

ANNUAL REPORT

2021



NORINCHUKIN

A wide-angle photograph of a lush, golden rice field stretching to the horizon under a clear, bright blue sky. The rice stalks are tall and dense, with some green at the base. In the distance, a few small buildings and utility poles are visible on the horizon line.

Our work at The Norinchukin Bank won't change the world overnight.

Our focus is on the agriculture, fishery and forestry industries.

**This means that nature is our partner,
and nothing in nature bears fruit overnight.**

**Industries in this sector don't make things
—they produce and nurture life as a legacy for future generations.**

**This is precisely why we are dedicated to serving those who sustain these industries
and their local communities, no matter how small the scale of their operations.**

**As the sole financial institution wholly devoted to this sector
—the very cornerstone of our nation, we strive consistently
to generate solid outcomes in the global financial markets.**

Our history spans more than 90 years.

But that alone is no longer enough.

**We must take on a greater role than ever before
if this sector is to continue developing in response to the changing times.**

**We must harness our financial knowledge to make
new contributions that extended beyond our past functions and scope.**

We must do our utmost to address on-the-ground issues.

**We must respond to the needs not only of producers,
but also to those of processors, distributors and consumers.**

**The life generated by the agriculture, fishery and forestry industries
sprouts the workings of all life well into the future.**

Now is the time for each and every one of us to give our all.

**We aim to make the chain of life that connects us to the future
more bounteous and more certain.**

Dedicated to sustaining all life.

The Norinchukin Bank

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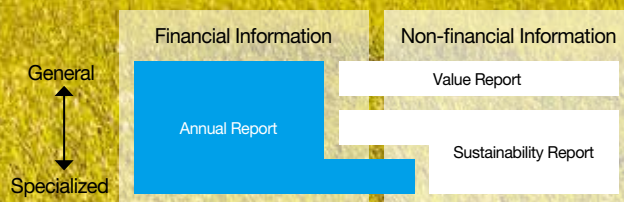
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Publications and Their Positioning



Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of March 31, 2021 (unless otherwise stated) 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 might affect our businesses and could cause actual results to differ materially from those currently anticipated.

In this report, agriculture, fishery and forestry are collectively referred to as "AFF," Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF and Japan Forest Owners' Cooperatives as JForest.

Message from the Management



NAKAYA Toru
Chairman of the Supervisory Committee

OKU Kazuto
President and Chief Executive Officer

We would like to sincerely thank all our stakeholders for supporting the day-to-day operations of The Norinchukin Bank (“the Bank”). We also express our sincere condolences to the people who contracted COVID-19 and those who are affected by the spread of the infection.

Our annual report contains details of our business performance for fiscal 2020, as well as a summary of the general situation at JA Bank, JF Marine Bank and JForest Group. We hope this report will help you better understand about us, our recent progress and the challenges we face.

The Basic Role of the Bank as the Central Institution for Cooperatives

As the national-level financial institution for agricultural, fishery and forestry (“AFF”) cooperatives in Japan, the mission of the Bank is to contribute to the development of the AFF industries and to national economic prosperity by facilitating access to financial resources. The Bank, to achieve its mission, lends funds to its members—farm-

ers, fishermen and foresters—and companies related to the AFF industries, using the funds provided by Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest), etc., as well as the stable funding base through customer deposits at JA Bank and JF Marine Bank. 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 to support the cooperative banking business of JA and JF, including the planning and implementation of policies and initiatives, development of human resources and provision of business infrastructure. The Bank also provides operational guidance for the cooperative banking business based on the relevant rules and regulations and continues to build and maintain the safety net for the JA Bank and JF Marine Bank systems. The Bank continues to further improve the credibility of its cooperative banking business, while playing the important role of strengthening and expanding the cooperative banking business.

Operation of the Medium-Term Management Plan (FY2019–FY2023)

The environment surrounding the Bank and the cooperatives is increasingly harsh amid such developments as global profit margin compression and accelerating digitalization. Meanwhile, public interest in and expectations for turning the AFF industries into growth industries are higher than ever before.

Considering the situation surrounding the Bank and cooperatives and the basic role of the Bank, we have formulated the Medium-Term Management Plan (FY2019-

FY2023), outlining our management and business operation policies for the five-year period, and conducted business operations based on the Plan.

Formulation of the Purpose of the Bank and the Medium/Long-Term Goals

Given increasingly serious environmental and social issues—including climate change and the transformation in people's work styles, lifestyles and values through the COVID-19 pandemic—the landscape for the Bank and the AFF industries, which are a foundation of the Bank's operation, continues to change rapidly. We have therefore redefined the Bank's Purpose to be “Dedicated to sustaining all life. – Work together with our stakeholders to foster the AFF industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment –,” reflecting the Bank's vision, value and role that it can offer society. To realize this Purpose, the Bank has established the Medium/Long-Term Goals toward 2030 to improve the income of farmers, fishermen and foresters and reduce greenhouse gases (GHG) emissions. Based on the Purpose of the Bank, we will conduct daily business operation to grow with our stakeholders by achieving the Medium/Long-Term Goals 2030.

Finally, JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their unique roles and functions as cooperatives with the goal of becoming financial institutions and organizations that win the confidence of their customers. We ask for your continuing support as we strive for our goals.

July 2021

TORU NAKAYA Kazuto Oku

Message from the CEO

Financial Results and Capital Adequacy in Fiscal 2020

In fiscal 2020, the Bank recorded ordinary profit of ¥310.0 billion and profit attributable to owners of parent of ¥208.2 billion, showing steady profitability, reflecting a decline in foreign currency funding costs and as a result of our financial management efforts to enhance earnings steadily.

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 19.86%, a Tier 1 capital ratio of 23.19% and a total capital ratio of 23.19%.

Summary of Earnings

(Billions of Yen)

	FY2018	FY2019	FY2020
Ordinary Profit	124.5	122.9	310.0
Profit Attributable to Owners of Parent	103.5	92.0	208.2
Net Assets	7,473.2	7,261.6	7,955.5
Common Equity Tier 1 Capital Ratio	16.59%	19.49%	19.86%
Tier 1 Capital Ratio	19.65%	23.02%	23.19%
Total Capital Ratio	19.65%	23.02%	23.19%

Business Performance in Fiscal 2020

Throughout fiscal 2020, the Bank adhered to its vision of becoming “the leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities” as outlined in the current Medium-Term Management Plan (FY2019-FY2023). In order to achieve its goals even in a severe environment, the Bank has made progress in establishing value chains by offering solutions, providing functions for the development of local communities and member organizations, and establishing a sturdy business model that is resilient to economic fluctuations.

At the financial markets, while short-term interest rates declined globally against the backdrop of accommodative monetary policies across major jurisdictions, interest rates rose with the expectation for extensive fiscal policies among others, mainly led by U.S. Treasury bonds. Stock prices rose, recovering from a plunge caused by the spread of the COVID-19 infection and a subsequent adjustment

phase. In the foreign exchange market, an increase in interest rates and stock prices has led to yen depreciation against both the U.S. dollar and the euro. In such circumstances, the Bank continued the stable return of profit to its stakeholders and worked to provide stable financing for the AFF industries and related local communities—a foundation for the Bank's operation.

In addition, the Bank undertook various measures throughout the fiscal year that included; offering solutions to contribute to the growth of the AFF industries and related communities; expanding agricultural financing; reinforcing and extending its global customer base with a focus on Asia; enhancing JA Bank's business base and JF Marine Bank's financing functions for the fishery industry; performing main-bank functions for JF and JForest; expanding ESG investments; and enhancing corporate functions to support each business line.

Measures to Address the Spread of COVID-19

The AFF industries—the foundation of the Bank's business—have been seriously affected by the spread of COVID-19.

As a member of JA Bank and JF Marine Bank, the Bank offers smooth financing for AFF business operators such as continuing to handle low interest rate financing.

In addition, the Bank will continue to offer nonfinancial services such as helping to find sales channels to eliminate excess inventories of agricultural produce, etc., in alliance with government agencies and related organizations.

Status of Implementation of the Medium-Term Management Plan (FY2019–FY2023) and the Bank’s Vision

The Bank is conducting business operations based on its Medium-Term Management Plan “Catch the Winds of Change. Create New Value,” covering five years (FY2019-FY2023).

We predict that our business environment will face non-continuous changes in the next 10 years, such as global profit margin compression, accelerating digitalization, aging leaders in the AFF industries, the need for

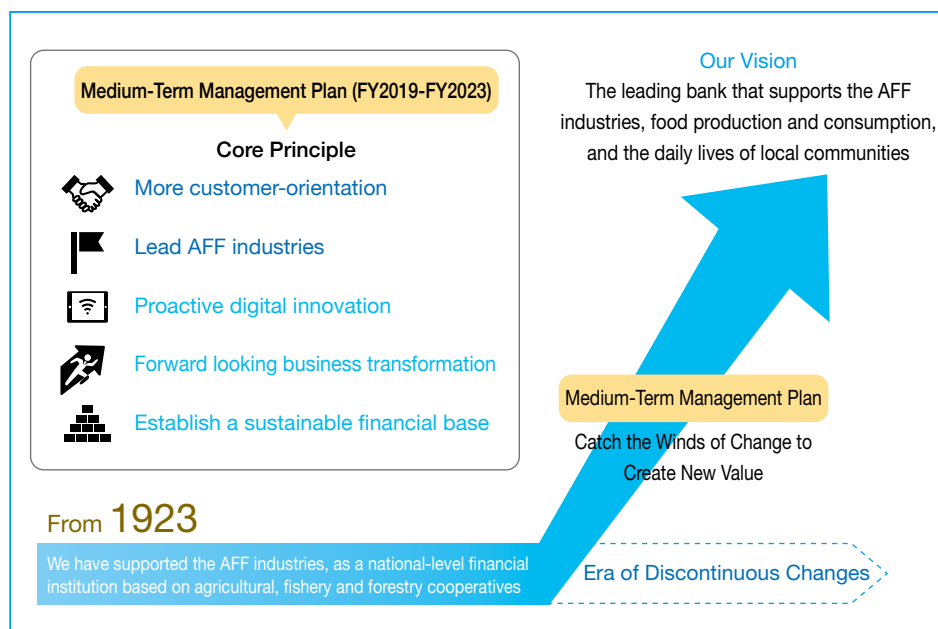
scale expansion, growth in Asia and environmental and social issues. Recognizing the necessity to enhance profitability, provide comprehensive services that customers want, effectively support leaders in the AFF industries, deepen our global business network and offer value to society, the Bank continues tackling the challenging creation of new value toward solving these issues.

Outline and Priority Strategies of the Medium-Term Management Plan (FY2019–FY2023): Aiming to Become a “Leading Bank That Supports the AFF Industries, Food Production and Consumption, and the Daily Lives of Local Communities”

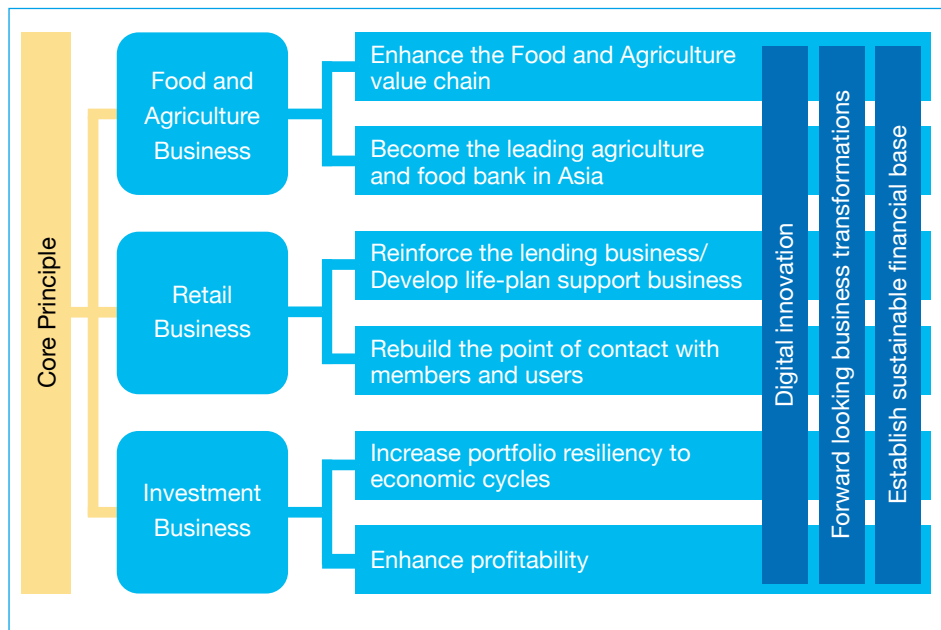
Since our establishment in 1923 as a national-level financial institution to help our foundational entities—AFF cooperative organizations—we have contributed to the development of the AFF industries, and a key milestone—our 100th anniversary—is just around the corner. In our first hundred years, the environment surrounding the AFF industries experienced significant changes and unprecedented “non-continuous changes” are likely in the future. To continue to fulfill our mission

of contributing to the development of the AFF industries in such an environment, we will deepen dialogues with cooperative members and tackle our challenging “Catch the Winds of Change. Create New Value” plan under the following basic policy and priority strategies. Through such efforts, together with our cooperative groups, we will strive to meet the expectations of our customers, realize sustainable growth and offer value to society.

Core Principle



Priority Strategies



Our Purpose, Vision and Mission

In 2017, the Bank formulated a corporate brand statement “Dedicated to sustaining all life,” expressing that the Bank’s business exists together with “life,” which is sustained by AFF business operations and the cycle of nature.

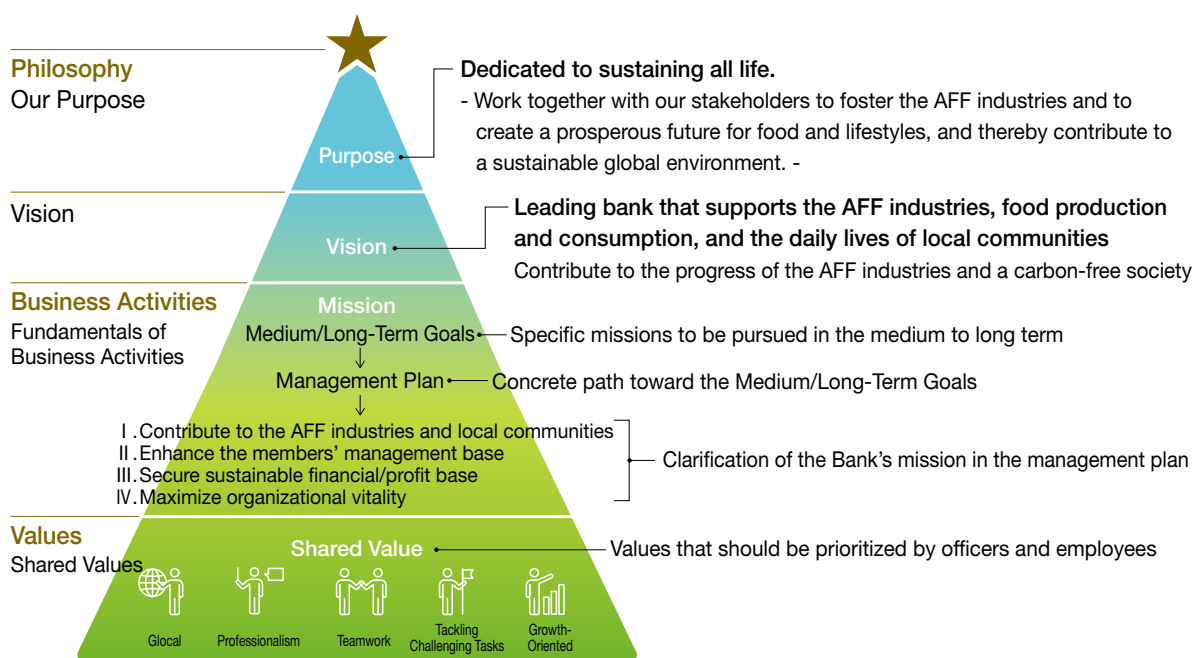


These industries and the food and agricultural value chains have been seriously damaged because of the COVID-19 pandemic. Environmental issues such as climate change and various social issues have surfaced. There is pressure to address these issues through our business operations.

In such circumstances, the Bank revisited its purpose (what contributions the Bank should make for sustainable environment and society of the future) and its vision (what the Bank should do to perform its purpose). The Medium/Long-term goals and single-year goals are included in the Management Plan of the Bank to achieve its vision.

The Bank also identified key “shared values” of its officers and employees, which form the foundation of daily business activities to achieve the management plan.

Based on these “shared values,” the Bank conducts daily business activities to achieve the goals of its Management Plan and the Medium/Long-Term Goals. Such efforts are a path to achieve the Bank’s vision and accomplish the Bank’s purpose in society. Sharing such understanding among officers and employees throughout the Bank, we engage in daily business operation.



Stakeholders:

Members (JA, JF and JForest)/individual cooperative members (i.e., people working in the AFF industries); our clients (deposit and savings, loans) including AFF-related companies; local communities; business partners in the Bank's entire operation including financial institutions, market participants and contractors; governments and municipalities; and employees

Medium/Long-Term Goals FY2030

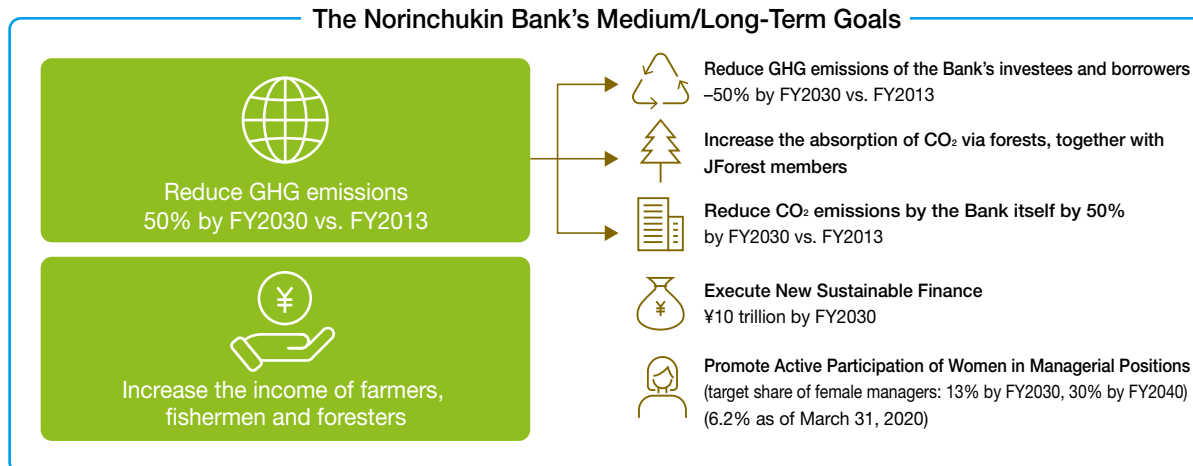
To achieve the Purpose of the Bank, via the Medium/Long-Term Goals FY2030, the Bank aims to “reduce GHG emissions by 50% (compared with FY2013)” and “improve the income of farmers, fishermen and foresters.”

Concerning the reduction of GHG emissions, we strive to reduce emissions at the Bank's investees and borrowers and the Bank itself. Also, we work to increase

absorption of CO₂ via forests in alliance with JForest cooperatives.

Toward achieving these goals, the Bank will execute ¥10 trillion in new sustainable finance by FY2030.

In addition, as part of an effort to establish an organizational foundation to work on sustainability management, the Bank aims to increase the ratio of female managers.



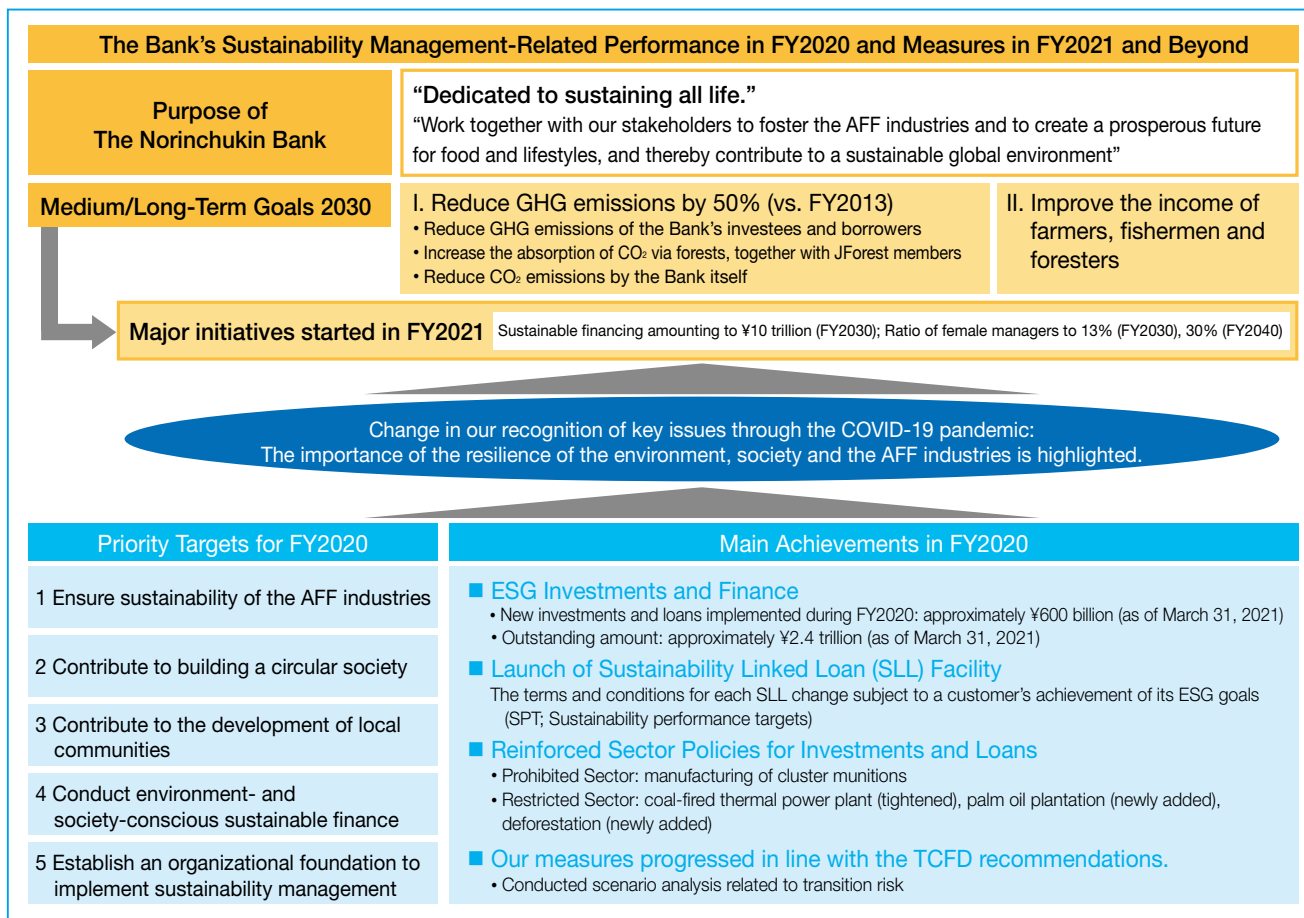
Sustainability Management Initiatives

Public interest is rapidly rising in the areas of the global population increase, the aging and shrinking population in advanced countries, climate change, and issues of economic disparity and poverty. To address this situation, global initiatives aiming to achieve a sustainable society are under way, such as the Sustainable Development Goals (SDGs) by the United Nations and the Paris Agreement. Against this backdrop, expectations are on the rise for corporations to take measures to address such social issues.

Based on an understanding of such global trends, the Bank is discussing measures for sustainability management at the Sustainability Committee, which operates under the

Board of Directors, and implementing such measures.

In fiscal 2020, toward ensuring the sustainability of the AFF industries and related local communities, the Bank has established five priority issues and worked to enhance environmental and social risk management such as strengthening ESG investments and finance, expanding sector policies for investments and loans. In fiscal 2021, the Bank continues to work to realize a sustainable society based on the Medium/Long-Term Goals 2030, which were newly formulated from medium- to long-term perspective toward accomplishing the Purpose of the Bank. (For details, see our Sustainability Report 2021.)



Participation in Major Initiatives

- United Nations Global Compact
- Equator Principles
- Task Force on Climate-related Financial Disclosures
- Carbon Disclosure Project
- Principles for Financial Action for the 21st Century
- Japan Climate Initiative



Measures to Address Climate Change

The AFF industries—the foundation of the Bank’s business—could be affected negatively by climate change, while at the same time possessing the underlying potential to increase climate change. Addressing climate change is part of the Bank’s mission to contribute to the development of these industries. In April 2019, the Bank publicly endorsed the recommendations of the Task

Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB). The Bank will appropriately address the impacts and risks of climate change on the Bank’s businesses, implement measures and expand disclosures in line with the TCFD recommendations over time.

Governance	<p>The Bank’s environmental and social policies, including those for climate change and the current implementation status, are discussed regularly at the Sustainability Committee under the Board of Directors, followed by discussions and reporting at the Board of Directors meetings as necessary.</p>
Strategy	<p>Through its business activities, the Bank is working on initiatives to address climate change and manage related risks.</p> <p>Opportunities—Examples of the Bank’s initiatives to support the transition to a carbon-free society from the aspect of financing</p> <ul style="list-style-type: none"> • Provided renewable energy business-related project financing • Promoted the power generation business for agricultural business operation (solar sharing) • Launched the Sustainability Linked Loan Facility (May 2020) • Invested in Sustainable Development Bonds <p>Risk—Recognition of risks related to the transition to a carbon-free society and climate change</p> <p>Leveraging its integrated risk management framework, the Bank conducts risk assessment through scenario analyses, etc., and appropriate risk management for the following two types of risks related climate change.</p> <ul style="list-style-type: none"> • Transition risk: credit risk of the Bank’s investees or borrowers due to extensive policy, legal, technology and market changes as measures progress to lessen and adapt to climate change, and the risk of such entities becoming stranded assets • Physical risk: risk of an increase in financial losses arising from physical damage to assets held by the Bank or its investees or borrowers as a result of natural disasters or abnormal climate patterns due to climate change <p>Status of carbon-related assets (as of March 31, 2021)</p> <p>Note: Ratio to the Bank’s outstanding loan balance: ¥21.8 trillion</p> <ul style="list-style-type: none"> • Energy-related: 1.9% • Utilities: 2.4%
Scenario Analysis	<p>The Bank evaluated the financial impact of transition risk on the credit portfolio. The scope of analysis includes (1) sectors that have significant impact on the Bank, i.e. electricity; petroleum, gas and coal sectors, and (2) sectors that form food and agribusiness value chains, i.e. food and agriculture; beverage sectors. Based on the characteristics of its investment and finance portfolio, the Bank analyzed its borrowers worldwide and the companies of which the Bank holds corporate bonds. As a result of this analysis, the impact of transition risk on the credit portfolio has been evaluated as “limited.” The analysis will be utilized for our constructive dialogue with our investees and borrowers (engagement). Also, the Bank has launched an analysis of physical risk. In addition to water disaster risk at domestic companies, the Bank will analyze the impact of such physical risk on the agricultural sector as well. The results are planned to be disclosed in fiscal 2022 and thereafter.</p>
Risk Management	<p>The Bank has adopted a risk management framework related to the environment and society including climate change. In April 2021, the Bank revised its policies to include more consideration of the environment and society in investment and financing operations and newly established a policy for the coal mining sector. The Bank has newly introduced a policy, etc., to prohibit across-the-board investing in and financing of projects that are likely to have a serious negative impact on the environment and society. In addition, concerning large-scale development projects, the Bank applies the Equator Principles.</p>
Metrics & Targets	<ul style="list-style-type: none"> • Scope 1, 2: The Bank aims to reduce CO₂ emissions by the Bank itself by 50% by FY2030 compared with FY2013. • Scope 3: The Bank aims to reduce GHG emissions at its investees and borrowers by 50% by FY2030 compared with FY2013. <p>Note: Scope 1, 2 and 3 refer to GHG emission categories under the TCFD recommendations.</p>

The Cooperative System and the Cooperative Banking Business

The cooperative banking business, through its nationwide network, contributes to the development of the AFF industries in Japan and provides financial support for the livelihood of local citizens.

