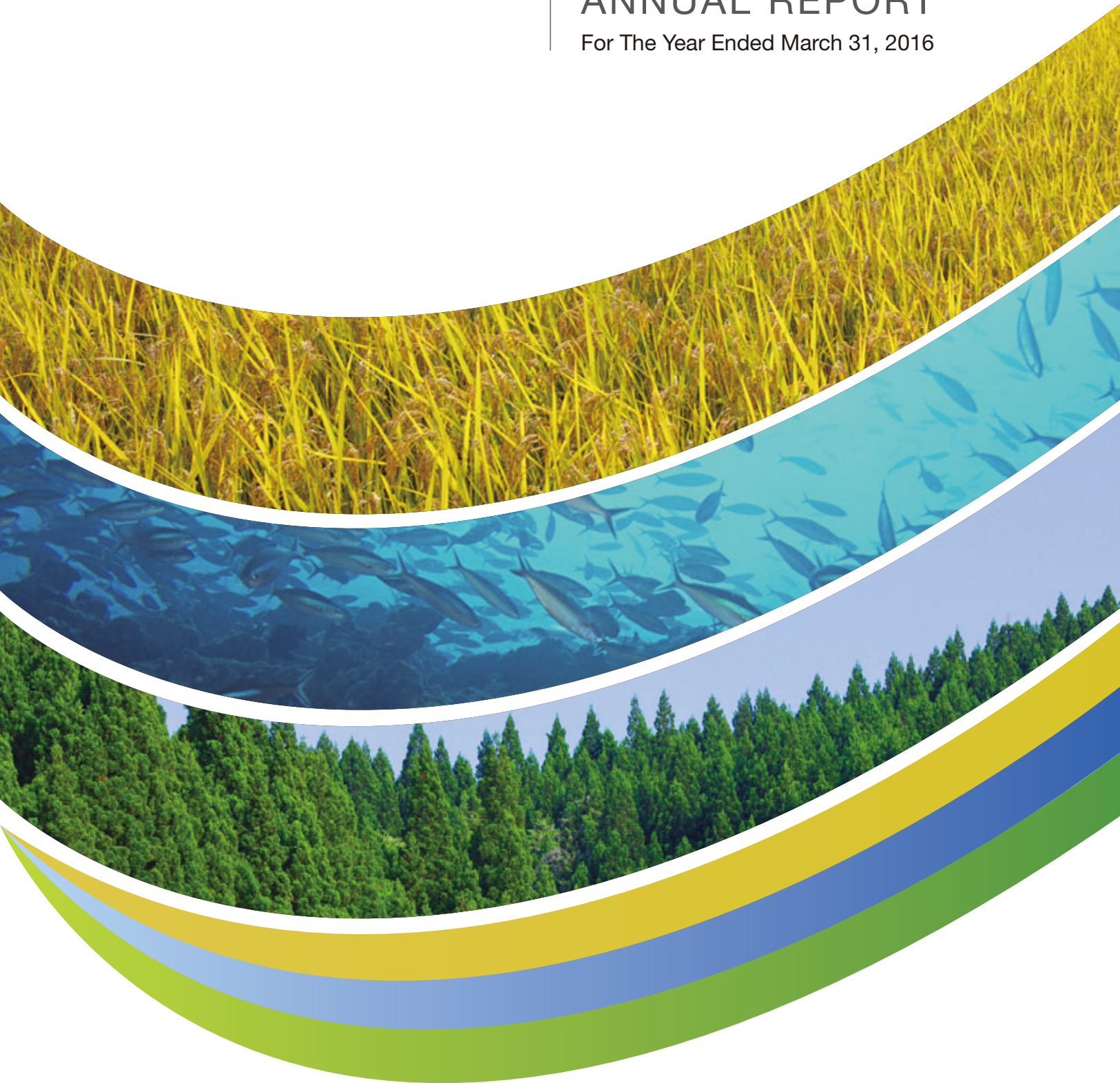


The Norinchukin Bank

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ANNUAL REPORT

For The Year Ended March 31, 2016

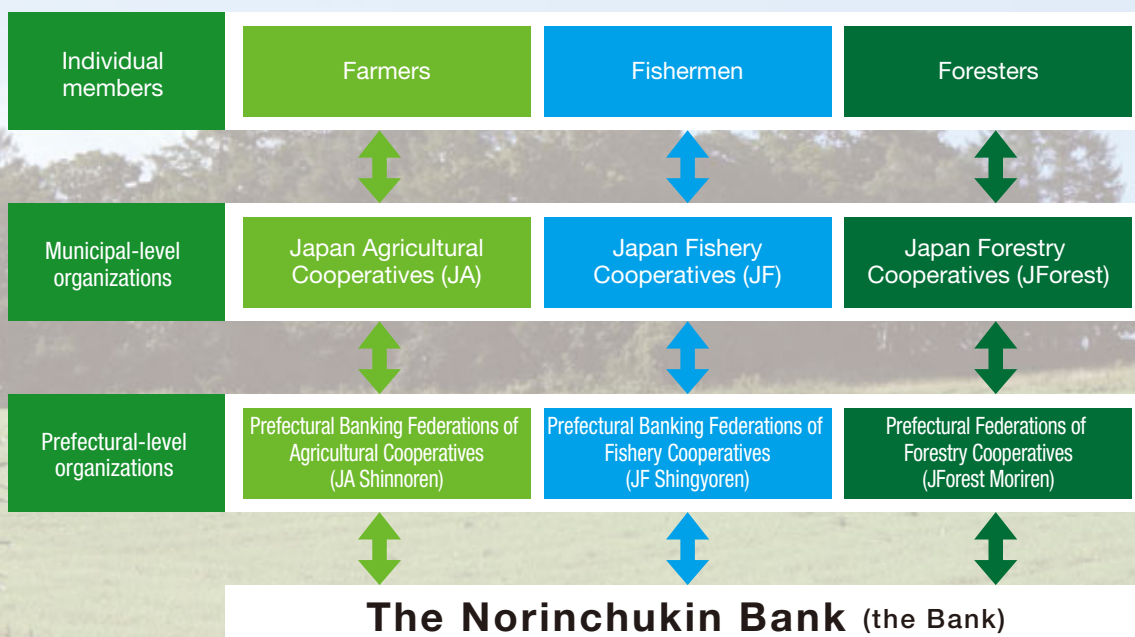


Leading Bank that Supports the Agriculture, Fishery and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

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

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

Courageously facing change, we will pursue our unchanging mission and continue to challenge new horizons.





Corporate Outline

- Name** ■ The Norinchukin Bank
- Legal basis** ■ The Norinchukin Bank Law (Law No. 93 of 2001)
- Date of establishment** ■ December 20, 1923
- Chairman of the Supervisory Committee** ■ Choe Okuno
- President and Chief Executive Officer** ■ Yoshio Kono
- Paid-in capital** ■ ¥3,480.4 billion (US\$30.8 billion) (As of March 31, 2016)
*All capital is from private parties (members and investors in preferred securities).
- Total assets (On a consolidated basis)** ■ ¥101,182.9 billion (US\$897.8 billion) (As of March 31, 2016)
- Capital ratio (On a consolidated basis, Basel III standard)**
 - Common Equity Tier 1 Capital Ratio 18.94% (As of March 31, 2016)
 - Tier 1 Capital Ratio 18.99% (As of March 31, 2016)
 - Total Capital Ratio 25.07% (As of March 31, 2016)
- Members** ■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry cooperative organizations that have invested in the Bank
(Number of shareholders: 3,677) (As of March 31, 2016)
- Number of employees** ■ 3,561 (As of March 31, 2016)
- Business locations**
 - (In Japan) ■ Head office: 1 ■ Branch: 19 ■ Branch annex: 2 ■ Office: 17
 - (Overseas) ■ Branch: 3 ■ Representative office: 2(As of July 31, 2016)

Ratings (As of March 31, 2016)

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

Forward-Looking Statements
 This report contains information about the financial condition and performance of the Bank as of March 31, 2016 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the prospects, business plans, targets, etc. of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

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

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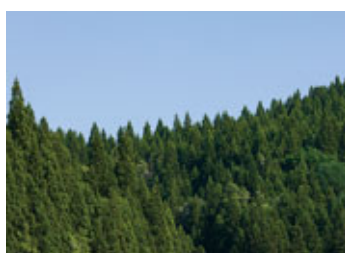
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Message from the Management



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

On this occasion, we have published this annual report, which contains details of the business performance for fiscal 2015, as well as a summary, etc., of the general situation at JA Bank, JF Marine Bank and JForest Group, so we ask that you please have a look through it.

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

As the national-level financial institution for agricultural, fishery and forestry cooperatives in Japan, the mission of The Norinchukin Bank (“the Bank”) is to contribute to the development of the agriculture, fishery and forestry industries and to national economic prosperity by facilitating access to financial resources. With the capital provided by Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forestry Cooperatives

(JForest), etc., as well as the stable funding base through customer deposits at JA Bank and JF Marine Bank, the Bank, to achieve its mission, lends funds to its members, agricultural, fishery and forestry workers, and companies related to the agriculture, fishery and forestry industries. The Bank also conducts various lending and investment activities in Japan and abroad, efficiently manages funds, and stably returns profits to its members.

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

New Medium-Term Management Plan Formulation

The environment surrounding the Bank and cooperatives is becoming increasingly harsh amid such developments as the revision of the Agricultural Co-operatives Act, the broad agreement on the Trans-Pacific Partnership (TPP) and the tightening of international financial regulations. On the other hand, public interest in and expectations for the agriculture, fishery and forestry industries are higher than ever before, including their transformation into growing industries.

In light of the situation surrounding the Bank and co-

operatives and the basic role of The Norinchukin Bank we have formulated a new Medium-Term Management Plan (FY2016-FY2018) comprising management and business management policies for the next three years.

JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agriculture, fishery and forestry industries and their rural communities.

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

July 2016



Choe Okuno
Chairman of the Supervisory Committee



Yoshio Kono
President and Chief Executive Officer

Message from the CEO

Toward a leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities

Business Performance in Fiscal 2015

In fiscal 2015, as the final year of the Medium-Term Management Plan (fiscal 2013 through fiscal 2015), the Bank implemented a series of initiatives in line with the following four policies:

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

For “Proactive efforts on new initiatives contributing to the development of the agriculture, fishery and forestry industries, food production and consumption, and revitalization of local communities,” placing emphasis on encouraging new initiatives supporting reconstruction of disaster-affected areas of the Great East Japan Earthquake in 2011, strengthening of the ability to cater to leaders supporting the sustainable development of the agriculture, fishery and forestry industries, enhancement of the profitability of these industries, and revitalization of local communities through the agriculture, fishery and forestry industries.

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

For “Strengthening of profitability through appropriate

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

For “Building up of organizational strengths through strategic use and enhancement of management resources,” we engaged in the development of human resources into key personnel at the Bank and cooperatives, the appropriate allocation of management resources, and the strengthening of compliance and business management systems. Regarding financial management, we maintained ordinary profit, exceeding targets as a result of efforts to secure profit and strengthen financial conditions targeting the realization of sustainable and stable returns for all members.

In addition, as for self-reform efforts pursued by JA Bank as a whole in the context of an “in-depth initiative that will contribute to increased agricultural income and the revitalization of local communities”, we implemented, in concrete terms, the “Support Program for Increasing Agricultural Income and Revitalizing Local Communities” totaling support in the amount of ¥100 billion and provided assistance including support that contributes to lower management cost for leaders that are expanding in scale, addition of higher value to agricultural products and expansion of sales channels.

Furthermore, working on “arrangement of the business environment so that JA can make best efforts in agricultural businesses,” we engaged in such activities as the optimization of JA and the presentation of a basic scheme for the cooperative banking business agent model scheme, and “provision of financial services that connect agriculture and local communities/users in order to contribute

to local communities,” we provided financial services that help increase consumption of Japanese agricultural and livestock products, deployed mobile branches in vehicles in JA, in underpopulated areas and engaged in other initiatives one after the other.



Financial Results and Capital Adequacy in Fiscal 2015

In fiscal 2015, the Bank recorded an ordinary profit of ¥324.9 billion and net income of ¥271.2 billion (both on a consolidated basis), and thus achieved the target profit

level (around ¥100.0 billion).

The Bank's capital adequacy ratios on a consolidated basis were maintained at a high level, with a Common Equity Tier 1 Capital Ratio of 18.94%, a Tier 1 Capital Ratio of 18.99% and a Total Capital Ratio of 25.07%.

Summary of Earnings

(Billions of Yen)

	FY2013	FY2014	FY2015
Ordinary Profit	190.3	514.5	324.9
Net Income	155.7	411.3	271.2
Net Assets	5,976.5	7,308.1	7,186.7
Common Equity Tier 1 Capital Ratio	17.43%	17.17%	18.94%
Tier 1 Capital Ratio	17.56%	17.24%	18.99%
Total Capital Ratio	25.24%	24.19%	25.07%

Reviewing the Previous Medium-Term Management Plan

Towards becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities,” the Bank had been engaging in the Medium-Term Management Plan (FY2013-FY2015).

We assess that the Bank has progressed generally as planned for the past three years. The earnings reached a record high in FY2014 primarily due to a favorable market environment, and generally solid progress has been made with regard to supporting reconstruction of disaster-affected areas of the Great East Japan Earthquake in 2011, and strengthening the cooperative banking business.

The environment surrounding the Bank and cooperatives is becoming increasingly harsh amid such developments as the revision of the Agricultural Cooperatives Act, the broad agreement on the Trans-Pacific Partnership (TPP) and the tightening of international financial regulations.

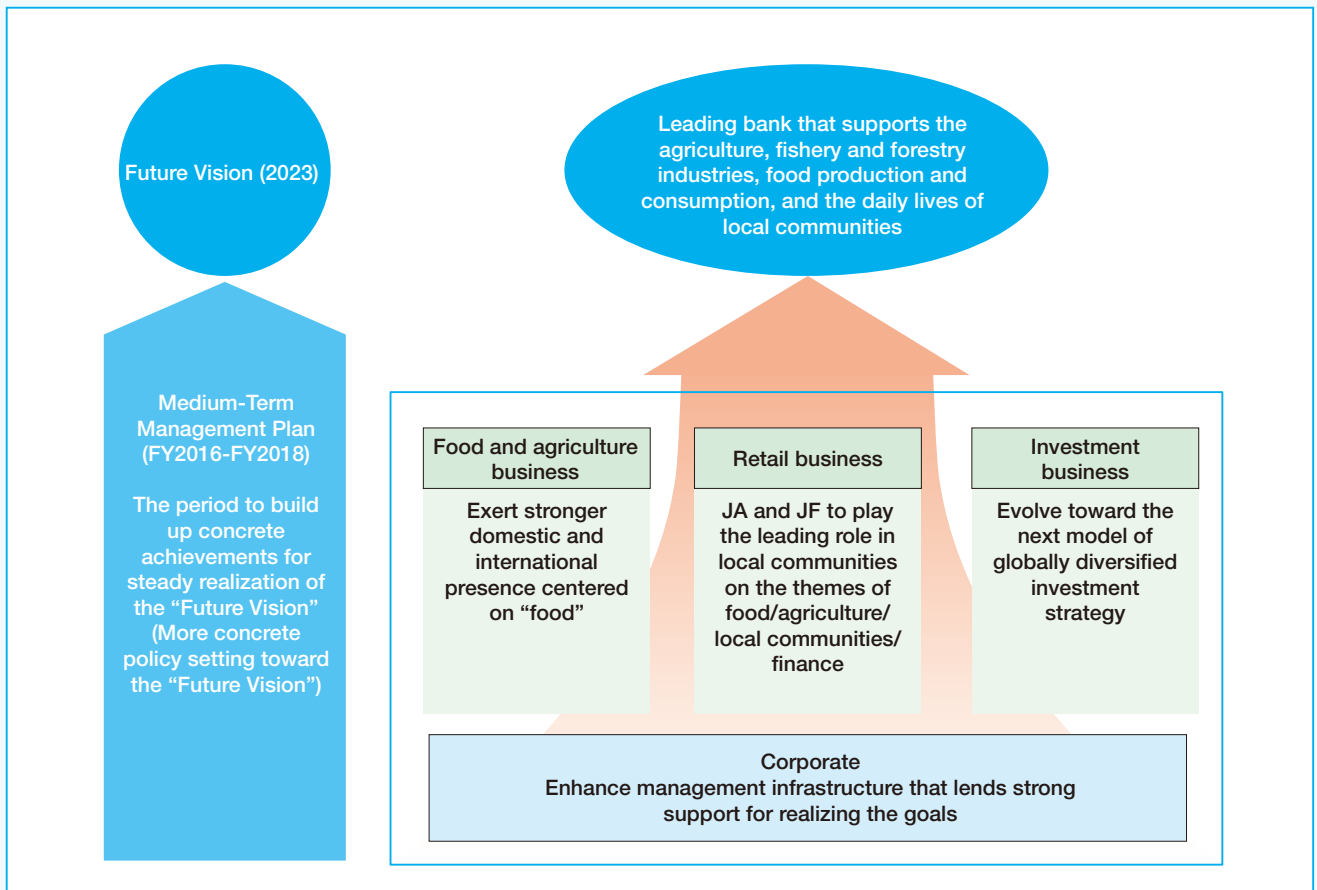
Over the next three years, the Bank will proactively work on management issues while accurately ascer-

taining the change for these substantial turning points. Based on the view that it will be a crucial period in which the Bank will be put to the test, we have formulated a new Medium-Term Management Plan (fiscal 2016 through 2018).

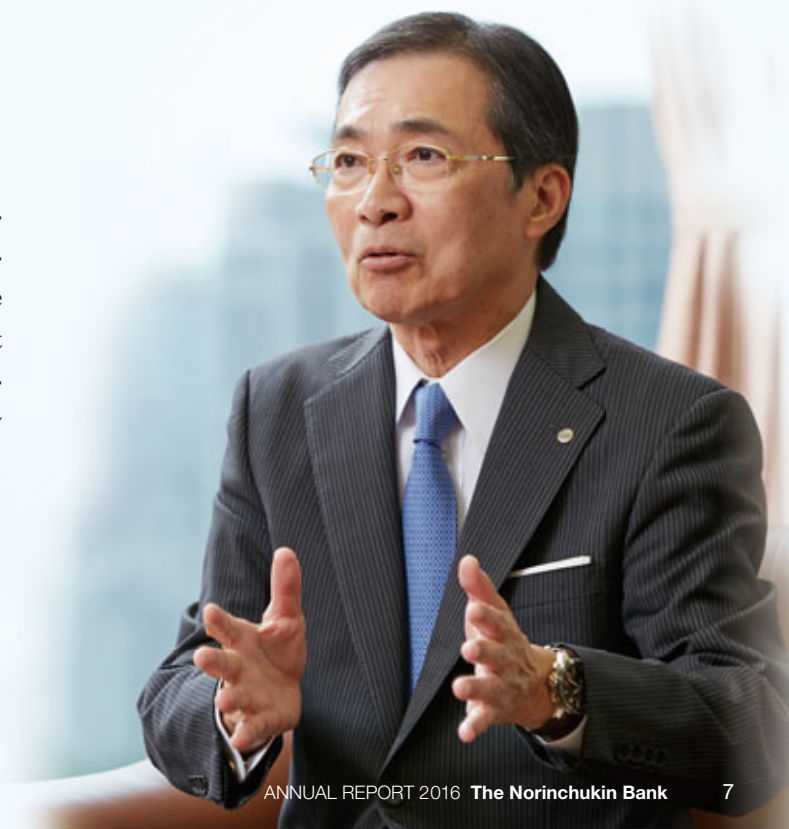
Basic Policy of a New Medium-Term Management Plan

Under the next three-year Medium-Term Management Plan that begins this fiscal year as the first year, we aim to achieve three objectives of “contributing fully as the bank rooted with the agriculture, fishery and forestry industries and food businesses, turning the agriculture, fishery and forestry industries into growing industries, “reinforcing the cooperative banking business platform,” and “achieving stable returns to our members through the sophistication of the current globally diversified investment strategy,” namely, by establishing the three business areas of “food and agriculture business,” “retail business,” and “investment business,” which we defined as the basic policy for overall control and enhancement of the supporting corporate functions.

Basic Policy of “Medium-Term Management Plan (FY2016-FY2018)”



Based on our mission to realize turning the agriculture, fishery and forestry industries into growing industries with certainty, we will continue to challenge self-reform towards becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.”



Specific Initiatives of Food and Agriculture Business

Among these, for the “food and agriculture business,” we aim to further contribute to turning the agriculture, fishery and forestry industries into growing industries by leveraging our strengths in Japan and overseas networks as a financial institution developing business globally, many years of transactions with food and agriculture-related companies and deep connections with farmers, fishermen and foresters.

The “food and agriculture business” has been positioned as a key business area in this Medium-Term Management Plan so that the initiatives for the sustainable development of the agriculture, fishery and forestry industries in Japan and the transformation of these industries into growing industries will be developed into a business segment comparable to our conventional retail and investment businesses.

Specific actions to be taken in expanding the “food and agriculture business” will involve further developing initiatives that create bonds with a wide range of stakeholders including cooperatives, leaders and the business community by serving as a bridge between agricultural, fishery and forestry workers and the business community, and at the same time, building up initiatives based on a flexible, future-oriented perspective while cherishing existing and conventional norms and frameworks.

Headquarters System Introduction

In addition, the Bank defined the “food and agriculture business,” the “retail business” and the “investment business” as three business areas and introduced a headquarters system from the perspective of achieving quick decision-making, policy development and implementation and the flexible use of management resources within initiatives to enhance corporate functions that control these three businesses.

Specifically, we established a structure to promote these three business areas also at the organizational level by launching four headquarters, three of which are front-office headquarters, namely, “Food & Agri Banking Business” (in charge of the “food and agriculture business”), “Retail Banking Business” (in charge of promoting and strengthening JA Bank and JF Marine Bank’s “retail business”) and “Global Investments” (in charge of the “investment business” aimed at the further evolution of the “globally diversified investments”), and one of which is “Corporate & Shared Services” (in charge of the management infrastructure that supports the aforementioned three headquarters).

The Bank will make every effort to meet member expectations and realize strong results in each of these areas.

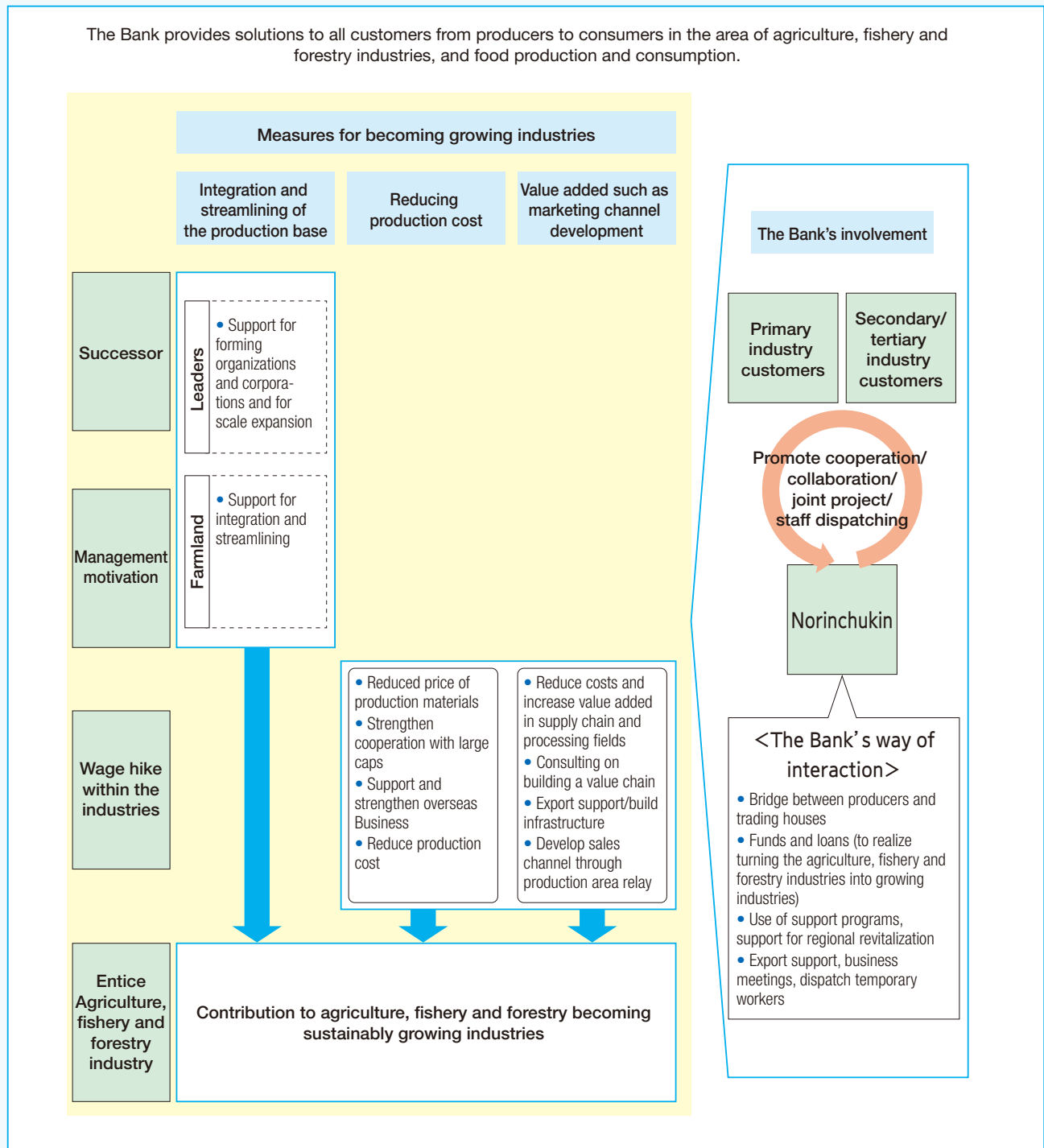
Targeted Management Objectives

Within the period of the Medium-Term Management Plan, the Bank aims to achieve ordinary profit of around ¥150.0 billion.

Looking ahead, the economic and financial environment is expected to remain harsh given the prospect of interest rate hikes in the United States, the introduction of the negative interest rate policy in Japan and the continued high cost of foreign currency funding, among others. The Bank will strive to achieve targets based on appropriate financial management.



Illustration of Specific Initiatives in Food and Agri-Business



In Conclusion

In 2023, the Bank will commemorate 100 years since its founding. To become a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities” depicted in its Future Vision toward

the 100th Anniversary, all directors and employees of the Bank are committed to yielding concrete results in their respective positions and thereby contributing to the transformation of the agriculture, fishery and forestry industries into continuous growing industries. We ask our members and all others concerned for understanding and support.

Messages from the Each Business Head

Toward a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities”

In June 2016, the Bank introduced a new headquarters system.

Food & Agri Banking Business



Masataka Miyazono
Head of Food & Agri Banking Business

Major Initiative Issues

- Turning the agriculture, fishery and forestry industries into growing industries (Integration and streamlining of the production base, reducing production cost, value added such as marketing channel development)
- Playing a key role as a bridge between the agriculture, fishery and forestry workers and the business community

The Food & Agri Banking Business is in charge of expanding the “food and agriculture business,” which has been newly positioned as a pillar of the Bank’s business in its Medium-Term Management Plan launched this fiscal year. In the “food and agriculture business”, we take advantage of our deep connections with agricultural, fishery and forestry workers, our dealings with food/agriculture-related companies over many years and our various networks in Japan and overseas to take a centralized approach to diverse issues faced by both parties, with the aim to further contribute to the transformation of the agriculture, fishery and forestry industries into growing industries as well as the growth and development of client companies.

The Bank will realize two major goals in “the food and agriculture business” area. The first is that the Bank and cooperatives will become reliable financial institutions for leaders who play leading roles in the future of the agriculture, fishery and forestry industries in Japan. The Bank will build up initiatives that contribute to strengthening leaders’ management, etc., including not only a financial but also a non-financial support.

The other goal is to fulfill the Bank’s role as a coordinator connecting the business community needs and the agriculture, fishery and forestry workers. More than ever, the Bank will continue to provide various solutions that enable producers and the business community to further respond to consumer needs.

Retail Banking Business



Kazuhiko Otake
Head of Retail Banking Business

Major Initiative Issues

- Expand retail banking by identifying changes in organizational base and customer needs
- Achieve JA Bank self-reforms and satisfaction of its members, etc.

The Retail Banking Business plays a major role in operations related to strengthening and expanding the JA Bank and JF Marine Bank businesses of agricultural and fishery cooperative organizations and increasing reliability of those businesses etc.

In addition to competition with other sectors, competition for JA Bank and JF Marine Bank in retail financing is becoming increasingly fierce, coupled with structural problems such as changes in the organizational base due in part to the aging of its members and changes in customer needs.

Under these circumstances, JA Bank formulated the JA Bank Medium-Term Strategies to be implemented from fiscal 2016 to fiscal 2018. Having set the future vision of JA Bank at becoming an “entity that is needed more in regions by contributing to food, agriculture and local communities,” we will contribute to “increasing agricultural income” and “revitalizing local communities” by providing high-quality, sophisticated financial services.

In addition to further enhancing and providing financial functions for the fishery industry, JF Marine Bank will promote initiatives aimed at strengthening its business base, soundness and management capabilities in pursuit of a stronger control structure to enable the provision of stable and appropriate financial functions.

Through these initiatives, the Bank aims to “JA and JF to play the leading role in local communities on the themes of food/agriculture/local communities/finance” as indicated in the Medium-Term Management Plan.

In this section, heads of each business explain the major initiative issues and basic policies involved in the shift to a headquarters system.

Global Investments



Katsuyuki Touyama
Head of Global Investments

Major Initiative Issues

- Further evolve globally diversified investments
- Enhance stable profitability
- Steadily comply with international financial regulations, etc

Global Investments is in charge of investments in securities and other financial instruments based on appropriate risk management in accordance with the basic concept of “globally diversified investments” aimed at realizing a stable return of profits in the medium and long run as the ultimate manager of funds entrusted by members to JA Bank and JF Marine Bank.

Given the mounting uncertainties in the outlook for financial market conditions, it is necessary to keep an eye on the impact of the negative interest rate policy, the continued high cost of foreign currency funding and other such developments, while careful financial management remains necessary at this juncture. In addition, there is a trend towards tougher international financial regulations, so it is fair to say that the task of gaining an accurate grasp of and complying with regulations is a major challenge for the Bank, which secures profits through overseas financial markets and assets.

Under these circumstances, Global Investments has set its future vision at “evolve toward the next model of globally diversified investments strategy” in this Medium-Term Management Plan. We are committed to securing profits that contribute to stable return of profits through the further evolution of “globally diversified investments” by making such efforts as expanding our earnings base and enhancing our foreign currency funding ability, while assuming an appropriate balance with risks and compliance with regulations.

Corporate & Shared Services



Kazuto Oku
Head of Corporate & Shared Services

Major Initiative Issues

- Develop business/IT infrastructure so that competitive edge can be ensured
- Pursue sophistication of risk management framework
- Fulfill “antenna” and “navigator” functions in management and the organization as a whole

The role of Corporate & Shared Services is to support and control three business areas of the “food and agriculture business,” “retail business,” and “investment business” areas.

Under the new headquarters system, it is extremely important to achieve quick decision-making, policy development and implementation, the flexible use of management resources and the clearer implementation of PDCA in each headquarter to execute missions in the three business areas and realize the future vision. Corporate & Shared Services have supported including the provision of platform, etc., for smoothly conducting business activities in these three business areas, and at the same time, from the perspective of overall optimization, contribute to the facilitation of organizational and operational management of the Bank as a whole, including Group companies, in an attempt to strengthen our strategic structure and overall control function in a so-called cross-functional manner.

By properly fulfilling our role as a “navigator” of the Bank as a whole in the manner described above, we will build up concrete achievements to steadily fulfill our Future Vision toward the 100th anniversary, that is, becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.”

Bank Initiatives

Self-Reform of the JA Bank Effort

With the situation surrounding the agriculture industry becoming increasingly severe, in light of the Government's "agricultural cooperative reform" movement, etc., in 2014 the JA Group formulated "Self-Reform of JA Group" as self-reform. As a member of JA Group, for JA Bank to also contribute more than ever to agriculture and local communities, we are implementing "Self-Reform of JA Bank" efforts during an intensive period for the initiative up to fiscal 2018.

The "Self-Reform of JA Bank" is comprised of "three pillars": (1) further responses to contribute to increase in income of farmers and revitalization of local communities especially the "Support Program for Increasing Agricultural Income and Revitalizing Local Communities (business size of ¥2 trillion, total amount of ¥100 billion)"; (2) arrangement of the business environment so that JA can make best efforts in agricultural businesses; and (3) provision of financial services that connect agriculture and local communities/users in order to contribute to local communities. Until now, we have conducted: establishing the "Agricultural Equipment Lease Support Program (Agri-Seed Lease)" to support agricultural leaders' scale expansion and streamlining; support for holding seminars and consultations to assist further advanced management for farmers, as

well as establishing consultation counters nationwide and strengthening management consultation functions through the first issue of PR magazine "Agriculture Report Magazine" etc.; rationalizing banking business operation through the introduction of equipment to streamline cash business at all JA business' service locations; and establishing JA Bank's "No to Ayumu Project" (Project for Making Progress with Agriculture) to plan and sell financial products linked to expanded consumption of agricultural products. In addition, we have solidified the framework including initiatives toward export promotion of agricultural products, sixth industrialization support toward agriculture value-adding and support expansion for agricultural entrants, and begun sequential implementation of initiatives while at the same time we are establishing the infrastructure for the placement of mobile branches in vehicles, and we will continue to further strengthen these initiatives.

Both JA Bank and the Bank will work as hard as possible toward the steady implementation of the "Self-Reform of JA Bank" effort, and contribute to the development of agriculture and local communities by continuing to enhance the provision of financial services and securing sound management.

Initiatives toward Turning the Agricultural, Fishery and Forestry Industries into Growing Industries

Initiatives toward Turning the Agricultural, Fishery and Forestry Industries into Growing Industries

The Bank conducts initiatives to further exert its role as the central organization for agricultural, fishery and forestry cooperatives, focusing on contribution to its members and the agriculture, fishery and forestry industries as a matter of the highest priority. The Bank is implementing various financial and nonfinancial mea-

asures to achieve the practices of food and agriculture business indicated in the Medium-Term Management Plan started from fiscal 2016, which contribute to turning the agricultural, fishery and forestry industries into growing industries.

Provision of Various Financial Tools (Loans and Investments)

● Provision of Loans

For agricultural corporations run by those expected to be agricultural leaders of tomorrow, we offer the Agricultural Corporation Development Loan (Agri-Seed Loan), etc. for operating funds for agricultural products and the processing of farm products without collateral or guarantee in principle.

Product	Number of loans	Loaned amount
Agri-Seed Loan (since December 2009)	95	¥1,531 million

*Cumulative total as of March 31, 2016

In addition to direct financing as mentioned above, the Bank reduces interest burdens on agricultural workers, for example by providing subsidies to borrowers of JA Bank’s agricultural loans to cover up to one percent of the interest cost. In fiscal 2015, 90,000 loans, totaling ¥1.6 billion, were provided, and in the cumulative total up to fiscal 2015, ¥8.2 billion in subsidies were granted for 480,000 agricultural loans.



Greenhouse for green onions of an Agri-Seed Loan recipient



Olive orchards of an Agri-Seed Loan recipient

● Enhancement of Capital Funding Schemes

Since 2010, as a framework to supply capital to agricultural corporations, the Bank, in collaboration with The Agribusiness Investment & Consultation, Ltd. and JA Bank Agri-Eco Support Fund, established the Agri-Seed Fund, which invests in agricultural corporations that are technically competent yet undercapitalized, stabilizing their finances and supporting the development of their business. The total number of investments has reached 197 and the agricultural corporations which have received investments have stably grown as core leaders of their areas and industries.

In June 2013, the Bank established the Support Fund for Business Entities of Agricultural Leaders to meet the business expansion needs of agricultural corporations which plan on the utilization of abandoned farmland, farmland accumulation and the sixth industrialization. The fund has so far made nine.

Product	Number of investments	Invested amount
Agri-Seed Fund (since April 2010)	197	¥1,524 million
Support Fund for Business Entities of Agricultural Leaders (since June 2013)	14	¥407 million

*Cumulative total as of March 31, 2016



Tropical orchids of an Agri-Seed Fund recipient



Cattle barn of an Agri-Seed Fund recipient

Types of Loans (As of March 31, 2016)

	General Loan		Policy-based Loan
Agriculture	Agri-Seed Loan	Agriculture, Forestry, Fishery & Ecology Business Loan Management Improvement Support Loan	Agriculture Modernization Loan Agricultural Management Assistance Support Loan New Farming Fund for Young Persons Agricultural Management Improvement Promotion Loan (New Super S Fund) Mountainous Region Revitalization Loan etc.
Fishery		Reconstruction Loan (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan) Disaster Funds	Fisheries Modernization Loan Fisheries Management Improvement Promotion Loan Mountainous Region Revitalization Loan etc.
Forestry			Forestry Development Promotion Loan Mountainous Region Revitalization Loan etc.

Stronger Collaboration with the Japan Agricultural Corporations Association

In February 2014, the Bank entered into a comprehensive partnership agreement with the Japan Agricultural Corporations Association, a public interest incorporated association with about 1,800 pioneering agricultural corporation members nationwide. The partnership enables the association’s members to more easily address issues they face, including their capital investments, management streamlining and value-adding to agricultural and livestock products, as well as provides a wide range of supports for the creation of new customers and export of products by utilizing the Bank’s network. Specifically, the Bank launched the National Federation Labor Support Conference and started initiatives aimed at securing human resources, which is a challenge in agriculture. Progress is also being made in terms of nationwide expansion: for example, in Akita Prefecture, the Bank’s Akita Branch and Akita Agricultural Corporations Association concluded a partnership agreement.

In addition, from the perspective of human resources development, we held seminars targeted at specific persons, such as seminars for female managers and employees and seminars for prospective executives of agricultural corporations (e.g., farm foremen) and worked towards the business progress of agricultural corporations.



Seminar for female managers and employees

Support for Capturing Share in the Global Food Market

● Export Support Initiatives

In fiscal 2015, the Government announced its aim to double exports of domestic agricultural, livestock and marine products by 2020. Amid attempts to promote exports throughout Japan and enable its members and agricultural, fishery and forestry workers, etc., to steadily export more than ever, the Bank provides a package that includes (1) provision of information to producers (released the export PR publication “*Yushutsu-no-Ibuki*” quarterly), (2) provision of export practical management know-how (two export seminars held in June 2015 and March 2016 in Tokyo), (3) provision of local sales opportunities (conducted overseas practical sales meeting at Japanese department store in Singapore, February 2016) and (4) provision of opportunities for business negotiations with local buyers (exhibited at the HKTDC Food Expo, Food & Hotel Asia).

● Establishment of Export Promotion Support Fund

In March 2016, the Bank collaborated with Mizuho Bank to establish a private equity fund “Gulf Japan Food Fund” with aim of providing financial support for expanding Japanese agricultural, fishery and forestry products’ export needs and the six Middle East Gulf states’ food security needs, etc. Through investment in the joint venture newly established through the collaboration between Japanese companies and Middle East companies, the Bank aims at value-adding and market creation from new alliances and partnerships while growing and promoting these business.



Yushutsu-no-Ibuki
(Hong Kong edition)



Singapore practical sales meeting

Support for Improving the Added Value of Agricultural and Livestock Products

● Business Conferences and Business Matching Initiatives

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

In fiscal 2015, the Bank held nationwide and block business conferences, etc., and provided participating sellers’ groups with the opportunity to expand sales channels. In addition, the Bank provided assistance in promoting the understanding of distribution and retail industries and acquiring expertise in business negotiations, etc. by holding seminars for enhancing business negotiation skills.



JA Group Japanese Agricultural and Livestock Products Business Conference



Business capability strengthening seminars

Nationwide and Block Business Conferences Held in Fiscal 2015

Venue	Date	Name	Number of sellers	Number of buyers	Number of meetings
Fukuoka	June 2015	JA/JF Group Kyushu Business Conference	67	90	426
Osaka	November 2015	JA/JF Group Kinki Business Conference	82	161	400
Ishikawa	January 2016	JA/JF Group Hokuriku and Shinshu Discover the Charm of Food Business Conference	25	26	134
Tokyo	February 2016	JA Bank Shikoku Business Conference	45	120	288
Miyagi	February 2016	Tohoku Reconstruction Support Business Conference Sponsored by JA Group	60	75	167
Tokyo	March 2016	JA Group Japanese Agricultural and Livestock Products Business Conference	144	1,873	—

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

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

In May 2013, the Agriculture, Forestry, and Fisheries Cooperative Fund (JA Sixth Industrialization Fund; JF Sixth Industrialization Fund; JForest Sixth Industrialization Fund), a sub-fund jointly capitalized by Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE-J) and cooperative organizations, was established. Various financial, business and management supports, along

with support for the development of business plans, have been provided to agricultural, fishery and forestry businesses which are committed to the sixth industrialization, as well as entities constituted by JA and partner companies. Since establishment, decisions have been made to make investments in 11 entities (as of March 31, 2016), the largest number of investments made among 51 similar sub-funds nationwide.

In fiscal 2015, the Agriculture, Forestry and Fisheries Cooperative Fund made its first investment in fisheries operators, and along with business matching with partner companies and collaboration with a regional bank-affiliated fund, made the decision to invest in a processor of Kyoyasai (traditional vegetables of Kyoto Prefecture), etc. The Bank will continue to contribute to the further development of the local agricultural, fishery and forestry industries through the utilization of the fund.

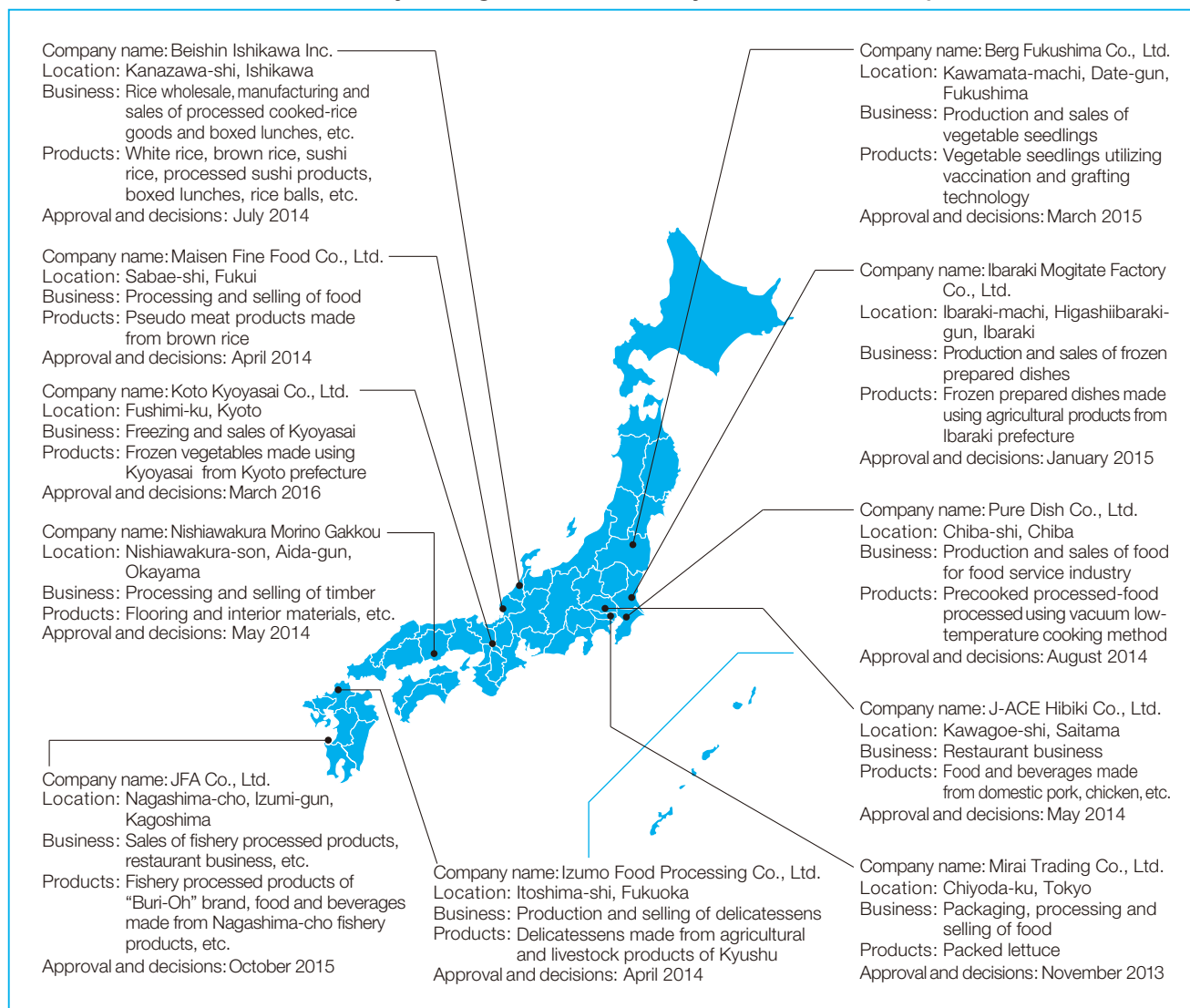


Fund recipient's business involving sale of processed marine products and restaurant operation



Fund recipient's business involving freezing, processing and sale of Kyoyasai, etc.

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



● Initiatives in a Study Group for the "Enhanced Competitiveness of Food and Agriculture Business"

As a framework to examine the possibility for future collaboration, including the sixth industrialization and export toward the strengthening of the competitiveness of Japanese agriculture and food related industries, three parties—the Bank, JA Zen-Noh and Mizuho Bank—established the Study Group for the Enhanced

Competitiveness of Food and Agriculture Business in August 2013. Under themes such as the improvement of producers' income, promotion of local agricultural production and a return to the use of Japanese agricultural and livestock products from imports, the study group will explore concrete measures for adding values to agricultural and livestock products and creating value chains in partnership with food-related industries, through collaboration among the three parties.

Support for Improving Efficiency (e.g. Expansion of Business of Leaders)

● Agricultural Equipment Lease Support Program

To encourage reduction of production costs through producers' scale expansion, etc., agri-seed leasing business was implemented for partial subsidies on leases involving agricultural machinery and equipment, etc. The first solicitation was conducted in July 2015 for rice and vegetable producers, approximately 8,000 subsidies were decided, and the second solicitation was conducted from January to February 2016 adding livestock and dairy to the subsidy target items, for which approximately 4,000 subsidies were decided.



● Project to Reinforce Business Consultation Functions

To strengthen response capabilities to diverse management issues of agricultural corporations, etc., the “management consultation function strengthening business” was launched in September 2015. Specifically, the Bank established consultation counters nationwide and provided subsidies on costs for management seminars conducted in each prefecture and for individual consultations.

Also, from the perspective of enhancing the level of consultation counters nationwide and further strengthening management support, the website “Agriweb” was launched in May 2016. In addition to sending information regularly including basic knowledge and columns, etc., consultant specialists provide free management consultation.



Support for Local Revitalization, etc.

