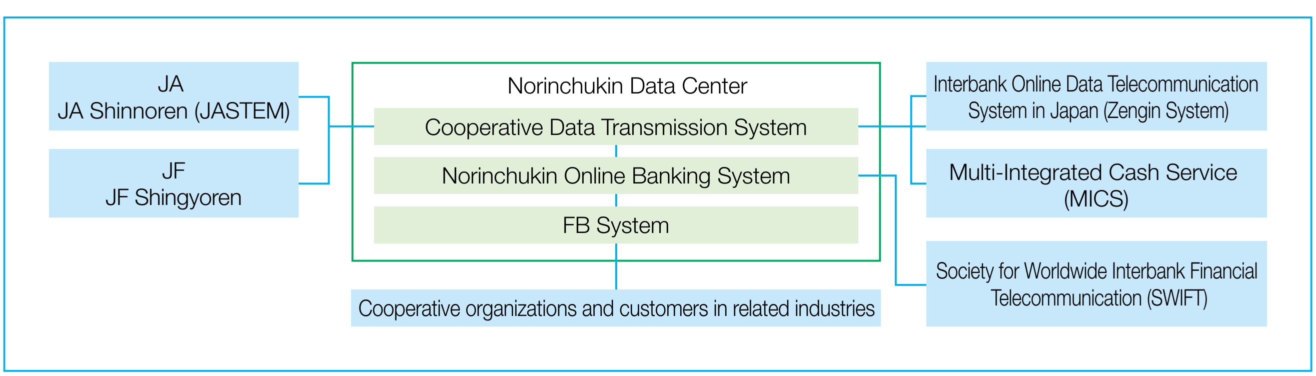
The Bank has formed a network for customer transactions placing the Cooperative Data Transmission System and the Norinchukin Online Banking System at its core. It also offers a diversified range of sophisticated services, such as remittance services through the "firm banking" system for cooperative banking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

Number of Cash Dispensers and ATMs (As of March 31, 2014)

	No. of cooperative members*	No. of locations*	No. of ATMs and cash dispensers
Norinchukin Bank	1	20	0
JA Shinnoren	35	51	708
JA	704	8,252	11,409
JF Shingyoren	30	120	276
JF	127	193	142
Total	897	8,636	12,535

*Number of cooperative members and locations that handle domestic exchange operations as of March 31, 2014.

Networks with Customers in Japan and Overseas



HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

■ The Bank's Domestic Offices

The Bank's domestic offices are comprised of its head office and 19 branches located throughout Japan (as of July 31, 2014).

The principal business roles of domestic branches are to: (1) receive deposits from cooperative members, (2) extend loans to agricultural, fishery and forestry sectors including individuals and corporations related to those sectors as well as public sectors in each region and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

● The Bank's Overseas Branches and Representative Offices

To respond appropriately to changes in the global financial markets, the Bank operates business in the major financial centers around the globe, and is expanding and enhancing its financial capability.

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

The Norinchukin Group Companies (As of July 1, 2014)

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

(Note) Number of employees as of March 31, 2014

■ Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd.

The Norinchukin Trust & Banking Co., Ltd. plays the following basic roles by providing: (1) trust products and services to individual members of cooperatives such as JA and local communities, leveraging the network of the agricultural, fishery and forestry cooperatives, (2) asset investment and management products to organizations connected to the Bank and its group companies and (3) financing and fund management tools for customers including corporations and pension funds that leverage its trust services. Assets under management and administration by this company exceed ¥16 trillion. The Norinchukin Trust & Banking also focuses on asset management for individual members of JA, offering inheritance trust services.

Established	August 17, 1995
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Kazumi Torii, President
No. of employees	140

■ Companies that Support the Organizational Base of the Cooperative Banking Business

Norinchukin Research Institute Co., Ltd.

http://www.nochuri.co.jp/english/index.html

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

Established	March 25, 1986
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Shuzo Furuya, President
No. of employees	78

Kyodo Seminar Co., Ltd.

Kyodo Seminar Co., Ltd., a training specialist for cooperative members, is involved in training directors and employees engaging in banking business by conducting group training, correspondence courses, certification exams, dispatching lecturers, and publishing training materials. In fiscal 2013, 14,000 employees took correspondence courses and 15,000 took certification exams, new records for both.

Established	May 25, 1981
Location	1-12, Yurakucho 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Takao Nakashima, President & CEO
No. of employees	30

■ Companies that Complement the Business Base of the Cooperative Banking Business

Kyodo Housing Loan Co., Ltd.

Kyodo Housing Loan Co., Ltd. provides mortgages in partnership with more than 400 companies in the fields of housing and real estate sales, housing manufacturing and other related areas, in addition to providing guarantee services for JA Bank and JF Marine Bank's mortgages. The company also handles Flat 35 mortgages in alliance with the Japan Housing Finance Agency.

Established	August 10, 1979
Location	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan
Representative	Hideaki Iida, Managing Director
No. of employees	121

Norinchukin Zenkyoren Asset Management Co., Ltd.

Norinchukin Zenkyoren Asset Management Co., Ltd., responds to the asset management needs of a range of financial institutions and institutional investors, including cooperative members, through development and offering of investment funds. It is one of Japan's top originators of funds sold through private offering. This company also offers main investment trust products sold at branches and offices of cooperative banking institutions.

Established	September 28, 1993
Location	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan
Representative	Masanobu Takatani, Chairman & CEO
No. of employees	116

The Cooperative Servicing Co., Ltd.

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

Established	April 11, 2001
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Yoshiki Kawano, President & CEO
No. of employees	71

JA MITSUI LEASING, LTD.

www.jamitsuilease.co.jp/en/

JA MITSUI LEASING, LTD. is a general leasing company that responds to the increasingly diverse and sophisticated financial needs of customers. It plays a key role in providing lease-related services to cooperative members and people engaged in the agricultural, fisheries and forestry industries.

Established	April 1, 2008
Location	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo 141-0022, Japan
Representative	Yoshinori Yasuda, President & CEO
No. of employees	887

The Agribusiness Investment & Consultation Co., Ltd.

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

Established	October 24, 2002
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Katsuhiko Kitahara, Operating Officer
No. of employees	14

Mitsubishi UFJ NICOS Co., Ltd.

www.jamitsuilease.co.jp/en/

Mitsubishi UFJ Nicos Co., Ltd. is a leading Japanese credit card company. It issues JA Cards, cash-and-credit cards for JA, and arranges guarantees for JA Bank loans. There are currently about 1.8 million JA Card members.

Established	June 7, 1951
Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan
Representative	Tetsuya Wada, President
No. of employees	3,303

Companies Working to Rationalize and Streamline the Cooperative Banking Business

Nochu Business Support Co., Ltd.

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

Established	August 18, 1998
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Noritsugu Sato, President & CEO
No. of employees	142

Norinchukin Facilities Co., Ltd.

Norinchukin Facilities Co., Ltd. is entrusted with facilities-related work such as cleaning and security as well as food service operation at Bank-owned facilities.

Established	August 6, 1956
Location	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-0012, Japan
Representative	Kazuo Yoshida, President & CEO
No. of employees	356

Nochu Information System Co., Ltd.

Nochu Information System Co., Ltd. is entrusted with the development and operation of the Bank's various computer systems, including the core banking system. It also plays a major role in the Bank's IT strategy. The company is responsible for all developmental and operational aspects of the nationwide JASTEM System, JA Bank's key computer system (a large retail system, which administers approximately 44 million accounts and 12,000 ATMs).

Established	May 29, 1981
Location	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan
Representative	Hiroshi Matsumoto, President & CEO
No. of employees	535

Daiichi Life Norinchukin Building Management Co., Ltd.

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

Established	April 1, 1993
Location	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan
Representative	Toshiro Sasaki, President & CEO
No. of employees	13

Others

Ant Capital Partners Co., Ltd.

www.antcapital.jp/english/

Ant Capital Partners Co., Ltd. invests in and manages private equity funds.

Established	October 23, 2000
Location	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Representative	Kazunori Ozaki, Chairman and CEO
No. of employees	47

Norinchukin Finance (Cayman) Limited

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

Established	August 30, 2006
Location	PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands

Financial Review

■ Financial Results for the fiscal year ended March 31, 2014 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2014 include the results of 9 consolidated subsidiaries and 5 affiliates which are accounted for by the equity method.
The following is a summary of Financial Results for the fiscal year 2013.

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥1,646.8 billion from the previous fiscal year-end to ¥83,143.6 billion, and consolidated Total Net Assets increased by ¥209.2 billion from the previous fiscal year-end to ¥5,976.5 billion.

On the assets side, Loans and Bills Discounted increased by ¥1,170.7 billion to ¥17,395.3 billion, and Securities increased by ¥2,837.4 billion to ¥52,883.2 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥2,274.3 billion to ¥49,717.2 billion, and Debentures decreased by ¥581.8 billion to ¥4,025.0 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥190.3 billion, up ¥87.6 billion from the previous fiscal year, and consolidated Net Income was ¥155.7 billion, up ¥35.8 billion from the previous fiscal year.

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

• Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Consolidated Common Equity Tier 1 Capital Ratio 17.43%, Consolidated Tier 1 Capital Ratio 17.56%, and Consolidated Total Capital Ratio 25.24% as of March 31, 2014.

Key Management Indicators (Consolidated)

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

	2010/3	2011/3	2012/3	2013/3	**2014/3**	**2014/3**
Total Income	¥ 1,270.5	¥ 1,111.4	¥ 952.6	¥ 995.5	**¥ 1,086.9**	**$ 10,563**
Total Expenses	1,194.8	986.7	878.4	893.6	**899.8**	**8,745**
Net Income	33.0	129.5	70.5	119.8	**155.7**	**1,513**
Total Comprehensive Income	/	303.7	600.4	949.7	**251.3**	**2,443**
Total Net Assets	3,956.0	4,259.8	4,838.9	5,767.2	**5,976.5**	**58,081**
Total Assets	68,676.7	69,833.8	72,262.8	81,496.8	**83,143.6**	**808,005**
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	16.01	**17.43**	**17.43**
Tier 1 Capital Ratio (%)	/	/	/	16.13	**17.56**	**17.56**
Total Capital Ratio (%)	19.21	22.67	24.67	23.56	**25.24**	**25.24**

Notes: 1. U.S. dollars have been converted at the rate of ¥102.90 to U.S. $1, the effective rate of exchange at March 31, 2014.
2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006. The Basel II standard was applied in calculating the Consolidated Capital Adequacy Ratios for the fiscal year ended March 31, 2013 and earlier.

■ Financial Results for the fiscal year ended March 31, 2014 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥1,495.1 billion to ¥82,356.2 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥186.9 billion to ¥5,921.9 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥17,295.0 billion, and Securities was ¥52,901.4 billion.

On the liabilities side, Deposits amounted to ¥49,731.1 billion, and Debentures was ¥4,037.5 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2014 totaled to ¥271.6 billion, up ¥177.3 billion from the previous fiscal year.

The total credit cost improved by ¥13.3 billion to ¥0.1 billion in net losses from the previous fiscal year, against the backdrop of economic recovery.

As for securities investments, net gains/losses on sales were net losses of ¥42.3 billion, down ¥29.8 billion from the previous fiscal year, provisions and impairments for depreciation of securities and other reasons improved by ¥1.0 billion from the previous fiscal year, recording a ¥1.1 billion net revenue.

As a result, with all of the factors mentioned above, the Bank recorded ¥175.1 billion in Ordinary Profits, up ¥87.0 billion and ¥143.1 billion in Net Income, up ¥36.3 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥116.5 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 17.43%, Tier 1 Capital Ratio 17.56%, and Total Capital Ratio 25.47% as of March 31, 2014.

Key Management Indicators (Non-consolidated)

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

	2010/3	2011/3	2012/3	2013/3	**2014/3**	**2014/3**
Total Income	¥ 1,259.4	¥ 1,101.7	¥ 934.9	¥ 972.9	**¥ 1,062.3**	**$ 10,324**
Total Expenses	1,189.0	963.3	870.6	885.6	**890.3**	**8,652**
Net Income	29.5	144.3	61.6	106.8	**143.1**	**1,392**
Paid-in Capital	3,425.9	3,425.9	3,425.9	3,425.9	**3,425.9**	**33,294**
Total Net Assets	3,931.6	4,250.4	4,820.4	5,734.9	**5,921.9**	**57,551**
Total Assets	68,470.3	69,551.9	71,719.1	80,861.0	**82,356.2**	**800,353**
Deposits	39,108.7	40,957.0	43,563.1	47,456.4	**49,731.1**	**483,296**
Debentures	5,611.7	5,421.6	5,125.6	4,619.2	**4,037.5**	**39,238**
Loans and Bills Discounted	13,038.0	14,002.3	14,655.7	16,127.6	**17,295.0**	**168,077**
Securities	44,013.7	43,070.0	45,655.4	50,072.3	**52,901.4**	**514,105**
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	15.98	**17.43**	**17.43**
Tier 1 Capital Ratio (%)	/	/	/	16.10	**17.56**	**17.56**
Total Capital Ratio (%)	19.26	22.76	24.83	23.77	**25.47**	**25.47**

Notes: 1. U.S. dollars have been converted at the rate of ¥102.90 to U.S. $1, the effective rate of exchange at March 31, 2014.
2. The calculation of the Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006. The Basel II standard was applied in calculating the Capital Adequacy Ratios for the fiscal year ended March 31, 2013 and earlier.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	**¥ 5,981,536**	¥ 4,419,087	**$ 58,130**
Call Loans and Bills Bought (Note 32)	**619,386**	1,527,128	**6,019**
Receivables under Securities Borrowing Transactions	**5,614**	—	**55**
Monetary Claims Bought (Notes 32 and 33)	**174,256**	179,373	**1,693**
Trading Assets (Notes 3, 32 and 33)	**14,055**	36,602	**137**
Money Held in Trust (Notes 9, 32 and 34)	**4,650,704**	6,892,281	**45,196**
Securities (Notes 4, 9, 21, 32 and 33)	**52,883,256**	50,045,795	**513,929**
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	**17,395,323**	16,224,595	**169,051**
Foreign Exchange Assets (Note 6)	**134,353**	268,750	**1,306**
Other Assets (Notes 7, 9 and 32)	**498,890**	1,251,733	**4,848**
Tangible Fixed Assets (Note 8)	**110,358**	109,541	**1,072**
Intangible Fixed Assets (Note 8)	**25,126**	33,424	**244**
Net Defined Benefit Asset (Note 17)	**15,171**	—	**147**
Deferred Tax Assets (Note 18)	**2,069**	2,119	**20**
Customers' Liabilities for Acceptances and Guarantees (Note 19)	**806,697**	688,399	**7,840**
Reserve for Possible Loan Losses (Note 32)	**(170,718)**	(175,959)	**(1,659)**
Reserve for Possible Investment Losses	**(2,407)**	(6,065)	**(23)**
Total Assets	**¥83,143,675**	¥81,496,808	**$808,005**
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 32)	**¥49,717,247**	¥47,442,849	**$483,161**
Negotiable Certificates of Deposit (Note 32)	**2,848,086**	2,397,290	**27,678**
Debentures (Notes 11 and 32)	**4,025,067**	4,606,940	**39,116**
Bonds (Note 12)	**50,000**	50,000	**486**
Call Money and Bills Sold (Notes 9 and 32)	**492,493**	452,214	**4,786**
Payables under Repurchase Agreements (Notes 9 and 32)	**12,582,675**	12,349,745	**122,281**
Payables under Securities Lending Transactions (Note 9)	**132,945**	6,129	**1,292**
Trading Liabilities (Notes 13 and 32)	**6,994**	10,139	**68**
Borrowed Money (Notes 9, 14 and 32)	**2,278,623**	1,779,106	**22,144**
Foreign Exchange Liabilities (Note 15)	**4**	78	**0**
Short-term Entrusted Funds (Note 32)	**2,950,795**	4,235,124	**28,676**
Other Liabilities (Notes 16 and 32)	**775,982**	1,286,866	**7,541**
Reserve for Bonus Payments	**6,830**	6,747	**66**
Reserve for Employees' Retirement Benefits (Note 17)	**—**	11,414	**—**
Net Defined Benefit Liability (Note 17)	**14,589**	—	**142**
Reserve for Directors' Retirement Benefits	**1,096**	1,032	**11**
Deferred Tax Liabilities (Note 18)	**467,297**	395,295	**4,541**
Deferred Tax Liabilities for Land Revaluation	**9,729**	10,158	**95**
Acceptances and Guarantees (Note 19)	**806,697**	688,399	**7,840**
Total Liabilities	**77,167,156**	75,729,534	**749,924**
Net Assets			
Paid-in Capital (Note 22)	**3,425,909**	3,425,909	**33,294**
Capital Surplus	**25,020**	25,020	**243**
Retained Earnings	**1,236,359**	1,130,521	**12,015**
Treasury Preferred Stock	**(150)**	(150)	**(1)**
Total Owners' Equity	**4,687,139**	4,581,301	**45,551**
Net Unrealized Gains on Other Securities	**1,302,399**	1,267,652	**12,657**
Net Deferred Losses on Hedging Instruments	**(45,419)**	(105,743)	**(441)**
Revaluation Reserve for Land	**16,606**	17,723	**161**
Foreign Currency Transaction Adjustments	**(6)**	(20)	**(0)**
Remeasurements of Defined Benefit Plans (Note 17)	**8,867**	—	**86**
Total Accumulated Other Comprehensive Income	**1,282,448**	1,179,611	**12,463**
Minority Interests	**6,930**	6,361	**67**
Total Net Assets	**5,976,519**	5,767,273	**58,081**
Total Liabilities and Net Assets	**¥83,143,675**	¥81,496,808	**$808,005**

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

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Income			
Interest Income:	**¥ 803,254**	¥637,775	**$ 7,806**
Interest on Loans and Bills Discounted	**70,463**	78,828	**685**
Interest and Dividends on Securities	**715,366**	539,766	**6,952**
Interest on Call Loans and Bills Bought	**885**	1,486	**9**
Interest on Receivables under Resale Agreements	**34**	10	**0**
Interest on Receivables under Securities Borrowing Transactions	**91**	508	**1**
Interest on Due from Banks	**10,125**	4,766	**98**
Other Interest Income	**6,287**	12,407	**61**
Fees and Commissions	**22,264**	21,120	**216**
Trading Income (Note 23)	**147**	485	**1**
Other Operating Income (Note 24)	**110,007**	115,659	**1,069**
Other Income (Note 25)	**151,308**	220,506	**1,471**
Total Income	**1,086,983**	995,547	**10,563**
Expenses			
Interest Expenses:	**566,646**	589,742	**5,507**
Interest on Deposits	**30,911**	34,557	**301**
Interest on Negotiable Certificates of Deposit	**6,990**	7,128	**68**
Interest on Debentures	**30,517**	45,233	**297**
Interest on Borrowed Money	**79,774**	80,517	**775**
Interest on Call Money and Bills Sold	**396**	346	**4**
Interest on Payables under Repurchase Agreements	**13,100**	15,530	**127**
Interest on Payables under Securities Lending Transactions	**17**	3	**0**
Interest on Bonds	**1,169**	1,260	**11**
Other Interest Expenses	**403,767**	405,165	**3,924**
Fees and Commissions	**13,810**	13,178	**134**
Trading Expenses (Note 26)	**355**	224	**3**
Other Operating Expenses (Note 27)	**147,128**	132,835	**1,430**
General and Administrative Expenses	**128,276**	123,924	**1,247**
Other Expenses (Note 28)	**43,644**	33,710	**424**
Total Expenses	**899,861**	893,616	**8,745**
Income before Income Taxes and Minority Interests	**187,121**	101,931	**1,818**
Income Taxes — Current	**2,205**	1,299	**21**
Income Taxes — Deferred	**28,616**	(19,612)	**278**
Total Income Taxes	**30,821**	(18,313)	**299**
Income before Minority Interests	**156,300**	120,244	**1,519**
Minority Interests in Net Income	**572**	378	**6**
Net Income	**¥ 155,727**	¥119,866	**$ 1,513**

	Yen		U.S. Dollars (Note 1)
	2014	2013	**2014**
Net Income per Share	**¥26.91**	¥22.17	**$0.26**

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

(2) Consolidated Statement of Comprehensive Income

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Income before Minority Interests	**¥156,300**	¥120,244	**$1,519**
Other Comprehensive Income	**95,093**	829,496	**924**
Net Unrealized Gains (Losses) on Other Securities (Note 29)	**34,560**	894,047	**336**
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	**60,208**	(64,859)	**585**
Revaluation Reserve for Land (Note 29)	**0**	—	**0**
Foreign Currency Transaction Adjustments (Note 29)	**14**	20	**0**
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	**309**	288	**3**
Total Comprehensive Income	**¥251,394**	¥949,741	**$2,443**
Attributable to:			
Owners of the Parent	**250,815**	949,318	**2,437**
Minority Interests	**579**	423	**6**

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

Consolidated Statement of Capital Surplus and Retained Earnings

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Capital Surplus			
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	**$ 243**
Balance at the End of the Fiscal Year	**25,020**	25,020	**243**
Retained Earnings			
Balance at the Beginning of the Fiscal Year	**1,130,521**	1,024,914	**10,987**
Additions:			
Net Income for the Fiscal Year	**155,727**	119,866	**1,513**
Transfer from Revaluation Reserve for Land	**1,117**	7,118	**11**
Deductions:			
Dividends	**51,006**	21,377	**496**
Balance at the End of the Fiscal Year	**¥1,236,359**	¥1,130,521	**$12,015**