■ The Cooperative System and the Cooperative Banking Business

In addition to the banking business, which involves accepting deposits and making loans, our cooperative members engage in a variety 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 AFF products as well as the procurement of production materials; and “mutual insurance” 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 Act, 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 supply 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 insur-

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

There are 562 JA throughout Japan (as of April 1, 2021) 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 Act 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) providing marketing and supplying functions 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, such as accepting deposits and making loans; and (4) mutual life and non-life insurance. There are 875 JF throughout Japan (as of April 1, 2021) 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 Forest Owners’ Cooperatives (JForest)

JForest, established under the Forestry Cooperative Act, 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 forestry business operation, 610 JForest members (as of April 1, 2021) throughout Japan contribute to helping forests perform their diverse range of natural functions, including the supply of timber and other forest resources, preservation of national land, protection of watersheds, maintenance of living environments 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 Act.

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."

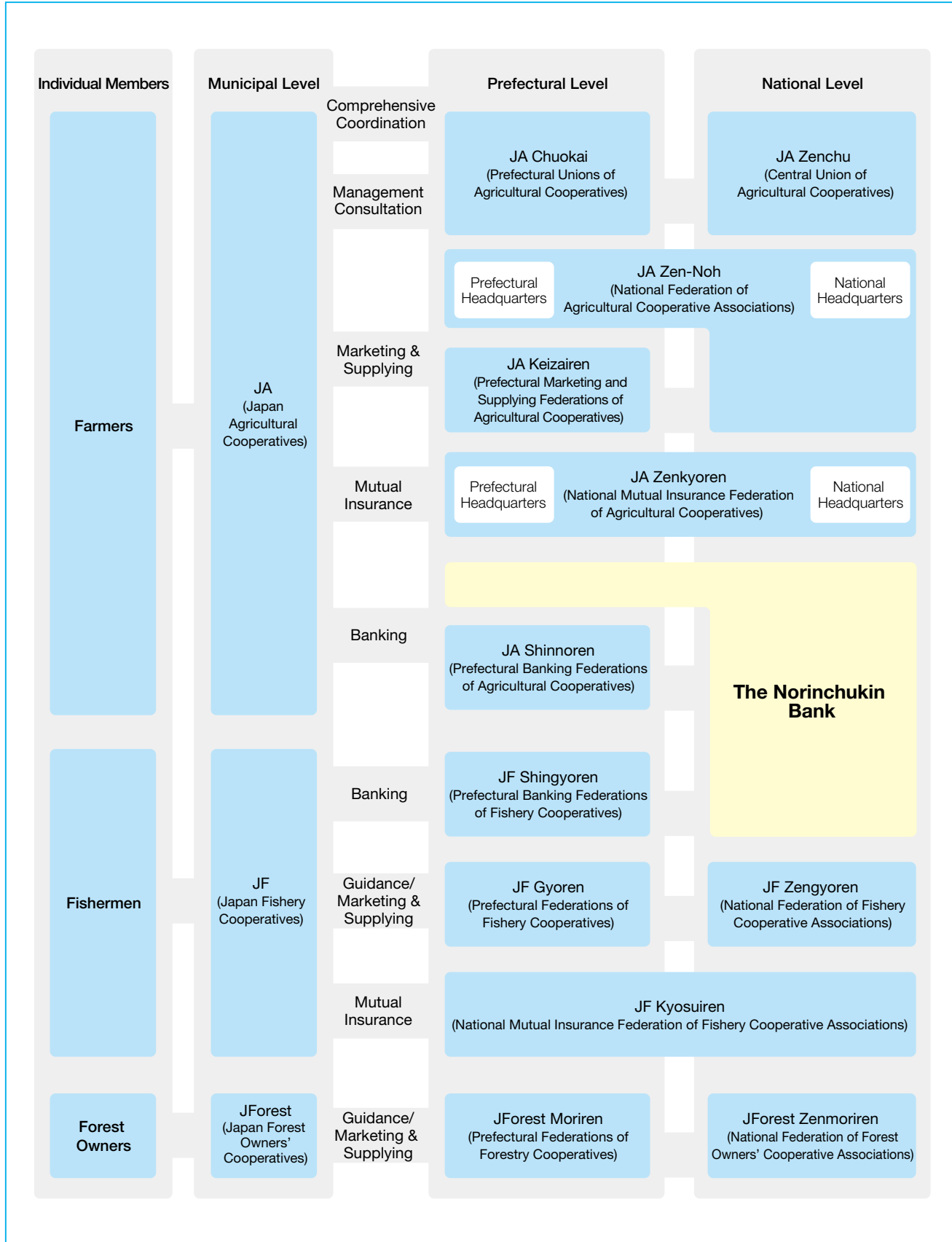
The Bank is a national-level cooperative financial institution whose membership (i.e., shareholders) comprises the previously mentioned municipal-level cooperatives, prefectural-level federations and other organizations. Furthermore, the Bank plays a major role in Japanese society as a contributor to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

The Bank's funds are derived from member deposits (most funds held at the Bank are deposits of individual members of JA and JF) and the issuance of Norinchukin Bank debentures. These financial resources are then lent to farmers, fishermen, foresters and corporations connected to the AFF industries, local governments and public entities. In addition to such 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 Act

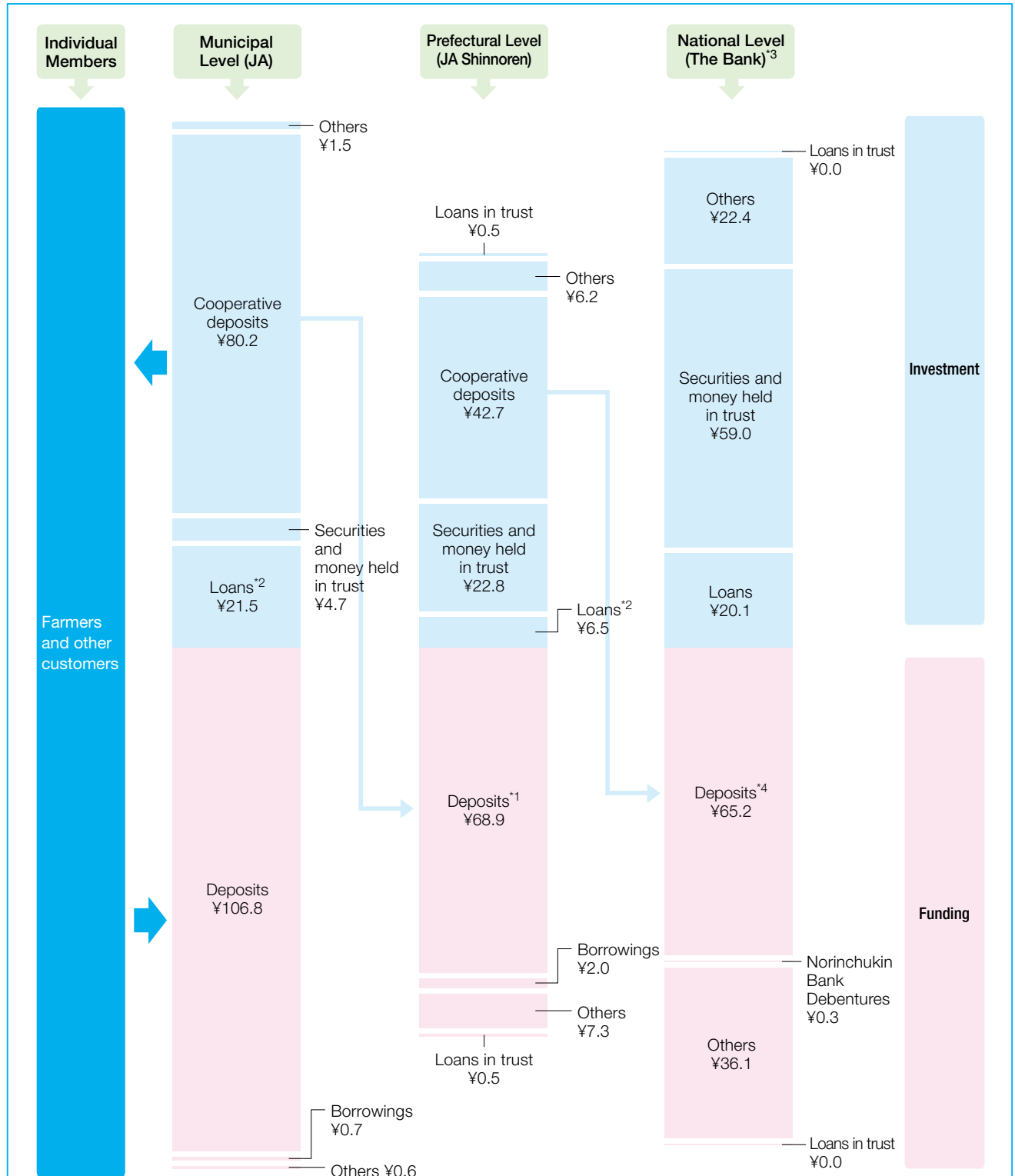
As a financial institution based on agricultural, fisheries and forestry cooperatives, as well as other members of the agriculture, fisheries and forestry cooperative system, the Bank contributes to the development of the nation's economy by supporting the advancement of the agriculture, fishery and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

Structure of the Cooperative System



Flow of Funds within JA Cooperative Banking System (As of March 31, 2021)

(Trillions of Yen)



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

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

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

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

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

Operations of the JA Bank System

JA, JA Shinnoren and The Norinchukin Bank work under a framework for integrated and systematic cooperation in each business activity as JA Bank. We call this framework the JA Bank System, and we aim to become a financial institution highly trusted and chosen by its members and customers.

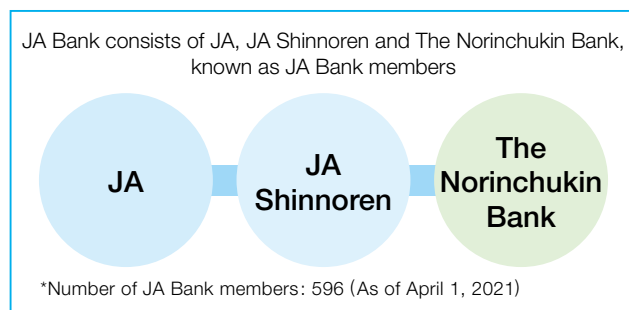
■ What is JA Bank?

● The Network Name 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, 2021, JA Bank had 563 JA, 32 JA Shinnoren and The Norinchukin Bank, for a total of 596 entities.

JA Bank



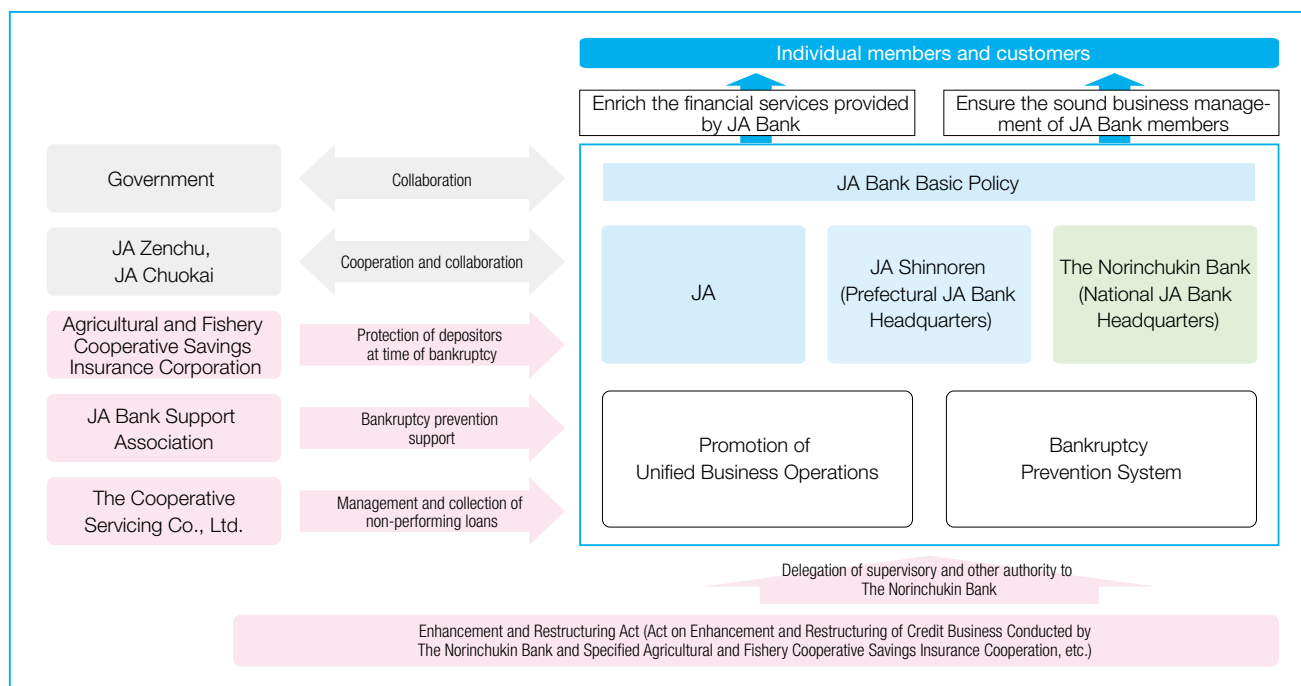
■ The JA Bank System

● 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 Enhancement and Restructuring Act (Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation, etc.) 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 the 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 Strategies of JA Bank

Every three years, JA Bank formulates the JA Bank Medium-Term Strategies as its comprehensive strategies for conducting integrated business operations. Under the JA Bank Medium-Term Strategies (fiscal 2019–2021), JA Bank has set its vision of continuing to be “highly evaluated, chosen and increasingly needed by farmers and communities,” by engaging in individual member and customer-oriented business operation as a top priority and establishing a sustainable profit structure, while leveraging the strengths of its comprehensive businesses.

To realize this future vision, JA, JA Shinnoren and The Norinchukin Bank together engage in the four major strategic pillars: (1) “Support the growth of agriculture and communities” by providing a broad range of solutions for farmers’ management issues to enhance farmers’ satisfaction, increase farmers’ income and revitalize communities; (2) “Strengthen its lending service” by addressing the needs of farmers and communities for funds appropriately, aiming to further perform JA Bank’s financial intermediary function; (3) “Implement life plan support” by proposing asset formation and asset management plans suited for the life plans desired by individual members and customers, aiming to deepen the relationships with them; and (4) “Restructure the contact point with individual members and customers,” taking advantage of opportunities to reorganize branches and ATMs and review branch functions, etc., with the aims of improving the convenience and satisfaction of individual members and customers and achieving low-cost business operation.

In fiscal 2021, the final year of the Medium-Term Strategies, efforts are ongoing to realize the future vision of the Strategies. Specifically, along with the effort by entire JA Group to establish and strengthen a sustainable JA management foundation, JA Bank is building additional initiatives such as “further contribution to strengthening agriculture and local communities”; “strengthening measures to establish a new contact point with individual members and customers and restructure the current customer service structure,” with a focus on accelerating behavioral reform in customer relations to adapt to the societal transformation caused by COVID-19; and “strengthening reform of the branches’ clerical work and customer service base from the perspective of ensuring the sustainability of JA management.”

● Initiatives to Maintain and Enhance Our System Infrastructure

The JASTEM System, a unified nationwide IT system managed by the Bank, supports greater convenience for individual members and customers of JA Bank and helps streamline JA business operations.

To strengthen non-face-to-face transaction channels, we are continuing efforts to enhance the convenience and security of online banking for individual members and customers of JA Bank using our services. Specifically, we released new functions (e.g., card loan borrowing and repayment) in July 2020 and simplified the process for opening accounts in February 2021 for JA Net Bank; and added new functions to the JA Bank App in October 2020 that allow users to view a term-deposit transaction history and the balance of mutual funds.

● Initiatives to Ensure Sound and Stable JA Bank

Based on the JA Bank Basic Policy, the JA Bank Headquarters receives management-related information from all JA Bank members and examines the management situations of the members that breaches 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 Enhancement and Restructuring Act, 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 increasingly used by individual members and customers.

■ Trends of Cooperative Members and the Cooperative Banking Business

● Trends of JA Funds

In fiscal 2020, JA deposits rose 2.6% year on year to a year-end balance of ¥106,870 billion. This was largely due to an increase in the balance of deposits from individuals as a result of providing financial services meeting customers’ needs.

Regarding JA loans, mainly due to an increased balance of mortgage loans, total loans increased 2.3% year

on year to a year-end balance of ¥21,595 billion. Securities held by JA increased 17.6% year on year to a year-end balance of ¥4,741 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 merged with JA Shinnoren in 12 prefectures (Aomori, Miyagi, Akita, Yamagata, Fukushima, Tochigi, Gunma, Chiba, Toyama, Okayama, Nagasaki and Kumamoto). In 12 prefectures JA Bank's organizational structure was streamlined 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.

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 (Nara, Shimane and Okinawa).

Moreover, addressing such trends as the Japanese government's “agricultural cooperative reform” movement, JA Group formulated the “JA Group's Self-reform” in 2014. In that reform, as part of the group's initiative to strengthen its management foundation, discussions on organizational improvements were conducted to configure an “ideal structure for banking business operation” including whether to implement organizational restructuring. Via such discussions, five JA cooperatives chose to transfer their banking business (e.g., agency method) and completed such transfers in fiscal 2020. In addition, JA Group is working on mergers, resulting in 563 JA organizations in April 2021, a decrease of 99 compared with five years earlier.

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.

Operations of JF Marine Bank

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

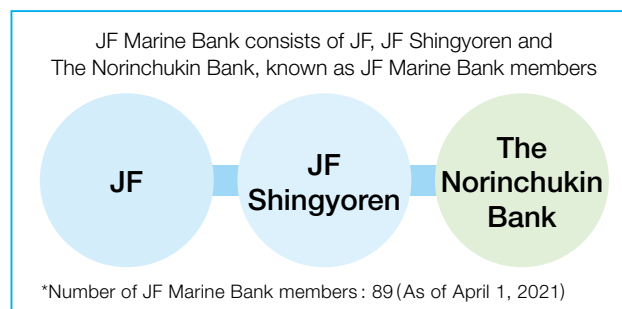
■ What is JF Marine Bank?

● The Network Name of Financial Institutions

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

As of April 1, 2021, JF Marine Bank members totaled 89, consisting of 75 JF that offer financial services, 13 JF Shingyoren (including inter-regional JF Shingyoren) and The Norinchukin Bank.

JF Marine Bank



■ The JF Marine Bank System

● A Framework for Integrated and Systematic Cooperation among JF Marine Bank Members

To ensure that individual members and customers of JF Marine Bank have even stronger confidence in the cooperative banking business and make increased use of its services, under the Enhancement and Restructuring Act (Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation, etc.), JF Marine Bank has formulated the JF Marine Bank Basic Policy with the unanimous approval of the JF Marine Bank members. Based on this JF Marine Bank Basic Policy, the framework of the integrated operation of JF, JF Shingyoren and The Norinchukin Bank is called the JF Marine Bank System.

The JF Marine Bank System consists of two pillars: the Integrated Business Operations to offer financial services leveraging the foundational common system and clerical work and the Bankruptcy Prevention System to ensure the reliability of JF Marine Bank.

• **Comprehensive Strategies of JF Marine Bank**

JF Marine Bank has formulated the JF Marine Bank Medium-Term Strategies (fiscal 2019–2023) as its comprehensive strategies for JF, JF Shingyoren and The Norinchukin Bank to conduct integrated operations as a professional fishery-dedicated financial institution. The pillars of these Medium-Term Strategies are to (1) enhance its financial functions for the fishery industry and strengthen the contact point with fishery communities; (2) establish business operational and channel systems with a vision for the future; (3) implement initiatives to ensure the soundness of operations; and (4) improve the common infrastructure systems. Through our integrated ef-

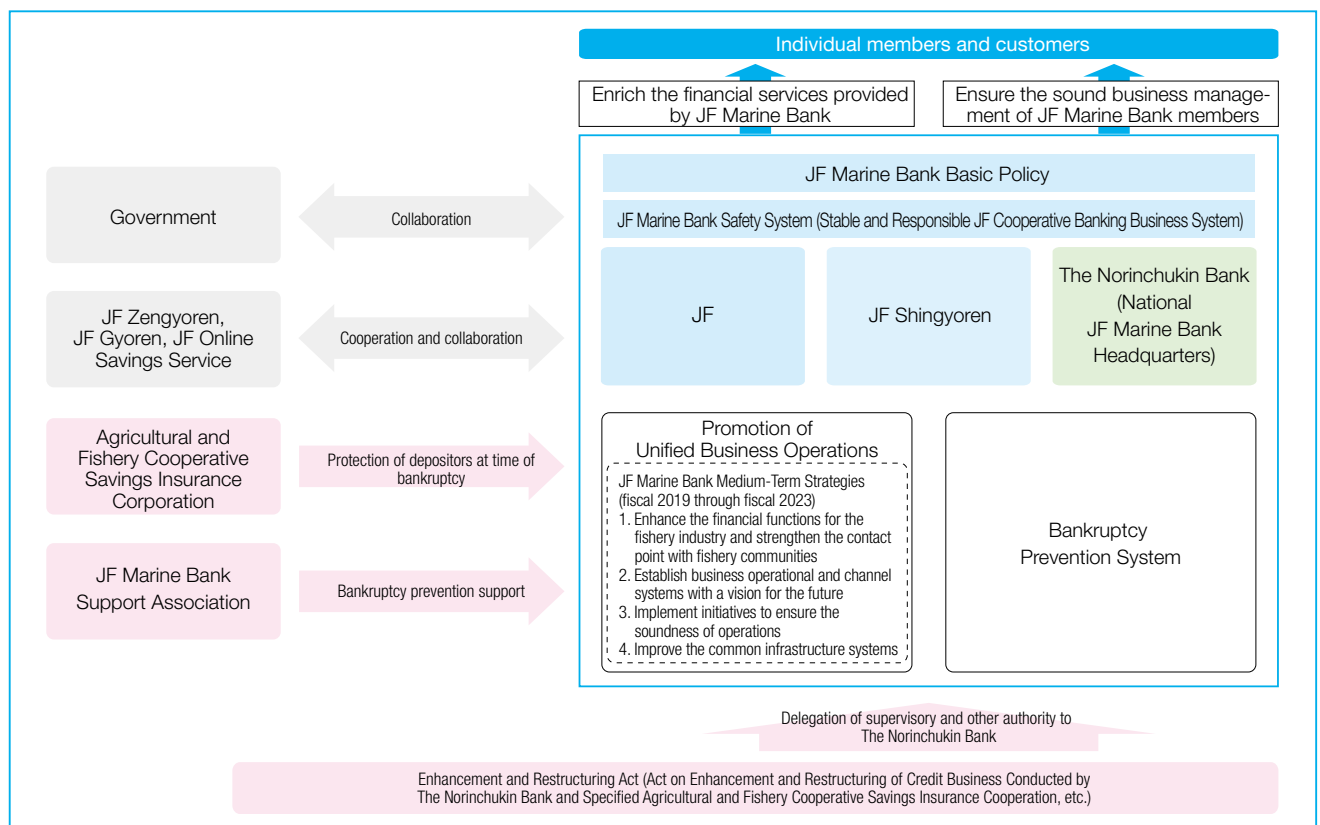
forts on these strategies, we will continue to offer fishery-related financial functions such as settlement functions for caught fish, etc., to coastal fishery operators and JF members.

• **Framework for Bankruptcy Prevention**

To further increase the adequacy and soundness of business operations, the JF Marine Bank Headquarters receives management data from all JF Marine Bank members and examines such data to identify potentially problematic JF in advance and help improve the situation of such JF. This system enables early bankruptcy prevention for JF Marine Bank members, thereby assuring 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 mem-

Framework of the JF Marine Bank System



bers 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.

- **The 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 fishery 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" was carried out. Under this system, JF and JF Shingyoren in the same prefecture jointly conduct the cooperative banking business. As a result, a fishery cooperative banking business had been established in each prefecture by the end of fiscal 2009.

To step further with the goal of making this foundation even stronger and achieving sound and efficient business operation, JF Marine Bank members have conducted discussions on cross-prefectural border organizational restructuring. On April 1, 2021, two inter-regional JF Shingyoren—JF Higashi-Nihon inter-regional Shingyoren and JF Kyushu inter-regional Shingyoren—were established.

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.

- **Trends of JF Funds**

The balance of deposits held with JF Bank increased 3.2% year on year to ¥2,656 billion as of March 31, 2021.

The balance of loans at JF Bank rose 0.1% year on year to ¥503 billion due to factors such as addressing individual members' needs for funds, supplementing the outstanding financing for fishing boat leases and providing a fund to address COVID-19.

- **Reorganization of JF Marine Bank Business**

The JF cooperative banking business is being reorganized to create a more sound and efficient management system. As of April 1, 2021, the banking business operating system consisted of integrated Shingyoren to which banking business was transferred from JF to JF Shingyoren (eight prefecture-level organizations), multiple independent JF centering on JF Shingyoren (two prefecture-level organizations), the inter-regional Shingyoren (Nagisa Shingyoren, JF Higashi-Nihon inter-regional Shingyoren and JF Kyushu inter-regional Shingyoren) and one JF per prefecture (five prefecture-level organizations).

Also, the number of JF engaged in the banking business (including one JF per prefecture) had been reduced to 75 as of April 1, 2021, from 875 on March 31, 2000.

At the same time, the total number of JF, including those not engaged in the banking business, decreased by 15 in fiscal 2020. As a result, the number of JF stood at 875 as of April 1, 2021, reflecting progress 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 formulates its cooperative-wide campaign policy approximately every five years through discussions among stakeholders nationwide. Under the new cooperative campaign policy starting in fiscal 2021, the Group focuses on three issues: “improve services for cooperative members,” “improve workers’ income and employment environments” and “stabilize management by expanding business and enhancing efficiency.” JForest Group continues to contribute to the realization of a sustainable society—an SDG—by facilitating a sound forestry cycle of “cut, use, plant and grow.”

■ The Norinchukin Bank Initiatives

In addition to providing financial support for JForest Group’s various initiatives to address the spread of COVID-19 infections, 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

Under the theme of the revitalization of private forests in danger of becoming deserted, the Norinchukin 80th Anniversary Forest Rejuvenation Fund (FRONT80) was established in 2005 to promote activities to educate people on the multifaceted roles of forests (final offers in fiscal 2013). In the nine years from fiscal 2005 to 2013, we received 319 applications nationwide, and from among them we selected 52 projects and provided subsidies totaling ¥942 million.