● Initiatives to Agricultural Entrant Support Program

To cultivate future domestic farming core leaders, the Bank implements support for agricultural entrants. In fiscal 2015, the Bank expanded the subsidy business we have implemented towards training provided to potential agricultural entrants and launched a subsidy business towards farming operation costs incurred by independent agricultural entrants aimed at providing support for stabilizing their management soon after becoming an agricultural entrant.



● Initiatives for Food and Farming Education Projects

The Bank provides subsidies for “food and farming education” projects that aim to deepen children’s understanding of agriculture and food and to contribute to the development of local communities. We donate study materials for agriculture and food education, support initiatives to incorporate local agricultural products into school lunch menus, and organize cooking classes from the perspective of local production for local consumption. In fiscal 2015, we donated 1.34 million books to primary schools nationwide and provided approximately 2,000 subsidies, totaling of ¥500 million to local food and farming education activities.

● Initiatives for Renewable Energy Projects

JA Group has a policy to proactively engage in renewable energy projects which will result in the revitalization of local communities in harmony with the agriculture, fishery and forestry industries representing local communities and farmers. The Bank, together with JA Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives), established the “Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries” and set up a structure to provide financial assistance to community-led renewable energy projects.

In fiscal 2014, the first investment decided by the “Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries” was a solar power station project working in conjunction with measures to solve the local community’s problem of abandoned farmland, and the second, was a woody biomass power station project run by local people engaged in forestry business.

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



Solar power generation facility of a fund recipient

● Training of Next-Generation Farm Operators

As the main sponsor of AgriFuture Japan, the Bank encourages the training of farm operators of the next generation by providing operational support for the Japan Institute of Agricultural Management and seminar business run by the general incorporated association.

Since the opening of the Japan Institute of Agricultural Management in April 2013, 32 students have graduated and started engaging in farming nationwide. At present, third and fourth year students are studying hard in the school located on one of the floors of the Norinchukin Bank Shinagawa Training Center. In the seminar business, a total of more than 600 persons participated in seminars in fiscal 2015, which were held

in cooperation with not only the agricultural industry but also the business community in three regions, etc. where the Institute has concluded a cooperation agreement, in addition to the Tokyo Metropolitan Area, five prefectures and three blocks comprising Chugoku, Shikoku and Kyushu.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies which practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound agricultural, fishery and forestry industries and for the sixth industrialization. In fiscal 2014, loans totaling ¥200 million were extended based on this system.

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

● Inbound Green Tourism

Four companies comprising the Bank, ABC Cooking Studio Co., Ltd., Recruit Lifestyle Co., Ltd., and Nokyo Tourist Corporation, entered into a comprehensive partnership agreement in April 2016 aimed at contributing to the support for revitalization of local communities and overseas export.

Specifically, the four companies are planning to conduct tours nationwide on a trial basis targeted at domestic tourists and foreigners visiting Japan (inbound tourists) focusing on green tourism.



Reconstruction Support Efforts

■ Outline of the Reconstruction Support Program

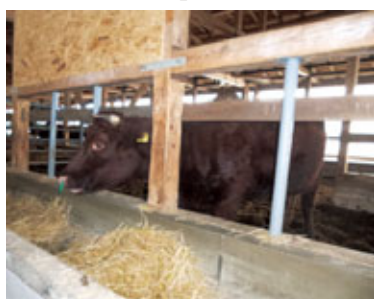
To provide full and multifaceted assistance for the recovery and reconstruction of the agriculture, fishery and forestry industries severely affected by the Great East Japan Earthquake, the Bank established the Reconstruction Support Program (support amount: ¥30.0 billion) in April 2011. The program has provided financial support to affected agricultural, fishery and forestry industry workers and affected members with multifaceted support in keeping with meeting needs and situations in disaster-stricken areas.

1 Reconstruction Support for Farmers, Fishermen, Foresters and Local Communities

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

The Bank has been involved in large-scale reconstruction projects in disaster-stricken areas since their conceptual stages and is lending various kinds of support for the reconstruction of local communities. Further, the Bank has been offering a wide variety of financial assistance, such as providing interest subsidies for disaster funds extended by JA (Japan Agricultural Cooperatives) and JF (Japan Fisheries Cooperatives) to agricultural and fishery workers to help ease their interest burden, as well as providing lease subsidies to agricultural workers who acquire farm machinery and horticultural facilities through leasing.

In addition, the Bank has supported to agricultural workers for the cost of production materials and machines necessary to resume operations, fishery workers for the cost of cooling ice used in test operations, projects to promote reconstruction through agricultural, fishery and forestry industries and initiatives to realize advanced agricultural, fishery and forestry industries through reconstruction. The Bank also supports revitalization of disaster-stricken areas, such as by donating wooden products, etc., made using local timber.



Cattle barn of a reconstruction loan recipient



Farm of a reconstruction fund recipient



Support for a direct-sale outlets for agricultural, fishery and forestry products, aiming at local resident's lifestyle infrastructure restoration



Support for newly established agricultural corporations' introduction of new cultivation technologies



Donation of a log house for direct-selling agricultural, fishery and forestry products, etc.



Tohoku Reconstruction Support Business Conference

Product	Number of loans, etc	Amount
Reconstruction Loan (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan)	Number of loans 121	Loaned amount ¥39.4 billion
Reconstruction Fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund)	Number of investments 41	Invested amount ¥0.8 billion
Lease subsidies	Number of subsidies 1,232	Total lease amount ¥4.8 billion
Interest subsidies to JA/JF disaster funds	Number of support cases 3,959	Loaned amount ¥16.5 billion

*Cumulative total as of March 31, 2016

2 Reconstruction Support to Members and Customers

The Bank has assisted JA (Japan Agricultural Cooperatives) and JF (Japan Fisheries Cooperatives) in increasing capital under the Framework for Special Post-Earthquake Support. The Bank has offered guidance and advice based on its plan to help strengthen the cooperative banking business, for instance, by dispatching its staff. JA has repaid the funds it borrowed to help increase its capital, while JF is making smooth progress in terms of management improvement.

Stable financial functions are provided to JA Bank and JF Marine Bank users with consultation services at JA Bank and utilization of movable terminals at JF Marine Bank. In addition, the Bank has also conducted initiatives to restore customers' lives by supporting the Reconstruction Loan offered by JA Bank and JF Marine Bank and by appropriately responding to the double-loan problems and the project to promote collec-

tive relocation for disaster prevention.

Five years have passed since the Great East Japan Earthquake, and agriculture and fishing operations have resumed in many of the disaster-affected areas. Disparity has arisen among local communities in this situation, and although lifestyle reconstruction efforts are proceeding there are still approximately 110,000 people (as of March 2016) forced to live in temporary housing, and looking at the disaster-affected areas as a whole, the reconstruction process is still only half-way complete.

As the Bank continues to provide sufficient support for reconstruction initiatives in the disaster-affected areas, new developments are being seen, such as the development of agricultural leaders and the expansion of scale, and with an emphasis on encouraging these initiatives, we will continue to provide full and multifaceted support to the reconstruction of agriculture, fishery and forestry industries and local communities.



Support for revitalization of local communities including "town launch" event at a group relocation site for disaster prevention



Subsidies for collection equipment at time of resumption of farming operations



Subsidies for cardboard boxes for cooperative selling

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

JA Group, JF Group and JForest Group have launched a website to introduce their activities to help the agriculture, fishery and forestry industries recover from the vast damage caused by the Great East Japan Earth-

quake and reconstruction initiatives and to record these efforts into the future.

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

Finance Facilitation Initiatives

● Policies on Finance Facilitation

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

In addition, in order to proceed with these initiatives properly, the Bank has developed a structure through discussion and reporting at meetings attended by relevant directors, the designation of the department in charge of financing facilitation, the assignment of a financing facilitator at each branch who can collaborate with the department in charge of financing facilitation, and the creation of a customer service counter to respond to complaints and consultations from customers.

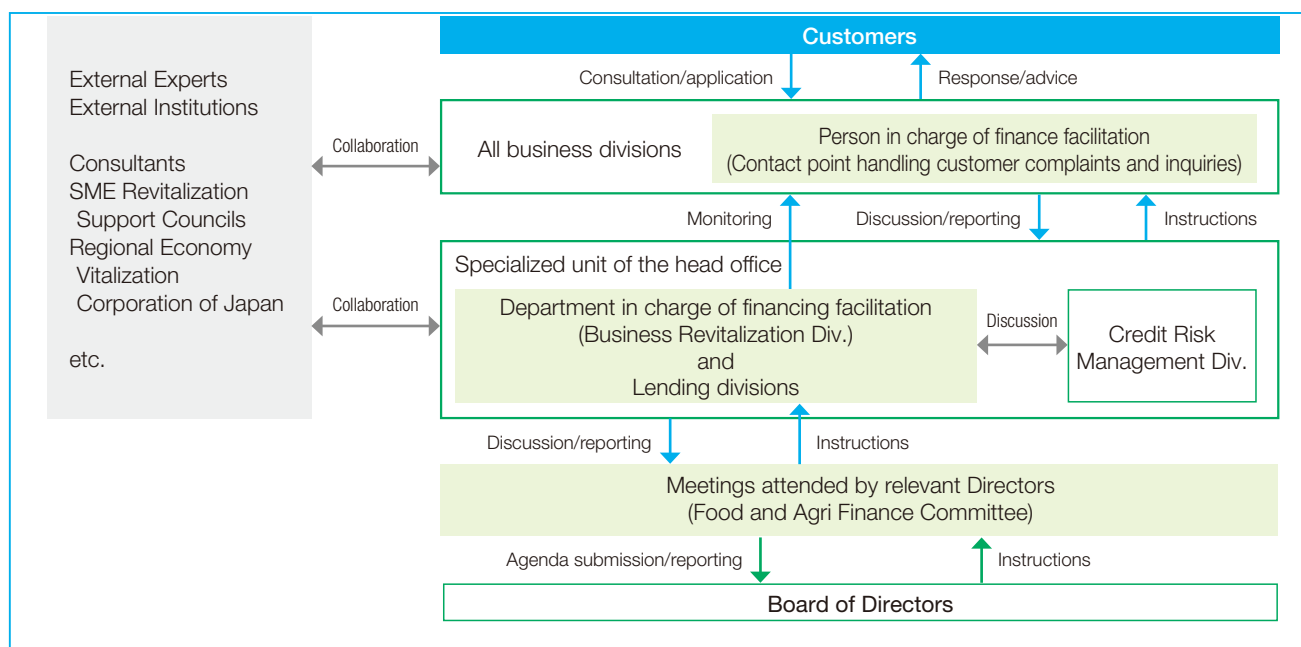
● Management Support Initiatives for Customers

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

● Policy to Address the Guidelines for Management Guarantee

Based on the Guidelines for Management Guarantee published in December 2013, the Bank has developed a structure for compliance with the guidelines, and we will continue efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Image of Finance Facilitation System



CSR Initiatives

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

The Norinchukin Group engages in the CSR activities based on the following three policies: (1) contribution to members, (2) contribution to the advancement of the

agriculture, fishery and forestry industries, and (3) contribution to the community at large, in mutual coordination with members in the field in the agriculture, fishery and forestry industries.

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

Major Achievements in Social/Environmental Contribution Activities (Fiscal 2015)

<p>Contribution to the Agricultural Industry</p> <p>Support for future industry leaders</p> <ul style="list-style-type: none"> • Interest subsidy scheme for JA's agriculture-related loans • Support for business entities in the agriculture and environmental sectors <p>Development of future industry leaders</p> <ul style="list-style-type: none"> • Provision of subsidies to training for potential agricultural entrants • Provision of subsidies to operating costs for independent agricultural entrants • Support to AgriFuture Japan's farm worker development activities (Second class of the Japan Institute of Agricultural Management graduated and started farming in March 2016) <p>Food and Farming Education Projects</p> <ul style="list-style-type: none"> • Production and donation of study materials for food and farming education (about 1.34 million books donated to primary schools nationwide and Japanese schools overseas) • Support for food and farming education activities (subsidies totaling ¥500 million provided to 2,000 activities)  <p>Textbook of food and farming education</p>	<p>Contribution to the Fishery Industry</p> <p>Interest subsidy scheme for JF Marine Bank's fishery-related loans</p> <p>Support to JF Group's environmental conservation activities, resource-managed fisheries, etc.</p> <ul style="list-style-type: none"> • Distribution of waste disposal bags to support beach cleaning activities (150,000 bags) • Distribution of pressed seaweed bookmarks for environmental protection studies (180,000 bookmarks) • Offering of "eco-friendly chopsticks" made from timber from forest thinning for food and agriculture education activities, etc. <p>Sponsorship to "Zenkoku Yutakana Umizukuri Taikai (National Convention on Actions towards Resource-Rich Seas)"</p> <p>Sponsorship to "Zenkoku Uminoko Art Exhibition (National Children's Art Exhibition on Sea)" and networking events for young and female fishery workers</p> <p>Fisherman supporters activities</p>
<p>Contribution to Local Communities and Society</p> <p>Nationwide deployment of the "Hana Ippai Campaign (flower planting campaign)"</p> <p>Donation of flower bulbs and flower seeds to local authorities, schools, social welfare councils, etc.</p> <p>Participation in environmental beautification campaigns, donations to environmental beautification groups and events, etc.</p> <p>Sponsorship to regional development activities organized by local authorities, cooperative organizations, etc.</p> <p>Special sponsorship to All-Japan University Ekiden Championship</p> <p>Social Welfare and Monetary Donation Activities</p> <ul style="list-style-type: none"> • Cooperation in fund raising and monetary donations for the Japanese Red Cross Society • Call for blood donation on the streets, donation of security buzzers and schoolbag covers to primary school children, etc. <p>Initiatives outside Japan</p> <ul style="list-style-type: none"> • Donation through the Norinchukin Fund (New York) • Sponsorship to events introducing Japanese food (London) • Donation to event for 50th anniversary of independence (Singapore) • Donation to the Community Chest of Hong Kong (Hong Kong) 	<p>Contribution to the Forest Industry</p> <p>Provision of subsidies through the Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund), to trust fund businesses and follow-up businesses</p>  <p>Provision of subsidies for cost of forestry safety equipments</p>
 <p>Cleaning activities (Naha)</p>  <p>Event for 50th anniversary of independence (Singapore)</p>	<p>Environmental and Natural Protection Activities</p> <p>Cooperation in global warming prevention and biodiversity preservation activities</p> <ul style="list-style-type: none"> • Promotion of the use of domestic lumber (Donations of wooden products made with using local timber produced) • Tree cultivation activities • Cooperation in activities of Wild Bird Society of Japan <p>Activities for reducing environmental burden</p> <ul style="list-style-type: none"> • Energy-saving measures • Promotion of paperless society, resource recycling and purchasing of products conforming to the Act on Promoting Green Purchasing • Signing of the Principles for Financial Action towards a Sustainable Society (the Principles for Financial Action for the 21st Century), etc.  <p>Donation of wood products (Cooperative Finance & Administration (Kanto Area) Div.)</p>
	<p>Education and Training Support Activities</p> <p>Establishment of endowed lectures at universities</p> <ul style="list-style-type: none"> • Establishment of endowed lectures at and dispatch of lecturers to seven universities (Tokyo, Waseda, Keio, Tokyo University of Science, Hitotsubashi, Kyoto and Hokkaido), participation in symposiums, etc.  <p>Endowed lecture at an university</p>

The Cooperative System and the Cooperative Banking Business

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

■ The Cooperative System and the Cooperative Banking Business

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

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

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

■ Business Activities of Cooperatives

● Japan Agricultural Cooperatives (JA)

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

auto insurance; and (4) offering banking services, such as accepting deposits, making loans and remitting funds.

As of April 1, 2016, there were 659 JA throughout Japan that contribute to the development of the agricultural industry and rural communities through their various businesses and other activities.

● Japan Fishery Cooperatives (JF)

JF are cooperatives established under the Fishery Cooperative Law with the objective of overseeing and protecting the businesses and lives of fishermen. The principal business activities of JF include (1) providing guidance for the management of marine resources and for the improvement of individual members’ management of their business and production technology; (2) marketing and supplying for individual members for the storage, processing and sale of caught fish and other marine products, and for the supply of materials required for their business and daily lives; (3) banking services, including the acceptance of deposits and lending of needed funds; and (4) mutual life and non-life insurance. There were 960 JF throughout Japan (as of April 1, 2016) that contribute to the development of the fishery industry and fisheries communities through a broad range of activities in various parts of the country.

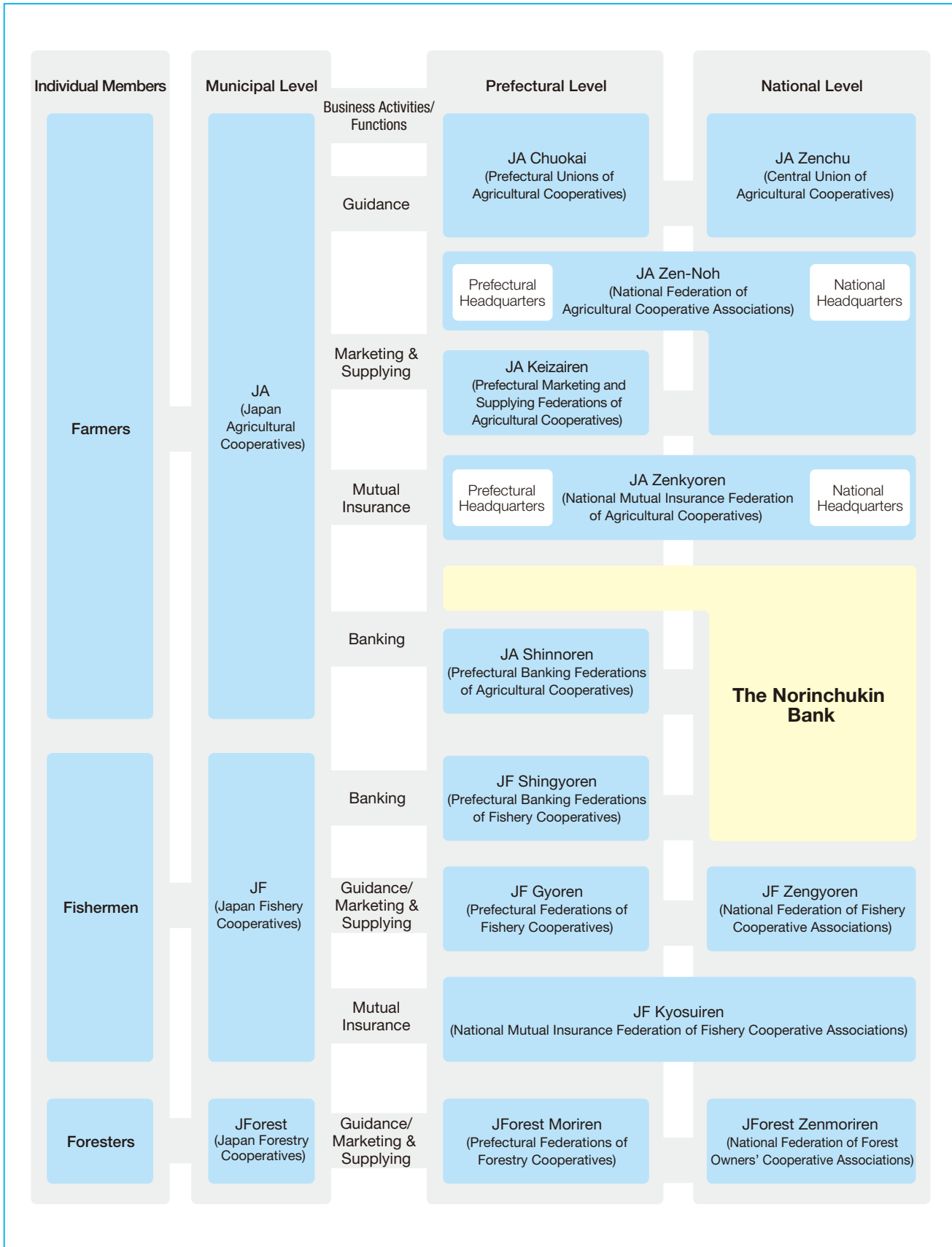
● Japan Forestry Cooperatives (JForest)

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

The principal business activity of JForest is forest improvement, which involves planting, undergrowth removal and the thinning of forests owned by individual members, as well as the sale of forest products, such as logs and timber.

Playing a central role in forestland improvement, 629 JForest members (as of April 1, 2016) throughout Japan

Structure of the Cooperative System



contribute to helping forests perform their diverse range of natural functions, including the supply of timber and other forest resources, preservation of national land, protection of watersheds, maintenance of living environment, and provision of places for health and relaxation.

■ Position of the Bank within the Cooperative Banking Business

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

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

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

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

Article 1 of the Norinchukin Bank Law

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

■ Current State of Japan's Agriculture, Fishery and Forestry Industries

● Agricultural Industry

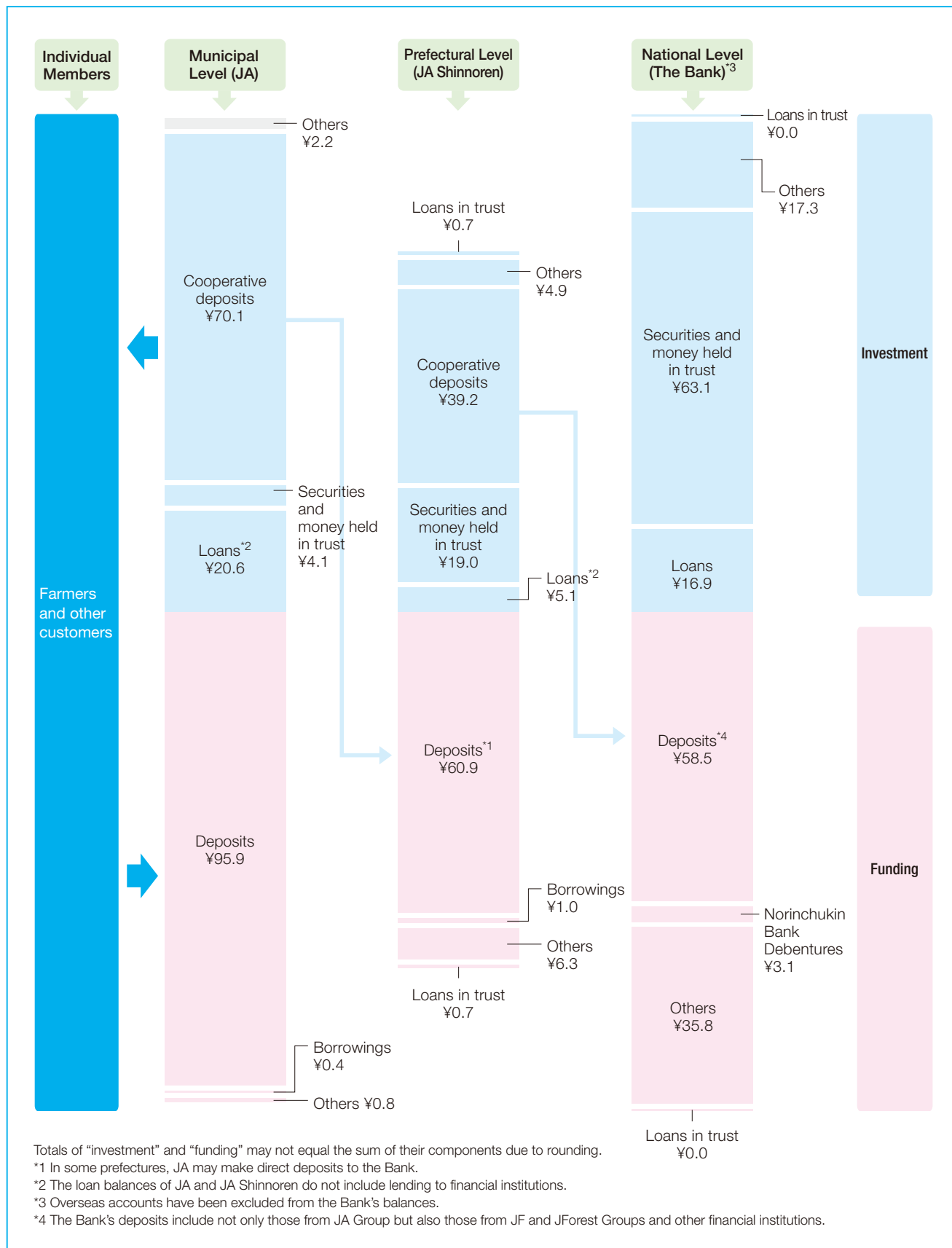
There are many problems surrounding agriculture, including a shortage of operators in agricultural, fishery and forestry communities and expansion of abandoned farmland due to a dwindling population and an aging society, uncertainties are mounting. Moreover, in the Trans-Pacific Partnership (TPP) negotiations, a broad agreement was reached among participating countries in October 2015 and a signing ceremony was held in February 2016. The participating countries are expected to push ahead with ratification procedures in the months ahead.

Against this backdrop, the government decided to aim to double agricultural and rural income in the next ten years in the "Agriculture, Forestry and Fisheries/Local Communities Revitalization Plan" revised in June 2014. Towards this, the government is promoting measures aimed at increasing agricultural income, through the increase of agricultural output and reduction of production costs, and increasing the related income of rural regions through sixth industrialization, etc.

In November 2015, the Japanese government formulated the "Comprehensive TPP-related Policy Framework" to undertake the legislation of related measures, while at the same time engaging in the ongoing consideration of matters with the goal of moving toward specific details in the autumn of 2016. To this end, in beginning of 2016, the Liberal Democratic Party created the Sturdy Policy Formulation Project Team, the Council for Industrial Competitiveness and the Council for Regulatory Reform to proceed with discussions pertaining to ongo-

Flow of Funds within JA Cooperative Banking System (As of March 31, 2016)

(Trillions of Yen)



ing consideration of matters including the realization of lower of production material costs and an advantageous distribution and processing structure for producers, and enhanced human resource and export capabilities.

There is strong demand for the JA Group to continue pushing ahead with self-reform with the aim of turning the agricultural industry into growing industry. In response, at the 27th National Meeting of Japanese Agricultural Co-operatives held in October 2015, the JA Group decided on “Self-Reform of JA Group” initiatives aimed at increased income for agricultural workers, etc., and are making every effort to ensure their realization.

● Fishery Industry

Amid deteriorating fishing grounds, declining resources, a decreasing number of existing fishermen caused by the aging population and aging fishing production facilities, the fishing industry continues to experience harsh conditions. However, fishery product and the amount of consumption of fisheries product appears to have bottomed out, while the ratio of younger fishermen is on the rise, demonstrating a partial improvement.

Given these circumstances, the Fisheries Agency formulated and is steadily implementing the Fishery Industry Revitalization Plan, aimed at revitalizing the fishing industry and fishing villages. Furthermore, the agency has provided support for the introduction of fishing vessels that enhanced fishery industry competitiveness, strengthened resource management and resource survey and supported income stabilization measures through the utilization of fishing industry mutual insurance framework and supported measures for fisheries processing and distribution facility repairs and exports. Fisheries cooperative organizations are now collaborating more closely with the government and relevant groups so that Japan's fishery industry can continue to develop.

● Forestry Industry

Japan's forests cover about 25 million hectares, or about two-thirds of the country's land mass. Private forests, which account for about 70% of the forest area in Japan, are not properly cared for and have become unproductive partly due to the trend of aging population and depopulation in rural mountain villages and a lower interest in entering the forestry sector, where wood prices have been in a long-term slump. Also, it is becoming difficult for cedar and cypress forests throughout Japan planted after World War II to properly perform their diverse range of natural functions and become resources even though the trees are nearing the time when they can be fully utilized.

Under these circumstances, a new Basic Plan for Forest and Forestry was approved at a Cabinet meeting held in May. This new plan indicates forest resources become ready for full utilization and heightened expectations for forest and timber industry contributions to regional revitalization. As the forests and the forestry industry transition period approaches, there is a demand for the invigoration of mountain communities through effective and efficient forestland improvement for the multifaceted functioning of the forest, the realization of sustainable forest management with final cutting and appropriate reforestation and a stable supply of domestic lumber.

In light of forestry policy trends, the JForest Group is engaged in initiatives the next five year cooperative campaign (2016–2020) “JForest Movement for the Creation of Future Forestlands, Forestry Industry and Mountain Villages—Creating Local Communities Using Forests for the Next Generation” aimed at realizing three objectives: (1) improved economic benefits for individual members through efficient and stable forestry management, (2) the invigoration of local communities through the activation of forestry industry and related industries, and (3) contributions to citizen lifestyles by leveraging the high-level, multifaceted functions of forests.

Operations of the JA Bank System

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

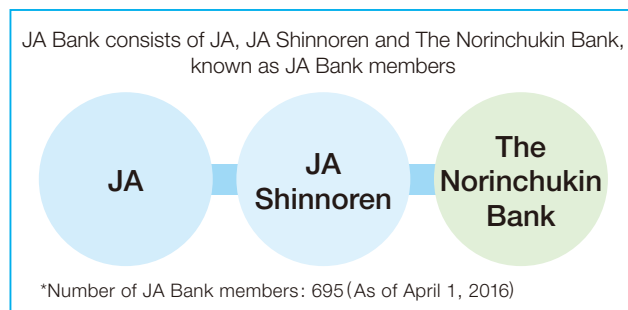
■ What is JA Bank?

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

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

As of April 1, 2016, JA Bank contained 662 JA, 32 JA Shinnoren and The Norinchukin Bank, for a total of 695 entities.

JA Bank



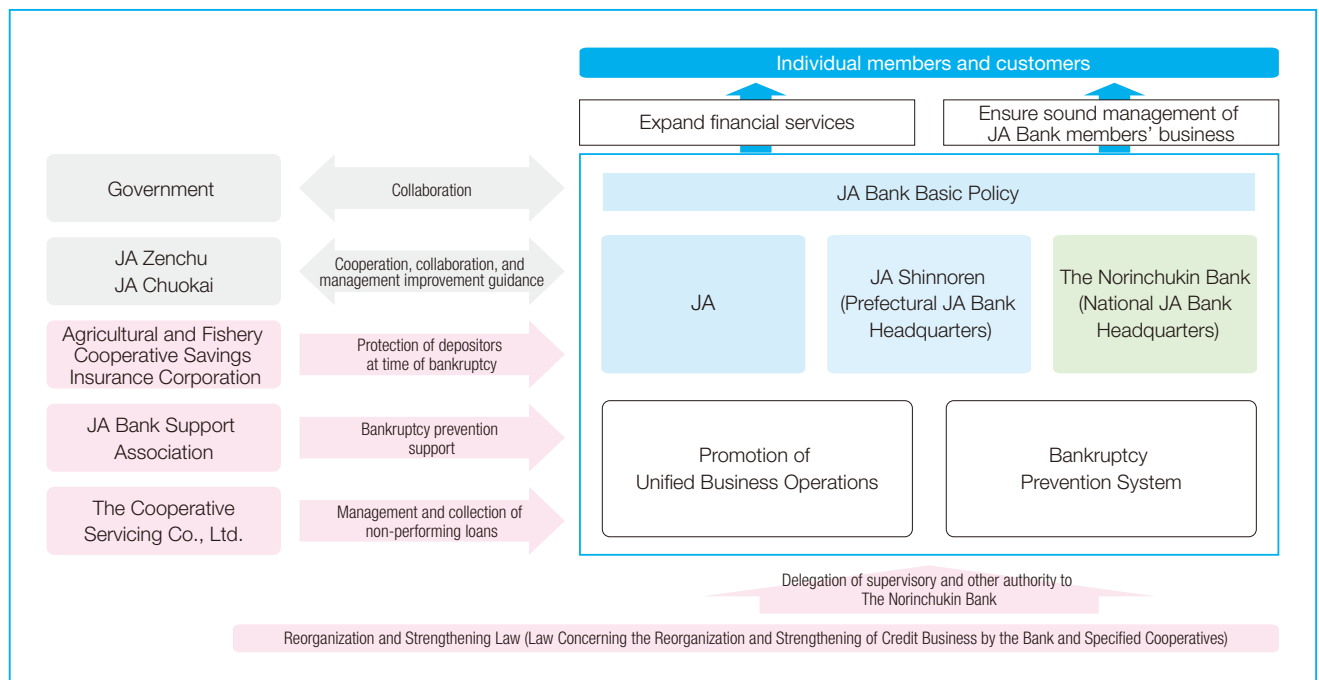
■ JA Bank System

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

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

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

Framework of the JA Bank System

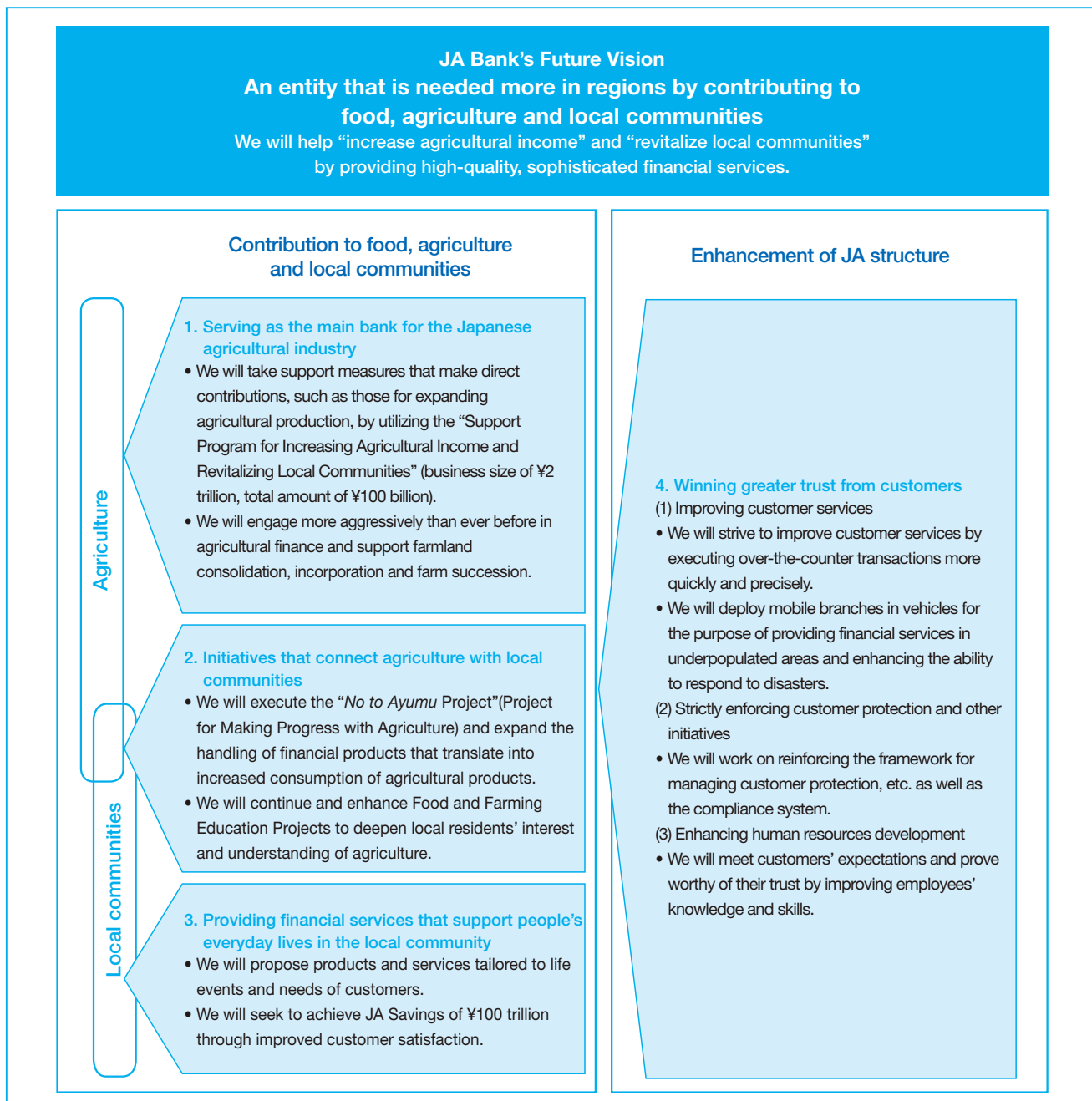


● **Comprehensive Strategy of JA Bank**

Every three years, JA Bank formulates the JA Bank Medium-Term Strategies as its comprehensive management and business strategies. From fiscal 2016 onwards, the Bank has set its future vision at becoming an “entity that is needed more in regions by contributing to food, agriculture and local communities” and formulated the JA Bank Medium-Term Strategies (fiscal 2016 through

fiscal 2018) that sets out measures to fulfill this vision. JA, JA Shinnoren and the Norinchukin Bank will engage in role-sharing while: (1) serving as the main bank for the agricultural industry; (2) engaging in initiatives that connect agriculture with local communities; (3) providing financial services that support people's everyday lives in the local community; and (4) working to win greater trust from customers.

JA Bank Medium-Term Strategies (Fiscal 2016 through fiscal 2018)



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

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

In addition to proper provision of financial services to small- and medium-sized farmers, especially regular members, JA Bank has enhanced its "agricultural financial centers function" in each prefecture to better address the wide-ranging needs of large-scale farmers and agricultural corporations. Specific initiatives being taken are based on proactively visiting agricultural corporations; providing agricultural loans and consultations, implementation of the "Support Program for Increasing Agricultural Income and Revitalizing Local Communities;" expanding JA Bank interest subsidy operations related to feed rice, capital for agricultural corporations; holding business conferences; and offering business matching services and export assistance.

We also established "Prefectural Leader Support Centers" in all prefectures in collaboration with the Prefectural Unions of Agricultural Cooperatives (JA Chuokai) and the Prefectural Marketing and Supplying Federation of Agricultural Cooperatives (JA Keizairen), and built a structure for the banking, marketing and supplying, mutual insurance and guidance businesses to work as one to provide comprehensive support to leaders.

In addition, JA Bank has focused on developing human resources, such as personnel in charge of agricultural loans. As of March 31, 2016, a total of 7,970 had been certified as JA Bank Agriculture Financial Planners, an agriculture financial certification established in fiscal 2011.

● Initiatives That Connect Agriculture with Local Communities

JA Bank is expanding its handling of financial products ("agricultural support financial products") that translate into increased consumption of domestic agricultural products through the "No to Ayumu Project" (Project for Making Progress with Agriculture) in pursuit of agricultural and regional development. We are also engaged in financial support aimed at improving the convenience and appeal of farmers market.

● Providing Financial Services That Support People's Everyday Lives in the Local Community

With the aim of becoming the main bank for individual members and customers in all aspects of their lives, JA Bank, JA, JA Shinnoren and The Norinchukin Bank work in unison and endeavor to help each customer live an affluent life.

We propose products and services including savings, loans, receipt of salaries and pensions and credit cards tailored to life events from the customer's perspective. We are also working on developing a structure to offer inheritance advice in consideration of senior citizens' needs, strengthening the proposal-making ability of our sales and counter staff, enhancing JA's structure to improve customer satisfaction and training employees so that they can meet customers' expectations and prove worthy of their trust.

● Initiatives to Develop Efficient Business Operation

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

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

● Initiatives to Ensure Sound and Stable JA Bank

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

In addition, the JA Bank Support Association, a designated support corporation founded based on the Reorganization and Strengthening Law, has established the JA Bank Support Fund with financial resources contributed by JA

Bank members nationwide. This fund can inject capital and provide other needed support to JA Bank members.

Through these initiatives, we are striving to establish a banking business that enjoys even greater trust from and is used more by individual members and customers.

■ Trends of Cooperative Members and the Cooperative Banking Business

● Trends of JA Funds

In fiscal 2015, JA deposits rose 2.4% year on year (a 2.0% increase in deposits from individuals), to a year-end balance of ¥95,918.7 billion. This was largely due to an increase as a result of providing financial services meeting customers' needs.

Although JA focused on expanding personal loans, especially mortgage loans, total loans declined 1.7% year on year, to a year-end balance of ¥20,636.1 billion. This was mainly due to a decrease in the balance for loans for local governments and public entities. Securities held by JA decreased 1.8% year on year, to a year-end balance of ¥4,163.0 billion.

■ Reorganization of JA Bank Business

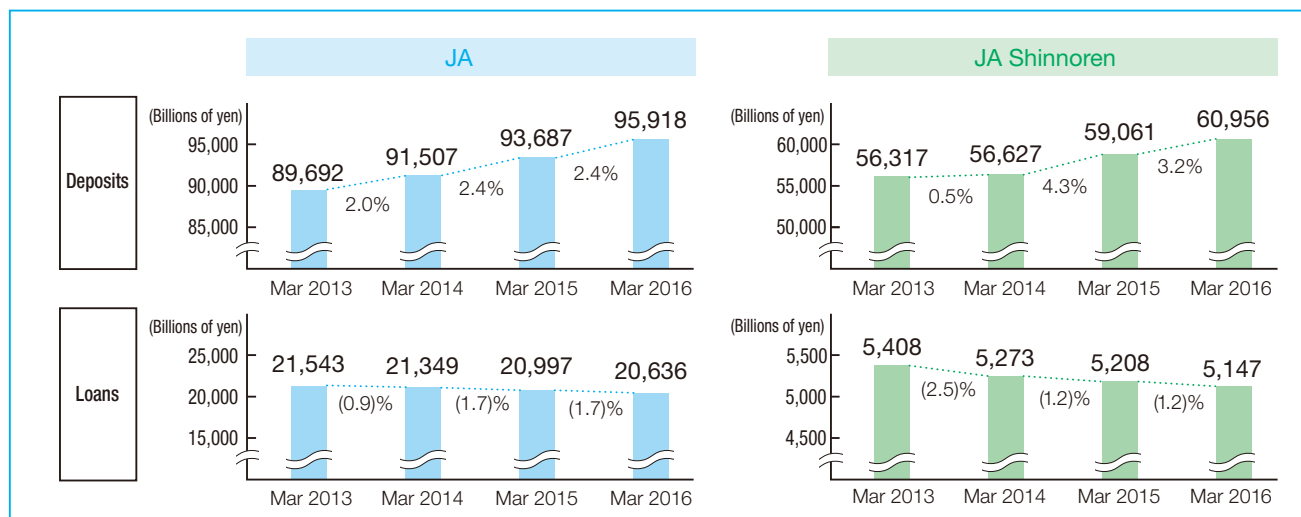
To deal effectively with changes in the operating environment of the agricultural industry as well as individual members and JA, JA Bank has rationalized and streamlined the organization and business of its cooperative banking system.

The Bank has added the JA Shinnoren in Gunma (transfer completed in October 2014) and the JA Shinnoren in Chiba (transfer completed in January 2015), and has conducted the following organizational streamlining by shifting from a three-tier structure consisting of JA at the municipal level, JA Shinnoren at the prefectural level, and The Norinchukin Bank at the national level to a two-tier structure of JA and The Norinchukin Bank. This was achieved by the completed business transfer of JA Shinnoren in twelve prefectures (Aomori, Miyagi, Akita, Yamagata, Fukushima, Tochigi, Gunma, Chiba, Toyama, Okayama, Nagasaki, and Kumamoto) to the Bank.

Elsewhere, the goal of “one JA in each prefecture,” whereby the rights and obligations of both JA Shinnoren and JA Keizairen (Prefectural Marketing and Supplying Federations of Agricultural Cooperatives) in a prefecture are integrated and taken over by a single JA in the prefecture, has been achieved in three prefectures in total (i.e., Nara, Shimane and Okinawa Prefectures) to date, following the addition of Shimane Prefecture (integrated and taken over by JA Shinnoren in November 2015).

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

Deposits and Loans



Operations of JF Marine Bank

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

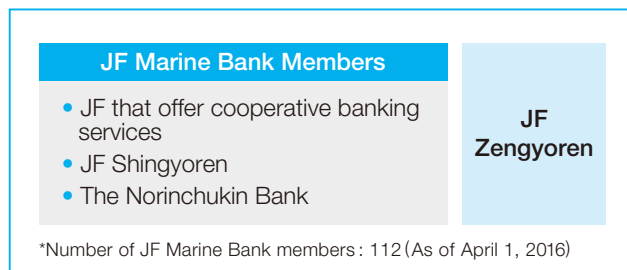
■ What is JF Marine Bank?

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

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

As of April 1, 2016, JF Marine Bank members totaled 112, consisting of 82 JF that offer financial services and 29 JF Shingyoren and The Norinchukin Bank.

JF Marine Bank



■ Direction of JF Marine Bank

● JF Marine Bank Basic Policy

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

● Framework for Bankruptcy Prevention

To further increase the adequacy and soundness of business operations, all JF Marine Bank members are required to submit management data to JF Marine Bank Headquarters, where such data is examined. JF Marine Bank Headquarters can prevent organizations, such as JF, that have problems with their operations, from fall-

ing into bankruptcy by quickly identifying issues and taking preventive actions, thereby creating a system that assures depositors' peace of mind. These activities are taken under the guidance of The Norinchukin Bank and JF Shingyoren.

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

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

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

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

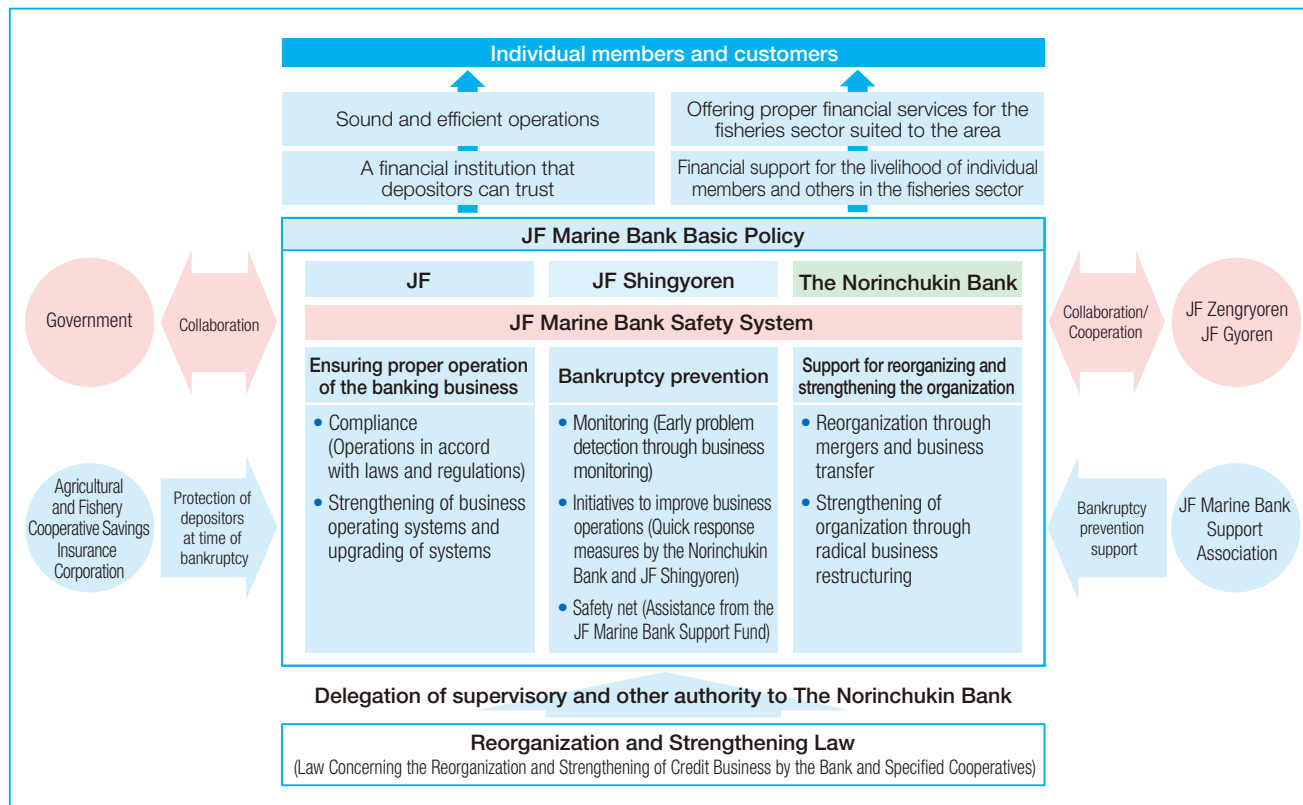
With the goal of making this foundation even stronger and achieving sound and efficient business operation, we are proceeding with examination of the strengthening of management and the building of new management structures such as inter-regional JF Shingyoren. In regards to business development, the basis of sound operations, we are working to enhance financial functions for the fishery industry and ensure business performance based on the JF Marine Bank Medium-Term Business Promotion Policy.