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

Consolidated Statement of Cash Flows

The Norinchukin Bank and Subsidiaries
For the fiscal year ended March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	**¥ 187,121**	¥ 101,931	**$ 1,819**
Depreciation	**20,089**	19,997	**195**
Losses on Impairment of Fixed Assets	**2,570**	1,493	**25**
Gains on Negative Goodwill Incurred	**—**	(19)	**—**
Equity in Losses (Earnings) of Affiliates	**(8,602)**	(6,727)	**(84)**
Net Increase (Decrease) in Reserve for Possible Loan Losses	**(5,240)**	(53,455)	**(51)**
Net Increase (Decrease) in Reserve for Possible Investment Losses	**(3,658)**	(6,309)	**(36)**
Net Increase (Decrease) in Reserve for Bonus Payments	**82**	272	**1**
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	**—**	5,226	**—**
Net Increase (Decrease) in Net Defined Benefit Liability	**379**	—	**4**
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	**63**	14	**1**
Interest Income	**(803,254)**	(637,775)	**(7,806)**
Interest Expenses	**566,646**	589,742	**5,507**
Losses (Gains) on Securities	**231,071**	153,526	**2,246**
Losses (Gains) on Money Held in Trust	**(19,097)**	(10,946)	**(186)**
Foreign Exchange Losses (Gains)	**(3,913,985)**	(4,527,579)	**(38,037)**
Losses (Gains) on Disposal of Fixed Assets	**673**	(702)	**7**
Net Decrease (Increase) in Trading Assets	**22,546**	(3,944)	**219**
Net Increase (Decrease) in Trading Liabilities	**(3,145)**	(455)	**(31)**
Net Decrease (Increase) in Loans and Bills Discounted	**(1,148,281)**	(1,486,184)	**(11,159)**
Net Increase (Decrease) in Deposits	**870,090**	3,892,385	**8,456**
Net Increase (Decrease) in Negotiable Certificates of Deposit	**450,795**	514,864	**4,381**
Net Increase (Decrease) in Debentures	**(581,872)**	(510,931)	**(5,655)**
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	**499,516**	(35,700)	**4,854**
Net Decrease (Increase) in Interest-bearing Due from Banks	**(29,798)**	(11,764)	**(290)**
Net Decrease (Increase) in Call Loans and Bills Bought and Other	**912,021**	(602,382)	**8,863**
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	**(5,614)**	492,481	**(55)**
Net Increase (Decrease) in Call Money and Bills Sold and Other	**273,208**	4,476,630	**2,655**
Net Increase (Decrease) in Short-term Entrusted Funds	**(1,284,329)**	(116,586)	**(12,481)**
Net Increase (Decrease) in Payables under Securities Lending Transactions	**126,816**	(4,525)	**1,232**
Net Decrease (Increase) in Foreign Exchange Assets	**134,396**	(223,953)	**1,306**
Net Increase (Decrease) in Foreign Exchange Liabilities	**(73)**	67	**(0)**
Interest Received	**846,722**	653,552	**8,229**
Interest Paid	**(569,860)**	(592,544)	**(5,538)**
Other, Net	**315,291**	(170,998)	**3,064**
Subtotal	**(2,916,708)**	1,898,703	**(28,345)**
Income Taxes Refund (Paid)	**(3,154)**	2,217	**(31)**
Net Cash Provided by (Used in) Operating Activities	**(2,919,862)**	1,900,920	**(28,376)**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	**2014**
Cash Flows from Investing Activities:			
Purchases of Securities	**(11,719,415)**	(30,200,852)	**(113,891)**
Proceeds from Sales of Securities	**3,969,239**	1,786,024	**38,574**
Proceeds from Redemption of Securities	**8,444,537**	28,593,913	**82,065**
Increase in Money Held in Trust	**(137,486)**	(666,090)	**(1,336)**
Decrease in Money Held in Trust	**2,581,624**	1,324,776	**25,089**
Purchases of Tangible Fixed Assets	**(10,055)**	(5,559)	**(98)**
Purchases of Intangible Fixed Assets	**(7,150)**	(2,027)	**(70)**
Proceeds from Sales of Tangible Fixed Assets	**255**	10,267	**2**
Purchases of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	**—**	(28)	**—**
Proceeds from Business Transfer	**1,381,999**	—	**13,431**
Net Cash Provided by (Used in) Investing Activities	**4,503,549**	840,423	**43,766**
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	**1,387,791**	—	**13,487**
Repayment of Subordinated Borrowed Money	**(1,387,791)**	—	**(13,487)**
Dividends Paid	**(51,006)**	(21,377)	**(495)**
Dividends Paid to Minority Shareholders	**(9)**	—	**(0)**
Net Cash Provided by (Used in) Financing Activities	**(51,015)**	(21,377)	**(495)**
Net Increase (Decrease) in Cash and Cash Equivalents	**1,532,670**	2,719,966	**14,895**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**3,134,931**	414,965	**30,466**
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	**¥ 4,667,602**	¥ 3,134,931	**$ 45,361**

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

Notes to the Consolidated Financial Statements

The Norinchukin Bank and Subsidiaries

1. Basis of Presentation

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

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

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥102.90=U.S.$1, the approximate rate of exchange prevailing on March 31, 2014, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

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

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

Scope of Consolidation

Subsidiaries

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

The numbers of subsidiaries as of March 31, 2014 and 2013 were 9 and 10, respectively, out of which 9 and 9 were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

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

Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd. is no longer a subsidiary from the fiscal year 2013 since the percentage of its voting rights has decreased following the allocation of new shares to a third party.

Affiliates

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

The numbers of affiliates as of March 31, 2014 and 2013 were 6 and 6, respectively, out of which 5 and 5 were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliates accounted for by the equity method are as follows:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

(2) Transactions for Trading Purposes

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

Gains and losses arising from transactions for trading purposes are recorded in Trading Income and Trading Expenses on the consolidated statement of operations.

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

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

(3) Financial Instruments

a. Securities

Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. In principle, other securities are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities which are extremely difficult to determine the fair value are valued at cost determined by the moving average method.

Net Unrealized Gains or Losses on Other Securities, net of taxes, are reported separately in Net Assets.

Securities included in Money Held in Trust are valued using the same methods described in (2) and (3) a. above.

b. Derivatives

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

c. Hedge Accounting

(a) Hedge of Interest Rate Risk

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

(b) Hedge of Foreign Exchange Rate Risk

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

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

(c) Internal Derivative Transactions

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

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

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

a. Depreciation

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

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

Buildings: 15 years to 50 years

Others: 5 years to 15 years

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

b. Land Revaluation

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

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

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

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

The costs of software developed or obtained for internal use are capitalized and amortized over an estimated useful life of 5 years.

(6) Lease Assets

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

(7) Debentures

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

(8) Foreign Currency Translation

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

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

(9) Reserve for Possible Loan Losses

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

a. Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposals of collateral or the execution of guarantees.

   With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥14,994 million ($146 million) and ¥30,840 million for the fiscal years ended March 31, 2014 and 2013, respectively.

b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt ("doubtful debtors"), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

c. Reserve for loans to debtors with restructured loans (see Note 5) is provided based on the Discounted Cash Flow method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the Discounted Cash Flow method, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

d. Reserve for loans other than those indicated above, is provided primarily at the amount calculated using the default rates which the Bank has calculated based on actual defaults experienced in the past.

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

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

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

(10) Reserve for Possible Investment Losses

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

(11) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated cost of payment of employees' bonuses attributable to the period.

(12) Reserve for Directors' Retirement Benefits

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

(13) Accounting Method for Retirement Benefits

Net Defined Benefit Liability and Net Defined Benefit Asset have been recorded mainly at the amount calculated based on the retirement benefit obligation and the fair value of the pension assets as of balance sheet date.

In calculating retirement benefit obligations, the straight-line method is used for attributing expected retirement benefits to the period up to the end of this fiscal year.

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

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

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby the retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

(14) Consumption Taxes

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

(15) Scope of "Cash and Cash Equivalents" in the Consolidated Statement of Cash Flows

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

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

(16) Net Income per Share

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

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

(Changes in accounting policies)

The Bank has applied "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, May 17, 2012, hereinafter, the "Accounting Standard for Retirement Benefits") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012, hereinafter, the "Guidance on Retirement Benefits"), (except for the provisions set forth in Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Retirement Benefits) effective from the end of the fiscal year ended March 31, 2014. The difference between retirement benefit obligations and plan assets was recorded as Net Defined Benefit Asset or Net Defined Benefit Liability.

The Accounting Standard for Retirement Benefits and the Guidance on Retirement Benefits were applied in accordance with the transitional measures provided by Paragraph 37 of the Accounting Standard for Retirement Benefits. Unrecognized actuarial differences and unrecognized prior service cost after tax effect adjustments, respectively, were recorded as Remeasurements of Defined Benefit Plans in Total Accumulated Other Comprehensive Income at the end of the fiscal year.

As a result, Net Defined Benefit Asset was ¥15,171 million ($147 million) and Net Defined Benefit Liability was ¥14,589 million ($142 million) at the end of the fiscal year. In addition, Deferred Tax Liability increased by ¥3,428 million ($33 million) and Total Accumulated Other Comprehensive Income increased by ¥8,867 million ($86 million).

3. Trading Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Trading Securities	**¥ 6,082**	¥25,821	**$ 59**
Derivatives of Trading Securities	**—**	7	**—**
Derivatives of Securities Related to Trading Transactions	**—**	20	**—**
Trading-related Financial Derivatives	**7,973**	10,752	**78**
Total	**¥14,055**	¥36,602	**$137**

4. Securities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Japanese Government Bonds	**¥14,069,731**	¥13,562,941	**$136,732**
Municipal Government Bonds	**2,143**	2,039	**21**
Corporate Bonds	**34,908**	76,229	**339**
Stocks	**646,833**	587,925	**6,286**
Other	**38,129,639**	35,816,659	**370,551**
Foreign Bonds	**28,158,257**	24,775,862	**273,647**
Foreign Stocks	**63,663**	49,810	**619**
Investment Trusts	**9,298,891**	10,450,778	**90,368**
Other	**608,827**	540,208	**5,917**
Total	**¥52,883,256**	¥50,045,795	**$513,929**

The maturity profile of securities is as follows:

	Millions of Yen				
As of March 31, 2014	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	**¥1,181,219**	**¥ 3,984,232**	**¥ 8,388,652**	**¥ 552,679**	**¥ —**
Japanese Government Bonds	**1,171,428**	**3,971,377**	**8,381,497**	**545,428**	**—**
Municipal Government Bonds	**341**	**958**	**818**	**23**	**—**
Corporate Bonds	**9,449**	**11,895**	**6,336**	**7,227**	**—**
Stocks	**—**	**—**	**—**	**—**	**646,833**
Other	**2,841,480**	**16,507,552**	**7,606,052**	**2,710,119**	**8,464,434**
Foreign Bonds	**2,743,337**	**16,197,087**	**7,413,199**	**1,804,633**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**63,663**
Investment Trusts	**25,422**	**60,276**	**11,391**	**880,681**	**8,321,120**
Other	**72,720**	**250,188**	**181,461**	**24,804**	**79,651**
Total	**¥4,022,700**	**¥20,491,784**	**¥15,994,705**	**¥3,262,798**	**¥9,111,267**

	Millions of Yen				
As of March 31, 2013	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥ 910,866	¥ 1,876,364	¥10,111,935	¥ 742,044	¥ —
Japanese Government Bonds	867,238	1,855,031	10,107,571	733,100	—
Municipal Government Bonds	59	1,165	784	29	—
Corporate Bonds	43,568	20,166	3,579	8,914	—
Stocks	—	—	—	—	587,925
Other	3,965,420	12,103,546	7,789,617	2,225,605	9,732,469
Foreign Bonds	3,878,364	11,810,138	7,613,213	1,474,145	—
Foreign Stocks	—	—	—	—	49,810
Investment Trusts	25,409	50,491	1,273	731,339	9,642,265
Other	61,647	242,916	175,129	20,121	40,393
Total	¥4,876,287	¥13,979,910	¥17,901,553	¥2,967,650	¥10,320,394

	Millions of U.S. Dollars				
As of March 31, 2014	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	**$11,479**	**$ 38,720**	**$ 81,522**	**$5,371**	**$ —**
Japanese Government Bonds	**11,384**	**38,594**	**81,453**	**5,301**	**—**
Municipal Government Bonds	**3**	**10**	**8**	**0**	**—**
Corporate Bonds	**92**	**116**	**61**	**70**	**—**
Stocks	**—**	**—**	**—**	**—**	**6,286**
Other	**27,614**	**160,423**	**73,917**	**26,337**	**82,259**
Foreign Bonds	**26,660**	**157,406**	**72,043**	**17,538**	**—**
Foreign Stocks	**—**	**—**	**—**	**—**	**619**
Investment Trusts	**247**	**586**	**111**	**8,558**	**80,866**
Other	**707**	**2,431**	**1,763**	**241**	**774**
Total	**$39,093**	**$199,143**	**$155,439**	**$31,708**	**$88,545**

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

5. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Loans on Deeds	**¥15,766,595**	¥14,677,599	**$153,223**
Loans on Bills	**285,793**	240,721	**2,777**
Overdrafts	**1,338,333**	1,300,864	**13,006**
Bills Discounted	**4,601**	5,410	**45**
Total	**¥17,395,323**	¥16,224,595	**$169,051**

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Loans to Borrowers under Bankruptcy Proceedings	**¥ 742**	¥ 799	**$ 7**
Delinquent Loans	**159,850**	166,237	**1,554**
Loans Past Due for Three Months or More	**40**	172	**0**
Restructured Loans	**39,919**	61,211	**388**
Total	**¥200,553**	¥228,420	**$1,949**

(1) Loans to borrowers under bankruptcy proceedings are loans (excluding the parts written-off for possible loan losses) stipulated in Article 96-1-3, 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97, 1965) on which interest is placed on an no-accrual status (hereinafter referred to as "Non-accrual Loans") since the loan principals and/or their pertaining interests are determined to be uncollectible considering the period of time past due and other reasons.
(2) Delinquent loans are also non-accrual loans other than loans to borrowers under bankruptcy proceedings or loans whereby payments of interests are deferred in order to support the borrowers' rehabilitation.
(3) Loans past due for three months or more are loans whose principal or interest is past-due for three months or more, other than loans to borrowers under bankruptcy proceedings and delinquent loans.
(4) Restructured loans are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferral of payments of interest or principal, waiving principal repayments, etc., in order to support the borrowers' rehabilitation and facilitate the collection of the loan.

6. Foreign Exchange Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Due from Foreign Banks	**¥134,353**	¥268,750	**$1,306**
Total	**¥134,353**	¥268,750	**$1,306**

7. Other Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Prepaid Expenses	**¥ 698**	¥ 659	**$ 7**
Accrued Income	**183,136**	157,405	**1,780**
Derivatives other than for Trading	**94,795**	106,871	**921**
Cash Collateral Paid for Financial Instruments	**158,793**	778,131	**1,543**
Other	**61,466**	208,666	**597**
Total	**¥498,890**	¥1,251,733	**$4,848**

8. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Buildings	**¥ 40,652**	¥ 35,275	**$ 395**
Land	**51,498**	52,899	**500**
Lease Assets	**10,915**	12,903	**106**
Construction in Progress	**754**	1,958	**7**
Other	**6,537**	6,504	**64**
Total Net Book Value	**110,358**	109,541	**1,072**
Accumulated Depreciation Deducted	**¥103,081**	¥107,797	**$1,002**

Intangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Software	**¥20,163**	¥27,628	**$196**
Lease Assets	**1,967**	2,495	**19**
Other	**2,995**	3,299	**29**
Total	**¥25,126**	¥33,424	**$244**

9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Securities	**¥15,437,441**	¥14,067,246	**$150,024**
Loans and Bills Discounted	**9,523,941**	8,596,567	**92,555**

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Call Money and Bills Sold	**¥ 475,000**	¥ 425,000	**$ 4,616**
Payables under Repurchase Agreements	**12,582,675**	12,349,745	**122,281**
Payables under Securities Lending Transactions	**53,582**	4,567	**521**
Borrowed Money	**691,058**	229,923	**6,716**

In addition, as of March 31, 2014 and 2013, Securities (including transactions of Money Held in Trust) of ¥6,936,194 million ($67,407 million) and ¥8,249,498 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2014 and 2013, initial margins of futures markets of ¥894 million ($9 million) and ¥2,075 million, respectively, cash collateral paid for financial instruments of ¥158,793 million ($1,543 million) and ¥778,131 million, respectively, and guarantee deposits of ¥14,515 million ($141 million) and ¥9,231 million, respectively, were included in Other Assets.

10. Deposits

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Time Deposits	**¥43,553,676**	¥39,866,477	**$423,262**
Deposits at Notice	**72,543**	88,937	**705**
Ordinary Deposits	**1,123,655**	1,025,390	**10,920**
Current Deposits	**80,186**	74,493	**779**
Other Deposits	**4,887,186**	6,387,549	**47,495**
Total	**¥49,717,247**	¥47,442,849	**$483,161**

11. Debentures

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
One-year Discount Debentures	**¥ —**	¥ —	**$ —**
Long-term Coupon Debentures	**4,025,067**	4,606,940	**39,116**
Total	**¥4,025,067**	¥4,606,940	**$39,116**

12. Bonds

Bonds were subordinated bonds of ¥50,000 million ($486 million) and ¥50,000 million as of March 31, 2014 and 2013, respectively.

13. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Derivatives of Trading Securities	**¥ —**	¥ 31	**$ —**
Derivatives of Securities Related to Trading Transactions	**—**	32	**—**
Trading-related Financial Derivatives	**6,994**	10,075	**68**
Total	**¥6,994**	¥10,139	**$ 68**

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million ($14,441 million) and ¥1,486,007 million as of March 31, 2014 and 2013, respectively.

15. Foreign Exchange Liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Foreign Bills Payable	**¥4**	¥78	**$0**
Total	**¥4**	¥78	**$0**

16. Other Liabilities

As of March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Accrued Expenses	**¥ 47,056**	¥ 50,041	**$ 457**
Income Taxes Payable	**1,617**	952	**16**
Unearned Income	**901**	1,037	**9**
Derivatives other than for Trading	**320,896**	705,609	**3,119**
Accounts Payable for Securities Purchased	**327,669**	434,098	**3,184**
Other	**77,841**	95,127	**756**
Total	**¥775,982**	¥1,286,866	**$7,541**

17. Retirement Benefit Plans

Fiscal year ended March 31, 2014

(1) Outline of the adopted Retirement Benefit Plans

The Bank has a point based plan on which points are granted according to years of employees' service etc. The Bank has a defined benefit pension plan (funded) and, in addition, has a lump-sum payment pension plan (originally unfunded, but establishing a retirement benefit trust makes this plan funded). On the defined benefit pension plan, a lump-sum payment or pension is granted based on employees' salary and length of service. On the lump-sum payment pension plan, a lump-sum payment is granted based on employees' salary and length of service. Additional retirement benefits are paid to employees in certain cases.

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

(2) Defined Benefit Plan

a. The changes in the retirement benefit obligations during the year ended March 31, 2014, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen 2014	Millions of U.S. Dollars 2014
Retirement Benefit Obligations as of April 1, 2013	**¥102,864**	**$1,000**
Service Cost	**2,968**	**29**
Interest Cost	**1,234**	**12**
Actuarial Differences	**(471)**	**(5)**
Retirement Benefit Paid	**(3,290)**	**(32)**
Prior Service Cost	**—**	**—**
Retirement Benefit Obligations as of March 31, 2014	**¥103,305**	**$1,004**

b. The changes in plan assets during the year ended March 31, 2014, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen 2014	Millions of U.S. Dollars 2014
Plan Assets as of April 1, 2013	**¥ 83,714**	**$ 813**
Expected Return on Plan Assets	**1,517**	**15**
Actuarial Differences	**19,152**	**186**
Contributions by the Bank	**2,612**	**25**
Retirement Benefit Paid	**(1,790)**	**(17)**
Plan Assets as of March 31, 2014	**¥105,206**	**$1,022**

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method during the year ended March 31, 2014 are as follows:

	Millions of Yen	Millions of U.S. Dollars
	2014	**2014**
Net Defined Benefit Liability as of April 1, 2013	**¥1,330**	**$13**
Retirement Benefit Expense	**451**	**4**
Retirement Benefit Paid	**(197)**	**(2)**
Contributions to the Plans	**(266)**	**(2)**
Net Defined Benefit Liability as of March 31, 2014	**¥1,318**	**$13**

d. The following table sets forth the funded status of the plans and the amounts recognized in the Consolidated Balance Sheet as of March 31, 2014 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen	Millions of U.S. Dollars
As of March 31	**2014**	**2014**
Funded Retirement Benefit Obligations	**¥ 105,964**	**$ 1,030**
Plan Assets at Fair Value	**(106,985)**	**(1,039)**
	(1,020)	**(9)**
Unfunded Retirement Benefit Obligations	**437**	**4**
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	**(582)**	**(5)**
Net Defined Benefit Liability	**14,589**	**142**
Net Defined Benefit Asset	**15,171**	**147**
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	**¥ (582)**	**$ (5)**

Note: The above table includes the plans accounted for by the simplified method.

e. The components of retirement benefit expense are as follows:

	Millions of Yen	Millions of U.S. Dollars
For the fiscal year ended March 31	**2014**	**2014**
Service Cost	**¥ 2,968**	**$ 29**
Interest Cost	**1,234**	**12**
Expected Return on Plan Assets	**(1,517)**	**(15)**
Amortization of Actuarial Differences	**1,659**	**16**
Amortization of Prior Service Cost	**159**	**2**
Retirement Benefit Expense by the Simplified Method	**451**	**4**
Other	**609**	**6**
Retirement Benefit Expense on Defined Benefit Plan	**¥ 5,565**	**$ 54**

f. Remeasurements of Defined Benefit Plans

The components of Remeasurements of Defined Benefit Plans (before tax effect) are as follows:

	Millions of Yen	Millions of U.S. Dollars
For the fiscal year ended March 31	**2014**	**2014**
Unrecognized Prior Service Cost	**¥ (849)**	**$ (8)**
Unrecognized Actuarial Differences	**13,226**	**128**
Total	**¥12,377**	**$120**

g. Particulars of Plan Assets

(a) The fair value of Plan Assets, by major category, as a percentage of total Plan Assets are as follows:

As of March 31	2014
Bonds	**17%**
Stocks	**69%**
Insurance Assets (General Account)	**12%**
Other	**2%**
Total	**100%**

(b) Method for estimating the expected rates of return on Plan Assets

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

h. The assumptions used in accounting for the above plan

The major assumptions used in accounting for the above plan are as follows:

As of or for the fiscal years ended March 31	2014
Discount Rate	**1.2%**
Expected Rates of Return on Plan Assets	**0 – 3.0%**

Fiscal year ended March 31, 2013

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

The reserve for retirement benefits as of March 31, 2013 is as follows:

	Millions of Yen
As of March 31	2013
Projected Benefit Obligations	¥(104,880)
Plan Assets	84,399
Unfunded Retirement Benefit Obligations	(20,480)
Unrecognized Actuarial Differences	8,056
Unrecognized Prior Service Cost	1,009
Net Amounts Reported in the Consolidated Balance Sheets	(11,414)
Prepaid Pension Cost	—
Reserve for Employees' Retirement Benefits	¥ (11,414)

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

Assumptions used in the above calculation are as follows:

As of or for the fiscal years ended March 31	2013
Discount Rate	1.2%
Expected Rate of Return on Plan Assets	3.0%
Method of Attributing the Projected Benefits to Periods of Service	Straight-line Basis
Amortization of Unrecognized Actuarial Differences	10 years
Amortization of Unrecognized Prior Service Cost	10 years

18. Accounting for Income Taxes

Components of deferred tax assets and liabilities are as follows:

As of March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Deferred Tax Assets:			
Reserve for Possible Loan Losses	**¥ 35,457**	¥ 34,933	**$ 345**
Write-off of Loans	**1,693**	1,935	**16**
Losses on Revaluation of Securities	**59,023**	72,532	**574**
Reserve for Employees' Retirement Benefits	**—**	10,642	**—**
Net Defined Benefit Liability	**10,954**	—	**106**
Depreciation Expense	**488**	384	**5**
Net Operating Losses Carried Forward	**5,117**	26,532	**50**
Unrealized Losses on Other Securities	**14**	16	**0**
Deferred Losses on Hedging Instruments	**28,748**	48,581	**279**
Unrealized Losses on Reclassification	**20,115**	25,987	**196**
Other	**70,556**	66,452	**686**
Subtotal	**232,169**	288,000	**2,257**
Valuation Allowance	**(129,222)**	(136,087)	**(1,256)**
Total Deferred Tax Assets	**102,946**	151,912	**1,001**
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	**(8,387)**	(4,959)	**(82)**
Unrealized Gains on Other Securities	**(474,693)**	(458,417)	**(4,613)**
Deferred Gains on Hedging Instruments	**(11,350)**	(8,115)	**(110)**
Unrealized Gains on Reclassification	**(34,961)**	(40,744)	**(340)**
Other	**(38,782)**	(32,852)	**(377)**
Total Deferred Tax Liabilities	**(568,175)**	(545,088)	**(5,522)**
Net Deferred Tax Liabilities	**¥(465,228)**	¥(393,176)	**$(4,521)**

19. Acceptances and Guarantees

As of March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Letters of Credit	**¥ —**	¥ 106	**$ —**
Guarantees	**806,697**	688,293	**7,840**
Total	**¥806,697**	¥688,399	**$7,840**

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

20. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥2,617,333 million ($25,436 million) and ¥2,648,354 million as of March 31, 2014 and 2013, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥1,808,799 million ($17,578 million) and ¥1,829,389 million as of March 31, 2014 and 2013, respectively.