From fiscal 2014, the Bank began soliciting applications for the Nochu Potential Forest Productivity Fund that was established as a successor to FRONT80 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. In the seven years from fiscal 2014 to 2020, the Bank received 229 applications and decided on ¥1.2 billion in subsidies after selecting 56 of them. Advanced initiatives have spread nationwide with the support of the subsidies provided to date.

● Low-Cost Reforestation Project

“Promotion of reforestation by reducing forestation cost” is an issue toward sustainable forest and forestry business management. To address this issue, in collaboration with JForest Zenmoriren (National Federation of Forest Owners’ Cooperative Association), we newly launched the Low-Cost Reforestation Project in July 2020. This project incorporates the perspectives of reducing forest nurturing costs by half, speeding up tree growth for faster cutting and developing new sales channels.

By conducting verification experiments at three locations nationwide for model operations (Neba JForest in Nagano Prefecture, Miyoshi JForest in Hiroshima Prefecture and Miyakonojo JForest in Miyazaki Prefecture) and disseminating nationwide the outcome and new knowledge obtained from the experiments, we will promote reforestation after major cutting so that the forests can perform their multifaceted functions and rejuvenate mountain villages.

● Support for Initiatives to Consolidate Forest Management

From fiscal 2015, the Bank has undertaken new initiatives toward “forestry labor safety improvement measures” aimed at improving labor safety to make the forestry business a more enticing occupation for future leaders. The Bank subsidizes safety equipment purchased by JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives) nationwide, which are engaged in measures to improve labor safety. During the six years from fiscal 2015 to 2020, ¥464 million was provided nationwide. Through these measures, the Bank contributes to reducing labor disasters caused by “cut” and “abrasion.” In addition to subsidizing safety equipment purchases, the Bank aims to reduce the number of accidents due to collisions with cut or fallen trees, which is the No. 1 forest-related cause of injury or death. In collaboration with JForest Zenmoriren, the Bank has produced Forestry Safety Education 360°VR, which is a safety educational tool that utilizes 11K high-precision live-action VR (virtual reality). This educational tool allows a VR headset user to experience a mock dangerous situation on a for-

estry site, educating the user as to the dangerous aspects of particular situations. As an effective tool that contributes to recruiting forestry leaders and further improving labor safety, Forestry Safety Education 360°VR has been widely utilized for safety educations provided by JForest and its cooperative organizations nationwide, under the Green Employment” projects (projects sponsored by the Ministry of Agriculture, Forestry and Fisheries (MAFF)); by Forestry Colleges; various educational institutions of prefectures and municipalities; and universities etc.



“Forestry Safety Education 360°VR” title logo

• Support to Expand Domestic Lumber Use

JForest Group is working to expand the use of domestic lumber, and the Bank supports JForest Group in those efforts.

In addition, as support for initiatives that contribute to the expansion of domestic lumber use and the development of forests and the forestry business, the Bank engages in the production and donation of wood products made from local lumber, sponsorships for tree-planting events and subsidization of expenses for wood-use education and other wood-related activities. In fiscal 2020, the Bank provided subsidies for 57 projects in 47 prefectures.

In October 2016, the Bank established an endowed research department at the University of Tokyo for the study of lumber-using systems. Along with this, the Bank established the Wood Solution Network (WSN), in which related upstream, midstream and downstream companies and organizations participate to pursue the development of forests and the forestry and lumber industries. The WSN activities are now in its second *cours* (three-year period) in October 2019. Using the guidebooks produced during the first *cours* to promote the dissemination of nonresidential wooden buildings and the use of wood design for interiors, the WSN conducts promotion activities targeting government agencies. The WSN also engages in various initiatives to expand the use of lumber in alliance with member companies and organizations. As part of such efforts, the WSN has adopted and launched new themes suited to current trends (e.g., Forest Environment Transfer Tax, investments in ESGs/SDGs).

Safety Net for the Cooperative Banking System

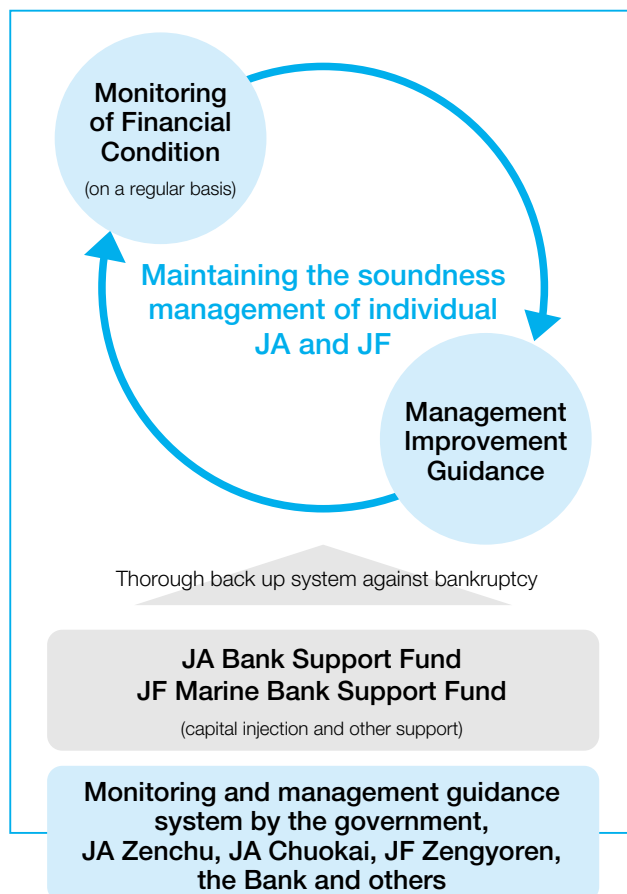
JA Bank and JF Marine Bank have established a safety net based on the Bankruptcy Prevention System and the Agricultural and Fishery Cooperative Savings Insurance System to provide an increased sense of security for their individual members and customers.

■ 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 the business conditions of individual JA and JF to identify problems at an early stage, (2) taking steps at the earliest stage possible to improve management situations 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, to maintain the sound management of individual JA and JF.

**As of March 31, 2021, the balance of the JA Bank Support Fund was ¥165.2 billion and that of the JF Marine Bank Support Fund was ¥22.3 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 the 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 unions and labor banks are members.

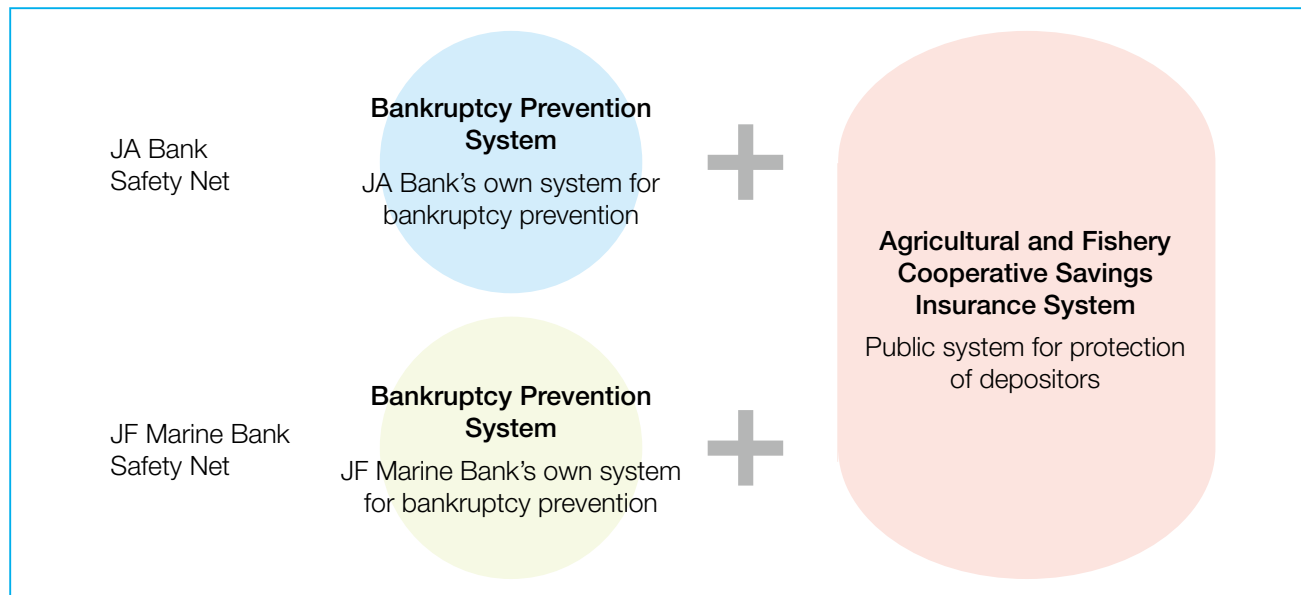
The Agricultural and Fishery Cooperative Savings Insurance System has been established under the Agricultural and Fishery Cooperative Savings Insurance Act. It is managed by the Agricultural and Fishery Cooperative Savings Insurance Corporation, which has been established jointly by the Japanese government, 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 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. All other types of deposits are covered up to ¥10.0 million in principle (per depositor at each cooperative organization), plus interest accrued.

As of March 31, 2021, the balance of the reserve fund of the Agricultural and Fishery Cooperative Savings Insurance System was ¥452.0 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.

Corporate Governance

■ The Norinchukin Bank's Management System

The Bank is both the national-level organization for Japan's AFF 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 Act, 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 makes decisions regarding issues to be determined at or reported to the Council of Delegates as well as important issues related to AFF 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. The Supervisory Committee members have been selected from senior management of member cooperative organizations; people engaged in the AFF industries; and individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of the Bank's members, and are then appointed by the Council of Delegates.

As of July 1, 2021, the Supervisory Committee had 19 members, consisting of which 13 members representing the Bank's member cooperatives (equity holders), elected from among top management of AFF business organizations, five external experts with in-depth knowledge of finance and one board member of the Bank.

Under the jurisdiction of the Supervisory Committee are the Nomination Committee, the Director Compensation Deliberation Committee, the JA Bank Headquarters and the JF Marine Bank Headquarters. (For details, see page 26.)

Supervisory Committee Members

Representatives of the Bank's members (representatives elected from among individuals representing AFF business organizations investing in the Bank):	
Name	Organization
NAKAYA Toru	Representative Director and Chairman of JA Zenchu
OKAWA Ryoichi	Chair of National Council of JA Bank Representatives
ONIKI Haruto	Vice-Chair of National Council of JA Bank Representatives
KISHI Hiroshi	Representative Director and Chairman of JF Zengyoren
ONODERA Keisaku	Chairman of the Supervisory Committee of JA Iwate Shinnoren
SAKAMOTO Tomio	Chairman of the Supervisory Committee of JA Saitama Shinnoren
SAKURAI Hiroshi	Chairman of the Supervisory Committee of JA Gifu Shinnoren
KISHIMOTO Takayuki	Chairman of the Supervisory Committee of JA Osaka Shinnoren
SATO Hiroshi	Chairman of the Supervisory Committee of JA Hiroshima Shinnoren
KURIHARA Shunrou	Chairman of the Supervisory Committee of JA Miyazaki Shinnoren
FUKAYAMA Kazuhiko	Representative Director and Chairman of JF Hokkaido Shingyoren
KUBOTA Tadashi	Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren
MAEKAWA Osamu	Representative Director and Chairman of JForest Kumamoto Moriren

External experts with in-depth knowledge of finance	
Name	Reason for the appointment
BANDO Mariko	Ms. Bando was appointed because she has assumed various posts including Director-General of the Gender Equality Bureau, Cabinet Office of Japan, and President of Showa Women's University and possesses ample occupational experience and is highly knowledgeable in various social fields including finance.
TANABE Masanori	Mr. Tanabe was appointed because he has assumed various posts such as Director-General, Credit Systems Department, Bank of Japan, and Governor of Deposit Insurance Corporation of Japan and possesses in-depth knowledge and ample experience related to finance.
KOBAYASHI Eizo	Mr. Kobayashi was appointed because he has assumed various posts including President & C.E.O., and Chairman of ITOCHU Corporation and possesses in-depth knowledge and ample experience in various social fields including finance.
SATO Takafumi	Mr. Sato was appointed because he has assumed various posts including Director-General in charge of Inspection Bureau and Supervisory Bureau, and Commissioner of the Financial Services Agency of Japan, and possesses in-depth knowledge and ample experience related to finance.
MINAGAWA Yoshitsugu	Mr. Minagawa was appointed because he has assumed various posts including Director-General of the Forestry Agency and Vice-Minister of Agriculture, Forestry and Fisheries of Japan and possesses in-depth knowledge and ample experience related to the AFF industries.
Director of the Bank	
Name	Title
OKU Kazuto	President & Chief Executive Officer

■ 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. Of the seven board members, one is appointed as a member of the Supervisory Committee. Hence, decisions made by the Supervisory Committee and the Board of Directors are closely coordinated.

■ Audit & Supervisory Board Members/Audit & Supervisory Board

Audit & Supervisory Board Members are elected directly by the Council of Delegates and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business

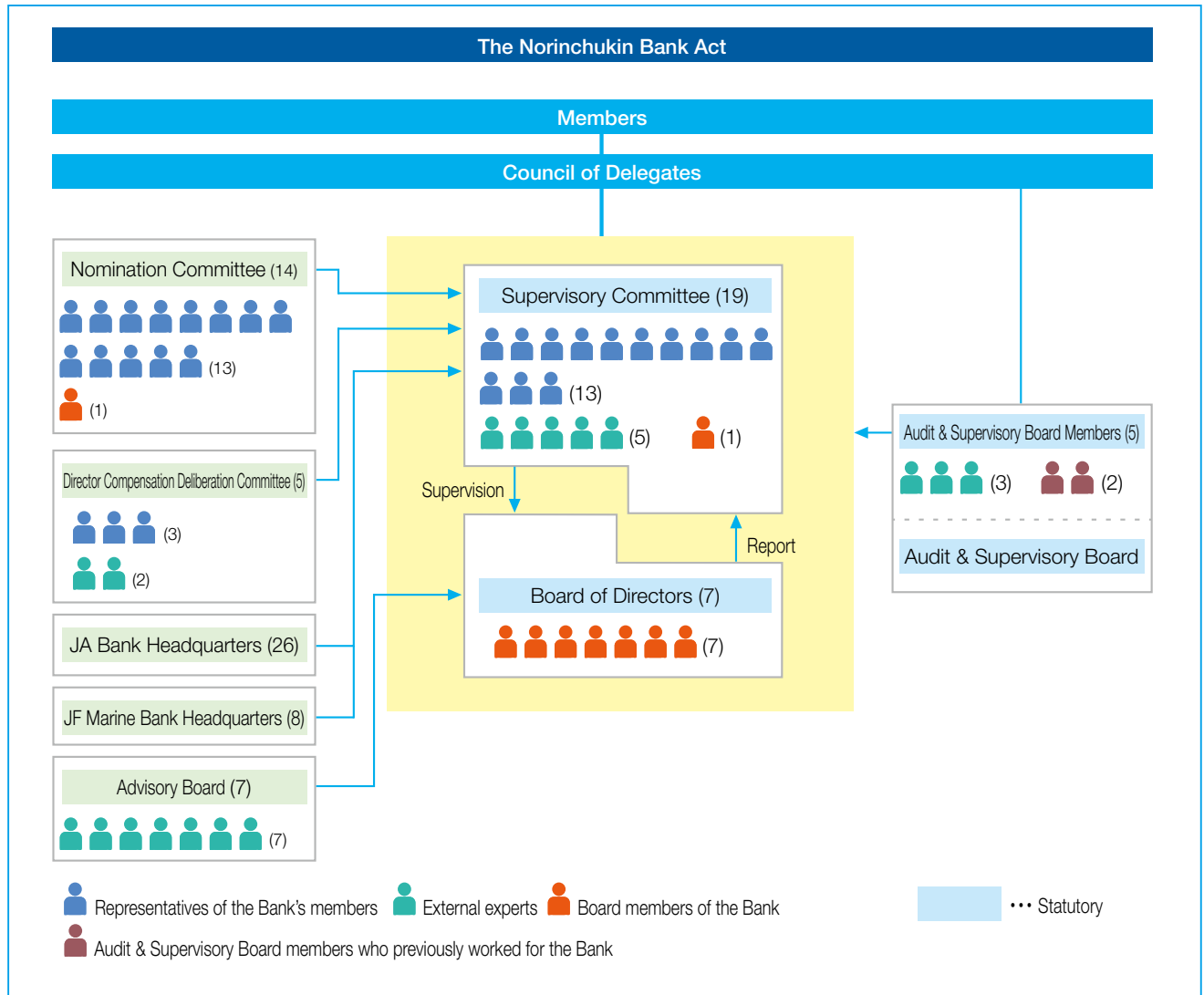
activities. Moreover, the Audit & Supervisory Board, comprising Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Act.

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

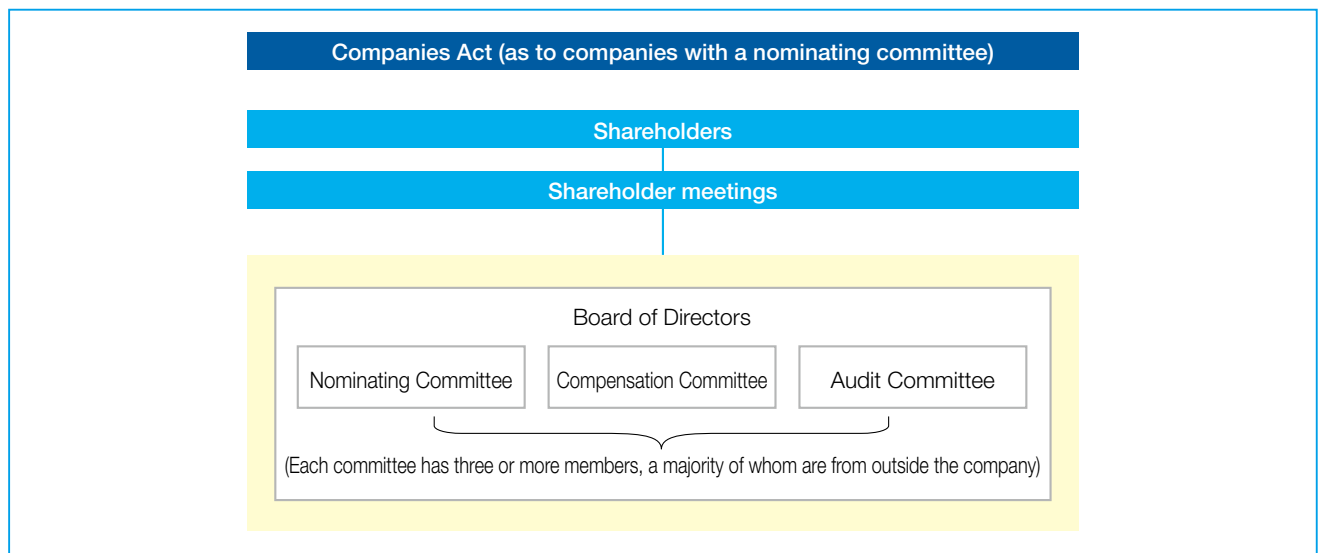
* According to Article 24-3 of the Norinchukin Bank Act, at least one of the Audit & Supervisory Board Members must satisfy all the following conditions:

- 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.

Management System of the Bank (As of July 1, 2021)



Reference: Management Structure under the Companies Act (as to Companies with a Nominating Committee)



■ Outline of Committees

● Nomination Committee

In 2001, the Bank installed the Nomination Committee to deliberate on the selection of candidates for Supervisory Committee members, Directors and Audit & Supervisory Board members and make recommendations to the Supervisory Committee and the Council of Delegates.

As of July 1, 2021, the Nomination Committee had 14 members, consisting of 13 representatives of the Bank's members and one director of the Bank.

● Director Compensation Deliberation Committee

The Bank installed the Director Compensation Deliberation Committee in 2010 to deliberate on issues related to compensation and retirement benefits of officers as a subcommittee of the Supervisory Committee.

As of July 1, 2021, the Director Compensation Deliberation Committee had five members, consisting of three representatives of the Bank's members and two external experts.

* Management 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. Details are included on pages 219-224 of "Compensation."

● JA Bank Headquarters, JF Marine Bank Headquarters

The JA Bank Headquarters and the JF Marine Bank Headquarters mainly consist 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.

As of July 1, 2021, the JA Bank Headquarters had 26 members, consisting of 24 external representatives of the Bank's members and two directors of the Bank. In addition, the JF Marine Bank Headquarters has eight members, consisting of six external representatives of the Bank's members and two directors of the Bank.

■ FY2020 Status of the Activities of the Supervisory Committee and Subcommittee Meetings

Committee Name	Number of Meetings	Attendance Ratio
Supervisory Committee	14 times	92.7%
Nomination Committee	4 times	90.6%
Director Compensation Deliberation Committee	2 times	91.7%
JA Bank Headquarters Committee	11 times	96.7%
JF Marine Bank Headquarters Committee	9 times	84.0%

■ Advisory Board

In April 2021, the Bank established the Advisory Board as an advisory body for the Board of Directors to deliberate on the Bank's roles and adequacy of its initiatives to help develop the AFF industries and strengthen local communities.

Members of the Advisory Board are external experts with in-depth knowledge in the fields of the food/agricultural value chain, IT/digital, socio-economics and locality/food who are selected and entrusted by the Board of Directors. The Advisory Board had seven members as of July 1, 2021.

Advisory Board Members

Name	Organization
ISHII Hayato	Director, K.K.Kyodo News Director of Kyodonews Agri Laboratories
KIUCHI Hirokazu	Representative Director, WAGOEN Representative Director, WAGO
KOBAYASHI Eizo	Director Emeritus of ITOCHU Corporation
TAKASHIMA Kohey	Representative Director, CEO, Oisix ra daichi Inc.
HAYASHI Mikako	Visiting Professor, Graduate School of Agriculture, Research Faculty of Agriculture, Hokkaido University Ph.D. Project Professor, Graduate School of SDM, Keio University
MIWA Yasufumi	Expert at the Center for the Strategy of Emergence, The Japan Research Institute, Limited
YAMAZAKI Shuji	President & CEO, JA Zen-Noh

(As of April 6, 2021, Alphabetical order)

■ Basic Policy on Governance

Given the spirit of the Corporate Governance Code of Japan issued by Japan Exchange Group, Inc. (JPX), the Bank has formulated a Basic Policy on The Norinchukin Bank Governance. Details are described in “About The Norinchukin Bank—Management Supervision” on the Bank’s Web site (<https://www.nochubank.or.jp/en/governance>).

■ Strategic Shareholdings—Holding Business Partner Firm’s Securities

● Policy for Holding Strategic Shareholdings

Based on an understanding of the outline of the Corporate Governance Code, which the Bank has adopted, and the increasingly stringent environment around international financial regulations, the Bank holds strategic shareholdings deemed to have merit and effectiveness such as shareholding that helps improve the value of the Bank’s business and contributes to its basic mission of supporting the AFF industries from the perspectives of the economic rationale of such shareholding; maintenance and enhancement of long-term relationships with clients; the growth and recovery of business partners; and the development of the AFF industries and food and agricultural businesses.

The Bank’s strategic shareholdings are examined regularly from a comprehensive perspective based on quantitative criteria combined with qualitative evaluations, and the content of the verification of the merit and effectiveness of the holdings is reported to the Board of Directors.

Based on such verification, the Bank holds approved strategic shareholdings in terms of the merit and effectiveness of the holdings, in principle, and arranges to sell strategic shareholdings of which the merit and effectiveness of the holdings is not recognized.