As a cooperative banking institution, JF Marine

Bank believes that its purpose is to serve not only its individual members and customers, but also communities and society. To these aims, JF Marine Bank continues its efforts to further strengthen the JF Marine Bank

Safety System (Stable and Responsible JF Cooperative Banking Business System) and respond to the financial needs of the fishery industry suited to the area.

Management Framework of JF Marine Bank



• Trends of JF Funds

The balance of deposits held with JF Bank increased 2.7% year on year, to ¥2,565.6 billion as of March 31, 2016.

The balance of loans at JF Bank fell 4.6% year on year, to ¥560.2 billion, due to such factors as easing of demand for new financing amid a harsh environment for fisheries business.

■ Reorganization of JF Marine Bank Business

JF cooperative banking business is being reorganized to create a more sound and efficient management system. As of April 1, 2016, the banking business operating system consists of integrated Shingyoren to which banking business was transferred from JF to JF Shingyoren (27 prefecture-level organizations), multiple independent JF centering on JF Shingyoren (two prefecture-level organi-

zations) and one JF per prefecture (five prefecture-level organizations).

Also, the number of JF engaged in banking business (including one JF per prefecture) had been reduced to 82 as of April 1, 2016 from 875 on March 31, 2000.

At the same time, the total number of JF, including those not engaged in banking business, decreased by four in fiscal 2015. As a result, the number of JF stood at 960 as of April 1, 2016, reflecting progress made toward consolidation.

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

The Norinchukin Bank supports these initiatives at JF cooperative members.

JForest Group Initiatives

■ Current State of Cooperative Activities

JForest Group has established the JForest Movement for the Creation of Future Forestlands, Forestry Industry and Mountain Villages—Creating Local Communities Using Forests for the Next Generation, a new cooperative campaign policy that runs from fiscal 2016 through fiscal 2020. JForest Group is carrying out the following three agendas: (1) enhance an efficient business base through the consolidate forest management and utilization of advanced technologies, (2) build a stable supply system of domestic lumber leveraging the cooperative system's economies of scale and (3) create an open organization trusted by individual members and society, JForest Group will play a key role in regenerating Japan's forests and the forestry industry.

■ Norinchukin Bank Initiatives

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

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

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

From fiscal 2014, in order to promote efforts for the consolidation of facilities and provide a boost to forestry cooperatives, taking into account changes to JForest's surrounding environment such as governmental policies, we began soliciting applications for the Nochu Potential Forest Productivity Fund that has been established as a successor to FRONT80. In the two years between fiscal 2014 and 2015, we received 83 applications, we decided on ¥274 million in subsidies after selecting 14 from among them.

● Support for Initiatives to Consolidate Forest Management

The Bank has undertaken new initiatives toward “forestry labor safety improvement measures” aimed at improving labor safety and recruiting leaders practice consolidated forest management. The Bank subsidizes safety equipment purchased by JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives) engaged in measures to improve labor safety. In fiscal 2015, the first year of these activities, ¥92 million was provided to forestry cooperatives and prefectural federations of forestry cooperatives in all 47 prefectures throughout Japan for 321 projects.

● Support to Expand Domestic Lumber Use

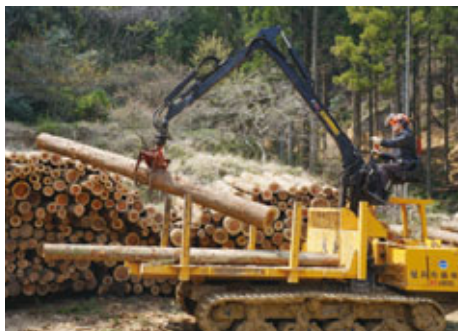
JForest Group is working to expand the use of domestic lumber, and the Bank is also supporting JForest Group in its efforts. In April 2013, a financing scheme was established for forestry cooperatives and federations actively involved in the building of distribution and sales systems for lumber. In fiscal 2015, the loan facilities were established for 45 projects totaling ¥7.8 billion.

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

In addition, as support for initiatives which contribute to the expansion of domestic lumber use and forest conservation, the Bank has been engaging in the donation of wood products made from local lumber, sponsorship for tree-planting events, and subsidization of tree cultivation activity expenses, and in fiscal 2015, provided subsidies totaling ¥36 million to 43 prefecture-level organizations for 49 projects, as well as donating wood products worth ¥60 million to 17 parties in areas affected by the Great East Japan Earthquake.

- **Support to Strengthen Management System**

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



Loading logs with a forwarder



Safety muster (wearing safety equipment provided through subsidies)

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

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

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

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

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

JA Bank has been taking steps since fiscal 2013 to train “staff who will take the lead in transforming and innovating JA and related prefectural-level organizations” and “those who will be chosen and trusted by customers.” To expand these human resource development initiatives in an integrated manner nationwide, the Bank’s division that develops human resources for JA and JA Shinnoren, Norinchukin Academy, and JA Shinnoren’s human resource related division are unified under the name of the JA Bank Academy.

Specifically, we have been engaged in the expansion and provision of level-specific training for JA and JA Shinnoren employees, including continuing the “JA Bank Central Academy – Managers Course” (cumulative total of 464 participants as of March 31, 2016) targeted at directors engaged in the banking business of JA and the “JA Bank Central Academy – Senior Executives Course” (cumulative total of 199 participants as of March 31, 2016) targeted at JA Shinnoren’s general managers and “JA Bank Central Academy – Senior Managers Course,” targeted at senior managers engaged in the cooperative banking business of JA.

● Human Resource Training Initiatives at JF Marine Bank

In accordance with the JF Marine Bank Medium-Term Business Promotion Policy (fiscal 2015 through fiscal 2017), JF Marine Bank has been putting its efforts into the development of human resources needed to continue sufficiently fulfilling its role as a fishery-dedicated financial institution for cooperative organizations into the future, such as training financial consultants for the fishery industry and providing appropriate financial services required by the coastal population.

In fiscal 2015, JF Marine Bank continued with the JF Marine Bank Level-Specific Training - Branch Manager Course (with 40 participants in fiscal 2015), which was launched in fiscal 2013, targeted at branch managers of JF Shingyoren, etc. in addition to national conferences for financial consultants for the fishery industry and compliance workshops for directors of JF and JF Shingyoren on a continuing basis.

Norinchukin Academy's Training Record in Fiscal 2015

Number of employees who took group trainings	2,048
Number of employees who took correspondence courses	13,150
Number of employees who took certification exams	17,594

■ Support for Human Resources Training for JForest Group

JForest Group has been engaged in training engineers (e.g. forestry management planners) to advance proposal-based forest management consolidation, as well as focusing on strengthening auditing and compliance systems for cooperatives.

The Bank has sent lecturers for compliance training and has held an organization of seminars for JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives) targeting the top executives of forestry cooperatives. In addition, from fiscal 2014, JForest conducted "JForest Counsellor Training" (cumulative total of 75 participants from 39 prefectures by fiscal 2015) aimed at personnel holding the title of counsellor, who support the backbone of JForest's practical management.

■ Personnel Exchanges between the Bank and JA or JA Shinnoren

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

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



JA Bank Central Academy – Managers Course

Safety Net for the Cooperative Banking System

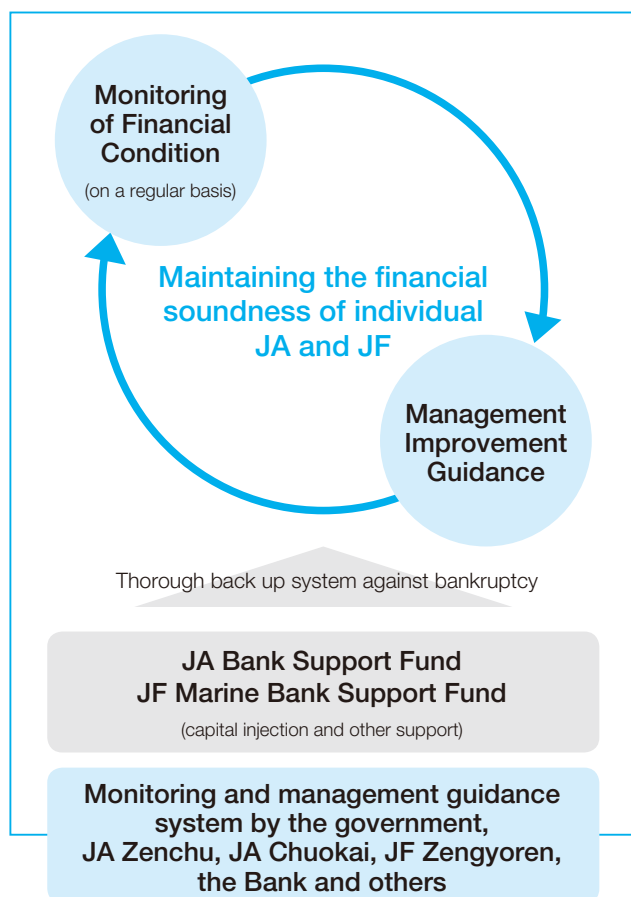
JA Bank and JF Marine Bank have established a safety net based on the Bankruptcy Prevention System and the Agricultural and Fishery Cooperative Savings Insurance System to provide an increased sense of security for their individual members and customers.

■ Bankruptcy Prevention System

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

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

**As of March 31, 2016, the balance of the JA Bank Support Fund was ¥170.8 billion, and that of the JA Marine Bank Support Fund was ¥22.7 billion.*



■ Agricultural and Fishery Cooperative Savings Insurance System

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

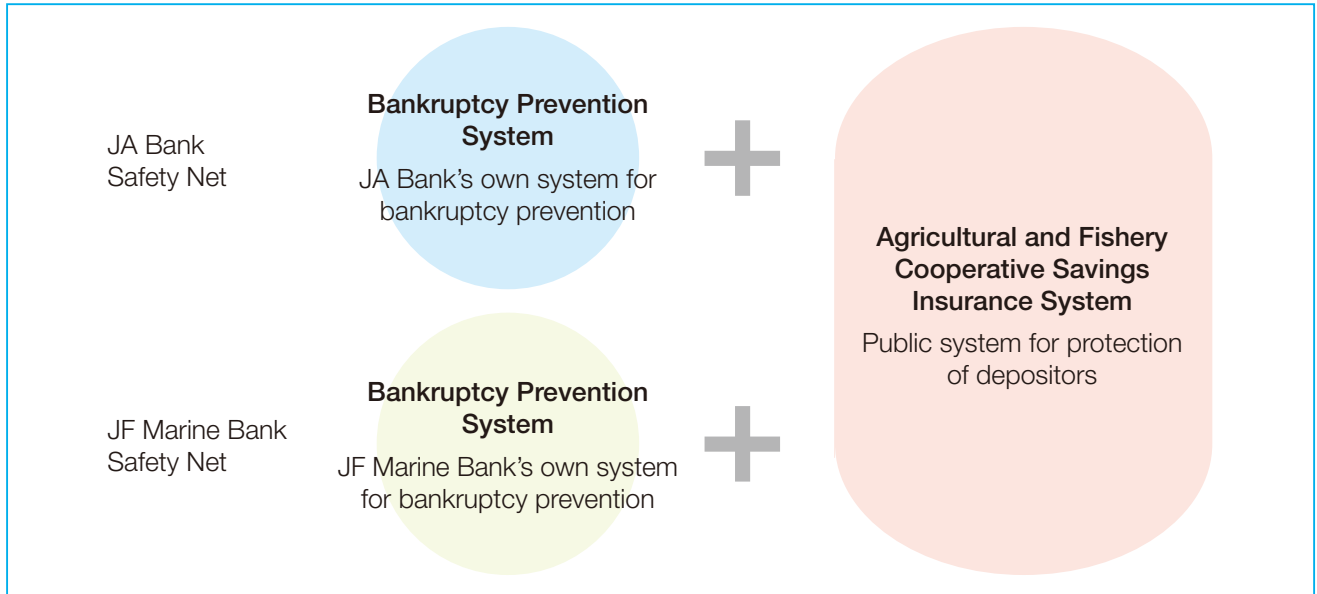
The Agricultural and Fishery Cooperative Savings Insurance System has been established under the Agricultural and Fishery Cooperative Savings Insurance Law. It is managed by the Agricultural and Fishery Cooperative Savings Insurance Corporation, which has been established jointly by the Japanese government,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

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

Even though the blanket deposit insurance system was fully discontinued on April 1, 2005, payment and settlement deposits (deposits that satisfy the following three conditions: (1) bearing no interest, (2) being redeemable on demand, and (3) providing normally required payment and settlement services) are still fully protected by the system. However, all other types of deposits are only covered up to ¥10.0 million in principal (per depositor at each cooperative organization), plus interest accrued.

As of March 31, 2016, the balance of the reserve fund of the Agricultural and Fishery Cooperative Savings Insurance System was ¥381.9 billion.

Safety Net for the Cooperative Banking System



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

Covered Agricultural and Fishery Cooperatives

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

Covered Savings, etc.

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

Scope of Protection

Types of savings, etc.			Scope of protection
Savings, etc. covered by the insurance	Payment and settlement deposits	Savings which meet the three requirements, such as bearing no interest *1	Full amount (permanent measure)
	Ordinary savings, etc.	Savings other than those for payment and settlement purposes *2	Total of principal up to ¥10.0 million and interest thereon *3 [The portion in excess of ¥10.0 million will be paid according to the financial status of the failed cooperative (may be subject to deductions)]
Savings, etc. not covered by the insurance		Foreign currency savings, negotiable certificate of deposits, Norinchukin Bank debentures (excluding custody products), etc.	Not protected [Payable according to the financial status of the failed cooperative (may be subject to deductions)]

*1 Savings satisfying the three requirements of "bearing no interest, being redeemable on demand, providing payment and settlement services."

*2 Savings earmarked for taxes, installment savings and property accumulation savings products using insured savings will be protected.

*3 Distribution of earnings on fixed term savings will be protected in the same way as interest.

Capital Position

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

■ Capital Resources

The Bank considers it a major management priority to secure a sufficiently high level of capital resources in order to maintain and strengthen its financial position. It does so to ensure the stable return of profits to its members and to enhance its role as the central bank for Japan's agricultural, fisheries and forestry cooperatives, to contribute to those industries and the development of the cooperative banking business, and to align itself with the diverse needs of its customers. The Bank has had the strong membership of the cooperative system as its base, and it has ensured a sufficient capital ratio subject to international standards. Furthermore, the Bank refinanced subordinated loans (about ¥1,400.0 billion) in line with Basel III in fiscal 2013, with the full understanding and support of its members, and has continued to improve the quality of its capital.

As a result, the Bank's total capital ratios for fiscal 2015, on a consolidated and a non-consolidated basis, have both been maintained in the 25% range (Basel III standard).

In the years ahead, the Bank faces a trend of stronger international capital regulations for financial institu-

tions. The center of the Bank's management agenda will henceforth be to strengthen its role as the central bank for the cooperatives, while maintaining its capital at a sufficiently high level, and to ensure stable return of profits to its members.

■ Strong Capital Base

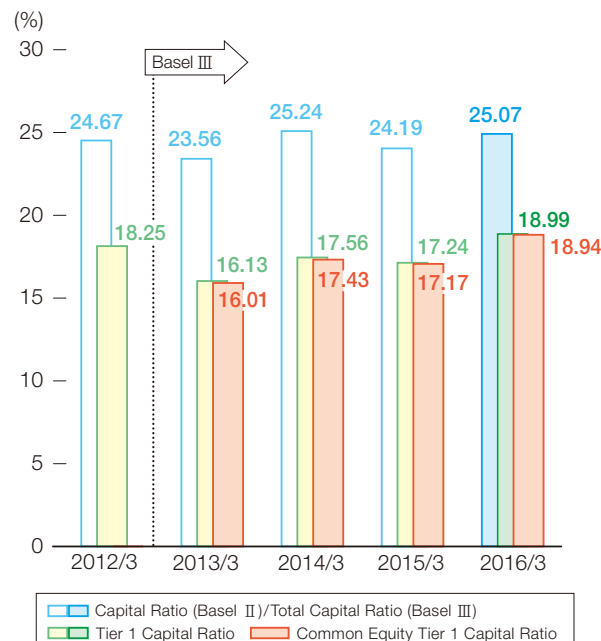
The Bank is rated by the two leading credit rating agencies in the United States—Standard & Poor's and Moody's Investors Service—and has received top-tier ratings among Japanese financial institutions. One of the main factors supporting these ratings is the strong capital base afforded by the membership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

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

■ Features of Regulatory Capital Instruments

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

Capital Ratio (Consolidated Basis)



Risk Management

■ Approach to Risk Management

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

As a result of a major capital injection from the members following the financial crisis in 2008 and continued financial improvement since then, along with various steps taken to strengthen the Bank's risk management system, the Bank has been able to maintain a high capital adequacy ratio. In order for the Bank to fully demonstrate its competitive edge and presence and fulfill its role adequately as a financial institution involved in the agricultural, fishery and forestry industries as well as food production and consumption, further reinforce the business base of its cooperative banking business and realize stable returns to its members/member banks through the further evolution of its existing globally diversified investments, the management's task of ceaselessly upgrading its risk management framework remains crucial in maintaining management stability in the face of such changes in the environment as the progress in discussions on the tightening of international financial regulations and the mounting uncertainties in financial markets.

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

To implement integrated risk management, the Bank has set up the Risk Management Committee. At the

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

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

■ Compliance with Basel Banking Regulations

Basel Banking Regulations are international prudential regulation standards established by the Basel Committee on Banking Supervision. They provide for standards including the requirement that the capital adequacy ratio based on the Basel III framework exceed a certain level. The Bank, which properly calculates its Basel III

capital adequacy ratio pursuant to the Notification in Japan, has adopted a calculation method based on the “Foundation Internal Ratings-Based Approach (F-IRB)” for credit risk and “The Standardized Approach (TSA)” for operational risk.

Basel III, introduced incrementally from March 2013, stipulates re-examining and reinforcement of capital regulations while introducing new liquidity regulations, in addition to leverage ratio regulations and liquidity regulations. Of these, from the end of March 2015, the Liquidity Coverage Ratio Regulations (that express the capacity to deal with large financial outflows under short-term stress conditions) as Pillar I, leverage ratio regulations as Pillar III, have been introduced. Furthermore, in December 2015, the Bank was selected as a D-SIB (Domestic Systemically Important Bank) by the Japan authorities.

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

■ Risk Appetite

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

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

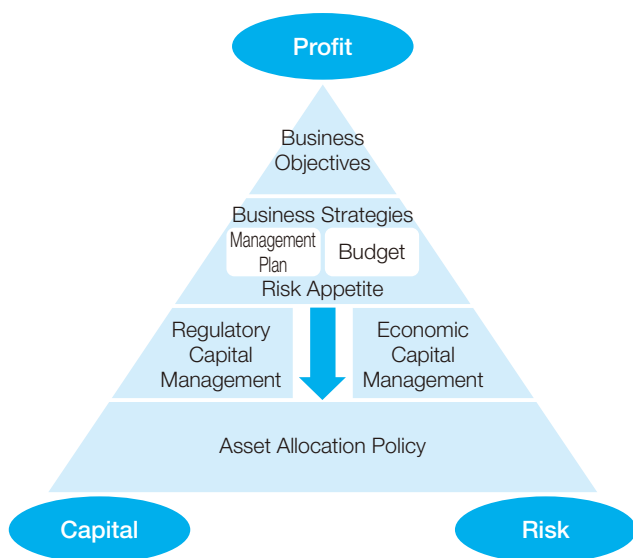
■ Internal Capital Adequacy Assessment Process (ICAAP)

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

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

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

ICAAP Concept



• Framework for Maintaining Capital Adequacy

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

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

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

• Implementation of Stress Tests

In principle, stress tests are performed together with the implementation of the fiscal year's ICAAP. By preparing strict stress scenarios that factor in specific timelines and the ripple effects of risks covering the Bank's entire

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

■ Integrated Risk Management

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

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

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

mined by the Board of Directors, while the middle office is responsible for monitoring the fluctuating capital levels and the amount of risk during each fiscal year. These results are reported to management on a timely basis and used for sharing an awareness of the risk environment between the middle office and the front office.

Market risk is measured primarily by Value-at-Risk (VaR), using a method which simulates scenarios such as interest rate and stock price fluctuations, based on past data (historical simulation method), with a 99.50% confidence interval and one-year holding period. Credit risk is mainly measured by VaR, using methods which simulate scenarios such as default, downgrading and greater credit spread, with a 99.50% confidence interval and one-year holding period. On that basis, in order that the correlation between the risks of market and credit are reflected consistently, both are centrally simulated under common historical scenarios to integrate the risk amount. Also, operational risk is measured by VaR, by creating potential risk event scenarios and using statistical methods for measurement, with a 99.90% confidence interval and one-year holding period.

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

● Integrated Risk Management Consistent with Financial Management

The Bank's integrated risk management framework is carried out consistently with its financial management framework to maintain a balance between a sound financial position and adequate profitability. The Bank has particularly established the market risk management infrastructure to enable a prompt response to changes in financial market conditions. The Bank conducts analysis from various perspectives, including static and dynamic interest rate sensitivity analyses toward the impact on profit/loss, and price sensitivity analysis of its assets for the impact on interest rate changes. In addition, as a part of Asset and Liability Management (ALM), the Bank measures the amount of risk, taking into account of price volatilities of bonds and stocks as well as volatilities in foreign currency exchange rates, and conducts scenario simulations under various stress assumptions. Through

the analysis described above, the Bank strives for flexible financial management by understanding the impact of market volatilities on the value of its assets.

■ Credit Risk Management

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

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

● Credit Risk Management Framework

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

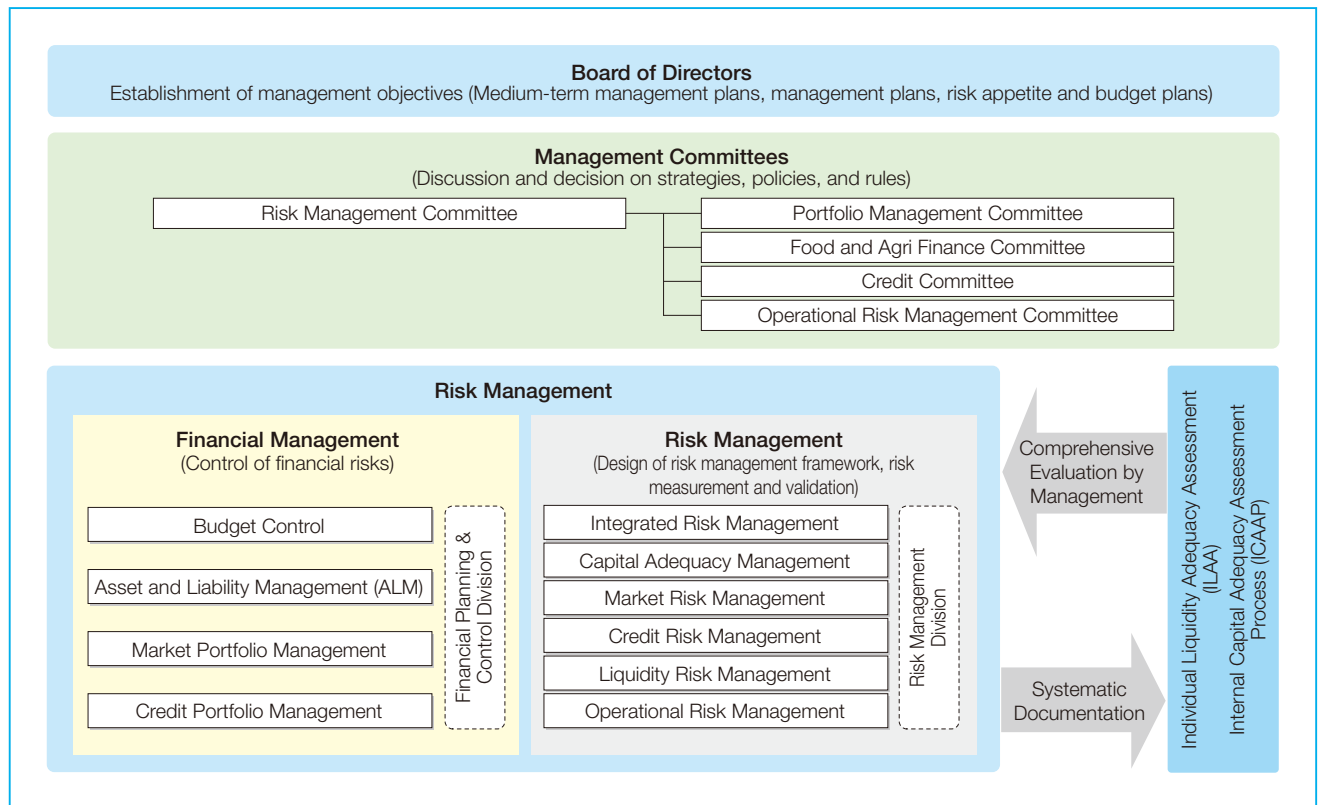
Each of the four committees has a specific role assigned to it by the management. The Risk Management Committee is responsible for deliberation on the basic framework for overall credit risk management, including the Bank's internal rating, self-assessment, economic capital management and credit ceiling for credit overconcentration risk.

The Portfolio Management Committee and the Food and Agri Finance Committee formulate basic strategies and execution policies regarding loans and investments,

and decide on business strategies for important or large transactions. Moreover, the Credit Committee functions as a venue for the discussion of policies about how to deal with the obligations of borrowers whose financial condition has deteriorated. The middle office monitors the credit risk portfolio status and other items. In addition,

the status of credit risk management (such as market overview; important decisions made by the Credit Committee, the Portfolio Management Committee and the Food and Agri Finance Committee; overview of the credit risk portfolio; current approach to risk management) is regularly reported to the Board of Directors.

Risk Management System



• Credit Risk Analysis Framework

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

Senior credit administrators in charge of specific sectors and products research the borrower's background through financial and cash flow analysis. In addition, the Bank has introduced a framework that enables accurate credit decisions to be made by researching

the borrower's industry utilizing the Bank's research capabilities and then comparing the borrower with other companies in the same industry. When evaluating loans to overseas borrowers, the Bank evaluates the creditworthiness of the debtors taking into account risks different from domestic loans such as economic and political conditions. The credit risk on overseas loans is appropriately managed together with the credit review performed by region-specialized senior credit administrators. Structured finance such as those backed by cash flows generated from mortgages and commercial real estate, are subject to due diligence and credit analysis according to the risk profile of each product. The Bank also continuously monitors and reviews the

performance of the underlying assets of these products throughout the maturity of investment.

Under such a framework, the Bank conducts advanced credit risk management, based on stringent analytical standards, proprietary financial and cash flow analysis, and monitoring reviews.

• The Bank's Internal Rating Framework

Outline of the Internal Rating Framework and Special Features

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

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

Structure and Application of the Internal Rating Framework

The Bank's internal rating framework comprises three components: the Borrower Rating System and the Loan Recovery Rating System for evaluating exposures to corporate borrowers, as well as the Retail Exposure Internal Rating System for evaluating retail exposure.

Under the Borrower Rating System, the Bank has 15 borrower grades: ten for non-defaulted borrowers and five for defaulted borrowers. Each borrower grade defines the debt repayment capacity of a borrower.

In principle, borrower ratings are evaluated and assigned using a combination of quantitative and qualitative factors. For certain assets such as investment funds, the

Bank assigns its internal ratings by using external ratings as the primary factor, those of Standard & Poor's (S&P) and Moody's Investors Service (Moody's). The Bank clearly maps its internal borrower grades to the scale used by the two credit rating agencies (e.g., the internal grade "1-1" corresponds to the external grade "AAA" and "Aaa"). This mapping is based on the comparison of grades and default probabilities on the same borrowers between the internal ratings and credit rating agencies' ratings.

The Loan Recovery Rating System is used to evaluate the factors affecting the recoverability from defaulting exposure, such as the conservation status of collateral and asset/product characteristics for each project, and the Bank assigns ratings according to the expected default ratios.

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

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

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

Design of the Internal Rating Framework and Validation Procedures

At the Bank, the middle office, which is independent of the front office, designs the internal rating framework based on the characteristics of the credit portfolio and establishes rules concerning the internal rating objectives, each rating grade criteria, evaluation methods and mapping criteria, approval authority, and review and

validation of rating. Validation and monitoring of the internal rating to ensure appropriate implementation is performed on a regular basis.

• Self-Assessment Based on Internal Rating

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

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

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

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

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

• Write-Offs and Provisions to Reserves

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

under requirement of control with substantial exposure, provisions to specific reserves for possible loan losses are calculated by the Discounted Cash Flow (DCF) method on an individual basis. For exposure to doubtful debtors or lower, provisions to specific reserves for possible loan losses are made, or write-offs are performed, for the necessary amount classified as Category III and IV which are not recovered by collateral or guarantee.

The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of March 31, 2016) (On a Non-Consolidated Basis)

(Billions of Yen)

Self-Assessment					Reserves for Possible Loan Losses	Claims Disclosed under the Financial Revitalization Law	Risk-Managed Loans (Note 2)
Debtor classification	Category I	Category II	Category III	Category IV			
Debtors in bankruptcy Debtors in default	Portion deemed to be recoverable through collateral or guarantees		Provisions are made to cover the entire amount	Full amount written off or provisions made	Specific reserve for possible loan losses 75.2	Bankrupt or de facto bankrupt 4.8	Loans to borrowers under bankruptcy proceedings 0.2
Doubtful debtors	Portion deemed to be recoverable through collateral or guarantees		Provision ratio: 87.4%			Doubtful 97.6	Delinquent loans 101.3
Substandard debtors	Special attention	Provision ratio of the uncovered portion: 8.8%			General reserve for possible loan losses 16.0 (Note 1)	Special attention 19.9	Loans with principal or interest payments three months or more in arrears —
	(Claims on debtors under requirement of control) Other substandard debtors	Claims on substandard debtors other than "Special Attention"				Standard loans 17,978.4	Restructured loans 19.9
Standard debtors							

Notes: 1. The expected default ratios for computing the provisions to the general reserve for possible loan losses are 0.14% for standard debtors, 2.71% for substandard debtors (excluding claims under requirement of control), and 3.79% for claims under requirement of control.

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

Criteria for Write-Offs and Provisions to Reserves

Debtor Classification		Criteria for Write-Offs and Reserves for Possible Loan Losses	Provision Ratio as of March 31, 2016
Standard		Provisions to general reserves for possible loan losses are made, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio.	0.16%
Substandard	Other substandard debtors	Initially, categorize debtors into two groups: "debtors under requirement of control" or "other substandard debtors" in accordance with credit quality of debtors. Debtors in the latter group are further classified into sub-categories. Provisions to general reserves for possible loan losses are made, by multiplying the total credit exposure by the expected loss ratio based on the historical default ratio for each group.	2.75%
	Debtors under requirement of control	Applies Discounted Cash Flow (DCF) method to debtors with large exposure if classified as "debtors under requirement of control."	3.79% (Excluding borrowers to whom the DCF method is applied)
Doubtful		Provisions to specific reserves for possible loan losses are made to the necessary amount classified as Category III (amount not likely to be recovered by collateral or guarantee) on an individual borrower basis.	99.00% the unrecoverable portion
Debtors in default		Provisions to specific reserves for possible loan losses are made on an individual borrower basis for the entire amount classified as Category III	The full amount of the unrecoverable portion is written off or provisioned
Debtors in bankruptcy		Write-Offs are performed on an individual borrower basis for the amount classified as Category IV (the amount estimated as uncollectable or unrecoverable), regardless of treatment under criteria in tax law.	

Credit Costs in Fiscal 2015 (On a Non-Consolidated Basis)

	Billions of Yen
Loan write-offs	2.1
Provisions to general reserve for possible loan losses	(7.2)
Provisions to specific reserve for possible loan losses	(14.3)
Provisions to reserve for specified overseas debts	—
Other	—
Total credit costs	(19.3)

● Credit Overconcentration Risk

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

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

● Measuring Credit Risk

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

■ Market Risk Management

The Bank deems market risk, such as interest rate risk and equity risk, to be one of the most significant risk factors affecting the Bank's earnings base, along with

credit risk. Through active and appropriate risk-taking supported by a robust risk management framework, the Bank aims to retain a stable level of profit by constructing market portfolio that balances profit, capital and risk.

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

● Market Risk Management Framework

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

Specifically, the risk balance of the market portfolio is controlled based on risk indicators measured by the middle office, such as the amount of aggregate risk, VaR, Basis Point Value (BPV) and correlation data among asset classes.

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

The principal market portfolio management process is as described below.

Decision Making

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

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

Execution

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

Monitoring

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

Measuring Market Risk

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

• Trading Operations

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

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

VaR Status

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

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

Glossary of Terms

VaR (Value at Risk)

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

BPV (Basis Point Value)

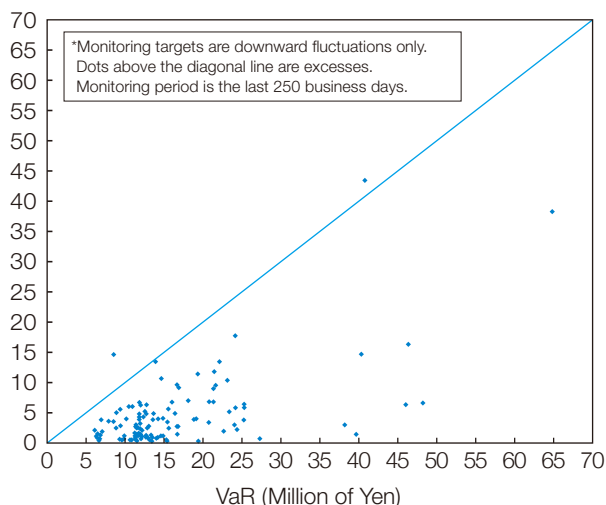
BPV refers to the changes in the value with respect to a 0.01% change in interest rates given the current position. The Bank uses this as the index to indicate the impact of the change assuming a parallel shift in the yield curve.

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

	VaR (Million of Yen)
June 30, 2015	41
September 30, 2015	36
December 31, 2015	41
March 31, 2016	83

Back Test Status (one-day VaR)

P/L (Million of Yen)



Liquidity Risk Management

The Bank defines liquidity risk as the following: “The risk towards financial losses incurred from a difficulty in securing funds required for activities of the Bank, or from being forced to procure funds at significantly higher funding costs than normal as a result of a maturity mismatch between investment

and funding procurement, or as a result of an unforeseen fund outflow from the Bank (cash flow risk).” It is also defined as: “The risk towards financial losses arising from being unable to execute transactions in the market due to market turmoil, or from being forced to execute transactions under significantly less favorable conditions than normal occasions (market liquidity risk).” The Bank properly manages liquidity risk based on these definitions.

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

Market liquidity risk is considered to be an important factor for investment decisions in order to maintain a flexible asset allocation framework that enables prompt responses to changes in market conditions. Investment strategies are also prepared through assessing the market liquidity (cash-convertibility) of each type of financial

product. Market liquidity risk is applied to the evaluation of stabilities on funding procurement as well. For this reason, the middle office regularly reviews and analyzes the market liquidity of financial products, considering the market size of each asset class and product. The results of these analyses are reported to the Risk Management Committee and the Portfolio Management Committee.

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

● Individual Liquidity Adequacy Assessment (ILAA)

The Bank conducts Individual Liquidity Adequacy Assessment (ILAA) as a framework for the Board of Directors to periodically assess the appropriateness and adequacy of management of liquidity (cash flow), an element that is as important as capital resources (solvency) for financial institutions to remain in business.

ILAA involves the systematic assessment of the appropriateness of liquidity in terms of the framework for maintaining appropriate liquidity focusing on liquidity risk management, the current status and future outlook of liquidity and the verification results thereof. In the context of “Risk Appetite” referred to above, the liquidity tolerance level is recognized, after which the appropriateness of liquidity risk management supporting the execution of active risk-taking to secure profits is assessed systematically.

■ Operational Risk Management

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

● The Objective of Operational Risk Management

The Bank categorizes and ranks by importance each risk arising from business operations such as processing risk, legal risk and IT systems risk, and handles these risks according to their category and rank. This allows the Bank to allocate the organization’s management resources effectively. The objective of operational risk

management is to minimize the likelihood of risk event occurrence and the estimated losses arising from business operations which per se do not generate profit.

● Definition of Operational Risk

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

● Organizational Structure of Operational Risk Management

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

Furthermore, in light of the fact that cyber-attacks are becoming ever more advanced and sophisticated, we are working to development a cyber-security response system, including the establishment of a professional team, Computer Security Incident Response Team (CSIRT), concerned with responding to such incidents when they occur.

• Basic Approach of Operational Risk Management

The Bank has established policies and procedures to manage and control individual operational risks such as processing risk, legal risk, IT systems risk, personnel risk, tangible assets risk and information security risk, for which the Bank's key management strategy is the prevention of risk event occurrence. The Bank also employs the following common risk management methods in order to identify, analyze, assess, manage and mitigate risks effectively: the operational risk reporting system for collection and analysis of risk events which have come to light, as well as Risk & Control Self-Assessment (RCSA) system for the evaluation of potential risks.

The Bank has been enhancing its ability to counter business continuity risk, for which the Bank's key man-

agement strategy is the mitigation of the impact and effect of risk events following their occurrence, based on lessons learned from the Great East Japan Earthquake. In addition, the Bank augments the effectiveness of its business continuity framework through regular drills which assume scenarios such as the occurrence of an earthquake in the Tokyo metropolitan area, or the outbreak of a pandemic.

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

The Main Classifications and Specific Management Methods for Operational Risk

Main Classifications		Specific Risk Management Methods
Risks for which the Bank's key management strategy is the prevention of risk event occurrence	Risk in General	<ul style="list-style-type: none"> • In the operational risk reporting system, a comprehensive and clear reporting standard is established, and information of risk events is collected and analyzed. • With RCSA, processing sections uncover the risks inherent in their own business processes, evaluate the effectiveness of controls and remaining risks, and important matters that require improvement are incorporated into the management plan for the year. • Coordination of the operational risk reporting system and RCSA.
	Processing Risk	<ul style="list-style-type: none"> • The processing risk management plan is formulated based on the results of the operational risk reporting system and processing risk RCSA, and the progress of the plan is reported to the Bank's management periodically. • Ongoing initiatives such as implementing preventive procedures for specific risk events which have surfaced in the past, updating the current procedure manuals, carrying out self-checking exercises and hosting staff training sessions. • Responding to any major environmental changes in the Bank's business environment due to the adoption of new products and services or organizational restructuring, etc.
	IT System Risk	<ul style="list-style-type: none"> • An IT system risk management plan is formulated based on the results of IT system risk RCSA, etc., while appropriately handling emerging risks generated by changes in the internal and external environment relating to information security, etc., and progress is reported to the Bank's management periodically. • Information on system failures is collected and analyzed, and future prevention plans are formulated. In addition, in order to meet public demands as a social infrastructure for providing stable financial services, we examine system recovery procedures, assuming the occurrence of a major system failure, ensuring that the impact of such failures is kept to a minimum.
	Legal Risk	<ul style="list-style-type: none"> • Centralized control and response for litigation for the Bank as a whole. • While appropriately dealing with legal consultations from branch offices, gain an understanding of the existence of risks associated with such laws, regulations and contracts that the Bank should be mindful of, then communicate and teach them to branch offices.
Risks for which the Bank's key management strategy is the mitigation of the impact and effect of risk events following their occurrence	Business Continuity Risk	<ul style="list-style-type: none"> • Establish a business continuity structure for the Bank and cooperative banking business as a whole. • Taking into account the Great East Japan Earthquake and the power shortages that followed, conduct regular drills in anticipation of a major disaster, and confirm their effectiveness.

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

● Processing Risk Management

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

● IT Systems Risk Management

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

● Legal Risk Management

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

● Business Continuity Risk Management

The Bank defines business continuity risk as the risk of being incapable of continuing critical businesses in the aftermath of a natural disaster or a major system failure, due to lack of effective countermeasures.

● Measuring Operational Risk

For operational risk, the Bank adopts economic capital management, which measures the amount of risk using statistical methods. The distribution of the amount of

losses expected to arise over the next year is calculated by using potential risk scenarios created in consideration of the business environment and risk events which have come to light and been gathered through the operational risk reporting system. From this loss distribution, the maximum projected loss (VaR) is recognized and managed as the risk amount.

■ Risk Management in Group Companies

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

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

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

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

Corporate Governance

(The number of directors shown in the text below is as of June 24, 2016)

■ The Norinchukin Bank's Management System

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

■ Supervisory Committee

The Supervisory Committee is responsible for submitting agendas for discussion and reporting to the Council of Delegates as well as for making decisions on important issues related to agricultural, fishery and forestry cooperatives. The Supervisory Committee also has the authority to oversee business activities performed by directors. This includes the authority to request that board members attend meetings to explain their business activities and to request the Council of Delegates to dismiss board members. At present, the Supervisory Committee has 19 members selected from among board members of cooperative organizations, people engaged in the agriculture, fishery and forestry industries, as well as individuals with an in-depth knowledge of finance. Supervisory Committee members are recom-

mended by the Nomination Committee, which mainly consists of representatives of the Bank's members, and are then appointed by the Council of Delegates.

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

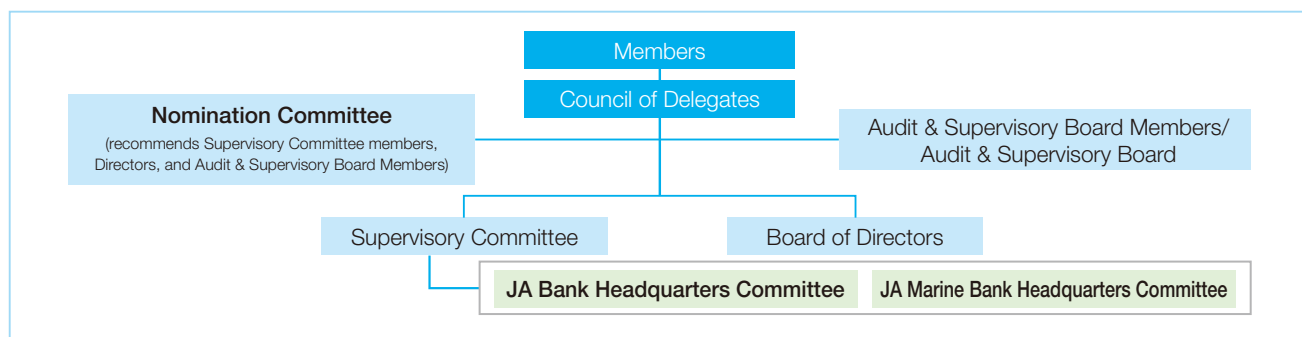
■ Board of Directors

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

■ Audit & Supervisory Board Members/Audit & Supervisory Board

Audit & Supervisory Board Members are elected directly by the Council of Delegates, and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general over-

Management System of the Bank



sight of the Supervisory Committee and board members' business activities. Moreover, the Audit & Supervisory Board, comprised of Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Law. It currently comprises five Audit & Supervisory Board Members (three full-time and two part-time).

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

* According to Article 24-3 of the Norinchukin Bank Law, at least one of the Audit & Supervisory Board Members must satisfy all of the following conditions:

- (1) The member must not be a director or employee of a corporation that is a member of The Norinchukin Bank.
- (2) The member must not have held the positions of director, member of the Supervisory Committee, or employee of The Norinchukin Bank, or the position of director, accounting advisor (if the advisor is a corporation, then an employee who performs such duties), executive officer or employee of one of the Bank's subsidiaries, in the five years prior to their appointment.
- (3) The member must not be the spouse or relative within the second degree of kinship of a Norinchukin Bank director, Supervisory Committee member, manager or other important employee.

■ Basic Policy on Governance

In light of the spirit of the Corporate Governance Code, the Bank has formulated a Basic Policy on Norinchukin Bank Governance.

Initiatives for Strengthening Internal Control

■ Basic Approach

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

■ Basic Internal Control Policy

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

- (1) To ensure sound management through compliance with laws and regulations, the Bank has established its Code of Ethics and Compliance Manual. It has taken steps to ensure that all directors and employees are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.
- (2) To ensure that directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and Audit & Supervisory Board Members. In addition, the Compliance Division, which supervises the Bank's overall compliance matters, reviews important decisions in advance.
- (3) With regard to compliance matters, the Bank has set up the Compliance Hotline System, which allows employees to turn to the Compliance Division or outside legal counsel for advice or to file a report.
- (4) The Bank institutes a Compliance Program each fiscal year, which includes systematic compliance promotion and education and training programs for employees.
- (5) The Bank takes a strong and resolute stance against anti-social elements that pose a threat to social order and security, and blocks all relationships with them.
- (6) With regard to internal controls on financial reporting, the Bank has in place measures to ensure that such reporting is reliable and appropriate.

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

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

• Rules and Other Systems for Managing the Risk of Loss

- (1) The Bank views the proper implementation of risk management as a major business challenge for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that the management must be aware of, and risk management systems and frameworks.
- (2) Risks that need to be managed are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of generating profit. These risks include credit risk, market risk and liquidity risk. The second type of risk is operational risk. Based on the nature of these various kinds of risks, the Bank has established risk management policies and procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.
- (3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds of risks and ensures that total risk capital remains

within the limits of the Bank's regulatory capital requirement.

- (4) To comply with requirements for ensuring management soundness set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management based on the conditions stipulated in laws and regulations.
- (5) In the case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

• Systems for Ensuring Efficient Execution of Directors' Duties

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

• Systems for Ensuring that Operations are Conducted Properly at the Group Companies of the Bank and its Subsidiaries

- (1) To ensure the proper operation of the Norinchukin Bank Group, the Bank has established basic policies for the operation and management of its group companies according to the group company's type of business, scale and importance.
- (2) Based on business management agreements concluded between the Bank and each group company, matters relating to management, matters relating compliance, matters relating to risk management and matters relating to internal audits to be discussed and reported, to ensure smooth and appropriate operation within the

group have been decided, and the status of execution of business at each group company is monitored.

- (3) In group companies, the Bank provides appropriate guidance, advice and supervision and conducts performance reviews in order to improve rules and other systems for managing the risk of loss, systems for ensuring the efficient execution of directors' duties and systems for ensuring duties exercised by directors and employees conform to relevant laws and the Articles of Association.