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

21. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥244,511 million ($2,376 million) and ¥136,070 million as of March 31, 2014 and 2013, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged of ¥79,007 million ($768 million) and ¥1,560 million as of March 31, 2014 and 2013, respectively, and securities held without re-pledge of ¥777,765 million ($7,558 million) and ¥825,839 million as of March 31, 2014 and 2013, respectively. No such securities are re-loaned to the third parties.

22. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Common Stock	**¥3,400,909**	¥3,400,909	**$33,051**
Preferred Stock	**24,999**	24,999	**243**
Total	**¥3,425,909**	¥3,425,909	**$33,294**

The Common Stock account includes lower dividend rate stock with a total par value of ¥2,975,192 million ($28,913 million) and ¥2,975,192 million as of March 31, 2014 and 2013, respectively.

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

23. Trading Income

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2014**	2013	**2014**
Income from Trading Securities and Derivatives	**¥ —**	¥416	**$ —**
Income from Trading-related Financial Derivatives	**147**	69	**1**
Total	**¥147**	¥485	**$ 1**

24. Other Operating Income

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2014**	2013	**2014**
Gains on Sales of Bonds	**¥ 53,344**	¥ 54,002	**$ 518**
Gains on Redemption of Bonds	**10,719**	16,365	**104**
Other	**45,943**	45,292	**447**
Total	**¥110,007**	¥115,659	**$1,069**

25. Other Income

Fiscal years ended March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Gains on Sales of Stocks and Other Securities	**¥ 2,612**	¥ 11,126	**$ 25**
Gains on Money Held in Trust	**131,221**	191,264	**1,275**
Equity in Earnings of Affiliates	**8,602**	6,727	**84**
Gains on Disposals of Fixed Assets	**—**	2,065	**—**
Recoveries of Written-off Claims	**784**	1,086	**8**
Reversal of Reserve for Possible Loan Losses	**875**	—	**9**
Gains on Negative Goodwill Incurred	**—**	19	**—**
Other	**7,212**	8,217	**70**
Total	**¥151,308**	¥220,506	**$1,471**

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Expenses on Trading Securities and Derivatives	**¥322**	¥ —	**$3**
Expenses on Securities and Derivatives Related to Trading Transactions	**33**	224	**0**
Total	**¥355**	¥224	**$3**

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Amortization of Debenture Issuance Costs	**¥ 371**	¥ 442	**$ 4**
Losses on Foreign Exchange Transactions	**6,159**	12,745	**60**
Losses on Sales of Bonds	**92,534**	73,316	**899**
Losses on Redemption of Bonds	**0**	107	**0**
Losses on Revaluation of Bonds	**8**	872	**0**
Losses on Derivatives other than for Trading or Hedging	**8,609**	5,381	**84**
Other	**39,443**	39,970	**383**
Total	**¥147,128**	¥132,835	**$1,430**

28. Other Expenses

Fiscal years ended March 31	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Write-off of Loans	**¥ 25**	¥ 9,112	**$ 0**
Provision of Reserve for Possible Loan Losses	**—**	3,240	**—**
Losses on Sales of Stocks and Other Securities	**5,770**	4,293	**56**
Losses on Revaluation of Stocks and Other Securities	**710**	1,280	**7**
Losses on Money Held in Trust	**5,379**	1,386	**52**
Losses on Disposals of Fixed Assets	**673**	1,362	**7**
Other	**31,084**	13,033	**302**
Total	**¥43,644**	¥33,710	**$424**

29. Other Comprehensive Income

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

	Millions of Yen		Millions of U.S. Dollars
Fiscal years ended March 31	**2014**	2013	**2014**
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	**¥(24,998)**	¥1,212,074	**$(243)**
Reclassification adjustments to profit or loss	**76,070**	24,735	**739**
Amounts before income tax effects	**51,072**	1,236,809	**496**
Income tax effects	**(16,512)**	(342,761)	**(160)**
Total	**34,560**	894,047	**336**
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	**(38,444)**	(199,680)	**(374)**
Reclassification adjustments to profit or loss	**121,720**	109,945	**1,183**
Amounts before income tax effects	**83,275**	(89,735)	**809**
Income tax effects	**(23,067)**	24,875	**(224)**
Total	**60,208**	(64,859)	**585**
Revaluation Reserve for Land:			
Gains (Losses) arising during the fiscal year	**—**	—	**—**
Reclassification adjustments to profit or loss	**—**	—	**—**
Amounts before income tax effects	**—**	—	**—**
Income tax effects	**0**	—	**0**
Total	**0**	—	**0**
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	**14**	20	**0**
Reclassification Adjustments to profit or loss	**—**	—	**—**
Amounts before income tax effects	**14**	20	**0**
Income tax effects	**—**	—	**—**
Total	**14**	20	**0**
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	**77**	269	**1**
Reclassification Adjustments to profit or loss	**232**	19	**2**
Total	**309**	288	**3**
Total Other Comprehensive Income	**¥ 95,093**	¥ 829,496	**$ 924**

30. Cash Flows

(1) The reconciliation of Cash and Due from Banks in the consolidated balance sheet to “Cash and Cash Equivalents” at the end of the fiscal year is as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Cash and Due from Banks	**¥ 5,981,536**	¥4,419,087	**$ 58,130**
Less: Interest-bearing Due from Banks	**(1,313,933)**	(1,284,155)	**(12,769)**
Cash and Cash Equivalents at the End of the Fiscal Year	**¥ 4,667,602**	¥3,134,931	**$ 45,361**

(2)The major assets and liabilities increased due to the business transfer

The major assets and liabilities which increased due to the business transfer from Chiba Prefectural Credit Federations of Agricultural Cooperatives for the fiscal years ended March 31, 2014 were Loans and Bills Discounted of ¥22,447 million ($218 million) and Deposits of ¥1,404,307 million ($13,647 million), respectively.

31. Segment Information

Fiscal year ended March 31, 2014

(1) Segment Information

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

(2) Related Information

a. Information about Services

	Millions of Yen			
Fiscal year ended March 31, 2014	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	**¥71,827**	**¥922,329**	**¥92,826**	**¥1,086,983**

	Millions of U.S. Dollars			
Fiscal year ended March 31, 2014	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from Third-parties	**$698**	**$8,963**	**$902**	**$10,563**

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

b. Information about Geographic Areas

(a) Ordinary Income

	Millions of Yen				
Fiscal year ended March 31, 2014	Japan	Americas	Europe	Others	Total
	¥1,059,105	**¥6,488**	**¥7,955**	**¥13,434**	**¥1,086,983**

	Millions of U.S. Dollars				
Fiscal year ended March 31, 2014	Japan	Americas	Europe	Others	Total
	$10,293	**$63**	**$77**	**$130**	**$10,563**

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

(b) Tangible Fixed Assets

	Millions of Yen				
As of March 31, 2014	Japan	Americas	Europe	Others	Total
	¥109,492	**¥299**	**¥210**	**¥356**	**¥110,358**

	Millions of U.S. Dollars				
As of March 31, 2014	Japan	Americas	Europe	Others	Total
	$1,064	**$3**	**$2**	**$3**	**$1,072**

c. Information about Major Customers

		Millions of Yen	
Fiscal year ended March 31, 2014	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	**¥130,643**	—

		Millions of U.S. Dollars	
Fiscal year ended March 31, 2014	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	**$1,270**	—

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

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

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

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

None

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

None

Fiscal year ended March 31, 2013

(1) Segment Information

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

(2) Related Information

a. Information about Services

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

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

b. Information about Geographic Areas

(a) Ordinary Income

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

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

(b) Tangible Fixed Assets

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

c. Information about Major Customers

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

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

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

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

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

None

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

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

32. Financial Instruments

(1) Particulars of Financial Instruments

a. Policy on Financial Instruments

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

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

b. Contents and Risk of Financial Instruments

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

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

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

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

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

c. Risk Management for Financial Instruments

(a) Integrated Risk Management

The Bank, under its "Basic Policies for Risk Management," focuses on comprehensive risk management, where risks it faces in conducting business are identified and managed taking into account their respective natures, and its overall risk measured using quantitative methods is managed in comparison with its capital, the Bank's financial strength. To implement integrated risk management, the Bank has established the Integrated Risk Management Committee. The Committee also ensures that the total amount of risk undertaken is kept within the Bank's financial strength. The Bank has also established a number of committees which are categorized according to the type of risk they handle, e.g. the Market Portfolio Management Committee (market risk, liquidity risk), the Credit Portfolio

Management Committee (credit risk), and other, to enable the top management to discuss risk management policies, including planned risk-taking. The framework also requires the integrated risk management situation to be regularly reported to the Board of Directors.

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

(b) Credit Risk Management

The Bank has established its "Policies and Procedures for Credit Risk Management" and other rules for credit risk, and manages to align the credit risk management framework with the Bank's internal rating, credit risk analysis, credit ceiling, credit management and others. Specifically, as for the credit risk assets, which consist of loans and various products for the item, area and business, the Bank comprehensively manages credit risk on an entire credit portfolio basis as well as individual credit basis for whole credit risk assets.

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

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

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

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

(c) Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and align its market risk management framework with other relevant frameworks, policies and procedures.

Specifically, through the investment execution process, the Bank ensures the segregation of duties among divisions in charge for decisions (planning) on allocation policy, execution of individual transactions, and monitoring of risk positions. The Market Portfolio Management Committee sets market portfolio allocation policy, the front sections execute the transactions in accordance with the allocation policy, and the middle sections conduct monitoring.

The risk balance of the market portfolio is managed by analyzing and understanding market portfolio conditions based on the degree of market risk measured by the middle sections, including the amount of aggregate risk, risk indicators such as Value at Risk (VaR) and Basis Point Value, and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook for economic and financial conditions supported by research into macro-economic factors and the financial markets, simulations of earnings, unrealized gains and losses of the portfolio and the capital adequacy ratio. In principle, market risk measurements cover all financial assets and liabilities in the Bank's portfolio and make use of the Internal Model for the calculation of VaR.

From a risk management perspective, the front sections executing trades for the trading accounts are explicitly separated from the front sections executing trades for the banking accounts. Targets for profits, and position and loss limits are revised semi-annually. Progress in achieving profit targets within approved limits is monitored on a daily basis. When positions or losses exceed approved limits, the middle sections alert the front sections to take appropriate action, which includes preparing corrective measures, reducing trading volumes, or suspending trading altogether.

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2014 and 2013 summed up to ¥8 million ($0 million) and ¥39 million respectively in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,125,508 million ($20,656 million) and ¥2,326,126 as of March 31, 2014 and 2013, respectively, under the historical simulation method with holding period of 1 year, a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid- to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured by using the historical simulation method VaR as mentioned above.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back-testing for the fiscal years ended March 31, 2014 and 2013 actual results, the Bank had only one exception for each fiscal year where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions. The Bank measures losses under various scenarios (stress test) to complement the said limits and weakness of the model.

(d) Liquidity Risk Management

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

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

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

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

"Consolidated Balance Sheet Amount," "Fair Value" and "Difference" as of March 31, 2014 and 2013 are as follows:

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

	Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2014	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	**¥ 5,981,536**	**¥ 5,981,536**	**¥ —**	**$ 58,130**	**$ 58,130**	**$ —**
(2) Call Loans and Bills Bought	**619,386**	**619,386**	**—**	**6,019**	**6,019**	**—**
(3) Monetary Claims Bought	**174,256**	**174,380**	**124**	**1,693**	**1,694**	**1**
(4) Trading Assets (*2)						
Trading Securities	**6,082**	**6,082**	**—**	**59**	**59**	**—**
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	**7,063**	**7,063**	**—**	**69**	**69**	**—**
Other Money Held in Trust	**4,642,669**	**4,653,058**	**10,388**	**45,118**	**45,219**	**101**
(6) Securities						
Held-to-Maturity Debt Securities	**18,085,098**	**18,387,283**	**302,185**	**175,754**	**178,691**	**2,937**
Other Securities	**34,256,380**	**34,256,380**	**—**	**332,909**	**332,909**	**—**
(7) Loans and Bills Discounted	**17,395,323**			**169,051**		
Reserve for Possible Loan Losses (*1)	**(164,986)**			**(1,603)**		
	17,230,337	**17,281,422**	**51,085**	**167,448**	**167,944**	**496**
Total Assets	**¥81,002,810**	**¥81,366,594**	**¥363,784**	**$787,199**	**$790,734**	**$3,535**
(1) Deposits	**¥49,717,247**	**¥49,717,455**	**¥ 207**	**$483,161**	**$483,163**	**$ 2**
(2) Negotiable Certificates of Deposit	**2,848,086**	**2,848,086**	**—**	**27,678**	**27,678**	**—**
(3) Debentures	**4,025,067**	**4,043,940**	**18,872**	**39,116**	**39,300**	**184**
(4) Call Money and Bills Sold	**492,493**	**492,493**	**—**	**4,786**	**4,786**	**—**
(5) Payables under Repurchase Agreements	**12,582,675**	**12,582,675**	**—**	**122,281**	**122,281**	**—**
(6) Borrowed Money	**2,278,623**	**2,278,623**	**—**	**22,144**	**22,144**	**—**
(7) Short-term Entrusted Funds	**2,950,795**	**2,950,795**	**—**	**28,676**	**28,676**	**—**
Total Liabilities	**¥74,894,988**	**¥74,914,068**	**¥ 19,079**	**$727,842**	**$728,028**	**$ 186**
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge Transactions	**¥ 3,098**	**¥ 3,098**	**¥ —**	**$30**	**30**	**$ —**
Transactions Accounted for as Hedge Transactions	**(229,207)**	**(229,207)**	**—**	**(2,227)**	**(2,227)**	**—**
Total Derivative Instruments	**¥ (226,109)**	**¥ (226,109)**	**¥ —**	**$ (2,197)**	**$ (2,197)**	**$ —**

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

As of March 31, 2013	Millions of Yen Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 4,419,087	¥ 4,419,087	¥ —
(2) Call Loans and Bills Bought	1,527,128	1,527,128	—
(3) Monetary Claims Bought (*1)	178,228	178,299	71
(4) Trading Assets (*2)			
Trading Securities	25,821	25,821	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	27,217	27,217	—
Other Money Held in Trust	6,863,763	6,874,350	10,586
(6) Securities			
Held-to-Maturity Debt Securities	17,561,519	17,905,289	343,770
Other Securities	31,980,621	31,980,621	—
(7) Loans and Bills Discounted	16,224,595		
Reserve for Possible Loan Losses (*1)	(167,706)		
	16,056,888	16,107,868	50,979
Total Assets	¥78,640,276	¥79,045,683	¥405,407
(1) Deposits	¥47,442,849	¥47,442,902	¥ 53
(2) Negotiable Certificates of Deposit	2,397,290	2,397,290	—
(3) Debentures	4,606,940	4,645,856	38,915
(4) Call Money and Bills Sold	452,214	452,214	—
(5) Payables under Repurchase Agreements	12,349,745	12,349,745	—
(6) Borrowed Money	1,779,106	1,779,106	—
(7) Short-term Entrusted Funds	4,235,124	4,235,124	—
Total Liabilities	¥73,263,272	¥73,302,240	¥ 38,968
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge Transactions	¥ 176	¥ 176	¥ —
Transactions Accounted for as Hedge Transactions	(599,256)	(599,256)	—
Total Derivative Instruments	¥ (599,080)	¥ (599,080)	¥ —

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

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

Assets

(1) Cash and Due from Banks

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

(2) Call Loans and Bills Bought

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

(3) Monetary Claims Bought

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

(4) Trading Assets

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

(5) Money Held in Trust

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

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in section 34. Fair Value of Money Held in Trust.

(6) Securities

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

As for corporate bonds issued through private offerings, the fair value is based on reasonably estimated amounts which are calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates and other variables. The estimates for the valuations of some securitized products are calculated according to the prices calculated by the Discounted Cash Flow method, using variables such as default rates, recovery rates, pre-payment rates, discount rates and other variables, or the quoted prices provided by brokers or venders, or both.

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

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

Relevant notes about the fair value of securities of each classification are described in section 33. Fair Value of Securities.

(7) Loans and Bills Discounted

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

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

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

Liabilities

(1) Deposits

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

(2) Negotiable Certificates of Deposit

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

(3) Debentures

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

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

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

(6) Borrowed Money

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

Derivative Instruments

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

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

Relevant notes regarding the fair value of derivative instruments are described in section 35. Fair Value of Derivative Instruments.

(Note 2) The following table lists Consolidated Balance Sheet Amount of financial instruments, the fair value of which is extremely difficult to determine:

"Assets (6) Other Securities" in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes these financial instruments.

As of March 31, 2014	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	**¥263,140**	**$2,557**
Investments in Partnership and Others (*3)	**278,636**	**2,708**
Total	**¥541,776**	**$5,265**

(*) 1. Unlisted Stocks and Others are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items," since there are no market prices and their fair value is extremely difficult to determine.
2. The amount of revaluation losses for the fiscal year ended March 31, 2014 was ¥710 million ($7 million) on Unlisted Stocks and Others.
3. Out of Investments in Partnership and Others, certain "Partnership" or "Limited Partnership" whose fair value is extremely difficult to determine are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items."

As of March 31, 2013	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥233,374
Bonds (*2)	8,292
Investments in Partnership and Others (*3)	261,986
Total	¥503,654

(*) 1. Unlisted Stocks and Others are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items," since there are no market prices and their fair value is extremely difficult to determine.
2. The amount of revaluation losses for the fiscal year ended March 31, 2013 was ¥132 million on Unlisted Stocks and Others and ¥872 million on Bonds.
3. Out of Investments in Partnership and Others, certain "Partnership" or "Limited Partnership" whose fair value is extremely difficult to determine are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items."