● Criteria for Exercising Voting Rights

Concerning the voting rights associated with strategic shareholdings held by the Bank, the Bank exercises such voting rights, in principle, making judgment for or against each proposal based on the following criteria:

1. Whether the proposal contributes to the medium- to long-term corporate value of the business partner
2. Whether the proposal contributes to improving the value of the Bank’s business

● Supervisory Committee Members

(As of July 1, 2021)

Title	Name	Brief career history	
Chairman of the Supervisory Committee	NAKAYA Toru 	2012 2013 2017	Chairman of the Supervisory Committee, JA Wakayama Shinnoren Chairman of JA Wakayama Chuokai (current Representative Director and Chairman) Chairman of the Supervisory Committee, JA Wakayama Kennoh Chairman of JA Zenkyoren Wakayama Prefectural Headquarters Administrative Committee Director of THE JAPAN AGRICULTURAL NEWS Chairman of JA Kinan Chairman of JA Zenchu (current Representative Director and Chairman) Member of the Nomination Committee of the Bank Member of the Director Compensation Deliberation Committee of the Bank Chairman of the Supervisory Committee of the Bank
Supervisory Committee Member	OKAWA Ryoichi 	2020	Representative Director and Chairman of JA Sagami Representative Director and Chairman of JA Kanagawa Chuokai Chairman of the Supervisory Committee of JA Kanagawa Shinnoren Chairman of the Supervisory Committee of Kanagawa Kouseiren Chairman of JA Zen-Noh Kanagawa Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Kanagawa Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of the Bank Chair of National Council of JA Bank Representatives Chairman of JA Bank Headquarters Member of the Nomination Committee of the Bank Member of the Supervisory Committee of JA Zenkyoren Member of the Director Compensation Deliberation Committee of the Bank
Supervisory Committee Member	ONIKI Haruto 	2014 2016 2020	Representative Director and Cooperative President of JA Fukuoka Chairman of the Supervisory Committee of JA Fukuoka Shinnoren Vice-Chair of National Council of JA Bank Representatives Member of the Supervisory Committee of the Bank
Supervisory Committee Member	KISHI Hiroshi 	1999 2006 2013	Office Chief of JF Kyosuiren Shimane Prefecture Office Representative Director and Chairman of JF Shimane Representative Director and Chairman of JF Zengyoren Member of the Nomination Committee of the Bank Director of JF Kyosuiren Member of the Director Compensation Deliberation Committee of the Bank Member of the Supervisory Committee of the Bank
Supervisory Committee Member	ONODERA Keisaku 	2020	Chairman and Director, JA Shin-Iwate Representative Director and Chairman of JA Iwate Chuokai Chairman of the Supervisory Committee of JA Iwate Shinnoren Representative Director and Chairman of JA Iwate Kouseiren Chairman of JA Zen-Noh Iwate Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Iwate Prefectural Headquarters Administrative Committee Director of THE JAPAN AGRICULTURAL NEWS Member of the Nomination Committee of the Bank Member of the Supervisory Committee of the Bank Director of IE-NO-HIKARI ASSOCIATION





(As of July 1, 2021)

Title	Name	Brief career history	
Supervisory Committee Member	SAKAMOTO Tomio 	2020 2021	Chairman and Director of JA Hokusai Representative Director and Chairman of JA Saitama Chuokai Chairman of the Supervisory Committee of JA Saitama Shinnoren Chairman of JA Zen-Noh Saitama Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Saitama Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Zenkyoren Member of the Supervisory Committee of the Bank Representative Auditor of IE-NO-HIKARI ASSOCIATION
Supervisory Committee Member	SAKURAI Hiroshi 	2012 2015 2020 2021	Chairman of the Supervisory Committee of JA Gifu Shinnoren Member of JA Zen-Noh Gifu Prefectural Headquarters Administrative Committee Member of JA Zenkyoren Gifu Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Gifu Kouseiren Chairman of JA Gifu Chuokai (current Representative Director and Chairman) Director of JA Zenchu Member of the Supervisory Committee of the Bank Representative Director and Chairman, Nokyo Tourist Corporation Director of IE-NO-HIKARI ASSOCIATION Representative Director and Chairman of JA Gifu
Supervisory Committee Member	KISHIMOTO Takayuki 	2013 2017 2019 2020	Representative Director and Cooperative President of JA Osaka-Hokubu Chairman of JA Osaka Chuokai (current Representative Director and Chairman) Chairman of the Supervisory Committee of JA Osaka Shinnoren Chairman of JA Zen-Noh Osaka Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Osaka Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Zenkyoren Auditor of IE-NO-HIKARI ASSOCIATION Director of JA Zenchu Member of the Supervisory Committee of the Bank
Supervisory Committee Member	SATO Hiroshi 	2019 2020	Representative Director and Cooperative President of JA Fukuyamashi Director of JA Hiroshima Chuokai Member of the Supervisory Committee of JA Hiroshima Kouseiren Member of JA Zen-Noh Hiroshima Prefectural Headquarters Administrative Committee Member of JA Zenkyoren Hiroshima Prefectural Headquarters Administrative Committee Chairman of the Supervisory Committee of JA Hiroshima Shinnoren Member of the Supervisory Committee of the Bank
Supervisory Committee Member	KURIHARA Shunrou 	2019 2020	Representative Director and Cooperative President of JA Miyazaki-Chuo Director of JA Miyazaki Chuokai Director of JA Miyazaki Keizairen Member of JA Zenkyoren Miyazaki Prefectural Headquarters Administrative Committee Chairman of the Supervisory Committee of JA Miyazaki Shinnoren Member of the Supervisory Committee of the Bank

(As of July 1, 2021)

Title	Name	Brief career history	
Supervisory Committee Member	<p>FUKAYAMA Kazuhiko</p> 	<p>2012 2019</p>	<p>Representative Director and Cooperative President of JF Utoro Representative Director and Chairman of JF Hokkaido Shingyoren Director of JF Zengyoren Member of the Supervisory Committee of the Bank</p>
Supervisory Committee Member	<p>KUBOTA Tadashi</p> 	<p>2015 2016 2019 2021</p>	<p>Director of Nagasaki Gyosai Director of JF Zengyoren Member of the Supervisory Committee of the Bank Chairman of the JF Marine Bank Headquarters Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren</p>
Supervisory Committee Member	<p>MAEKAWA Osamu</p> 	<p>1993 2011 2018 2020 2021</p>	<p>Member of the Kumamoto Prefectural Assembly Representative Director and Chairman of JForest Kumamoto Moriren Chairman of the Federation of Kumamoto Liberal Democratic Party Branch Member of the Supervisory Committee of the Bank Director of JForest Kikuchi Director of JForest Zenmoriren</p>
Supervisory Committee Member	<p>BANDO Mariko</p> 	<p>1969 1994 1995 1998 2001 2007 2014 2017 2019</p>	<p>Joined Prime Minister's Office (currently, Cabinet Office) Cabinet Secretariat and Director-General of the Bureau for Gender Equality Vice-Governor of Saitama Prefecture Japanese consul general in Brisbane, Australia Director-General of the Gender Equality Bureau, Cabinet Office of Japan President of Showa Women's University Chancellor of Showa Women's University Member of the Supervisory Committee of the Bank Outside Director of MS&AD Insurance Group Holdings, Inc. Outside Director of Mitsubishi Research Institute, Inc.</p>
Supervisory Committee Member	<p>TANABE Masanori</p> 	<p>1975 2001 2004 2010 2015 2016 2019</p>	<p>Joined Bank of Japan Deputy Director-General, Credit Systems Department (in charge of credit systems), Bank of Japan Director-General, Credit Systems Department, Bank of Japan Governor of Deposit Insurance Corporation of Japan Director and Chairman of AXA Life Insurance Co., Ltd. Chairman of AXA GENERAL INSURANCE COMPANY LIMITED Visiting Professor, Musashino University Director and Chairman of AXA Investment Managers Member of the Supervisory Committee of the Bank</p>

(As of July 1, 2021)

Title	Name	Brief career history
Supervisory Committee Member	KOBAYASHI Eizo 	1972 Joined C. Itoh & Co. Ltd. (Former name of ITOCHU Corporation) 2000 Executive Officer of ITOCHU 2002 Managing Executive Officer of ITOCHU 2003 Managing Director of ITOCHU 2004 Senior Managing Director of ITOCHU President & C.E.O. of ITOCHU 2010 Chairman of ITOCHU 2020 Director Emeritus of ITOCHU Member of the Supervisory Committee of the Bank
Supervisory Committee Member	SATO Takafumi 	1973 Joined the Ministry of Finance, Japan 2001 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency, Japan 2002 Director-General, Inspection Bureau, Financial Services Agency 2004 Director-General, Supervisory Bureau, Financial Services Agency 2007 Commissioner, Financial Services Agency 2010 Professor, Hitotsubashi University Graduate School of Commerce (currently, Hitotsubashi University Graduate School of Business Administration) 2013 President, Tokyo Stock Exchange Regulation (currently, Japan Exchange Regulation (JPX-R)) 2020 Member of the Supervisory Committee of the Bank
Supervisory Committee Member	MINAGAWA Yoshitsugu 	1978 Joined the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan 2006 Director-General of Staple Food Department, General Food Policy Bureau, MAFF 2007 Deputy Director-General of Forestry Agency 2008 Deputy Director-General of Rural Development Bureau, MAFF 2009 Director-General of Kanto Regional Agricultural Administration Office, MAFF 2010 Director-General of Forestry Agency 2012 Vice-Minister of Agriculture, Forestry and Fisheries 2016 Chief Counselor of Norinchukin Research Institute Co., Ltd. 2020 Member of the Supervisory Committee of the Bank
Supervisory Committee Member	OKU Kazuto 	1983 Joined The Norinchukin Bank 2003 Deputy General Manager, Corporate Planning Div. 2004 Head of Business Development Dept. Corporate Planning Div. 2007 General Manager, JA Bank System Management Div. 2009 General Manager, Corporate Planning Div. 2011 Managing Director, Member of the Board of Director 2013 Senior Managing Director, Member of the Board of Director 2016 Senior Managing Director, Member of the Board of Director, Head of Corporate and Shared Services 2017 Representative Director, Senior Managing Director, Member of the Board of Director, Head of Corporate and Shared Services 2018 President and Chief Executive Officer of The Norinchukin Bank 2021 Representative Director and President, Chief Executive Officer

Framework for Business Administration (Risk Appetite Framework (RAF))

■ Basic Approach

The business environment surrounding financial institutions is changing radically. For the Bank to maintain its high soundness and continue to meet stakeholders' expectations and perform its basic roles, the forward-looking recognition of risks and the appropriate risk controls, as well as the risk taking in a disciplined manner, are increasingly important.

To implement such measures, the Bank has introduced the Risk Appetite Framework (RAF) for business administration. Under the RAF, the Bank aims to achieve the goals of the management plan and works to foster and disseminate a sound risk culture that supports its business administration framework.

■ Risk Appetite Framework (RAF)

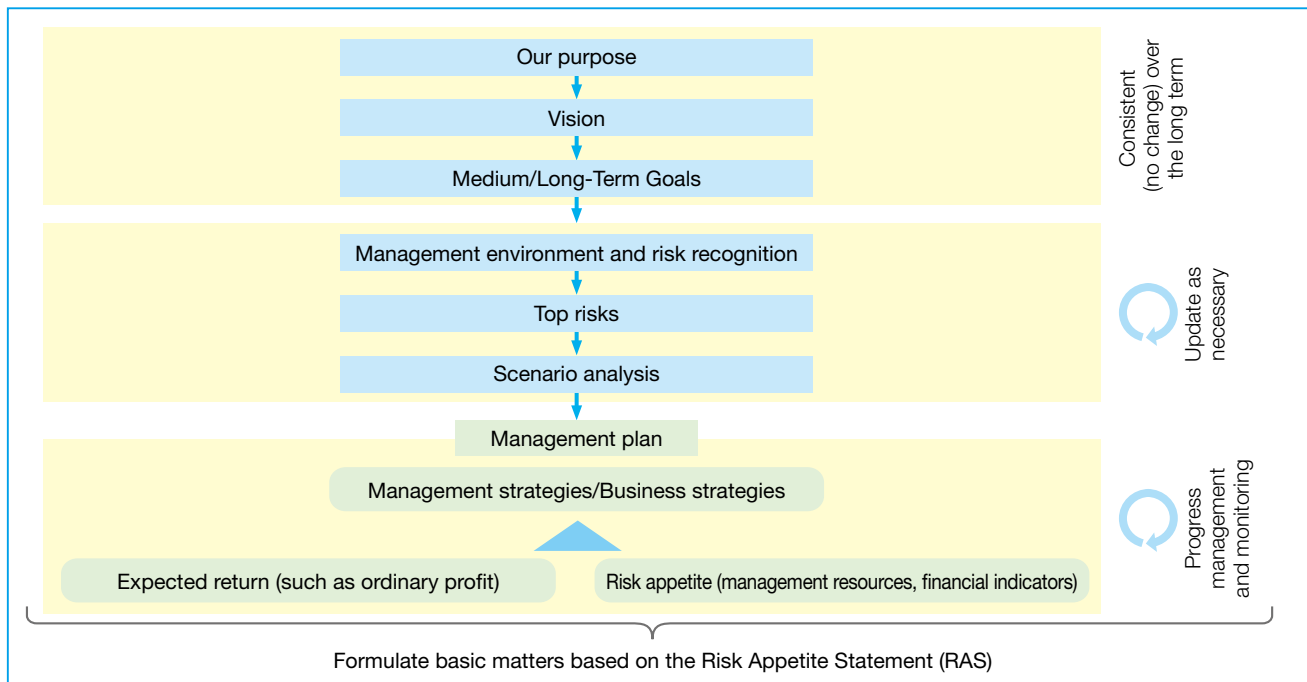
The Bank's RAF is a "framework for business administration leading to disciplined risk taking and optimizing the balance between risk and return" by clarifying the Bank's management strategies, business strategies and expected return (types and amounts of return that are set as goals) and risk appetite (types and amounts of risks that the Bank is willing to take or are acceptable to the Bank, and optimal management resources) and managing them in an integrated manner. Under the RAF, with

the aim of an optimal balance between risk and return, the Bank further improves its soundness while adjusting to changes in the surrounding environment.

■ Implementation of the RAF

The Bank issues its Risk Appetite Statement, formulates and documents the basic matters related to implementation of the RAF. To formulate a management plan, based on the Risk Appetite Statement, the Bank identifies the "Top Risks" (risk events to which the Bank needs to pay special attention in the future), considering the management environment and risk recognition, and analyzes scenarios of risk events that could happen in the future. Based on the analysis results, the Bank clarifies the expected return from the implementation of the management strategies and business strategies as well as the risk appetite and formulates the management plan. In addition to clarifying the policies for managing expected return and risk appetite, the Bank sets the Key Goal Indicators (KGIs) and Risk Appetite Indicators. During a fiscal year, while updating the information on the management environment and risk recognition, the Bank monitors the status of management strategies, business strategies and expected return, as well as the risk appetite, and reviews them if necessary. Thus, the RAF is implemented with the PDCA cycle of the management plan.

Outline of the RAF



Examples of Top Risks

Risk Events	Risk Scenario (example)
Restriction on foreign currency funding due to changes in the external environment	Rapid changes in the financial market, leading to a decline in the liquidity of foreign currencies and a rise in funding costs, resulting in restricting portfolio management
Significant credit deterioration	Increase in credit costs due to significant deceleration of the global economy
Continuation of a low-profitability environment	Decline in profitability and destabilization of the financial base due to shrinkage of the gap between long-term and short-term interest rates
Occurrence of damages caused by cyberattacks	Long-term suspension of customer services caused by damage to systems, payment of large amounts of damage compensation and damage to the Bank's reputation
Slowdown in work-style reform and the productivity gap	Slowdown in productivity and the loss of competitiveness by continuing conventional work styles
Slowdown in efforts related to sustainability management	Adverse effect from the slow implementation of measures to address environmental issues such as climate change on the AFF industries and local communities
Acceleration of changes in financial services and business operations due to digital innovation	Customer turnover due to the emergence of new financial services by other companies, leading to shrinkage of the Bank's business base

Note: Please note that the above are a portion of the risks the Bank has identified to date.

■ Risk Culture

It can be said that the corporate culture has a multifaceted nature that is formed collectively by the norm of behavior, sense of value and/or habits that are built on the thoughts and behavior of each director and employee of the organization. At the same time, as a financial institution with social responsibility, it is necessary to ensure profitability through a certain level of risk taking in order to maintain its soundness and continue to perform its roles consistently. To this end, it is especially important for the appropriate implementation of the RAF that di-

rectors and employees throughout the organization share the “risk culture” concerning risk recognition, risk taking and risk management.

The Bank fosters and disseminates a sound risk culture throughout the organization by defining and disseminating its future vision, so that all senior management and employees of the Bank, sharing the required standard of behavior and way of thinking, can always act with a mindset to establish and maintain trust with diverse stakeholders.

Initiatives for Strengthening Internal Control

■ Basic Approach

For the Bank to fulfill its fundamental mission as the central organization for Japan's AFF 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, and proper risk management and business activities.

■ 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 Legal Affairs and Compliance Division reviews the details related to important decisions in advance, under its mission to supervise the Bank's overall compliance matters.
- 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 an outside law firm for advice or to file a report.
- 4) The Bank institutes a Compliance Program each fiscal year, which includes systematic compliance promotion and education and training programs for employees.
- 5) The Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security and blocks all relationships with them.
- 6) With regard to internal controls on financial reporting, the Bank has in place measures to ensure reliability and appropriateness of such reporting.

● 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 to present information related to the execution of their duties for inspection, upon the request of directors, executive officers and Audit & Supervisory Board Members.

● Rules and Other Systems for Managing the Risk of Loss

- 1) The Bank views the proper implementation of risk management as a major management issue 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 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 Act, 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 and executive officers 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 to Ensure 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, compliance, risk management and 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 systems for managing the risk of loss; the efficient execution of directors' duties; and conformity of directors' and employees' duties 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 business operation units. 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, Independence and Governance Regarding Support Staff for Audit & Supervisory Board Members**

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

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

● **Systems for Reporting to Audit & Supervisory Board Members**

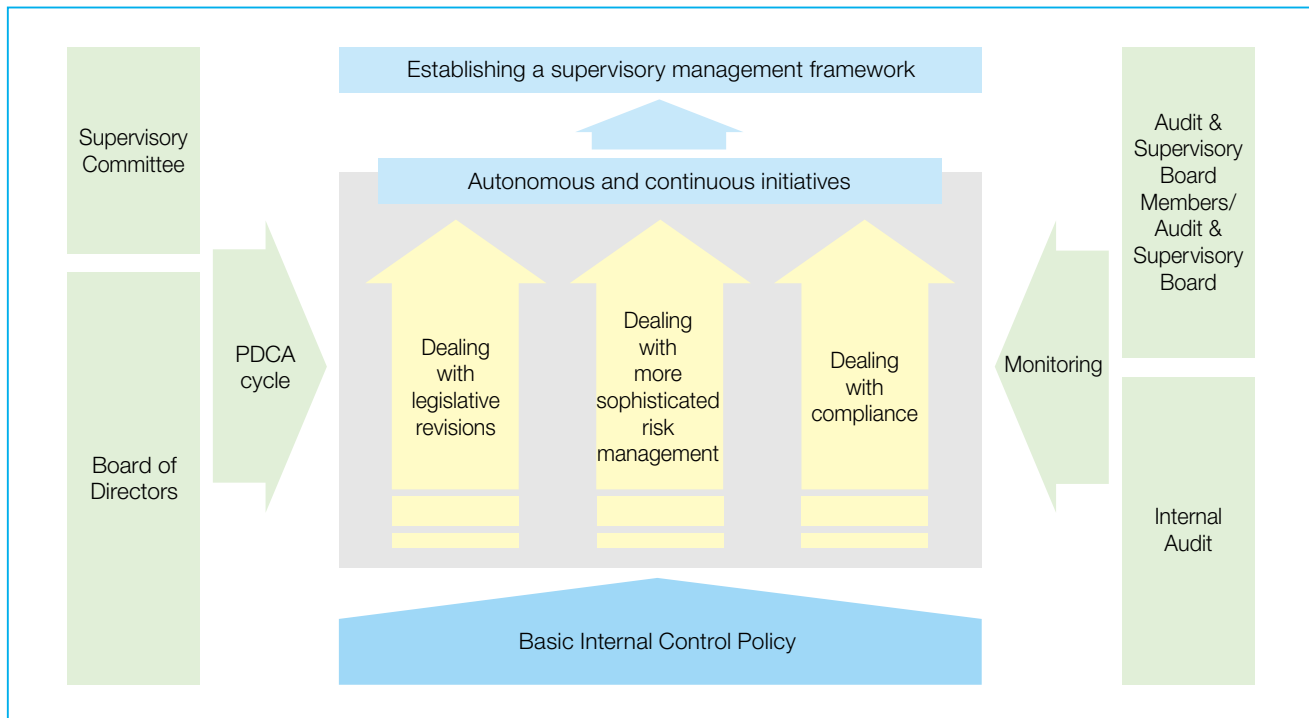
- 1) A director must report immediately to the Audit & Supervisory Board in case of discovering information that could cause serious damage to the Bank and the Bank Group.
- 2) When the Legal Affairs and Compliance Division discovers information that is important from a compliance perspective or that 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 Reporting to Audit & Supervisory Board Members from Group Companies**

In addition to reports based on the provisions of the preceding paragraph, the Legal Affairs and 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.

Initiatives for Strengthening Internal Control



- **Systems to Ensure Persons Who Report to Audit & Supervisory Board Members Are Not Treated Unfairly Because of the Reporting**

The Bank 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 treated unfairly because of having made the report and disseminates this matter throughout the Bank and its group companies.

- **Expense Policy for Duties Exercised by Audit & Supervisory Board Members**

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**

Being fully aware of the importance and value of audits by Audit & Supervisory Board Members, the Bank has established the following systems 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, executive officers and employees must cooperate with Audit & Supervisory Board Members' investigative and interview requests.
- 4) In general, directors, executive officers and employees must comply with the matters set forth in the Rules of the Audit & Supervisory Board and the Standards for Audits.

- **Status of Activities of Audit & Supervisory Board Members**

Each Audit & Supervisory Board Member has conducted audits, fulfilling his/her roles in accordance with the criteria prescribed by the Audit & Supervisory Board and the audit policy, and requested reports, as needed, on business execution from Directors and members of the Supervisory Committee.

In addition, Audit & Supervisory Board Members hold Audit & Supervisory Board meetings regularly to discuss each member's role and carry out their duties in cooperation with each other. Also, the Audit & Supervisory Board Members receive explanations of the audit plan from the Accounting Auditor at the beginning of the fiscal term, have a hearing on the audit progress during the term and receive a report on the audit results at the end of the term, thereby verifying the adequacy of the audit methods and results.

18 Audit & Supervisory Board meetings were held during fiscal 2020.

- **Auditing Firm Status of the Accounting Auditor**

- **Outline of the Certified Public Accountants (CPAs), etc., Who Conduct the Audit**

- 1) Name of the auditing firm, CPAs who executed audit duties and the composition of CPAs and persons assisting the audit duties
 - a. Name of the auditing firm
EY Japan (Ernst & Young ShinNihon LLC)
 - b. Audit period under contract
The Bank has had a contract of audit with EY Japan (Ernst & Young ShinNihon LLC) since fiscal 2006.
 - c. CPAs who executed audit duties
NANBA Hideya, HOSONO Kazuya, NAGAO Mitsuhiro
 - d. Composition of CPAs and persons assisting audit duties
12 CPAs and 30 assistants (as of March 31, 2021)
- 2) Policy for selecting an auditing firm, reason for the selection and evaluation

The Audit & Supervisory Board considers whether to reappoint the auditing firm based on the firm's quality control framework, team structure, the amount and content of the charges for audit duties, the status of the firm's communication with the Bank's Audit & Supervisory Board Members and other personnel, relationships with the Bank's management staff, the status of audit duties of the consolidated financial reports, preparedness for the risk of fraudulent acts and legality, etc.

In case the Audit & Supervisory Board recog-

nizes that the auditing firm is unlikely to fulfill its duties or ensure its legal or regulatory independence and appropriateness, or in case it is deemed necessary to take an action, the Audit & Supervisory Board deliberates on submitting a proposal to dismiss or not reappoint the auditing firm to the Council of Delegates at its regular meeting.

Based on the above, the Bank has found no issue with the firm's execution of audit duties for this fiscal year and determined to reappoint the firm.

• Details of Compensation for Audit Duties

1) Compensation for CPAs and other staff ("CPAs, etc." below) of the accounting firm

(Millions of yen)

Category	Fiscal 2019		Fiscal 2020	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	229	101	239	73
Consolidated subsidiary	67	10	33	6
Total	296	112	272	79

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the accounting firm includes services to support internal controls related to the JA banking business.

2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the accounting firm includes services to guarantee internal controls related to the operation of the trust business.

2) Compensation paid to the same network as that of these CPAs, etc. (Ernst & Young Global Limited) (other than 1))

(Millions of yen)

Category	Fiscal 2019		Fiscal 2020	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	—	115	—	138
Consolidated subsidiary	7	—	13	2
Total	7	115	13	140

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes tax-related support.

2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes support under the Act on Utilization of Telecommunications Technology in Document Preservation, etc. Conducted by Private Business Operators, etc.

3) Compensation for other important auditing and attestation duties

None applicable

4) Policy for determining compensation for audit duties

Concerning compensation for audit duties, after receiving explanation from the Accounting Auditor

on their auditing structure, procedure, audit plan including schedule and estimated hours required for audit duties, etc., the Bank inspected and verified the adequacy and received approval by the Audit & Supervisory Board.

Internal Audit System

■ Position of the Internal Audit

The mission of internal audit of the Bank is to enhance and protect the Bank's organizational value through provision of independent and objective assurance services via risk-based approach.

The Internal Audit Division helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the governance, risk management and control processes.

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

■ Outline of the Internal Audit System

The Bank has formulated the Internal Audit Policy, which specifies the purpose, authority and responsibility and scope of an internal audit, as determined by the Board of Directors. The Internal Audit Division consists of the Head Office Internal Audit Division and Overseas Internal Auditors. General Manager of the Internal Audit Division serves as the chief audit executive.

General Manager of the Internal Audit Division reports to and receives instructions from the President & CEO regarding administrative matters. On the functional matters to be submitted and reported to and discussed at the Board of Directors, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall submit and report such content directly to the Board of Directors. Also, on the matters related to internal audits of the Supervisory Committee, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall report on these matters directly to the Supervisory Committee.

Furthermore, General Manager of the Internal Audit Division shall make periodic reports on issues regarding the execution of internal audits directly to the Audit & Supervisory Board/Members. Concerning the matters to be reported to and discussed at the Board of Directors or to be reported the Supervisory Committee, General Manager of the Internal Audit Division shall report on such matters directly to the Audit & Supervisory Board/Members before they are reported to the Board of Directors or the Supervisory Committee.

General Manager of the Internal Audit Division meets with Audit & Supervisory Board Members and the Accounting Auditor to exchange views and information on a periodic and as-needed basis to strengthen their cooperative efforts.

■ Implementation of Effective Internal Audits

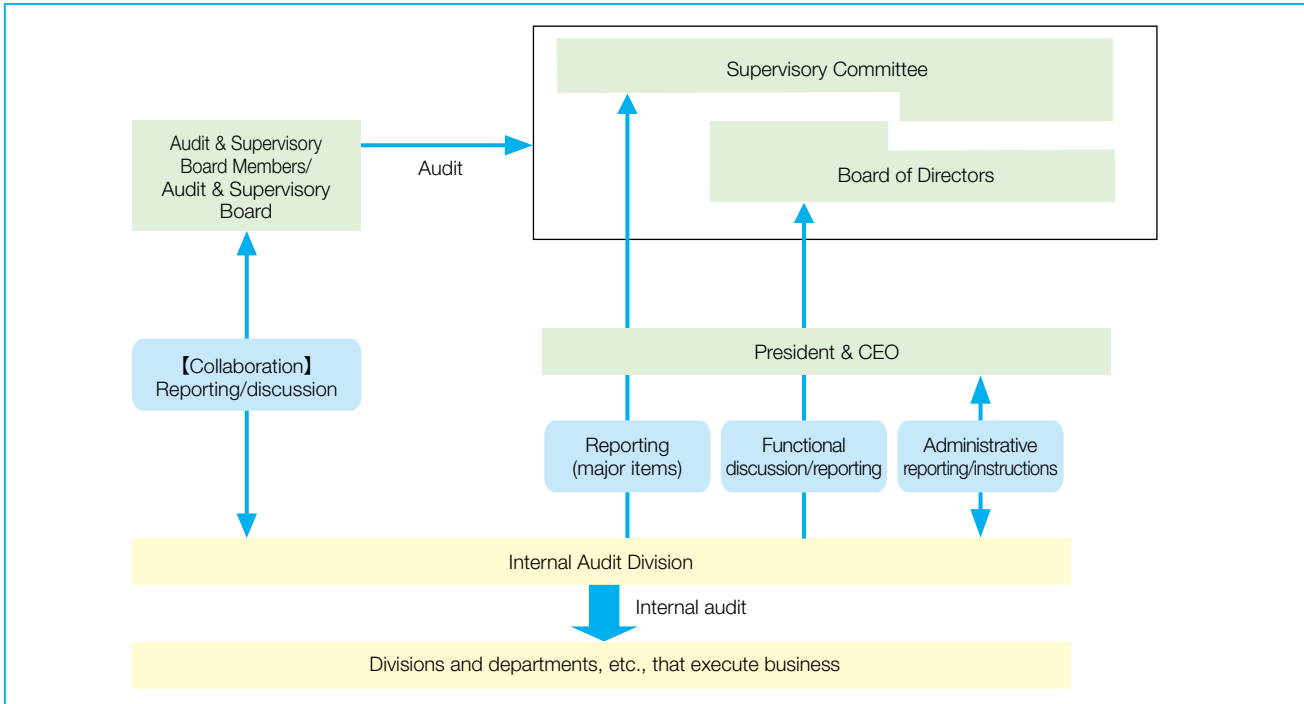
To implement internal audits, the Internal Audit Division adheres to the IIA* standards and makes best effort to encourage the Bank's overseas branches to comply with the internal audit standards that are applicable to the countries where those branches are located.

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, aiming to conduct internal audits effectively and efficiently, the Internal Audit Division implements off-site monitoring to gather daily audit-related information and conducts full risk assessments, thereby engaging in risk-based audits.

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

Overview of the Internal Audit System



Continuing as a Publicly Trusted Financial Institution

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 an increasingly important management objective, especially considering strong public criticism of corporate and other organizational improprieties and the significant public expectations of corporations 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 considering 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, the Bank has defined its basic compliance policy in its Code of Ethics, Environmental Policy, Human Rights Policy and a code of conduct for all directors and employees. To further ensure full compliance awareness among all directors and employees, the Bank has incorporated in the Compliance Manual: the "Interpretation of Laws and Regulations Which All Directors and Employees Need to Observe." 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 might involve a conflict of interest with customers.

Code of Ethics

1. Fundamental Mission and Social Responsibility

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.

2. Offering High-Quality Services

We meet the needs of customers by offering customer-oriented services and fulfill a role as a national-level institution engaged in the cooperative banking business and contribute to economic and social development through offering high-quality services that are supported by enhancements in security levels to prepare for natural disasters and cyberattacks that could threaten civil life and corporate activities, and ensuring business continuity at the time of disaster.

3. Strict Compliance with Laws and Regulations

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.