● **Internal Audit System**

- (1) To contribute to the proper operation of its business, the Bank has created the Internal Audit Division, which is independent of units that carry out business operation. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.
- (2) Internal audits are conducted for the Bank and group companies that have concluded agreements for audits, and are implemented based on an auditing plan approved by the Board of Directors.
- (3) The Internal Audit Division periodically reports a summary of audit results to the Board of Directors

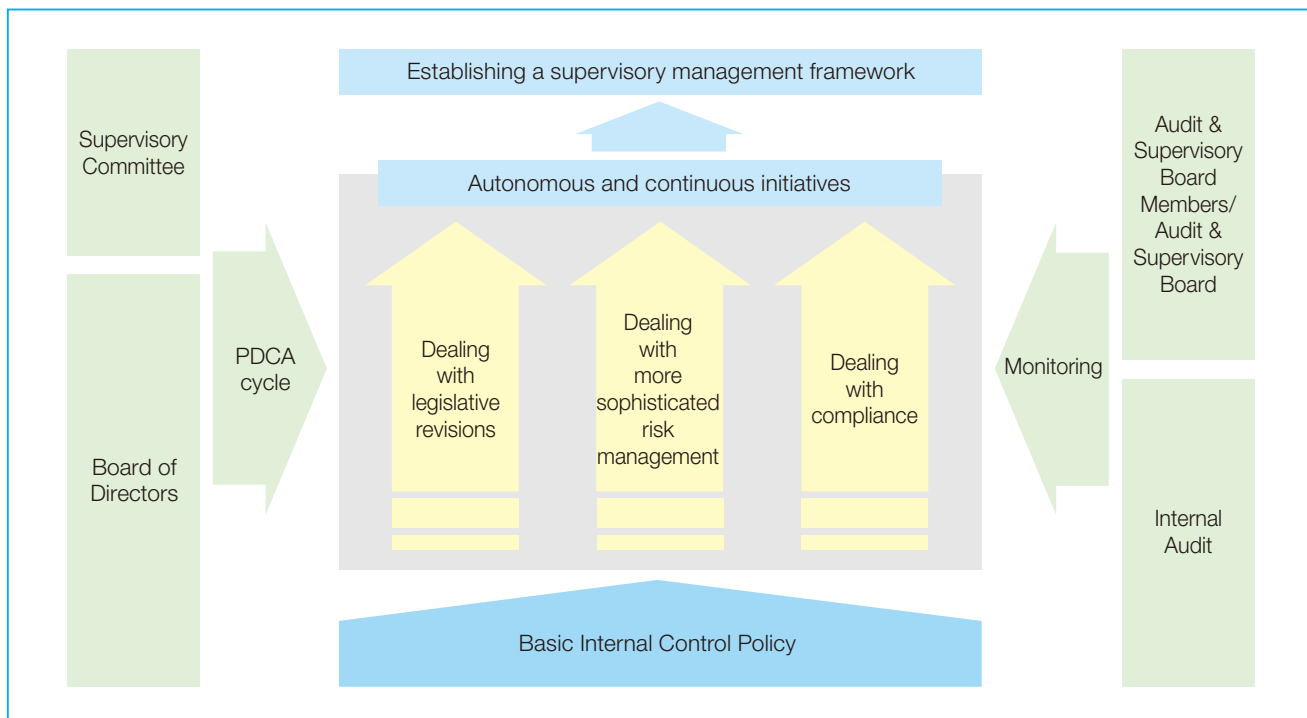
and related divisions.

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

● **Details regarding Staff who Support Audit & Supervisory Board Members and Their Independence from Directors, as well as Details to Ensure the Effectiveness of Instructions Given to Such Staff.**

- (1) The Office of Audit & Supervisory Board Members, an independent unit, has been formed by the Bank to assist Audit & Supervisory Board Members in fulfilling their duties.
- (2) In principle, three or more full-time employees are assigned to the Office of Audit & Supervisory Board Members to perform clerical work to help administer the Audit & Supervisory Board and other tasks specified by its members.
- (3) Employees assigned to the Office of Audit & Supervisory Board Members work in accordance with the in-

Initiatives for Strengthening Internal Control



structions of the Audit & Supervisory Board Members.

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

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

- (1) When a director discovers information that could cause serious damage to the Bank and the Bank Group, it must be reported immediately to the Audit & Supervisory Board.
- (2) When the Compliance Division discovers information that is important from a compliance perspective or that is vital to the compliance system in general in the Bank and the Bank Group, the division must report these matters to Audit & Supervisory Board Members.
- (3) The Internal Audit Division reports its findings regarding internal audits to Audit & Supervisory Board Members, and the two groups engage in discussion periodically.
- (4) Documents related to major decisions and other important documents related to business conduct are provided to Audit & Supervisory Board Members for review.

- **Systems for Directors and Employees of a Group Company, or Persons Receiving Reports from Said Directors and Employees, to Report to Audit & Supervisory Board Members**

In addition to reports based on the provisions of the preceding paragraph, the Compliance Division receives reports on the internal reporting situation in group companies from the department in charge of the group company internal reporting program and reports to Audit & Supervisory Board Members.

- **Systems to Ensure that Persons who Report to Audit & Supervisory Board Members Are Not Discriminated Against for Reasons of Having Made the Report**

Ensures that directors and employees of the Bank and those of the group companies who report to Audit & Supervisory Board Members for appropriate purposes are not discriminated against for reasons of having made the report, and that this is thoroughly understood and enforced.

- **Policy Pertaining to Expenses Arising Due to Performance of Duties by Audit & Supervisory Board Members**

In order to defray expenses, etc., arising due to the performance of duties by Audit & Supervisory Board Members, an appropriate budget framework shall be established, and except when deemed not necessary for the performance of duties by Audit & Supervisory Board Members, all expenses claimed by Audit & Supervisory Board Members shall be borne by the Bank.

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

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

- (1) Audit & Supervisory Board Members are allowed to attend Board of Directors meetings, Supervisory Committee meetings and other important meetings, and are free to express their opinions.
- (2) Representative directors and Audit & Supervisory Board Members periodically meet to exchange views.
- (3) Directors and employees must cooperate with Audit & Supervisory Board Members' investigation and interview requests.
- (4) In general, directors and employees must comply with the matters set forth in the Rules of the Audit & Supervisory Board and the Standards for Audits.

Internal Audit System

■ Position of the Internal Audit

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

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

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

■ Outline of the Internal Audit System

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

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

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

Moreover, the Internal Audit Division, Audit & Supervisory Board Members and accounting auditors

meet to exchange views and information on a periodic and as-needed basis in order to strengthen their cooperative efforts.

■ Preparation of Internal Audit Plans

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

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

■ Implementation of Effective Internal Audits

The Internal Audit Division is conducting audits conforming to IIA* standards, as well as conducting audits in the spirit of the internal auditing standards of various countries including Japan where the Bank is based.

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

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

** IIA (The Institute of Internal Auditors Inc.) is an international body relating to internal auditing that aims to improve the expertise of internal auditors and establish their professional status.*

■ Reporting of Audit Results and Follow-Up

After audits are completed by the Internal Audit Division, the audited divisions or branches are notified of the results by the Internal Audit Division. The audited divisions or branches are to take corrective ac-

tions on the recommendations by the Internal Audit Division by specified deadlines. They prepare corrective action plans when necessary, and report them to the Internal Audit Division.

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

■ Quality Assessment of Internal Audits

In order to ensure the effectiveness of internal audits and aim to upgrade and improve them, the Internal Audit Division carry out ongoing review of internal audit quality and self-evaluations once a year, as well as

having quality assessments carried out once every five years by an external specialist, such as an auditing firm.

■ Auditing of Assets

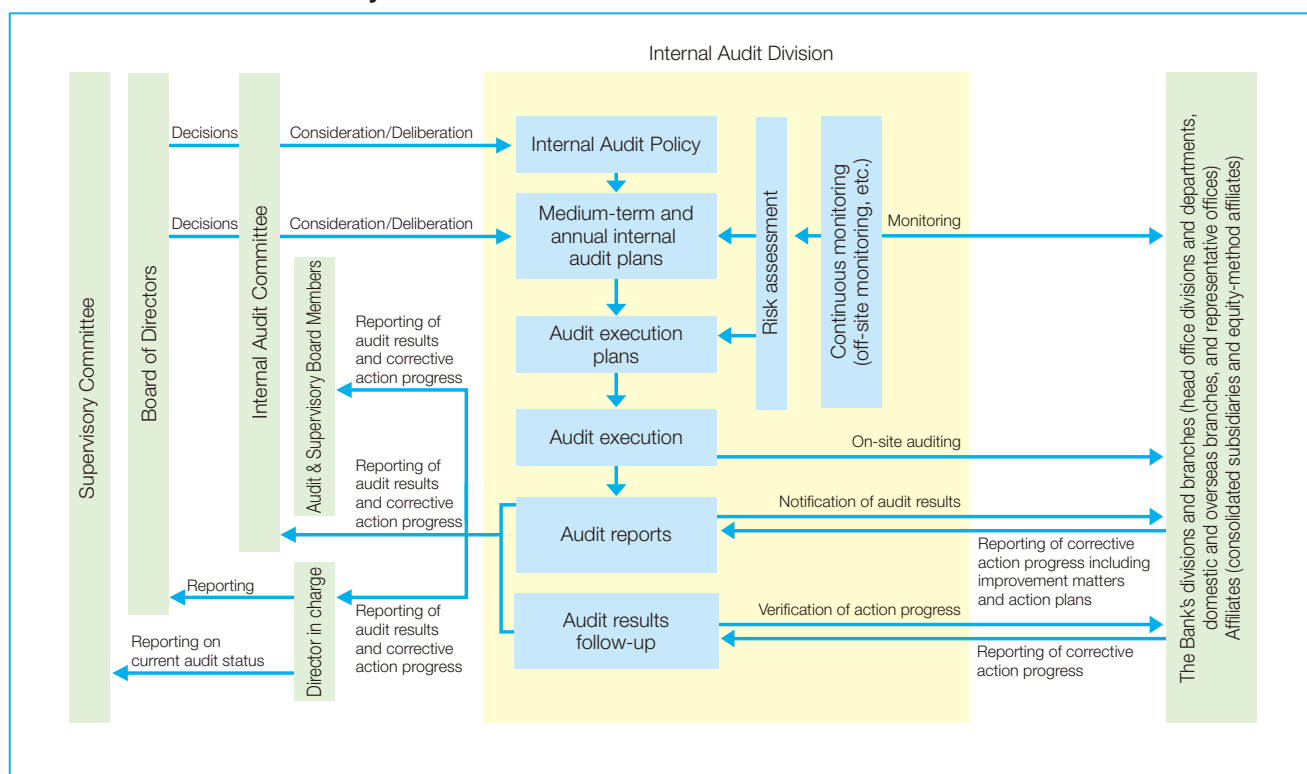
The Internal Audit Division audits the Bank's assets and verifies the accuracy and appropriateness of the Bank's internal ratings, self-assessments, loan write-offs and amounts of capital set aside for reserves.

■ Implementation of Assessment of Internal Control Systems Pertaining to Financial Reporting*

The Internal Audit Division performs assessment of internal control systems pertaining to financial reporting in accordance with generally accepted assessment standards for assessment of internal control systems pertaining to financial reporting published by the Business Accounting Council.

* *Financial reporting refers to the consolidated financial statements included in business reports created in accordance with the provisions of Article 80, paragraph 2, of the Norinchukin Bank Act and Article 111, paragraph 2, of the Ordinance for Enforcement of the Norinchukin Bank Act.*

Overview of Internal Audit System



Continuing as a Financial Institution Trusted by the Public

COMPLIANCE INITIATIVES

■ Basic Compliance Policies

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

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

emphasizing proper disclosure and accountability.

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

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

Code of Ethics

Fundamental Mission and Social Responsibility

1. We are always aware of the importance of our fundamental mission and social responsibilities, and commit to forging even stronger bonds of societal confidence by fulfilling the mission and responsibilities through sound business operations.

Offering High-Quality Services

2. By offering high-quality services that take advantage of creativity and ingenuity with due consideration to appropriate protection of customer's profits, we fulfill the role as the national-level institution engaged in the cooperative banking business that meets the needs of its customers, and we also contribute to economic and social development.

Strict Compliance with Laws and Regulations

3. We comply with all relevant laws and regulations, and conduct business operations in an honest and fair manner in response to society's expectation and trust.

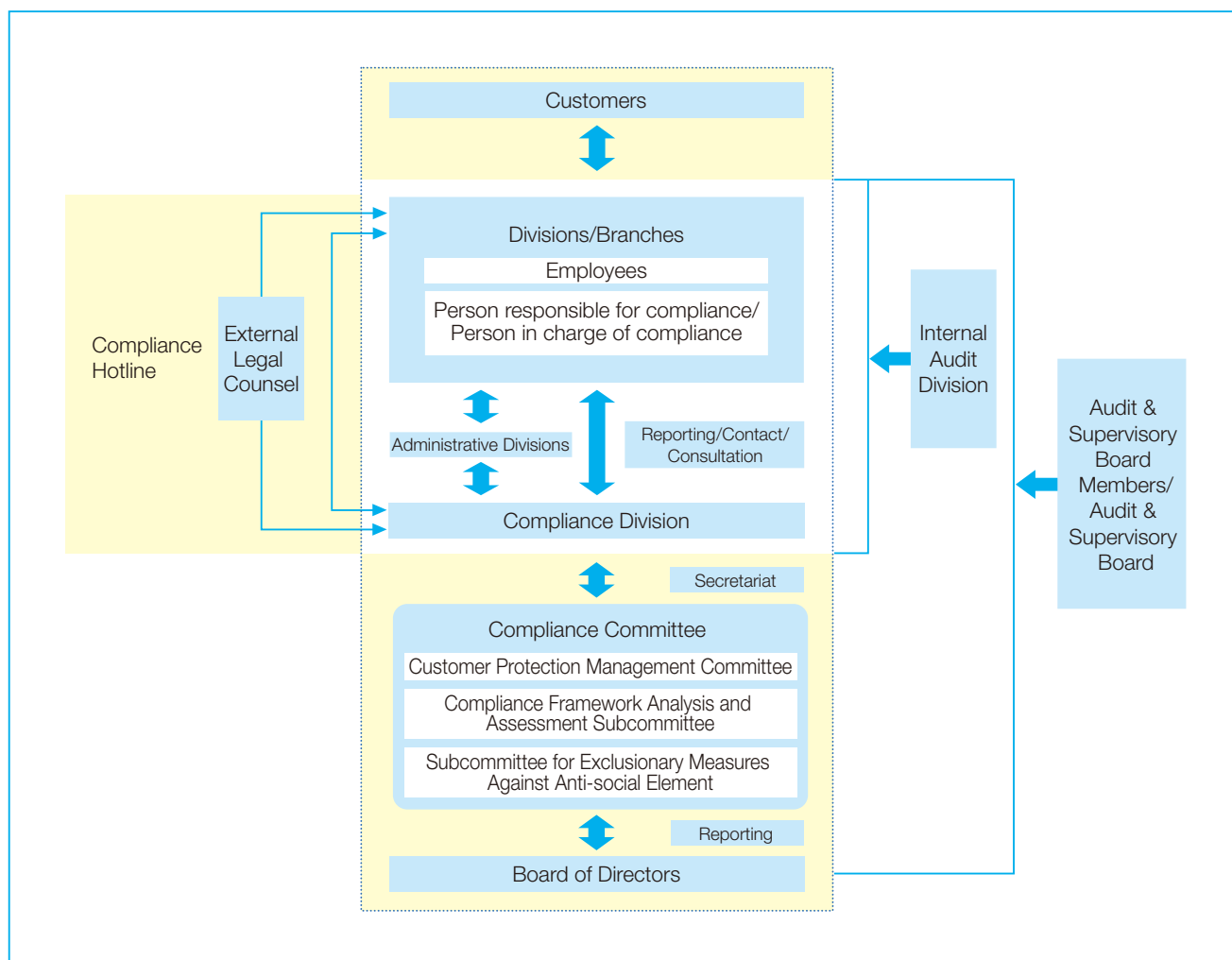
Severing Anti-Social Forces

4. We have a zero-tolerance policy against anti-social forces which threaten the safety and order of civil society, and thoroughly sever any relations with them.

Building Highly Transparent Organizational Culture

5. We build a highly transparent organizational culture underpinned by respect for human life and dignity, while endeavoring to enhance communication and maintain satisfactory relationships with society, including proactively and fairly disclosing business information.

Compliance Framework



■ Compliance Activities Directly Linked to Management

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

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the

Customer Protection Management Committee, the Compliance Framework Analysis and Assessment Subcommittee and the Subcommittee for Exclusionary Measures Against Anti-social Element, which are subcommittees under the Compliance Committee.

■ Compliance Practices within the Bank

The Bank's compliance framework at branches and divisions is based on the combined efforts of each and every employee, centered primarily on the general manager of the relevant branch or division who is assigned responsibility for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Compliance Division, persons in charge of compliance oversee all compliance-related matters at

their branches or divisions. They are expected to keep track of day-to-day compliance activities by using checklists to handle requests for advice or questions from other members of staff, to organize branch or divisional training and educational programs, and to liaise with, report to, and handle requests to the Compliance Division.

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

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

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

■ Compliance Program

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

■ Cooperation with Group Companies

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

■ Enhancing Disclosure

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

■ Measures to Prevent Money Laundering

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

■ Measures to Combat Bank Transfer Fraud

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

■ Measures to Eliminate Anti-Social Elements

Under the Code of Ethics, the Bank takes a strong and resolute stance against anti-social elements that pose a threat to social order and security, and in order to block all relationships with such anti-social elements, the Bank has established a systematic exclusionary system, in line with the following basic principles, and strives to ensure sound management.

(1) Response as an organization

The Bank has established the foundation of express provisions under the Code of Ethics, and will respond as an entire organization, from the top management downward, and not simply leave it to the personnel or department in charge.

In addition, the Bank will guarantee the safety of employees who would respond to the unjustified demands from anti-social elements.

(2) Cooperation with outside agencies

In preparation for unjustified demands from anti-social elements, the Bank endeavors to establish continuing cooperation outside agencies such as the police, the National Centers for the Elimination of Boryokudan.

(3) Blocking of relationships including business transactions

The Bank shall block all relationships with anti-social elements including business relationships. In addition, unjustified demands from anti-social elements will be rejected.

(4) Civil and criminal legal responses in times of emergency

The Bank shall take legal action against unjustified

demands from anti-social elements, on both a civil and criminal basis, as the need arises.

(5) Prohibition of secret deals and provision of funds

Even in cases where the unjustified demands from anti-social elements are based on misconduct related to business activity or involving an employee, the Bank will absolutely not engage in secret deals with them to cover up the facts. Furthermore, the Bank shall absolutely not provide funds to anti-social elements.

Disclosure Policy

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

Handling of Material Information

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

Methods of Disclosure

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

Fairness of Disclosure

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

Disclosure of Forward-Looking Information

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

Enhancement of Internal Systems

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

Policy Regarding Market Rumors

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

Information Security Initiatives

■ Importance of Information Security

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

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

■ Control Structure

The Bank works systematically to enhance its information security, centered on the Compliance Division with overall responsibility for information security planning, promotion and progress management. It appoints personnel responsible for information security

(division, branch and office managers serving concurrently as data administrators) and staff to be in charge of information security in each division and branch.

The Bank's Compliance Committee discusses basic issues concerning the Bank's information security, and from the perspective of leakage of information, it is discussed at Operational Risk Management Committee.

■ Protection of Personal Information

Act on the Social Security and Tax Number System went into full effect in October 2015 in Japan. As a business responsible for handling personal information, the Bank created a required framework to facilitate proper handling of personal information. As part of these activities, the Bank educates and trains employees to ensure that personal information is properly handled and managed effectively and efficiently.

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

Personal Information Protection Declaration (Excerpt)

Collection of Personal Information, etc.

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

Purpose of Use of Personal Information, etc.

Collected personal information, etc. is used to the extent needed in accordance with the purpose of use of the personal information and the purpose of use of the individual number.

Provision of Personal Data (Excluding Individual Numbers) to Third Parties

Personal data (excluding individual numbers) shall never be provided to third parties without obtaining the prior consent of the user, except in special cases.

Provision of Individual Numbers to Third Parties

Individual numbers shall never be provided to third parties, except in special cases.

Handling of Sensitive Information

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

Provision of Security Management Measures of Personal Data

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

Outsourcing the Handling of Personal Information

Part of the clerical work related to the handling of personal data is outsourced.

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

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

Inquiries to the Bank

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

Cultivating High-Quality Human Resources and Improving Organizational Vibrancy

■ Basic Policy

The Bank has established a Basic Policy on Human Resource Management and aims to cultivate high-quality human resources and improve organizational vibrancy towards becoming a leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.

Basic Policy on Human Resource Management

Future Vision

- Cultivating high-quality human resources and improving organizational vibrancy who can play a role in leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities

Basic Policy

- Develop human resources capable of demonstrating their strengths of their own accord and taking on challenges boldly from the viewpoint of cooperatives and from a global perspective, with a sense of mission to support the agricultural, fishery and forestry industries, food production and consumption, and the daily lives of local communities.
- Based on the principle that each and every employee represents the Bank's biggest assets, we improve organizational vibrancy by enhancing employee motivation and attempting to upgrade and expand work environment that value mutual collaboration

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

The Bank bases its deployment and assignment of personnel on the competency, aptitude and career perspective of each person assessed through competency assessment, various interviews, self-assessment and other means. In this way, it supports employee career development and self-fulfillment through work, by recruiting and

assigning the right person to the right job, with consideration given to employee rotation during a fixed period.

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

■ Human Resource Initiatives

With the goal of training core personnel in each headquarters, the Bank is actively providing opportunities for them to develop their skills in order to support the self-motivated efforts of each and every employee. In addition to subsidy programs for correspondence courses, certification exams, foreign language study and sending employees to overseas study and cross-industry seminars, the Bank holds after-work training based on required subjects in each business field. The Bank holds after-work training and group study, etc., by years of service or by rank.

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

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

In addition to entry training, new employees are sent for two weeks at a time to JA nationwide and experience a wide range of work at JA and on-site agricultural work. Based on a workplace training system for new employees, in addition to on-the-job training, the Bank also provides a mentoring system that mid-career employees acting as role models support growth across departments, divisions and teams.

Along with these various training systems, the Bank operates the Career Development Support System to help employees with their career development. In this system, employees take an inventory of their abilities through career development interviews with their superiors and career development training. After defining their career goals, employees proactively work on their own career development based on the ability requirements of employees to carry out their job in each headquarters.



Entry training for new employees

Principal Human Resource Programs

Group Training

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

Personal Development Support

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

Outside Studies

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

New Employee Training

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

Other

- After-work training
- Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops
- Business English language lessons
- e-Learning

Respect for Human Rights and Diversity

In light of the Act on Promotion of Education and Enlightenment of Human Rights, etc., the Bank strives to create a highly transparent corporate culture underpinned by respect for human rights, which is stated in our Code of Ethics.

To promote these efforts, the Bank conducts ongoing education and awareness programs for directors and employees on various human rights issues. Measures designed to instill respect for human rights are discussed by the Human Rights Education Promotion Committee based on policies set by the Board of Directors. Measures are implemented primarily by the Personnel Division's

Business Outline

Human Rights Team and personnel in charge of human rights assigned to each division and branch.

Various kinds of training sessions featuring guest lecturers specializing in human rights-related fields are held at each division and branch to ensure that directors and employees have an accurate understanding of human rights issues and to raise awareness. Other steps include countermeasures against sexual harassment and abuse of authority. In addition to establishing a hotline within the Bank for lodging formal complaints, we have set up an outside hotline. These are just some of many measures we are taking.

In addition, as a member of JA Group, we are working in close collaboration with JA Zenchu (Central Union of Agricultural Cooperatives) to raise awareness throughout the Norinchukin Group regarding human rights issues, respect for diversity and create a work environment where all employees can participate actively.

■ Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

In light of the Act on Advancement of Measures to Support Raising Next-Generation Children and other measures, the Bank has received the Kurumin Certification for Childcare Support Company for its efforts to realize a work-life balance and support for balancing work with childrearing.

The Bank is also making an effort to increase the rate of women among new graduate hires on main career tracks and the percentage of men taking childcare leave in recognition of laws like the Act To Advance Women's Success In Their Working Life, etc.



Women Employee Career Forum

FINANCING, etc

Financing provided by the Bank can be broadly divided into: financing for cooperative organizations; and financing for corporations.

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

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

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

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

Additionally, besides its financial service, the Bank offers business matching services for primary, secondary and tertiary industries to act as a "bridge" linking their needs. In addition, there are various nonfinancial initia-

tives by making use of “Support Program for Increasing Agricultural Income and Revitalizing Local Communities,” such as support for capturing share in the global food market, support for value-adding projects which encourage streamlining including, support for improving efficiency (e.g. expansion of business of leaders) and others.

SECURITIES INVESTMENT

■ The Bank’s Basic Asset Management Approach

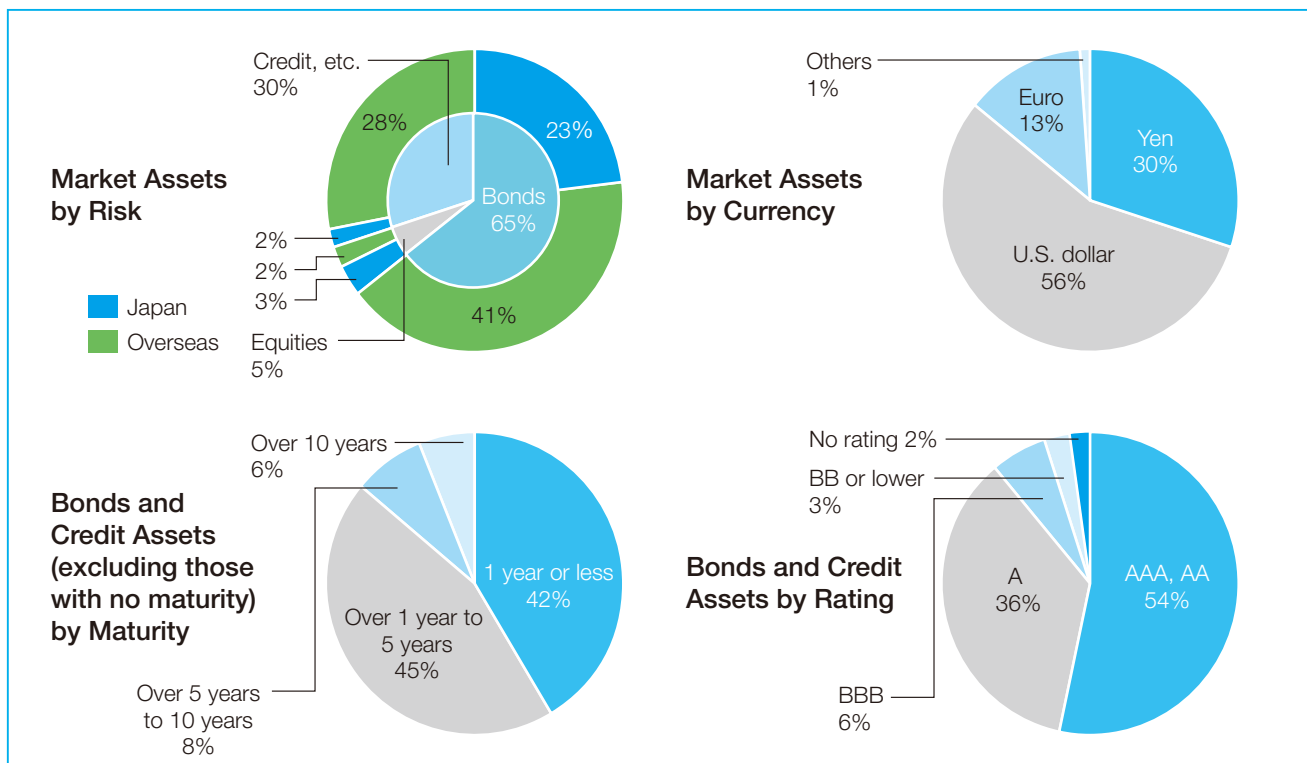
The Bank is one of the largest financial institutions in Japan and, at the same time, it is one of Japan’s leading institutional investors. Assets invested in the market by the Bank amount to approximately ¥64.0 trillion, which accounts for a major portion of the Bank’s total assets under management.

The Bank invests in securities under the basic concept of “globally diversified investment.” The goal of this approach is to achieve a high return in the medium-to long-term by investing in assets with diversified risk-return characteristics while minimizing risks encoun-

tered each fiscal year in situations such as rising interest rates and declining stock prices. The Bank conducts a multifaceted analysis based on geographical location (Japan, the United States, Europe, and other countries and regions) and asset class (bonds, equities, credit assets and alternative investments), and then flexibly reviews its allocation of assets depending on changes in market conditions.

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

Breakdown of Investment Assets (As of March 31, 2016)



■ Investment Approach by Asset Type

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

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

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

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

■ Market Asset Management System

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

The front office executes transactions based on policies drawn up at Portfolio Management Committee.

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

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

■ Short-Term Money Market Transactions

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

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

Proper liquidity risk management is a prerequisite for the Bank's business continuity and stable management of its portfolio. Accordingly, the Bank monitors its cash flow and that of the cooperative banking system, as well as domestic and international market trends.

In Japan, the Bank is an active participant in the interbank market and other markets such as the repo market. The Bank assumes a leadership position in these markets and also plays a major role in expanding market functions. Through its participation in the Research Committee for Revitalization of Short-Term Money Market and other organizations, the Bank also contributes to improving market practices.

In foreign currency funding markets, backed by its high credit standing, the Bank conducts stable and efficient transactions, such as foreign currency funding transactions for globally diversified investment. Foreign

currency funding utilizing various funding tools is managed in unison among teams in the Bank’s head office and its three overseas branches in New York, London and Singapore.

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

Foreign Exchange Transactions

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

Trading Services

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



DEPOSIT SERVICES

Features of the Bank’s Deposits

Deposits from member cooperatives comprise the majority of the Bank’s deposits. Other deposits consist primarily of those from companies involved in the agriculture, fish-

ery and forestry industries and nonprofit organizations, such as local public bodies. This is due to the Bank’s role as the national-level cooperative financial institution for the agriculture, fishery and forestry industries.

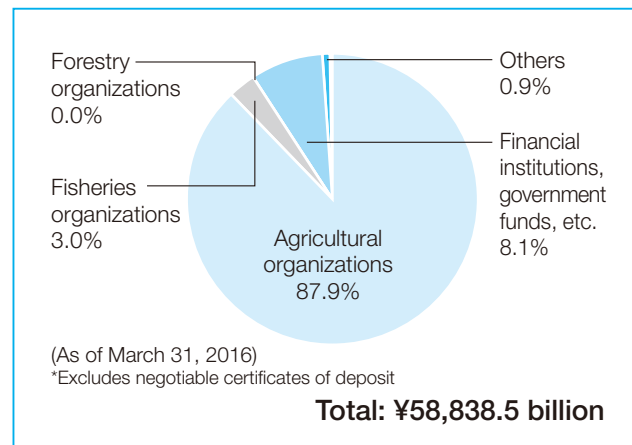
Deposits from JA Bank and JF Marine Bank Members

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

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

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

Balance of Deposits with the Bank



NORINCHUKIN BANK DEBENTURES

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

The balance of issued and outstanding debentures as of March 31, 2016 totaled ¥3,133.0 billion. The funds raised through the issuance of Norinchukin Bank Debentures have been used for purposes that include financing for the agriculture, fishery and forestry industries as well as for companies related to these industries.

SETTLEMENT SERVICES

Cooperative financial institutions, comprising JA, JA Shinnoren, JF, JF Shingyoren and the Bank, have one of the largest networks among private financial institutions in Japan, with approximately 8,200 branches (as of March 31, 2016). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated jointly by the cooperative financial institutions.

■ Domestic Exchange Business Leveraging Special Characteristics of Cooperatives

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

■ Cash Dispenser and ATM Network

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

■ Direct Deposit and Fund Transfer Services

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

■ Networks with Customers in Japan and Overseas

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

Number of Branches, Cash Dispensers and ATMs

(As of March 31, 2016)

	Number of cooperative members*	Number of branches*	Number of cash dispensers and ATMs
Norinchukin Bank	1	20	0
JA Shinnoren	32	47	722
JA	667	7,963	11,351
JF Shingyoren	29	114	281
JF	82	139	130
Total	811	8,283	12,484

*Number of cooperative members and branches that handle domestic exchange operations

HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

● The Bank’s Domestic Offices

The Bank’s domestic offices are comprised of its head office and 19 branches located throughout Japan (as of July 31, 2016).

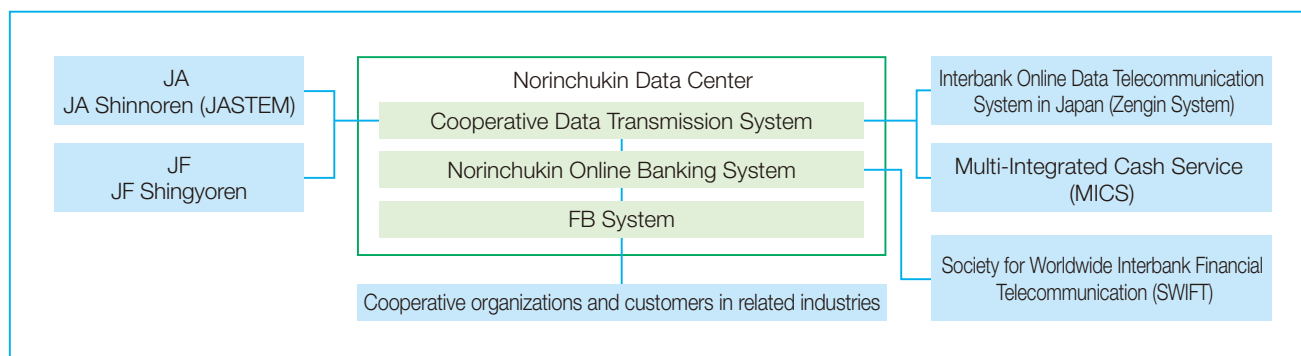
The principal business roles of domestic branches are to: (1) receive deposits from cooperative members, (2) extend loans to agricultural, fishery and forestry sectors including individuals and corporations related to these sectors as well as public sectors in each region, and (3) conduct business related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

● The Bank’s Overseas Branches and Representative Offices

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

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

Networks with Customers in Japan and Overseas



The Norinchukin Group Companies (As of July 1, 2016)

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

(Note) Number of directors and employees as of March 31, 2016

■ Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd.

The Norinchukin Trust & Banking Co., Ltd. plays the following basic roles by providing: (1) trust products and services to individual members of cooperatives such as JA and local communities, leveraging the network of the agricultural, fishery and forestry cooperatives, (2) asset investment and management products to organizations connected to the Bank and its group companies, and (3) financing and fund management tools for customers including corporations and pension funds that leverage its trust services. Assets under management and administration by this company exceed ¥12.0 trillion. The Norinchukin Trust & Banking also focuses on asset management for individual members of JA, offering inheritance trust services.

Established	August 17, 1995
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Kazumi Torii, President
Number of directors and employees	139

■ Investment Advisory Firm

Norinchukin Value Investments Co., Ltd.

<https://www.nvic.co.jp>

Norinchukin Value Investments Co., Ltd. is an investment advisory firm founded by the Norinchukin Bank and Norinchukin Trust & Banking Co., Ltd., and it provides investment advisory services with the concept of "long-term concentrated portfolio" where the firm makes investment advices, with respect to companies which are capable of generating sustainable cash flow in a long time horizon, on back of the increasing needs from institutional investors.

Established	October 2, 2014
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Kazuto Oku, President
Number of directors and employees	19

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

Norinchukin Research Institute Co., Ltd.

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

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

Established	March 25, 1986
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Shinichi Saitoh, President
Number of directors and employees	76

Norinchukin Academy Co., Ltd.

Norinchukin Academy Co., Ltd., as a training specialist for cooperative members, is involved in training directors and employees engaging in banking business by conducting group trainings, correspondence courses, certification exams, dispatching lecturers, and publishing training materials. In fiscal 2015, approximately 13,000 and 18,000 employees took correspondence courses and certification exams, respectively.

Established	May 25, 1981
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	Nobuo Igarashi, President & CEO
Number of directors and employees	42

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

Kyodo Housing Loan Co., Ltd.

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

Established	August 10, 1979
Location	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan
Representative	Hideaki Iida, Managing Director
Number of directors and employees	131

Norinchukin Zenkyoren Asset Management Co., Ltd.

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

Established	September 28, 1993
Location	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan
Representative	Kazuo Yoshida, Chairman & CEO
Number of directors and employees	127

The Cooperative Servicing Co., Ltd.

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

Established	April 11, 2001
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Hiroyuki Harada, President & CEO
Number of directors and employees	65

JA MITSUI LEASING, LTD.

www.jamitsuilease.co.jp/en/

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

Established	April 1, 2008
Location	13-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan
Representative	Shuzo Furuya, President & CEO
Number of directors and employees	1,000

The Agribusiness Investment & Consultation Co., Ltd.

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

Established	October 24, 2002
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Teruo Uto, Operating Officer
Number of directors and employees	14

Mitsubishi UFJ NICOS Co., Ltd.

Mitsubishi UFJ NICOS Co., Ltd. is a leading Japanese credit card company. It issues JA Cards, cash-and-credit cards for JA, and arranges guarantees for JA Bank loans. There are currently about 1.91 million JA Card members.

Established	June 7, 1951
Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan
Representative	Haruo Inoue, President
Number of directors and employees	3,384

■ Companies Working to Rationalize and Streamline the Cooperative Banking Business

Nochu Business Support Co., Ltd.

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

Established	August 18, 1998
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Hideo Gamou, President & CEO
Number of directors and employees	146

Norinchukin Facilities Co., Ltd.

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

Established	August 6, 1956
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	Kohei Taneda, President & CEO
Number of directors and employees	265

Nochu Information System Co., Ltd.

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

Established	May 29, 1981
Location	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan
Representative	Shoji Yukimoto, President & CEO
Number of directors and employees	594

Others

Ant Capital Partners Co., Ltd.

www.antcapital.jp/english/

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

Established	October 23, 2000
Location	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Representative	Ryosuke Inuma, President and CEO
Number of directors and employees	46

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry, and Fisheries

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry, and Fisheries is a limited liability partnership for investment that, in the spirit of the Act on the Promotion of Renewable Energy in Rural Areas, invests in those renewable energy projects engaged in rural communities and hilly and mountainous areas that contribute to the revitalization of local communities and for which stable and management is expected.

Established	April 30, 2014
Location	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan

Norinchukin Finance (Cayman) Limited

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

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

JAML MRC Holding, Inc.

JAML MRC Holding, Inc., invests in Mitsui Rail Capital, LLC, which conducts a railcar leasing business in North America.

Established	March 6, 2015
Location	286 Madison Ave., Suite 301, New York, NY 10017

Gulf Japan Food Fund GP

Gulf Japan Food Fund GP invests in and manages private equity fund aimed at expanding exports of Japanese agricultural and livestock products to six Gulf states in the Middle East.

Established	July 29, 2015
Location	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

*Daiichi Life Norinchukin Building Management Co., Ltd. was dissolved effective June 30, 2016. As liquidation proceedings are currently underway, it has been excluded from the above list.

Financial Review

■ Financial Results for the fiscal year ended March 31, 2016 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2016 include the results of 10 consolidated subsidiaries and 8 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2015 (for the fiscal year ended March 31, 2016).

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥6,633.1 billion from the previous fiscal year-end to ¥101,182.9 billion, and consolidated Total Net Assets decreased by ¥121.3 billion from the previous fiscal year-end to ¥7,186.7 billion.

On the assets side, Loans and Bills Discounted decreased by ¥2,015.9 billion to ¥18,022.1 billion, and Securities decreased by ¥1,417.5 billion to ¥58,306.3 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥5,349.2 billion to ¥58,823.3 billion, and Debentures decreased by ¥430.7 billion to ¥3,122.0 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥324.9 billion, down ¥189.6 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥271.2 billion, down ¥140.0 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 18.94%, Consolidated Tier 1 Capital Ratio 18.99%, and Consolidated Total Capital Ratio 25.07% as of March 31, 2016.

Key Management Indicators (Consolidated)

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

	2012/3	2013/3	2014/3	2015/3	2016/3	2016/3
Total Income	¥ 952.6	¥ 995.5	¥ 1,086.9	¥ 1,360.0	¥ 1,287.9	\$ 11,428
Total Expenses	878.4	893.6	899.8	847.0	964.4	8,557
Profit Attributable to Owners of Parent (Note 2)	70.5	119.8	155.7	411.3	271.2	2,407
Total Comprehensive Income	600.4	949.7	251.3	1,403.0	(98.1)	(870)
Total Net Assets	4,838.9	5,767.2	5,976.5	7,308.1	7,186.7	63,769
Total Assets	72,262.8	81,496.8	83,143.6	94,549.7	101,182.9	897,807
Capital Adequacy Ratio (BIS) (Note 3)						
Common Equity Tier 1 Capital Ratio (%)	/	16.01	17.43	17.17	18.94	18.94
Tier 1 Capital Ratio (%)	/	16.13	17.56	17.24	18.99	18.99
Total Capital Ratio (%)	24.67	23.56	25.24	24.19	25.07	25.07

Notes: 1. U.S. dollars have been converted at the rate of ¥112.70 to U.S. \$1, the effective rate of exchange at March 31, 2016.

2. Effective from the beginning of fiscal year 2015, the Bank has adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21, issued on September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013) and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, issued on September 13, 2013). In applying these revised accounting standards, "Net Income" was changed to "Profit Attributable to Owners of Parent."

3. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006. The Basel II standard was applied in calculating the Consolidated Capital Adequacy Ratios for the fiscal year ended March 31, 2012.

■ Financial Results for the fiscal year ended March 31, 2016 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥6,511.6 billion to ¥100,130.0 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥98.1 billion to ¥7,133.6 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥17,915.8 billion, and Securities was ¥58,329.7 billion.

On the liabilities side, Deposits amounted to ¥58,838.5 billion, and Debentures was ¥3,133.0 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2016 totaled to ¥348.8 billion, down ¥109.5 billion from the previous fiscal year.

The total credit costs were ¥19.3 billion in net earnings mainly from the reversal of reserves due to the improvement of our customers' corporate performances.

As for securities investments, net gains/losses on sales were net gains of ¥19.7 billion, up ¥19.5 billion from the previous fiscal year, and the expenses of provisions and impairments for price-decline of securities and other reasons improved by ¥2.9 billion to ¥1.1 billion in net earnings from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥322.1 billion in Ordinary Profits, down ¥182.1 billion and ¥271.5 billion in Net Income, down ¥132.9 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥225.7 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 19.02%, Tier 1 Capital Ratio 19.07%, and Total Capital Ratio 25.29% as of March 31, 2016.

Key Management Indicators (Non-consolidated)

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

	2012/3	2013/3	2014/3	2015/3	2016/3	2016/3
Total Income	¥ 934.9	¥ 972.9	¥ 1,062.3	¥ 1,340.4	¥ 1,274.7	\$ 11,310
Total Expenses	870.6	885.6	890.3	837.8	953.9	8,464
Net Income	61.6	106.8	143.1	404.5	271.5	2,409
Paid-in Capital	3,425.9	3,425.9	3,425.9	3,425.9	3,480.4	30,882
Total Net Assets	4,820.4	5,734.9	5,921.9	7,231.8	7,133.6	63,297
Total Assets	71,719.1	80,861.0	82,356.2	93,618.4	100,130.0	888,465
Deposits	43,563.1	47,456.4	49,731.1	53,486.1	58,838.5	522,081
Debentures	5,125.6	4,619.2	4,037.5	3,564.3	3,133.0	27,800
Loans and Bills Discounted	14,655.7	16,127.6	17,295.0	19,935.7	17,915.8	158,969
Securities	45,655.4	50,072.3	52,901.4	59,738.5	58,329.7	517,566
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	15.98	17.43	17.18	19.02	19.02
Tier 1 Capital Ratio (%)	/	16.10	17.56	17.25	19.07	19.07
Total Capital Ratio (%)	24.83	23.77	25.47	24.36	25.29	25.29

Notes: 1. U.S. dollars have been converted at the rate of ¥112.70 to U.S. \$1, the effective rate of exchange at March 31, 2016.