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

	Millions of Yen					
As of March 31, 2014	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Due from Banks (*1)	**¥ 5,880,865**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Call Loans and Bills Bought	**619,386**	**—**	**—**	**—**	**—**	**—**
Monetary Claims Bought	**719**	**8,783**	**—**	**2,011**	**10,300**	**152,604**
Securities						
Held-to-Maturity Debt Securities	**1,847,199**	**2,642,789**	**5,918,636**	**3,735,856**	**3,018,734**	**930,936**
Other Securities held that have Maturity	**2,176,511**	**2,896,820**	**8,705,278**	**6,775,571**	**1,998,972**	**1,988,997**
Loans and Bills Discounted (*2)	**13,702,026**	**1,731,816**	**1,044,291**	**432,233**	**229,014**	**93,981**
Total	**¥24,226,708**	**¥7,280,209**	**¥15,668,206**	**¥10,945,673**	**¥5,257,021**	**¥3,166,520**

	Millions of U.S. Dollars					
As of March 31, 2014	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Due from Banks (*1)	**$ 57,151**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Call Loans and Bills Bought	**6,019**	**—**	**—**	**—**	**—**	**—**
Monetary Claims Bought	**7**	**85**	**—**	**20**	**100**	**1,483**
Securities						
Held-to-Maturity Debt Securities	**17,951**	**25,683**	**57,518**	**36,306**	**29,337**	**9,047**
Other Securities held that have Maturity	**21,152**	**28,152**	**84,599**	**65,846**	**19,426**	**19,330**
Loans and Bills Discounted (*2)	**133,159**	**16,830**	**10,149**	**4,200**	**2,226**	**913**
Total	**$235,439**	**$70,750**	**$152,266**	**$106,372**	**$51,089**	**$30,773**

(*) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."
2. Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥161,958 million ($1,574 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

	Millions of Yen					
As of March 31, 2013	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Due from Banks (*1)	¥ 4,310,632	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	1,527,128	—	—	—	—	—
Monetary Claims Bought	1,569	7,124	8,783	—	3,648	159,364
Securities						
Held-to-Maturity Debt Securities	1,096,118	3,266,995	4,365,132	2,877,376	5,431,451	543,787
Other Securities held that have Maturity	3,768,692	2,723,035	3,439,974	3,185,138	5,774,515	1,990,910
Loans and Bills Discounted (*2)	12,921,383	1,678,007	812,087	340,108	212,873	92,401
Total	¥23,625,524	¥7,675,162	¥8,625,977	¥6,402,622	¥11,422,488	¥2,786,463

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

(Note 4) The redemption schedule of Borrowed Money and other interest-bearing liabilities after the consolidated balance sheet date is as follows:

	Millions of Yen					
As of March 31, 2014	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	**¥49,703,573**	**¥ 5,904**	**¥ 7,770**	**¥ —**	**¥ —**	**¥ —**
Negotiable Certificates of Deposit	**2,848,086**	**—**	**—**	**—**	**—**	**—**
Debentures	**946,746**	**1,665,682**	**1,412,633**	**4**	**—**	**—**
Call Money and Bills Sold	**492,493**	**—**	**—**	**—**	**—**	**—**
Payables under Repurchase Agreements	**12,582,675**	**—**	**—**	**—**	**—**	**—**
Borrowed Money (*2)	**369,410**	**383,232**	**34,167**	**5,804**	**1,387,791**	**98,216**
Short-term Entrusted Funds	**2,950,795**	**—**	**—**	**—**	**—**	**—**
Total	**¥69,893,780**	**¥2,054,819**	**¥1,454,571**	**¥5,809**	**¥1,387,791**	**¥98,216**

	Millions of U.S. Dollars					
As of March 31, 2014	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	**$483,028**	**$ 57**	**$ 76**	**$ —**	**$ —**	**$ —**
Negotiable Certificates of Deposit	**27,678**	**—**	**—**	**—**	**—**	**—**
Debentures	**9,201**	**16,188**	**13,728**	**0**	**—**	**—**
Call Money and Bills Sold	**4,786**	**—**	**—**	**—**	**—**	**—**
Payables under Repurchase Agreements	**122,281**	**—**	**—**	**—**	**—**	**—**
Borrowed Money (*2)	**3,590**	**3,724**	**332**	**56**	**13,487**	**954**
Short-term Entrusted Funds	**28,676**	**—**	**—**	**—**	**—**	**—**
Total	**$679,240**	**$19,969**	**$14,136**	**$ 56**	**$13,487**	**$954**

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

	Millions of Yen					
As of March 31, 2013	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	¥47,436,168	¥ 5,469	¥ 1,211	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,397,290	—	—	—	—	—
Debentures	1,219,799	1,778,656	1,608,479	5	—	—
Call Money and Bills Sold	452,214	—	—	—	—	—
Payables under Repurchase Agreements	12,349,745	—	—	—	—	—
Borrowed Money (*2)	288,805	3,763	529	—	—	1,486,007
Short-term Entrusted Funds	4,235,124	—	—	—	—	—
Total	¥68,379,149	¥1,787,890	¥1,610,220	¥ 5	¥ —	¥1,486,007

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

33. Fair Value of Securities

Trading Securities

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	**2014**
As of March 31	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
Trading Securities	**¥2**	¥159	**$0**

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

Held-to-Maturity Debt Securities

		Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2014	Type	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	**¥ 5,819,924**	**¥ 5,894,642**	**¥ 74,718**	**$ 56,559**	**$ 57,285**	**$ 726**
	Municipal Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Corporate Bonds	**2,760**	**2,785**	**24**	**27**	**27**	**0**
	Other	**9,149,565**	**9,387,091**	**237,526**	**88,917**	**91,226**	**2,309**
	Foreign Bonds	**9,116,480**	**9,353,869**	**237,389**	**88,596**	**90,903**	**2,307**
	Other	**33,085**	**33,221**	**136**	**321**	**323**	**2**
	Sub total	**14,972,250**	**15,284,519**	**312,269**	**145,503**	**148,538**	**3,035**
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	**1,727,599**	**1,723,408**	**(4,190)**	**16,789**	**16,748**	**(41)**
	Municipal Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Corporate Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Other	**1,454,433**	**1,448,665**	**(5,768)**	**14,134**	**14,078**	**(56)**
	Foreign Bonds	**1,418,333**	**1,412,577**	**(5,755)**	**13,783**	**13,727**	**(56)**
	Other	**36,100**	**36,088**	**(12)**	**351**	**351**	**(0)**
	Sub total	**3,182,033**	**3,172,074**	**(9,959)**	**30,923**	**30,826**	**(97)**
Total		**¥18,154,283**	**¥18,456,593**	**¥302,310**	**$176,426**	**$179,364**	**$2,938**

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

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

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

Other Securities

As of March 31, 2014	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	**¥ 424,460**	**¥ 225,977**	**¥ 198,482**	**$ 4,125**	**$ 2,196**	**$ 1,929**
	Bonds	**6,540,717**	**6,379,790**	**160,926**	**63,564**	**62,000**	**1,564**
	Japanese Government Bonds	**6,522,207**	**6,361,382**	**160,825**	**63,384**	**61,821**	**1,563**
	Municipal Government Bonds	**2,108**	**2,053**	**54**	**21**	**20**	**1**
	Corporate Bonds	**16,401**	**16,355**	**46**	**159**	**159**	**0**
	Other	**21,009,047**	**19,796,226**	**1,212,820**	**204,170**	**192,383**	**11,787**
	Foreign Bonds	**12,623,476**	**12,172,266**	**451,209**	**122,677**	**118,292**	**4,385**
	Foreign Stocks	**33,890**	**19,596**	**14,293**	**329**	**190**	**139**
	Investment Trusts	**8,181,780**	**7,452,084**	**729,695**	**79,512**	**72,421**	**7,091**
	Other	**169,900**	**152,278**	**17,621**	**1,652**	**1,480**	**172**
	Sub total	**27,974,225**	**26,401,994**	**1,572,230**	**271,859**	**256,579**	**15,280**
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	**33,100**	**36,481**	**(3,381)**	**322**	**355**	**(33)**
	Bonds	**15,781**	**15,817**	**(36)**	**153**	**153**	**(0)**
	Japanese Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Municipal Government Bonds	**34**	**34**	**(0)**	**0**	**0**	**(0)**
	Corporate Bonds	**15,746**	**15,782**	**(36)**	**153**	**153**	**(0)**
	Other	**6,374,358**	**6,461,575**	**(87,217)**	**61,947**	**62,795**	**(848)**
	Foreign Bonds	**4,999,968**	**5,070,482**	**(70,514)**	**48,590**	**49,276**	**(686)**
	Foreign Stocks	**—**	**—**	**—**	**—**	**—**	**—**
	Investment Trusts	**1,073,016**	**1,088,972**	**(15,956)**	**10,428**	**10,583**	**(155)**
	Other	**301,373**	**302,119**	**(746)**	**2,929**	**2,936**	**(7)**
	Sub total	**6,423,239**	**6,513,875**	**(90,635)**	**62,422**	**63,303**	**(881)**
Total		**¥34,397,464**	**¥32,915,869**	**¥1,481,594**	**$334,281**	**$319,882**	**$14,399**

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

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

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

Held-to-Maturity Debt Securities Sold during the Fiscal Year

The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities for the fiscal years ended March 31, 2014 and 2013.

Other Securities Sold during the Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
Fiscal year ended March 31, 2014	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	**¥ 6,435**	**¥ 2,583**	**¥ 15**	**$ 63**	**$ 25**	**$ —**
Bonds	**577,667**	**15,925**	**—**	**5,614**	**155**	**—**
Japanese Government Bonds	**577,667**	**15,925**	**—**	**5,614**	**155**	**—**
Municipal Government Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Corporate Bonds	**—**	**—**	**—**	**—**	**—**	**—**
Other	**3,237,860**	**35,054**	**97,253**	**31,466**	**341**	**945**
Foreign Bonds	**3,188,858**	**34,144**	**91,493**	**30,990**	**332**	**889**
Foreign Stocks	**1,745**	**28**	**4**	**17**	**0**	**0**
Investment Trusts	**44,891**	**17**	**5,755**	**436**	**0**	**56**
Other	**2,365**	**863**	**—**	**23**	**9**	**—**
Total	**¥3,821,963**	**¥53,563**	**¥97,268**	**$37,143**	**$521**	**$945**

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2013	Millions of Yen Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 1,057	¥ 502	¥ 49
Bonds	613,584	8,071	2,330
Japanese Government Bonds	613,584	8,071	2,330
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	1,324,541	48,579	70,455
Foreign Bonds	1,196,438	37,938	53,466
Foreign Stocks	8,150	198	814
Investment Trusts	119,365	10,442	10,620
Other	587	—	5,553
Total	¥1,939,183	¥57,154	¥72,835

Note: Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the fiscal years ended March 31, 2014 and 2013 ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2014 was ¥385 million ($4 million) including ¥8 million ($0 million) on Foreign Bonds and ¥377 million ($4 million) on Other.

The amount of revaluation loss for the fiscal year ended March 31, 2013 was ¥1,821 million including ¥1,148 million on Stocks, ¥0 million on Foreign Bonds and ¥673 million on Other.

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

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

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

34. Fair Value of Money Held in Trust

Money Held in Trust for Trading Purposes

	Millions of Yen		Millions of U.S. Dollars	
As of March 31, 2014	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	**¥7,063**	**¥562**	**$69**	**$5**

	Millions of Yen	
As of March 31, 2013	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥27,217	¥1,816

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

	Millions of Yen				
As of March 31, 2014	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	**¥4,643,640**	**¥4,386,491**	**¥257,149**	**¥257,850**	**¥700**

	Millions of U.S. Dollars				
As of March 31, 2014	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	**$45,128**	**$42,629**	**$2,499**	**$2,506**	**$7**

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

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

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

35. Fair Value of Derivative Instruments

(1) Derivative Instruments not accounted for as hedges

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

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

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2014	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	**257,509**	**209,622**	**7,910**	**7,910**	**2,503**	**2,037**	**77**	**77**
Rec.: Flt.-Pay.: Fix.	**257,305**	**208,276**	**(6,918)**	**(6,918)**	**2,501**	**2,024**	**(67)**	**(67)**
Rec.: Flt.-Pay.: Flt.	**2,000**	—	**(0)**	**(0)**	**19**	—	**(0)**	**(0)**
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	**¥ /**	**¥ /**	**¥ 991**	**¥ 991**	**$ /**	**$ /**	**$ 10**	**$ 10**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

As of March 31, 2013	Millions of Yen: Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	6,992	6,992	1	1
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	284,878	222,969	10,670	10,670
Rec.: Flt.-Pay.: Fix.	294,809	223,678	(9,982)	(9,982)
Rec.: Flt.-Pay.: Flt.	11,000	2,000	4	4
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 694	¥ 694

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2014	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Currency Futures:								
Sold	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**$ —**	**$ —**	**$ —**	**$ —**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Currency Options:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Over-the-counter Transactions								
Currency Swaps	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Forwards:								
Sold	**519,911**	**2,109**	**(4,676)**	**(4,676)**	**5,053**	**21**	**(46)**	**(46)**
Purchased	**913,250**	**2,109**	**6,782**	**6,782**	**8,875**	**21**	**66**	**66**
Currency Options:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other:								
Sold	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**¥ /**	**¥ /**	**¥ 2,106**	**¥ 2,106**	**$ /**	**$ /**	**$ 20**	**$ 20**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.

As of March 31, 2013	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps	—	—	—	—
Forwards:				
Sold	616,870	—	(18,322)	(18,322)
Purchased	968,130	—	17,842	17,842
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ (480)	¥ (480)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

As of March 31, 2014	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate								
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index								
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	1,000	1,000	—	—	10	10	—	—
Total	¥ /	¥ /	¥ —	¥ —	$ /	$ /	$ —	$ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at Osaka Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.
3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

	Millions of Yen			
As of March 31, 2013	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Equity Price Index Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Equity Price Index Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Equity Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Equity Price Index Swaps:				
Rec.: Stock Index Pay.: Flt. Rate	—	—	—	—
Rec.: Flt. Rate Pay.: Stock Index	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	1,000	1,000	—	—
Total	¥ /	¥ /	¥ —	¥ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.
3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2014.

	Millions of Yen			
As of March 31, 2013	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Bond Futures:				
Sold	¥ 2,451	¥ —	¥(32)	¥(32)
Purchased	18,567	—	(6)	(6)
Bond Futures Options:				
Sold	2,920	—	(4)	0
Purchased	2,900	—	7	3
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥(36)	¥(35)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of March 31, 2014 and 2013.

Credit Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
As of March 31, 2014	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥ —	¥ —	¥ —	¥ —	$ —	$ —	$ —	$ —
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	**12,500**	**12,500**	—	—	**121**	**121**	—	—
Total	¥ /	¥ /	¥ —	¥ —	$ /	$ /	$ —	$ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.
3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

	Millions of Yen			
As of March 31, 2013	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Over-the-counter Transactions				
Credit Default Swaps:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	12,500	12,500	—	—
Total	¥ /	¥ /	¥ —	¥ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.
3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

(2) Derivative Instruments accounted for as hedges

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

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

Interest Rate-Related Derivative Instruments

As of March 31, 2014			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	**¥3,180,000**	**¥2,820,000**	**¥ 15,776**	**$30,904**	**$27,405**	**$ 153**
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	**4,259,483**	**4,240,447**	**(71,781)**	**41,394**	**41,209**	**(697)**
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	**156,744**	**156,622**	Note 3	**1,523**	**1,522**	Note 3
Total			**¥ /**	**¥ /**	**¥(56,005)**	**$ /**	**$ /**	**$(544)**

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24).
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.
3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

As of March 31, 2013			Millions of Yen		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,510,000	¥2,360,000	¥ 15,560
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	3,803,049	3,234,685	(164,933)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	142,688	141,371	Note 3
Total			¥ /	¥ /	¥(149,373)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24).
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.
3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

Currency-Related Derivative Instruments

As of March 31, 2014			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	**¥12,014,631**	**¥5,177,113**	**¥ (77,087)**	**$116,760**	**$50,312**	**$ (749)**
	Forex Forward		**6,493,100**	**—**	**(96,115)**	**63,101**	**—**	**(934)**
Total			**¥ /**	**¥ /**	**¥(173,202)**	**$ /**	**$ /**	**$(1,683)**

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.

As of March 31, 2013			Millions of Yen		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥11,062,395	¥4,535,378	¥(219,988)
	Forex Forward		6,300,988	—	(229,895)
Total			¥ /	¥ /	¥(449,883)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. Determination of fair value:
Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2014 and 2013.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2014 and 2013.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2014**	2013	**2014**
Assets			
Cash and Due from Banks	**¥ 5,967,497**	¥ 4,403,890	**$ 57,993**
Call Loans	**619,386**	1,527,128	**6,019**
Receivables under Securities Borrowing Transactions	**5,614**	—	**55**
Monetary Claims Bought	**174,256**	179,373	**1,693**
Trading Assets	**14,055**	36,602	**137**
Money Held in Trust	**4,649,907**	6,891,232	**45,189**
Securities	**52,901,442**	50,072,352	**514,105**
Loans and Bills Discounted	**17,295,089**	16,127,677	**168,077**
Foreign Exchange Assets	**134,353**	268,750	**1,306**
Other Assets	**495,370**	1,248,265	**4,814**
Tangible Fixed Assets	**108,316**	107,435	**1,053**
Intangible Fixed Assets	**23,900**	32,187	**232**
Customers' Liabilities for Acceptances and Guarantees	**137,056**	142,169	**1,332**
Reserve for Possible Loan Losses	**(167,110)**	(170,847)	**(1,624)**
Reserve for Possible Investment Losses	**(2,855)**	(5,120)	**(28)**
Total Assets	**¥82,356,280**	¥80,861,096	**$800,353**
Liabilities and Net Assets			
Liabilities			
Deposits	**¥49,731,175**	¥47,456,419	**$483,296**
Negotiable Certificates of Deposit	**2,848,086**	2,397,290	**27,678**
Debentures	**4,037,577**	4,619,200	**39,238**
Call Money	**492,493**	452,214	**4,786**
Payables under Repurchase Agreements	**12,582,675**	12,349,745	**122,281**
Payables under Securities Lending Transactions	**132,945**	6,129	**1,292**
Trading Liabilities	**6,994**	10,139	**68**
Borrowed Money	**2,272,623**	1,772,106	**22,086**
Foreign Exchange Liabilities	**4**	78	**0**
Short-term Entrusted Funds	**2,950,795**	4,235,124	**28,676**
Other Liabilities	**751,547**	1,263,850	**7,303**
Reserve for Bonus Payments	**5,457**	5,382	**53**
Reserve for Retirement Benefits	**10,476**	10,084	**102**
Reserve for Directors' Retirement Benefits	**803**	722	**8**
Deferred Tax Liabilities	**463,869**	395,295	**4,508**
Deferred Tax Liabilities for Land Revaluation	**9,729**	10,158	**95**
Acceptances and Guarantees	**137,056**	142,169	**1,332**
Total Liabilities	**76,434,310**	75,126,111	**742,802**
Net Assets			
Paid-in Capital	**3,425,909**	3,425,909	**33,294**
Capital Surplus	**25,020**	25,020	**243**
Retained Earnings	**1,197,694**	1,104,386	**11,639**
Total Owners' Equity	**4,648,624**	4,555,316	**45,176**
Net Unrealized Gains on Other Securities, net of taxes	**1,302,149**	1,267,564	**12,655**
Net Deferred Losses on Hedging Instruments, net of taxes	**(45,412)**	(105,620)	**(441)**
Revaluation Reserve for Land, net of taxes	**16,606**	17,723	**161**
Total Valuation and Translation Adjustments	**1,273,344**	1,179,667	**12,375**
Total Net Assets	**5,921,969**	5,734,984	**57,551**
Total Liabilities and Net Assets	**¥82,356,280**	¥80,861,096	**$800,353**

(2) Non-consolidated Statement of Operations

	Millions of Yen		Millions of U.S. Dollars
For the fiscal years ended March 31	**2014**	2013	**2014**
Income			
Interest Income:	**¥800,825**	¥634,759	**$ 7,783**
Interest on Loans and Bills Discounted	**66,705**	74,967	**648**
Interest and Dividends on Securities	**716,705**	540,622	**6,965**
Interest on Call Loans	**885**	1,486	**9**
Interest on Receivables under Resale Agreements	**34**	10	**0**
Interest on Receivables under Securities Borrowing Transactions	**91**	508	**1**
Interest on Due from Banks	**10,115**	4,756	**99**
Other Interest Income	**6,287**	12,407	**61**
Fees and Commissions	**13,337**	13,543	**130**
Trading Income	**147**	485	**1**
Other Operating Income	**107,830**	113,702	**1,048**
Other Income	**140,175**	210,469	**1,362**
Total Income	**1,062,315**	972,961	**10,324**
Expenses			
Interest Expenses:	**566,599**	589,693	**5,506**
Interest on Deposits	**30,913**	34,559	**300**
Interest on Negotiable Certificates of Deposit	**6,990**	7,128	**68**
Interest on Debentures	**30,584**	45,294	**297**
Interest on Borrowed Money	**80,830**	81,671	**786**
Interest on Call Money	**396**	346	**4**
Interest on Payables under Repurchase Agreements	**13,100**	15,530	**127**
Interest on Payables under Securities Lending Transactions	**17**	3	**0**
Other Interest Expenses	**403,763**	405,159	**3,924**
Fees and Commissions	**11,925**	11,605	**116**
Trading Expenses	**355**	224	**3**
Other Operating Expenses	**147,111**	132,795	**1,430**
General and Administrative Expenses	**120,728**	116,565	**1,173**
Other Expenses	**43,616**	34,737	**424**
Total Expenses	**890,335**	885,623	**8,652**
Income before Income Taxes	**171,979**	87,337	**1,672**
Income Taxes — Current	**230**	94	**2**
Income Taxes — Deferred	**28,552**	(19,595)	**278**
Total Income Taxes	**28,782**	(19,501)	**280**
Net Income	**¥143,197**	¥106,839	**$ 1,392**

	Yen		U.S. Dollars
	2014	2013	**2014**
Net Income per Share	**¥23.96**	¥19.11	**$0.23**

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 25, 2014.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	**¥37,078**	**$360**
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	**25,543**	**248**
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	**2,975**	**29**
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	**1,115**	**11**

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Independent Auditor's Report

The Board of Directors
The Norinchukin Bank

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statements of operations, comprehensive income, capital surplus and retained earnings, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Norinchukin Bank and its consolidated subsidiaries as at March 31, 2014, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

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

Ernst & Young ShinNihon LLC

June 25, 2014

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/.

Glossary of Terms

Exposure

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

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 within 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 the 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 exposures, 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 of capital equivalent to 8% of the denominator of the capital adequacy ratio.

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.