4. Severing Antisocial Forces and Combating the Threat of Terrorism

We have a zero-tolerance policy against antisocial forces that threaten the safety and order of civil society and thoroughly sever any relations with them. We endeavor to enhance measures against money laundering and financing of terrorism, recognizing the current heightened risks of international society being under the threat of terrorism.

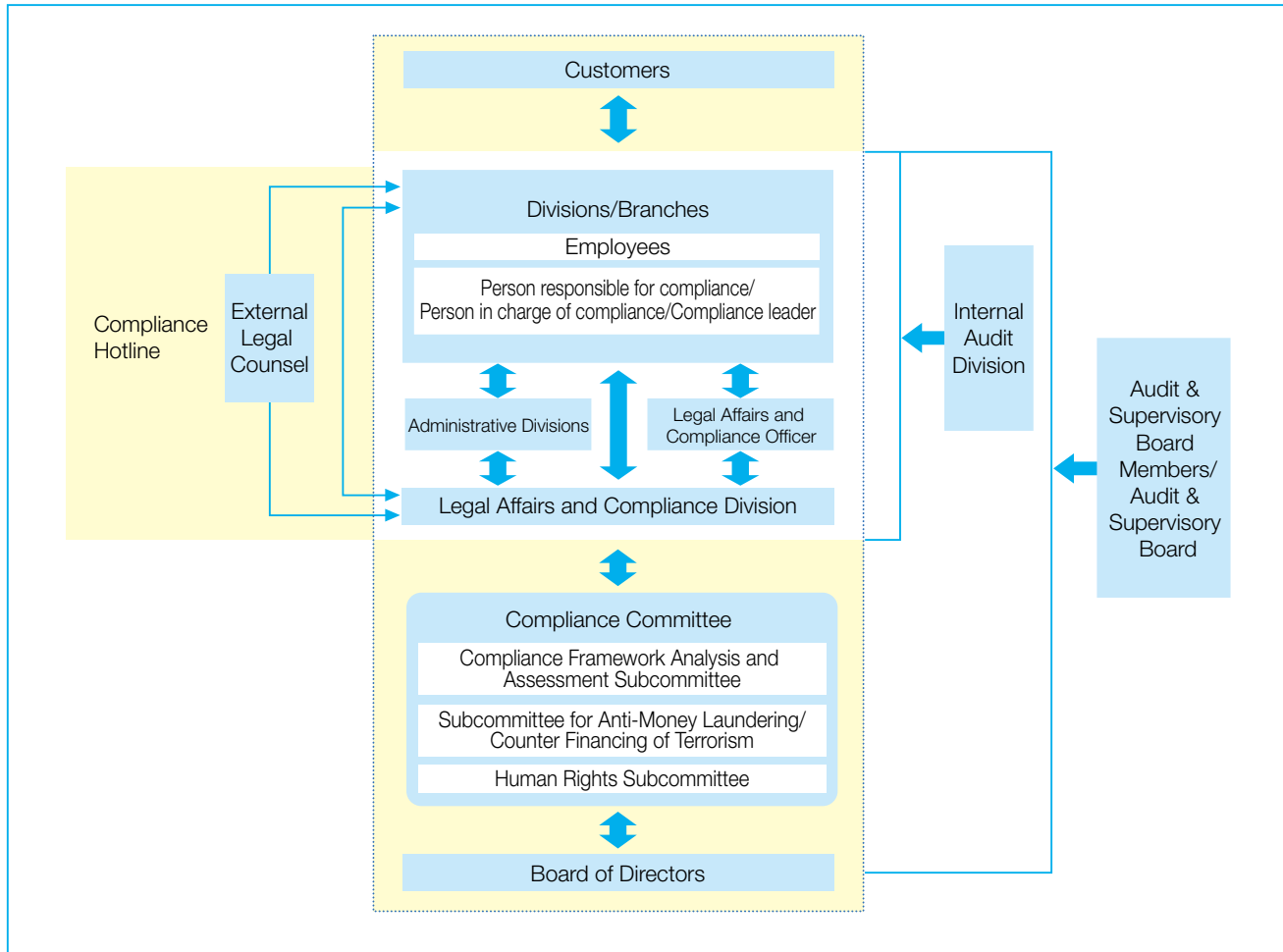
5. Building a Highly Transparent Organizational Culture

We have built a highly transparent organizational culture by respecting employees' individuality and ensuring a pleasant working environment considering employees' health and safety, while endeavoring to enhance communication and maintain satisfactory relationships with society, including proactively and fairly disclosing business information.

6. Contribution to a Sustainable Society

We, as members of society, work closely with local communities, to support them with respect to the human rights of each person and with social issues such as environmental concerns, and we seek to contribute to the realization of a sustainable society.

Compliance Framework



■ Compliance Activities Directly Linked to Management

The Bank’s compliance framework comprises the Compliance Committee, the Compliance Division (Legal Affairs and Compliance Division), Legal Affairs and Compliance Officer and the 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 the Bank’s basic compliance issues. Topics of high-level importance discussed by the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the Compliance Framework Analysis and Assessment Subcommittee, the Subcommittee for Anti-Money Laundering/

Counter Financing of Terrorism and the Human Rights Subcommittee, which are subcommittees under the Compliance Committee.

The Bank also has clarified its efforts to disseminate a sound risk culture and systematically prevent inappropriate behavior as part of its risk handling policy in the RAF.

■ Compliance Practices within the Bank

The Bank’s compliance framework at branches and divisions is based on the combined efforts of each employee, primarily centered on the General Manager of each branch or division as the person responsible for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Legal Affairs and 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 Legal Affairs and Compliance Division.

Legal Affairs and Compliance Officers appointed in the Food & Agri Banking Business, the Retail Banking Business and Global Investments have been responsible for supporting each headquarters' operations from the aspect of compliance.

The Legal Affairs and 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 Legal Affairs and Compliance Division has also installed a Compliance Hotline to enable employees to report on compliance issues to the Legal Affairs and Compliance Division or outside lawyers by telephone or e-mail. When a compliance issue is reported, the Bank maintains close contact with the whistleblower, makes necessary improvements and implements corrective

measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. These are necessary efforts to improve employees' trust in the Bank.

The Legal Affairs and 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 and customer protection, as well as promotion of initiatives, education and training plans for them. The Legal Affairs and 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.

The Bank's Compliance Hotline Has Been Registered with the "Whistleblowing Compliance Management System Certification (Self-declaration of Conformity Registration System)" of the Consumer Affairs Agency, Japan

On May 14, 2021, the Bank's Compliance Hotline was registered as conforming to the Whistleblowing Compliance Management System (WCMS) certification (self-declaration of conformity registration system) of the Consumer Affairs Agency (CAA), Japan.

The WCMS certification (self-declaration of conformity registration system) is a system via which a business operator evaluates its own whistleblowing system against the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems, which is based on the Whistleblower Protection Act of CAA Japan. If the business operator concludes that its Whistleblowing Compliance Management System satisfies the guideline's requirements as a result of its self-assessment, the system undergoes auditing and confirmation by the Japan Institute of Business Law, an institution designated by the CAA, and is registered as authenticated if confirmed.



Symbol Mark for a business operator with an authenticated and registered with Whistleblowing Compliance Management System

■ 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.

Disclosure Policy

As the national-level financial institution for Japan's AFF 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 rules set by financial instruments exchange markets where the Bank lists its financial products.
 - (ii) Information that is not subject to mandatory disclosure as (i) above but could 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 rules set by financial instruments exchange markets where the Bank lists its financial products, 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 are prepared and contains elements of risk and uncertainty. For this reason, actual results might 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 not to comment on rumors once it is clear that the source of the rumors did not originate from within the Bank. However, when the Bank determines that the rumors could have a major impact on the capital markets, or when securities and stock exchanges etc. demand an explanation, the Bank will comment on such rumors at its discretion.

■ 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

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

■ Measures to Eliminate Antisocial Elements

Under the Code of Ethics, the Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security, and in order to block all relationships with such antisocial 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 are asked to respond to unjustified demands from antisocial elements.

2) Cooperation with outside agencies

In preparation for unjustified demands from antisocial elements, the Bank endeavors to establish continuing cooperation with outside agencies such as the police, the National Centers for Removal of Criminal Organizations and lawyers.

3) Blocking of relationships including business transactions

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

4) Civil and criminal legal responses in times of emergency

The Bank shall reject unjustified demands from antisocial elements and take legal action, if necessary, on both a civil and criminal basis.

5) Prohibition of secret deals and provision of funds

Even in cases where the unjustified demands from antisocial elements are based on misconduct related to business activity or involving an employee, the Bank will absolutely not engage in secret deals. Furthermore, the Bank shall absolutely not provide funds to antisocial elements.

Revitalization of Local Communities and Finance Facilitation Initiatives

Revitalization of Local Communities

● Training of Next-Generation Farm Operators

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 AgriFuture Japan, of which the major sponsor is the Bank.

Since the opening of the Japan Institute of Agricultural Management in April 2013, 101 students have graduated and begun engaging in farming nationwide. At present, class of 2021 and 2022 students are studying hard, encouraging each other as colleagues sharing the same aspiration in the school located on one of the floors at The Norinchukin Bank Shinagawa Training Center.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies that practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound AFF industries and for the sixth industrialization, thereby continuing to support environmental measures taken by corporations.

● Agricultural, Forestry, and Fisheries Future Fund

To support the voluntary initiatives of farmers, fishermen and foresters/business entities and promote the dispatch of related information toward the further growth of the AFF industries, the Bank established the Agricultural, Forestry, and Fisheries Future Project and, as the entity to implement the project, founded the Agricultural, Forestry, and Fisheries Future Fund in 2014, to which the Bank contributed ¥20.0 billion.

The Agricultural, Forestry, and Fisheries Future Fund has provided subsidies for 53 projects. For fiscal 2021, the Fund started solicitation in May 2021.



Poster introducing the recipients of subsidies from the Agricultural, Forestry, and Fisheries Future Fund

● 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 2,061 (as of March 31, 2021) pioneering agricultural corporation members nationwide. The partnership enables the association's members to 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.

Due to the COVID-19 pandemic, fiscal 2020 saw the cancellation of the two events the Bank has cosponsored; the Farmers' & Kids' Festival (cosponsored by the Bank annually since fiscal 2010) to educate consumers in urban areas on the attractions of agriculture and the Next Generation Agriculture Summit (cosponsored since fiscal 2016) to solicit self-motivated young farmers. Given such circumstances, the Bank informed agricultural businesses suffering the loss of sales channels due to the COVID-19 pandemic that they can be prioritized to attend the Japanese Foods Premium Trade Fair, which is a venue for overseas trade negotiations, and that they can enter an online exhibition held by the JA Group Domestic Agricultural and Livestock Produce Trade Fair, a venue for domestic trade negotiations.

Also, the National Federation of Agricultural Labor Support Conference is promoting alliances with other organizations to understand the real situation of the labor shortage caused by the COVID-19 pandemic and strengthen measures to address this issue.

● 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 textbooks for fifth graders as agriculture and food-related teaching aids, 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 2020, we donated 1.3 million textbooks to primary schools nationwide. Cumulatively since fiscal 2008, we have distributed more than 19 million textbooks domestically. The Bank has also distributed textbooks to Japanese schools overseas.

Initiatives to Cope with the Spread of COVID-19

As COVID-19 spreads, the AFF industries, the foundation of the Bank’s business, have been affected significantly. Events have been cancelled because people refrain from leaving home. Demand declined due to restaurant closures and a decline in inbound tourism. Exports have become stagnant. Those most severely affected are producers of Japanese beef, livestock farmers, growers of flowers and plants, orchard operators and seafood processors, all of which have serious problems such as decreases in sales, large amounts of inventory that they cannot move and a plunge in unit sales prices.

Against this backdrop and as a member of JA Bank and JF Marine Bank, the Bank has handled low-interest

loans and other helpful products for AFF industry workers, continuing from the previous fiscal year. For existing loans, the Bank is responsive to customers’ concerns, providing careful customer care, sometimes offering revised repayment conditions and other terms. To establish a stable foundation for the AFF industries, the Bank is working on the smooth supply of financing.

Moreover, concerning various issues related to supply chains, cooperating with government agencies and organizations related to the Bank, the Bank promotes non-financial initiatives as well, including efforts to find buyers of agricultural produce, etc., to help reduce excess inventory.

Response to the Principles of Fiduciary Duty

Under the JA Bank Medium-Term Strategies (fiscal 2019–2021), JA Bank is working to shift the focus from promoting core products such as savings, pensions and credit cards, to making proposals tailored to life plans desired by individual members and customers considering each individual’s asset situation and specific needs.

This policy corresponds with the Principles of Fiduciary Duty announced by the Financial Services Agency. Accordingly, the Bank and the Bank’s group companies, as well as JA and JA Shinnoren, both of which handle mutual funds, have adopted the seven Principles of Fiduciary Duty and announced the policies and measures to address those principles.

Moreover, to offer financial products and services that address the needs of JA’s customers, the Bank reg-

ularly evaluates mutual funds sold by JA, in terms of the product profile, fee levels and investment efficiency. The Bank offers “The JA Bank Select Funds” which are comprised of only mutual funds that passed these evaluations. The Bank also conducts various training programs and seminars to strengthen JA’s operational and staff capability to meet customer’s needs.

Through steady implementation of the items under those policies and making improvements mainly via regular reviews of the content to ensure that necessary updates are reflected, we will familiarize throughout the group our business operation, tailored to the business activities and lives of agricultural, fishery and forestry workers and community residents, as the corporate culture of JA Bank and The Norinchukin Bank group.

Finance Facilitation Initiatives

● Policies on Finance Facilitation

As the financial institution founded on AFF cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in AFF 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 customers' initiatives for management improvement.

In addition, to proceed with these initiatives properly, the Bank has developed a structure including discussions and reporting at meetings organized by relevant directors and executive officers, 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 consultations and complaints from customers.

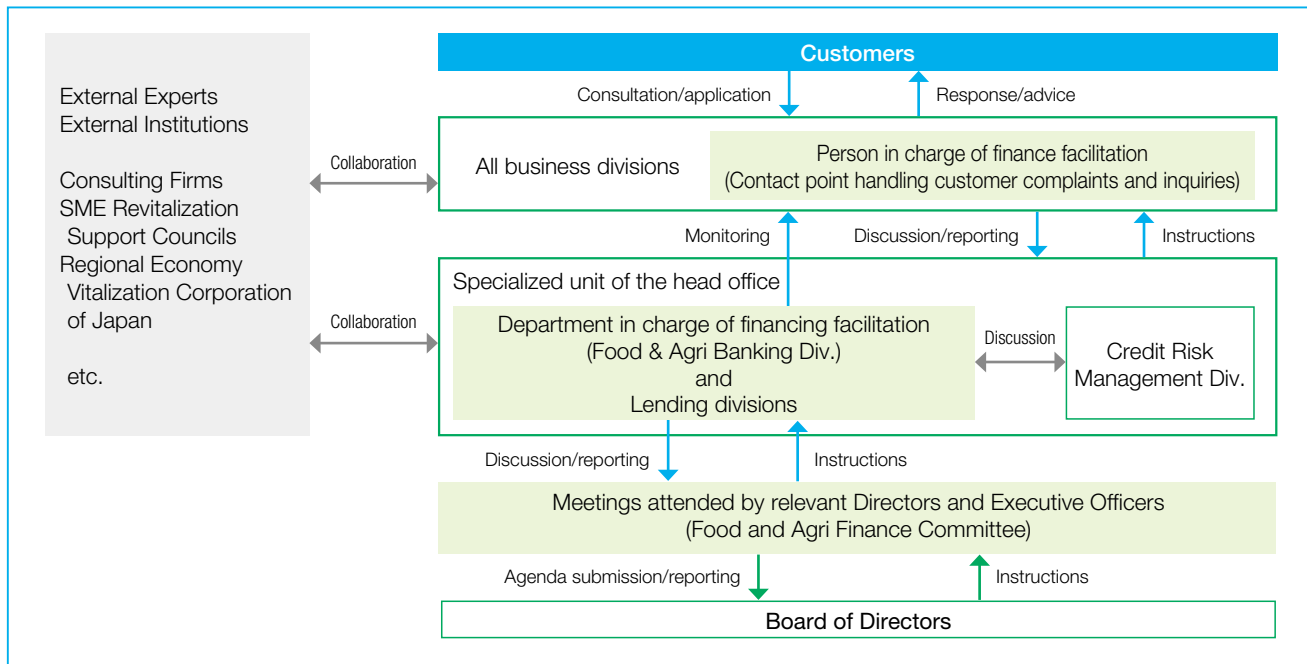
● Management Support Initiatives for Customers

The Bank provides services to customers in need of support for management improvement and business reconstruction with greater care about and due consideration to the impact on their local communities and other factors. The Bank's 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. The Bank also collaborates with external parties, including consulting firms, Japan's Small- and Medium-size Enterprise Revitalization Support Councils (SMERSCs) 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 continues its efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Image of Finance Facilitation System



Develop Human Resources Essential to Achieve the Bank's Missions and Goals and Promote Employee Engagement

■ Basic Policy

To become a leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities, the Bank has established the Basic Policy on Human Resource Management to develop human resources essential to achieve its missions and goals and promote employee engagement.

Basic Policy on Human Resource Management

Future Vision

- Develop human resources essential to achieve the Bank's missions and goals and promote employee engagement to realize its goal of becoming a leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities

Basic Policy

- Form a group of self-motivated human resources capable of "Catching the Winds of Change" in the business environment and executing new business strategies
- Nurture high employee satisfaction by helping each employee to understand the strategies and goals of the Bank and its cooperative group and grow through tenacious engagement in each employee's business duties with self-motivated passion for contributing to the Bank and its cooperative group and tackling challenges.

In line with this basic policy, our effort is focused on the planning and 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 promotes employee awareness and efforts to contribute to the Bank's performance and develop competency while also supporting it through extensive training options.

For the development of employees' careers, the Bank deploys and assigns personnel based on the competency, aptitude and career perspective of each person, and supports self-fulfillment through work, by adopting the Career Challenge Program (a job transfer application system) and the Career Change Program. In addition, the

Bank is aggressively recruiting and employing highly competitive external human resources.

Furthermore, we promote our initiatives to reduce overtime, facilitate flexible work styles and 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, in addition to periodic health examinations, the Bank conducts activities to help employees live a healthier life and holds mental health counseling sessions with a medical specialist. The Bank is also focused on improving the work environment such that employees can devote themselves to business operations by providing stronger child-raising and nursing-care support and establishing a system of obtaining legal advice from a law firm.

■ 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 online study, correspondence courses, certification exams, foreign language study and sending employees overseas to 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.

In addition to the two-week entry training, new employees are sent to on-site training at JA and agricultural corporations so that they can have diverse experience. The Bank also provides on-the-job training and conducts a mentoring system for each new employee.

For young, mid-career employees, along with management-level employees, the Bank helps them develop their careers leading to further growth through such measures as staff secondment to JA and JA Shinnoren. The Bank also helps them develop as members of the cooperative group by holding workshops led by experts from AFF cooperative institutions and the AFF industries, to provide opportunities for the employees to understand the Bank's basic mission deeper and in perspectives.

To raise the management capabilities of management-

level employees, we offer programs to send employees to study at major overseas business schools to develop management skills, as well as personal coaching to help managers implement the Bank’s management plan.



Entry training for new employees



Overseas language training

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 an understanding of basic business management theory and consulting abilities and build cross-departmental networks.

Personal Development Support

- Financial support for online study, 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 a global perspective through attendance at an MBA or LL.M program.
- Overseas branch trainee program: Develop a global perspective in junior staff by posting them at overseas branches.
- Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, asset management companies, JA and JA Shinnoren.

New Employee Training

- Workplace training program for new employees, instructor training, mentorship program
- Entry training, on-site training at JA, on-site training at agricultural corporations and overseas language training

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

The Bank respects diversity and works to raise awareness regarding human rights issues throughout the Group, aiming to create a work environment where all directors and employees can participate actively.

Toward the establishment of a highly transparent corporate culture that respects individual characteristics and creativeness/ingenuity, the Bank formulated a human rights-related educational and enlightenment policy, based on which the Bank strives to deepen the proper understanding of directors and employees about human rights issues by conducting human rights training for all directors and employees every year. Furthermore, to prevent harassment in the workplace, the Bank takes various measures such as appointing personnel in charge and responsible for human rights and setting up an outside consultation hotline.

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

The Bank received the Platinum Kurumin Certification for Childcare Support Company for its efforts to realize a work-life balance and support for balancing work with childrearing such as providing maternity leave before and after childbirth, a support program for employees who take childbirth and childcare leave, and a shortened working hour program for childcare. In addition, the Bank is promoting measures to introduce various initiatives to promote work-style reform such as ensuring a certain interval between work hours, arranging staggered work hours and allowing telework. In addition to these measures and our efforts to increase the rate of women among new graduate hires, we are helping to build a network among female employees by holding Women Employee Career Forums.



Women Employee Career Forum

■ Initiatives for Hiring People with Disabilities

To expand the employment of people with disabilities in alliance with the Group companies, the Bank established Norinchukin Business Assist Co., Ltd. in December 2016. The Bank is striving to make a workplace where people with disabilities can engage in business duties with high morale and feel secure and rewarded.

Risk Management

Basic Policies for Risk Management

Basic Approach

Along with economic and financial globalization, the business environment for financial institutions has changed significantly. New profit and operational opportunities have been created even as financial institutions are facing increasingly complex and volatile risks. For financial institutions to maintain a high level of public confidence in such an environment, it is important to establish and operate an effective internal control system.

To implement appropriate company-wide risk management, the Bank has formulated the Basic Policies for Risk Management. These policies identify the types of risks to be managed and the basic framework for risk management, including organizational structure and methodology. Based on the Basic Policies, the Bank is working on the management task of ceaselessly upgrading its risk management framework with the managerial goals to fully demonstrate its competitive edge and presence and fulfill its role adequately as a financial institution involved in the AFF industries, as well as

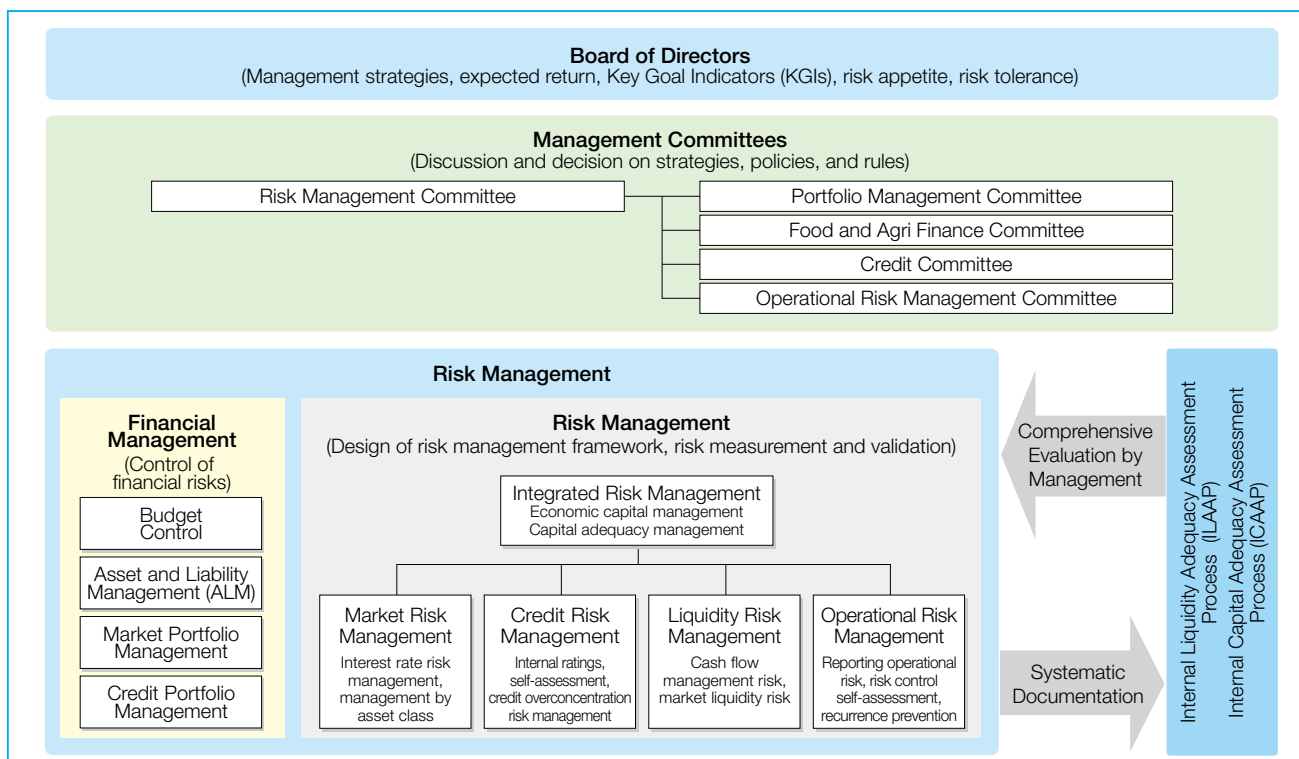
food production and consumption; further reinforce the business base of its cooperative banking business; and realize stable returns to its members through the further evolution of its existing globally diversified investments.

Risk Management Framework

The Bank’s risk management framework under its internal control aims to ensure the overall stability and sturdiness of operations according to the Bank’s risk appetite as specified in the Risk Appetite Framework (RAF), the aforementioned framework for operational management.

To ensure the effectiveness of the risk management framework, 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. Classifying market risk, credit risk, liquidity risk and operational risk as important risks, the Bank conducts risk management with

Risk Management System



economic capital management and capital adequacy management as its axes.

■ Risk Management in Group Companies

Based on the Basic Policies for Risk Management of the Bank, each of the Bank's group companies has formulated its own risk management structure including effective risk management policies and a framework after discussion with the Bank and taking into consideration each company's business activities and risk profiles and characteristics.

■ Compliance with the Basel Regulations

The Basel regulations are international agreements that aim to maintain the soundness of banks operating internationally. Stemming from the global financial crisis in 2008, the Basel III was agreed on and is currently under its incremental implementation. In December 2015, the Bank was designated by the Japanese authorities as a Domestic Systemically Important Bank (D-SIB), thereby an additional capital buffer has applied to the Bank. The Bank is taking appropriate steps mainly for the sophistication of its integrated risk management including the application of the Basel III targets to its internal control, particularly to address the capital adequacy ratio based on the Basel III regulations, and adoption of the Interest Rate Risk in the Banking Book (IRRBB) regulation. Keeping a close eye on increasingly tightening regulations, the Bank will continue to respond to new regulatory requirements in an appropriate manner.

