

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
	2014	2013	2014
As of March 31			
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
	2014	2013	2014
As of March 31			
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				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
As of March 31, 2014					
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				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
As of March 31, 2013					
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				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
As of March 31, 2014					
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
	2014	2013	2014
As of March 31			
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
	2014	2013	2014
As of March 31			
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 a 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

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

7. Other Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

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

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2014	2013	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	Millions of U.S.
	2014	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	Millions of U.S.
	2014	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
	2014	2014
As of March 31		
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
	2014	2014
For the fiscal year ended March 31		
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
	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:

As of March 31	Millions of Yen
	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		Millions of U.S.
	2014	2013	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		Millions of U.S.
	2014	2013	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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	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

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	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		Millions of U.S. Dollars
	2014	2013	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		Millions of U.S. Dollars
	2014	2013	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		Millions of U.S. Dollars
	2014	2013	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		Millions of U.S. Dollars
	2014	2013	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:

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2014	2013	Dollars 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:

As of March 31	Millions of Yen		Millions of U.S.
	2014	2013	Dollars 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**

Fiscal year ended March 31, 2013	Millions of Yen			
	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**

Fiscal year ended March 31, 2013	Millions of Yen				
	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

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

c. Information about Major Customers

Fiscal year ended March 31, 2013	Name of Customer	Millions of Yen	
		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		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of March 31, 2014						
(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) 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) 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 vendors.

(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:

As of March 31, 2014	Millions of Yen					
	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

As of March 31, 2014	Millions of U.S. Dollars					
	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.

As of March 31, 2013	Millions of Yen					
	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					
	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
As of March 31, 2014						
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					
	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
As of March 31, 2014						
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) 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					
	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
As of March 31, 2013						
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) 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
	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
As of March 31			
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

As of March 31, 2014	Type	Millions of Yen			Millions of U.S. Dollars		
		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
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	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
	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.

		Millions of Yen		
		Consolidated	Fair Value	Difference
As of March 31, 2013	Type	Balance Sheet Amount		
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
	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

		Millions of Yen			Millions of U.S. Dollars		
		Consolidated	Acquisition	Difference	Consolidated	Acquisition	Difference
As of March 31, 2014	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
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

Fiscal year ended March 31, 2014	Millions of Yen			Millions of U.S. Dollars		
	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

As of March 31, 2014	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥7,063	¥562	\$69	\$5

As of March 31, 2013	Millions of Yen	
	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)

As of March 31, 2014	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	¥4,643,640	¥4,386,491	¥257,149	¥257,850	¥700

As of March 31, 2014	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	\$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."

As of March 31, 2013	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	¥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			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2014								
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

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								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
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.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2013				
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

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2014								
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.

As of March 31, 2013	Millions of Yen			
	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.

As of March 31, 2013	Millions of Yen			
	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			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2014								
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			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2013				
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

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			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

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen		
			Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	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

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