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:
  Not applicable
- As of March 31, 2014, 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
- Companies belonging to the Consolidated Group but not included in the scope of consolidation:
  Not applicable
- 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, the names of those companies whose capital is less than the regulatory required capital and the total amount of shortfall in their capital:

Not applicable

Capital Ratio Information (Consolidated)

Composition of Capital (Consolidated)

As of March 31, 2014

(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	**4,570,577**		1a+2-26	
of which: capital and capital surplus	**3,400,930**		1a	E1.1-E1.2+E1.3
of which: retained earnings	**1,236,359**		2	E2
of which: cash dividends to be paid	**66,712**		26	
of which: other than the above	—			E3
Accumulated other comprehensive income and other disclosed reserves	**256,489**	**1,025,958**	3	E4
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—		5	E8.1
Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	**3,120**			
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)	**3,120**			
Common Equity Tier 1 capital: instruments and reserves (A)	**4,830,187**		6	
Common Equity Tier 1 capital: regulatory adjustments				
Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	**7,049**	**28,199**	8+9	
of which: goodwill (net of related tax liability, including those equivalent)	**3,347**	**13,388**	8	A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	**3,702**	**14,811**	9	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	**(3,827)**	**(15,310)**	11	E7
Shortfall of eligible provisions to expected losses	**3,903**	**15,612**	12	
Securitisation gain on sale	—	—	13	
Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	14	
Net defined-benefit asset	**2,193**	**8,775**	15	A4-D3
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 (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	—	—	18	A7
Amount exceeding the 10% threshold on specified items	—	—	19+20+21	
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	
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)	**9,319**		28	
Common Equity Tier 1 capital (CET1)				
Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	**4,820,868**		29	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.		Ref. No.
Additional Tier 1 capital: instruments					
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	**49,000**		31a	30	E5.1+E5.2
Subscription rights to Additional Tier 1 instruments	**—**		31b		
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 vehicles and other equivalent entities	**—**				
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	**2,673**		34-35		E8.2
Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	**679**		33+35		
of which: instruments issued by banks and their special purpose vehicles	**679**		33		
of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	**—**		35		
Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(4)**				
of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	**(4)**				
Additional Tier 1 capital: instruments (D)	**52,348**		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)	**8,600**	**34,403**	40		A17
Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**7,806**				
of which: 50% of balance due to pay of eligible provisions	**7,806**				
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**—**		42		
Additional Tier 1 capital: regulatory adjustments (E)	**16,407**		43		
Additional Tier 1 capital (AT1)					
Additional Tier 1 capital (AT1) ((D)-(E)) (F)	**35,941**		44		
Tier 1 capital (T1=CET1+AT1)					
Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	**4,856,809**		45		
Tier 2 capital: instruments and provisions					
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	**—**		46		E6
Subscription rights to Tier 2 instruments	**—**				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**1,387,791**				D2.1+D2.2
Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**				
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	**192**		48-49		E8.3
Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**148,216**		47+49		
of which: instruments issued by banks and their special purpose vehicles	**148,216**		47		
of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	**—**		49		

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**19**		50	
of which: general reserve for possible loan losses	**19**		50a	A18
of which: eligible provisions	**—**		50b	A19
Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**641,595**			
of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	**641,595**			
Tier 2 capital: instruments and provisions (H)	**2,177,813**		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 under phase-out arrangements	**55,367**			
of which: intangibles assets other than mortgage servicing rights	**13,388**			
of which: 50% of balance due to pay of eligible provisions	**7,806**			
of which: significant investments in the additional Tier 1 capital of other financial institutions	**34,172**			
Tier 2 capital: regulatory adjustments (I)	**55,367**		57	
Tier 2 capital (T2)				
Tier 2 capital (T2) ((H)-(I)) (J)	**2,122,446**		58	
Total capital (TC=T1+T2)				
Total capital (TC=T1+T2) ((G) + (J)) (K)	**6,979,256**		59	
Risk weighted assets				
Total of items included in risk weighted assets under phase-out arrangements	**24,764**			
of which: intangibles assets other than mortgage servicing rights	**14,811**			
of which: net defined-benefit asset	**8,775**			
of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	**1,178**			
Risk weighted assets (L)	**27,646,905**		60	
Capital Ratio (consolidated)				
Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	**17.43%**		61	
Tier 1 capital ratio (consolidated) ((G)/(L))	**17.56%**		62	
Total capital ratio (consolidated) ((K)/(L))	**25.24%**		63	
Regulatory Adjustments				
Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**543,542**		72	A24
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**51,927**		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)	**19**		76	
Cap on inclusion of provisions (general reserve for possible loan losses)	**127**		77	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
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	**149,587**		79	
Capital instruments under phase-out arrangements				
Current cap on Additional Tier 1 instruments under phase-out arrangements	**679**		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")	**169**		83	
Current cap on Tier 2 instruments under phase-out arrangements	**1,228,805**		84	
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—		85	

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	
of which: capital and capital surplus	**3,400,930**		1a	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	
of which: other than the above	—			E3
Accumulated other comprehensive income and other disclosed reserves	—	**1,179,611**	3	E4
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—		5	E8.1
Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out 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	
of which: goodwill (net of related tax liability, including those equivalent)	—	**17,561**	8	A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	—	**24,280**	9	A2.1-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	E7
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-D3
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 ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	—	—	18	A7

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Amount exceeding the 10% threshold on specified items	—	—	19+20+21	
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	
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	
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	E5.1+E5.2
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 vehicles 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	E8.2
Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	**764**		33+35	
of which: instruments issued by banks and special purpose vehicles	**764**		33	
of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		35	
Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(20)**			
of which: amounts of counted in to base instruments of Additional Tier 1 under 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	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Tier 2 capital: instruments and provisions				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	—		46	E6
Subscription rights to Tier 2 instruments	—			
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 vehicles and other equivalent entities	—			
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	**102**		48-49	E8.3
Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**1,382,406**		47+49	
of which: instruments issued by banks and special purpose vehicles	**1,382,406**		47	
of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		49	
Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**15**		50	
of which: general reserve 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 instruments of Additional Tier 1 under phase-out 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 under phase-out 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 under 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	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Regulatory Adjustments				
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**487,531**		72	A24
Significant investments in the common stock of Other Financial Institutions 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	
Capital instruments under phase-out arrangements				
Current cap on Additional Tier 1 instruments under 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 under phase-out 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, 2014

(Millions of yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	**17,395,323**		
Foreign Exchanges Assets	**134,353**		
Securities	**52,883,256**	**52,883,256**	
Money Held in Trust	**4,650,704**	**4,650,704**	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		**16,735**	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

(Millions of yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Securities and Money Held in Trust of which: investments in the capital 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		—	
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)		—	A24
Securities and Money Held in Trust of which: significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		**94,930**	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11
Additional Tier 1 capital		**43,003**	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**51,927**	A25
Trading Assets	**14,055**		
Monetary Claims Bought	**174,256**		
Call Loans and Bills Bought	**619,386**		
Receivables under Resale Agreements	**5,614**		
Cash and Due from Banks	**5,981,536**		
Other Assets	**498,890**		
Tangible Fixed Assets	**110,358**		
Buildings	**40,652**		
Land	**51,498**		
Lease Assets	**10,915**		
Construction in Progress	**754**		
Other	**6,537**		
Intangible Fixed Assets	**25,126**	**25,126**	
Software	**20,163**	**20,163**	
Lease Assets	**1,967**	**1,967**	
Other	**2,995**	**2,995**	
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		**25,126**	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**6,612**	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
Amounts of assets related to retirement benefits	**15,171**	**15,171**	A4
Deferred Tax Assets	**2,069**	**2,069**	
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	**806,697**		

(Millions of yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Reserve for Possible Loan Losses	**(170,718)**	**(170,718)**	
of which: general reserve for possible loan losses includes Tier 2		**(19)**	A18
of which: eligible provisions includes Tier 2		**—**	A19
Reserve for Possible Investment Losses	**(2,407)**		
Total Assets	**83,143,675**		
(Liabilities)			
Deposits	**49,717,247**		
Negotiable Certificates of Deposit	**2,848,086**		
Debentures	**4,025,067**		
Bonds	**50,000**	**50,000**	
of which: qualifying Additional Tier 1 instruments		**—**	D1.1
of which: qualifying Tier 2 instruments		**—**	D2.1
Trading liabilities	**6,994**		
Borrowed money	**2,278,623**	**2,278,623**	
of which: qualifying Additional Tier 1 instruments		**—**	D1.2
of which: qualifying Tier 2 instruments		**1,387,791**	D2.2
Call Money and Bills Sold	**492,493**		
Payables under Repurchase Agreements	**12,582,675**		
Payables under Securities Lending Transactions	**132,945**		
Foreign Exchanges Liabilities	**4**		
Trust Money	**2,950,795**		
Other Liabilities	**775,982**		
Reserve for Bonus Payments	**6,830**		
Reserve for Employees' Retirement Benefits	**—**		
Liabilities related to retirement benefits	**14,589**		
Reserve for Directors' Retirement Benefits	**1,096**		
Deferred Tax Liabilities	**467,297**	**467,297**	
of which: assets related to retirement benefits		**4,202**	D3
Deferred Tax Liabilities for Land Revaluation	**9,729**	**9,729**	
Acceptances and Guarantees	**806,697**		
Total Liabilities	**77,167,156**		
(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**	E5.1
Capital Surplus	**25,020**	**25,020**	
of which: other capital surplus		**20**	E1.3
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**24,500**	E5.2
Retained Earnings	**1,236,359**	**1,236,359**	E2
Treasury Preferred Stock	**(150)**	**(150)**	
Total Owners' Equity	**4,687,139**	**4,687,139**	
of which: others		**—**	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**—**	E6
Net Unrealized Gains on Other Securities	**1,302,399**	**1,302,399**	
Net Deferred Losses on Hedging Instruments	**(45,419)**	**(45,419)**	
of which: net deferred losses on hedge		**(19,137)**	E7
Revaluation Reserve for Land	**16,606**	**16,606**	
Foreign Currency Translation Adjustment	**(6)**	**(6)**	
Remeasurements of Defined Benefit Plans	**8,867**	**8,867**	
Total Accumulated Other Comprehensive Income	**1,282,448**	**1,282,448**	E4

(Millions of yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Minority Interests	**6,930**	**6,930**	
of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1)		**—**	E8.1
of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		**2,673**	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		**192**	E8.3
Total Net Assets	**5,976,519**		
Total Liabilities and Net Assets	**83,143,675**		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.
2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".

As of March 31, 2013

(Millions of yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	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	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Trading Assets	36,602		
Monetary Claims Bought	179,373		
Call Loans and Bills Bought	1,527,128		
Receivables under Resale Agreements	—		
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	Balance sheet amount based on regulatory scope of consolidation	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		—	D3
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	E5.1
Capital Surplus	25,020	25,020	
of which: other capital surplus		20	E1.3
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.2
Retained Earnings	1,130,521	1,130,518	E2
Treasury Preferred Stock	(150)	(150)	
Total Owners' Equity	4,581,301	4,581,298	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
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)	E7
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	E4
Minority Interests	6,361	6,361	
of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1)		—	E8.1
of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		2,504	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		102	E8.3
Total Net Assets	5,767,273		
Total Liabilities and Net Assets	81,496,808		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.
2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".

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, 2014		As of March 31, 2013	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**105,039**	**2,133**	104,066	2,182
Exposure subject to Internal Ratings-Based Approach	**94,918**	**2,120**	94,616	2,164
Corporate exposure (excluding Specialized Lending)	**5,819**	**261**	5,490	287
Corporate exposure (Specialized Lending)	**131**	**17**	226	35
Sovereign exposure	**49,644**	**0**	44,099	0
Bank exposure	**16,176**	**154**	18,138	159
Retail exposure	**882**	**34**	760	33
Retail exposure secured by residential properties	**838**	**29**	716	28
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**44**	**4**	44	4
Securitization and re-securitization exposure	**5,432**	**86**	5,509	124
Equity portfolios	**969**	**169**	821	143
Equity portfolios subject to PD/LGD approaches	**183**	**27**	155	24
Equity portfolios subject to simple risk-weighted method	**50**	**17**	29	9
Equities under the internal models approach	**320**	**89**	257	76
Grandfathered equity exposure	**414**	**35**	379	32
Exposure subject to risk-weighted asset calculation for investment fund	**15,447**	**1,374**	19,244	1,362
Other debt purchased	**197**	**12**	104	9
Other exposures	**215**	**9**	218	8
Exposure subject to Standardized Approach	**42**	**0**	41	0
Assets subject to Standardized Approach on a non-consolidated basis	**6**	**0**	4	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**36**	**0**	36	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**0**	**0**	—	—
Amount corresponding to CVA risk	**232**	**4**	502	10
CCP-related exposures	**9,787**	**4**	8,881	4
Items that included by transitional arrangements	**58**	**1**	24	1
Amount of regulatory required capital for market risk	**/**	**165**	/	178
Standardized Approach	**/**	**164**	/	177
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**164**	/	177
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	1
Amount of regulatory required capital for operational risk	**/**	**41**	/	39
Offsets on consolidation	**/**	**2,339**	/	2,401

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 ¥4.1 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, 2014	As of March 31, 2013
Consolidated total required capital	**2,211**	2,240

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.

Credit Risk (Consolidated)

(Funds and securitization exposures are excluded)

1. Credit Risk Exposure

Fiscal 2013 (Ended March 31, 2014)

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	19,064	15,154	8	7,106	41,334	142
Asia except Japan	201	126	2	306	636	—
Europe	92	10,253	0	6,559	16,905	—
The Americas	463	12,016	2	12,033	24,516	—
Other areas	7	1,024	0	224	1,256	—
Amounts held by consolidated subsidiaries	885	36	0	36	958	9
Total	20,714	38,612	13	26,266	85,607	152

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	2,698	303	0	0	3,002	26	1
Agriculture	40	0	—	0	40	6	0
Forestry	10	—	—	—	10	1	—
Fishing	28	—	—	0	28	16	0
Mining	4	—	—	0	4	—	—
Construction	110	7	—	0	117	2	—
Utility	148	5	0	0	154	—	—
Information/telecommunications	81	5	0	1	87	—	—
Transportation	579	85	2	0	667	21	—
Wholesaling, retailing	1,790	54	0	0	1,845	23	0
Finance and insurance	2,547	11,527	10	26,005	40,091	14	—
Real estate	518	69	—	1	590	19	—
Services	1,233	95	0	1	1,329	10	0
Municipalities	109	13	—	0	122	—	—
Other	9,927	26,409	—	219	36,556	0	—
Amounts held by consolidated subsidiaries	885	36	0	36	958	9	0
Total	20,714	38,612	13	26,266	85,607	152	2

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	16,017	3,074	3	25,756	44,851
Over 1 year to 3 years	1,574	4,299	2	—	5,876
Over 3 years to 5 years	1,335	13,330	3	—	14,668
Over 5 years to 7 years	543	10,668	1	—	11,213
Over 7 years	355	6,013	2	—	6,371
No term to maturity	3	1,190	—	473	1,667
Amounts held by consolidated subsidiaries	885	36	0	36	958
Total	20,714	38,612	13	26,266	85,607

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2013.
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 ¥43.5 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

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."

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, 2014	As of March 31, 2013	Increase/(decrease)
General reserve for possible loan losses	**40**	45	**(4)**
Specific reserve for possible loan losses	**58**	66	**(8)**
Japan	**58**	66	**(8)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**5**	6	**(1)**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**102**	116	**(14)**

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, 2014	As of March 31, 2013	Increase/(decrease)
General reserve for possible loan losses	**40**	45	**(4)**
Specific reserve for possible loan losses	**58**	66	**(8)**
Manufacturing	**6**	10	**(4)**
Agriculture	**4**	4	**0**
Forestry	**0**	0	**0**
Fishing	**8**	10	**(1)**
Mining	**—**	—	**—**
Construction	**0**	0	**(0)**
Utility	**—**	1	**(1)**
Information/telecommunications	**—**	0	**(0)**
Transportation	**5**	7	**(1)**
Wholesaling, retailing	**3**	3	**0**
Finance and insurance	**5**	4	**0**
Real estate	**17**	15	**1**
Services	**7**	8	**(1)**
Municipalities	**—**	—	**—**
Other	**—**	—	**—**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**5**	6	**(1)**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**102**	116	**(14)**

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 corporate exposure, sovereign (country) exposure, bank exposure, and specialized lending exposure.

Within these categories, general business 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

In the Bank's general procedure for assigning a debtor rating for corporate exposure, the front office is in charge of applying for a rating and then the credit risk management section reviews and approves it. To be more precise, a debtor rating is assigned for each type of exposure including resident and non-resident corporate, sovereign, bank and specialized lending.

Work Flow for Assigning Debtor Ratings

The Bank assigns debtor 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. 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 the creditworthiness of the obligor, those elements which are not captured fully by quantitative evaluation are evaluated.
4	Country adjustment	The rating of the obligor is adjusted not to exceed the rating of the country.
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 accordingly.
6	Determination of debtor classification	Determination of the classification of an obligor in accordance with Procedure for Self-Assessment Exercise.
7	Final rating	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 unit of the Bank, which is independent of the front section and the credit risk management section, audits the ratings to ensure the appropriateness of the internal ratings assessment methodology and the accuracy of the rating results.

■ Equity Exposure

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

■ Retail Exposure

Retail exposures, such as retail exposure secured by residential properties, qualifying revolving retail exposure and other retail exposures, are managed by grouping individual exposures into eligible retail pools the Bank stipulates and assigning ratings at the pool level.

a. Corporate, Sovereign and Bank Exposure

Relationship between Internal Ratings and Parameter Estimates

At the Bank, PD for various internal ratings is divided into four categories: resident corporate, non-resident corporate, sovereign and bank. The methods for estimating these PDs are (a) the internal estimate method: the Bank estimates the long-term average for PD 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 PD and in validation satisfies the IRB Approach criteria.

For specialized lending, the Bank applies slotting criteria to compute risk-weighted assets.

Fiscal 2013 (Ended March 31, 2014)

(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	2.46%	44.89%	56%	5,819	5,138	681
1-1 to 4	0.13%	44.94%	35%	5,178	4,532	646
5 to 7	1.77%	44.62%	117%	413	386	27
8-1 to 8-2	15.79%	44.37%	320%	116	110	5
Subtotal	0.57%	44.90%	46%	5,708	5,029	679
8-3 to 10-2	100.00%	44.31%	556%	111	109	1
Sovereign Exposure	0.00%	45.00%	0%	49,644	47,843	1,801
1-1 to 4	0.00%	45.00%	0%	49,644	47,842	1,801
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	0.00%	0%	0	0	—
Subtotal	0.00%	45.00%	0%	49,644	47,843	1,801
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.04%	22.29%	12%	16,176	7,379	8,796
1-1 to 4	0.03%	22.32%	12%	16,116	7,324	8,791
5 to 7	1.93%	17.84%	64%	49	45	4
8-1 to 8-2	8.94%	5.82%	33%	10	9	0
Subtotal	0.04%	22.29%	12%	16,176	7,379	8,796
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.55%	90.00%	186%	183	183	—
1-1 to 4	0.12%	90.00%	163%	169	169	—
5 to 7	3.48%	90.00%	454%	12	12	—
8-1 to 8-2	15.84%	90.00%	360%	2	2	—
Subtotal	0.54%	90.00%	186%	183	183	—
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 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).
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 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 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).

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 the 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.

Details on PD, LGD, RW and EAD Assets
Fiscal 2013 (Ended March 31, 2014)

(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	1.43%	49.19%	92.52%	82.40%	50%	1,003	285	717
Not default Not delinquent	0.44%	49.22%	/	/	38%	984	269	714
Not default Delinquent	27.13%	46.28%	/	/	425%	12	10	1
Not default Subtotal	0.77%	49.19%	/	/	43%	996	279	716
Default	100.00%	/	92.52%	82.40%	1,156%	6	5	1
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	5.18%	61.02%	115.07%	99.83%	124%	44	40	4
Not default Not delinquent	0.86%	61.04%	/	/	64%	42	38	4
Not default Delinquent	27.47%	55.67%	/	/	323%	0	0	0
Not default Subtotal	0.95%	61.02%	/	/	65%	42	38	4
Default	100.00%	/	115.07%	99.83%	1,438%	1	1	0
Total	1.59%	49.69%	97.54%	86.29%	53%	1,048	326	722
Not default Not delinquent	0.46%	49.71%	/	/	39%	1,027	308	718
Not default Delinquent	27.13%	46.38%	/	/	424%	12	10	1
Not default Subtotal	0.77%	49.67%	/	/	44%	1,039	318	720
Default	100.00%	/	97.54%	86.29%	1,219%	8	7	1

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, 2014, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2012 (Ended March 31, 2013)

(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.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

Actual Losses by Exposure Types

(Billions of yen)

Type of exposure	As of March 31, 2014	As of March 31, 2013	Increase/(decrease)
Corporate exposure	**0**	1	**(1)**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	—	**—**
Retail exposure secured by residential properties	**0**	0	**(0)**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**(0)**
Total	**0**	2	**(1)**

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 of recovery of the creditworthiness of debtors, redemption and reversal of reserves for possible loan losses according to the collection of the loan.

Actual losses of fiscal 2013 were down in comparison with the previous year by ¥1.6 billion.

Comparison of Estimated Losses and Actual Losses

(Billions of yen)

Type of exposure	**As of March 31, 2014**		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**	**Estimated losses**	**Actual losses**
Corporate exposure	**20**	**0**	24	1	42	9	73	7
Sovereign exposure	**0**	**—**	0	—	0	—	0	—
Bank exposure	**1**	**—**	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	—	2	0	3	0
Retail exposure secured by residential properties	**2**	**0**	1	0	1	1	1	0
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—	—	—
Other retail exposure	**0**	**0**	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 Risk Weight

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
Specialized Lending exposure subject to supervisory slotting criteria	**134**	226
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**93**	185
Risk weight of 50%	**0**	24
Risk weight of 70%	**72**	108
Risk weight of 90%	**9**	18
Risk weight of 115%	**0**	—
Risk weight of 250%	**6**	28
Risk weight of 0% (default)	**4**	5
High-Volatility Commercial Real Estate (HVCRE)	**40**	40
Risk weight of 70%	**—**	—
Risk weight of 95%	**5**	5
Risk weight of 120%	**12**	—
Risk weight of 140%	**—**	—
Risk weight of 250%	**23**	18
Risk weight of 0% (default)	**—**	17

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 Risk Weight

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**50**	29
Risk weight of 300%	**—**	—
Risk weight of 400%	**50**	29

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

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 exposures (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, 2014		As of March 31, 2013	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**43**	**—**	41	—
Risk weight of 0%	**30**	**—**	30	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**3**	**—**	2	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	—	—
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**9**	**—**	6	—
Risk weight of 150%	**—**	**—**	—	—
Risk weight of 1,250%	**—**	**—**	—	—
Others	**1**	**—**	0	—

Note: 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.