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, 2012.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 15,057,960	¥ 7,297,692	\$133,611
Call Loans and Bills Bought (Note 32)	139,877	569,902	1,241
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	2,049,052	78,804	18,181
Monetary Claims Bought (Notes 32 and 33)	244,023	226,605	2,165
Trading Assets (Notes 3, 32 and 33)	14,284	10,099	126
Money Held in Trust (Notes 9, 32 and 34)	4,922,923	4,507,849	43,681
Securities (Notes 4, 9, 21, 32 and 33)	58,306,391	59,723,905	517,359
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	18,022,160	20,038,143	159,912
Foreign Exchange Assets (Note 6)	237,332	202,946	2,105
Other Assets (Notes 7, 9 and 32)	1,037,001	881,872	9,201
Tangible Fixed Assets (Note 8)	108,304	110,386	960
Intangible Fixed Assets (Note 8)	20,362	20,947	180
Net Defined Benefit Asset (Note 17)	27,969	32,559	248
Deferred Tax Assets (Note 18)	1,999	2,014	17
Customers' Liabilities for Acceptances and Guarantees (Note 19)	1,087,130	936,504	9,646
Reserve for Possible Loan Losses (Note 32)	(93,854)	(118,132)	(832)
Reserve for Possible Investment Losses	—	(2,213)	—
Total Assets	¥101,182,920	¥94,549,729	\$897,807
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 32)	¥ 58,823,374	¥53,474,106	\$521,946
Negotiable Certificates of Deposit (Note 32)	3,598,338	3,674,664	31,928
Debentures (Notes 11 and 32)	3,122,077	3,552,811	27,702
Bonds (Note 12)	50,000	50,000	443
Call Money and Bills Sold (Notes 9 and 32)	4,276	475,000	37
Payables under Repurchase Agreements (Notes 9 and 32)	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions (Note 9)	903,887	74,682	8,020
Trading Liabilities (Notes 13 and 32)	8,476	6,717	75
Borrowed Money (Notes 9, 14 and 32)	3,090,120	2,441,513	27,418
Foreign Exchange Liabilities (Note 15)	17	35	0
Short-term Entrusted Funds (Note 32)	1,397,731	2,612,780	12,402
Other Liabilities (Notes 16 and 32)	2,645,958	1,348,589	23,477
Reserve for Bonus Payments	7,711	7,326	68
Net Defined Benefit Liability (Note 17)	39,756	16,349	352
Reserve for Directors' Retirement Benefits	1,179	1,064	10
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684	—	112
Deferred Tax Liabilities (Note 18)	705,928	852,175	6,263
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	82
Acceptances and Guarantees (Note 19)	1,087,130	936,504	9,646
Total Liabilities	93,996,130	87,241,595	834,038
Net Assets			
Paid-in Capital (Note 22)	3,480,488	3,425,909	30,882
Capital Surplus	25,020	25,020	222
Retained Earnings	1,770,832	1,576,096	15,712
Treasury Preferred Stock	(150)	(150)	(1)
Total Owners' Equity	5,276,191	5,026,876	46,816
Net Unrealized Gains on Other Securities	2,118,533	2,339,436	18,797
Net Deferred Losses on Hedging Instruments	(231,632)	(104,793)	(2,055)
Revaluation Reserve for Land	16,020	16,984	142
Foreign Currency Transaction Adjustments	(48)	23	(0)
Remeasurements of Defined Benefit Plans (Note 17)	(246)	22,311	(2)
Total Accumulated Other Comprehensive Income	1,902,626	2,273,963	16,882
Non-controlling Interests	7,972	7,294	70
Total Net Assets	7,186,790	7,308,134	63,769
Total Liabilities and Net Assets	¥101,182,920	¥94,549,729	\$897,807

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Income			
Interest Income:	¥1,034,824	¥1,029,543	\$ 9,182
Interest on Loans and Bills Discounted	64,736	67,356	574
Interest and Dividends on Securities	949,746	943,873	8,427
Interest on Call Loans and Bills Bought	514	916	4
Interest on Receivables under Resale Agreements	1	50	0
Interest on Receivables under Securities Borrowing Transactions	71	160	0
Interest on Due from Banks	18,081	12,579	160
Other Interest Income	1,672	4,606	14
Fees and Commissions	26,106	25,348	231
Trading Income (Note 23)	268	134	2
Other Operating Income (Note 24)	89,833	71,000	797
Other Income (Note 25)	136,952	233,996	1,215
Total Income	1,287,985	1,360,024	11,428
Expenses			
Interest Expenses:	715,922	603,454	6,352
Interest on Deposits	37,144	29,711	329
Interest on Negotiable Certificates of Deposit	12,010	7,012	106
Interest on Debentures	13,452	18,744	119
Interest on Borrowed Money	80,080	79,292	710
Interest on Call Money and Bills Sold	514	414	4
Interest on Payables under Repurchase Agreements	45,154	17,973	400
Interest on Payables under Securities Lending Transactions	746	54	6
Interest on Bonds	1,106	1,194	9
Other Interest Expenses	525,712	449,057	4,664
Fees and Commissions	15,511	15,067	137
Trading Expenses (Note 26)	201	—	1
Other Operating Expenses (Note 27)	56,500	87,450	501
General and Administrative Expenses	162,563	129,424	1,442
Other Expenses (Note 28)	13,755	11,684	122
Total Expenses	964,455	847,081	8,557
Income before Income Taxes	323,530	512,942	2,870
Income Taxes — Current	58,139	94,446	515
Income Taxes — Deferred	(6,846)	6,551	(60)
Total Income Taxes	51,292	100,998	455
Profit	272,237	411,944	2,415
Profit Attributable to Non-controlling Interests	955	643	8
Profit Attributable to Owners of Parent	¥ 271,281	¥ 411,301	\$ 2,407
		Yen	U.S. Dollars (Note 1)
	2016	2015	2016
Profit Attributable to Owners of Parent per Share	¥53.66	¥84.40	\$0.47

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Profit	¥ 272,237	¥ 411,944	\$ 2,415
Other Comprehensive Income	(370,395)	991,139	(3,286)
Net Unrealized Gains (Losses) on Other Securities (Note 29)	(220,006)	1,035,947	(1,952)
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	(126,791)	(59,431)	(1,125)
Revaluation Reserve for Land (Note 29)	—	(17)	—
Foreign Currency Transaction Adjustments (Note 29)	(12)	29	(0)
Remeasurements of Defined Benefit Plans (Note 29)	(21,917)	13,348	(194)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	(1,668)	1,263	(14)
Total Comprehensive Income	¥ (98,158)	¥1,403,084	\$ (870)
Attributable to:			
Owners of the Parent	(99,090)	1,402,420	(879)
Non-controlling Interests	932	664	8

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$ 222
Balance at the End of the Fiscal Year	25,020	25,020	222
Retained Earnings			
Balance at the Beginning of the Fiscal Year	1,576,096	1,236,359	13,984
Cumulative Effects of Changes in Accounting Policies	—	(4,455)	—
Restated Balance	1,576,096	1,231,904	13,984
Additions:			
Profit Attributable to Owners of Parent	271,281	411,301	2,407
Transfer from Revaluation Reserve for Land	964	—	8
Deductions:			
Dividends	77,510	66,712	687
Transfer from Revaluation Reserve for Land	—	395	—
Balance at the End of the Fiscal Year	¥1,770,832	¥1,576,096	\$15,712

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 323,530	¥ 512,942	\$ 2,870
Depreciation	18,090	20,713	160
Losses on Impairment of Fixed Assets	111	1,305	0
Gains on Negative Goodwill Incurred	—	(56)	—
Equity in Losses (Earnings) of Affiliates	(533)	(9,936)	(4)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(24,277)	(52,586)	(215)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(2,213)	(194)	(19)
Net Increase (Decrease) in Reserve for Bonus Payments	384	496	3
Net Decrease (Increase) in Net Defined Benefit Asset	7,272	(2,571)	64
Net Increase (Decrease) in Net Defined Benefit Liability	2,094	1,834	18
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	115	(32)	1
Net Increase (Decrease) in Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684	—	112
Interest Income	(1,034,824)	(1,029,543)	(9,182)
Interest Expenses	715,922	603,454	6,352
Losses (Gains) on Securities	(25,706)	26,496	(228)
Losses (Gains) on Money Held in Trust	2,414	(6,943)	21
Foreign Exchange Losses (Gains)	2,337,985	(3,922,992)	20,745
Losses (Gains) on Disposal of Fixed Assets	1,308	390	11
Net Decrease (Increase) in Trading Assets	(4,184)	3,989	(37)
Net Increase (Decrease) in Trading Liabilities	1,759	(311)	15
Net Decrease (Increase) in Loans and Bills Discounted	2,016,870	(2,642,804)	17,895
Net Increase (Decrease) in Deposits	5,349,160	3,757,139	47,463
Net Increase (Decrease) in Negotiable Certificates of Deposit	(76,325)	826,577	(677)
Net Increase (Decrease) in Debentures	(430,734)	(472,256)	(3,821)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	621,317	162,890	5,513
Net Decrease (Increase) in Interest-bearing Due from Banks	(338,770)	218,359	(3,005)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	442,442	(32,838)	3,925
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(1,970,248)	(73,190)	(17,482)
Net Increase (Decrease) in Call Money and Bills Sold and Other	309,855	5,107,471	2,749
Net Increase (Decrease) in Short-term Entrusted Funds	(1,215,049)	(338,014)	(10,781)
Net Increase (Decrease) in Payables under Securities Lending Transactions	829,205	(58,263)	7,357
Net Decrease (Increase) in Foreign Exchange Assets	(34,386)	(68,592)	(305)
Net Increase (Decrease) in Foreign Exchange Liabilities	(17)	31	(0)
Interest Received	1,138,861	1,118,690	10,105
Interest Paid	(704,503)	(602,514)	(6,251)
Other, Net	(238,798)	(139,675)	(2,118)
Subtotal	8,030,812	2,909,465	71,258
Income Taxes Paid	(99,411)	(9,770)	(882)
Net Cash Provided by (Used in) Operating Activities	7,931,401	2,899,695	70,376

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Investing Activities:			
Purchases of Securities	(8,153,090)	(9,547,640)	(72,343)
Proceeds from Sales of Securities	1,512,704	1,706,930	13,422
Proceeds from Redemption of Securities	5,438,102	5,927,819	48,252
Increase in Money Held in Trust	(65,618)	(1,200,166)	(582)
Decrease in Money Held in Trust	765,810	1,826,545	6,795
Purchases of Tangible Fixed Assets	(5,450)	(8,303)	(48)
Purchases of Intangible Fixed Assets	(7,305)	(6,207)	(64)
Proceeds from Sales of Tangible Fixed Assets	1,613	2,797	14
Proceeds from Sales of Intangible Fixed Assets	—	7	—
Purchase of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	—	(80)	—
Payments for Transfer of Business	(780)	—	(6)
Net Cash Provided by (Used in) Investing Activities	(514,014)	(1,298,297)	(4,560)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	27,689	—	245
Repayment of Subordinated Borrowed Money	(400)	—	(3)
Proceeds from Issuance of Stock	54,579	—	484
Dividends Paid	(77,510)	(66,712)	(687)
Dividends Paid to Non-controlling Interests	(253)	(164)	(2)
Net Cash Provided by (Used in) Financing Activities	4,103	(66,877)	36
Net Increase (Decrease) in Cash and Cash Equivalents	7,421,489	1,534,520	65,851
Cash and Cash Equivalents at the Beginning of the Fiscal Year	6,202,122	4,667,602	55,032
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	¥13,623,612	¥ 6,202,122	\$120,883

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 ¥112.70=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2016, 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 and U.S. dollars figures disclosed in the consolidated financial statements are expressed in millions of yen and millions of U.S. dollars, 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, 2016 and 2015 were 10, all of which 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.

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, 2016 and 2015 were 9 and 7, respectively, out of which 8 and 6 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.

Newly established “JAML MRC Holding, Inc.” and “Gulf Japan Food Fund GP” were included in the scope of application of the equity method from the fiscal year 2015.

(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, issued on February 13, 2002). 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,

issued on July 29, 2002). 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 ¥16,354 million (\$145 million) and ¥15,265 million for the fiscal years ended March 31, 2016 and 2015, 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. No Reserve for Possible Investment Losses is recorded as of March 31, 2016.

(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) Reserve for Agriculture, Fishery and Forestry Industry Subsidies

From the fiscal year ended March 31, 2016, Reserve for Agriculture, Fishery and Forestry Industry Subsidies is provided at the amount determined to be necessary to cover the estimated subsidies likely to be granted under "Support Program for Increasing Agricultural Income and Revitalizing Local Communities."

(14) Accounting Method for Retirement Benefits

In calculating retirement benefit obligations, the benefit formula basis 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.

An amount determined to be necessary to cover the future outflow for Mutual Aid Association for Agricultural, Forestry and Fishery Organization Personnel is recorded since the loss can be reasonably estimated from fiscal year 2015.

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.

(15) Consumption Taxes

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

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

"Cash and Cash Equivalents" in the consolidated statements of cash flows represents cash, non-interest bearing due from banks and due from the Bank of Japan in Cash and Due from Bank on the consolidated balance sheet.

(17) Profit Attributable to Owners of Parent per Share

Profit Attributable to Owners of Parent 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 Profit Attributable to Owners of Parent per Share.

(Changes in Accounting Policies)**Adoption of "Accounting Standard for Business Combinations"**

Effective from the beginning of fiscal year 2015, the Bank has adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21, issued on September 13, 2013, hereinafter, the "Accounting Standard for Business Combinations"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013, hereinafter, the "Accounting Standard for Consolidation") and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, issued on September 13, 2013, hereinafter, the "Accounting Standard for Business Divestitures").

In applying these revised accounting standards, the accounting method was changed to record differences arising from changes in ownership interest in subsidiaries over which the Bank continues to control as Capital Surplus, and acquisition-related costs are recognized as expenses for the fiscal year in which incurred. Regarding a business combination occurring on or after the beginning of

fiscal year 2015, provisional amounts were retrospectively adjusted to reflect completion of the accounting for a business combination in the consolidated financial statements of the fiscal year in which the business combination occurred. In addition, the definition of Net Income was changed to include “Profit Attributable to Non-controlling Interest” and “Minority Interests” was renamed “Non-controlling Interests.” To reflect these changes in presentation, the consolidated financial statements in the previous fiscal year have been reclassified.

Concerning the application of the Accounting Standard for Business Combinations and others, based on the provisional treatment set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, in Paragraph 44-5 (4) of the Accounting Standard for Consolidation and in Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, these changes are effective from the beginning of fiscal year 2015.

These changes have no impact on the consolidated financial statements for fiscal year 2015 except for the changes in presentation.

3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Trading Securities	¥ 5,077	¥ 2,572	\$ 45
Derivatives of Trading Securities	7	—	0
Derivatives of Securities Related to Trading Transactions	5	62	0
Trading-related Financial Derivatives	9,193	7,464	81
Total	¥14,284	¥10,099	\$126

4. Securities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Japanese Government Bonds	¥13,478,527	¥13,788,827	\$119,596
Municipal Government Bonds	213	765	1
Corporate Bonds	85,777	25,487	761
Stocks	814,635	841,832	7,228
Other	43,927,238	45,066,992	389,771
Foreign Bonds	31,793,817	33,883,117	282,110
Foreign Stocks	30,527	60,977	270
Investment Trusts	11,459,197	10,452,485	101,678
Other	643,695	670,411	5,711
Total	¥58,306,391	¥59,723,905	\$517,359

The maturity profile of securities is as follows:

As of March 31, 2016	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥ 243,307	¥ 7,810,936	¥3,888,961	¥1,621,311	¥ —
Japanese Government Bonds	242,742	7,805,682	3,878,851	1,551,251	—
Municipal Government Bonds	62	109	26	13	—
Corporate Bonds	502	5,144	10,083	70,047	—
Stocks	—	—	—	—	814,635
Other	2,346,692	24,130,863	3,724,230	3,609,336	10,116,114
Foreign Bonds	2,260,110	23,215,678	3,441,260	2,876,767	—
Foreign Stocks	—	—	—	—	30,527
Investment Trusts	10,462	754,029	25,461	721,792	9,947,452
Other	76,119	161,156	257,508	10,776	138,134
Total	¥2,589,999	¥31,941,800	¥7,613,192	¥5,230,648	¥10,930,749

As of March 31, 2015	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥ 703,334	¥ 4,385,263	¥ 7,397,304	¥1,329,178	¥ —
Japanese Government Bonds	696,447	4,378,635	7,390,607	1,323,136	—
Municipal Government Bonds	342	308	95	18	—
Corporate Bonds	6,544	6,318	6,601	6,022	—
Stocks	—	—	—	—	841,832
Other	2,338,880	22,763,600	6,760,522	3,725,754	9,478,233
Foreign Bonds	2,179,558	22,497,855	6,548,411	2,657,292	—
Foreign Stocks	—	—	—	—	60,977
Investment Trusts	74,577	11,791	24,265	1,038,007	9,303,844
Other	84,745	253,954	187,845	30,454	113,411
Total	¥3,042,215	¥27,148,863	¥14,157,827	¥5,054,932	¥10,320,065

As of March 31, 2016	Millions of U.S. Dollars				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	\$ 2,158	\$ 69,307	\$34,507	\$14,386	\$ —
Japanese Government Bonds	2,153	69,260	34,417	13,764	—
Municipal Government Bonds	0	0	0	0	—
Corporate Bonds	4	45	89	621	—
Stocks	—	—	—	—	7,228
Other	20,822	214,115	33,045	32,026	89,761
Foreign Bonds	20,054	205,995	30,534	25,525	—
Foreign Stocks	—	—	—	—	270
Investment Trusts	92	6,690	225	6,404	88,264
Other	675	1,429	2,284	95	1,225
Total	\$22,981	\$283,423	\$67,552	\$46,412	\$96,989

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans on Deeds	¥16,513,251	¥18,390,562	\$146,523
Loans on Bills	359,252	375,573	3,187
Overdrafts	1,146,950	1,268,775	10,177
Bills Discounted	2,705	3,231	24
Total	¥18,022,160	¥20,038,143	\$159,912

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans to Borrowers under Bankruptcy Proceedings	¥ 478	¥ 383	\$ 4
Delinquent Loans	105,003	121,170	931
Loans Past Due for Three Months or More	45	55	0
Restructured Loans	21,643	33,793	192
Total	¥127,171	¥155,402	\$1,128

(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

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Due from Foreign Banks	¥237,332	¥202,946	\$2,105
Total	¥237,332	¥202,946	\$2,105

7. Other Assets

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Prepaid Expenses	¥ 3,033	¥ 1,231	\$ 26
Accrued Income	190,175	195,572	1,687
Derivatives other than for Trading	502,223	148,798	4,456
Cash Collateral Paid for Financial Instruments	305,005	469,946	2,706
Other	36,563	66,322	324
Total	¥1,037,001	¥881,872	\$9,201

8. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Buildings	¥ 43,237	¥ 43,729	\$383
Land	50,499	50,827	448
Lease Assets	10,958	11,450	97
Construction in Progress	775	20	6
Other	2,833	4,358	25
Total Net Book Value	108,304	110,386	960
Accumulated Depreciation Deducted	¥ 97,239	¥ 95,997	\$863

Intangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Software	¥10,326	¥12,505	\$ 91
Lease Assets	3,304	3,519	29
Other	6,732	4,922	59
Total	¥20,362	¥20,947	\$180

9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Securities	¥21,226,818	¥20,456,510	\$188,347
Loans and Bills Discounted	9,904,048	12,215,467	87,879

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Call Money and Bills Sold	¥ —	¥ 475,000	\$ —
Payables under Repurchase Agreements	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions	890,858	74,682	7,904
Borrowed Money	1,472,638	850,070	13,066

In addition, as of March 31, 2016 and 2015, Securities (including transactions of Money Held in Trust) of ¥7,889,305 million (\$70,002 million) and ¥7,181,415 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2016 and 2015, initial margins of futures markets of ¥987 million (\$8 million) and ¥1,105 million, respectively, cash collateral paid for financial instruments of ¥305,005 million (\$2,706 million) and ¥469,946 million, respectively, and guarantee deposits of ¥16,076 million (\$142 million) and ¥17,032 million, respectively, were included in Other Assets.

10. Deposits

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Time Deposits	¥51,169,171	¥47,334,747	\$454,029
Deposits at Notice	40,207	54,721	356
Ordinary Deposits	2,940,952	1,119,783	26,095
Current Deposits	129,347	85,283	1,147
Other Deposits	4,543,695	4,879,569	40,316
Total	¥58,823,374	¥53,474,106	\$521,946

11. Debentures

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Long-term Coupon Debentures	¥3,122,077	¥3,552,811	\$27,702
Total	¥3,122,077	¥3,552,811	\$27,702

12. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$443 million) and ¥50,000 million as of March 31, 2016 and 2015, respectively.

13. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Derivatives of Securities Related to Trading Transactions	¥ 15	¥ 5	\$ 0
Trading-related Financial Derivatives	8,461	6,711	75
Total	¥8,476	¥6,717	\$75

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,513,296 million (\$13,427 million) and ¥1,486,007 million as of March 31, 2016 and 2015, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities. Above subordinated borrowing includes ¥1,415,480 million (\$12,559 million) and ¥1,387,791 million qualifying Tier 2 capital stipulated 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.

15. Foreign Exchange Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Foreign Bills Payable	¥17	¥35	\$0
Total	¥17	¥35	\$0

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Accrued Expenses	¥ 61,751	¥ 48,529	\$ 547
Income Taxes Payable	40,450	81,312	358
Unearned Income	785	840	6
Derivatives other than for Trading	456,097	591,896	4,047
Accounts Payable for Securities Purchased	1,695,774	506,160	15,046
Other	391,099	119,849	3,470
Total	¥2,645,958	¥1,348,589	\$23,477

17. Retirement Benefit Plans

(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.

An amount determined to be necessary to cover the future outflow for Mutual Aid Association for Agricultural, Forestry and Fishery Organization Personnel is recorded since the loss can be reasonably estimated from fiscal year 2015.

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 for the years ended March 31, 2016 and 2015, except for the plans accounted for by the simplified method, are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Balance at the Beginning of the Fiscal Year	¥111,675	¥103,305	\$ 990
Cumulative Effects of Changes in Accounting Policies	—	6,159	—
Restated Retirement Benefit Obligations	111,675	109,465	990
Service Cost	10,005	2,981	88
Interest Cost	1,340	1,313	11
Actuarial Differences	20,552	569	182
Retirement Benefit Paid	(3,583)	(3,525)	(31)
Other	(2,194)	871	(19)
Balance at the End of the Fiscal Year	¥137,796	¥111,675	\$1,222

b. The changes in plan assets for the years ended March 31, 2016 and 2015, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Balance at the Beginning of the Fiscal Year	¥129,287	¥105,206	\$1,147
Expected Return on Plan Assets	1,994	1,721	17
Actuarial Differences	(3,441)	21,618	(30)
Contributions by the Bank	1,732	2,045	15
Retirement Benefit Paid	(1,984)	(1,902)	(17)
Others	—	597	—
Balance at the End of the Fiscal Year	¥127,587	¥129,287	\$1,132

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2016 and 2015 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Balance at the Beginning of the Fiscal Year	¥1,402	¥1,318	\$12
Retirement Benefit Expense	518	458	4
Retirement Benefit Paid	(184)	(148)	(1)
Contributions to the Plans	(158)	(225)	(1)
Balance at the End of the Fiscal Year	¥1,577	¥1,402	\$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, 2016 and 2015 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Funded Retirement Benefit Obligations	¥ 140,829	¥ 114,456	\$ 1,249
Plan Assets at Fair Value	(129,566)	(131,152)	(1,149)
	11,262	(16,696)	99
Unfunded Retirement Benefit Obligations	523	486	4
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	11,786	(16,210)	104
Net Defined Benefit Liability	39,756	16,349	352
Net Defined Benefit Asset	27,969	32,559	248
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ 11,786	¥ (16,210)	\$ 104

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
	2016	2015	2016
For the fiscal years ended March 31			
Service Cost	¥10,005	¥ 2,981	\$ 88
Interest Cost	1,340	1,313	11
Expected Return on Plan Assets	(1,994)	(1,721)	(17)
Amortization of Actuarial Differences	(6,499)	(2,724)	(57)
Amortization of Prior Service Cost	159	159	1
Retirement Benefit Expense by the Simplified Method	518	458	4
Other	563	871	4
Retirement Benefit Expense on Defined Benefit Plan	¥ 4,093	¥ 1,338	\$ 36

f. Effect of Remeasurements of Defined Benefit Plans on Consolidated Statement of Comprehensive Income

The components of Remeasurements of Defined Benefit Plans recognized on the Consolidated Statement of Comprehensive Income (before tax effect) are as follows:

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Prior Service Cost	¥ 159	¥ 159	\$ 1
Actuarial Differences	(30,494)	18,324	(270)
Total	¥(30,335)	¥18,484	\$(269)

g. Effect of Remeasurements of Defined Benefit Plans on Consolidated Balance Sheet

The components of Remeasurements of Defined Benefit Plans recognized on the Consolidated Balance Sheet (before tax effect) are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Unrecognized Prior Service Cost	¥ (531)	¥ (690)	\$(4)
Unrecognized Actuarial Differences	1,057	31,551	9
Total	¥ 526	¥30,861	\$ 4

h. 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	2016	2015
Bonds	16%	15%
Stocks	72%	73%
Insurance Assets (General Account)	11%	11%
Other	1%	1%
Total	100%	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.

i. 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	2016	2015
Discount Rate	0.3%	1.2%
Expected Rates of Increase in Salary	1.1–4.6%	1.1–4.6%
Expected Rates of Return on Plan Assets	0–3.0%	0–3.0%

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.
	2016	2015	Dollars 2016
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 21,921	¥ 28,273	\$ 194
Write-off of Loans	2,403	196	21
Losses on Revaluation of Securities	35,870	52,497	318
Net Defined Benefit Liability	11,423	11,790	101
Depreciation Expense	423	125	3
Net Operating Losses Carried Forward	18	19	0
Unrealized Losses on Other Securities	4	7	0
Deferred Losses on Hedging Instruments	108,755	55,698	964
Unrealized Losses on Reclassification	10,229	16,258	90
Other	68,144	69,934	604
Subtotal	259,194	234,802	2,299
Valuation Allowance	(87,432)	(111,289)	(775)
Total Deferred Tax Assets	171,762	123,513	1,524
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	(5,114)	(13,532)	(45)
Unrealized Gains on Other Securities	(791,679)	(874,587)	(7,024)
Deferred Gains on Hedging Instruments	(19,788)	(15,429)	(175)
Unrealized Gains on Reclassification	(23,553)	(29,269)	(208)
Other	(35,555)	(40,856)	(315)
Total Deferred Tax Liabilities	(875,691)	(973,674)	(7,770)
Net Deferred Tax Liabilities	¥(703,929)	¥(850,161)	\$(6,246)

19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2016	2015	Dollars 2016
Guarantees	¥1,087,130	¥936,504	\$9,646
Total	¥1,087,130	¥936,504	\$9,646

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 ¥3,101,581 million (\$27,520 million) and ¥2,893,278 million as of March 31, 2016 and 2015, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,096,553 million (\$18,602 million) and ¥1,970,605 million as of March 31, 2016 and 2015, 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 ¥861,590 million (\$7,644 million) and ¥163,462 million as of March 31, 2016 and 2015, 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 ¥12,911 million (\$114 million) and ¥30,069 million as of March 31, 2016 and 2015, respectively, and securities held without re-pledge of ¥2,398,140 million (\$21,278 million) and ¥788,494 million as of March 31, 2016 and 2015, 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
	2016	2015	2016
Common Stock	¥3,455,488	¥3,400,909	\$30,660
Preferred Stock	24,999	24,999	221
Total	¥3,480,488	¥3,425,909	\$30,882

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,029,771 million (\$26,883 million) and ¥2,975,192 million as of March 31, 2016 and 2015, 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
	2016	2015	2016
Income from Trading Securities and Derivatives	¥185	¥ 68	\$ 1
Income from Securities and Derivatives Related to Trading Transactions	82	11	0
Income from Trading-related Financial Derivatives	—	54	—
Total	¥268	¥134	\$ 2

24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Foreign Exchange Transactions	¥ 6,814	¥ —	\$ 60
Gains on Sales of Bonds	34,223	21,769	303
Gains on Redemption of Bonds	1,026	1,499	9
Gains on Derivatives other than for Trading or Hedging	117	70	1
Other	47,651	47,662	422
Total	¥89,833	¥71,000	\$797

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Sales of Stocks and Other Securities	¥ 4,721	¥ 19,245	\$ 41
Gains on Money Held in Trust	103,672	150,447	919
Equity in Earnings of Affiliates	533	9,936	4
Gains on Disposal of Fixed Assets	76	72	0
Recoveries of Written-off Claims	276	302	2
Reversal of Reserve for Possible Loan Losses	22,135	51,362	196
Gains on Negative Goodwill Incurred	—	56	—
Other	5,535	2,573	49
Total	¥136,952	¥233,996	\$1,215

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Expenses on Trading-related Financial Derivatives	¥201	¥ —	\$1
Total	¥201	¥ —	\$1

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Amortization of Debenture Issuance Costs	¥ 252	¥ 287	\$ 2
Losses on Foreign Exchange Transactions	—	5,419	—
Losses on Sales of Bonds	17,665	40,733	156
Losses on Redemption of Bonds	2	0	0
Losses on Revaluation of Bonds	—	62	—
Losses on Derivatives other than for Trading or Hedging	—	—	—
Other	38,580	40,947	342
Total	¥56,500	¥87,450	\$501

28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Write-off of Loans	¥ 2,289	¥ 100	\$ 20
Losses on Sales of Stocks and Other Securities	1,518	12	13
Losses on Revaluation of Stocks and Other Securities	245	1,874	2
Losses on Money Held in Trust	389	242	3
Losses on Disposal of Fixed Assets	1,385	462	12
Other	7,926	8,991	70
Total	¥13,755	¥11,684	\$122

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.
	2016	2015	Dollars 2016
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥(289,394)	¥1,444,495	\$(2,567)
Reclassification adjustments to profit or loss	(13,252)	(10,838)	(117)
Amounts before income tax effects	(302,646)	1,433,656	(2,685)
Income tax effects	82,639	(397,709)	733
Total	(220,006)	1,035,947	(1,952)
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	(374,292)	(224,296)	(3,321)
Reclassification adjustments to profit or loss	198,802	141,996	1,763
Amounts before income tax effects	(175,490)	(82,300)	(1,557)
Income tax effects	48,698	22,869	432
Total	(126,791)	(59,431)	(1,125)
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	—	(17)	—
Total	—	(17)	—
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	(12)	29	(0)
Reclassification adjustments to profit or loss	—	—	—
Amounts before income tax effects	(12)	29	(0)
Income tax effects	—	—	—
Total	(12)	29	(0)
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	(23,994)	21,049	(212)
Reclassification adjustments to profit or loss	(6,340)	(2,565)	(56)
Amounts before income tax effects	(30,335)	18,484	(269)
Income tax effects	8,417	(5,135)	74
Total	(21,917)	13,348	(194)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	(1,196)	1,272	(10)
Reclassification adjustments to profit or loss	(471)	(8)	(4)
Total	(1,668)	1,263	(14)
Total Other Comprehensive Income	¥(370,395)	¥ 991,139	\$(3,286)

30. Cash Flows

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

As of March 31	Millions of Yen		Millions of U.S.
	2016	2015	Dollars 2016
Cash and Due from Banks	¥15,057,960	¥ 7,297,692	\$133,611
Less: Interest-bearing Due from Banks	(1,434,347)	(1,095,569)	(12,727)
Cash and Cash Equivalents at the End of the Fiscal Year	¥13,623,612	¥ 6,202,122	\$120,883

31. Segment Information

Fiscal year ended March 31, 2016

(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, 2016	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥87,174	¥1,094,273	¥106,460	¥1,287,909

Millions of U.S. Dollars				
Fiscal year ended March 31, 2016	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from Third-parties	\$773	\$9,709	\$944	\$11,427

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, 2016	Japan	Americas	Europe	Others	Total
	¥1,258,915	¥9,565	¥7,059	¥12,368	¥1,287,909

Millions of U.S. Dollars					
Fiscal year ended March 31, 2016	Japan	Americas	Europe	Others	Total
	\$11,170	\$84	\$62	\$109	\$11,427

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, 2016	Japan	Americas	Europe	Others	Total
	¥107,096	¥333	¥566	¥307	¥108,304

Millions of U.S. Dollars					
As of March 31, 2016	Japan	Americas	Europe	Others	Total
	\$950	\$2	\$5	\$2	\$960

c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2016	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥282,574	—

Millions of U.S. Dollars			
Fiscal year ended March 31, 2016	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$2,507	—

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, 2015**(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, 2015	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥117,233	¥1,148,799	¥93,861	¥1,359,895

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥1,329,288	¥8,495	¥8,548	¥13,563	¥1,359,895

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥109,477	¥375	¥202	¥331	¥110,386

c. Information about Major Customers

Fiscal year ended March 31, 2015	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥207,535	—

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.

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. 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, 2016 and 2015 summed up to ¥25 million (\$0 million) and ¥22 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 ¥1,878,262 million (\$16,666 million) and ¥2,422,196 million as of March 31, 2016 and 2015, 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, 2016 and 2015 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 at the head office in collaboration with relevant branches, 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, 2016 and 2015 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, 2016						
(1) Cash and Due from Banks	¥15,057,960	¥15,057,960	¥ —	\$133,611	\$133,611	\$ —
(2) Receivables under Securities Borrowing Transactions	2,049,052	2,049,052	—	18,181	18,181	—
(3) Call Loans and Bills Bought	139,877	139,877	—	1,241	1,241	—
(4) Monetary Claims Bought	244,023	244,751	727	2,165	2,171	6
(5) Trading Assets (*2) Trading Securities	5,077	5,077	—	45	45	—
(6) Money Held in Trust (*1) Money Held in Trust for Trading Purposes	269	269	—	2	2	—
Other Money Held in Trust	4,922,392	4,931,540	9,147	43,676	43,758	81
(7) Securities Held-to-Maturity Debt Securities	17,828,600	17,913,765	85,165	158,195	158,950	755
Other Securities	39,888,734	39,888,734	—	353,937	353,937	—
(8) Loans and Bills Discounted Reserve for Possible Loan Losses (*1)	18,022,160 (92,299)			159,912 (818)		
	17,929,861	17,957,229	27,367	159,093	159,336	242
Total Assets	¥98,065,850	¥98,188,258	¥122,408	\$870,149	\$871,235	\$1,086
(1) Deposits	¥58,823,374	¥58,823,431	¥ 57	\$521,946	\$521,947	\$ 0
(2) Negotiable Certificates of Deposit	3,598,338	3,598,338	—	31,928	31,928	—
(3) Debentures	3,122,077	3,137,162	15,085	27,702	27,836	133
(4) Call Money and Bills Sold	4,276	4,276	—	37	37	—
(5) Payables under Repurchase Agreements	18,488,218	18,488,218	—	164,048	164,048	—
(6) Borrowed Money	3,090,120	3,090,371	251	27,418	27,421	2
(7) Short-term Entrusted Funds	1,397,731	1,397,731	—	12,402	12,402	—
Total Liabilities	¥88,524,136	¥88,539,530	¥ 15,394	\$785,484	\$785,621	\$ 136
Derivative Instruments (*3) Transactions not Accounted for as Hedge Transactions	¥ (2,461)	¥ (2,461)	¥ —	\$ (21)	\$ (21)	\$ —
Transactions Accounted for as Hedge Transactions	48,841	48,841	—	433	433	—
Total Derivative Instruments	¥ 46,380	¥ 46,380	¥ —	\$ 411	\$ 411	\$ —

(*1) Money Held in Trust and Loans and Bills Discounted 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, 2015	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 7,297,692	¥ 7,297,692	¥ —
(2) Receivables under Securities Borrowing Transactions	—	—	—
(3) Call Loans and Bills Bought	569,902	569,902	—
(4) Monetary Claims Bought	226,605	226,788	182
(5) Trading Assets (*2) Trading Securities	2,572	2,572	—
(6) Money Held in Trust (*1) Money Held in Trust for Trading Purposes	6,812	6,812	—
Other Money Held in Trust	4,500,650	4,510,023	9,372
(7) Securities Held-to-Maturity Debt Securities	18,004,075	18,195,275	191,200
Other Securities	41,163,771	41,163,771	—
(8) Loans and Bills Discounted Reserve for Possible Loan Losses (*1)	20,038,143 (114,891)		
	19,923,251	19,956,340	33,089
Total Assets	¥91,695,334	¥91,929,179	¥233,845
(1) Deposits	¥53,474,106	¥53,474,112	¥ 5
(2) Negotiable Certificates of Deposit	3,674,664	3,674,664	—
(3) Debentures	3,552,811	3,563,767	10,956
(4) Call Money and Bills Sold	475,000	475,000	—
(5) Payables under Repurchase Agreements	17,707,639	17,707,639	—
(6) Borrowed Money	2,441,513	2,441,513	—
(7) Short-term Entrusted Funds	2,612,780	2,612,780	—
Total Liabilities	¥83,938,516	¥83,949,478	¥ 10,962
Derivative Instruments (*3) Transactions not Accounted for as Hedge Transactions	¥ (4,025)	¥ (4,025)	¥ —
Transactions Accounted for as Hedge Transactions	(439,249)	(439,249)	—
Total Derivative Instruments	¥ (443,275)	¥ (443,275)	¥ —

(*1) 1. Money Held in Trust and Loans and Bills Discounted 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.

(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) Receivables under Securities Borrowing Transactions and (3) Call Loans and Bills Bought

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

(4) Monetary Claims Bought

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

(5) Trading Assets

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

(6) 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 (7) and (8) 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.

(7) 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.

(8) 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. The carrying value of Time Deposits 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. As for Time Deposits with fixed rates, 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, and (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. As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied to a similar Borrowed Money. The fair value of the Borrowed Money with a short-term (1 year or less), 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 (7) Other Securities” in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes these financial instruments.

As of March 31, 2016	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥323,319	\$2,868
Investments in Partnership and Others (*3)	265,737	2,357
Total	¥589,056	\$5,226

(*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, 2016 was ¥17 million (\$0 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, 2015	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥281,951
Investments in Partnership and Others (*3)	274,105
Total	¥556,057

(*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, 2015 was ¥1,874 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."

(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, 2016	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)	¥14,946,767	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	139,877	—	—	—	—	—
Receivables under Securities Borrowing Transactions	2,049,052	—	—	—	—	—
Monetary Claims Bought Securities	98,200	—	351	19,313	19,709	106,418
Held-to-Maturity Debt Securities	1,323,217	5,759,449	5,014,778	2,832,932	1,115,805	1,775,439
Other Securities held that have Maturity	1,253,851	8,677,462	11,504,978	2,422,933	992,844	2,826,022
Loans and Bills Discounted (*2)	13,417,511	1,803,344	1,469,876	621,924	439,355	164,464
Total	¥33,228,479	¥16,240,256	¥17,989,985	¥5,897,103	¥2,567,714	¥4,872,344

As of March 31, 2016	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)	\$132,624	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	1,241	—	—	—	—	—
Receivables under Securities Borrowing Transactions	18,181	—	—	—	—	—
Monetary Claims Bought Securities	871	—	3	171	174	944
Held-to-Maturity Debt Securities	11,741	51,104	44,496	25,136	9,900	15,753
Other Securities held that have Maturity	11,125	76,996	102,084	21,498	8,809	25,075
Loans and Bills Discounted (*2)	119,055	16,001	13,042	5,518	3,898	1,459
Total	\$294,840	\$144,101	\$159,627	\$52,325	\$22,783	\$43,232

(*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 ¥105,684 million (\$937 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

As of March 31, 2015	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)	¥ 7,172,300	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	569,902	—	—	—	—	—
Receivables under Securities Borrowing Transactions	—	—	—	—	—	—
Monetary Claims Bought Securities	70,000	—	—	7,841	23,733	124,991
Held-to-Maturity Debt Securities	1,430,775	5,227,347	3,560,214	5,116,867	1,084,090	1,589,693
Other Securities held that have Maturity	1,607,894	5,212,566	12,362,702	6,116,822	1,304,862	2,979,552
Loans and Bills Discounted (*2)	15,957,737	1,739,429	1,280,270	510,137	299,985	128,109
Total	¥26,808,610	¥12,179,342	¥17,203,187	¥11,751,669	¥2,712,673	¥4,822,346

(*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 ¥122,472 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, 2016						
Deposits (*1)	¥58,660,194	¥ 143,140	¥ 20,039	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,598,338	—	—	—	—	—
Debentures	833,906	1,408,485	879,679	7	—	—
Call Money and Bills Sold	4,276	—	—	—	—	—
Payables under Repurchase Agreements	18,488,218	—	—	—	—	—
Borrowed Money (*2)	680,341	198,519	696,774	852	1,415,816	97,816
Short-term Entrusted Funds	1,397,731	—	—	—	—	—
Total	¥83,663,007	¥1,750,144	¥1,596,492	¥859	¥1,415,816	¥97,816

	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, 2016						
Deposits (*1)	\$520,498	\$ 1,270	\$ 177	\$—	\$ —	\$ —
Negotiable Certificates of Deposit	31,928	—	—	—	—	—
Debentures	7,399	12,497	7,805	0	—	—
Call Money and Bills Sold	37	—	—	—	—	—
Payables under Repurchase Agreements	164,048	—	—	—	—	—
Borrowed Money (*2)	6,036	1,761	6,182	7	12,562	867
Short-term Entrusted Funds	12,402	—	—	—	—	—
Total	\$742,351	\$15,529	\$14,165	\$ 7	\$12,562	\$867

(*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, 2015						
Deposits (*1)	¥53,434,436	¥ 7,710	¥ 31,958	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,674,664	—	—	—	—	—
Debentures	832,064	1,604,264	1,116,480	2	—	—
Call Money and Bills Sold	475,000	—	—	—	—	—
Payables under Repurchase Agreements	17,707,639	—	—	—	—	—
Borrowed Money (*2)	368,041	382,048	204,731	686	1,387,791	98,216
Short-term Entrusted Funds	2,612,780	—	—	—	—	—
Total	¥79,104,627	¥1,994,023	¥1,353,170	¥688	¥1,387,791	¥98,216

(*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
	2016	2015	2016
	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
As of March 31			
Trading Securities	¥15	¥10	\$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, 2016	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	¥ 4,639,067	¥ 4,668,056	¥ 28,988	\$ 41,162
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	5,773	5,877	104	51	52	0
	Other	6,354,177	6,462,245	108,068	56,381	57,340	958
	Foreign Bonds	6,265,918	6,373,258	107,340	55,598	56,550	952
	Other	88,258	88,986	727	783	789	6
	Sub total	10,999,018	11,136,179	137,161	97,595	98,812	1,217
	Total	¥17,922,077	¥18,007,970	¥ 85,893	\$159,024	\$159,786	\$ 762

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, 2015	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,718,627	¥ 2,727,034	¥ 8,406
	Municipal Government Bonds	—	—	—
	Corporate Bonds	6,601	6,637	36
	Other	8,967,520	9,171,355	203,835
	Foreign Bonds	8,918,369	9,122,007	203,637
	Other	49,150	49,348	197
	Sub total	11,692,749	11,905,027	212,278
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	4,818,344	4,802,404	(15,940)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,577,478	1,572,523	(4,954)
	Foreign Bonds	1,542,132	1,537,192	(4,939)
	Other	35,346	35,331	(14)
	Sub total	6,395,823	6,374,928	(20,895)
	Total	¥18,088,573	¥18,279,956	¥191,383

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, 2016	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 656,880	¥ 270,813	¥ 386,066	\$ 5,828	\$ 2,402	\$ 3,425
	Bonds	5,989,380	5,577,211	412,169	53,144	49,487	3,657
	Japanese Government Bonds	5,952,106	5,540,021	412,085	52,813	49,157	3,656
	Municipal Government Bonds	213	201	12	1	1	0
	Corporate Bonds	37,060	36,988	71	328	328	0
	Other	30,768,219	28,863,009	1,905,210	273,009	256,104	16,905
	Foreign Bonds	21,248,609	20,301,993	946,616	188,541	180,141	8,399
	Foreign Stocks	15,434	7,556	7,878	136	67	69
	Investment Trusts	9,248,126	8,353,423	894,702	82,059	74,120	7,938
	Other	256,048	200,035	56,013	2,271	1,774	497
	Sub total	37,414,480	34,711,034	2,703,445	331,982	307,994	23,987
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	13,479	16,201	(2,722)	119	143	(24)
	Bonds	42,943	43,022	(79)	381	381	(0)
	Japanese Government Bonds	—	—	—	—	—	—
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	42,943	43,022	(79)	381	381	(0)
	Other	2,602,190	2,660,833	(58,643)	23,089	23,609	(520)
	Foreign Bonds	248,802	250,522	(1,719)	2,207	2,222	(15)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	2,047,119	2,100,221	(53,101)	18,164	18,635	(471)
	Other	306,267	310,089	(3,821)	2,717	2,751	(33)
	Sub total	2,658,612	2,720,057	(61,445)	23,590	24,135	(545)
	Total	¥40,073,092	¥37,431,092	¥2,642,000	\$355,573	\$332,130	\$23,442

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, 2015	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 678,521	¥ 272,267	¥ 406,253
	Bonds	6,250,201	6,020,350	229,850
	Japanese Government Bonds	6,241,731	6,011,917	229,814
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Municipal Government Bonds	661	645	16
	Corporate Bonds	7,808	7,787	20
	Other	32,866,847	30,627,960	2,238,886
	Foreign Bonds	23,036,337	21,992,457	1,043,879
	Foreign Stocks	38,688	20,802	17,885
	Investment Trusts	9,587,748	8,445,590	1,142,157
	Other	204,073	169,109	34,964
	Sub total	39,795,570	36,920,579	2,874,990
	Stocks	12,840	14,808	(1,967)
	Bonds	21,305	21,373	(67)
	Japanese Government Bonds	10,123	10,172	(49)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Municipal Government Bonds	104	105	(0)
	Corporate Bonds	11,077	11,095	(17)
	Other	1,509,189	1,530,685	(21,495)
	Foreign Bonds	386,278	389,205	(2,927)
	Foreign Stocks	—	—	—
	Investment Trusts	755,545	772,888	(17,342)
	Other	367,365	368,591	(1,225)
	Sub total	1,543,336	1,566,867	(23,531)
Total		¥41,338,906	¥38,487,446	¥2,851,459

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, 2016 and 2015.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2016	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	¥ 6,202	¥ 2,593	¥ 19	\$ 55	\$ 23	\$ 0
Bonds	6,697	5	2	59	0	0
Japanese Government Bonds	—	—	—	—	—	—
Municipal Government Bonds	419	0	0	3	0	0
Corporate Bonds	6,277	5	1	55	0	0
Other	1,476,781	35,216	19,164	13,103	312	170
Foreign Bonds	1,375,545	16,842	2,910	12,205	149	25
Foreign Stocks	21,350	1,650	1,356	189	14	12
Investment Trusts	23,204	492	156	205	4	1
Other	56,681	16,230	14,741	502	144	130
Total	¥1,489,681	¥37,815	¥19,186	\$13,218	\$335	\$170

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2015	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 25,918	¥ 4,512	¥ 2
Bonds	4,622	51	0
Japanese Government Bonds	—	—	—
Municipal Government Bonds	1,213	37	0
Corporate Bonds	3,409	14	0
Other	1,690,431	29,376	40,733
Foreign Bonds	1,601,300	11,385	40,646
Foreign Stocks	18,042	7,017	—
Investment Trusts	17,684	4,553	31
Other	53,404	6,419	55
Total	¥1,720,972	¥33,939	¥40,736

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 year ended March 31, 2016 and 2015 (“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, 2016 was ¥227 million (\$2 million) including ¥227 million (\$2 million) on Stocks.

The amount of revaluation loss for the fiscal year ended March 31, 2015 was ¥64 million including ¥62 million on Foreign Bonds and ¥2 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, 2016	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	¥269	¥ —	\$2	\$ —

As of March 31, 2015	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥6,812	¥ —

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

As of March 31, 2016	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	¥4,922,653	¥4,689,473	¥233,180	¥233,592	¥412

As of March 31, 2016	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	\$43,679	\$41,610	\$2,069	\$2,072	\$3

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, 2015	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	¥4,501,036	¥4,173,759	¥327,277	¥327,553	¥276

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		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of March 31, 2016								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ 41,849	¥ 41,849	¥ (24)	¥ (24)	\$ 371	\$ 371	\$ (0)	\$ (0)
Purchased	41,865	16,712	23	23	371	148	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	6,627,053	605,711	10,980	10,980	58,802	5,374	97	97
Rec.: Flt.-Pay.: Fix.	226,006	201,895	(8,392)	(8,392)	2,005	1,791	(74)	(74)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 2,588	¥ 2,588	\$ /	\$ /	\$ 22	\$ 22

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, 2015	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
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.	241,528	209,928	7,360	7,360
Rec.: Flt.-Pay.: Fix.	236,006	203,981	(6,595)	(6,595)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 764	¥ 764

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, 2016	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Forwards:								
Sold	779,780	5,086	7,185	7,185	6,919	45	63	63
Purchased	945,889	5,082	(12,233)	(12,233)	8,392	45	(108)	(108)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (5,048)	¥ (5,048)	\$ /	\$ /	\$ (44)	\$ (44)

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

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

As of March 31, 2015	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
Forwards:				
Sold	531,609	5,897	(15,417)	(15,417)
Purchased	933,694	5,897	10,569	10,569
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ (4,847)	¥ (4,847)

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

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

As of March 31, 2016	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
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	¥496	—	—	—	4	—	—	—
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. The amount of Derivative instruments as of March 31, 2016 was ¥496 million (\$4 million).

As of March 31, 2015	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
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	—	—	—
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. The amount of Derivative instruments as of March 31, 2015 was ¥1,000 million.

Bond-Related Derivative Instruments

As of March 31, 2016	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
Exchange-traded Transactions								
Bond Futures:								
Sold	¥12,123	¥ —	¥ (7)	¥ (7)	\$107	\$ —	\$(0)	\$(0)
Purchased	828	—	5	5	7	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (1)	¥ (1)	\$ /	\$ /	\$(0)	\$(0)

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Osaka Exchange or other relevant exchanges.