Compliance with the Basel Banking Regulations

Topics	Compliance with the Basel Regulations
2007	<ul style="list-style-type: none"> • U.S. subprime mortgage crisis
2008	<ul style="list-style-type: none"> • Collapse of Lehman Brothers
2010	<ul style="list-style-type: none"> • European Sovereign Debt Crisis • Announcement of Basel III
2013	<ul style="list-style-type: none"> • Start of application of capital adequacy ratio requirements
2015	<ul style="list-style-type: none"> • Start of application of Liquidity Coverage Ratio (LCR) • Designated as a D-SIB (Domestic Systemically Important Bank) by the Japanese authorities
2017	<ul style="list-style-type: none"> • Finalization of Basel III • Start of application of Advanced Internal Ratings-Based Approach (A-IRB)
2018	<ul style="list-style-type: none"> • Start of application of Interest Rate Risk in the Banking Book (IRRBB) regulation
2019	<ul style="list-style-type: none"> • Start of application of Leverage Ratio

Capital Management Framework

■ Capital Resources

The Bank considers it a major management priority to secure a sufficiently high level of capital resources to maintain and strengthen its financial position. Through these measures, the Bank ensures stable returns to its members and plays its role as the central bank for Japan's AFF cooperatives, contributes to those industries and the development of the cooperative banking business, and aligns itself with the diverse needs of its customers. With the strong membership of the cooperative system as its base, the Bank has ensured an adequate capital ratio in compliance with international standards. The Bank's common equity Tier 1 capital ratio at the end of fiscal 2020 on a consolidated basis was 19.86% and that on a non-consolidated basis was 19.84%, whereas the total capital ratio at the end of fiscal 2020 on a consolidated basis was 23.19% and that on a non-consolidated basis was 23.23%. In the years ahead, the focus of the Bank's management agenda will be to fully perform its role as the central bank for the cooperatives, while maintaining its high-quality capital at a sufficiently high level, and to ensure continuing stable returns to its members.

Moreover, the Bank is rated by the two leading credit rating agencies in the United States—S&P and Moody's Investors Service—and has received top-tier ratings among Japanese financial institutions. One of the main reasons supporting these ratings is the strong capital base afforded by the membership of the cooperative system. While major commercial banks in Japan received injections of public funds in the past 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.

■ Framework for Maintaining Capital Adequacy

Utilizing the RAF and various risk management frameworks, the Bank strives for sound business operations with a good balance between risk and return. Capital management checkpoints are established to ensure that capital adequacy is maintained above a certain level even in uncertain economic and environments.

The checkpoints provide a framework to ensure that capital adequacy is maintained above the risk appetite indicators and the risk tolerance level—the level of risk that is acceptable to the entity, both of which are set forth in the RAF. This is done by monitoring key volatility factors by discussing countermeasures at an early stage. Specifically, the Bank is closely monitoring the capital ratio and the level of unrealized gains and losses on securities to ensure that the appropriate levels of capital are maintained.

■ Internal Capital Adequacy Assessment Process (ICAAP)

The Bank conducts the Internal Capital Adequacy Assessment Process and comprehensively manages its capital resources.

The ICAAP is a series of processes for ensuring the recognition of the capital-related tolerable risks for the Bank and the risk tolerance level from the perspective of risk management in light of the business model and risk profile of the Bank, in accordance with its management strategies, business strategies, expected return and risk appetite, all of which are specified in the RAF, and demonstrating that the Bank maintains a sufficient level of internal capital to cover risks based on such recognition. In addition to monitoring the current status of the capital resources that the Bank holds, the Bank conducts comprehensive assessments mainly by verifying the appropriateness of its framework for maintaining capital adequacy and its operation, as well as confirming the sturdiness and flexibility of operations from a forward-looking perspective by implementing comprehensive stress tests.

Integrated Risk Management Methodology

■ Economic Capital Management

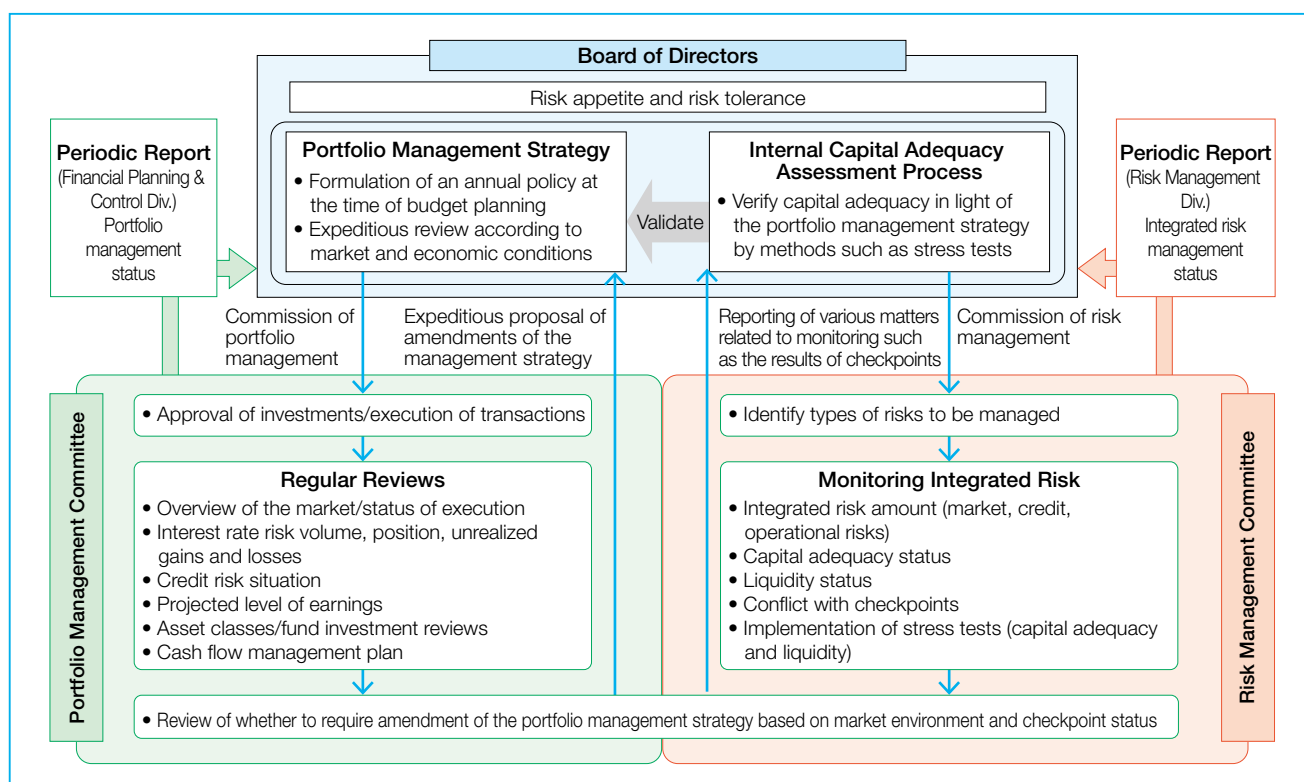
Based on the Basic Policies for Risk Management, the Bank stipulates a core integrated risk management framework that manages risk quantitatively and comprehensively in comparison with capital, which represents its financial strength. The core function in this framework is economic capital management.

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 during the fiscal year under review and additional risk-taking in a timely manner. The Bank manages economic capital on both a consolidated and a non-consolidated basis.

■ 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 earnings, 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, considering 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.

Risk Management

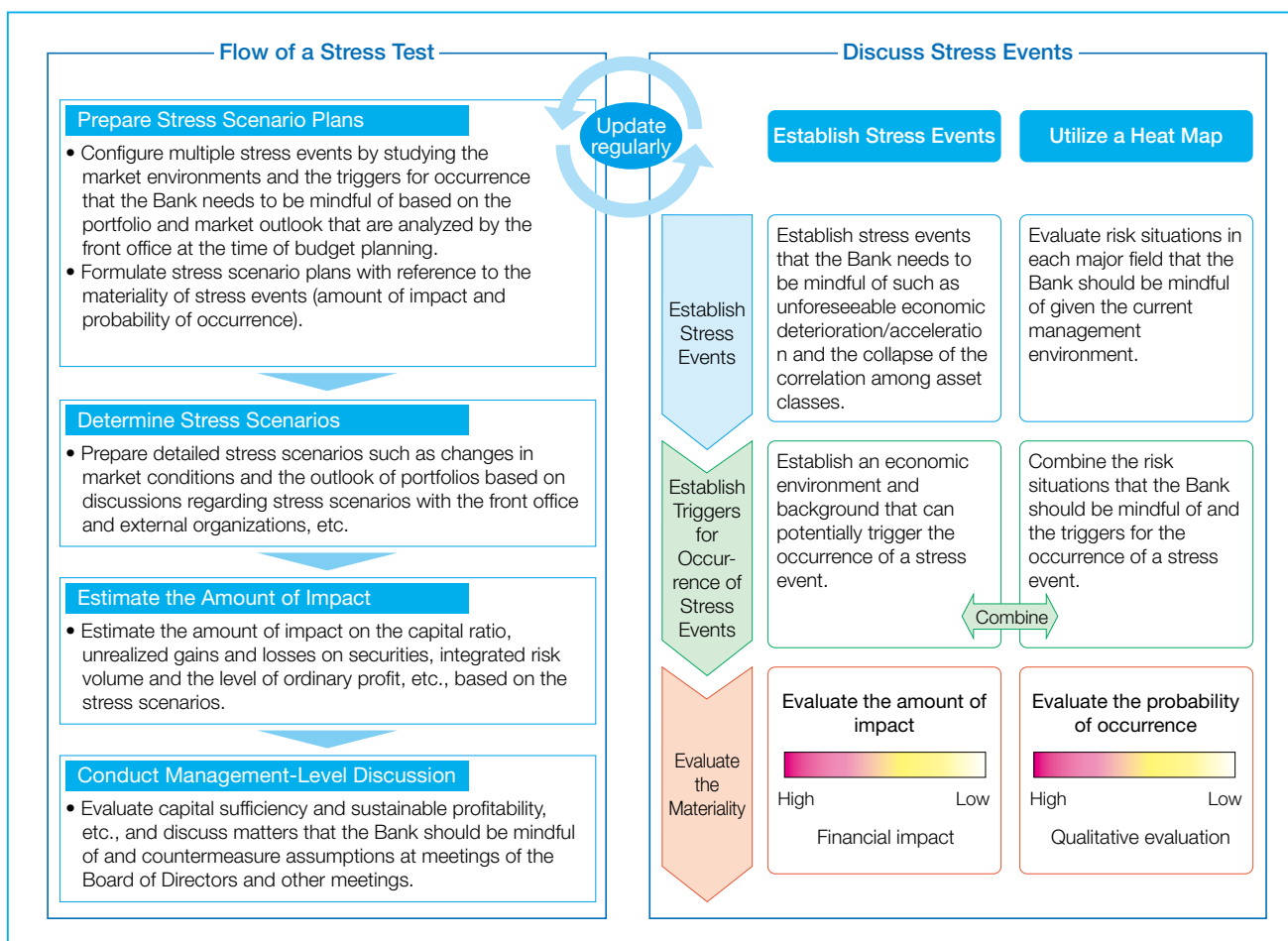


Implementation of Stress Tests

Stress tests are performed together with the implementation of the fiscal year’s ICAAP and budget planning. By preparing strict stress scenarios that factor in specific timelines and the ripple effects of risks covering the Bank’s entire portfolio after analyzing internal and external environments, the Bank verifies the impact of these stresses on profit, capital and risk.

Moreover, stress tests play an important role in the

formulation of portfolio management strategies, which occurs along with budget planning. In addition, the Bank utilizes stress tests for a forward-looking assessment of internal capital adequacy such as reviewing the countermeasures (management actions) to take at times of stress based on the assumed amount of impact on profitability and capital, etc., resulting from the stress tests.



Market Risk Management

Market risk refers to a risk of loss incurred by changes in the value of assets and liabilities (including off-balance-sheet items) caused by changes in various market risk factors such as interest rates, foreign currency exchange rates and stock prices. It also refers to a risk of loss incurred by changes in profits generated by assets and liabilities.

The “globally diversified investment” concept is the basis of the Bank’s portfolio management. With bonds, stocks and credit assets as major asset classes, this concept aims to establish a portfolio with high soundness and profitability and a good balance among risks overall by controlling profits from each asset and related risks within capital, considering the correlation among

asset classes and other related points.

Therefore, the Bank deems market risk, such as interest rate risk and the risk of stock price volatility, to be a significant risk factor affecting the Bank's earnings base. Through active and appropriate risk-taking supported by a robust risk management framework, the Bank aims to retain a stable level of profit.

• Market Risk Management Framework

To ensure the effectiveness of market risk management in the execution of market transaction operations, the Bank's Board of Directors formulates portfolio management strategies (decision making), the front office conducts the trading of securities and risk hedging (execution) and the middle office assesses risk amounts (monitoring) and discusses the need for revisions to portfolio management policy (policy change), each office operating independently. In addition, the status of portfolio management is reported to the Board of Directors on a regular basis.

In market risk management, the Bank verifies the status of the market portfolio, such as the amount of market risk, the interest rate risk amount for banking accounts

(Δ EVE, NII and Δ NII), the risk-return profile of each asset class and the correlation among asset classes, and manages the risk balance, the level of the interest rate risk amount for banking accounts and the level of earnings. In addition, to address changes in the external environment such as the market environment, as well as the internal environment such as the financial position and in line with revisions to the related outlook, the Bank recognizes expeditious and flexible reviews of the market portfolio as an important element in market risk management. To this end, the Bank adopts a framework to quickly capture changes in the market environment by setting an alarm point for fluctuations of unrealized gains and losses of the entire portfolio and changes in market indicators in each asset class, etc., and then reviews its market portfolio management strategies.

Glossary

Δ EVE: Decrease in Economic Value of Equity (EVE) due to an interest rate shock

Δ NII: Decrease in Net Interest Income (NII) during 12 months from the base date due to the interest rate shock

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 and the economic and financial environment that causes an asset (including off-balance-sheet items) to lose value or to be significantly impaired.

For the Bank, in its portfolio management based on "globally diversified investments," credit risk, as well as market risk, is positioned as an important risk in optimizing the portfolio. Specifically, regarding credit risk that arises from investment/financing activities in the "food and agriculture business" and "investment business," the Bank has established a management framework centered on the Internal Rating System, striving to manage credit risk appropriately.

• Credit Risk Assets

The Bank's major credit risk assets in the "food and agriculture business" are loans for and investments in the AFF industries and related companies and other organizations, and those in the "investment business" are credit investments such as domestic and foreign securitized products, bonds and loans, and alternative investments such as private equity and real estate equity.

• Credit Risk Management Framework

Adopting the Advanced Internal Ratings-Based Approach, the Bank manages credit risk regarding individual credit and the credit portfolio based on its Internal Rating System, which consists of the Debtor Rating System for the evaluation of each debtor's future debt repayment capacity and the Recovery Rating System for

the evaluation of the probability of recovery in case of default.

Credit risk amounts regarding individual credit and credit portfolio have been assessed and measured appropriately based on the internal rating, simulations and stress tests, etc., and are reflected in capital management, write-offs and provisions to reserves.

In the management of individual credit, the Bank formulates a basic strategy, considering the medium- to long-term outlook of credit risks and the evaluation of business viability. Then, a designated authorized person approves the credit to the borrower. The credit risk for each loan is assessed by the Bank’s Loan Facility Evaluation System based on the internal rating, the purposes of the loan and loan structure, etc., with the comprehensive consideration of such factors as the risk-return balance and consistency with the basic strategy for the borrower.

In credit portfolio management, the Bank is focused on managing credit concentration risk as investments and loan projects have become larger in scale and more globalized, etc.

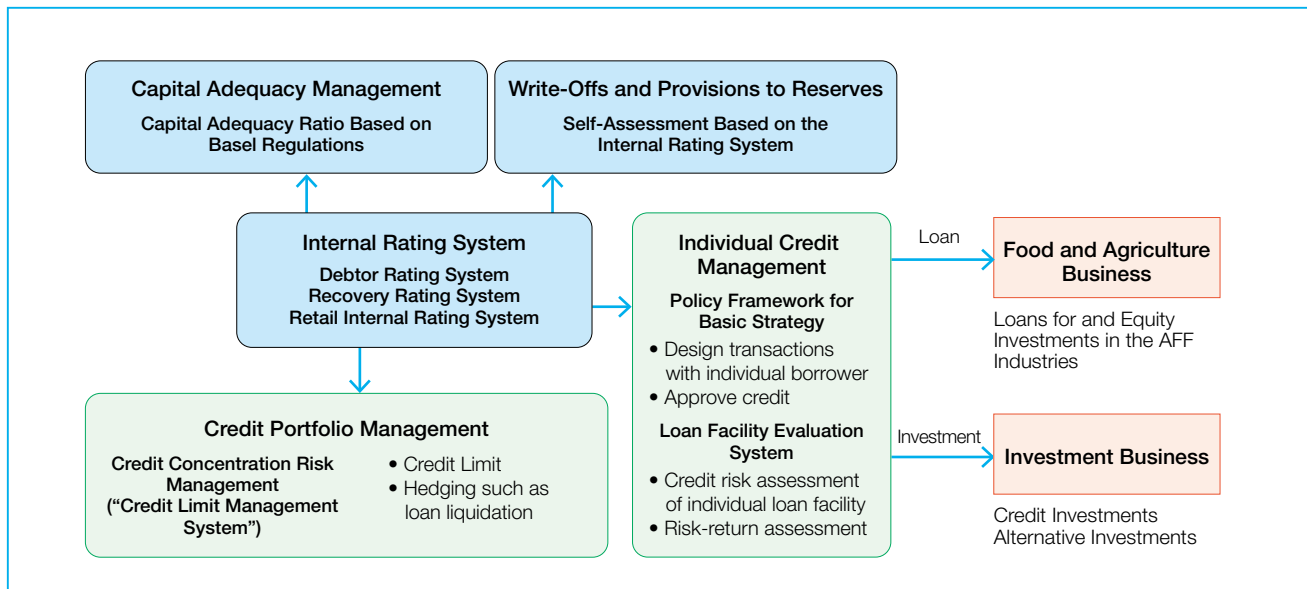
Specifically, the Bank is controlling credit concentration risk appropriately through cross-divisional approaches over investments and finance in its “food and agriculture business” and “investment business,” from

multifaceted perspectives including borrowers’ internal rating, business sector and operational region, mainly by setting a soft limit and monitoring under the Credit Limit Management System and hedging by loan liquidation.

• **Credit Review Framework**

The Bank’s credit review framework utilizes its expertise developed in making loans for the AFF industries—the Bank’s specialized field—and conducting globally diversified investments. Especially in the food and agriculture business, the Bank is striving to strengthen its credit review capability for the evaluation of business viability utilizing its proprietary analysis methods for each business type/project and deliver a consulting function leveraging its research on the food and agricultural industry. In credit reviews related to the investment business, according to the characteristics of investment products and business fields, the Bank has strengthened due diligence analysis including stress tests at the time of investment and monitoring after investment. For investments in the form of a fund as well, the Bank strives to look through the component assets as much as possible, allocate an internal rating to each asset, apply overconcentration risk management to such investments and evaluate the fund managers’ operations.

The Entire Picture of Credit Risk Management



Liquidity Risk Management

The Bank defines liquidity risk as the risk toward financial losses incurred from the difficulty in securing funds required for activities of the Bank, or from being forced to obtain funds at significantly higher funding costs than normal as a result of a maturity mismatch between assets and liabilities, or an unforeseen fund outflow from the Bank (funding liquidity risk). It is also defined as the risk toward financial losses arising from being unable to execute transactions, or being forced to execute transactions under significantly less favorable conditions than normal occasions in the market due to market turmoil (market liquidity risk).

- **Internal Liquidity Adequacy Assessment Process (ILAAP)**

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

The ILAAP involves the systematic assessment of the

liquidity adequacy in terms of the management framework for maintaining adequate liquidity, the current status and future outlook of liquidity position, and the verification results thereof.

- **Liquidity Risk Management Methods**

In addition to the proper assessment of the market liquidity of each asset it holds, the Bank monitors the Early Warning Indicators to identify the emergence of increased risk in the market and switches the liquidity tightness category expeditiously based on the impact of the risk. As basic frameworks for liquidity risk management, the Bank holds liquidity buffers to cover estimated liquidity needs based on the calculated cash outflow under the stressed condition and secures funding for low-liquidity assets using longer-term funding tools, as well as other various frameworks including the evaluation of its funding capacity and the management of collateral resources on a timely basis to prepare for contingency, etc. The Bank has also formulated measures for times of stress (Liquidity Management Action) and confirms their effectiveness through conducting stress testing.

Operational Risk Management

Operational risk refers to a risk that arises during business operations that per se do not generate profit. Operational risk is different from market risk, credit risk and liquidity risk, or the types of risk the Bank actively takes to generate profits. The Bank has established a basic policy in its RAF to prevent the manifestation of large-scale operational risks, break down operational risks by the scope of application of risk management activities and manage a control framework to address each risk.

Concerning the risks of which the occurrence itself needs to be controlled by risk management activities (processing risk, IT systems risk, legal risk, personnel risk, tangible assets risk, information security risk), the Bank collects and analyzes information on the risk

events that have come to light via the operational risk reporting system applicable to all divisions and branches, and evaluates the potential risks inherent in business activities via the Risk & Control Self-Assessment (RCSA) system.

The other type of risks is one whose actions subsequent to a risk event occurrence needs to be controlled by risk management activities. Among such risks, business continuity risk is controlled by formulating a business continuity plan and improving effectiveness of the framework through regular training. Regulatory change risk and reputational risk are addressed by minimizing ex-post impact through information gathering of such changes, appropriate management of the compliance framework and timely and appropriate disclosure.

• Organizational Structure of Operational Risk Management

Important matters such as the basic policies for the Bank's operational risk management are determined by the Board of Directors. The Operational Risk Management Committee, comprising relevant officers and 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-divisional approaches toward 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, thereby guiding and supporting operational risk management activities conducted by branches and divisions.

• Information Security Initiatives

The Bank utilizes a variety of information obtained during transactions with customers, etc., for various kinds of operations. Amid the increasingly diverse environments and purposes for information handling due to the rapid progress and evolution of information technology, the Bank is focused on information security measures to protect and manage customers' information appropriately.

The Bank works systematically to enhance its information security, centered on the Risk Management

Division with overall responsibility for information security planning, promotion and progress management. Also, important matters related to the improvement of the information security management frameworks are discussed mainly at the Operational Risk Management Committee. Especially concerning personal information, the Bank has set out the Personal Information Protection Declaration and has created a framework for the requirements from a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number to facilitate the proper handling of Personal Information and Individual Numbers.

• Cybersecurity Initiatives

The Bank recognizes the threat of increasingly sophisticated and intricate cyberattacks as an important managerial risk. Mainly at the core IT & Systems Planning Division in charge of cybersecurity, under the cross-division management framework including discussions at management-level meetings, the Bank is strengthening its cybersecurity measures. The Bank also has installed a cybersecurity-dedicated CSIRT (Computer Security Incident Response Team), which is in charge of addressing a situation at the occurrence of an incident, multitier prevention of such incidents, improving detection and monitoring systems, and conducting training assuming that such an incident has just happened.

Business Outline

FINANCING, etc

As the main bank for the AFF industries, the Bank has created a unique cooperative financing program, aimed at providing support not only from the aspect of financial support but also from a business operations perspective to turn the AFF industries into growth industries and to support customers' growth and development.

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

In addition, the Bank's financing covers a wide range of industries, including not only those directly involved in the AFF industries such as the food industry where AFF 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, but also customers in other fields, including the leasing, credit, IT, telecommunications, real estate and service industries.

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

Leveraging its deep relationships with leaders in the AFF industries, long-term transactions with the business community and its domestic and overseas networks, the Bank offers various solutions to expand sales, add higher value, reduce production costs, and revitalize diverse regions and local communities.

SECURITIES INVESTMENT

■ The Bank's Basic Investment 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 ¥60.0 trillion, which accounts for a major portion of the Bank's total assets. The Bank invests in securities under the basic concept of "globally diversified investment." The goal of this approach is to achieve stable return in the medium to long term by investing in assets with diversified risk-return characteristics while minimizing risks encountered each fiscal year in situations such as rising interest rates and declining stock prices. The Bank conducts a multifaceted analysis based on geographic 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 to continue the business relationship.

Investment Approach by Asset Type

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

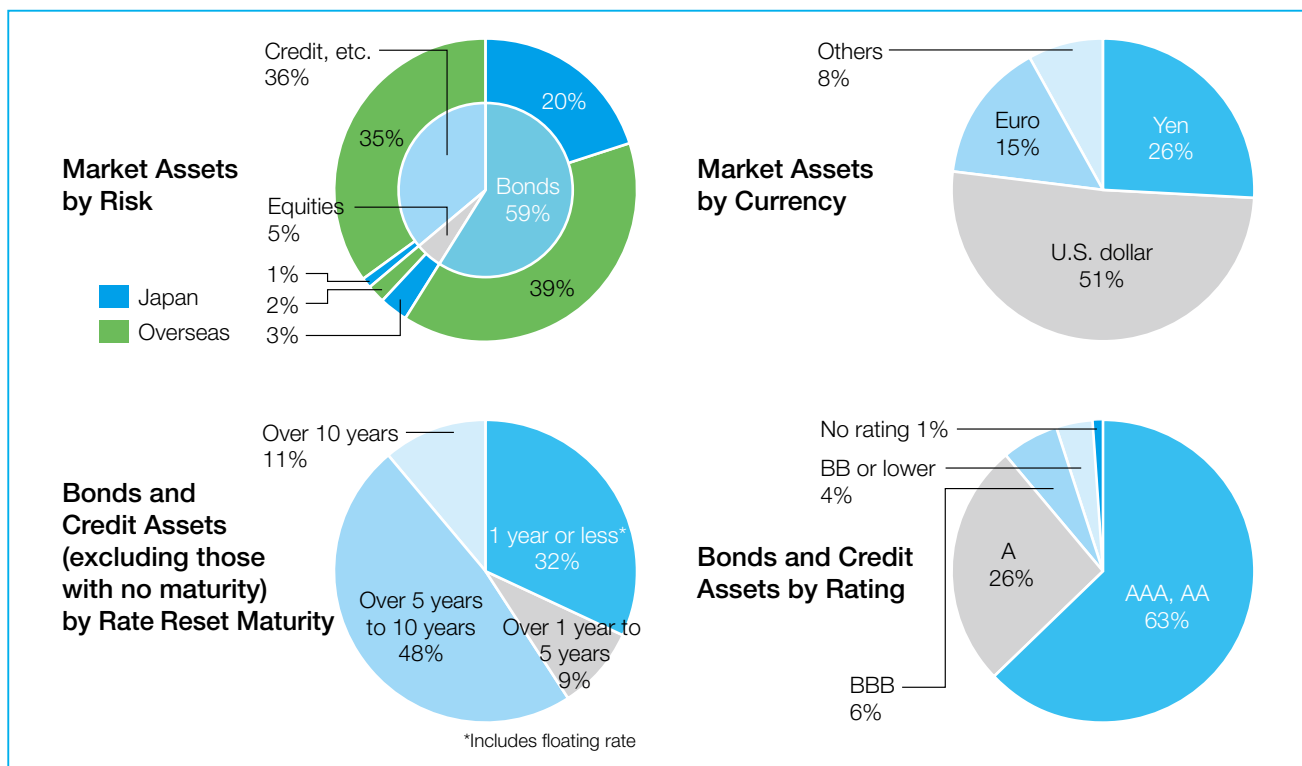
In selecting equity investments, the Bank considers risk-return characteristics and correlations with other asset classes to manage its portfolio with a long-term view. While the Bank’s strategy for equity investments

focuses on passive investing linked to various stock indices, the Bank complements this strategy with active investing aimed at generating returns beyond those obtained from the index-linked passive approach through diversified domestic and foreign stock investments.

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

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

Breakdown of Investment Assets (As of March 31, 2021)



■ Market Investment Management System

Major decisions related to the Bank's market investment portfolio are reached systematically by the Portfolio Management Committee, which is 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 approved by the 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 form an unified team together with domestic and overseas branches and subsidiaries in efficient and effective combinations for each asset class such as bond and equities.