Credit Risk Mitigation Techniques (Consolidated)

Overview of Risk Management Policies and Procedures Related to Credit Risk Mitigation Techniques

■ Outline of Evaluation, Administrative Policies and Procedures for Collateral

The Bank regards future cash flows generated from the businesses of debtors as funds for recovery of its claims. 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. There is no transaction for which credit risk is mitigated by a credit derivative.

■ 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 (CRM) as follows.

Eligible Financial Collateral

For repo-type transactions and secured derivative transactions (transactions 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 they are 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 not 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 subject to netting in the ISDA Master Agreement as a means of CRM. 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 exposures 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 the 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, 2014	As of March 31, 2013
Foundation Internal Ratings-Based Approach	**8,949**	10,093
Eligible financial collateral	**7,755**	8,983
Corporate exposure	**11**	8
Sovereign exposure	**0**	—
Bank exposure	**7,743**	8,975
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,194**	1,109
Corporate exposure	**290**	207
Sovereign exposure	**200**	200
Bank exposure	**702**	702
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.

Counterparty Credit Risk in Derivative Transactions (Consolidated)

Overview of Risk Management Policies and Procedures for Counterparty Credit Risk in Derivatives and Transactions with a Long Settlement Period

■ Policies 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. A Bank Ceiling is established for each front section on the basis of each entity within the group and each type of transaction (derivatives, financial transactions, loans, etc.). Credit exposures related to 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).

■ Policies 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, 2014	As of March 31, 2013
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**100**	117
Total gross add-ons	(B)	**469**	430
Gross credit exposure	(C) = (A)+(B)	**570**	547
Foreign exchange related		**460**	453
Interest rate related		**107**	91
Equity related		**2**	2
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	**345**	63
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**224**	483
Amount of collateral	(F)	**13**	0
Eligible financial collateral		**13**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**210**	482

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, 2014	As of March 31, 2013
To buy protection	**—**	—
Credit default swaps	**—**	—
Total return swaps	**—**	—
To sell protection	**—**	—
Credit default swaps	**—**	—
Total return 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.

Securitization Exposure (Consolidated)

Overview of Risk Management Policies and Risk Characteristics 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 certain types of 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 transfers 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 an underlying asset is called re-securitization exposure. Among the re-securitization exposures, wherein the majority of underlying assets are comprised of securitization exposures, the Bank treats them as secondary and tertiary re-securitization exposures and manages them separately from other re-securitization exposures in order to monitor them closely. The Bank does not plan to acquire new secondary or tertiary re-securitization exposures.

Regarding its securitization exposure, the Bank appropriately calculates the amount of risk-weighted asset for credit risk based on the Notification Regarding Capital Adequacy Ratio. As a part of its integrated risk management, based on the risk profile of the securitization exposure, the Bank computes risk amount and engages in other initiatives to enhance the accuracy and sophistication of its risk management.

As of March 31, 2014, the Bank engaged in no securitization transactions in which the Bank acted 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 2013.

Calculation of Risk-Weighted Asset for Credit Risk in Securitization Exposure

The Bank calculates the amount of risk-weighted asset for credit risk for securitization exposure by applying the "Ratings-Based Approach (RBA)" or "Supervisory Formula (SF)." In cases in which it cannot apply RBA or 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 exposures containing securitization exposure as an underlying asset, for which risk-weighted asset 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 securitization exposures to which RBA is applied, the Bank relies on the following five qualified credit rating agencies: 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 Risk-Weighted Asset for Credit Risk

Details of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
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	—	—

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2013 (Ended March 31, 2014)

(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%
Amount of exposure	**5,432 (3)**	**33 (2)**	**359**	**96**	**263**	**25**
Individuals						
Asset-Backed Securities (ABS)	**1,501 (0)**	**— (—)**	**—**	**—**	**—**	**—**
Residential Mortgage-Backed Securities (RMBS)	**2,638 (—)**	**— (—)**	**9**	**—**	**9**	**—**
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	**71 (—)**	**3 (—)**	**—**	**—**	**—**	**—**
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**1,172 (—)**	**25 (—)**	**349**	**96**	**253**	**25**
Collateralized Loan Obligations (CLO)	**1,076 (—)**	**— (—)**	**253**	**—**	**253**	**—**
Asset-Backed Securities CDOs (ABS-CDO)	**96 (—)**	**25 (—)**	**96**	**96**	**—**	**25**
Collateralized Bond Obligations (CBO)	**— (—)**	**— (—)**	**—**	**—**	**—**	**—**
Others	**49 (3)**	**4 (2)**	**—**	**—**	**—**	**—**

Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

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%
Amount of exposure	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)	—	—	—	—

Note: 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 2013 (Ended March 31, 2014)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	**5,073**	**5,069**	**3**	**47**	**44**	**2**
Risk weight: 20% or less	**4,961**	**4,960**	**0**	**30**	**30**	**0**
Risk weight: exceeding 20% to 50% or less	**18**	**18**	**—**	**0**	**0**	**—**
Risk weight: exceeding 50% to 100% or less	**79**	**79**	**—**	**5**	**5**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**6**	**5**	**1**	**2**	**1**	**0**
Risk weight: 1,250%	**7**	**5**	**2**	**8**	**5**	**2**
Amount of re-securitization exposure	**359**	**359**	**—**	**38**	**38**	**—**
Risk weight: 20% or less	**9**	**9**	**—**	**0**	**0**	**—**
Risk weight: exceeding 20% to 50% or less	**290**	**290**	**—**	**9**	**9**	**—**
Risk weight: exceeding 50% to 100% or less	**33**	**33**	**—**	**2**	**2**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: 1,250%	**25**	**25**	**—**	**26**	**26**	**—**

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	—

Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	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%	—	—	—	—

Risk-Weighted Asset 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

Market Risk (Consolidated)

Methods for Calculating Market Risk Amount 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 those with 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 Market Risk Amount by Internal Models Approach

■ Scope of Market Risk Amount Computed by the Internal Models Approach

The model covers general market risk in the trading accounts. The scope of market risk amount is the same on a consolidated and non-consolidated basis.

When computing market risk amount, 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 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 2013	Fiscal 2012
Base date of computation	**2014. 3. 31**	2013. 3. 29
VaR (For the most recent 60 business days)		
Base date of computation	**26**	124
Maximum	**60**	139
Minimum	**15**	50
Average	**32**	83

■ Stress VaR

(Millions of yen)

	Fiscal 2013	Fiscal 2012
Base date of computation	**2014. 3. 31**	2013. 3. 29
Stress VaR (For the most recent 60 business days)		
Base date of computation	**140**	500
Maximum	**210**	605
Minimum	**87**	235
Average	**143**	379

■ Amount of Market Risk

(Millions of yen)

		Fiscal 2013	Fiscal 2012
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**529**	1,388
Value at Risk (MAX (C, D))	(B)	**98**	250
Amount on base date of computation	(C)	**26**	124
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**98**	250
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**3**	1
Stress Value at Risk (MAX (H, I))	(G)	**430**	1,137
Amount on base date of computation	(H)	**140**	500
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**430**	1,137
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2013, actual gains and losses did not diverge substantially downward from the VaR value.
2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, 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.

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 amount of risk-weighted asset for credit risk is 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 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 of 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 Asset of Equity Exposure

The Bank applies the PD/LGD approach to calculate risk-weighted asset for credit risk for equity exposure, and the simple risk-weighted method and internal models approach under the market-based approach.

Amount on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Equity exposure	**969**	/	821	/
Exposure to publicly traded equity	**798**	**798**	676	676
Exposure to privately held equity	**171**	/	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 2013			Fiscal 2012		
	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	**2**	**5**	**0**	11	4	1

Note: Amounts reflect relevant figures posted in the consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2014	As of March 31, 2013
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**209**	153

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, 2014	As of March 31, 2013
	Amount on the balance sheets	Amount on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13	**414**	379
Corporate	**400**	365
Bank	**9**	8
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.

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Consolidated)

Overview of Risk Management Policies and Procedures Related to Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds

Exposure subject to risk-weighted asset calculation for investment funds 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 of the asset's risk. 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 to management firms. Risk is managed by applying methods appropriate for each type of fund in accordance with the Bank's internal rules. In order to select managers and entrust assets with them, 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, 2014		As of March 31, 2013	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**12,338**	**72%**	15,989	59%
Majority approach	**432**	**406%**	407	432%
Mandate approach	**—**	**—**	—	—
Market-based approach	**2,029**	**263%**	1,696	260%
Others (simple approach)	**217**	**437%**	233	437%
Total	**15,018**	**111%**	18,326	88%

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.

Interest Rate Risk (Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

Overview of Risk Management Policies and Procedures for Interest Rate Risk

As described in the "Risk Management" section, in its economic capital management, or 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 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. The Bank manages interest rate risk based on interest rate risk standards for banking accounts as well. The Bank has been constructing a framework that will enable it to properly monitor the multi-faceted 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, 2014	As of March 31, 2013
Interest rate risk	**2,119**	2,261
Yen interest rate risk	**182**	269
U.S. dollar interest rate risk	**1,470**	1,503
Euro interest rate risk	**460**	482
Interest rate risk in other currencies	**4**	5

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.

Indicators for Assessing Global Systemically Important Banks (G-SIBs)

(In 0.1 billion yen)

Description	As of March 31, 2014
1 Total exposures (A)+(B)+(C)+(D): (A) Counterparty exposure of derivatives contracts (B) Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs (C) Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and CET1 capital under the fully phased-in Basel III framework) (D) Notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	**846,233**
2 Intra-financial system assets (A)+(B)+(C)+(D): (A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions (B) Holdings of securities issued by other financial institutions (Note 1) (C) Net positive current exposure of SFTs with other financial institutions (D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	**113,676**
3 Intra-financial system liabilities (A)+(B)+(C): (A) Deposits due to, and undrawn committed lines obtained from, other financial institutions (B) Net negative current exposure of SFTs with other financial institutions (C) OTC derivatives with other financial institutions that have a net negative fair value	**86,287**
4 Securities outstanding (Note 1)	**69,231**
5 Assets under custody	**62,118**
6 Notional amount of OTC derivatives	**280,674**
7 Held-for-trading (HFT) securities and available-for-sale (AFS) securities , excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	**120,239**
8 Level 3 assets (Note 3)	**14,363**
9 Cross-jurisdictional claims	**426,584**
10 Cross-jurisdictional liabilities	**146,462**

Description	Fiscal 2013
11 Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	**3,848,299**
12 Underwritten transactions in debt and equity markets (Note 4)	**580**

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities,commercial paper, certificate of deposits, and common equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).
3. The amount is calculated in accordance with the International Financial Reporting Standards.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

Capital Adequacy (Non-Consolidated)

Capital Ratio Information (Non-Consolidated)

Composition of Capital (Non-Consolidated)

As of March 31, 2014

(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	**4,532,258**		1a+2-26	
of which: capital and capital surplus	**3,400,930**		1a	E1.1+E1.2
of which: retained earnings	**1,198,041**		2	E2
of which: cash dividends to be paid	**66,712**		26	
of which: other than the above	**—**			E3
Valuation and translation adjustments and other disclosed reserves	**254,667**	**1,018,670**	3	E4
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)	**4,786,925**		6	
Common Equity Tier 1 capital: regulatory adjustments				
Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	**3,456**	**13,824**	8+9	
of which: goodwill (net of related tax liability, including those equivalent)	**—**	**—**	8	A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	**3,456**	**13,824**	9	A2.1-A2.2
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	**—**	**—**	10	
Deferred gains or losses on derivatives under hedge accounting	**(3,826)**	**(15,305)**	11	E7
Shortfall of eligible provisions to expected losses	**3,127**	**12,511**	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	A3-D3
Investments in own shares (excluding those reported in the Net Assets section)	**—**	**—**	16	A4
Reciprocal cross-holdings in common equity	**—**	**—**	17	A5
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	**—**	**—**	18	A6
Amount exceeding the 10% threshold on specified items	**—**	**—**	19+20+21	
of which: significant investments in the common stock of financials	**—**	**—**	19	A7
of which: mortgage servicing rights	**—**	**—**	20	A8
of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	21	
Amount exceeding the 15% threshold on specified items	**—**	**—**	22	
of which: significant investments in the common stock of financials	**—**	**—**	23	A9
of which: mortgage servicing rights	**—**	**—**	24	A10
of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	25	
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)	**2,757**		28	
Common Equity Tier 1 capital (CET1)				
Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	**4,784,168**		29	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.	Ref. No.
Additional Tier 1 capital: instruments				
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	**49,000**		31a / 30	E5.1+E5.2
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 vehicles and other equivalent entities	**—**		30	
Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	**799**		33+35	
Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(4)**			
of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	**(4)**			
Additional Tier 1 capital: instruments (D)	**49,795**		36	
Additional Tier 1 capital: regulatory adjustments				
Investments in own Additional Tier 1 instruments	**—**	**—**	37	A11
Reciprocal cross-holdings in Additional Tier 1 instruments	**—**	**—**	38	A12
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 10% threshold)	**—**	**—**	39	A13
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**7,588**	**30,354**	40	A14
Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**6,255**			
of which: 50% of balance due to pay of eligible provisions	**6,255**			
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**—**		42	
Additional Tier 1 capital: regulatory adjustments (E)	**13,844**		43	
Additional Tier 1 capital (AT1)				
Additional Tier 1 capital (AT1) ((D)-(E)) (F)	**35,950**		44	
Tier 1 capital (T1=CET1+AT1)				
Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	**4,820,118**		45	
Tier 2 capital: instruments and provisions				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	**—**		46	E6
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**1,387,791**		46	D2.1+D2.2
Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**		46	
Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**148,216**		47+49	
Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**11**		50	
of which: general reserve for possible loan losses	**11**		50a	A15
of which: eligible provisions	**—**		50b	A16
Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**641,539**			
of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	**641,539**			
Tier 2 capital: instruments and provisions (H)	**2,177,557**		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	A17
Reciprocal cross-holdings in Tier 2 instruments	—	—	53	A18
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	A19
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	55	A20
Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	**6,255**			
of which: 50% of balance due to pay of eligible provisions	**6,255**			
Tier 2 capital: regulatory adjustments (I)	**6,255**		57	
Tier 2 capital (T2)				
Tier 2 capital (T2) ((H)-(I)) (J)	**2,171,301**		58	
Total capital (TC=T1+T2)				
Total capital (TC=T1+T2) ((G) + (J)) (K)	**6,991,420**		59	
Risk weighted assets				
Total of items included in risk weighted assets under phase-out arrangements	**67,670**			
of which: intangibles assets other than mortgage servicing rights	**13,824**			
of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	**53,846**			
Risk weighted assets (L)	**27,446,963**		60	
Capital ratio (non-consolidated)				
Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	**17.43%**		61	
Tier 1 capital ratio (non-consolidated) ((G)/(L))	**17.56%**		62	
Total capital ratio (non-consolidated) ((K)/(L))	**25.47%**		63	
Regulatory adjustments				
Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**542,300**		72	A21
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**67,460**		73	A22
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74	A23
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		75	
Provisions included in Tier 2 capital: instruments and provisions				
Provisions (general reserve for possible loan losses)	**11**		76	
Cap on inclusion of provisions (general reserve for possible loan losses)	**80**		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	**148,553**		79	
Capital instruments under phase-out arrangements				
Current cap on Additional Tier 1 instruments under phase-out arrangements	**799**		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")	**199**		83	
Current cap on Tier 2 instruments under phase-out arrangements	**1,228,805**		84	
Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—		85	

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	
of which: capital and capital surplus	3,400,930		1a	E1.1+E1.2
of which: retained earnings	1,104,728		2	E2
of which: cash dividends to be paid	51,006		26	
of which: other than the above	—			E3
Valuation and translation adjustments and other disclosed reserves	—	1,179,646	3	E4
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 (net of related tax liability, excluding those relating to mortgage servicing rights)	—	23,039	8+9	
of which: goodwill (net of related tax liability, including those equivalent)	—	—	8	A1.1+A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	—	23,039	9	A2.1-A2.2
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	10	
Deferred gains or losses on derivatives under hedge accounting	—	(65,239)	11	E7
Shortfall of eligible provisions to expected losses	—	34,427	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	A3-D3
Investments in own shares (excluding those reported in the Net Assets section)	—	—	16	A4
Reciprocal cross-holdings in common equity	—	—	17	A5
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	—	—	18	A6
Amount exceeding the 10% threshold on specified items	—	—	19+20+21	
of which: significant investments in the common stock of financials	—	—	19	A7
of which: mortgage servicing rights	—	—	20	A8
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	21	
Amount exceeding the 15% threshold on specified items	—	—	22	
of which: significant investments in the common stock of financials	—	—	23	A9
of which: mortgage servicing rights	—	—	24	A10
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	25	
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)	4,454,652		29	

(Millions of yen, %)

Items		Amounts excluded under transitional arrangements	Basel III Template No.		Ref. No.
Additional Tier 1 capital: instruments					
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	49,000		31a	30	E5.1+E5.2
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		32		D1.1+D1.2
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—				
Eligible Tier 1 capital instruments under 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 instruments of Additional Tier 1 under phase-out 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		A11
Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	38		A12
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 10% threshold)	—	—	39		A13
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	35,448	40		A14
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 (AT1)					
Additional Tier 1 capital (AT1) ((D)-(E)) (F)	32,665		44		
Tier 1 capital (T1=CET1+AT1)					
Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	4,487,318		45		
Tier 2 capital: instruments and provisions					
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	—		46		E6
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 vehicles 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		A15
of which: eligible provisions	—		50b		A16
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 instruments of Additional Tier 1 under phase-out 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	A17
Reciprocal cross-holdings in Tier 2 instruments	—	—	53	A18
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 10% threshold)	—	—	54	A19
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	55	A20
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 (T2)				
Tier 2 capital (T2) ((H)-(I)) (J)	2,136,044		58	
Total capital (TC=T1+T2)				
Total capital (TC=T1+T2) ((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 Financial Institutions (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 Financial Institutions that are below the thresholds for deduction (before risk weighting)	486,233		72	A21
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	64,258		73	A22
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		74	A23
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		75	
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) (if the amount is negative, report as “nil”)	—		78	
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	149,763		79	
Capital instruments under phase-out arrangements				
Current cap on Additional Tier 1 instruments under phase-out arrangements	899		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”)	99		83	
Current cap on Tier 2 instruments under phase-out 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 (Non-Consolidated)

As of March 31, 2014

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	**17,295,089**		
Loans on deeds	**15,601,861**		
Loans on bills	**285,793**		
Overdrafts	**1,402,833**		
Bills discounted	**4,601**		
Foreign Exchanges Assets	**134,353**		
Due from foreign banks	**134,353**		
Securities	**52,901,442**	**52,901,436**	
Japanese government bonds	**14,051,062**	**14,051,062**	
Municipal government bonds	**2,143**	**2,143**	
Corporate bonds	**34,908**	**34,908**	
Stocks	**684,678**	**684,678**	
Other securities	**38,128,649**	**38,128,643**	
Money Held in Trust	**4,649,907**	**4,649,907**	
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)		**—**	A4
Additional Tier 1 capital		**—**	A11
Tier 2 capital		**—**	A17
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		**—**	—
Common Equity		**—**	A5
Additional Tier 1 capital		**—**	A12
Tier 2 capital		**—**	A18
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		**542,300**	—
Common Equity		**—**	A6
Additional Tier 1 capital		**—**	A13
Tier 2 capital		**—**	A19
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		**542,300**	A21
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		**105,403**	—
Amount exceeding the 10% threshold on specified items		**—**	A7
Amount exceeding the 15% threshold on specified items		**—**	A9
Additional Tier 1 capital		**37,942**	A14
Tier 2 capital		**—**	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**67,460**	A22
Trading Assets	**14,055**		
Trading securities	**6,082**		
Derivatives of trading securities	**—**		
Derivatives of securities related to trading transactions	**—**		
Trading-related financial derivatives	**7,973**		
Monetary Claims Bought	**174,256**		
Call Loans	**619,386**		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Receivables under Resale Agreements	**5,614**		
Cash and Due from Banks	**5,967,497**		
Cash	**100,667**		
Due from banks	**5,866,829**		
Other Assets	**495,370**	**495,369**	
Domestic exchange settlement account, debit	**30**	**30**	
Prepaid expenses	**428**	**428**	
Accrued income	**180,711**	**180,710**	
Initial margins of futures markets	**894**	**894**	
Valuation margins of futures markets	**—**	**—**	
Derivatives other than for trading	**94,795**	**94,795**	
Cash collateral paid for financial instruments	**158,793**	**158,793**	
Others	**59,717**	**59,717**	
of which: defined-benefit pension fund net assets (prepaid pension costs)		**—**	A3
Tangible Fixed Assets	**108,316**		
Buildings	**39,904**		
Land	**50,546**		
Lease assets	**10,849**		
Construction in progress	**754**		
Other	**6,261**		
Intangible Fixed Assets	**23,900**	**23,900**	
Software	**19,348**	**19,348**	
Lease assets	**1,967**	**1,967**	
Other	**2,584**	**2,584**	
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		**23,900**	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**6,620**	A2.2
of which: mortgage servicing rights (net of related deferred tax liabilities)		**—**	—
Amount exceeding the 10% threshold on specified items		**—**	A8
Amount exceeding the 15% threshold on specified items		**—**	A10
Amount below the thresholds for deduction (before risk weighting)		**—**	A23
Customers' Liabilities for Acceptances and Guarantees	**137,056**		
Reserve for Possible Loan Losses	**(167,110)**	**(166,875)**	
of which: general reserve for possible loan losses includes Tier 2		**(11)**	A15
of which: eligible provisions includes Tier 2		**—**	A16
Reserve for Possible Investment Losses	**(2,855)**		
Total Assets	**82,356,280**		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Liabilities)			
Deposits	49,731,175		
Time deposits	43,557,676		
Deposits at notice	72,543		
Ordinary deposits	1,129,174		
Current deposits	84,419		
Other deposits	4,887,362		
Negotiable Certificates of Deposit	2,848,086		
Debentures	4,037,577		
Debentures issued	4,037,577		
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	6,994		
Derivatives of trading securities	—		
Derivatives of securities related to trading transactions	—		
Trading-related financial derivatives	6,994		
Borrowed Money	2,272,623	2,222,623	
Borrowings	2,272,623	2,222,623	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,387,791	D2.2
Call Money	492,493		
Payables under Repurchase Agreements	12,582,675		
Payables under Securities Lending Transactions	132,945		
Foreign Exchanges Liabilities	4		
Foreign bills payable	4		
Trust Money	2,950,795		
Other Liabilities	751,547		
Domestic exchange settlement account, credit	55		
Accrued expenses	48,612		
Income taxes payable	96		
Unearned income	892		
Employees' deposits	8,462		
Variation margins of futures markets	3		
Derivatives other than for trading	320,896		
Cash collateral received for financial instruments	9,837		
Lease liabilities	12,177		
Others	350,512		
Reserve for Bonus Payments	5,457		
Reserve for Employees' Retirement Benefits	10,476		
Reserve for Directors' Retirement Benefits	803		
Deferred Tax Liabilities	463,869	463,934	
of which: prepaid pension cost		—	D3
Deferred Tax Liabilities for Land Revaluation	9,729	9,729	
Acceptances and Guarantees	137,056		
Total Liabilities	76,434,310		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	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**	E5.1
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**	E5.2
Other capital surplus	**20**	**20**	E1.2
Reserve for revaluation	**20**	**20**	
Retained Earnings	**1,197,694**	**1,198,041**	E2
Legal reserves	**504,066**	**504,066**	
Voluntary reserves	**693,628**	**693,975**	
Special reserves	**72,000**	**72,000**	
General reserves	**409,403**	**409,403**	
Reserves for tax basis adjustments of fixed assets	**7,661**	**7,661**	
Others	**7**	**7**	
Unappropriated retained earnings	**204,556**	**204,903**	
Net income	**143,197**	**143,201**	
Total Owners' Equity	**4,648,624**	**4,648,977**	
of which: others		**—**	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		**—**	E6
Net Unrealized Gains on Other Securities	**1,302,149**	**1,302,149**	
Net Deferred Losses on Hedging Instruments	**(45,412)**	**(45,412)**	
of which: net deferred losses on hedging instruments		**(19,131)**	E7
Revaluation Reserve for Land, net of taxes	**16,606**	**16,606**	
Foreign Currency Translation Adjustment		**(6)**	
Total Valuation and Translation Adjustment	**1,273,344**	**1,273,338**	E4
Total Net Assets	**5,921,969**		
Total Liabilities and Net Assets	**82,356,280**		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.
2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".