The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

As of March 31, 2015	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥7,963	¥ —	¥ (5)	¥ (5)
Purchased	3,189	—	62	62
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥57	¥57

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, 2016 and 2015.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2016 and 2015.

(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, 2016			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,720,000	¥1,920,000	¥ 22,963	\$24,134	\$17,036	\$ 203
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,058,945	6,968,785	(377,114)	62,634	61,834	\$(3,346)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	221,838	212,044	Note 3	1,968	1,881	Note 3
Total			¥ /	¥ /	¥(354,150)	\$ /	\$ /	\$(3,142)

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, issued on February 13, 2002).

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, 2015		Millions of Yen			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥3,270,000	¥2,610,000	¥ 14,069
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	6,402,773	6,399,770	(199,078)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	186,553	185,800	Note 3
Total			¥ /	¥ /	¥(185,009)

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, issued on February 13, 2002).

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, 2016		Millions of Yen			Millions of U.S. Dollars			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥11,518,238	¥5,573,454	¥263,890	\$102,202	\$49,453	\$2,341
	Forex Forward		6,281,258	—	139,101	55,734	—	1,234
Total			¥ /	¥ /	¥402,992	\$ /	\$ /	\$3,575

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, issued on July 29, 2002).

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

As of March 31, 2015		Millions of Yen			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥12,016,866	¥6,429,761	¥(193,872)
	Forex Forward		7,171,211	—	(60,368)
Total			¥ /	¥ /	¥(254,240)

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, issued on July 29, 2002).

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, 2016 and 2015.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2016 and 2015.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets			
Cash and Due from Banks	¥ 15,031,730	¥ 7,278,611	\$133,378
Call Loans	139,877	569,902	1,241
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	2,049,052	78,804	18,181
Monetary Claims Bought	244,023	226,605	2,165
Trading Assets	14,284	10,099	126
Money Held in Trust	4,922,102	4,506,018	43,674
Securities	58,329,733	59,738,559	517,566
Loans and Bills Discounted	17,915,833	19,935,726	158,969
Foreign Exchange Assets	237,332	202,946	2,105
Other Assets	1,032,564	877,757	9,162
Tangible Fixed Assets	106,405	108,474	944
Intangible Fixed Assets	18,597	19,443	165
Prepaid Pension Cost	8,111	1,698	71
Customers' Liabilities for Acceptances and Guarantees	173,161	151,587	1,536
Reserve for Possible Loan Losses	(91,370)	(114,920)	(810)
Reserve for Possible Investment Losses	(1,344)	(2,714)	(11)
Total Assets	¥100,130,096	¥93,618,444	\$888,465
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 58,838,558	¥53,486,188	\$522,081
Negotiable Certificates of Deposit	3,598,338	3,674,664	31,928
Debentures	3,133,079	3,564,315	27,800
Call Money	4,276	475,000	37
Payables under Repurchase Agreements	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions	903,887	74,682	8,020
Trading Liabilities	8,476	6,717	75
Borrowed Money	3,085,120	2,436,513	27,374
Foreign Exchange Liabilities	17	35	0
Short-term Entrusted Funds	1,397,731	2,612,780	12,402
Other Liabilities	2,611,934	1,321,639	23,175
Reserve for Bonus Payments	6,227	5,917	55
Reserve for Retirement Benefits	18,846	14,947	167
Reserve for Directors' Retirement Benefits	850	766	7
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684	—	112
Deferred Tax Liabilities	705,782	843,611	6,262
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	82
Acceptances and Guarantees	173,161	151,587	1,536
Total Liabilities	92,996,456	86,386,642	825,168
Net Assets			
Paid-in Capital	3,480,488	3,425,909	30,882
Capital Surplus	25,020	25,020	222
Retained Earnings	1,725,717	1,530,683	15,312
Total Owners' Equity	5,231,226	4,981,614	46,417
Net Unrealized Gains on Other Securities, net of taxes	2,118,027	2,338,046	18,793
Net Deferred Losses on Hedging Instruments, net of taxes	(231,634)	(104,843)	(2,055)
Revaluation Reserve for Land, net of taxes	16,020	16,984	142
Total Valuation and Translation Adjustments	1,902,413	2,250,187	16,880
Total Net Assets	7,133,639	7,231,802	63,297
Total Liabilities and Net Assets	¥100,130,096	¥93,618,444	\$888,465

(2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income			
Interest Income:	¥1,036,962	¥1,033,786	\$ 9,201
Interest on Loans and Bills Discounted	61,332	63,775	544
Interest and Dividends on Securities	955,300	951,706	8,476
Interest on Call Loans	514	916	4
Interest on Receivables under Resale Agreements	1	50	0
Interest on Receivables under Securities Borrowing Transactions	71	160	0
Interest on Due from Banks	18,069	12,570	160
Other Interest Income	1,672	4,606	14
Fees and Commissions	13,351	13,108	118
Trading Income	268	134	2
Other Operating Income	87,698	68,661	778
Other Income	136,434	224,791	1,210
Total Income	1,274,715	1,340,482	11,310
Expenses			
Interest Expenses:	715,859	603,382	6,351
Interest on Deposits	37,146	29,713	329
Interest on Negotiable Certificates of Deposit	12,010	7,012	106
Interest on Debentures	13,495	18,778	119
Interest on Borrowed Money	81,081	80,381	719
Interest on Call Money	514	414	4
Interest on Payables under Repurchase Agreements	45,154	17,973	400
Interest on Payables under Securities Lending Transactions	746	54	6
Other Interest Expenses	525,710	449,054	4,664
Fees and Commissions	13,188	12,786	117
Trading Expenses	201	—	1
Other Operating Expenses	56,485	87,387	501
General and Administrative Expenses	154,593	122,779	1,371
Other Expenses	13,656	11,518	121
Total Expenses	953,985	837,854	8,464
Income before Income Taxes	320,729	502,627	2,845
Income Taxes — Current	56,011	91,569	496
Income Taxes — Deferred	(6,861)	6,507	(60)
Total Income Taxes	49,149	98,076	436
Net Income	¥ 271,580	¥ 404,551	\$ 2,409
		Yen	U.S. Dollars
	2016	2015	2016
Net Income per Share	¥53.72	¥82.82	\$0.47

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2016.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	¥38,727	\$343
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	25,543	226
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	3,000	26
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115	9



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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, 2016, 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, 2016, 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 24, 2016

Capital Adequacy (Consolidated)

Disclosure Regarding Capital Adequacy

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

Regarding the calculation of capital adequacy ratio, the Bank has been audited by Ernst & Young ShinNihon LLC pursuant to “Treatment of Inspection of the Capital

Ratio Calculation Framework Based on Agreed-upon Procedures” (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agreed-upon procedures on internal control of the capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not express any audit opinion as a result of the review.

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

Glossary of Terms

Exposure

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

Risk-Weighted Asset for Credit Risk (RA)

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

Probability of Default (PD)

Probability of default is the likelihood that the obligor will be in default within a one-year period.

Loss Given Default (LGD)

Loss given default is the percentage of losses that are incurred from the exposure in default. The loss referred to herein includes costs and the period of recovering the claim.

Exposure at Default (EAD)

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

Remarks on Computation of the Consolidated Capital Adequacy Ratio

Scope of Consolidation

- Reason for discrepancies between companies belonging to the Bank's group that are required to compute a consolidated capital adequacy ratio, as specified in the Notification Regarding Capital Adequacy Ratio, Article 3 (hereinafter, "the Consolidated Group") and the companies included in the scope of consolidation, based on "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statement" under Ministerial Ordinance No. 28, issued by the Ministry of Finance in 1976:

Not applicable

- As of March 31, 2016, the Bank had ten consolidated subsidiaries. The names and principal lines of business of the primary subsidiaries are as follows:

1. Norinchukin Trust & Banking Co., Ltd.: Trust and banking business
2. Kyodo Housing Loan Co., Ltd.: Loans and guarantees for housing

- Companies belonging to the Consolidated Group but not included in the scope of consolidation:

Not applicable

- Companies not belonging to the Consolidated Group but included in the scope of consolidation:

Not applicable

- Affiliated companies engaged in financial service business that were subject to the provisions of Article 9 of the Notification Regarding Capital Adequacy Ratio:

Not applicable

- Restrictions on the transfer of funds and capital between the members of the Consolidated Group:

Not applicable

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

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

Not applicable

Risk Weight (RW)

RW indicates the ratio of RA to EAD. The following formula applies:

$$\text{EAD} \times \text{RW} (\%) = \text{RA}$$

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

Total Regulatory Required Capital

Total regulatory required capital is the amount of capital equivalent to 8% of the denominator of the capital adequacy ratio.

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

Capital Ratio Information (Consolidated)

Composition of Capital (Consolidated)

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Common Equity Tier 1 capital: instruments and reserves						
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,157,954		4,899,516		
1a	of which: capital and capital surplus	3,455,509		3,400,930		E1.1-E1.2+E1.3
2	of which: retained earnings	1,770,832		1,576,096		E2
26	of which: cash dividends to be paid	68,387		77,510		
	of which: other than the above	—		—		E3
3	Accumulated other comprehensive income and other disclosed reserves	1,141,575	761,050	909,585	1,364,377	E4
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—		—		E8.1
	Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	1,754		2,454		
	of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	1,754		2,454		
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,301,284		5,811,555		
Common Equity Tier 1 capital: regulatory adjustments						
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	18,142	12,095	12,437	18,655	
8	of which: goodwill (net of related tax liability, including those equivalent)	9,021	6,014	6,216	9,324	A1.1+A1.2
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	9,121	6,080	6,220	9,331	A2.1-A2.2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	—	—	A3
11	Deferred gains or losses on derivatives under hedge accounting	(34,238)	(22,825)	(14,893)	(22,339)	E7
12	Shortfall of eligible provisions to expected losses	26,436	17,624	15,829	23,744	
13	Securitisation gain on sale	—	—	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	—	—	
15	Net defined-benefit asset	12,124	8,083	9,409	14,114	A4-D3
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—	—	—	A5
17	Reciprocal cross-holdings in common equity	—	—	—	—	A6
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	—	—	—	—	A7

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	—	—		
19	of which: significant investments in the common stock of financials	—	—	—	—	A8	
20	of which: mortgage servicing rights	—	—	—	—	A9	
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	—	—	A10	
22	Amount exceeding the 15% threshold on specified items	—	—	—	—		
23	of which: significant investments in the common stock of financials	—	—	—	—	A11	
24	of which: mortgage servicing rights	—	—	—	—	A12	
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	—	—	A13	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—		—			
28	Common Equity Tier 1 capital: regulatory adjustments (B)	22,465		22,783			
Common Equity Tier 1 capital (CET1)							
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,278,818		5,788,772			
Additional Tier 1 capital: instruments							
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	49,000		49,000		E5.1+E5.2
	31b	Subscription rights to Additional Tier 1 instruments	—		—		
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		—		D1.1+D1.2
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—		
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	2,982		2,718		E8.2	
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	509		594			
33	of which: instruments issued by banks and their special purpose vehicles	509		594			
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		—			
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	(19)		14			
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	(19)		14			
36	Additional Tier 1 capital: instruments (D)	52,473		52,327			

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	—	—	—	—	A14
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—	A15
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	—	—	A16
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	29,222	19,481	18,127	27,190	A17
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	8,812		11,872		
	of which: 50% of balance due to pay of eligible provisions	8,812		11,872		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	38,034		29,999		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	14,439		22,327		
Tier 1 capital (T1=CET1+AT1)						
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,293,257		5,811,100		
Tier 2 capital: instruments and provisions						
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	—		—		E6
	Subscription rights to Tier 2 instruments	—		—		
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,415,480		1,387,791		D2.1+D2.2
	Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—		
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	197		229		E8.3
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	147,816		148,216		
47	of which: instruments issued by banks and their special purpose vehicles	147,816		148,216		
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—		—		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	6		7		
50a	of which: general reserve for possible loan losses	6		7		A18
50b	of which: eligible provisions	—		—		A19
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	487,276		853,337		
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	487,276		853,337		
51	Tier 2 capital: instruments and provisions (H)	2,050,776		2,389,581		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments	—	—	—	—	A20
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—	A21
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	—	—	A22
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	—	—	A23
	Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	34,192		48,214		
	of which: intangibles assets other than mortgage servicing rights	6,014		9,324		
	of which: 50% of balance due to pay of eligible provisions	8,812		11,872		
	of which: significant investments in the additional Tier 1 capital of other financial institutions	19,365		27,017		
57	Tier 2 capital: regulatory adjustments (I)	34,192		48,214		
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,016,584		2,341,367		
Total capital (TC=T1+T2)						
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,309,841		8,152,467		
Risk weighted assets						
	Total of items included in risk weighted assets under phase-out arrangements	14,753		24,329		
	of which: intangibles assets other than mortgage servicing rights	6,080		9,331		
	of which: net defined-benefit asset	8,083		14,114		
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	589		883		
60	Risk weighted assets (L)	33,135,294		33,700,958		
Capital Ratio (consolidated)						
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	18.94%		17.17%		
62	Tier 1 capital ratio (consolidated) ((G)/(L))	18.99%		17.24%		
63	Total capital ratio (consolidated) ((K)/(L))	25.07%		24.19%		
Regulatory Adjustments						
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	439,019		553,001		A24
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	50,005		55,679		A25
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		—		A26
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		—		A27

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Provisions included in Tier 2 capital: instruments and provisions						
76	Provisions (general reserve for possible loan losses)	6		7		
77	Cap on inclusion of provisions (general reserve for possible loan losses)	134		105		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	—		—		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	176,884		179,205		
Capital instruments under phase-out arrangements						
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	509		594		
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	339		254		
84	Current cap on Tier 2 instruments under phase-out arrangements	921,604		1,075,204		
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—		—		

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

As of March 31, 2016

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	18,022,160		
of which: non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)		105,000	A24
Foreign Exchanges Assets	237,332		
Securities	58,306,391	58,306,391	
Money Held in Trust	4,922,923	4,922,923	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		15,035	A1.1
Securities and Money Held in Trust of which: investments in own capital instruments		—	
Common Equity (excluding those reported in the Net Assets section)		—	A5
Additional Tier 1 capital		—	A14
Tier 2 capital		—	A20
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		—	
Common Equity		—	A6
Additional Tier 1 capital		—	A15
Tier 2 capital		—	A21

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Securities and Money Held in Trust of which: investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		334,019	
Common Equity		—	A7
Additional Tier 1 capital		—	A16
Tier 2 capital		—	A22
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		334,019	A24
Securities and Money Held in Trust of which: significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		98,708	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11
Additional Tier 1 capital		48,703	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		50,005	A25
Trading Assets	14,284		
Monetary Claims Bought	244,023		
Call Loans and Bills Bought	139,877		
Receivables under Resale Agreements	—		
Receivables under Securities Borrowing Transactions	2,049,052		
Cash and Due from Banks	15,057,960		
Other Assets	1,037,001		
Tangible Fixed Assets	108,304		
Buildings	43,237		
Land	50,499		
Lease Assets	10,958		
Construction in Progress	775		
Other	2,833		
Intangible Fixed Assets	20,362	20,362	
Software	10,326	10,326	
Lease Assets	3,304	3,304	
Other	6,732	6,732	
of which: goodwill and those equivalents (excluding those reported in the Net Assets section)		—	A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights		20,362	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,160	A2.2
of which: mortgage servicing rights (net of related deferred tax liabilities)		—	
Amount exceeding the 10% threshold on specified items		—	A9
Amount exceeding the 15% threshold on specified items		—	A12
Amount below the thresholds for deduction (before risk weighting)		—	A26
Amounts of assets related to retirement benefits	27,969	27,969	A4
Deferred Tax Assets	1,999	1,999	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)		—	A3
of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities)		—	
Amount exceeding the 10% threshold on specified items		—	A10
Amount exceeding the 15% threshold on specified items		—	A13
Amount below the thresholds for deduction (before risk weighting)		—	A27
Customers' Liabilities for Acceptances and Guarantees	1,087,130		

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Reserve for Possible Loan Losses	(93,854)	(93,854)	
of which: general reserve for possible loan losses includes Tier 2		(6)	A18
of which: eligible provisions includes Tier 2		—	A19
Reserve for Possible Investment Losses	—		
Total Assets	101,182,920		
(Liabilities)			
Deposits	58,823,374		
Negotiable Certificates of Deposit	3,598,338		
Debentures	3,122,077		
Bonds	50,000	50,000	
of which: qualifying Additional Tier 1 instruments		—	D1.1
of which: qualifying Tier 2 instruments		—	D2.1
Trading liabilities	8,476		
Borrowed money	3,090,120	3,090,120	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,415,480	D2.2
Call Money and Bills Sold	4,276		
Payables under Repurchase Agreements	18,488,218		
Payables under Securities Lending Transactions	903,887		
Foreign Exchanges Liabilities	17		
Trust Money	1,397,731		
Other Liabilities	2,645,958		
Reserve for Bonus Payments	7,711		
Liabilities related to retirement benefits	39,756		
Reserve for Directors' Retirement Benefits	1,179		
Deferred Tax Liabilities	705,928	705,928	
of which: assets related to retirement benefits		7,761	D3
Deferred Tax Liabilities for Land Revaluation	9,263	9,263	
Acceptances and Guarantees	1,087,130		
Total Liabilities	93,996,130		
(Net Assets)			
Paid-in Capital	3,480,488	3,480,488	E1.1
of which: preferred stock		24,999	E1.2
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.1
Capital Surplus	25,020	25,020	
of which: other capital surplus		20	E1.3
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.2
Retained Earnings	1,770,832	1,770,832	E2
Treasury Preferred Stock	(150)	(150)	
Total Owners' Equity	5,276,191	5,276,191	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
Net Unrealized Gains on Other Securities	2,118,533	2,118,533	
Net Deferred Losses on Hedging Instruments	(231,632)	(231,632)	
of which: net deferred losses on hedge		(57,063)	E7
Revaluation Reserve for Land	16,020	16,020	
Foreign Currency Translation Adjustment	(48)	(48)	
Remeasurements of Defined Benefit Plans	(246)	(246)	
Total Accumulated Other Comprehensive Income	1,902,626	1,902,626	E4

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Minority Interests	7,972	7,972	
of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1)		—	E8.1
of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		2,982	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		197	E8.3
Total Net Assets	7,186,790		
Total Liabilities and Net Assets	101,182,920		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.

2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital."

As of March 31, 2015

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	20,038,143		
of which: non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)		105,000	A24
Foreign Exchanges Assets	202,946		
Securities	59,723,905	59,723,905	
Money Held in Trust	4,507,849	4,507,849	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		15,540	A1.1
Securities and Money Held in Trust of which: investments in own capital instruments		—	
Common Equity (excluding those reported in the Net Assets section)		—	A5
Additional Tier 1 capital		—	A14
Tier 2 capital		—	A20
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		—	
Common Equity		—	A6
Additional Tier 1 capital		—	A15
Tier 2 capital		—	A21
Securities and Money Held in Trust of which: investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		448,001	
Common Equity		—	A7
Additional Tier 1 capital		—	A16
Tier 2 capital		—	A22
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		448,001	A24
Securities and Money Held in Trust of which: significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		100,996	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Additional Tier 1 capital		45,317	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		55,679	A25
Trading Assets	10,099		
Monetary Claims Bought	226,605		
Call Loans and Bills Bought	569,902		
Receivables under Resale Agreements	29,842		
Receivables under Securities Borrowing Transactions	78,804		
Cash and Due from Banks	7,297,692		
Other Assets	881,872		
Tangible Fixed Assets	110,386		
Buildings	43,729		
Land	50,827		
Lease Assets	11,450		
Construction in Progress	20		
Other	4,358		
Intangible Fixed Assets	20,947	20,947	
Software	12,505	12,505	
Lease Assets	3,519	3,519	
Other	4,922	4,922	
of which: goodwill and those equivalents (excluding those reported in the Net Assets section)		—	A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights		20,947	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,395	A2.2
of which: mortgage servicing rights (net of related deferred tax liabilities)		—	
Amount exceeding the 10% threshold on specified items		—	A9
Amount exceeding the 15% threshold on specified items		—	A12
Amount below the thresholds for deduction (before risk weighting)		—	A26
Amounts of assets related to retirement benefits	32,559	32,559	A4
Deferred Tax Assets	2,014	2,014	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities)		—	A3
of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities)		—	
Amount exceeding the 10% threshold on specified items		—	A10
Amount exceeding the 15% threshold on specified items		—	A13
Amount below the thresholds for deduction (before risk weighting)		—	A27
Customers' Liabilities for Acceptances and Guarantees	936,504		
Reserve for Possible Loan Losses	(118,132)	(118,132)	
of which: general reserve for possible loan losses includes Tier 2		(7)	A18
of which: eligible provisions includes Tier 2		—	A19
Reserve for Possible Investment Losses	(2,213)		
Total Assets	94,549,729		
(Liabilities)			
Deposits	53,474,106		
Negotiable Certificates of Deposit	3,674,664		
Debentures	3,552,811		
Bonds	50,000	50,000	
of which: qualifying Additional Tier 1 instruments		—	D1.1
of which: qualifying Tier 2 instruments		—	D2.1
Trading liabilities	6,717		

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Borrowed money	2,441,513	2,441,513	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,387,791	D2.2
Call Money and Bills Sold	475,000		
Payables under Repurchase Agreements	17,707,639		
Payables under Securities Lending Transactions	74,682		
Foreign Exchanges Liabilities	35		
Trust Money	2,612,780		
Other Liabilities	1,348,589		
Reserve for Bonus Payments	7,326		
Liabilities related to retirement benefits	16,349		
Reserve for Directors' Retirement Benefits	1,064		
Deferred Tax Liabilities	852,175	852,175	
of which: assets related to retirement benefits		9,035	D3
Deferred Tax Liabilities for Land Revaluation	9,633	9,633	
Acceptances and Guarantees	936,504		
Total Liabilities	87,241,595		
(Net Assets)			
Paid-in Capital	3,425,909	3,425,909	E1.1
of which: preferred stock		24,999	E1.2
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.1
Capital Surplus	25,020	25,020	
of which: other capital surplus		20	E1.3
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.2
Retained Earnings	1,576,096	1,576,096	E2
Treasury Preferred Stock	(150)	(150)	
Total Owners' Equity	5,026,876	5,026,876	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
Net Unrealized Gains on Other Securities	2,339,436	2,339,436	
Net Deferred Losses on Hedging Instruments	(104,793)	(104,793)	
of which: net deferred losses on hedge		(37,232)	E7
Revaluation Reserve for Land	16,984	16,984	
Foreign Currency Translation Adjustment	23	23	
Remeasurements of Defined Benefit Plans	22,311	22,311	
Total Accumulated Other Comprehensive Income	2,273,963	2,273,963	E4
Minority Interests	7,294	7,294	
of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1)		—	E8.1
of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		2,718	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		229	E8.3
Total Net Assets	7,308,134		
Total Liabilities and Net Assets	94,549,729		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.

2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital."

Capital Adequacy (Consolidated)

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

Regulatory Required Capital

(Billions of Yen)

Items	As of March 31, 2016		As of March 31, 2015	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	132,499	2,749	121,948	2,523
Exposure subject to Internal Ratings-Based Approach	112,952	2,455	106,592	2,503
Corporate exposure (excluding Specialized Lending)	6,586	257	6,331	261
Corporate exposure (Specialized Lending)	327	27	208	17
Sovereign exposure	61,832	0	58,056	0
Bank exposure	16,980	157	17,267	148
Retail exposure	1,128	37	997	34
Retail exposure secured by residential properties	1,084	32	953	30
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	43	4	43	3
Securitization and re-securitization exposure	4,768	36	5,436	60
Equity portfolios	1,187	193	1,240	209
Equity portfolios subject to PD/LGD approaches	773	81	811	89
Equity portfolios subject to simple risk-weighted method	89	30	67	22
Equities under the internal models approach	323	81	361	97
Grandfathered equity exposure	—	—	—	—
Exposure subject to risk-weighted asset calculation for investment fund	19,560	1,720	16,482	1,747
Other debt purchased	362	15	335	15
Other exposures	219	8	235	8
Exposure subject to Standardized Approach	52	0	46	0
Assets subject to Standardized Approach on a non-consolidated basis	6	0	4	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	45	0	42	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	—	—	0	0
Amount corresponding to CVA risk	675	6	314	6
CCP-related exposures	18,784	14	14,943	10
Items that included by transitional arrangements	33	1	51	1
Amount of regulatory required capital for market risk	/	197	/	227
Standardized Approach	/	197	/	226
Interest rate risk category	/	—	/	—
Equity risk category	/	—	/	—
Foreign exchange risk category	/	197	/	226
Commodity risk category	/	—	/	—
Option transactions	/	—	/	—
Internal models Approach	/	0	/	0
Amount of regulatory required capital for operational risk	/	72	/	61
Offsets on consolidation	/	2,749	/	2,812

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

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

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

4. Risk-weighted asset calculation for investment fund includes ¥95.3 billion EAD and ¥0.1 billion of Required Capital of CCP-related exposures.

5. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy Ratio. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy Ratio, Article 282).

(Billions of Yen)

Items	As of March 31, 2016	As of March 31, 2015
Consolidated total required capital	2,650	2,696

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

Credit Risk (Consolidated)

(Funds and securitization exposures are excluded)

1. Credit Risk Exposure

Fiscal 2015 (Ended March 31, 2016)

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of Yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	17,930	15,029	52	18,773	51,786	85
Asia except Japan	270	147	27	82	527	—
Europe	277	9,824	108	7,186	17,397	—
The Americas	771	17,141	79	17,480	35,473	—
Other areas	127	441	17	252	838	—
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211	6
Total	20,506	42,614	286	43,827	107,234	91

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,567	395	1	0	2,965	21	0
Agriculture	32	0	0	0	33	5	0
Forestry	7	—	—	—	7	0	—
Fishing	23	0	—	0	23	15	0
Mining	14	—	—	0	14	—	—
Construction	85	10	—	0	96	0	—
Utility	270	6	—	0	277	—	—
Information/telecommunications	80	7	—	0	88	—	—
Transportation	562	121	3	0	687	8	2
Wholesaling, retailing	1,451	113	0	0	1,565	8	0
Finance and insurance	2,379	10,075	280	43,546	56,281	1	—
Real estate	575	133	—	2	711	17	—
Services	1,321	128	0	1	1,451	7	—
Municipalities	57	0	—	0	57	—	—
Other	9,946	31,589	—	224	41,760	0	—
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211	6	0
Total	20,506	42,614	286	43,827	107,234	91	4

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	14,389	2,505	132	42,785	59,811
Over 1 year to 3 years	1,603	13,314	146	198	15,262
Over 3 years to 5 years	1,724	16,422	2	0	18,149
Over 5 years to 7 years	789	5,197	0	0	5,988
Over 7 years	865	3,646	4	0	4,516
No term to maturity	5	1,497	—	791	2,294
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211
Total	20,506	42,614	286	43,827	107,234

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2015.

2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.

3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥53.0 billion.

4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2014 (Ended March 31, 2015)

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of Yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	19,972	15,146	7	8,995	44,122	113
Asia except Japan	291	158	0	98	548	—
Europe	200	10,109	2	7,295	17,607	—
The Americas	709	18,300	15	16,753	35,779	—
Other areas	13	369	—	244	627	—
Amounts held by consolidated subsidiaries	999	35	—	41	1,076	9
Total	22,187	44,120	25	33,428	99,762	123

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,400	401	0	0	2,803	22	0
Agriculture	28	0	0	0	28	5	0
Forestry	7	—	—	—	7	0	—
Fishing	26	—	—	0	26	19	0
Mining	5	—	—	0	5	—	—
Construction	90	9	—	0	99	1	—
Utility	234	8	0	0	242	—	—
Information/telecommunications	72	5	—	0	78	—	—
Transportation	564	133	3	0	700	14	—
Wholesaling, retailing	1,552	68	0	0	1,620	14	0
Finance and insurance	1,766	11,066	21	33,142	45,996	7	0
Real estate	520	85	—	3	609	19	—
Services	1,263	138	0	1	1,403	9	—
Municipalities	86	11	—	0	97	—	—
Other	12,568	32,158	—	238	44,965	0	—
Amounts held by consolidated subsidiaries	999	35	—	41	1,076	9	0
Total	22,187	44,120	25	33,428	99,762	123	1

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	16,562	1,906	4	30,430	48,903
Over 1 year to 3 years	1,908	9,341	14	1,935	13,199
Over 3 years to 5 years	1,400	15,936	2	—	17,338
Over 5 years to 7 years	755	11,549	1	0	12,306
Over 7 years	558	4,034	3	0	4,595
No term to maturity	3	1,316	—	1,021	2,341
Amounts held by consolidated subsidiaries	999	35	—	41	1,076
Total	22,187	44,120	25	33,428	99,762

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2014.

2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.

3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥47.2 billion.

4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

2. Reserves for Possible Loan Losses

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of Yen)

Region	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
General reserve for possible loan losses	14	20	(6)
Specific reserve for possible loan losses	35	50	(14)
Japan	35	50	(14)
Asia except Japan	—	—	—
Europe	—	—	—
The Americas	—	—	—
Other areas	—	—	—
Amounts held by consolidated subsidiaries	3	4	0
Offsets on consolidation	(1)	(1)	0
Specified reserve for loans to countries with financial problems	—	—	—
Total	52	74	(21)

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of Yen)

Industry	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
General reserve for possible loan losses	14	20	(6)
Specific reserve for possible loan losses	35	50	(14)
Manufacturing	4	5	(0)
Agriculture	3	3	(0)
Forestry	0	0	0
Fishing	5	7	(2)
Mining	—	—	—
Construction	0	0	(0)
Utility	—	—	—
Information/telecommunications	—	—	—
Transportation	3	3	0
Wholesaling, retailing	2	3	(0)
Finance and insurance	0	0	(0)
Real estate	9	17	(7)
Services	5	7	(2)
Municipalities	—	—	—
Other	—	—	—
Others	—	—	—
Amount held by consolidated subsidiaries	3	4	(0)
Offsets on consolidation	(1)	(1)	(0)
Specified reserve for loans to countries with financial problems	—	—	—
Total	52	74	(21)

3. Exposure Subject to the Internal Ratings-Based Approach

Types of Exposure by Portfolio and Overview of Internal Rating Procedures

■ Corporate, Sovereign and Bank Exposure

Types of Exposure

Corporate exposure includes general business corporate exposure, sovereign (country) exposure, bank exposure, and specialized lending exposure.

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

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

Overview of Debtor Rating Procedure

In the Bank's general procedure for assigning a debtor rating for corporate exposure, the front office is in charge of applying for a rating and then the credit risk management section reviews and approves it. To be more precise, a debtor rating is assigned for each type of exposure including resident and non-resident corporate, sovereign, bank and specialized lending.

Work Flow for Assigning Debtor Ratings

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

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

Items for Review	Content of Review
1 Financial rating	Based on quantitative data of an obligor, including financial statements, the relevant quantitative model according to the risk profile of the obligor is applied to assign a financial rating.
2 Adjustments in financial rating	In addition to the process stated above, the Bank takes into account the events which should affect the obligor, and adjusts the financial rating.
3 Qualitative evaluation	Among significant elements to evaluate the creditworthiness of the obligor, those elements which are not captured fully by quantitative evaluation are evaluated.
4 Country adjustment	The rating of the obligor is adjusted not to exceed the rating of the country.
5 Consideration of external information	Supplemental to quantitative and qualitative evaluation, the Bank may consider other elements, such as changes in agency rating, CDS or corporate bond spread, or stock price, and adjust the rating accordingly.
6 Determination of debtor classification	Determination of the classification of an obligor in accordance with Procedure for Self-Assessment Exercise.
7 Final rating	To reflect the situation of the obligor more accurately, supplemental evaluation may be conducted before the final decision of the internal rating.

■ Equity Exposure

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

■ Retail Exposure

Retail exposures, such as retail exposure secured by residential properties, qualifying revolving retail exposure and other retail exposures, are managed by grouping individual exposures into eligible retail pools the Bank stipulates and assigning ratings at the pool level.

a. Corporate, Sovereign and Bank Exposure

Relationship between Internal Ratings and Parameter Estimates

At the Bank, PD for various internal ratings is divided into four categories: resident corporate, non-resident corporate, sovereign and bank. The methods for estimating these PDs are (a) the internal estimate method: the Bank estimates the long-term average for PD according to internal rating grades based on internal default data of the Bank and (b) mapping technique: the Bank maps internal grades to

rating grades used by a credit rating agency and applies the default rate for a rating grade of the agency to a corresponding grade of internal rating of the Bank.

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

For specialized lending, the Bank applies slotting criteria to compute risk-weighted assets.

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	1.31%	44.96%	49%	6,586	5,819	767
1-1 to 4	0.12%	45.00%	36%	6,093	5,361	732
5 to 7	1.72%	44.62%	119%	355	329	26
8-1 to 8-2	15.84%	44.74%	319%	76	68	8
Subtotal	0.40%	44.97%	44%	6,526	5,759	766
8-3 to 10-2	100.00%	43.76%	552%	60	59	1
Sovereign Exposure	0.00%	45.00%	0%	61,832	59,953	1,878
1-1 to 4	0.00%	45.00%	0%	61,831	59,953	1,878
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	0.01%	3%	0	0	—
Subtotal	0.00%	45.00%	0%	61,832	59,953	1,878
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	23.48%	12%	16,980	7,600	9,380
1-1 to 4	0.04%	23.50%	11%	16,923	7,547	9,376
5 to 7	2.43%	19.54%	68%	48	44	4
8-1 to 8-2	8.94%	5.29%	31%	8	8	0
Subtotal	0.05%	23.48%	12%	16,980	7,600	9,380
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.15%	90.00%	132%	773	773	—
1-1 to 4	0.08%	90.00%	129%	763	763	—
5 to 7	1.92%	90.00%	295%	8	8	—
8-1 to 8-2	15.84%	90.00%	549%	1	1	—
Subtotal	0.15%	90.00%	132%	773	773	—
8-3 to 10-2	100.00%	90.00%	1,193%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).

2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet) / EAD (off-balance sheet)	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	1.81%	44.72%	52%	6,331	5,619	711
1-1 to 4	0.13%	44.73%	35%	5,754	5,082	672
5 to 7	1.69%	44.60%	118%	398	366	31
8-1 to 8-2	15.79%	44.68%	323%	93	86	6
Subtotal	0.46%	44.72%	45%	6,246	5,536	710
8-3 to 10-2	100.00%	44.03%	554%	85	83	1
Sovereign Exposure	0.00%	45.00%	0%	58,056	55,971	2,084
1-1 to 4	0.00%	45.00%	0%	58,055	55,970	2,084
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	42.18%	226%	0	0	—
Subtotal	0.00%	45.00%	0%	58,056	55,971	2,084
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.04%	22.80%	11%	17,267	8,109	9,157
1-1 to 4	0.03%	22.83%	11%	17,209	8,055	9,153
5 to 7	1.87%	15.82%	57%	48	44	3
8-1 to 8-2	8.94%	5.67%	33%	9	9	0
Subtotal	0.04%	22.80%	11%	17,267	8,109	9,157
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.26%	90.00%	138%	811	811	—
1-1 to 4	0.09%	90.00%	131%	794	794	—
5 to 7	1.71%	90.00%	292%	11	11	—
8-1 to 8-2	15.51%	90.00%	708%	5	5	—
Subtotal	0.21%	90.00%	137%	811	811	—
8-3 to 10-2	100.00%	90.00%	1,192%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).

2. Risk weight is equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default(EAD).

b. Retail Exposure

Relationship between Retail Pools and Parameter Estimates

On retail exposure, the Bank estimates parameters, namely PD, LGD, and EAD for each retail pool. Each of those parameters is estimated based on observed data of defaults and losses net of recovered amounts as well as external data. The applicable EAD is the end-of-period balance, since the Bank has no exposure for revolving products,

with which balances may be changed within the predetermined credit lines at the discretions of the obligors.

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

Details on PD, LGD, RW and EAD Assets

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	1.04%	48.64%	81.59%	71.02%	41%	1,207	244	962
Not default Not delinquent	0.38%	48.65%	/	/	34%	1,191	231	960
Not default Delinquent	25.93%	47.11%	/	/	425%	10	8	2
Not default Subtotal	0.60%	48.64%	/	/	37%	1,202	240	962
Default	100.00%	/	81.59%	71.02%	1,020%	5	4	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	5.95%	59.76%	113.06%	96.90%	131%	44	40	3
Not default Not delinquent	0.82%	59.79%	/	/	61%	41	38	3
Not default Delinquent	22.72%	54.28%	/	/	282%	0	0	0
Not default Subtotal	0.92%	59.76%	/	/	62%	41	38	3
Default	100.00%	/	113.06%	96.90%	1,413%	2	2	0
Total	1.21%	49.01%	90.88%	78.66%	44%	1,251	285	966
Not default Not delinquent	0.39%	49.03%	/	/	34%	1,233	269	963
Not default Delinquent	25.88%	47.24%	/	/	422%	10	8	2
Not default Subtotal	0.61%	49.01%	/	/	38%	1,244	278	965
Default	100.00%	/	90.88%	78.66%	1,136%	7	7	0

Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2016, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	1.22%	48.77%	92.49%	81.56%	46%	1,096	263	833
Not default Not delinquent	0.40%	48.80%	/	/	35%	1,078	248	830
Not default Delinquent	26.66%	45.88%	/	/	419%	12	10	2
Not default Subtotal	0.70%	48.77%	/	/	40%	1,090	258	832
Default	100.00%	/	92.49%	81.56%	1,156%	5	4	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	4.34%	59.97%	112.26%	96.68%	110%	44	40	3
Not default Not delinquent	0.85%	59.99%	/	/	63%	42	38	3
Not default Delinquent	24.34%	57.21%	/	/	309%	0	0	0
Not default Subtotal	0.98%	59.97%	/	/	64%	42	38	3
Default	100.00%	/	112.26%	96.68%	1,403%	1	1	0
Total	1.34%	49.20%	96.59%	84.70%	48%	1,140	303	837
Not default Not delinquent	0.42%	49.22%	/	/	36%	1,120	286	834
Not default Delinquent	26.62%	46.09%	/	/	417%	12	10	2
Not default Subtotal	0.71%	49.19%	/	/	41%	1,133	297	836
Default	100.00%	/	96.59%	84.70%	1,207%	7	6	0

- Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.
 2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.
 3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
 4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
 5. As of March 31, 2015, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

Actual Losses by Exposure Types

(Billions of Yen)

Type of exposure	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
Corporate exposure	1	3	(1)
Sovereign exposure	—	—	—
Bank exposure	—	—	—
Equity exposure subject to PD/LGD approach	0	1	(1)
Retail exposure secured by residential properties	0	0	0
Qualifying revolving retail exposure	—	—	—
Other retail exposure	0	0	(0)
Total	2	4	(2)

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Comparison between Actual Losses in the Previous Fiscal Year and Past Financial Results and Analysis of Causes

Credit conditions have generally remained favorable and ¥2.4 billion year-on-year. the total value of actual losses for fiscal 2015 were down

Comparison of Estimated Losses and Actual Losses

(Billions of Yen)

Type of exposure	As of March 31, 2016		As of March 31, 2015		As of March 31, 2014	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	15	1	17	3	20	0
Sovereign exposure	0	—	0	—	0	—
Bank exposure	0	—	0	—	1	—
Equity exposure subject to PD/LGD approach	0	0	0	1	0	—
Retail exposure secured by residential properties	2	0	2	0	2	0
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

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

(Billions of Yen)

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	55	43	46	25	29	7
Sovereign exposure	0	—	1	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	0	0	1	0
Retail exposure secured by residential properties	1	0	1	0	1	0
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

Type of exposure	As of March 31, 2007	
	Estimated losses	Actual losses
Corporate exposure	27	18
Sovereign exposure	1	—
Bank exposure	0	—
Equity exposure subject to PD/LGD approach	0	0
Retail exposure secured by residential properties	—	—
Qualifying revolving retail exposure	—	—
Other retail exposure	0	0

Notes: 1. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

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

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by Risk Weight

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Specialized Lending exposure subject to supervisory slotting criteria	373	247
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	373	247
Risk weight of 50%	43	5
Risk weight of 70%	201	156
Risk weight of 90%	84	43
Risk weight of 115%	7	17
Risk weight of 250%	18	5
Risk weight of 0% (default)	19	19
High-Volatility Commercial Real Estate (HVCRE)	—	—
Risk weight of 70%	—	—
Risk weight of 95%	—	—
Risk weight of 120%	—	—
Risk weight of 140%	—	—
Risk weight of 250%	—	—
Risk weight of 0% (default)	—	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy Ratio, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy Ratio, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.

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

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by Risk Weight

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

Classification	(Billions of Yen)	
	As of March 31, 2016	As of March 31, 2015
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	89	67
Risk weight of 300%	—	—
Risk weight of 400%	89	67

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy Ratio, Article 143-4).

4. Exposure Subject to Standardized Approach

Overview

The Bank adopts IRB Approach in computing credit risk assets. However, for the assets listed below, the Bank considers that the percentage of such assets in overall credit risk assets is minuscule and that they are not regarded as significant from a credit risk management perspective. Accordingly, the Bank partially applies the Standardized Approach specifically to those assets and does not plan to apply the IRB Approach to them.

- The on-balance sheet assets and off-balance sheet items of the Bank's consolidated subsidiaries, with the exception of Kyodo Housing Loan Co., Ltd.
- The following assets held by the Bank and Kyodo Housing Loan: Suspense payments (with the exception of the account for securities), prepaid expenses, foreign

currency forward contracts for foreign currency deposits of cooperative organizations, and current account overdrafts (to holders of the Bank's debentures).

The Bank applies the ratings of five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in computing its risk assets, namely Moody's Investors Service, Standard & Poor's, Fitch Ratings, Ltd., Rating & Investment Information, Inc. and Japan Credit Rating Agency, Ltd. The Bank applies a risk weight of 100% to its exposure to corporate, sovereign and bank exposures (excluding past due exposure for three months or more) in accordance with the Notification Regarding Capital Adequacy Ratio, Article 44, regardless of the ratings assigned by these qualified rating agencies.

Amount of Exposure Subject to Standardized Approach

Classification	(Billions of Yen)			
	As of March 31, 2016		As of March 31, 2015	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	53	—	47	—
Risk weight of 0%	38	—	35	—
Risk weight of 10%	—	—	—	—
Risk weight of 20%	3	—	3	—
Risk weight of 35%	—	—	—	—
Risk weight of 50%	—	—	—	—
Risk weight of 75%	—	—	—	—
Risk weight of 100%	9	—	7	—
Risk weight of 150%	—	—	—	—
Risk weight of 1,250%	—	—	—	—
Others	0	—	1	—

Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.

Credit Risk Mitigation Techniques (Consolidated)

Overview of Risk Management Policies and Procedures Related to Credit Risk Mitigation Techniques

■ Outline of Evaluation, Administrative Policies and Procedures for Collateral

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

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

As a part of collateral management, the Bank stipulates the procedures of reviewing the legal efficacy and enforceability of collateral not only at the time of the collateral pledge but also periodically through the term of contract.

■ Principal Types of Collateral

The principal types of collateral are marketable securities, commercial bills and real estate.

■ Types of Guarantors and Principal Counterparties in Credit Derivatives and Explanation of their Credit Standing

The types of guarantors in such transactions are mainly sovereigns, including central and local governments, financial institutions and corporates. When evaluating the creditworthiness of guarantors, the Bank evaluates their financial soundness after assigning a debtor rating and assessing their creditworthiness. There is no transaction for which credit risk is mitigated by a credit derivative.

■ Scope of Credit Risk Mitigation

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

Eligible Financial Collateral

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

For transactions other than repo-type transactions and secured derivative transactions, the Bank recognizes the effectiveness of CRM in such case where deposits with the Bank (including Norinchukin Bank Debentures) or stocks, etc., are pledged as collateral.

Other Eligible Collateral

The Bank does not take into account the effects of CRM for collateral such as real estate, commercial bills, and other eligible assets.

Setoff for Loans and Deposits

The Bank does not take into account the effects of CRM for deposits held with the Bank unless they are pledged as collateral.

Guarantees and Credit Derivatives

Guarantees derived from guarantors recognized for maintaining effective guarantees take into account the effects of CRM, including the assignment of a debtor rating higher than that of the guaranteed party. Furthermore, these are not transactions that use credit derivatives to reduce credit risk.

Legally Binding Bilateral Netting Contracts for Derivatives and Repo-Type Transactions

The Bank considers legally binding bilateral netting contracts for derivatives subject to netting in the ISDA Master Agreement as a means of CRM. Legally binding netting contracts are managed by verifying the necessity of the contract itself and scope of transactions on a regular and as-needed basis.

Regarding repo-type transactions, although the Bank has concluded legally binding netting agreements with its major counterparties, taking account of the stipulations of the Notification Regarding Capital Adequacy Ratio and the Bank's operating practices, the Bank does not consider these agreements as a means of mitigating credit risk.

Information about Credit and Market Risk Concentration Arising from the Application of CRM Techniques

For exposures where the credit risk of guaranteed exposure is being transferred from a guaranteed party to a guarantor as a result of CRM techniques, the Bank monitors the concentrations of credit risk, and manages the exposures accordingly. Regarding market risk, there is no exposure of credit derivatives in the Bank's trading accounts.

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

Classification	(Billions of Yen)	
	As of March 31, 2016	As of March 31, 2015
Foundation Internal Ratings-Based Approach	8,230	8,586
Eligible financial collateral	7,557	8,007
Corporate exposure	57	38
Sovereign exposure	0	0
Bank exposure	7,499	7,968
Other eligible IRB collateral	—	—
Corporate exposure	—	—
Sovereign exposure	—	—
Bank exposure	—	—
Guarantees, Credit Derivatives	673	579
Corporate exposure	388	346
Sovereign exposure	231	231
Bank exposure	52	1
Retail exposure secured by residential properties	—	—
Qualifying revolving retail exposure	—	—
Other retail exposure	—	—
Standardized Approach	—	—
Eligible financial collateral	—	—
Guarantees, Credit Derivatives	—	—

Note: Exposure subject to risk-weighted asset calculation for investment fund is not included.

Counterparty Credit Risk in Derivative Transactions (Consolidated)

Overview of Risk Management Policies and Procedures for Counterparty Credit Risk in Derivatives and Transactions with a Long Settlement Period

■ Policies for Allocation of Risk Capital and Credit Lines

The Bank manages credit risk involving derivative transactions with financial institutions within the risk limits (Bank Ceiling) established in each group financial institution. A Bank Ceiling is established for each front section on the basis of each entity within the group and each type of transaction (derivatives, financial transactions, loans, etc.). Credit exposures related to derivative transactions are managed so as not to exceed the limits. Under the Bank Ceiling system, the exposure of derivatives that are to be managed is calculated utilizing the current exposure method (the replacement cost (mark-to-market) of the transaction plus an add-on deemed to reflect the potential future exposure).

■ Policies for Calculating the Value of Collateral as Security for Claims and Reserve for Possible Loan Losses

For derivative transactions, the Bank has concluded a CSA contract with major counterparties. In some cases, the Bank receives collateral from these counterparties. The collateral posted may vary depending on the terms of the CSA contract, but mainly it consists of Japanese government bonds

(JGBs), Japanese yen cash, U.S. Treasury bonds, and U.S. dollar cash. Regarding replacement costs for derivative transactions (the required cost when renegotiating the same transaction on the market), the Bank has allocated a required reserve depending on the debtor classification of the financial institution counterparty.