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 AFF 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 plays a major role in expanding market functions. Through its participation in JBA's Study Group for Activation of Short-Term Money Markets and other bodies, 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 across the Norinchukin Bank Group: the Bank's three overseas branches in New York, London and Singapore, and Norinchukin Bank Europe N.V. (Amsterdam), a subsidiary of the Bank that opened in 2020.

In addition, 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. For foreign currency settlement, through its participation in the CLS System (multicurrency cash settlement system), the Bank is 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 AFF industries.

Trading Services

The Bank trades in financial derivatives and various other financial products 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 AFF 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 AFF industries.

Deposits from JA Bank and JF Marine Bank Members

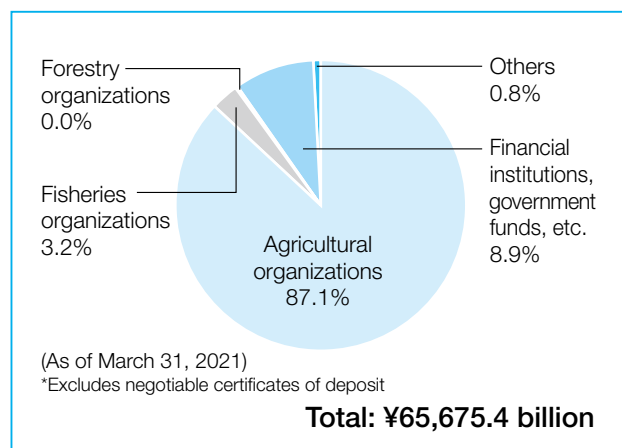
Savings deposited with JA and JF by their individual members and local customers are used to finance individual members, local customers, companies, local public bodies and other such organizations. Surplus funds

are then deposited with JA Shinnoren or JF Shingyoren 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 Act, the Bank is authorized to issue Norinchukin Bank Debentures as a source of funding.

The balance of issued and outstanding debentures as of March 31, 2021, totaled ¥361.5 billion. The funds raised through the issuance of Norinchukin Bank Debentures have been used for purposes that include financing for the AFF industries as well as for companies related to these industries. The issuance of the Ritsuki Norinsai, primarily issued to institutional investors as a five-year fixed-rate JPY bond, has been suspended since April 2019.

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 7,100 branches (as of March 31, 2021). 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 AFF cooperatives, the Bank has focused on expanding and upgrading settlement services for all relevant cooperatives. The domestic exchange business plays an important role in the settlement of proceeds from the sale of AFF 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 Domestic Funds Transfer System (operated by Zengin-Net; Japanese Bank's Payment Clearing Network) through the Zengin Data Telecommunication System (Zengin System) in Japan.

■ Cash Dispenser and ATM Network

Through the JA Online Savings Service and the JF Online Savings Service, cooperative banking institutions have a nationwide network of ATM machines and cash dispensers. In addition, as a member of the Multi-Integrated Cash Service (MICS) network aiming to facilitate a smooth operation of 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 unions 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.

■ Direct Deposit and Fund Transfer Services

Direct deposits and fund transfer services for salary, pension and utility payments involve massive volumes of data. The Bank provides the Cooperative Data Transmission System, which enables swift processing of such massive data, connecting with unified IT infrastructure platforms for JA and JF, as well as other financial institutions via the Zengin System.

■ 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, 2021)

	Number of cooperative members*	Number of branches*	Number of cash dispensers and ATMs
Norinchukin Bank	1	20	0
JA Shinnoren	32	50	626
JA	576	6,879	10,460
JF Shingyoren	28	83	441
JF	75	98	159
Total	712	7,130	11,686

Note: 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 include its head office and 19 branches located throughout Japan (as of March 31, 2021).

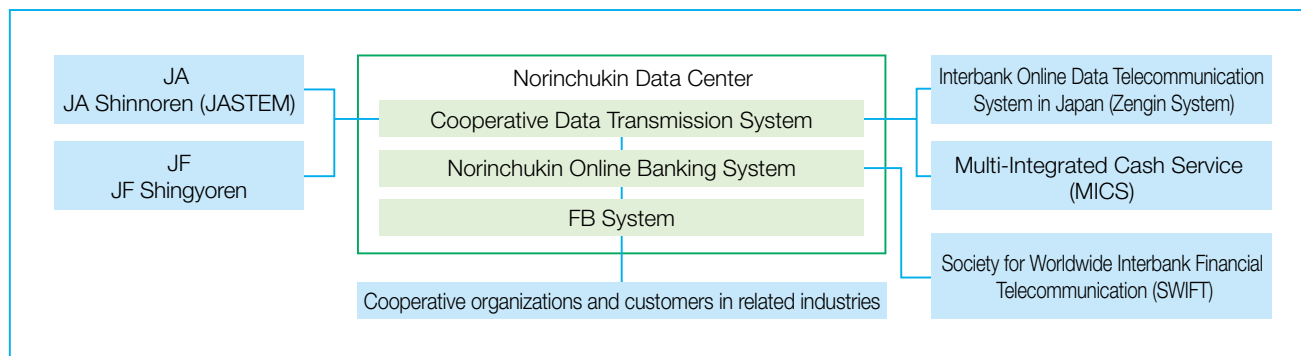
The principal business roles of domestic branches are to (1) receive deposits from cooperative members; (2) extend loans to AFF sectors including individuals and corporations related to these sectors, as well as the public sector in each region; and (3) conduct business related to the JA Bank System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

Networks with Customers in Japan and Overseas



The Norinchukin Group Companies (As of March 31, 2021)

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

■ Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd.

The Norinchukin Trust & Banking Co., Ltd., provides (1) trust products and services to individual members of cooperatives such as JA and local communities, leveraging the network of AFF 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, pension funds and financial institutions. The Norinchukin Trust & Banking's assets under management and administration exceed ¥13.0 trillion, and the company also focuses on asset management for individual members of JA, offering inheritance trust services.

Established	August 17, 1995
Location	2-1, Kandanishikichou 2-chome, Chiyoda-ku, Tokyo 101-0054, Japan
Representative	TOUYAMA Katsuyuki, President
Number of directors and employees	158
Note: Due to a personnel change, TAKAHASHI Shigemitsu newly assumed office as President and Representative Director as of April 1, 2021.	

■ Project Finance Company

Norinchukin Australia Pty Limited

Norinchukin Australia Pty Limited conducts project financing operations in Australia and New Zealand.

Established	February 8, 2017
Location	Level 29, 126 Phillip Street, Sydney, NSW2000, Australia
Number of directors and employees	16

■ The Bank's Subsidiary in Europe

Norinchukin Bank Europe N.V.

www.nochu-bank.eu

Norinchukin Bank Europe N.V. is a wholly-owned subsidiary of The Norinchukin Bank in Europe. The subsidiary engages in the commercial banking business in Europe together with the Bank as one team.

Established	September 21, 2018
Location	Gustav Mahlerlaan 1216, 4th Floor, 1081 LA Amsterdam, The Netherlands
Number of directors and employees	42

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

Norinchukin Research Institute Co., Ltd.

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 AFF industries and on environmental issues; (2) practical research on AFF cooperatives; (3) providing economic and financial information to cooperative organizations and customers; and (4) research on the food and agriculture value chain. The Institute's periodicals and research, including "The NORIN KINYU (Monthly Review of AFF Finance)," the Kinyu Shijo (Financial Markets) and "Surveys and Information (Norinchukin Research Institute)," can be viewed on its website.

Established	March 25, 1986
Location	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, Japan
Representative	SAITOH Shinichi, President
Number of directors and employees	72
Note: Due to a personnel change, KAWASHIMA Kenji newly assumed office as President and Representative Director as of April 1, 2021.	

Norinchukin Academy Co., Ltd.

Norinchukin Academy Co., Ltd., a specialty training company for cooperative members, supports human resource development of directors and employees in the cooperative banking business through its services such as group trainings, onsite lectures, correspondence courses and certification exams, as well as publishing training materials.

Established	May 25, 1981
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	IGARASHI Nobuo, President & CEO
Number of directors and employees	42
Note: Due to a personnel change, MIYAJI Hitoshi newly assumed office as President and Representative Director as of April 1, 2021.	

■ Investment Management Firm

Norinchukin Value Investments Co., Ltd.

www.nvic.co.jp

Norinchukin Value Investments Co., Ltd., is an investment management and advisory firm founded by The Norinchukin Bank and The Norinchukin Trust & Banking Co., Ltd. This firm provides investment management and advisory services with the concept of “top-picked long-term equity portfolio” where the firm invests in companies that are capable of generating sustainable cash flow in a longtime horizon. This concept and related services are increasingly supported by investors.

Established	October 2, 2014
Location	2-3, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan
Representative	SHIMBU Keito, President
Number of directors and employees	35
Note:	Due to a personnel change, YUDA Hiroshi newly assumed office as President & CEO and Representative Director as of April 1, 2021.

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	YOSHIDA Kazuo, Chairman & CEO
Number of directors and employees	159
Note:	Due to a personnel change, USHIKUBO Katsuhiko newly assumed office as President & CEO and Representative Director as of April 1, 2021.

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

Kyodo Housing Loan Co., Ltd.

Kyodo Housing Loan Co., Ltd., provides guarantee services for residential mortgage originated by JA Bank and JF Marine Bank. It also provides residential mortgages mainly in the Tokyo and Osaka metropolitan areas in partnership with major manufacturers of residential housing, condominium developers, real estate brokerage firms, etc.

Established	August 10, 1979
Location	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, Japan
Representative	IIDA Hideaki, Managing Director
Number of directors and employees	181
Note:	Due to a personnel change, SUNANAGA Toshihide newly assumed office as President & CEO and Representative Director as of April 1, 2021.

JA Card Co., Ltd.

JA Card Co., Ltd. (“JA Card”), plans and promotes settlement solutions centering on the JA Card business in the retail field under a business alliance among the Bank, Mitsubishi UFJ Financial Group, Inc., and Mitsubishi UFJ NICOS Co., Ltd.

Established	October 2, 2017
Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan
Representative	ISHIDA Takahiro, President
Number of directors and employees	46

The Cooperative Servicing Co., Ltd.

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

Established	April 11, 2001
Location	23-14, Higashiikebukuro 3-chome, Toshima-ku, Tokyo 170-0013, Japan
Representative	SHINODA Takashi, President & CEO
Number of directors and employees	71

JA MITSUI LEASING, LTD.

www.jamitsuilease.co.jp/en/

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

Established	April 1, 2008
Location	13-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan
Representative	FURUYA Shuzo, President & CEO
Number of directors and employees	997
Note:	Due to a personnel change, SHIMBU Keito newly assumed office as President & CEO as of April 1, 2021. (Concurrently assumed office as Representative Director as of June 25, 2021.)

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 the processing and distribution of agricultural products to help secure the financial stability and growth of the agricultural leaders of tomorrow.

Established	October 24, 2002
Location	2, Kandasurugadai 2-chome, Chiyoda- ku, Tokyo 101-0062, Japan
Representative	MORIMOTO Kentaro, Operating Officer
Number of directors and employees	19
Note:	Due to a personnel change, MATSUMOTO Yasuyuki newly assumed office as Operating Officer as of April 1, 2021.

■ 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	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	UTSUMI Tomoe, President & CEO
Number of directors and employees	123

Norinchukin Business Assist Co., Ltd.

Norinchukin Business Assist Co., Ltd., is entrusted with various kinds of administrative work of the Bank and its group companies and organizations, while employing people with disabilities as a special subsidiary company based on the Act on Employment Promotion, etc., of Persons with Disabilities.

Established	December 1, 2016
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	HAYAMA Yuji, President and CEO
Number of directors and employees	40

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	ITO Yoshihiro, President & CEO
Number of directors and employees	147

Nochu Information System Co., Ltd.

Nochu Information System Co., Ltd., plays a major role in IT strategies of the Norinchukin Bank Group. The company is responsible for various systems including the Bank's core banking systems and all developmental and operational aspects of the nationwide JAS-TEM System, JA Bank's key computer system.

Established	May 29, 1981
Location	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan
Representative	YOSHIDA Hikaru, President & CEO
Number of directors and employees	689

■ 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	IINUMA Ryosuke, President and CEO
Number of directors and employees	48

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 management is expected.

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

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, U.S.A.

Gulf Japan Food Fund GP

Gulf Japan Food Fund GP invests in and manages private equity funds 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, Uglan House, Grand Cayman, KY1-1104, Cayman Islands

Financial Review

■ Financial Results for the fiscal year ended March 31, 2021 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2021 include the results of 17 consolidated subsidiaries and 7 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2020 (for the fiscal year ended March 31, 2021).

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥2,165.7 billion from the previous fiscal year-end to ¥107,647.8 billion, and consolidated Total Net Assets increased by ¥693.9 billion from the previous fiscal year-end to ¥7,955.5 billion.

On the assets side, Loans and Bills Discounted increased by ¥2,043.7 billion to ¥22,102.5 billion, and Securities decreased by ¥6,439.4 billion to ¥48,093.8 billion from the previous fiscal year-end, respectively. On the liabilities side, Deposits increased by ¥13.0 billion to ¥65,652.1 billion, and Debentures decreased by ¥428.9 billion to ¥355.4 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥310.0 billion, up ¥187.0 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥208.2 billion, up ¥116.2 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 19.86%, Consolidated Tier 1 Capital Ratio 23.19%, and Consolidated Total Capital Ratio 23.19% as of March 31, 2021.

Key Management Indicators (Consolidated)

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

	2017/3	2018/3	2019/3	2020/3	2021/3	2021/3
Total Income	¥ 1,373.5	¥ 1,464.4	¥ 1,732.1	¥ 1,546.3	¥ 1,358.8	\$ 12,274
Total Expenses	1,152.5	1,280.5	1,607.8	1,422.3	1,065.2	9,621
Profit Attributable to Owners of Parent	206.1	147.6	103.5	92.0	208.2	1,880
Total Comprehensive Income	(109.2)	(192.9)	238.5	(111.1)	769.8	6,953
Total Net Assets	7,008.8	6,746.0	7,473.2	7,261.6	7,955.5	71,859
Total Assets	107,062.7	104,927.7	105,953.9	105,482.0	107,647.8	972,340
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.31	19.02	16.59	19.49	19.86	19.86
Tier 1 Capital Ratio (%)	19.34	19.02	19.65	23.02	23.19	23.19
Total Capital Ratio (%)	24.39	23.50	19.65	23.02	23.19	23.19

Notes: 1. U.S. dollars have been converted at the rate of ¥110.71 to U.S. \$1, the effective rate of exchange at March 31, 2021.

2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

■ Financial Results for the fiscal year ended March 31, 2021 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥1,834.5 billion to ¥105,238.1 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥651.1 billion to ¥7,826.0 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥21,824.0 billion, and Securities was ¥48,491.4 billion. On the liabilities side, Deposits amounted to ¥65,675.4 billion, and Debentures was ¥361.4 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2021 totaled to ¥264.1 billion, up ¥127.9 billion from the previous fiscal year.

The total credit costs were ¥83.1 billion in net losses mainly due to the general provision of reserve for possible loan losses and others.

As for securities investments, net gains/losses on sales were net losses of ¥46.5 billion, down ¥114.5 billion from the previous fiscal year and the expenses of provisions and impairments for price-decline of securities and other reasons increased by ¥11.5 billion to ¥13.4 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥309.6 billion in Ordinary Profits, up ¥193.0 billion and ¥212.0 billion in Net Income, up ¥122.6 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥2.3 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 19.84%, Tier 1 Capital Ratio 23.22%, and Total Capital Ratio 23.23% as of March 31, 2021.

Key Management Indicators (Non-consolidated)

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

	2017/3	2018/3	2019/3	2020/3	2021/3	2021/3
Total Income	¥ 1,360.3	¥ 1,425.7	¥ 1,709.1	¥ 1,520.9	¥ 1,337.1	\$ 12,078
Total Expenses	1,139.9	1,268.4	1,591.9	1,403.1	1,043.9	9,429
Net Income	203.4	129.9	100.6	89.4	212.0	1,915
Paid-in Capital	3,480.4	3,480.4	4,040.1	4,040.1	4,040.1	36,493
Total Net Assets	6,939.0	6,654.0	7,381.8	7,174.8	7,826.0	70,689
Total Assets	105,812.4	103,417.6	104,176.8	103,403.5	105,238.1	950,574
Deposits	61,904.2	65,823.8	66,821.5	65,656.0	65,675.4	593,220
Debentures	2,423.8	1,774.4	1,262.2	791.4	361.4	3,265
Loans and Bills Discounted	11,948.5	11,742.6	18,438.0	19,828.8	21,824.0	197,127
Securities	62,108.2	52,332.7	55,751.1	54,694.3	48,491.4	438,004
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.42	19.20	16.73	19.56	19.84	19.84
Tier 1 Capital Ratio (%)	19.47	19.23	19.86	23.15	23.22	23.22
Total Capital Ratio (%)	24.60	23.78	19.86	23.15	23.23	23.23

Notes: 1. U.S. dollars have been converted at the rate of ¥110.71 to U.S. \$1, the effective rate of exchange at March 31, 2021.

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.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 20,066,967	¥ 19,505,050	\$181,257
Call Loans and Bills Bought (Note 32)	60,890	54,330	550
Receivables under Resale Agreements	548,061	13,048	4,950
Monetary Claims Bought (Notes 32 and 33)	302,918	301,081	2,736
Trading Assets (Notes 3, 32 and 33)	7,310	7,862	66
Money Held in Trust (Notes 9, 10, 32 and 34)	10,638,598	5,996,681	96,094
Securities (Notes 4, 9, 10, 21, 32 and 33)	48,093,847	54,533,258	434,412
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	22,102,545	20,058,825	199,643
Foreign Exchange Assets (Note 6)	290,017	209,889	2,619
Other Assets (Notes 7, 9 and 32)	2,885,756	2,500,911	26,065
Tangible Fixed Assets (Note 8)	165,914	123,562	1,498
Intangible Fixed Assets (Note 8)	57,724	53,100	521
Net Defined Benefit Asset (Note 17)	112,151	58,213	1,013
Deferred Tax Assets (Note 18)	3,771	2,952	34
Customers' Liabilities for Acceptances and Guarantees (Note 19)	2,446,587	2,115,202	22,099
Reserve for Possible Loan Losses (Note 32)	(134,983)	(51,587)	(1,219)
Reserve for Possible Investment Losses	(270)	(372)	(2)
Total Assets	¥107,647,809	¥105,482,009	\$972,340
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 11 and 32)	¥ 65,652,162	¥ 65,639,097	\$593,010
Negotiable Certificates of Deposit (Note 32)	3,100,259	2,406,965	28,003
Debentures (Notes 12 and 32)	355,479	784,446	3,210
Payables under Repurchase Agreements (Notes 9 and 32)	17,073,926	15,726,573	154,222
Trading Liabilities (Notes 13 and 32)	5,137	8,102	46
Borrowed Money (Notes 9, 14 and 32)	5,092,464	5,413,844	45,998
Foreign Exchange Liabilities (Note 15)	0	0	0
Short-term Entrusted Funds (Note 32)	877,743	792,594	7,928
Other Liabilities (Notes 16 and 32)	4,543,028	4,824,601	41,035
Reserve for Bonus Payments	7,552	7,490	68
Net Defined Benefit Liability (Note 17)	29,486	38,841	266
Reserve for Directors' Retirement Benefits	1,459	1,425	13
Deferred Tax Liabilities (Note 18)	498,333	452,542	4,501
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	77
Acceptances and Guarantees (Note 19)	2,446,587	2,115,202	22,099
Total Liabilities	99,692,228	98,220,336	900,480
Net Assets			
Paid-in Capital (Note 22)	4,040,198	4,040,198	36,493
Capital Surplus	24,993	24,993	225
Retained Earnings	2,146,592	2,013,599	19,389
Total Owners' Equity	6,211,784	6,078,792	56,108
Net Unrealized Gains on Other Securities	1,948,587	1,701,619	17,600
Net Deferred Losses on Hedging Instruments	(280,135)	(550,151)	(2,530)
Revaluation Reserve for Land	14,312	14,312	129
Foreign Currency Transaction Adjustments	(16)	(153)	(0)
Remeasurements of Defined Benefit Plans (Note 17)	49,260	6,118	444
Total Accumulated Other Comprehensive Income	1,732,008	1,171,744	15,644
Non-controlling Interests	11,787	11,136	106
Total Net Assets	7,955,581	7,261,673	71,859
Total Liabilities and Net Assets	¥107,647,809	¥105,482,009	\$972,340

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Income			
Interest Income:	¥ 847,539	¥1,246,628	\$ 7,655
Interest on Loans and Bills Discounted	97,446	126,361	880
Interest and Dividends on Securities	730,549	1,092,029	6,598
Interest on Call Loans and Bills Bought	(4)	2,187	(0)
Interest on Receivables under Resale Agreements	(211)	5	(1)
Interest on Due from Banks	11,866	20,093	107
Other Interest Income	7,893	5,950	71
Fees and Commissions	31,359	35,576	283
Trading Income (Note 23)	513	—	4
Other Operating Income (Note 24)	79,462	137,769	717
Other Income (Note 25)	399,989	126,367	3,612
Total Income	1,358,863	1,546,341	12,274
Expenses			
Interest Expenses:	631,003	1,155,180	5,699
Interest on Deposits	29,014	121,363	262
Interest on Negotiable Certificates of Deposit	8,629	41,918	77
Interest on Debentures	690	1,825	6
Interest on Borrowed Money	40,945	42,868	369
Interest on Call Money and Bills Sold	(0)	(14)	(0)
Interest on Payables under Repurchase Agreements	4,977	174,812	44
Other Interest Expenses	546,746	772,405	4,938
Fees and Commissions	17,743	19,057	160
Trading Expenses (Note 26)	18	885	0
Other Operating Expenses (Note 27)	157,130	66,065	1,419
General and Administrative Expenses	151,139	153,383	1,365
Other Expenses (Note 28)	108,214	27,769	977
Total Expenses	1,065,249	1,422,341	9,621
Income before Income Taxes	293,613	123,999	2,652
Income Taxes — Current	251,398	21,637	2,270
Income Taxes — Deferred	(167,310)	8,871	(1,511)
Total Income Taxes	84,087	30,509	759
Profit	209,526	93,490	1,892
Profit Attributable to Non-controlling Interests	1,292	1,462	11
Profit Attributable to Owners of Parent	¥ 208,233	¥ 92,027	\$ 1,880
		Yen	U.S. Dollars (Note 1)
	2021	2020	2021
Profit Attributable to Owners of Parent per Share	¥27.19	¥6.94	\$0.24

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

(2) Consolidated Statement of Comprehensive Income

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Profit	¥209,526	¥ 93,490	\$1,892
Other Comprehensive Income	560,307	(204,596)	5,061
Net Unrealized Gains (Losses) on Other Securities (Note 29)	244,792	199,065	2,211
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	270,026	(397,480)	2,439
Foreign Currency Transaction Adjustments (Note 29)	121	(63)	1
Remeasurements of Defined Benefit Plans (Note 29)	42,960	(6,841)	388
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	2,406	722	21
Total Comprehensive Income	¥769,833	¥(111,106)	\$6,953
Attributable to:			
Owners of Parent	768,497	(112,537)	6,941
Non-controlling Interests	1,336	1,431	12

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 225
Additions:	—	—	—
Deductions:	—	—	—
Balance at the End of the Fiscal Year	24,993	24,993	225
Retained Earnings			
Balance at the Beginning of the Fiscal Year	2,013,599	2,021,435	18,188
Additions:			
Profit Attributable to Owners of Parent	208,233	92,027	1,880
Increase Resulting from Exclusion from Consolidation	—	6	—
Deductions:			
Dividends	75,241	99,870	679
Balance at the End of the Fiscal Year	¥2,146,592	¥2,013,599	\$19,389

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 293,613	¥ 123,999	\$ 2,652
Depreciation	24,150	20,861	218
Losses on Impairment of Fixed Assets	16,047	218	144
Equity in Losses (Earnings) of Affiliates	(3,008)	(4,320)	(27)
Net Increase (Decrease) in Reserve for Possible Loan Losses	83,455	3,190	753
Net Increase (Decrease) in Reserve for Possible Investment Losses	(101)	217	(0)
Net Increase (Decrease) in Reserve for Bonus Payments	61	(66)	0
Net Decrease (Increase) in Net Defined Benefit Asset	(53,937)	(498)	(487)
Net Increase (Decrease) in Net Defined Benefit Liability	(9,354)	553	(84)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	34	189	0
Interest Income	(847,539)	(1,246,628)	(7,655)
Interest Expenses	631,003	1,155,180	5,699
Losses (Gains) on Securities	29,472	(104,196)	266
Losses (Gains) on Money Held in Trust	(94,234)	(5,754)	(851)
Foreign Exchange Losses (Gains)	(1,619,658)	1,221,648	(14,629)
Losses (Gains) on Disposal of Fixed Assets	340	(1,303)	3
Net Decrease (Increase) in Trading Assets	552	7,981	4
Net Increase (Decrease) in Trading Liabilities	(2,965)	1,080	(26)
Net Decrease (Increase) in Loans and Bills Discounted	(2,003,467)	(1,464,008)	(18,096)
Net Increase (Decrease) in Deposits	13,064	(1,157,971)	118
Net Increase (Decrease) in Negotiable Certificates of Deposit	693,293	1,616,366	6,262
Net Increase (Decrease) in Debentures	(428,967)	(469,792)	(3,874)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(364,898)	593,178	(3,295)
Net Decrease (Increase) in Interest-bearing Due from Banks	68,890	(403,009)	622
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(543,180)	12,088	(4,906)
Net Increase (Decrease) in Call Money and Bills Sold and Other	1,347,353	615,276	12,170
Net Increase (Decrease) in Short-term Entrusted Funds	85,149	(255,497)	769
Net Decrease (Increase) in Foreign Exchange Assets	(80,127)	135,053	(723)
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	(32)	(0)
Interest Received	871,473	1,253,014	7,871
Interest Paid	(664,663)	(1,162,236)	(6,003)
Other, Net	53,762	(938,536)	485
Subtotal	(2,504,385)	(453,753)	(22,621)
Income Taxes Paid	(38,051)	(16,076)	(343)
Net Cash Provided by (Used in) Operating Activities	(2,542,436)	(469,829)	(22,964)

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2021	2020	2021
Cash Flows from Investing Activities:			
Purchases of Securities	(11,727,989)	(10,603,832)	(105,934)
Proceeds from Sales of Securities	4,661,573	1,426,336	42,106
Proceeds from Redemption of Securities	10,050,713	9,295,906	90,784
Increase in Money Held in Trust	(537,046)	(871,627)	(4,850)
Decrease in Money Held in Trust	883,393	1,497,296	7,979
Purchases of Tangible Fixed Assets	(75,581)	(1,617)	(682)
Purchases of Intangible Fixed Assets	(9,151)	(12,997)	(82)
Proceeds from Sales of Tangible Fixed Assets	—	2,566	—
Net Cash Provided by (Used in) Investing Activities	3,245,911	732,031	29,319
Cash Flows from Financing Activities:			
Dividends Paid	(75,241)	(99,870)	(679)
Dividends Paid to Non-controlling Interests	(685)	(638)	(6)
Net Cash Provided by (Used in) Financing Activities	(75,926)	(100,508)	(685)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,274	47	20
Net Increase (Decrease) in Cash and Cash Equivalents	629,823	161,740	5,688
Cash and Cash Equivalents at the Beginning of the Fiscal Year	18,491,970	18,330,229	167,030
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	¥ 19,121,793	¥ 18,491,970	\$ 172,719

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 Act 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 ¥110.71=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2021, 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 number of subsidiaries as of March 31, 2020 was 19, 17 of which were consolidated and the remaining 2 subsidiaries were unconsolidated. The number of subsidiaries as of March 31, 2021 was 18, 17 of which were consolidated and the remaining subsidiary was unconsolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The major unconsolidated subsidiary is as follows:

NORINCHUKIN INNOVATION FUND L.P.