As of March 31, 2013

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	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)		—	A4
Additional Tier 1 capital		—	A11
Tier 2 capital		—	A17
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		—	—
Common Equity		—	A5
Additional Tier 1 capital		—	A12
Tier 2 capital		—	A18
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		—	A6
Additional Tier 1 capital		—	A13
Tier 2 capital		—	A19
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		486,233	A21
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		—	A7
Amount exceeding the 15% threshold on specified items		—	A9
Additional Tier 1 capital		35,448	A14
Tier 2 capital		—	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		64,258	A22
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	Balance sheet amount based on regulatory scope of consolidation	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)		—	A3
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		—	A8
Amount exceeding the 15% threshold on specified items		—	A10
Amount below the thresholds for deduction (before risk weighting)		—	A23
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)	A15
of which: eligible provisions includes Tier 2		—	A16
Reserve for Possible Investment Losses	(5,120)		
Total Assets	80,861,096		

(Millions of yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	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		—	D3
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	Balance sheet amount based on regulatory scope of consolidation	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	E5.1
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	E5.2
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	
Total Owners' Equity	4,555,316	4,555,664	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
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)	E7
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	E4
Total Net Assets	5,734,984		
Total Liabilities and Net Assets	80,861,096		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.
2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".

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, 2014		As of March 31, 2013	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**104,226**	**2,111**	103,435	2,164
Exposure subject to Internal Ratings-Based Approach	**94,154**	**2,095**	93,984	2,141
Corporate exposure (excluding Specialized Lending)	**5,878**	**261**	5,553	286
Corporate exposure (Specialized Lending)	**131**	**17**	226	35
Sovereign exposure	**49,644**	**0**	44,099	0
Bank exposure	**16,175**	**154**	18,138	159
Retail exposure	**4**	**2**	4	1
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**4**	**2**	4	1
Securitization and re-securitization exposure	**5,432**	**86**	5,509	124
Equity portfolios	**1,029**	**177**	886	153
Equity portfolios subject to PD/LGD approaches	**219**	**33**	196	32
Equity portfolios subject to simple risk-weighted method	**50**	**17**	29	9
Equities under the internal models approach	**320**	**89**	257	76
Grandfathered equity exposure	**438**	**37**	403	34
Exposure subject to risk-weighted asset calculation for investment fund	**15,445**	**1,374**	19,243	1,362
Other debt purchased	**197**	**12**	104	9
Other exposures	**214**	**9**	217	8
Exposure subject to Standardized Approach	**6**	**0**	4	0
Overdrafts	**—**	**—**	—	—
Prepaid expenses	**0**	**0**	0	0
Suspense payments	**5**	**0**	4	0
Other	**—**	**—**	—	—
Amount corresponding to CVA risk	**232**	**4**	502	10
CCP-related exposures	**9,787**	**4**	8,881	4
Items that included by transitional arrangements	**45**	**5**	62	7
Amount of regulatory required capital for market risk	/	**165**	/	178
Standardized Approach	/	**164**	/	177
Interest rate risk category	/	**—**	/	—
Equity risk category	/	**—**	/	—
Foreign exchange risk category	/	**164**	/	177
Commodity risk category	/	**—**	/	—
Option transactions	/	**—**	/	—
Internal models Approach	/	**0**	/	1
Amount of regulatory required capital for operational risk	/	**39**	/	37
Offsets on consolidation	/	**2,316**	/	2,380

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 ¥4.1 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, 2014	As of March 31, 2013
Non-consolidated total required capital	**2,195**	2,229

Note: Non-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 14.

Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded)

1. Credit Risk Exposure

Fiscal 2013 (Ended March 31, 2014)

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	19,064	15,154	8	7,106	41,334	142
Asia except Japan	201	126	2	306	636	—
Europe	92	10,253	0	6,559	16,905	—
The Americas	463	12,016	2	12,033	24,516	—
Other areas	7	1,024	0	224	1,256	—
Total	19,829	38,576	13	26,230	84,649	142

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	2,698	303	0	0	3,002	26	1
Agriculture	40	0	—	0	40	6	0
Forestry	10	—	—	—	10	1	—
Fishing	28	—	—	0	28	16	0
Mining	4	—	—	0	4	—	—
Construction	110	7	—	0	117	2	—
Utility	148	5	0	0	154	—	—
Information/telecommunications	81	5	0	1	87	—	—
Transportation	579	85	2	0	667	21	—
Wholesaling, retailing	1,790	54	0	0	1,845	23	0
Finance and insurance	2,547	11,527	10	26,005	40,091	14	—
Real estate	518	69	—	1	590	19	—
Services	1,233	95	0	1	1,329	10	0
Municipalities	109	13	—	0	122	—	—
Other	9,927	26,409	—	219	36,556	0	—
Total	19,829	38,576	13	26,230	84,649	142	2

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	16,017	3,074	3	25,756	44,851
Over 1 year to 3 years	1,574	4,299	2	—	5,876
Over 3 years to 5 years	1,335	13,330	3	—	14,668
Over 5 years to 7 years	543	10,668	1	—	11,213
Over 7 years	355	6,013	2	—	6,371
No term to maturity	3	1,190	—	473	1,667
Total	19,829	38,576	13	26,230	84,649

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2013.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥6.4 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

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."

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, 2014	As of March 31, 2013	Increase/(decrease)
General reserve for possible loan losses	**40**	45	**(4)**
Specific reserve for possible loan losses	**58**	66	**(8)**
Japan	**58**	66	**(8)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**99**	111	**(12)**

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, 2014	As of March 31, 2013	Increase/(decrease)
General reserve for possible loan losses	**40**	45	**(4)**
Specific reserve for possible loan losses	**58**	66	**(8)**
Manufacturing	**6**	10	**(4)**
Agriculture	**4**	4	**0**
Forestry	**0**	0	**0**
Fishing	**8**	10	**(1)**
Mining	**—**	—	**—**
Construction	**0**	0	**(0)**
Utility	**—**	1	**(1)**
Information/telecommunications	**—**	0	**(0)**
Transportation	**5**	7	**(1)**
Wholesaling, retailing	**3**	3	**0**
Finance and insurance	**5**	4	**0**
Real estate	**17**	15	**1**
Services	**7**	8	**(1)**
Municipalities	**—**	—	**—**
Other	**—**	—	**—**
Others	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**99**	111	**(12)**

3. Exposure Subject to the Internal Ratings-Based Approach

a. Corporate, Sovereign and Bank Exposure

Fiscal 2013 (Ended March 31, 2014)

(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	2.36%	44.89%	56%	5,878	5,196	681
1-1 to 4	0.13%	44.94%	35%	5,242	4,596	646
5 to 7	1.76%	44.62%	117%	412	385	27
8-1 to 8-2	15.79%	44.37%	319%	116	110	5
Subtotal	0.56%	44.90%	46%	5,771	5,092	679
8-3 to 10-2	100.00%	44.28%	556%	106	104	1
Sovereign Exposure	0.00%	45.00%	0%	49,644	47,842	1,801
1-1 to 4	0.00%	45.00%	0%	49,644	47,842	1,801
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	0.00%	0%	0	0	—
Subtotal	0.00%	45.00%	0%	49,644	47,842	1,801
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.04%	22.29%	12%	16,175	7,379	8,796
1-1 to 4	0.03%	22.32%	12%	16,116	7,324	8,791
5 to 7	1.93%	17.84%	64%	49	45	4
8-1 to 8-2	8.94%	5.82%	33%	10	9	0
Subtotal	0.04%	22.29%	12%	16,175	7,379	8,796
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.53%	90.00%	191%	219	219	—
1-1 to 4	0.13%	90.00%	173%	204	204	—
5 to 7	3.48%	90.00%	454%	12	12	—
8-1 to 8-2	15.84%	90.00%	338%	2	2	—
Subtotal	0.53%	90.00%	191%	219	219	—
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 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).

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 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 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).
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

Details on PD, LGD, RW and EAD Assets

Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.67%	43.98%	84.23%	71.07%	91%	164	164	—
Not default Not delinquent	0.69%	43.98%	/	/	46%	150	150	—
Not default Delinquent	28.41%	43.98%	/	/	413%	9	9	—
Not default Subtotal	2.33%	43.98%	/	/	68%	160	160	—
Default	100.00%	/	84.23%	71.07%	1,053%	3	3	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	31.53%	77.82%	115.14%	99.89%	517%	4	2	2
Not default Not delinquent	1.93%	78.09%	/	/	120%	3	1	2
Not default Delinquent	41.01%	47.39%	/	/	364%	0	0	0
Not default Subtotal	2.28%	77.82%	/	/	122%	3	1	2
Default	100.00%	/	115.14%	99.89%	1,439%	1	1	0
Total	5.44%	44.95%	92.56%	78.84%	103%	169	166	2
Not default Not delinquent	0.71%	44.73%	/	/	47%	154	152	2
Not default Delinquent	28.45%	43.99%	/	/	413%	9	9	0
Not default Subtotal	2.33%	44.68%	/	/	69%	163	161	2
Default	100.00%	/	92.56%	78.84%	1,157%	5	5	0

Notes: 1. As of March 31, 2014, 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, 2014, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2012 (Ended March 31, 2013)

(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.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

Actual Losses by Exposure Types

(Billions of yen)

Type of exposure	As of March 31, 2014	As of March 31, 2013	Increase/(decrease)
Corporate exposure	**0**	1	**(1)**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	—	**—**
Retail exposure secured by residential properties	**—**	—	**—**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**(0)**
Total	**0**	1	**(1)**

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 of recovery of the creditworthiness of debtors, redemption and reversal of reserve for possible loan losses according to the collection of the loan.

Actual losses of fiscal 2013 became a decrease in comparison with the previous year by ¥1.3 billion.

Comparison of Estimated Losses and Actual Losses

(Billions of yen)

Type of exposure	As of March 31, 2014		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	Estimated losses	Actual losses
Corporate exposure	**20**	**0**	24	1	42	9	73	7
Sovereign exposure	**0**	**—**	0	—	0	—	0	—
Bank exposure	**1**	**—**	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	—	2	0	3	0
Retail exposure secured by residential properties	**—**	**—**	—	—	—	—	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—	—	—
Other retail exposure	**0**	**0**	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 Risk Weight

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
Specialized Lending exposure subject to supervisory slotting criteria	**134**	226
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**93**	185
Risk weight of 50%	**0**	24
Risk weight of 70%	**72**	108
Risk weight of 90%	**9**	18
Risk weight of 115%	**0**	—
Risk weight of 250%	**6**	28
Risk weight of 0% (default)	**4**	5
High-Volatility Commercial Real Estate (HVCRE)	**40**	40
Risk weight of 70%	**—**	—
Risk weight of 95%	**5**	5
Risk weight of 120%	**12**	—
Risk weight of 140%	**—**	—
Risk weight of 250%	**23**	18
Risk weight of 0% (default)	**—**	17

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 Risk Weight

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**50**	29
Risk weight of 300%	**—**	—
Risk weight of 400%	**50**	29

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

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	Exposure	**Refer to ECAI**	**Exposure**	**Refer to ECAI**
Exposure subject to Standardized Approach	**6**	**—**	4	—
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%	**6**	**—**	4	—
Risk weight of 150%	**—**	**—**	—	—
Risk weight of 1,250%	**—**	**—**	—	—
Others	**—**	**—**	—	—

Note: 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.

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, 2014	As of March 31, 2013
Foundation Internal Ratings-Based Approach	**8,949**	10,093
Eligible financial collateral	**7,755**	8,983
Corporate exposure	**11**	8
Sovereign exposure	**0**	—
Bank exposure	**7,743**	8,975
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**1,194**	1,109
Corporate exposure	**290**	207
Sovereign exposure	**200**	200
Bank exposure	**702**	702
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.

Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

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, 2014	As of March 31, 2013
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**100**	117
Total gross add-ons	(B)	**469**	430
Gross credit exposure	(C) = (A)+(B)	**570**	547
Foreign exchange related		**460**	453
Interest rate related		**107**	91
Equity related		**2**	2
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	**345**	63
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**224**	483
Amount of collateral	(F)	**13**	0
Eligible financial collateral		**13**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**210**	482

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, 2014	As of March 31, 2013
To buy protection	**—**	—
Credit default swaps	**—**	—
Total return swaps	**—**	—
To sell protection	**—**	—
Credit default swaps	**—**	—
Total return 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 and Article 56, the amount of credit risk assets not computed has not been included.

Securitization Exposure (Non-Consolidated)

1. Items to Calculate Risk-Weighted Asset for Credit Risk

Details of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of March 31, 2014	As of March 31, 2013
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	—	—

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Risk weight 1,250%
Amount of exposure	5,432 (3)	33 (2)	359	96	263	25
Individuals						
Asset-Backed Securities (ABS)	1,501 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	2,638 (—)	— (—)	9	—	9	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	71 (—)	3 (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	1,172 (—)	25 (—)	349	96	253	25
Collateralized Loan Obligations (CLO)	1,076 (—)	— (—)	253	—	253	—
Asset-Backed Securities CDOs (ABS-CDO)	96 (—)	25 (—)	96	96	—	25
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	49 (3)	4 (2)	—	—	—	—

Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Risk weight 1,250%
Amount of exposure	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)	—	—	—	—

Note: 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 2013 (Ended March 31, 2014)

(Billions of yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	**5,073**	**5,069**	**3**	**47**	**44**	**2**
Risk weight: 20% or less	**4,961**	**4,960**	**0**	**30**	**30**	**0**
Risk weight: exceeding 20% to 50% or less	**18**	**18**	**—**	**0**	**0**	**—**
Risk weight: exceeding 50% to 100% or less	**79**	**79**	**—**	**5**	**5**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**6**	**5**	**1**	**2**	**1**	**0**
Risk weight: 1,250%	**7**	**5**	**2**	**8**	**5**	**2**
Amount of re-securitization exposure	**359**	**359**	**—**	**38**	**38**	**—**
Risk weight: 20% or less	**9**	**9**	**—**	**0**	**0**	**—**
Risk weight: exceeding 20% to 50% or less	**290**	**290**	**—**	**9**	**9**	**—**
Risk weight: exceeding 50% to 100% or less	**33**	**33**	**—**	**2**	**2**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: 1,250%	**25**	**25**	**—**	**26**	**26**	**—**

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	—

Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	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%	—	—	—	—

Risk-Weighted Asset 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

Market Risk (Non-Consolidated)

Computation of Market Risk Amount by Internal Models Approach

■ VaR

(Millions of yen)

	Fiscal 2013	Fiscal 2012
Base date of computation	**2014. 3. 31**	2013. 3. 29
VaR (For the most recent 60 business days)		
Base date of computation	**26**	124
Maximum	**60**	139
Minimum	**15**	50
Average	**32**	83

■ Stress VaR

(Millions of yen)

	Fiscal 2013	Fiscal 2012
Base date of computation	**2014. 3. 31**	2013. 3. 29
Stress VaR (For the most recent 60 business days)		
Base date of computation	**140**	500
Maximum	**210**	605
Minimum	**87**	235
Average	**143**	379

■ Amount of Market Risk

(Millions of yen)

		Fiscal 2013	Fiscal 2012
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**529**	1,388
Value at Risk (MAX (C, D))	(B)	**98**	250
Amount on base date of computation	(C)	**26**	124
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**98**	250
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**3**	1
Stress Value at Risk (MAX (H, I))	(G)	**430**	1,137
Amount on base date of computation	(H)	**140**	500
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**430**	1,137
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2013, actual gains and losses did not diverge substantially downward from the VaR value.
2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, 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.

Equity Exposure (Non-Consolidated)

(Includes items such as shares; excludes items in trading accounts)

Amount on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Equity exposure	**1,029**	**/**	886	/
Exposure to publicly traded equity	**798**	**798**	676	676
Exposure to privately held equity	**231**	**/**	210	/

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 2013			Fiscal 2012		
	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	**2**	**5**	**0**	11	4	1

Note: Amounts reflect relevant figures posted in the income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of March 31, 2014	As of March 31, 2013
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**209**	153

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, 2014	As of March 31, 2013
	Amount on the balance sheets	Amount on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13	**438**	403
Corporate	**404**	369
Bank	**29**	28
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.

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Non-Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of March 31, 2014		As of March 31, 2013	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**12,337**	**72%**	15,989	59%
Majority approach	**432**	**406%**	407	432%
Mandate approach	**—**	**—**	—	—
Market-based approach	**2,029**	**263%**	1,696	260%
Others (simple approach)	**217**	**437%**	232	438%
Total	**15,017**	**111%**	18,325	88%

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.

Interest Rate Risk (Non-Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are 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, 2014	As of March 31, 2013
Interest rate risk	**2,119**	2,261
Yen interest rate risk	**182**	269
U.S. dollar interest rate risk	**1,470**	1,503
Euro interest rate risk	**460**	482
Interest rate risk in other currencies	**4**	5

Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility.

2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity due to call conditions and other factors.

Compensation

■ Compensation Structure Disclosure

The Bank has disclosed its compensation structure since March 2012 based on Notification No. 10 in 2012 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").

1. Compensation Structure for the Subject Directors and Employees of the Bank

■ Definition of the Subject Directors and Employees

The scope of the Subject Directors and the Subject Employees stipulated in the Compensation Notification who are subject to compensation disclosure is described below.

● Definition of the Subject Directors

The Subject Directors are the Bank's Board members and Audit & Supervisory Board members. The Supervisory Committee members and part-time Audit & Supervisory Board members are excluded from the scope.

● Definition of the Subject Employees

Among the Bank's directors other than the Subject Directors, and the Bank's employees, as well as the Bank's major consolidated subsidiaries' directors and employees, who are "Highly Compensated Persons" that exert a major material impact on the business operations or financial status of the Bank or its major subsidiaries are deemed the Subject Employees and are thereby subject to compensation disclosure. None of the Bank's directors other than the Subject Directors, or the Bank's employees, as well as the directors or employees of its major subsidiaries fall under the category of the Subject Employees.

Definition of Major Consolidated Subsidiaries

Major consolidated subsidiaries are the subsidiaries whose ratio of total assets to the Bank's consolidated total assets is 2% or higher, and which have a material impact on the Group management. However, none of the Bank's consolidated subsidiaries fall under this category.

Definition of Highly Compensated Persons

Highly Compensated Persons are those persons whose compensation is higher than the average for the Subject Directors, calculated by dividing the total compensation described in the chart "Total Compensation for the Subject Directors" by the number of directors stipulated in the table. Regarding retirement lump sum payments, once the total retirement lump sum payment has been subtracted from the total compensation, the amount obtained by dividing the total lump sum payment by the number of years in office is then added to the remaining compensation amount. This amount is regarded as a person's total compensation and becomes the basis of the judgment whether the person is a Highly Compensated Person. None of the Bank's directors other than the Subject Directors, or the Bank's employees falls under this category.

Definition of Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group

Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group are those persons whose ordinary transactions and areas of management exert a considerable influence on the business operations of the Bank, the Group and the major consolidated subsidiaries, or persons whose transactions exert a considerable influence on the financial status of the Group through the generation of losses.

None of the Bank's directors other than the Subject Directors, or the Bank's employees, as well as the directors or employees of its major subsidiaries fall under the category of Highly Compensated Persons and Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group.

■ Determining the Subject Directors' Compensation

Regarding the Bank's compensation structure for directors, the Bank established the Director Compensation Deliberation Committee as a body under the advisory of the Supervisory Committee that deliberates on compensation issues. The Director Compensation Deliberation Committee deliberates on the Bank's director compensation standards and total compensation of those who are eligible to receive retirement benefit payments, as well as the standards for such payments. The Director Compensation Deliberation Committee is composed of committee members (cooperative organization representatives, attorneys, CPAs, and President and Chief Executive Officer) commissioned by the Supervisory Committee, and the Chairman of the Director Compensation Deliberation Committee is appointed by the Chairman of the Supervisory Committee from among those committee members who are attorneys and CPAs.