■ Remarks on Impact in Case the Bank is Required to Post Additional Collateral when its Credit Standing Deteriorates

If the Bank's credit rating is downgraded, the Bank's financial institution counterparty will reduce its credit risk limit and may demand the Bank to post collateral. However, the Bank has a sufficiently high level of liquid assets, such as government bonds that can be used as collateral, and the amount of those assets is periodically checked by the Portfolio Management Committee. For this reason, even if the Bank is required to post additional collateral, the impact on the Bank will be minimal.

Methods Used for Calculating Amount of Credit Exposure

The current exposure method has been adopted.

Breakdown of the Amount of Credit Exposure

(Billions of Yen)

Classification		As of March 31, 2016	As of March 31, 2015
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	510	155
Total gross add-ons	(B)	498	538
Gross credit exposure	(C) = (A)+(B)	1,008	694
Foreign exchange related		880	588
Interest rate related		127	104
Equity related		0	1
Credit derivatives		—	—
Transactions with a long settlement period		—	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	324	384
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	683	310
Amount of collateral	(F)	314	4
Eligible financial collateral		314	4
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	369	306

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.

2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of Yen)

Classification		As of March 31, 2016	As of March 31, 2015
To buy protection		—	—
Credit default swaps		—	—
Total return swaps		—	—
To sell protection		—	—
Credit default swaps		—	—
Total return swaps		—	—
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques		—	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.

2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 10 -2, 3 and Article 56, the amount of credit risk assets not computed has not been included.

Securitization Exposure (Consolidated)

Overview of Risk Management Policies and Risk Characteristics for Securitization Exposure

From the standpoint of globally diversified investments, the Bank invests in securitized (structured finance) transactions. Securitization exposure is a tool enabling the Bank to effectively and efficiently mitigate and acquire

credit risk and other forms of risk of underlying assets. The Bank's policy is to continuously utilize securitized transactions while managing the risk arising from those transactions appropriately.

Regarding securitization exposure, after establishing an investment policy for each asset class, the Bank implements the transaction through individual analysis during initial investment research (due diligence) and credit

screening. During individual analysis, in general, because of complex investment structures with different risk-return profiles than the underlying assets, after identifying items of due diligence and monitoring of each asset class as well as securitization and re-securitization, the Bank carefully examines risk in underlying assets and structure and conducts quantitative analysis of repayment capacity. After investment, the Bank monitors the credit condition, including underlying asset performance of each project, and analyzes and assesses the market environment taking into account underlying asset trends of each asset class. In the event of credit deterioration, etc., is being seen, a framework of risk management is created including revising investment and holding policies.

The securitization exposure which contains securitization exposure as an underlying asset is called re-securitization exposure. Among the re-securitization exposures, wherein the majority of underlying assets are comprised of securitization exposures, the Bank treats them as secondary and tertiary re-securitization exposures and manages them separately from other re-securitization exposures in order to monitor and manage them closely. The Bank does not plan to acquire new secondary or tertiary re-securitization exposures.

Regarding its securitization exposure, the Bank appropriately calculates the amount of risk-weighted asset for credit risk based on the Notification Regarding Capital Adequacy Ratio. As a part of its integrated risk management, based on the risk profile of the securitization exposure, the Bank computes risk amount.

For securitization transactions, as described above, the Bank has been mainly be involved as an investor, and also involved in arranging securitization and liquidity schemes such as using loan debt as the Group.

As of March 31, 2016, the Bank engaged in no securitization transactions in which the Bank acted as an originator and recognized regulatory risk asset mitigation effects. In addition, the Bank's subsidiaries (excluding consolidated subsidiaries) or affiliates have no securitization exposure involving securitization transactions performed by the Bank in fiscal 2015.

Calculation of Risk-Weighted Asset for Credit Risk in Securitization Exposure

The Bank calculates the amount of risk-weighted asset for credit risk for securitization exposure by applying the "Ratings-Based Approach (RBA)" or "Supervisory Formula (SF)." In cases in which it cannot apply RBA or SF, the Bank applies a risk weight of 1,250%. In addition, the Bank does not use the "Internal Assessment Approach (IAA)."

The Bank has no securitization exposures containing securitization exposure as an underlying asset, for which risk-weighted asset for credit risk is calculated not as re-securitization exposure but as securitization exposure based on rules in the Notification Regarding Capital Adequacy Ratio.

For securitization exposures to which RBA is applied, the Bank relies on the following five qualified credit rating agencies: Moody's Investors Service, Standard & Poor's, Fitch Ratings, Ltd., Rating & Investment Information, Inc., and Japan Credit Rating Agency, Ltd.

The Bank treats securitized instruments in accordance with the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14) for accounting purposes.

No material changes have been made to quantitative data. Moreover, the Bank holds no assets for the purpose of securitization transactions.

1. Items to Calculate Risk-Weighted Asset for Credit Risk

Details of Securitization Exposure Held as Originator

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Total amount of underlying assets	—	—
Amounts of assets held by securitization transactions purpose	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—
Amounts of securitization exposure	—	—
Amounts of re-securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Amounts of securitization exposure that applied risk weight 1,250%	—	—
Amounts of re-securitization exposure subject to credit risk mitigation techniques	—	—

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			Risk weight 1,250%
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	
Amount of exposure	4,768 (1)	1 (0)	134	0	134	0
Individuals						
Asset-Backed Securities (ABS)	662 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,902 (—)	— (—)	3	—	3	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	65 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	2,136 (—)	0 (—)	130	0	130	0
Collateralized Loan Obligations (CLO)	2,136 (—)	— (—)	130	—	130	—
Asset-Backed Securities CDOs (ABS-CDO)	0 (—)	0 (—)	0	0	—	0
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	1 (0)	1 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposure which contains securitization exposure as an underlying asset.

2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			Risk weight 1,250%
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	
Amount of exposure	5,436 (2)	10 (0)	380	102	278	7
Individuals						
Asset-Backed Securities (ABS)	1,277 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	2,289 (—)	— (—)	4	—	4	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	68 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	1,797 (—)	7 (—)	376	102	273	7
Collateralized Loan Obligations (CLO)	1,695 (—)	— (—)	273	—	273	—
Asset-Backed Securities CDOs (ABS-CDO)	102 (—)	7 (—)	102	102	—	7
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	4 (1)	3 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposure which contains securitization exposure as an underlying asset.

2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Amount of exposure			Regulatory required capital		
	On-balance	Off-balance		On-balance	Off-balance	
Amount of securitization exposure	4,634	4,633	1	32	32	0
Risk weight: 20% or less	4,618	4,618	0	29	29	0
Risk weight: exceeding 20% to 50% or less	7	7	—	0	0	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	0	—	0	0	—	0
Risk weight: exceeding 250% to less than 1,250%	5	4	0	1	1	0
Risk weight: 1,250%	1	1	0	1	1	0
Amount of re-securitization exposure	134	134	—	3	3	—
Risk weight: 20% or less	3	3	—	0	0	—
Risk weight: exceeding 20% to 50% or less	130	130	—	3	3	—
Risk weight: exceeding 50% to 100% or less	—	—	—	—	—	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	—	—	—	—	—	—
Risk weight: 1,250%	0	0	—	0	0	—

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Classification	Amount of exposure		Regulatory required capital			
	On-balance	Off-balance	On-balance	Off-balance	Off-balance	
Amount of securitization exposure	5,056	5,054	2	38	37	1
Risk weight: 20% or less	5,001	5,000	0	31	31	0
Risk weight: exceeding 20% to 50% or less	39	39	—	1	1	—
Risk weight: exceeding 50% to 100% or less	6	6	—	0	0	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	6	5	1	2	1	0
Risk weight: 1,250%	3	2	0	3	2	0
Amount of re-securitization exposure	380	380	—	21	21	—
Risk weight: 20% or less	4	4	—	0	0	—
Risk weight: exceeding 20% to 50% or less	360	360	—	11	11	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	5	5	—	1	1	—
Risk weight: 1,250%	7	7	—	8	8	—

Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Amount of exposure	Regulatory required capital	Amount of exposure	Regulatory required capital
Amount of re-securitization exposure	—	—	—	—
Risk weight applied to guarantor: 20% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 20% to 50% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 50% to 100% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 100% to 250% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 250% to less than 1,250%	—	—	—	—
Risk weight applied to guarantor: 1,250%	—	—	—	—

Risk-Weighted Asset Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

2. Securitization Exposure Subject to Market Risk

Not applicable

Market Risk (Consolidated)

Methods for Calculating Market Risk Amount and Applicable Valuation

Methods

The Bank utilizes an internal models approach to measure “general market risk in trading accounts.” The Bank applies a standardized approach for measuring “individual risk in trading accounts,” “foreign currency exchange risk,” “commodity risk,” “assets and liabilities related to trading accounts in consolidated subsidiaries,” and “foreign currency exchange risk and commodity risk in consolidated subsidiaries.” The amount of market risk in securitization exposure is also calculated using this method.

The financial products pertaining to trading accounts are limited to those with extremely high liquidity such as JGBs, derivatives (interest rate futures, bond futures, interest rate swaps, and other products). Securitization exposure is not covered by these accounts.

Computation of Market Risk Amount by Internal Models Approach

■ Scope of Market Risk Amount Computed by the Internal Models Approach

The model covers general market risk in the trading accounts. The scope of market risk amount is the same on a consolidated and non-consolidated basis.

When computing market risk amount, the assumed holding period is set at 10 business days based on the characteristics of the product handle, and the market risk amount is the combined total of stress VaR calculated after taking into account market fluctuations at times of past stress affecting the portfolio and the VaR measured during the most recent observation period.

■ Internal Models Approach

- (1) Applied model: Variance-covariance matrix
- (2) Confidence interval: 99th percentile, one-tailed confidence interval
- (3) Holding period: 10 business days
(Adjust value for holding period of one business day)

■ VaR

(Millions of Yen)

	Fiscal 2015	Fiscal 2014
Base date of computation	2016. 3. 31	2015. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	83	69
Maximum	88	327
Minimum	30	18
Average	51	75

■ Stress VaR

(Millions of Yen)

	Fiscal 2015	Fiscal 2014
Base date of computation	2016. 3. 31	2015. 3. 31
Stress VaR (For the most recent 60 business days)		
Base date of computation	285	355
Maximum	285	355
Minimum	62	55
Average	119	161

■ Amount of Market Risk

(Millions of Yen)

		Fiscal 2015	Fiscal 2014
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	512	711
Value at Risk (MAX (C, D))	(B)	154	226
Amount on base date of computation	(C)	83	69
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	154	226
(Multiplier)	(E)	3	3
(Times exceeding VaR in back testing)	(F)	2	2
Stress Value at Risk (MAX (H, I))	(G)	358	484
Amount on base date of computation	(H)	285	355
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	358	484
Additional amount at the time of measuring individual risk	(J)	0	0

Notes: 1. As a result of back testing conducted in fiscal 2015, actual gains and losses did not diverge substantially downward from the VaR value.

2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, the Bank scrutinizes the relevant model factors and revises the model if necessary.

3. Since the Bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.

Equity Exposure (Consolidated)

(Includes items such as shares; excludes items in trading accounts)

Overview of Risk Management Policies and Procedures Related to Equity Exposure

The Bank's exposure to equity comprises stocks classified as other securities and stocks of subsidiaries and other associated companies. The amount of risk-weighted asset for credit risk is computed by the methods specified by the Notification Regarding Capital Adequacy Ratio. For internal management purposes, the Bank conducts comprehensive risk management within its economic capital management framework, as described in the section, "Risk Management."

■ Equities Classified as Other Securities

Risk management of equities classified as other securities is managed under a framework of market risk management (including interest rate risk and foreign currency exchange risk). That framework mainly consists of the economic capital management framework. Further details can be found in "Risk Management."

■ Stocks of Subsidiaries and Affiliates

The stocks of subsidiaries and other associated companies are recognized as credit risk assets and managed within the economic capital management framework.

■ Principal Accounting Policies

For accounting purposes, among exposure to equity and other investments, stocks of subsidiaries and other associated companies are valued at cost, determined by the moving average method. Exposure to equity and other investments classified in other securities is valued at the market value prevailing on the date of the closing of accounts, in the case of equities with quoted market values (with book values mainly determined by the moving average method). Equities which are extremely difficult to determine the fair value of are valued at cost, determined by the moving average method. In addition, the valuation difference on other securities is entered directly in the net assets account.

■ Calculating Risk-Weighted Asset of Equity Exposure

The Bank applies the PD/LGD approach to calculate risk-weighted asset for credit risk for equity exposure, and the simple risk-weighted method and internal models approach under the market-based approach.

Amount on the Balance Sheet and Market Value

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Equity exposure	1,187	/	1,240	/
Exposure to publicly traded equity	1,009	1,009	1,074	1,074
Exposure to privately held equity	178	/	165	/

Note: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of Yen)

Item	Fiscal 2015			Fiscal 2014		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	4	1	0	19	0	1

Note: Amounts reflect relevant figures posted in the consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of Yen)

Item	As of March 31, 2016	As of March 31, 2015
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	391	422

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.

2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.

Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
	Amount on the balance sheets	Amount on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13	—	—
Corporate	—	—
Bank	—	—
Sovereign	—	—

Note: The Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

Equity Exposures for Each Portfolio Classification

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
	EAD	EAD
Equity portfolios	1,187	1,240
Equity portfolios subject to PD/LGD approaches	773	811
Equity portfolios subject to simple risk-weighted method	89	67
Equities under the internal models approach	323	361

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Consolidated)

Overview of Risk Management Policies and Procedures Related to Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds

Exposure subject to risk-weighted asset calculation for investment funds consists mainly of assets managed in investment trusts and money trusts. Assets under management include equities, bonds and credit assets, which are the Bank's primary investment assets. Risk management policies are stipulated for each of the asset's risk. An outline is provided in the section "Risk Management." In addition to assets managed by the Bank itself, the Bank

utilizes investment funds in which asset management is entrusted to management firms. Risk is managed by applying methods appropriate for each type of fund in accordance with the Bank's internal rules. In order to select managers and entrust assets with them, the Bank performs thorough due diligence on the manager's ability, including operating organization, risk management, compliance framework, management philosophy and strategies, as well as past performance. In addition, during entrusting assets to managers, the Bank monitors their performance from quantitative and qualitative perspectives and conducts reviews of performance on a regular basis to assess whether to maintain or replace individual managers.

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	14,631	72%	12,554	76%
Majority approach	677	380%	637	380%
Mandate approach	—	—	—	—
Market-based approach	1,762	333%	2,460	350%
Others (simple approach)	266	429%	193	432%
Total	17,338	109%	15,844	132%

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-5.)

6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.

Interest Rate Risk (Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

Overview of Risk Management Policies and Procedures for Interest Rate Risk

As described in the “Risk Management” section, in its economic capital management, or the foundation of the Bank’s risk management, the Bank primarily conducts overall risk management, taking into account the correlation between asset classes such as bonds, stocks, and credit assets under the Bank’s core concept of globally diversified investment.

The Bank manages interest rate risk by performing profit and loss simulation analyses under a wide range of scenarios. The Bank also conducts various interest rate sensitivity analyses, such as BPV and yield-curve risk, and static and dynamic revenue and expenditure impact analyses by major currencies. The Bank manages interest rate risk based on interest rate risk standards for banking accounts as well. The Bank has been constructing a framework that will enable it to properly monitor the multi-faceted effects of interest rate risk.

The Bank verifies the proper operation of interest rate risk management, besides the management of other major risks, from the point of view of the assessment of capital adequacy, by monitoring checkpoints for the Bank’s capital management and conducting sets of stress testing.

Key Assumptions for Interest Rate Risk Management and Frequency of Risk Measurement

As previously mentioned, economic capital management forms the core of the Bank’s risk management. The Bank measures its securities portfolio risk on a daily basis. In addition, the internal management of interest rate risk based on interest rate risk standards for banking accounts applies a one year holding period and at least a five year historical observation period to measure interest rate volatility. The Bank calculates monthly declines in economic value corresponding to a 99% confidence interval for interest rate volatility. The measurements cover, in principle, all financial assets and liabilities, but the measurement process itself does not take into account inter-grid factors and correlations with other assets.

Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Interest rate risk	1,811	2,125
Yen interest rate risk	234	119
U.S. dollar interest rate risk	1,246	1,599
Euro interest rate risk	311	379
Interest rate risk in other currencies	18	27

Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility. Because the interest rate risk of consolidated subsidiaries is limited from the standpoint of the asset value of subsidiaries, the non-consolidated risk of the Bank is calculated.

2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity due to call conditions and other factors.

Indicators for Assessing Global Systemically Important Banks (G-SIBs)

		(In 0.1 Billion Yen)
Description		As of March 31, 2016
1	Total exposures (A)+(B)+(C)+(D): (A) On-balance assets (other than assets specifically identified below b., c. and contra-account of guarantees) (B) Sum of counterparty exposure of derivatives contracts, capped notional amount of credit derivatives and potential future exposure of derivatives contracts (C) Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs (D) Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	1,021,571
2	Intra-financial system assets (A)+(B)+(C)+(D): (A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions (B) Holdings of securities issued by other financial institutions (Note 1) (C) Net positive current exposure of SFTs with other financial institutions (D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	121,963
3	Intra-financial system liabilities (A)+(B)+(C): (A) Deposits and debt due to, and undrawn committed lines obtained from, other financial institutions (B) Net negative current exposure of SFTs with other financial institutions (C) OTC derivatives with other financial institutions that have a net negative fair value	75,399
4	Securities outstanding (Note 1)	67,704
5	Assets under custody	43,952
6	Notional amount of OTC derivatives	363,795
7	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	152,871
8	Level 3 assets (Note 3)	13,715
9	Cross-jurisdictional claims	483,796
10	Cross-jurisdictional liabilities	223,213
Description		Fiscal 2015
11	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	4,498,960
12	Underwritten transactions in debt and equity markets (Note 4)	305

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and common equities.

2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).

3. The amount is calculated in accordance with the International Financial Reporting Standards.

4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

		(In 0.1 Billion Yen)
Description		As of March 31, 2015
1	Total exposures (A)+(B)+(C)+(D): (A) Counterparty exposure of derivatives contracts (B) Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs (C) Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and CET1 capital under the fully phased-in Basel III framework) (D) Notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	957,527
2	Intra-financial system assets (A)+(B)+(C)+(D): (A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions (B) Holdings of securities issued by other financial institutions (Note 1) (C) Net positive current exposure of SFTs with other financial institutions (D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	117,439
3	Intra-financial system liabilities (A)+(B)+(C): (A) Deposits due to, and undrawn committed lines obtained from, other financial institutions (B) Net negative current exposure of SFTs with other financial institutions (C) OTC derivatives with other financial institutions that have a net negative fair value	96,848
4	Securities outstanding (Note 1)	72,774
5	Assets under custody	67,209
6	Notional amount of OTC derivatives	309,912
7	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	134,960
8	Level 3 assets (Note 3)	15,275
9	Cross-jurisdictional claims	495,164
10	Cross-jurisdictional liabilities	200,341
Description		Fiscal 2014
11	Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	4,019,598
12	Underwritten transactions in debt and equity markets (Note 4)	409

Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and common equities.

2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).

3. The amount is calculated in accordance with the International Financial Reporting Standards.

4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

Composition of Leverage Ratio Disclosure (Consolidated)

(In Million Yen, %)

Corresponding line # on Basel III disclosure template (Table 2) (*)	Corresponding line # on Basel III disclosure template (Table 1) (*)	Items	As of March 31, 2016	As of March 31, 2015
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	97,176,350	92,791,953
1a	1	Total assets reported in the consolidated balance sheet	101,182,920	94,549,729
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (–)		
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	—	—
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (–)	4,006,570	1,757,776
2	7	The amount of adjustment items pertaining to Tier1 capital (–)	94,738	67,676
3		Total on-balance sheet exposures (a)	97,081,611	92,724,276
Exposures related to derivative transactions (2)				
4		Replacement cost associated with derivatives transactions, etc.	286,507	26,596
5		Add-on amount associated with derivatives transactions, etc.	354,424	232,988
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.	305,999	471,052
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework	—	—
7		The amount of deductions of receivables (out of those arising from providing cash variation margin) (–)	—	—
8		The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (–)		
9		Adjusted effective notional amount of written credit derivatives	—	—
10		The amount of deductions from effective notional amount of written credit derivatives (–)	—	—
11	4	Total exposures related to derivative transactions (b)	946,932	730,636
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	2,102,009	193,894
13		The amount of deductions from the assets above (line 12) (–)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	478,305	411,739
15		The exposures for agent repo transaction		
16	5	The Total exposures related to repo transactions, etc. (c)	2,580,315	605,633
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	3,087,439	2,673,385
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (–)	1,327,908	1,211,217
19	6	Total exposures related to off-balance sheet transactions (d)	1,759,530	1,462,167
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier1 capital) (e)	6,293,257	5,811,100
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	102,368,389	95,522,715
22		Leverage ratio on a consolidated basis ((e)/(f))	6.14%	6.08%

Note: Corresponding line # on Basel III disclosure template refers to that in Table 1 and Table 2 in the rule text of “Basel III leverage ratio framework and disclosure requirements” published by the Basel Committee on Banking Supervision on January 12, 2014. (<http://www.bis.org/publ/bcbs270.pdf>)

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Consolidated Basis

(Unit: Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2016)		The previous quarter (October 1 to December 31, 2015)	
		Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
High-quality liquid assets (1)					
1	Total high-quality liquid assets	27,471,558		27,836,513	
Cash outflows (2)					
2	Cash outflows relating to unsecured retail funding	62,539	6,272	62,697	6,276
3	of which: stable deposits	239	7	243	7
4	of which: quasi-stable deposits	62,300	6,265	62,455	6,269
5	Cash outflows relating to unsecured wholesale funding	10,579,816	7,846,912	11,316,860	8,555,698
6	of which: qualifying operational deposits	0	0	0	0
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,318,491	6,585,586	9,670,393	6,909,231
8	of which: debt securities	1,261,325	1,261,325	1,646,467	1,646,467
9	Cash outflows relating to secured funding, etc.	294,090		194,868	
10	Cash outflows relating to funding programs and credit/liquidity facilities such as derivative transactions, etc.	2,581,177	1,645,742	2,471,755	1,498,367
11	of which: cash outflows relating to derivative transactions	1,446,887	1,446,887	1,277,420	1,277,420
12	of which: cash outflows relating to funding programs	0	0	0	0
13	of which: cash outflows relating to credit/liquidity facilities	1,134,290	198,854	1,194,334	220,947
14	Cash outflows based on an obligation to provide capital	664,828	546,012	686,777	480,356
15	Cash outflows relating to contingencies	3,661,524	122,992	3,644,825	119,285
16	Total cash outflows	10,462,019		10,854,851	
Cash inflows (3)					
17	Cash inflows relating to secured fund management, etc.	1,161,894	0	4,122	0
18	Cash inflows relating to collections of advances, etc.	2,955,860	1,909,357	3,669,637	2,474,187
19	Other cash inflows	998,878	346,922	774,943	298,039
20	Total cash inflows	5,116,632	2,256,279	4,448,702	2,772,226
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	27,471,558		27,836,513	
22	Net cash outflows	8,205,740		8,082,625	
23	Liquidity coverage ratio on a consolidated basis	334.7		344.3	
24	The number of data for calculating the average value	3		3	

Qualitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Consolidated Basis

Items concerning a change in the consolidated liquidity coverage ratio on a time-series basis

The consolidated liquidity coverage ratio for the current quarter maintained a high and stable level.

Items concerning evaluation of the level of the consolidated liquidity coverage ratio

The consolidated liquidity coverage ratio for the current quarter has tended to be well above the minimum level.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's liquidity coverage ratio, there is no material item.

Other items concerning the consolidated liquidity coverage ratio

In light of the Bank's liquidity coverage ratio, there is no material item.

Capital Adequacy (Non-Consolidated)

Capital Ratio Information (Non-Consolidated)

Composition of Capital (Non-Consolidated)

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Common Equity Tier 1 capital: instruments and reserves						
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,113,093		4,854,345		
1a	of which: capital and capital surplus	3,455,509		3,400,930		E1.1+E1.2
2	of which: retained earnings	1,725,971		1,530,925		E2
26	of which: cash dividends to be paid	68,387		77,510		
	of which: other than the above	—		—		E3
3	Valuation and translation adjustments and other disclosed reserves	1,141,454	760,969	900,084	1,350,126	E4
	Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	—		—		
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,254,547		5,754,429		
Common Equity Tier 1 capital: regulatory adjustments						
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	8,061	5,374	5,619	8,428	
8	of which: goodwill (net of related tax liability, including those equivalent)	—	—	—	—	A1.1+A1.2
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	8,061	5,374	5,619	8,428	A2.1-A2.2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	—	—	
11	Deferred gains or losses on derivatives under hedge accounting	(34,239)	(22,826)	(14,913)	(22,369)	E7
12	Shortfall of eligible provisions to expected losses	23,907	15,938	14,316	21,474	
13	Securitisation gain on sale	—	—	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	—	—	
15	Defined-benefit pension fund net assets (prepaid pension costs)	3,516	2,344	490	736	A3-D3
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—	—	—	A4
17	Reciprocal cross-holdings in common equity	—	—	—	—	A5
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital	—	—	—	—	A6
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	—	—	
19	of which: significant investments in the common stock of financials	—	—	—	—	A7
20	of which: mortgage servicing rights	—	—	—	—	A8
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	—	—	

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
22	Amount exceeding the 15% threshold on specified items	—	—	—	—	
23	of which: significant investments in the common stock of financials	—	—	—	—	A9
24	of which: mortgage servicing rights	—	—	—	—	A10
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—		—		
28	Common Equity Tier 1 capital: regulatory adjustments (B)	1,246		5,513		
Common Equity Tier 1 capital (CET1)						
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,253,301		5,748,916		
Additional Tier 1 capital: instruments						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	49,000	49,000		E5.1+E5.2
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	—		D1.1+D1.2
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—		
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	599		699		
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	4		14		
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	4		14		
36	Additional Tier 1 capital: instruments (D)	49,604		49,714		
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	—	—	—	—	A11
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—	A12
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	—	—	—	A13
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	23,424	15,616	15,210	22,816	A14
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	7,969		10,737		
	of which: 50% of balance due to pay of eligible provisions	7,969		10,737		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	31,394		25,948		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	18,210		23,765		
Tier 1 capital (T1=CET1+AT1)						
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,271,511		5,772,681		
Tier 2 capital: instruments and provisions						
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	—		—		E6
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,415,480		1,387,791		D2.1+D2.2
	Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—		—		
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	147,816		148,216		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	3		3		
50a	of which: general reserve for possible loan losses	3		3		A15
50b	of which: eligible provisions	—		—		A16
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	487,200		852,868		
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	487,200		852,868		
51	Tier 2 capital: instruments and provisions (H)	2,050,500		2,388,878		
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments	—	—	—	—	A17
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	—	—	A18
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	—	—	—	—	A19
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	—	—	A20
	Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	7,969		10,737		
	of which: 50% of balance due to pay of eligible provisions	7,969		10,737		
57	Tier 2 capital: regulatory adjustments (I)	7,969		10,737		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	Amounts excluded under transitional arrangements	Ref. No.
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,042,530		2,378,141		
Total capital (TC=T1+T2)						
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,314,042		8,150,823		
Risk weighted assets						
	Total of items included in risk weighted assets under phase-out arrangements	31,627		45,028		
	of which: intangibles assets other than mortgage servicing rights	5,374		8,428		
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	23,908		35,863		
60	Risk weighted assets (L)	32,874,613		33,458,943		
Capital ratio (non-consolidated)						
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	19.02%		17.18%		
62	Tier 1 capital ratio (non-consolidated) ((G)/(L))	19.07%		17.25%		
63	Total capital ratio (non-consolidated) ((K)/(L))	25.29%		24.36%		
Regulatory adjustments						
72	Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	437,777		551,761		A21
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	67,401		67,400		A22
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—		—		A23
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—		—		
Provisions included in Tier 2 capital: instruments and provisions						
76	Provisions (general reserve for possible loan losses)	3		3		
77	Cap on inclusion of provisions (general reserve for possible loan losses)	82		55		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	—		—		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	175,487		177,921		
Capital instruments under phase-out arrangements						
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	599		699		
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	399		299		
84	Current cap on Tier 2 instruments under phase-out arrangements	921,604		1,075,204		
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—		—		

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

As of March 31, 2016

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	17,915,833		
Loans on deeds	16,348,723		
Loans on bills	359,252		
Overdrafts	1,205,150		
Bills discounted	2,705		
Including non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Non-significant investments in the capital instruments of other financial institutions not subject to deduction		105,000	A21
Foreign Exchanges Assets	237,332		
Due from foreign banks	237,332		
Securities	58,329,733	58,329,727	
Japanese government bonds	13,463,863	13,463,863	
Municipal government bonds	213	213	
Corporate bonds	85,777	85,777	
Stocks	853,508	853,508	
Other securities	43,926,371	43,926,365	
Money Held in Trust	4,922,102	4,922,102	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		—	A1.1
Securities and Money Held in Trust of which: investments in own capital instruments		—	—
Common Equity (excluding those reported in the Net Assets section)		—	A4
Additional Tier 1 capital		—	A11
Tier 2 capital		—	A17
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		—	—
Common Equity		—	A5
Additional Tier 1 capital		—	A12
Tier 2 capital		—	A18
Securities and Money Held in Trust of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		332,777	—
Common Equity		—	A6
Additional Tier 1 capital		—	A13
Tier 2 capital		—	A19
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		332,777	A21
Securities and Money Held in Trust of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		106,441	—
Amount exceeding the 10% threshold on specified items		—	A7
Amount exceeding the 15% threshold on specified items		—	A9
Additional Tier 1 capital		39,040	A14
Tier 2 capital		—	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		67,401	A22

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Trading Assets	14,284		
Trading securities	5,077		
Derivatives of trading securities	7		
Derivatives of securities related to trading transactions	5		
Trading-related financial derivatives	9,193		
Monetary Claims Bought	244,023		
Call Loans	139,877		
Payables under Repurchase Agreements	—		
Receivables under Resale Agreements	2,049,052		
Cash and Due from Banks	15,031,730		
Cash	111,190		
Due from banks	14,920,540		
Other Assets	1,032,564	1,032,584	
Domestic exchange settlement account, debit	82	82	
Prepaid expenses	2,746	2,746	
Accrued income	187,233	187,253	
Initial margins of futures markets	987	987	
Valuation margins of futures markets	6	6	
Derivatives other than for trading	502,223	502,223	
Cash collateral paid for financial instruments	305,005	305,005	
Others	34,279	34,279	
of which: defined-benefit pension fund net assets (prepaid pension costs)	8,111	8,111	A3
Tangible Fixed Assets	106,405		
Buildings	42,447		
Land	49,679		
Lease assets	10,912		
Construction in progress	775		
Other	2,589		
Intangible Fixed Assets	18,597	18,597	
Software	9,254	9,254	
Lease assets	3,301	3,301	
Other	6,041	6,041	
of which: goodwill and those equivalents (excluding those reported in the Net Assets section)		—	A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights		18,597	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,160	A2.2
of which: mortgage servicing rights (net of related deferred tax liabilities)		—	—
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A10
Amount below the thresholds for deduction (before risk weighting)		—	A23
Customers' Liabilities for Acceptances and Guarantees	173,161		
Reserve for Possible Loan Losses	(91,370)	(91,290)	
of which: general reserve for possible loan losses includes Tier 2		(3)	A15
of which: eligible provisions includes Tier 2		—	A16
Reserve for Possible Investment Losses	(1,344)		
Total Assets	100,130,096		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Liabilities)			
Deposits	58,838,558		
Time deposits	51,173,171		
Deposits at notice	40,207		
Ordinary deposits	2,948,829		
Current deposits	132,441		
Other deposits	4,543,908		
Negotiable Certificates of Deposit	3,598,338		
Debentures	3,133,079		
Debentures issued	3,133,079		
Bonds Payable		50,000	
of which: qualifying Additional Tier 1 instruments of which: classified as liabilities		—	D1.1
of which: qualifying Tier 2 instruments of which: classified as liabilities		—	D2.1
Trading Liabilities	8,476		
Derivatives of trading securities	—		
Derivatives of securities related to trading transactions	15		
Trading-related financial derivatives	8,461		
Borrowed Money	3,085,120	3,035,120	
Borrowings	3,085,120	3,035,120	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,415,480	D2.2
Call Money	4,276		
Payables under Repurchase Agreements	18,488,218		
Payables under Securities Lending Transactions	903,887		
Foreign Exchanges Liabilities	17		
Foreign bills payable	17		
Trust Money	1,397,731		
Other Liabilities	2,611,934		
Domestic exchange settlement account, credit	60		
Accrued expenses	63,746		
Income taxes payable	39,175		
Unearned income	760		
Employees' deposits	8,894		
Variation margins of futures markets	—		
Derivatives other than for trading	456,097		
Cash collateral received for financial instruments	313,410		
Lease liabilities	12,450		
Others	1,717,339		
Reserve for Bonus Payments	6,227		
Reserve for Employees' Retirement Benefits	18,846		
Reserve for Directors' Retirement Benefits	850		
Deferred Tax Liabilities	705,782	705,805	
of which: prepaid pension cost		2,251	D3
Deferred Tax Liabilities for Land Revaluation	9,263	9,263	
Acceptances and Guarantees	173,161		
Total Liabilities	92,996,456		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Net Assets)			
Paid-in Capital	3,480,488	3,480,488	
Common equity	3,455,488	3,455,488	E1.1
of which: lower dividend rate stock	3,029,771	3,029,771	
Preferred stock	24,999	24,999	
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.1
Capital Surplus	25,020	25,020	
Capital surplus	24,999	24,999	
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.2
Other capital surplus	20	20	E1.2
Reserve for revaluation	20	20	
Retained Earnings	1,725,717	1,725,971	E2
Legal reserves	613,866	613,866	
Voluntary reserves	1,111,851	1,112,105	
Special reserves	181,800	181,800	
General reserves	559,403	559,403	
Reserves for tax basis adjustments of fixed assets	7,139	7,139	
Others	7	7	
Unappropriated retained earnings	363,501	363,754	
Net income	271,580	271,591	
Total Owners' Equity	5,231,226	5,231,486	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
Net Unrealized Gains on Other Securities	2,118,027	2,118,027	
Net Deferred Losses on Hedging Instruments	(231,634)	(231,634)	
of which: net deferred losses on hedging instruments		(57,065)	E7
Revaluation Reserve for Land, net of taxes	16,020	16,020	
Foreign Currency Translation Adjustment		11	
Total Valuation and Translation Adjustment	1,902,413	1,902,424	E4
Total Net Assets	7,133,639		
Total Liabilities and Net Assets	100,130,096		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.

2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital."

As of March 31, 2015

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	19,935,726		
Loans on deeds	18,226,645		
Loans on bills	375,573		
Overdrafts	1,330,275		
Bills discounted	3,231		
Including non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Non-significant investments in the capital instruments of other financial institutions not subject to deduction		105,000	A21
Foreign Exchanges Assets	202,946		
Due from foreign banks	202,946		
Securities	59,738,559	59,738,553	
Japanese government bonds	13,770,207	13,770,207	
Municipal government bonds	765	765	
Corporate bonds	25,487	25,487	
Stocks	876,072	876,072	
Other securities	45,066,025	45,066,020	
Money Held in Trust	4,506,018	4,506,018	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		—	A1.1
Securities and Money Held in Trust of which: investments in own capital instruments		—	—
Common Equity (excluding those reported in the Net Assets section)		—	A4
Additional Tier 1 capital		—	A11
Tier 2 capital		—	A17
Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments		—	—
Common Equity		—	A5
Additional Tier 1 capital		—	A12
Tier 2 capital		—	A18
Securities and Money Held in Trust of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital		446,761	—
Common Equity		—	A6
Additional Tier 1 capital		—	A13
Tier 2 capital		—	A19
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		446,761	A21
Securities and Money Held in Trust of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		105,426	—
Amount exceeding the 10% threshold on specified items		—	A7
Amount exceeding the 15% threshold on specified items		—	A9
Additional Tier 1 capital		38,026	A14
Tier 2 capital		—	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		67,400	A22

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Trading Assets	10,099		
Trading securities	2,572		
Derivatives of trading securities	—		
Derivatives of securities related to trading transactions	62		
Trading-related financial derivatives	7,464		
Monetary Claims Bought	226,605		
Call Loans	569,902		
Payables under Repurchase Agreements	29,842		
Receivables under Resale Agreements	78,804		
Cash and Due from Banks	7,278,611		
Cash	125,387		
Due from banks	7,153,223		
Other Assets	877,757	877,776	
Domestic exchange settlement account, debit	90	90	
Prepaid expenses	951	951	
Accrued income	192,521	192,541	
Initial margins of futures markets	1,105	1,105	
Valuation margins of futures markets	—	—	
Derivatives other than for trading	148,798	148,798	
Cash collateral paid for financial instruments	469,946	469,946	
Others	64,343	64,343	
of which: defined-benefit pension fund net assets (prepaid pension costs)		1,698	A3
Tangible Fixed Assets	108,474		
Buildings	43,071		
Land	49,890		
Lease assets	11,383		
Construction in progress	20		
Other	4,108		
Intangible Fixed Assets	19,443	19,443	
Software	11,545	11,545	
Lease assets	3,519	3,519	
Other	4,378	4,378	
of which: goodwill and those equivalents (excluding those reported in the Net Assets section)		—	A1.2
of which: other intangible assets other than goodwill and mortgage servicing rights		19,443	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,395	A2.2
of which: mortgage servicing rights (net of related deferred tax liabilities)		—	—
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A10
Amount below the thresholds for deduction (before risk weighting)		—	A23
Customers' Liabilities for Acceptances and Guarantees	151,587		
Reserve for Possible Loan Losses	(114,920)	(114,815)	
of which: general reserve for possible loan losses includes Tier 2		(3)	A15
of which: eligible provisions includes Tier 2		—	A16
Reserve for Possible Investment Losses	(2,714)		
Total Assets	93,618,444		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Liabilities)			
Deposits	53,486,188		
Time deposits	47,338,747		
Deposits at notice	54,721		
Ordinary deposits	1,126,409		
Current deposits	86,545		
Other deposits	4,879,765		
Negotiable Certificates of Deposit	3,674,664		
Debentures	3,564,315		
Debentures issued	3,564,315		
Bonds Payable		50,000	
of which: qualifying Additional Tier 1 instruments of which: classified as liabilities		—	D1.1
of which: qualifying Tier 2 instruments of which: classified as liabilities		—	D2.1
Trading Liabilities	6,717		
Derivatives of trading securities	—		
Derivatives of securities related to trading transactions	5		
Trading-related financial derivatives	6,711		
Borrowed Money	2,436,513	2,386,513	
Borrowings	2,436,513	2,386,513	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,387,791	D2.2
Call Money	475,000		
Payables under Repurchase Agreements	17,707,639		
Payables under Securities Lending Transactions	74,682		
Foreign Exchanges Liabilities	35		
Foreign bills payable	35		
Trust Money	2,612,780		
Other Liabilities	1,321,639		
Domestic exchange settlement account, credit	44		
Accrued expenses	50,258		
Income taxes payable	79,299		
Unearned income	840		
Employees' deposits	8,611		
Variation margins of futures markets	52		
Derivatives other than for trading	591,896		
Cash collateral received for financial instruments	17,299		
Lease liabilities	13,333		
Others	560,006		
Reserve for Bonus Payments	5,917		
Reserve for Employees' Retirement Benefits	14,947		
Reserve for Directors' Retirement Benefits	766		
Deferred Tax Liabilities	843,611	843,640	
of which: prepaid pension cost		471	D3
Deferred Tax Liabilities for Land Revaluation	9,633	9,633	
Acceptances and Guarantees	151,587		
Total Liabilities	86,386,642		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Net Assets)			
Paid-in Capital	3,425,909	3,425,909	
Common equity	3,400,909	3,400,909	E1.1
of which: lower dividend rate stock	2,975,192	2,975,192	
Preferred stock	24,999	24,999	
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.1
Capital Surplus	25,020	25,020	
Capital surplus	24,999	24,999	
of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards		24,500	E5.2
Other capital surplus	20	20	E1.2
Reserve for revaluation	20	20	
Retained Earnings	1,530,683	1,530,925	E2
Legal reserves	532,966	532,966	
Voluntary reserves	997,717	997,959	
Special reserves	100,900	100,900	
General reserves	424,403	424,403	
Reserves for tax basis adjustments of fixed assets	7,523	7,523	
Others	7	7	
Unappropriated retained earnings	464,883	465,125	
Net income	404,551	404,446	
Total Owners' Equity	4,981,614	4,981,861	
of which: others		—	E3
of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards		—	E6
Net Unrealized Gains on Other Securities	2,338,046	2,338,046	
Net Deferred Losses on Hedging Instruments	(104,843)	(104,843)	
of which: net deferred losses on hedging instruments		(37,282)	E7
Revaluation Reserve for Land, net of taxes	16,984	16,984	
Foreign Currency Translation Adjustment		23	
Total Valuation and Translation Adjustment	2,250,187	2,250,211	E4
Total Net Assets	7,231,802		
Total Liabilities and Net Assets	93,618,444		

Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.

2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital."

Capital Adequacy (Non-Consolidated)

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

Regulatory Required Capital

(Billions of Yen)

Items	As of March 31, 2016		As of March 31, 2015	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	131,451	2,453	120,971	2,499
Exposure subject to Internal Ratings-Based Approach	111,960	2,428	105,708	2,477
Corporate exposure (excluding Specialized Lending)	6,640	257	6,387	261
Corporate exposure (Specialized Lending)	327	27	208	17
Sovereign exposure	61,832	0	58,056	0
Bank exposure	16,998	158	17,267	148
Retail exposure	3	1	3	1
Retail exposure secured by residential properties	0	0	—	—
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	3	1	3	1
Securitization and re-securitization exposure	4,768	36	5,436	60
Equity portfolios	1,249	202	1,297	217
Equity portfolios subject to PD/LGD approaches	836	91	868	97
Equity portfolios subject to simple risk-weighted method	89	30	67	22
Equities under the internal models approach	323	81	361	97
Grandfathered equity exposure	—	—	—	—
Exposure subject to risk-weighted asset calculation for investment fund	19,559	1,720	16,481	1,747
Other debt purchased	362	15	335	15
Other exposures	218	8	234	8
Exposure subject to Standardized Approach	6	0	4	0
Overdrafts	—	—	—	—
Prepaid expenses	2	0	0	0
Suspense payments	3	0	3	0
Other	—	—	—	—
Amount corresponding to CVA risk	675	6	314	6
CCP-related exposures	18,784	14	14,943	10
Items that included by transitional arrangements	23	2	33	3
Amount of regulatory required capital for market risk	/	197	/	227
Standardized Approach	/	197	/	226
Interest rate risk category	/	—	/	—
Equity risk category	/	—	/	—
Foreign exchange risk category	/	197	/	226
Commodity risk category	/	—	/	—
Option transactions	/	—	/	—
Internal models Approach	/	0	/	0
Amount of regulatory required capital for operational risk	/	70	/	59
Offsets on consolidation	/	2,721	/	2,785

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

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

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

4. Risk-weighted asset calculation for investment fund includes ¥95.3 billion EAD and ¥0.1 billion of Required Capital of CCP-related exposures.

5. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy Ratio. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy Ratio, Article 282).

(Billions of Yen)

Items	As of March 31, 2016	As of March 31, 2015
Non-consolidated total required capital	2,629	2,676

Note: Non-consolidated total required capital is an amount that results from multiplying the denominator of the formula by 8% as stipulated in Notification Regarding Capital Adequacy Ratio, Article 14.

Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded)

1. Credit Risk Exposure

Fiscal 2015 (Ended March 31, 2016)

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of Yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	17,930	15,029	52	18,773	51,786	85
Asia except Japan	270	147	27	82	527	—
Europe	277	9,824	108	7,186	17,397	—
The Americas	771	17,141	79	17,480	35,473	—
Other areas	127	441	17	252	838	—
Total	19,377	42,583	286	43,775	106,022	85

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,567	395	1	0	2,965	21	0
Agriculture	32	0	0	0	33	5	0
Forestry	7	—	—	—	7	0	—
Fishing	23	0	—	0	23	15	0
Mining	14	—	—	0	14	—	—
Construction	85	10	—	0	96	0	—
Utility	270	6	—	0	277	—	—
Information/telecommunications	80	7	—	0	88	—	—
Transportation	562	121	3	0	687	8	2
Wholesaling, retailing	1,451	113	0	0	1,565	8	0
Finance and insurance	2,379	10,075	280	43,546	56,281	1	—
Real estate	575	133	—	2	711	17	—
Services	1,321	128	0	1	1,451	7	—
Municipalities	57	0	—	0	57	—	—
Other	9,946	31,589	—	224	41,760	0	—
Total	19,377	42,583	286	43,775	106,022	85	3

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	14,389	2,505	132	42,785	59,811
Over 1 year to 3 years	1,603	13,314	146	198	15,262
Over 3 years to 5 years	1,724	16,422	2	0	18,149
Over 5 years to 7 years	789	5,197	0	0	5,988
Over 7 years	865	3,646	4	0	4,516
No term to maturity	5	1,497	—	791	2,294
Total	19,377	42,583	286	43,775	106,022

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2015.

2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥6.6 billion.

3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2014 (Ended March 31, 2015)

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of Yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	19,972	15,146	7	8,995	44,122	113
Asia except Japan	291	158	0	98	548	—
Europe	200	10,109	2	7,295	17,607	—
The Americas	709	18,300	15	16,753	35,779	—
Other areas	13	369	—	244	627	—
Total	21,187	44,085	25	33,386	98,685	113

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,400	401	0	0	2,803	22	0
Agriculture	28	0	0	0	28	5	0
Forestry	7	—	—	—	7	0	—
Fishing	26	—	—	0	26	19	0
Mining	5	—	—	0	5	—	—
Construction	90	9	—	0	99	1	—
Utility	234	8	0	0	242	—	—
Information/telecommunications	72	5	—	0	78	—	—
Transportation	564	133	3	0	700	14	—
Wholesaling, retailing	1,552	68	0	0	1,620	14	0
Finance and insurance	1,766	11,066	21	33,142	45,996	7	0
Real estate	520	85	—	3	609	19	—
Services	1,263	138	0	1	1,403	9	—
Municipalities	86	11	—	0	97	—	—
Other	12,568	32,158	—	238	44,965	0	—
Total	21,187	44,085	25	33,386	98,685	113	1

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	16,562	1,906	4	30,430	48,903
Over 1 year to 3 years	1,908	9,341	14	1,935	13,199
Over 3 years to 5 years	1,400	15,936	2	—	17,338
Over 5 years to 7 years	755	11,549	1	0	12,306
Over 7 years	558	4,034	3	0	4,595
No term to maturity	3	1,316	—	1,021	2,341
Total	21,187	44,085	25	33,386	98,685

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2014.

2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥4.4 billion.