Based on the results of the Director Compensation Deliberation Committee's discussions, proposals concerning total director compensation and retirement benefits are presented to the Supervisory Committee, and those proposals are finally discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members consultation.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members consultation for Audit & Supervisory Board members.

■ Total Compensation Paid to Director Compensation Deliberation Committee Members and Number of Times the Committee has Convened

The Director Compensation Deliberation Committee convened twice between April 2013 and March 2014. The Committee members received no compensation.

2. Matters Related to the Evaluation of the Appropriateness of the Design and Operation of the Bank's Compensation Structure for the Subject Directors

■ Compensation Policy

● Compensation Policy for the Subject Directors

The actual compensation of directors of the Bank is composed of the directors' compensation and retirement benefits.

In light of the special nature of the Bank's role as the central bank for cooperatives as well as financial institution for farmers, fishermen and foresters, director compensation is decided and fixed based on a director's rank after taking into account the business conditions of the Bank and trends in cooperative groups and other business sectors.

Retirement benefits are calculated by applying a fixed weight based on a director's compensation during his or her term of office in line with retirement benefit payment rules.

The decision-making process for the retirement benefits is as follows. Proposals presented for total director compensation and retirement benefits are decided by the Supervisory Committee based on the results of the Director Compensation Deliberation Committee's discussions. These proposals are then finally discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members consultation.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members consultation for Audit & Supervisory Board members.

3. The Bank's Compensation Structure for the Subject Directors, its Risk Management Consistency, and the Link between Compensation and Performance

As described in the previous section, the final decision on the Subject Directors' total compensation is decided at the Council of Delegates.

The Bank's compensation structure has no adverse effect on risk management, nor is it disproportionally linked to performance.

4. Other Matters for Reference Concerning the Bank's Compensation Structure for the Subject Directors

Aside from that mentioned in the preceding paragraph, no matters fall under this category.

Total Compensation for the Subject Directors (from April 1, 2013 to March 31, 2014)

Category	Number of directors	Total compensation (Millions of yen)	Basic compensation	Bonus	Retirement benefits	Other
Subject directors	20	688	492	—	197	—

Notes: 1. Retired directors are included in the number of subject directors.

2. Retired benefits are the total amount of retirement benefits (excluding retirement benefits provided in past fiscal years) paid in fiscal 2013 and provision of reserve for retirement benefits posted in fiscal 2013.

Status of Capital and Shareholders

Members and Share Ownership (As of March 31, 2014)

(1) Common Stocks (Including lower dividend rate stocks)

The face value of one common stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Agricultural Cooperatives	872 (168)	6,088,976,740 (5,194,130,000)
Federations of Agricultural Cooperatives	109 (34)	26,858,372,470 (23,955,660,000)
Forestry Cooperatives	632 (0)	19,588,080 (0)
Forestry Production Cooperatives	11 (0)	14,650 (0)
Federations of Forestry Cooperatives	47 (0)	22,948,340 (0)
Fishery Cooperatives	1,004 (4)	126,450,851 (66,520,000)
Fishery Production Cooperatives	25 (0)	203,140 (0)
Federations of Fishery Cooperatives	85 (30)	860,606,689 (535,610,000)
Marine Products Processing Cooperatives	41 (0)	627,300 (0)
Federations of Marine Products Processing Cooperatives	6 (0)	694,650 (0)
Mutual Insurance Federation of Fishery Cooperative Associations	1 (0)	7,064,800 (0)
Agricultural Mutual Relief Insurance Associations	38 (0)	399,700 (0)
Federations of Agricultural Mutual Relief Insurance Associations	38 (0)	959,100 (0)
Fishing Boat Insurance Associations	20 (0)	2,454,350 (0)
Agricultural Credit Guarantee Fund Associations	10 (0)	139,650 (0)
Fishery Credit Guarantee Fund Associations	35 (0)	16,158,600 (0)
Fishery Mutual Relief Insurance Associations	12 (0)	132,000 (0)
Federation of Fishery Mutual Relief Insurance Associations	1 (0)	292,800 (0)
Land Improvement Districts	784 (0)	2,878,040 (0)
Federations of Land Improvement Districts	4 (0)	2,850 (0)
Medium and Small-Sized Enterprise Cooperative Associations Related to Sericulture, Forestry or Salt Production	15 (0)	133,500 (0)
Total	3,790 (236)	34,009,098,300 (29,751,920,000)

(2) Preferred Stocks

The face value of one stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Financial Institutions	9	26,787,410
Securities Companies	3	5,577,700
Other Corporations	19	23,426,340
Total	31	55,791,450

Voting Rights of Members

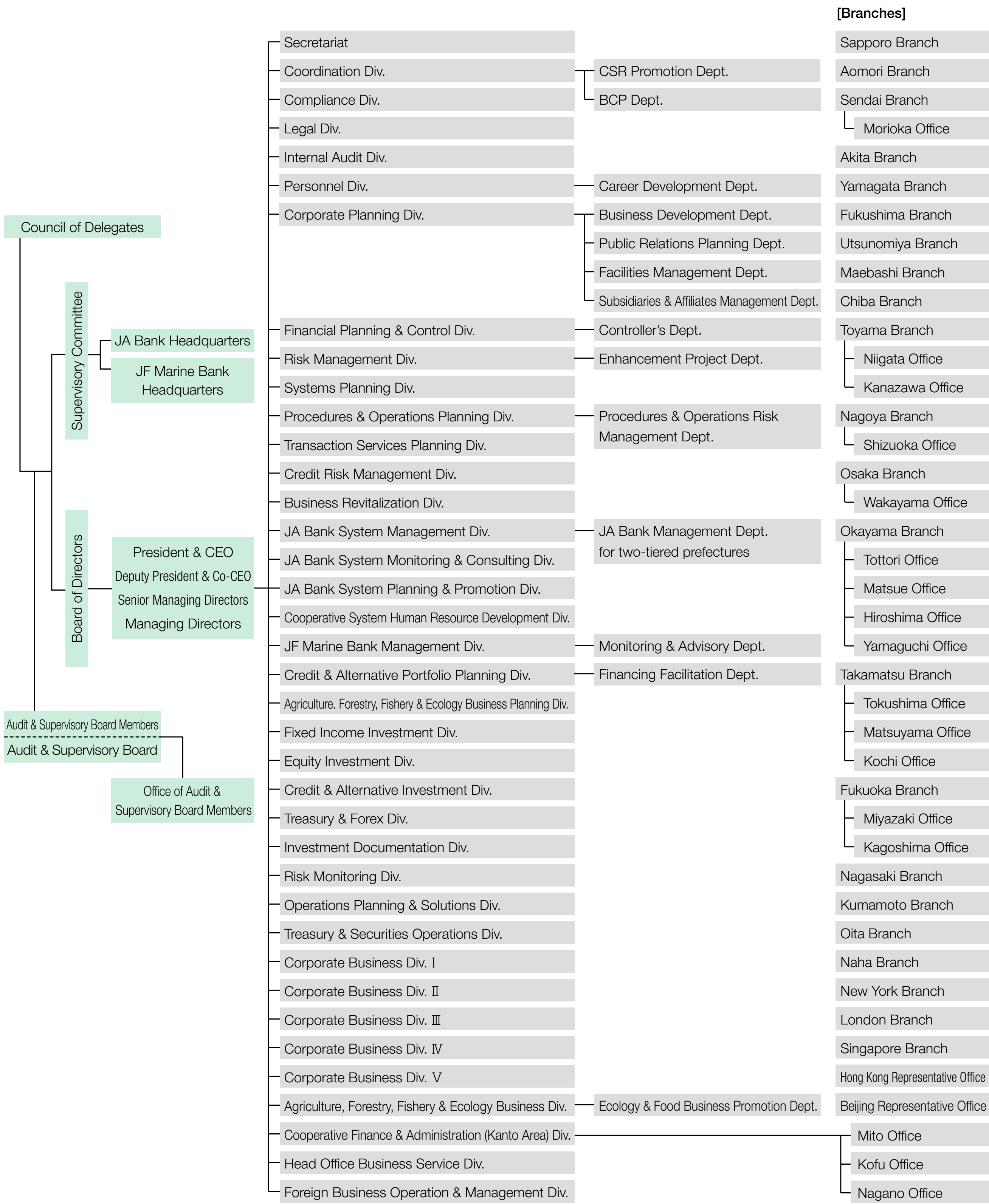
The Norinchukin Bank is the central financial institution for Japan's agricultural, fishery and forestry cooperative system. The supreme management decision-making organization for the Bank is the Council of Delegates, which consists of representative members and substitutes for the general meetings of all shareholders. Unlike stock companies, where one share represents one vote, the voting rights of the members of the Council of Delegates are equal regardless of the number of investment units they own. For this reason, a list of major shareholders has not been included in this report.

Trends in the Bank's Capital

Millions of yen

Date	Increase in Capital	Capital after Increase	Method of Increase
November 30, 1983	15,000	45,000	Allotment
November 30, 1990	30,000	75,000	Allotment
November 30, 1992	25,000	100,000	Allotment
February 16, 1995	24,999	124,999	Private placement
September 25, 1997	150,000	274,999	Allotment
March 25, 1998	850,000	1,124,999	Allotment
November 29, 2002	100,000	1,224,999	Allotment
December 1, 2005	225,717	1,450,717	Allotment
March 30, 2006	14,300	1,465,017	Allotment
September 29, 2006	19,000	1,484,017	Allotment
November 26, 2007	15,900	1,499,917	Allotment
February 28, 2008	12,900	1,512,817	Allotment
March 25, 2008	503,216	2,016,033	Allotment
December 29, 2008	24,800	2,040,833	Allotment
March 30, 2009	1,380,537	3,421,370	Allotment
September 28, 2009	4,539	3,425,909	Allotment

Organizational Diagram (As of July 1, 2014)



Directors and Auditors (As of July 1, 2014)

Supervisory Committee

Akira Banzai

Hiroshi Kishi

Shigeyoshi Sato

Yukio Hasegawa

Mitsuo Takakuwa

Chikaaki Kitabata

Eiichi Mori

Takehisa Yokouchi

Katsuyuki Senjuu

Norimoto Ishidou

Hideaki Kubori

Eiichiro Kinoshita

Yoshio Kono

Masataka Miyazono

Board of Directors

President & Chief Executive Officer

Yoshio Kono

Deputy President &
Co-Chief Executive Officer

Masataka Miyazono

Senior Managing Directors

Norihiro Takahashi

Kazuto Oku

Shinichi Saitoh

Managing Directors

Kazuhiko Otake

Norihiro Suzuki

Katsuyuki Touyama

Kohei Taneda

Shozo Goto

Shinichiro Nakano

Hideki Motoi

Takao Nakashima

Keito Shimbu

Audit & Supervisory Board

Joichi Yamazaki

Shigezane Saneshige

Masaya Oishi

Tatsuhiko Tanaka

Koji Hatsukawa

History

Milestones in the Bank's 91-Year History

1923 • The Bank is established with government funds under special legislation as the central bank for Japanese cooperatives, "Sangyo Kumiai" (December)

1938 • Fisheries cooperatives become members of the Bank

1943 • Forestry cooperatives become members of the Bank (March)
• The Bank's name is changed to The Norinchukin Bank (September)

1950 • The first Norinchukin Bank debentures are issued

1959 • Redemption of the government's equity stake is completed, thereby making the Bank a private bank

1974 • Foreign exchange operations begin

1977 • Investment and trading in foreign currency denominated bonds begin

1982 • A representative office opens in New York (the Bank's first overseas foothold) (October)

1984 • New York Representative Office is upgraded to branch status (October)

1985 • A representative office opens in London (January)

1986 • Fiduciary services for corporate bonds begin
• Norinchukin International plc opens in London

1989 • The Bank's U.S. dollar denominated notes are issued in the Euromarket

1990 • A representative office opens in Singapore (October)

1991 • London Representative Office is upgraded to branch status (April)

1993 • Singapore Representative Office is upgraded to branch status (April)
• Norinchukin Securities Co., Ltd., is established (July)
• Norinchukin Investment Trust Management Co., Ltd., is established (September)

1995 • Preferred stocks are issued, opening the way for capital increases through the participation of ordinary investors (February)
• The Norinchukin Trust & Banking Co., Ltd., is established (August)

1996 • Laws concerning the integration of the Bank and Shinnoren are enacted (December)

1998 • Capital increase through issue of low dividend rate stocks (¥1 trillion) is conducted (March)
• Market risk investment sections undergo substantial reorganization, upgrading them to match global asset management styles
• Representative offices are opened in Hong Kong and Beijing (July, November)

2000 • Norinchukin Zenkyoren Asset Management Co., Ltd., is established (October)

2001 • The Norinchukin Bank Law is revised (June)
• The Law concerning the Reorganization and Strengthening of Credit Business by the Bank and Specified Cooperatives is revised (June)

2002 • JA Bank System begins (January)
• Capital increase through issue of perpetual subordinated loan notes is conducted (September)
• Capital increase through issue of common stocks (¥100 billion) is conducted (November)
• Consolidation of JA Shinnoren with the Bank begins

2003 • JF Marine Bank implements fundamental policies (January)

2004 • Norinchukin Securities Co., Ltd., is liquidated (September)

2005 • Capital increase through issue of common stocks (¥225.7 billion) is conducted (December)

2006 • Final integration of Okayama JA Shinnoren and Nagasaki JA Shinnoren is completed (January)
• JASTEM is made available in all prefectures (May)
• Capital increase through issue of fixed-term subordinated bonds is conducted (September)
• Kyodo Credit Service Co., Ltd., merges with UFJ Nicos Co., Ltd. (October)
• Financial holding company (FHC) status is granted in the United States (December)
• JA savings deposits top ¥80 trillion (December)

2007 • Final integration of Akita JA Shinnoren is completed (February)
• JA Bank Agri-Support business is established (June)
• Final integration of Tochigi JA Shinnoren is completed (October)

2008 • Final integration of Yamagata JA Shinnoren and Toyama JA Shinnoren is completed (January)
• Capital increase through issue of lower dividend rate stocks (¥503.2 billion) and perpetual subordinated loans notes is conducted (March)
• Final integration of Fukushima JA Shinnoren is completed (October)

2009 • Final integration of Kumamoto JA Shinnoren is completed (January)
• Capital increase through issue of lower dividend rate stocks (¥1,380.5 billion) and perpetual subordinated loan notes is conducted (March)

2010 • Growth Base Reinforcement Fund (¥100.0 billion) is established (August)
• Growth Base Support Fund (¥600.0 billion) is established (December)

2011 • Reconstruction Support Program is established (April)
• Partial Integration of Gunma JA Shinnoren is completed (October)

2012 • Norinchukin Facilities Co., Ltd. becomes wholly-owned subsidiary (May)
• Domestic emission credits (J-VER) service begins (as a broker) (June)
• Final integration of Aomori JA Shinnoren is completed (October)
• Global Seed Fund (¥500 billion) is established (November)
• JA savings deposits top ¥90 trillion (December)

2013 • Partial integration of Chiba JA Shinnoren is completed (July)

2014 • Norinchukin Bank Shinagawa Training Center is completed (February)
• Agricultural, Forestry and Fisheries Future Fund is established (March)
• Capital increase through issue of fixed-term subordinated loans notes is conducted (March)

List of Group Companies

As of March 31, 2014

Company Name	Address	Nature of Business	Date of Establishment	Capital (Millions of yen) Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Trust & Banking	August 17, 1995	20,000 100.00
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Research	March 25, 1986	300 100.00
Norinchukin Facilities Co., Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-0012, Japan	Building Management & Facility Management	August 6, 1956	197 100.00
Nochu Business Support Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Provider of various administrative services for The Norinchukin Bank	August 18, 1998	100 100.00
Kyodo Seminar Co., Ltd.*	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Training	May 25, 1981	20 100.00
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan	Mortgage Loans & Housing Loan Guarantee	August 10, 1979	10,500 91.68
Nochu Information System Co., Ltd.	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan	System Development & Maintenance	May 29, 1981	100 90.00
Norinchukin Zenkyoren Asset Management Co., Ltd.	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan	Asset Management & Investment Advice	September 28, 1993	3,420 50.91
Ant Capital Partners Co., Ltd.	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan	Private Equity Investments & Fund Management	October 23, 2000	3,086 39.61
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	500 37.96
JA MITSUI LEASING, LTD.	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo 141-0022, Japan	Leasing Business	April 1, 2008	32,000 33.40
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Investment in Agricultural Corporations	October 24, 2002	4,070 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan	Credit Card Business	June 7, 1951	109,312 15.01
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan	Building Management	April 1, 1993	10 27.00
Norinchukin Finance (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Issue of Subordinated Bonds, Provision of Subordinated Loans	August 30, 2006	$50,000 100.00

**As of July 1, 2014, Kyodo Seminar Co., Ltd. has relocated the main office as follows.*
(Address) 12-1 Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan

Global Network (As of August 1, 2014)

Overseas Branches

New York Branch
Kenichi Sugita, *General Manager*

21st Floor, 245 Park Avenue,
New York, NY 10167-0104, U.S.A.
Telephone: 1-212-697-1717
Fax: 1-212-697-5754
SWIFT: NOCUUS 33

London Branch
Takaaki Yamamiya, *General Manager*

4th Floor, 155 Bishopsgate,
London EC2M 3YX, U.K.
Telephone: 44-20-7588-6589
Fax: 44-20-7588-6585
SWIFT: NOCUGB2L
Company number: BR001902

Singapore Branch
Toru Wada, *General Manager*

12 Marina Boulevard, #38-01102,
Marina Bay Financial Centre
Tower 3, Singapore 018982
Telephone: 65-6535-1011
Fax: 65-6535-2883
SWIFT: NOCUSGSG

Overseas Representative Offices

Hong Kong Representative Office
Akihisa Ochiai, *Chief Representative*

34th Floor, Edinburgh Tower,
The Landmark, 15 Queen's Road,
Central, Hong Kong
Telephone: 852-2868-2839
Fax: 852-2918-4430

Beijing Representative Office
Junya Morishita, *Chief Representative*

Room 601, Chang Fu Gong Building,
Jia-26, Jianguo Men Wai St.,
Beijing, China 100022
Telephone: 86-10-6513-0858
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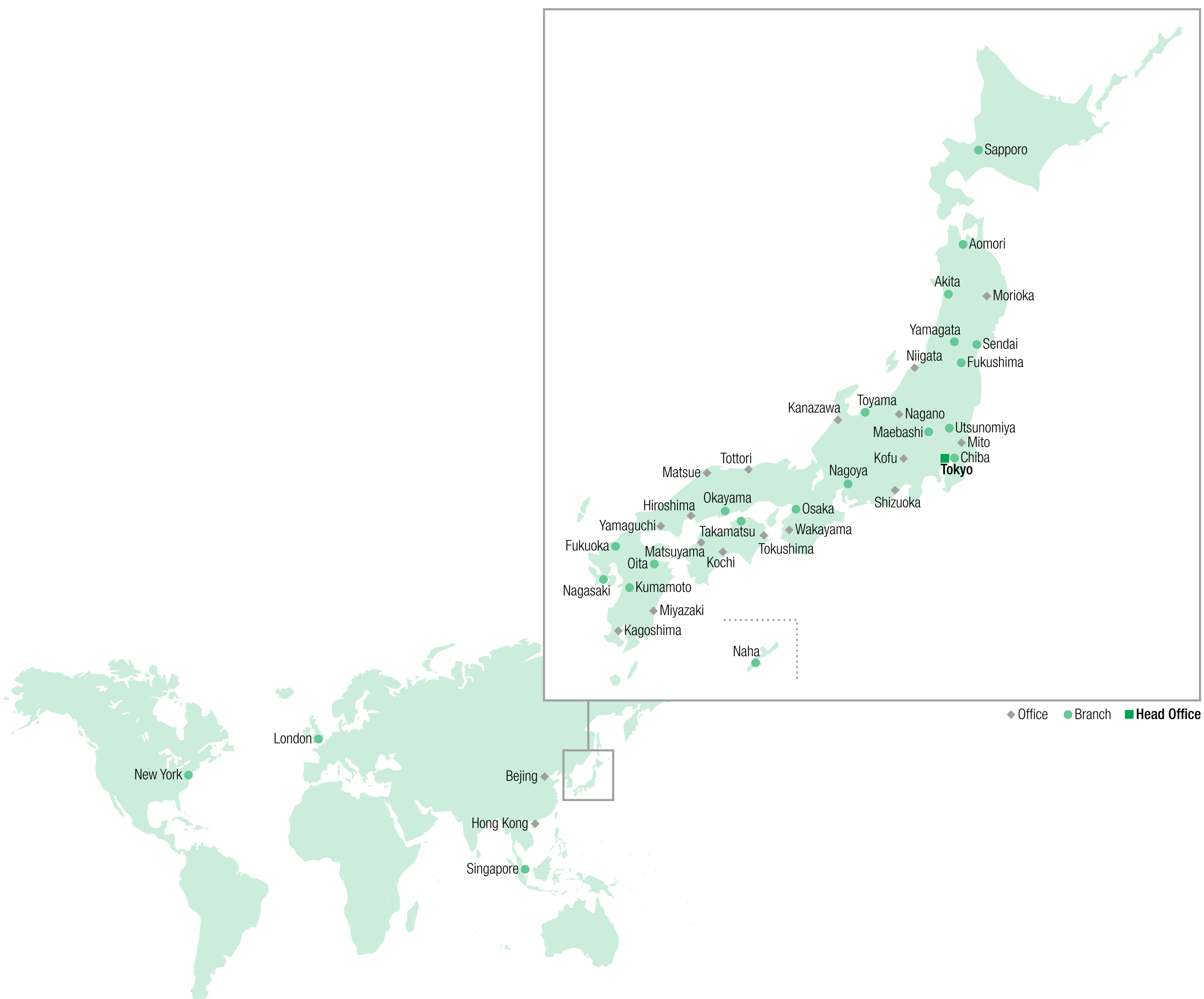

Contact information of Head Office:

13-2, Yurakucho 1-chome, Chiyoda-ku,
Tokyo 100-8420, Japan
URL: http://www.nochubank.or.jp/en/
SWIFT: NOCUJPJT

The Norinchukin Bank