3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

2. Reserves for Possible Loan Losses

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of Yen)

Region	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
General reserve for possible loan losses	14	20	(6)
Specific reserve for possible loan losses	35	50	(14)
Japan	35	50	(14)
Asia except Japan	—	—	—
Europe	—	—	—
The Americas	—	—	—
Other areas	—	—	—
Specified reserve for loans to countries with financial problems	—	—	—
Total	50	71	(20)

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of Yen)

Industry	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
General reserve for possible loan losses	14	20	(6)
Specific reserve for possible loan losses	35	50	(14)
Manufacturing	4	5	(0)
Agriculture	3	3	(0)
Forestry	0	0	0
Fishing	5	7	(2)
Mining	—	—	—
Construction	0	0	(0)
Utility	—	—	—
Information/telecommunications	—	—	—
Transportation	3	3	0
Wholesaling, retailing	2	3	(0)
Finance and insurance	0	0	(0)
Real estate	9	17	(7)
Services	5	7	(2)
Municipalities	—	—	—
Other	—	—	—
Others	—	—	—
Specified reserve for loans to countries with financial problems	—	—	—
Total	50	71	(20)

3. Exposure Subject to the Internal Ratings-Based Approach

a. Corporate, Sovereign and Bank Exposure

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet) EAD (off-balance sheet)	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	1.25%	44.96%	49%	6,640	5,873	767
1-1 to 4	0.12%	45.00%	36%	6,151	5,419	732
5 to 7	1.71%	44.62%	118%	355	329	26
8-1 to 8-2	15.84%	44.74%	319%	76	68	8
Subtotal	0.39%	44.97%	44%	6,583	5,817	766
8-3 to 10-2	100.00%	43.70%	551%	57	56	1
Sovereign Exposure	0.00%	45.00%	0%	61,832	59,953	1,878
1-1 to 4	0.00%	45.00%	0%	61,831	59,953	1,878
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	0.01%	3%	0	0	—
Subtotal	0.00%	45.00%	0%	61,832	59,953	1,878
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	23.51%	12%	16,998	7,599	9,398
1-1 to 4	0.04%	23.53%	11%	16,941	7,547	9,394
5 to 7	2.43%	19.54%	68%	48	44	4
8-1 to 8-2	8.94%	5.29%	31%	8	8	0
Subtotal	0.05%	23.51%	12%	16,998	7,599	9,398
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.15%	90.00%	136%	836	836	—
1-1 to 4	0.09%	90.00%	133%	824	824	—
5 to 7	2.15%	90.00%	299%	9	9	—
8-1 to 8-2	15.84%	90.00%	541%	2	2	—
Subtotal	0.15%	90.00%	136%	836	836	—
8-3 to 10-2	100.00%	90.00%	1,193%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).

2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	1.72%	44.72%	51%	6,387	5,676	711
1-1 to 4	0.13%	44.74%	35%	5,815	5,143	672
5 to 7	1.69%	44.59%	118%	398	366	31
8-1 to 8-2	15.79%	44.68%	323%	92	86	6
Subtotal	0.45%	44.73%	45%	6,306	5,596	710
8-3 to 10-2	100.00%	43.98%	554%	81	79	1
Sovereign Exposure	0.00%	45.00%	0%	58,056	55,971	2,084
1-1 to 4	0.00%	45.00%	0%	58,055	55,970	2,084
5 to 7	0.86%	45.00%	131%	0	0	—
8-1 to 8-2	9.88%	42.18%	226%	0	0	—
Subtotal	0.00%	45.00%	0%	58,056	55,971	2,084
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.04%	22.80%	11%	17,267	8,109	9,157
1-1 to 4	0.03%	22.83%	11%	17,208	8,055	9,153
5 to 7	1.87%	15.82%	57%	48	44	3
8-1 to 8-2	8.94%	5.67%	33%	9	9	0
Subtotal	0.04%	22.80%	11%	17,266	8,109	9,157
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.26%	90.00%	140%	868	868	—
1-1 to 4	0.09%	90.00%	134%	850	850	—
5 to 7	2.05%	90.00%	300%	12	12	—
8-1 to 8-2	15.52%	90.00%	702%	5	5	—
Subtotal	0.22%	90.00%	140%	868	868	—
8-3 to 10-2	100.00%	90.00%	1,192%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).

2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

b. Retail Exposure

Details on PD, LGD, RW and EAD Assets

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (Billions of Yen)	
							EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	5.13%	43.53%	71.63%	59.45%	89%	122	122	—
Not default Not delinquent	0.64%	43.53%	/	/	43%	111	111	—
Not default Delinquent	27.77%	43.53%	/	/	405%	7	7	—
Not default Subtotal	2.27%	43.53%	/	/	65%	119	119	—
Default	100.00%	/	71.63%	59.45%	895%	3	3	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	26.76%	83.45%	114.57%	98.26%	458%	3	1	2
Not default Not delinquent	2.07%	84.20%	/	/	133%	2	0	2
Not default Delinquent	21.03%	46.54%	/	/	225%	0	0	0
Not default Subtotal	2.45%	83.45%	/	/	135%	2	0	2
Default	100.00%	/	114.57%	98.26%	1,432%	0	0	0
Total	5.79%	44.47%	80.63%	67.58%	100%	126	124	2
Not default Not delinquent	0.68%	44.53%	/	/	45%	114	112	2
Not default Delinquent	27.71%	43.55%	/	/	404%	7	7	0
Not default Subtotal	2.28%	44.47%	/	/	67%	121	119	2
Default	100.00%	/	80.63%	67.58%	1,008%	4	4	0

Notes: 1. As of March 31, 2016, the majority of retail exposure is purchased retail receivables which are included in investment funds. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2016, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.94%	43.87%	83.79%	70.14%	94%	142	142	—
Not default Not delinquent	0.67%	43.87%	/	/	45%	129	129	—
Not default Delinquent	28.09%	43.87%	/	/	410%	9	9	—
Not default Subtotal	2.56%	43.87%	/	/	70%	138	138	—
Default	100.00%	/	83.79%	70.14%	1,047%	3	3	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	25.95%	81.83%	115.02%	99.17%	447%	4	1	2
Not default Not delinquent	2.01%	81.96%	/	/	128%	3	0	2
Not default Delinquent	30.61%	39.17%	/	/	211%	0	0	0
Not default Subtotal	2.10%	81.83%	/	/	128%	3	0	2
Default	100.00%	/	115.02%	99.17%	1,438%	1	1	0
Total	5.57%	44.99%	91.06%	76.89%	104%	146	144	2
Not default Not delinquent	0.70%	44.81%	/	/	47%	132	130	2
Not default Delinquent	28.09%	43.86%	/	/	410%	9	9	0
Not default Subtotal	2.55%	44.75%	/	/	71%	142	139	2
Default	100.00%	/	91.06%	76.89%	1,138%	4	4	0

Notes: 1. As of March 31, 2015, the majority of retail exposure is purchased retail receivables which are included in investment funds. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of March 31, 2015, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

Actual Losses by Exposure Types

(Billions of Yen)

Type of exposure	As of March 31, 2016	As of March 31, 2015	Increase/(decrease)
Corporate exposure	1	3	(1)
Sovereign exposure	—	—	—
Bank exposure	—	—	—
Equity exposure subject to PD/LGD approach	0	1	(1)
Retail exposure secured by residential properties	0	—	0
Qualifying revolving retail exposure	—	—	—
Other retail exposure	0	0	(0)
Total	1	4	(2)

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Comparison between Actual Losses in the Previous Fiscal Year and Past Financial Results and Analysis of Causes

Credit conditions have generally remained favorable, and ¥2.5 billion year-on-year. the total value of actual losses for fiscal 2015 were down

Comparison of Estimated Losses and Actual Losses

(Billions of Yen)

Type of exposure	As of March 31, 2016		As of March 31, 2015		As of March 31, 2014	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	15	1	17	3	20	0
Sovereign exposure	0	—	0	—	0	—
Bank exposure	0	—	0	—	1	—
Equity exposure subject to PD/LGD approach	0	0	0	1	0	—
Retail exposure secured by residential properties	0	0	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

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

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	55	42	45	23	28	6
Sovereign exposure	0	—	1	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	0	0	1	0
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

Type of exposure	As of March 31, 2007	
	Estimated losses	Actual losses
Corporate exposure	27	18
Sovereign exposure	1	—
Bank exposure	0	—
Equity exposure subject to PD/LGD approach	0	0
Retail exposure secured by residential properties	—	—
Qualifying revolving retail exposure	—	—
Other retail exposure	0	0

Notes: 1. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

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

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by Risk Weight

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Specialized Lending exposure subject to supervisory slotting criteria	373	247
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	373	247
Risk weight of 50%	43	5
Risk weight of 70%	201	156
Risk weight of 90%	84	43
Risk weight of 115%	7	17
Risk weight of 250%	18	5
Risk weight of 0% (default)	19	19
High-Volatility Commercial Real Estate (HVCRE)	—	—
Risk weight of 70%	—	—
Risk weight of 95%	—	—
Risk weight of 120%	—	—
Risk weight of 140%	—	—
Risk weight of 250%	—	—
Risk weight of 0% (default)	—	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy Ratio, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy Ratio, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.

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

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by Risk Weight

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	89	67
Risk weight of 300%	—	—
Risk weight of 400%	89	67

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy Ratio, Article 143-4).

4. Exposure Subject to Standardized Approach

Amount of Exposure Subject to Standardized Approach

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	6	—	4	—
Risk weight of 0%	—	—	—	—
Risk weight of 10%	—	—	—	—
Risk weight of 20%	—	—	—	—
Risk weight of 35%	—	—	—	—
Risk weight of 50%	—	—	—	—
Risk weight of 75%	—	—	—	—
Risk weight of 100%	6	—	4	—
Risk weight of 150%	—	—	—	—
Risk weight of 1,250%	—	—	—	—
Others	—	—	—	—

Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.

Credit Risk Mitigation Techniques (Non-Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques

(Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Foundation Internal Ratings-Based Approach	8,230	8,586
Eligible financial collateral	7,557	8,007
Corporate exposure	57	38
Sovereign exposure	0	0
Bank exposure	7,499	7,968
Other eligible IRB collateral	—	—
Corporate exposure	—	—
Sovereign exposure	—	—
Bank exposure	—	—
Guarantees, Credit Derivatives	673	579
Corporate exposure	388	346
Sovereign exposure	231	231
Bank exposure	52	1
Retail exposure secured by residential properties	—	—
Qualifying revolving retail exposure	—	—
Other retail exposure	—	—
Standardized Approach	—	—
Eligible financial collateral	—	—
Guarantees, Credit Derivatives	—	—

Note: Exposure subject to risk-weighted asset calculation for investment fund is not included.

Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

Methods Used for Calculating Amount of Credit Exposure

The current exposure method has been adopted.

Breakdown of the Amount of Credit Exposure

		(Billions of Yen)	
Classification		As of March 31, 2016	As of March 31, 2015
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	510	155
Total gross add-ons	(B)	498	538
Gross credit exposure	(C) = (A)+(B)	1,008	694
Foreign exchange related		880	588
Interest rate related		127	104
Equity related		0	1
Credit derivatives		—	—
Transactions with a long settlement period		—	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	324	384
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	683	310
Amount of collateral	(F)	314	4
Eligible financial collateral		314	4
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	369	306

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.

2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

		(Billions of Yen)	
Classification		As of March 31, 2016	As of March 31, 2015
To buy protection		—	—
Credit default swaps		—	—
Total return swaps		—	—
To sell protection		—	—
Credit default swaps		—	—
Total return swaps		—	—
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques		—	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.

2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 21-2, 3 and Article 56, the amount of credit risk assets not computed has not been included.

Securitization Exposure (Non-Consolidated)

1. Items to Calculate Risk-Weighted Asset for Credit Risk

Details of Securitization Exposure Held as Originator

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Total amount of underlying assets	—	—
Amounts of assets held by securitization transactions purpose	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—
Amounts of securitization exposure	—	—
Amounts of re-securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Amounts of securitization exposure that applied risk weight 1,250%	—	—
Amounts of re-securitization exposure subject to credit risk mitigation techniques	—	—

Details of Securitization Exposure Held as Investor by Exposure Type

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	Risk weight 1,250%
Amount of exposure	4,768 (10)	1 (0)	134	0	134	0
Individuals						
Asset-Backed Securities (ABS)	662 (5)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,902 (—)	— (—)	3	—	3	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	65 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	2,136 (—)	0 (—)	130	0	130	0
Collateralized Loan Obligations (CLO)	2,136 (—)	— (—)	130	—	130	—
Asset-Backed Securities CDOs (ABS-CDO)	0 (—)	0 (—)	0	0	—	0
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	1 (0)	1 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposures of the underlying assets in the securitization exposure.

2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Classification	Total amount of securitization exposure					
	Amount of exposure	Risk weight 1,250%	Re-securitization exposure			Risk weight 1,250%
			Amount of exposure	Re-securitization products (Secondary, tertiary)	Re-securitization products peculiar to regulation	
Amount of exposure	5,436 (2)	10 (0)	380	102	278	7
Individuals						
Asset-Backed Securities (ABS)	1,277 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	2,289 (—)	— (—)	4	—	4	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	68 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	1,797 (—)	7 (—)	376	102	273	7
Collateralized Loan Obligations (CLO)	1,695 (—)	— (—)	273	—	273	—
Asset-Backed Securities CDOs (ABS-CDO)	102 (—)	7 (—)	102	102	—	7
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	4 (1)	3 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposures of the underlying assets in the securitization exposure.

2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Amount of exposure			Regulatory required capital		
	On-balance	Off-balance		On-balance	Off-balance	
Amount of securitization exposure	4,634	4,633	1	32	32	0
Risk weight: 20% or less	4,618	4,618	0	29	29	0
Risk weight: exceeding 20% to 50% or less	7	7	—	0	0	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	0	—	0	0	—	0
Risk weight: exceeding 250% to less than 1,250%	5	4	0	1	1	0
Risk weight: 1,250%	1	1	0	1	1	0
Amount of re-securitization exposure	134	134	—	3	3	—
Risk weight: 20% or less	3	3	—	0	0	—
Risk weight: exceeding 20% to 50% or less	130	130	—	3	3	—
Risk weight: exceeding 50% to 100% or less	—	—	—	—	—	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	—	—	—	—	—	—
Risk weight: 1,250%	0	0	—	0	0	—

Fiscal 2014 (Ended March 31, 2015)

(Billions of Yen)

Classification	Amount of exposure		Regulatory required capital			
	On-balance	Off-balance	On-balance	Off-balance	Off-balance	
Amount of securitization exposure	5,056	5,054	2	38	37	1
Risk weight: 20% or less	5,001	5,000	0	31	31	0
Risk weight: exceeding 20% to 50% or less	39	39	—	1	1	—
Risk weight: exceeding 50% to 100% or less	6	6	—	0	0	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	6	5	1	2	1	0
Risk weight: 1,250%	3	2	0	3	2	0
Amount of re-securitization exposure	380	380	—	21	21	—
Risk weight: 20% or less	4	4	—	0	0	—
Risk weight: exceeding 20% to 50% or less	360	360	—	11	11	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	5	5	—	1	1	—
Risk weight: 1,250%	7	7	—	8	8	—

Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Amount of exposure	Regulatory required capital	Amount of exposure	Regulatory required capital
Amount of re-securitization exposure	—	—	—	—
Risk weight applied to guarantor: 20% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 20% to 50% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 50% to 100% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 100% to 250% or less	—	—	—	—
Risk weight applied to guarantor: exceeding 250% to less than 1,250%	—	—	—	—
Risk weight applied to guarantor: 1,250%	—	—	—	—

Risk-Weighted Asset Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

2. Securitization Exposure Subject to Market Risk

Not applicable

Market Risk (Non-Consolidated)

Computation of Market Risk Amount by Internal Models Approach

■ VaR

(Millions of Yen)

	Fiscal 2015	Fiscal 2014
Base date of computation	2016. 3. 31	2015. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	83	69
Maximum	88	327
Minimum	30	18
Average	51	75

■ Stress VaR

(Millions of Yen)

	Fiscal 2015	Fiscal 2014
Base date of computation	2016. 3. 31	2015. 3. 31
Stress VaR (For the most recent 60 business days)		
Base date of computation	285	355
Maximum	285	355
Minimum	62	55
Average	119	161

■ Amount of Market Risk

(Millions of Yen)

		Fiscal 2015	Fiscal 2014
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	512	711
Value at Risk (MAX (C, D))	(B)	154	226
Amount on base date of computation	(C)	83	69
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	154	226
(Multiplier)	(E)	3	3
(Times exceeding VaR in back testing)	(F)	2	2
Stress Value at Risk (MAX (H, I))	(G)	358	484
Amount on base date of computation	(H)	285	355
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	358	484
Additional amount at the time of measuring individual risk	(J)	0	0

Notes: 1. As a result of back testing conducted in fiscal 2015, actual gains and losses did not diverge substantially downward from the VaR value.

2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, the Bank scrutinizes the relevant model factors and revises the model if necessary.

3. Since the Bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.

Equity Exposure (Non-Consolidated)

(Includes items such as shares; excludes items in trading accounts)

Amount on the Balance Sheet and Market Value

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Equity exposure	1,249	/	1,297	/
Exposure to publicly traded equity	1,009	1,009	1,074	1,074
Exposure to privately held equity	240	/	222	/

Note: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 14 were not included.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of Yen)

Item	Fiscal 2015			Fiscal 2014		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	4	1	0	19	0	1

Note: Amounts reflect relevant figures posted in the income statements.

Amount of Valuation Gains (Losses)

(Billions of Yen)

Item	As of March 31, 2016	As of March 31, 2015
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	391	422

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.

2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 14 were not included.

Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

Equity Exposures for Each Portfolio Classification

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
	EAD	EAD
Equity portfolios	1,249	1,297
Equity portfolios subject to PD/LGD approaches	836	868
Equity portfolios subject to simple risk-weighted method	89	67
Equities under the internal models approach	323	361

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Non-Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of Yen)

Classification	As of March 31, 2016		As of March 31, 2015	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	14,630	72%	12,552	76%
Majority approach	677	380%	637	380%
Mandate approach	—	—	—	—
Market-based approach	1,762	333%	2,460	350%
Others (simple approach)	266	429%	192	432%
Total	17,337	109%	15,842	132%

- Notes: 1. The “Look-through approach” is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-1.)
2. The “Majority approach” is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-2.)
3. The “Mandate approach” is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-3.)
4. The “Market-based approach” is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank’s internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-4.)
5. The “Others (simple approach)” is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-5.)
6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.

Interest Rate Risk (Non-Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of Yen)

Classification	As of March 31, 2016	As of March 31, 2015
Interest rate risk	1,811	2,125
Yen interest rate risk	234	119
U.S. dollar interest rate risk	1,246	1,599
Euro interest rate risk	311	379
Interest rate risk in other currencies	18	27

- Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility.
2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity due to call conditions and other factors.

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Non-Consolidated Basis

(Unit: Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2016)		The previous quarter (October 1 to December 31, 2015)	
		Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
High-quality liquid assets (1)					
1	Total high-quality liquid assets		27,471,558		27,836,513
Cash outflows (2)					
2	Cash outflows relating to unsecured retail funding	62,539	6,272	62,697	6,276
3	of which: stable deposits	239	7	243	7
4	of which: quasi-stable deposits	62,300	6,265	62,455	6,269
5	Cash outflows relating to unsecured wholesale funding	10,537,350	7,801,652	11,269,586	8,504,263
6	of which: qualifying operational deposits	0	0	0	0
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,276,025	6,540,326	9,623,036	6,857,714
8	of which: debt securities	1,261,325	1,261,325	1,646,550	1,646,550
9	Cash outflows relating to secured funding, etc.		294,090		194,868
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	2,581,177	1,645,742	2,471,755	1,498,367
11	of which: cash outflows relating to derivative transactions	1,446,887	1,446,887	1,277,420	1,277,420
12	of which: cash outflows relating to funding programs	0	0	0	0
13	of which: cash outflows relating to credit/liquidity facilities	1,134,290	198,854	1,194,334	220,947
14	Cash outflows based on an obligation to provide capital	664,802	545,986	686,747	480,327
15	Cash outflows relating to contingencies	3,087,237	106,818	3,111,149	103,626
16	Total cash outflows		10,400,559		10,787,728
Cash inflows (3)					
17	Cash inflows relating to secured fund management, etc.	1,161,894	0	4,122	0
18	Cash inflows relating to collections of advances, etc.	3,009,145	1,962,940	3,726,171	2,531,051
19	Other cash inflows	998,603	346,647	774,643	297,738
20	Total cash inflows	5,169,642	2,309,587	4,504,936	2,828,789
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included		27,471,558		27,836,513
22	Net cash outflows		8,090,973		7,958,938
23	Liquidity coverage ratio on a consolidated basis		339.5		349.7
24	The number of data for calculating the average value		3		3

Qualitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Non-Consolidated Basis

Items concerning a change in the non-consolidated liquidity coverage ratio on a time-series basis

The non-consolidated liquidity coverage ratio for the current quarter maintained a high and stable level.

Items concerning evaluation of the level of the non-consolidated liquidity coverage ratio

The non-consolidated liquidity coverage ratio for the current quarter has tended to be well above the minimum level.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's liquidity coverage ratio, there is no material item.

Other items concerning the non-consolidated liquidity coverage ratio

In light of the Bank's liquidity coverage ratio, there is no material item.

Compensation

■ Compensation Structure Disclosure

The Bank has disclosed its compensation structure since March 2012 based on Notification No. 10 in 2012 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled “Matters set forth separately by the Minister of Agriculture, Forestry and

Fisheries of Japan and the Financial Services Agency Commissioner, based on Article 112-6 of the Ordinance for Enforcement of The Norinchukin Bank Law, Article 112-6 and Article 113-4 of said Ordinance” (hereinafter “Compensation Notification”).

1. Compensation Structure for the Subject Directors and Employees of the Bank

■ Definition of the Subject Directors and Employees

The scope of the Subject Directors and the Subject Employees stipulated in the Compensation Notification who are subject to compensation disclosure is described below.

● Definition of the Subject Directors

The Subject Directors are the Bank’s Board members and Audit & Supervisory Board members. The Supervisory Committee members and part-time Audit & Supervisory Board members are excluded from the scope.

● Definition of the Subject Employees

Among the Bank’s directors other than the Subject Directors, and the Bank’s employees, as well as the Bank’s major consolidated subsidiaries’ directors and employees, who are “Highly Compensated Persons” that exert a major material impact on the business operations or financial status of the Bank or its major subsidiaries are deemed the Subject Employees and are thereby subject to compensation disclosure. None of the Bank’s directors other than the Subject Directors, or the Bank’s employees, as well as the directors or employees of its major subsidiaries fall under the category of the Subject Employees.

Definition of Major Consolidated Subsidiaries

Major consolidated subsidiaries are the subsidiaries whose

ratio of total assets to the Bank’s consolidated total assets is 2% or higher, and which have a material impact on the Group management. However, none of the Bank’s consolidated subsidiaries fall under this category.

Definition of Highly Compensated Persons

Highly Compensated Persons are those persons whose compensation is higher than the average for the Subject Directors, calculated by dividing the total compensation described in the chart “Total Compensation for the Subject Directors” by the number of directors stipulated in the table. Regarding retirement lump sum payments, once the total retirement lump sum payment has been subtracted from the total compensation, the amount obtained by dividing the total lump sum payment by the number of years in office is then added to the remaining compensation amount. This amount is regarded as a person’s total compensation and becomes the basis of the judgment whether the person is a Highly Compensated Person.

Definition of Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group

Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group are those persons whose ordinary transactions and areas of management exert a considerable influence on the business operations of the Bank, the Group and the major consolidated

subsidiaries, or persons whose transactions exert a considerable influence on the financial status of the Group through the generation of losses.

■ Determining the Subject Directors' Compensation

Regarding the Bank's compensation structure for directors, the Bank established the Director Compensation Deliberation Committee as a body under the advisory of the Supervisory Committee that deliberates on compensation issues. The Director Compensation Deliberation Committee deliberates on the Bank's director compensation standards and total compensation of those who are eligible to receive retirement benefit payments, as well as the standards for such payments. The Director Compensation Deliberation Committee is composed of committee members (cooperative organization representatives, attorneys, CPAs, and President and Chief Executive Officer) commissioned by the Supervisory Committee, and the Chairman of the Director Compensation Deliberation Committee is appointed by the Chairman of the Supervisory Committee from among those committee members who are attorneys and CPAs.

Based on the results of the Director Compensation

Deliberation Committee's discussions, proposals concerning total director compensation and retirement benefits are presented to the Supervisory Committee, and those proposals are finally discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members consultation.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members consultation for Audit & Supervisory Board members.

■ Total Compensation Paid to Director Compensation Deliberation Committee Members and Number of Times the Committee has Convened

The Director Compensation Deliberation Committee convened once between April 2015 and March 2016. The Committee members received no compensation.

2. Matters Related to the Evaluation of the Appropriateness of the Design and Operation of the Bank's Compensation Structure for the Subject Directors

■ Compensation Policy

● Compensation Policy for the Subject Directors

The actual compensation of directors of the Bank is composed of the directors' compensation and retirement benefits.

In light of the special nature of the Bank's role as the central bank for cooperatives, as well as financial institution for farmers, fishermen and foresters, and trends in cooperative groups and other business sectors, director

compensation is decided through fixed compensation based on a director's rank and variable compensation, taking into account the achievement of the Bank's management plans. For Audit & Supervisory Board Members, there is no variable compensation based on the achievement of the Bank's management plans.

Retirement benefits are calculated by applying a fixed weighting based on a director's compensation during his

or her term of office in line with the retirement benefit payment rules.

The decision-making process for the retirement benefits is as follows. Proposals presented for total director compensation and retirement benefits are decided by the Supervisory Committee based on the results of the Director Compensation Deliberation Committee's discussions. These proposals are then ultimately discussed and decided at the Council of Delegates.

Within the limits of total compensation decided at the Council of Delegates, the compensation of directors

is decided at the Board of Directors meeting and the compensation of Audit & Supervisory Board members is decided through Audit & Supervisory Board members consultation.

In addition, following a resolution at the Council of Delegates, the actual amount of retirement benefits is decided at the Board of Directors meeting for Board members and through Audit & Supervisory Board members consultation for Audit & Supervisory Board members.

3. The Bank's Compensation Structure for the Subject Directors, its Risk Management Consistency, and the Link between Compensation and Performance

As described in the previous section, the final decision on the Subject Directors' total compensation is decided at the Council of Delegates.

The Bank's compensation structure has no adverse effect on risk management, nor is it disproportionately linked to performance.

4. Other Matters for Reference Concerning the Bank's Compensation Structure for the Subject Directors

Aside from that mentioned in the preceding paragraph, no matters fall under this category.

Total Compensation for the Subject Directors (from April 1, 2015 to March 31, 2016)

Category	Number of directors	Total compensation (Millions of yen)									
		A+B+C	Total amount of fixed compensation			Total amount of variable compensation			Retirement benefits C	Other	
			A	Basic	Other	B	Basic	Bonus			Other
Subject directors	20	802	455	455	—	167	167	—	—	180	—

Status of Capital and Shareholders

Members and Share Ownership (As of March 31, 2016)

(1) Common Stocks (Including lower dividend rate stocks)

The face value of one common stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Agricultural Cooperatives	821 (155)	7,034,887,170 (5,999,500,000)
Federations of Agricultural Cooperatives	104 (33)	26,466,253,840 (23,704,080,000)
Forestry Cooperatives	619 (0)	19,588,080 (0)
Forestry Production Cooperatives	11 (0)	14,650 (0)
Federations of Forestry Cooperatives	47 (0)	22,948,340 (0)
Fishery Cooperatives	986 (4)	126,723,151 (66,520,000)
Fishery Production Cooperatives	24 (0)	202,840 (0)
Federations of Fishery Cooperatives	84 (29)	851,334,389 (527,610,000)
Marine Products Processing Cooperatives	40 (0)	627,100 (0)
Federations of Marine Products Processing Cooperatives	6 (0)	694,650 (0)
Mutual Insurance Federation of Fishery Cooperative Associations	1 (0)	7,064,800 (0)
Agricultural Mutual Relief Insurance Associations	37 (0)	692,100 (0)
Federations of Agricultural Mutual Relief Insurance Associations	26 (0)	666,700 (0)
Fishing Boat Insurance Associations	20 (0)	2,454,350 (0)
Agricultural Credit Guarantee Fund Associations	10 (0)	139,650 (0)
Fishery Credit Guarantee Fund Associations	36 (0)	17,159,100 (0)
Fishery Mutual Relief Insurance Associations	12 (0)	132,000 (0)
Federation of Fishery Mutual Relief Insurance Associations	1 (0)	292,800 (0)
Land Improvement Districts	773 (0)	2,876,240 (0)
Federations of Land Improvement Districts	4 (0)	2,850 (0)
Medium and Small-Sized Enterprise Cooperative Associations Related to Sericulture, Forestry or Salt Production	15 (0)	133,500 (0)
Total	3,677 (221)	34,554,888,300 (30,297,710,000)

(2) Preferred Stocks

The face value of one stock is ¥100.

Type of Organization	Number of Members	Stocks Owned
Financial Institutions	9	26,787,410
Securities Companies	3	5,577,700
Other Corporations	19	23,426,340
Total	31	55,791,450

Voting Rights of Members

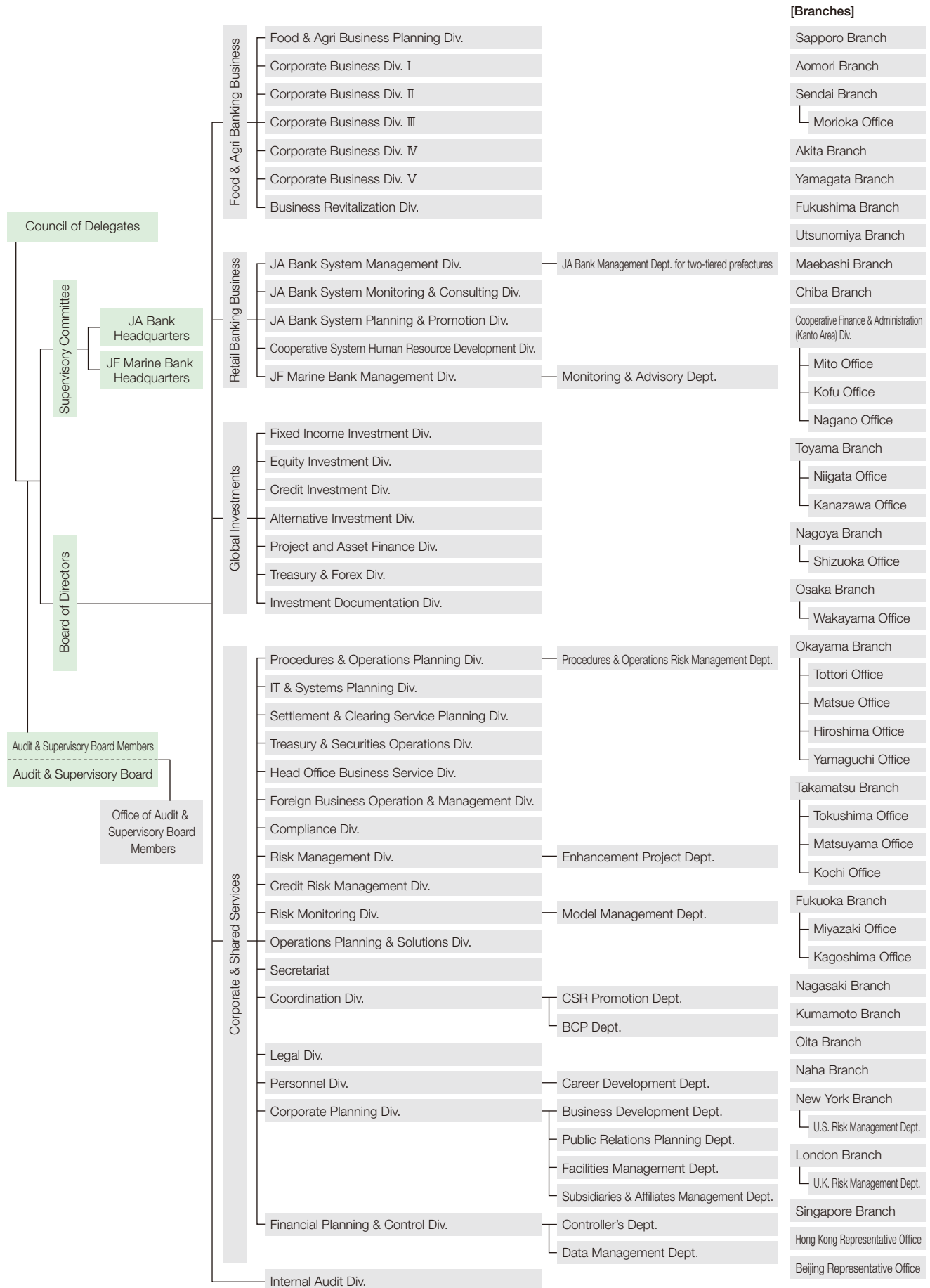
The Norinchukin Bank is the central financial institution for Japan's agricultural, fishery and forestry cooperative system. The supreme management decision-making organization for the Bank is the Council of Delegates, which consists of representative members and substitutes for the general meetings of all shareholders. Unlike stock companies, where one share represents one vote, the voting rights of the members of the Council of Delegates are equal regardless of the number of investment units they own. For this reason, a list of major shareholders has not been included in this report.

Trends in the Bank's Capital

Millions of Yen

Date	Increase in Capital	Capital after Increase	Method of Increase
November 30, 1983	15,000	45,000	Allotment
November 30, 1990	30,000	75,000	Allotment
November 30, 1992	25,000	100,000	Allotment
February 16, 1995	24,999	124,999	Private placement
September 25, 1997	150,000	274,999	Allotment
March 25, 1998	850,000	1,124,999	Allotment
November 29, 2002	100,000	1,224,999	Allotment
December 1, 2005	225,717	1,450,717	Allotment
March 30, 2006	14,300	1,465,017	Allotment
September 29, 2006	19,000	1,484,017	Allotment
November 26, 2007	15,900	1,499,917	Allotment
February 28, 2008	12,900	1,512,817	Allotment
March 25, 2008	503,216	2,016,033	Allotment
December 29, 2008	24,800	2,040,833	Allotment
March 30, 2009	1,380,537	3,421,370	Allotment
September 28, 2009	4,539	3,425,909	Allotment
September 29, 2015	45,551	3,471,460	Allotment
December 29, 2015	9,028	3,480,488	Allotment

Organizational Diagram (As of July 1, 2016)



Directors and Auditors (As of June 30, 2016)

Supervisory Committee

Choe Okuno
Katsunori Ishikawa
Kazushige Yamagami
Mitsuo Takakuwa
Hiroshi Kishi
Shigeyoshi Sato
Yukio Hasegawa
Masatoshi Sudo
Michiya Suzuki
Eiichi Mori
Masao Uchimura
Takehisa Yokouchi
Norimoto Ishidou
Hideaki Kubori
Eiichiro Kinoshita
Yoshio Kono
Masataka Miyazono

Board of Directors

President & Chief Executive Officer
Yoshio Kono

*Deputy President &
Co-Chief Executive Officer*
Masataka Miyazono

Senior Managing Directors
Kazuto Oku
Kazuhiko Otake
Katsuyuki Touyama

Managing Directors
Shozo Goto
Shinichiro Nakano
Takao Nakashima
Keito Shimbu
Hideaki Yamada
Hitoshi Yajima
Yasuyuki Matsumoto
Tetsuya Kanamaru
Kenichi Komon

Audit & Supervisory Board

Joichi Yamazaki
Shigezane Saneshige
Youichi Kanno
Koji Hatsukawa
Ryutaro Edo

History

Milestones in the Bank's 93-Year History

- 1923** • The Bank is established with government funds under special legislation as the central bank for Japanese cooperatives, "Sangyo Kumiai" (December)
- 1938** • Fisheries cooperatives become members of the Bank
- 1943** • Forestry cooperatives become members of the Bank (March)
 - The Bank's name is changed to The Norinchukin Bank (September)
- 1950** • The first Norinchukin Bank debentures are issued
- 1959** • Redemption of the government's equity stake is completed, thereby making the Bank a private bank
- 1974** • Foreign exchange operations begin
- 1977** • Investment and trading in foreign currency denominated bonds begin
- 1982** • A representative office opens in New York (the Bank's first overseas foothold) (October)
- 1984** • New York Representative Office is upgraded to branch status (October)
- 1985** • A representative office opens in London (January)
- 1986** • Fiduciary services for corporate bonds begin
 - Norinchukin International plc opens in London
- 1989** • The Bank's U.S. dollar denominated notes are issued in the Euromarket
- 1990** • A representative office opens in Singapore (October)
- 1991** • London Representative Office is upgraded to branch status (April)
- 1993** • Singapore Representative Office is upgraded to branch status (April)
 - Norinchukin Securities Co., Ltd., is established (July)
 - Norinchukin Investment Trust Management Co., Ltd., is established (September)
- 1995** • Preferred stocks are issued, opening the way for capital increases through the participation of ordinary investors (February)
 - The Norinchukin Trust & Banking Co., Ltd., is established (August)
- 1996** • Laws concerning the integration of the Bank and Shinnoren are enacted (December)
- 1998** • Capital increase through issue of low dividend rate stocks (¥1 trillion) is conducted (March)
 - Market risk investment sections undergo substantial reorganization, upgrading them to match global asset management styles
 - Representative offices are opened in Hong Kong and Beijing (July, November)
- 2000** • Norinchukin Zenkyoren Asset Management Co., Ltd., is established (October)
- 2001** • The Norinchukin Bank Law is revised (June)
 - The Law concerning the Reorganization and Strengthening of Credit Business by the Bank and Specified Cooperatives is revised (June)
- 2002** • JA Bank System begins (January)
 - Capital increase through issue of perpetual subordinated loan notes is conducted (September)
 - Capital increase through issue of common stocks (¥100 billion) is conducted (November)
 - Consolidation of JA Shinnoren with the Bank begins
- 2003** • JF Marine Bank implements fundamental policies (January)
- 2004** • Norinchukin Securities Co., Ltd., is liquidated (September)
- 2005** • Capital increase through issue of common stocks (¥225.7 billion) is conducted (December)
- 2006** • Final integration of Okayama JA Shinnoren and Nagasaki JA Shinnoren is completed (January)
 - JASTEM is made available in all prefectures (May)
 - Capital increase through issue of fixed-term subordinated bonds is conducted (September)
 - Kyodo Credit Service Co., Ltd., merges with UFJ Nicos Co., Ltd. (October)
 - Financial holding company (FHC) status is granted in the United States (December)
 - JA savings deposits top ¥80 trillion (December)
- 2007** • Final integration of Akita JA Shinnoren is completed (February)
 - JA Bank Agri-Support business is established (June)
 - Final integration of Tochigi JA Shinnoren is completed (October)
- 2008** • Final integration of Yamagata JA Shinnoren and Toyama JA Shinnoren is completed (January)
 - Capital increase through issue of lower dividend rate stocks (¥503.2 billion) and perpetual subordinated loans notes is conducted (March)
 - Final integration of Fukushima JA Shinnoren is completed (October)
- 2009** • Final integration of Kumamoto JA Shinnoren is completed (January)
 - Capital increase through issue of lower dividend rate stocks (¥1,380.5 billion) and perpetual subordinated loan notes is conducted (March)
- 2010** • Growth Base Reinforcement Fund (¥100.0 billion) is established (August)
 - Growth Base Support Fund (¥600.0 billion) is established (December)
- 2011** • Reconstruction Support Program is established (April)
 - Partial Integration of Gunma JA Shinnoren is completed (October)
- 2012** • Norinchukin Facilities Co., Ltd. becomes wholly-owned subsidiary (May)
 - Domestic emission credits (J-VER) service begins (as a broker) (June)
 - Final integration of Aomori JA Shinnoren is completed (October)
 - Global Seed Fund (¥500 billion) is established (November)
 - JA savings deposits top ¥90 trillion (December)
- 2013** • Partial integration of Chiba JA Shinnoren is completed (July)
- 2014** • Norinchukin Bank Shinagawa Training Center is completed (February)
 - Agricultural, Forestry and Fisheries Future Fund is established (March)
 - Capital increase through issue of fixed-term subordinated loans notes is conducted (March)
 - Norinchukin Value Investments Co., Ltd. is established (October)
 - Final integration of the Gunma Shinnoren is completed (October)
- 2015** • Final integration of the Chiba Shinnoren is completed (January)
- 2016** • Headquarters System is introduced (June)

List of Group Companies

(As of March 31, 2016)

Company Name	Address	Nature of Business	Date of Establishment	Capital (Millions of Yen) Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Trust & Banking	August 17, 1995	20,000 100.00
Norinchukin Value Investments Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Investment Advisory Services	October 2, 2014	400 100.00 (30.00)*
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Research	March 25, 1986	300 100.00
Norinchukin Facilities Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan	Building Management & Facility Management	August 6, 1956	197 100.00
Nochu Business Support Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Provider of various administrative services for The Norinchukin Bank	August 18, 1998	100 100.00
Norinchukin Academy Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan	Training	May 25, 1981	20 100.00
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan	Mortgage Loans & Housing Loan Guarantee	August 10, 1979	10,500 92.12
Nochu Information System Co., Ltd.	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan	System Development & Maintenance	May 29, 1981	100 90.00
Norinchukin Zenkyoren Asset Management Co., Ltd.	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan	Asset Management & Investment Advice	September 28, 1993	3,420 50.91
Norinchukin Finance (Cayman) Limited	PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands	Issue of Subordinated Bonds, Provision of Subordinated Loans	August 30, 2006	\$50,000 100.00
Ant Capital Partners Co., Ltd.	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan	Private Equity Investments & Fund Management	October 23, 2000	3,086 39.61
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	500 37.96
JA MITSUI LEASING, LTD.	13-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan	Leasing Business	April 1, 2008	32,000 33.40
Gulf Japan Food Fund GP	PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands	Investments	July 29, 2015	\$50,000 20.10
JAML MRC Holding, Inc.	286 Madison Ave., Suite 301, New York, NY 10017, U.S.A.	Investments	March 6, 2015	\$42 million 20.00
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Investment in Agricultural Corporations	October 24, 2002	4,070 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan	Credit Card Business	June 7, 1951	109,312 15.01
Investment Limited Partnership for Renewable Energy in Agriculture, Forestry, and Fisheries	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan	Investment in Renewable Energy Projects	April 30, 2014	320 —
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan	Building Management	April 1, 1993	10 27.00

*1 The percentage of share units indirectly owned by The Norinchukin Bank.

*2 Daiichi Life Norinchukin Building Management Co., Ltd., was dissolved effective June 30, 2016. As it is currently in liquidation proceedings.

Global Network (As of August 1, 2016)

Overseas Branches

New York Branch

Kenichi Sugita, *General Manager*

21st Floor, 245 Park Avenue,
New York, NY 10167-0104, U.S.A.
Telephone: 1-212-697-1717
Fax: 1-212-697-5754
SWIFT: NOCUUS 33

London Branch

Takeshi Umegaki, *General Manager*

4th Floor, 155 Bishopsgate,
London EC2M 3YX, U.K.
Telephone: 44-20-7588-6589
Fax: 44-20-7588-6585
SWIFT: NOCUGB2L
Company number: BR001902

Singapore Branch

Koichi Akiyama, *General Manager*

12 Marina Boulevard, #38-01/02,
Marina Bay Financial Centre
Tower 3, Singapore 018982
Telephone: 65-6535-1011
Fax: 65-6535-2883
SWIFT: NOCUSGSG

Overseas Representative Offices

Hong Kong Representative Office

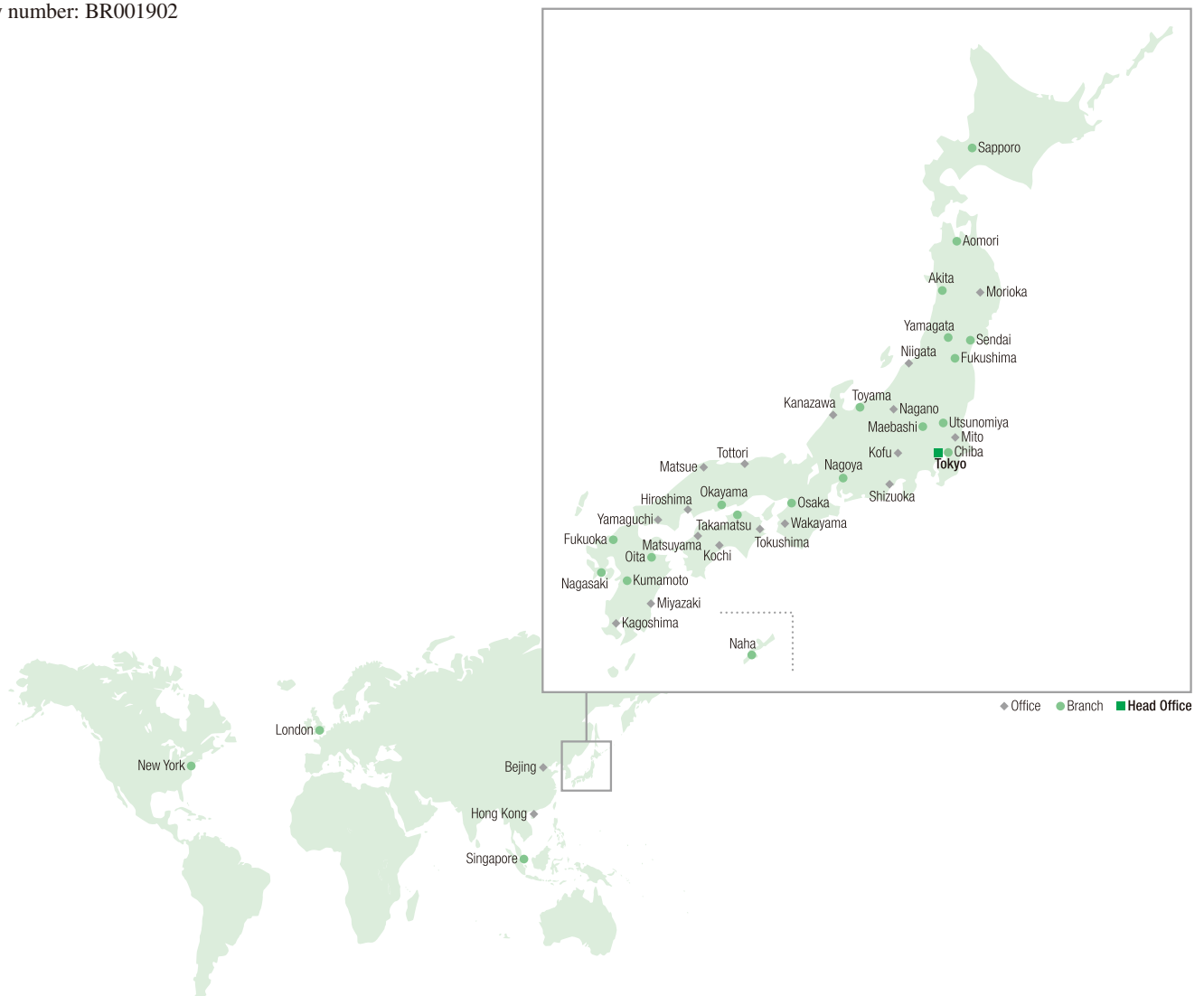
Yasushi Kajiyama, *Chief Representative*

34th Floor, Edinburgh Tower,
The Landmark, 15 Queen's Road,
Central, Hong Kong
Telephone: 852-2868-2839
Fax: 852-2918-4430

Beijing Representative Office

Junya Morishita, *Chief Representative*

Room 601, Chang Fu Gong Building,
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Beijing, China 100022
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SWIFT: NOCUJPJT

The Norinchukin Bank