The unconsolidated subsidiary was excluded from the scope of consolidation, since its impact on the consolidated financial statements was not so material as to hinder a rational judgement of the financial position and results of operations in terms of Total Assets, Ordinary Income, Net Income, Retained Earnings and Accumulated Other Comprehensive Income.

The dates of the fiscal year-end of all consolidated subsidiaries are as follows:

Closing date: December 31, 2020 Number of subsidiaries: 5

Closing date: March 31, 2021 Number of subsidiaries: 12

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective closing dates and the date of the consolidated financial statements.

Affiliates

Affiliates are, in general, the companies, other than subsidiaries, in which the Bank 1) holds, directly and/or indirectly, 20% or more of the voting shares; 2) holds, directly and/or indirectly, 15% or more of the voting shares and also is able to influence the decision-mak-

ing 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, 2021 and 2020 were 7 and 7, respectively, all of which were accounted for by the equity method. 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 affiliate accounted for by the equity method is as follows:

JA MITSUI LEASING, LTD.

(2) Transactions for Trading Purposes

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

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

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

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

Derivatives are measured at fair value based on net assets or liabilities after offsetting financial assets and financial liabilities with respect to specific market risk or specific credit risk.

(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.

Other securities are valued at fair value (the cost of securities sold is calculated by the moving average method). Stocks and others which are no market prices (“Stocks and others with no market prices”) 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.

The fair value of Derivatives is calculated based on net assets or liabilities after offsetting financial assets and financial liabilities with respect to specific market risk or specific credit risk.

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 Committee Practical Guideline No. 24, issued on October 8, 2020). 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 Committee Practical Guideline No. 25, issued on October 8, 2020). 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 Committee Practical Guideline 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.

(d) Hedges Applied to “the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR”

As for Hedges mentioned above, all of hedges under “the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (The Accounting Standards Board of Japan (ASBJ) the PITF No. 40 for Practical Solution, issued on September 29, 2020) are applied to the specific treatments designated by the PITF. Hedges applied to the PITF are as follows.

I Hedge Methods: The Deferral Method or The Accrual Method specifically permitted for certain interest rate swap

Hedge Instruments: Interest rate swaps

Hedged Items: Loans and Bill Discounted, Securities (Bonds) and others

Type of Hedge Transactions: Offsetting market movements

II Hedge Method: The Deferral Method

Hedge Instrument: Interest rate swaps

Hedged Items: Payables under Repurchase Agreements and others

Type of Hedge Transactions: Fixing cash flows

III Hedge Method: The Deferral Method

Hedge Instrument: Currency swaps

Hedged Items: Financial monetary assets and liabilities denominated in foreign currencies and others

Type of Hedge Transactions: Offsetting market movements

(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 buildings and accompanying facilities) and buildings and accompanying facilities and structures acquired on or after April 1, 2016 are 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 revaluated on March 31, 1998. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land 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) 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.

(8) 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 bankrupt under the Bankruptcy Law, Special Liquidation under Company Law or other similar laws (“debtors in bankruptcy”) or debtors who are substantially bankrupt under those laws (“debtors in default”) 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 ¥9,911 million (\$89 million) and ¥9,827 million for the fiscal years ended March 31, 2021 and 2020, 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 (“debtors under requirement of control”) (see Note 5) and other debtors requiring close monitoring going forward (“other substandard debtors”) 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 primarily by the contractual interest rate before the terms of the loan were restructured.
- d. Reserve for loans to “debtors under requirement of control” other than those indicated above, the Bank principally estimates expected losses for the next 3 years. Whereas “other substandard debtors” and debtors who maintain favorable operating conditions and who have no particular financial difficulties (“standard”), the Bank estimates expected losses for the next year. The expected losses are calculated by long-term averages of the historical loan-loss ratios based on past 1-or 3-year loan-loss experience and further adjusted for uncertainties of future forecasts. This is adjusted by referring the historical loan losses in accordance with current position in economic cycle and possibility of each scenario in light of future outlook. These are based on the macroeconomic indicators (Japan’s GDP growth rate) which are highly correlated to historical records of loan losses and the Bank’s outlook for economic fluctuation. The future forecasts are approved by directors after consultation with a committee composed of management (the Risk Management Committee).
- 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.

(9) 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.

(10) Reserve for Bonus Payments

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

(11) Reserve for Directors’ Retirement Benefits

Reserve for Directors’ Retirement Benefits for the payments of retirement benefits for directors (including Executive Officers) and corporate auditors is recognized as the required amount accrued at the end of the period.

(12) 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.

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.

(13) Consumption Taxes

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

(14) Scope of “Cash and Cash Equivalents” in the Consolidated Statement of Cash Flows

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

(15) 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.

(16) Accounting Treatment of Profit and Losses on Cancellation of Investment Trust

Profit and losses on cancellation of Investment Trust are accounted in “Interest and Dividends on Securities” on Profit and Loss Statement.

(Additional Information)

The Bank has applied “Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No. 24 Accounting Standard, issued on March 31, 2020) and has newly disclosed accounting rules and procedures which are not clearly mentioned to related accounting standards and others.

(17) Significant Accounting Estimates

Items for which the amount was recorded in the consolidated financial statements for this fiscal year due to accounting estimates and which may have a significant impact on the consolidated financial statements for the following consolidated fiscal year are as follows:

a. Reserve for Possible Loan Losses

- (a). The amount of Reserve for Possible Loan Losses on the consolidated financial statements for the fiscal year ended March 31, 2021 was ¥134,983 million (\$1,219 million).
- (b). Information relating the content of significant accounting estimates for identified items

I. Calculation methods

The Bank’s Reserve for Possible Loan Losses is calculated based on the determination of the debtor classification (“standard,” “other substandard debtors,” “debtors under requirement of control,” “doubtful,” “debtors in default,” “debtors in bankruptcy”) based on each debtor’s future debt repayment capacity through asset assessments, as well as a certain calculation method according to debtor classification, as stated in (8) Reserve for Possible Loan Losses.

II. Key assumptions

Key assumptions in determining debtor classification are forward-looking statements such as the performance of debtors and others.

In forecasting the future when calculating Reserve for Possible Loan Losses of “standard,” “substandard” (“other substandard debtors” and “debtors under requirement of control”), the possibility of each scenario based upon current position in economic cycle and an outlook for future is a key assumption.

The Bank estimates the current position in the economic cycle as a period of recovery in the fiscal year. As for the future outlook, the Bank assumes that it will take time for a full economic recovery as a main scenario which is mainly due to the uncertain impact various waves of COVID-19 and government assistance will have on the economy in the near-term.

III. Impact on the consolidated financial statements for the following fiscal year

Changes in the assumptions used in the estimates due to changes in the performance of debtors and in economic conditions, such as COVID-19 infection status, could have a significant impact on Reserve for Possible Loan Losses in the following fiscal year.

b. Fair Value of Foreign Bonds for which the Bank cannot Obtain Publicized Market Values

(a). Amounts accounted on consolidated financial statements as of March 31, 2021 are as follows.

Items	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Fair Value	Consolidated Balance Sheet Amount	Fair Value
Foreign Bonds				
Other securities	¥ 256,444	¥ 256,444	\$ 2,316	\$ 2,316
Held-to-Maturity Debt Securities	8,203,610	8,222,262	74,099	74,268
Total	¥8,460,055	¥8,478,706	\$76,416	\$76,584

(b). Information relating the content of significant accounting estimates for identified items

I. Calculation methods

As for fair value of foreign bonds for which the Bank cannot obtain publicized market values, the prices of the bonds are evaluated by using the valuation obtained from the third parties such as information vendors or by calculating the value of the bonds based on the Bank's own estimates. In both of the cases, Income approach (the valuation method that shows current market expectation for future cash flows as discounted present value) are adopted. As for calculating the fair value, the Bank has adopted the valuation model which reflects the nature, characteristics, and risks of each financial instrument and has mainly used observable inputs. Additionally, the Bank uses inputs such as default rates, recovery rates, prepayment rates and discount rates, to calculate the fair value.

Where the Bank adopts the valuation obtained from the third party, it verifies the validity of the valuation with appropriate methods such as confirmation of valuation models and inputs, comparison with the fair values for similar financial instruments.

II. Key Assumptions

In terms of verifying the validity of valuation obtained from the third party and calculating the fair value based on the Bank's estimates, key assumptions are default rates, recovery rates, prepayment rates and discount rates according to characteristics in asset classes. As for calculating discount rates, the Bank has considered benchmark interest rates and transactions for similar financial instruments.

III. Impact on the consolidated financial statements in the following fiscal year

If the assumption used in the Bank's estimates due to the fluctuation in financial economic environment changes, the change could have a significant impact on the fair values in the following fiscal year.

(Changes in Presentation methods)

The Bank has applied to "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, issued on March 31, 2020), and disclosed the items relating significant accounting estimates. However, it does not describe the ones of the previous fiscal year in accordance with transitional measure established on Article 11 of this accounting standard.

(18) Other Information

(Change in Accounting Estimates)

The Bank had estimated Reserve for Possible Loan Losses based on long-term averages of the historical loan-loss ratios. In accordance with "JFSA's supervisory approaches to lending business and loan loss provisioning" (Financial Services Agency, December 18, 2019), the Bank has prepared methodology and setup by which the Bank reflects uncertainties of future forecasts on estimation of Reserve for Possible Loan Losses. The Bank's objective of the preparation is to maintain stable lending to other institutions regardless of economic uncertainties such as the expansion of COVID-19.

The Bank has changed the methodology of estimating Reserve for Possible Loan Losses from the fiscal year ended March 31, 2021 because the Bank has been able to reasonably make an estimate which reflects the risks more properly on Reserve for Possible Loan Losses before uncertainties of future forecasts are actually recognized as loan losses.

This is adjusted by referring the historical loan losses in accordance with current position in economic cycle and possibility of each scenario in light of future outlook. These are based on the macroeconomic indicators (Japan's GDP growth rate) which are highly correlated to historical records of loan losses and the Bank's outlook for economic fluctuation.

According to the change in accounting estimates, Reserve for Possible Loan Losses increased by ¥34,774 million (\$314 million), and both Ordinary Profits and Income before Income Taxes decreased by ¥34,774 million (\$314 million) in the fiscal year ended March 31, 2021.

(Additional Information)

As described (Additional Information) in financial statements for the previous fiscal year, the Bank made decision to relocate its headquarter in the board of directors held on March 3, 2020, and concluded a memorandum between the Bank and the transferee for divided sale of land and building. This transfer will be carried out at two separate times, in March and April 2022. The transfer will generate profit approximately ¥26,000 million (\$234 million) in the fourth quarter of the fiscal year ended March 31, 2022 and approximately ¥24,000 million (\$216 million) in the first quarter of the fiscal year ended March 31, 2023, respectively, which will be stated as “Gains on Disposal of Fixed Assets” of “Extraordinary Profits” on the consolidated financial statements of the each quarter. The profit after deduction of corporate tax and others from the original profit for the transfer will approximately be ¥18,000 million (\$162 million) in the fourth quarter of the fiscal year ended March 31, 2022, and ¥17,000 million (\$153 million) in the first quarter of the fiscal year ended March 31, 2023, respectively.

The transfer had no impact on profit and losses on its consolidated financial statements of the fiscal year ended March 31, 2021.

3. Trading Assets

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Trading Securities	¥2,016	¥ 1	\$18
Derivatives of Securities Related to Trading Transactions	39	—	0
Trading-related Financial Derivatives	5,254	7,861	47
Total	¥7,310	¥7,862	\$66

4. Securities

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Japanese Government Bonds	¥10,112,251	¥11,180,408	\$ 91,339
Municipal Government Bonds	153,990	166,838	1,390
Corporate Bonds	1,303,319	1,473,066	11,772
Stocks	906,672	711,596	8,189
Other	35,617,614	41,001,347	321,719
Foreign Bonds	27,820,107	28,018,545	251,288
Foreign Stocks	34,571	25,423	312
Investment Trusts	6,931,963	12,254,043	62,613
Other	830,971	703,334	7,505
Total	¥48,093,847	¥54,533,258	\$434,412

The maturity profile of securities is as follows:

	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
As of March 31, 2021					
Bonds	¥2,904,335	¥2,295,517	¥ 3,030,679	¥3,339,027	¥ —
Japanese Government Bonds	2,626,255	1,613,817	2,875,175	2,997,003	—
Municipal Government Bonds	5	45,844	20,558	87,582	—
Corporate Bonds	278,075	635,856	134,946	254,441	—
Stocks	—	—	—	—	906,672
Other	489,876	3,287,726	21,352,244	4,606,334	5,881,432
Foreign Bonds	462,176	2,678,648	20,766,543	3,912,739	—
Foreign Stocks	—	—	—	—	34,571
Investment Trusts	3,524	372,964	243,527	652,431	5,659,515
Other	24,175	236,112	342,172	41,163	187,346
Total	¥3,394,212	¥5,583,244	¥24,382,924	¥7,945,362	¥6,788,104

As of March 31, 2020	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	¥4,256,540	¥4,666,639	¥ 1,384,945	¥ 2,512,187	¥ —
Japanese Government Bonds	3,590,838	4,146,073	1,328,141	2,115,355	—
Municipal Government Bonds	41,633	15,820	20,569	88,814	—
Corporate Bonds	624,068	504,745	36,234	308,017	—
Stocks	—	—	—	—	711,596
Other	2,636,285	2,743,729	16,330,588	8,346,145	10,944,598
Foreign Bonds	2,616,945	1,871,702	15,822,443	7,707,453	—
Foreign Stocks	—	—	—	—	25,423
Investment Trusts	—	772,902	162,408	595,731	10,723,001
Other	19,339	99,124	345,735	42,959	196,174
Total	¥6,892,826	¥7,410,369	¥17,715,533	¥10,858,332	¥11,656,195

As of March 31, 2021	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	\$26,233	\$20,734	\$ 27,374	\$30,160	\$ —
Japanese Government Bonds	23,721	14,576	25,970	27,070	—
Municipal Government Bonds	0	414	185	791	—
Corporate Bonds	2,511	5,743	1,218	2,298	—
Stocks	—	—	—	—	8,189
Other	4,424	29,696	192,866	41,607	53,124
Foreign Bonds	4,174	24,195	187,576	35,342	—
Foreign Stocks	—	—	—	—	312
Investment Trusts	31	3,368	2,199	5,893	51,120
Other	218	2,132	3,090	371	1,692
Total	\$30,658	\$50,431	\$220,241	\$71,767	\$61,314

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
	2021	2020	2021
Loans on Deeds	¥19,953,948	¥18,430,802	\$180,236
Loans on Bills	286,386	382,495	2,586
Overdrafts	1,860,952	1,243,600	16,809
Bills Discounted	1,257	1,926	11
Total	¥22,102,545	¥20,058,825	\$199,643

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Loans to Borrowers under Bankruptcy Proceedings	¥ 1,505	¥ 277	\$ 13
Delinquent Loans	69,900	23,991	631
Loans Past Due for Three Months or More	77	242	0
Restructured Loans	27,224	15,935	245
Total	¥98,707	¥40,446	\$891

Notes: 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.
Note: Even if debtors' loans past due for six months or more, in case that they are not identified as doubtful debtors or below based on their debt repayment statuses, the prospect of their capacity to eliminate liabilities in excess of assets as well as their business revitalization plan, their loans are included in this scope.
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
	2021	2020	2021
As of March 31			
Due from Foreign Banks	¥290,017	¥209,889	\$2,619
Total	¥290,017	¥209,889	\$2,619

7. Other Assets

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Prepaid Expenses	¥ 1,718	¥ 1,332	\$ 15
Accrued Income	125,775	154,610	1,136
Derivatives other than for Trading	61,325	339,270	553
Cash Collateral Paid for Financial Instruments	1,424,768	1,243,372	12,869
Other	1,272,166	762,325	11,490
Total	¥2,885,756	¥2,500,911	\$26,065

8. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Buildings	¥ 36,641	¥ 42,048	\$ 330
Land	97,707	46,885	882
Lease Assets	19,436	31,279	175
Construction in Progress	1,187	212	10
Other	10,941	3,135	98
Total Net Book Value	165,914	123,562	1,498
Accumulated Depreciation Deducted	¥116,002	¥114,514	\$1,047

Intangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Software	¥38,636	¥27,299	\$348
Lease Assets	10,863	4,772	98
Other	8,224	21,028	74
Total	¥57,724	¥53,100	\$521

9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Securities	¥18,501,625	¥19,035,378	\$167,117
Loans and Bills Discounted	2,151,881	1,254,816	19,437

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Payables under Repurchase Agreements	¥17,073,926	¥15,726,573	\$154,222
Borrowed Money	2,606,580	3,193,998	23,544

In addition, as of March 31, 2021 and 2020, Securities (including transactions of Money Held in Trust) of ¥9,568,323 million (\$86,426 million) and ¥10,006,531 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2021 and 2020, initial margins of futures markets of ¥20,493 million (\$185 million) and ¥31,692 million, respectively, cash collateral paid for financial instruments of ¥1,424,768 million (\$12,869 million) and ¥1,243,372 million, respectively, other cash collateral paid of ¥1,059,337 million (\$9,568 million) and ¥509,993 million, respectively, and guarantee deposits of ¥8,119 million (\$73 million) and ¥8,106 million, respectively, were included in Other Assets.

10. Conversion of Investment Form for a Part of Securities

In order that the Bank more actively takes part in investment activities as a part of the enhancement of the Bank's asset management capability, the Bank has converted a part of Securities (¥4,723,899 million, \$42,669 million) into Money Held in Trust in this period.

The impact of this conversion on profit and cash flow in this period is immaterial.

11. Deposits

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Time Deposits	¥56,792,010	¥56,953,166	\$512,979
Deposits at Notice	12,650	12,658	114
Ordinary Deposits	3,798,523	3,565,850	34,310
Current Deposits	98,339	91,101	888
Other Deposits	4,950,639	5,016,320	44,717
Total	¥65,652,162	¥65,639,097	\$593,010

12. Debentures

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Long-term Coupon Debentures	¥355,479	¥784,446	\$3,210
Total	¥355,479	¥784,446	\$3,210

13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Derivatives of Securities Related to Trading Transactions	¥ 26	¥ —	\$ 0
Trading-related Financial Derivatives	5,111	8,102	46
Total	¥5,137	¥8,102	\$46

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,317,895 million (\$11,904 million) and ¥1,317,895 million as of March 31, 2021 and 2020, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

15. Foreign Exchange Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Foreign Bills Payable	¥0	¥0	\$0
Total	¥0	¥0	\$0

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Accrued Expenses	¥ 36,032	¥ 69,297	\$ 325
Income Taxes Payable	218,956	8,731	1,977
Unearned Income	5,096	9,224	46
Derivatives other than for Trading	1,262,630	950,878	11,404
Accounts Payable for Securities Purchased	2,914,976	3,408,314	26,329
Other	105,305	378,155	951
Total	¥4,542,997	¥4,824,601	\$41,035

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.

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, 2021 and 2020, 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
	2021	2020	2021
Balance at the Beginning of the Fiscal Year	¥139,685	¥142,874	\$1,261
Service Cost	4,386	4,357	39
Interest Cost	421	422	3
Actuarial Differences	3,452	441	31
Retirement Benefit Paid	(5,196)	(8,411)	(46)
Balance at the End of the Fiscal Year	¥142,749	¥139,685	\$1,289

b. The changes in plan assets for the years ended March 31, 2021 and 2020, 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
	2021	2020	2021
Balance at the Beginning of the Fiscal Year	¥160,248	¥163,428	\$1,447
Expected Return on Plan Assets	2,044	2,138	18
Actuarial Differences	64,770	(4,922)	585
Contributions by the Bank	2,035	2,031	18
Retirement Benefit Paid	(2,536)	(2,428)	(22)
Balance at the End of the Fiscal Year	¥226,562	¥160,248	\$2,046

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2021 and 2020 are as follows:

	Millions of Yen		Millions of U.S.
	2021	2020	Dollars
As of March 31			2021
Balance at the Beginning of the Fiscal Year	¥1,190	¥1,125	\$10
Retirement Benefit Expense	295	355	2
Retirement Benefit Paid	(290)	(250)	(2)
Contributions to the Plans	(45)	(41)	(0)
Balance at the End of the Fiscal Year	¥1,148	¥1,190	\$10

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, 2021 and 2020 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen		Millions of U.S.
	2021	2020	Dollars
As of March 31			2021
Funded Retirement Benefit Obligations	¥ 143,782	¥ 140,775	\$ 1,298
Plan Assets at Fair Value	(227,275)	(160,938)	(2,052)
	(83,492)	(20,163)	(754)
Unfunded Retirement Benefit Obligations	827	791	7
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	(82,664)	(19,372)	(746)
Net Defined Benefit Liability	29,486	38,841	266
Net Defined Benefit Asset	112,151	58,213	1,013
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (82,664)	¥ (19,372)	\$ (746)

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.
	2021	2020	Dollars
For the fiscal years ended March 31			2021
Service Cost	¥ 4,386	¥ 4,357	\$ 39
Interest Cost	421	422	3
Expected Return on Plan Assets	(2,044)	(2,138)	(18)
Amortization of Actuarial Differences	(1,857)	(4,157)	(16)
Amortization of Prior Service Cost	—	53	—
Retirement Benefit Expense by the Simplified Method	295	355	2
Other	795	813	7
Retirement Benefit Expense on Defined Benefit Plan	¥ 1,997	¥ (293)	\$ 18

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:

	Millions of Yen		Millions of U.S.
	2021	2020	Dollars
For the fiscal years ended March 31			2021
Prior Service Cost	¥ —	¥ 53	\$ —
Actuarial Differences	59,460	(9,522)	537
Total	¥59,460	¥(9,469)	\$537

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.
	2021	2020	Dollars
Unrecognized Prior Service Cost	¥ —	¥ —	\$ —
Unrecognized Actuarial Differences	68,475	9,014	618
Total	¥68,475	¥9,014	\$618

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	2021	2020
Bonds	13%	16%
Stocks	80%	74%
Insurance Assets (General Account)	6%	9%
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	2021	2020
Discount Rate	0.3%	0.3%
Expected Rates of Increase in Salary	2.0–3.6%	2.0–3.6%
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.
	2021	2020	Dollars 2021
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 18,588	¥ 4,061	\$ 167
Write-off of Loans	1,069	1,194	9
Losses on Revaluation of Securities	17,450	15,645	157
Net Defined Benefit Liability	5,730	6,474	51
Depreciation Expense	485	498	4
Net Operating Losses Carried Forward	1,371	665	12
Unrealized Losses on Other Securities	27	34	0
Deferred Losses on Hedging Instruments	142,856	250,437	1,290
Unrealized Losses on Reclassification	2,531	2,867	22
Conversion of Investment Form of Securities	120,944	—	1,092
Other	115,658	98,754	1,044
Subtotal	426,716	380,635	3,854
Valuation Allowance	(72,585)	(65,957)	(655)
Total Deferred Tax Assets	354,130	314,678	3,198
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	(4,968)	(4,968)	(44)
Net Defined Benefit Asset	(19,001)	(2,501)	(171)
Unrealized Gains on Other Securities	(740,446)	(645,746)	(6,688)
Deferred Gains on Hedging Instruments	(35,138)	(39,007)	(317)
Unrealized Gains on Reclassification	(1,116)	(4,037)	(10)
Conversion of Investment Form of Securities	(180)	—	(1)
Other	(47,839)	(68,006)	(432)
Total Deferred Tax Liabilities	(848,692)	(764,268)	(7,665)
Net Deferred Tax Liabilities	¥(494,561)	¥(449,589)	\$(4,467)

19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2021	2020	Dollars 2021
Guarantees	¥2,446,587	¥2,115,202	\$22,099
Total	¥2,446,587	¥2,115,202	\$22,099

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 ¥4,158,145 million (\$37,558 million) and ¥3,776,487 million as of March 31, 2021 and 2020, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,678,644 million (\$24,195 million) and ¥2,490,912 million as of March 31, 2021 and 2020, 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 and its consolidated subsidiaries periodically check 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 ¥454,450 million (\$4,104 million) and ¥746,703 million as of March 31, 2021 and 2020, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements and others, which can be sold or re-pledged by the Bank, include securities re-pledge of ¥1,558,253 million (\$14,075 million) and ¥818,296 million as of March 31, 2021 and 2020, respectively, and include securities held without re-pledge of ¥457,271 million (\$4,130 million) and ¥445,176 million as of March 31, 2021 and 2020, respectively. No such securities are re-loaned to the third parties.

22. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Common Stock	¥4,015,198	¥4,015,198	\$36,267
Preferred Stock	24,999	24,999	225
Total	¥4,040,198	¥4,040,198	\$36,493

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$32,422 million) and ¥3,589,481 million as of March 31, 2021 and 2020, respectively.

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

23. Trading Income

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Fiscal years ended March 31			
Income from Securities and Derivatives Related to Trading Transactions	¥ 50	¥—	\$0
Income from Trading-related Financial Derivatives	463	—	4
Total	¥513	¥—	\$4

24. Other Operating Income

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Fiscal years ended March 31			
Gains on Foreign Exchange Transactions	¥ —	¥ 3,490	\$ —
Gains on Sales of Bonds	19,366	84,012	174
Gains on Redemption of Bonds	4	0	0
Gains on Derivatives other than for Trading or Hedging	9,009	—	81
Other	51,081	50,266	461
Total	¥79,462	¥137,769	\$717

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Gains on Sales of Stocks and Other Securities	¥ 33,035	¥ 4,671	\$ 298
Gains on Money Held in Trust	352,813	112,111	3,186
Equity in Earnings of Affiliates	3,008	4,320	27
Gains on Disposal of Fixed Assets	—	1,796	—
Recoveries of Written-off Claims	202	1,901	1
Other	10,928	1,565	98
Total	¥399,989	¥126,367	\$3,612

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Expenses on Trading Securities and Derivatives	¥18	¥ 7	\$ 0
Expenses on Securities and Derivatives Related to Trading Transactions	—	36	—
Expenses on Trading-related Financial Derivatives	—	841	—
Total	¥18	¥885	\$ 0

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Amortization of Debenture Issuance Costs	¥ 23	¥ 28	\$ 0
Losses on Foreign Exchange Transactions	1,438	—	12
Losses on Sales of Bonds	98,691	20,010	891
Losses on Redemption of Bonds	16	—	0
Losses on Revaluation of Bonds	12,113	—	109
Losses on Derivatives other than for Trading or Hedging	—	4,744	—
Other	44,847	41,281	405
Total	¥157,130	¥66,065	\$1,419

28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Write-off of Loans	¥ 137	¥ 42	\$ 1
Provision of Reserve for Possible Loan Losses	84,317	3,470	761
Losses on Sales of Stocks and Other Securities	282	649	2
Losses on Revaluation of Stocks and Other Securities	1,339	1,893	12
Losses on Money Held in Trust	4,747	6,215	42
Losses on Disposal of Fixed Assets	340	493	3
Provision of Reserve for Possible Investment Losses	—	217	—
Losses on Impairment of Fixed Assets	16,047	218	144
Other	1,002	14,568	9
Total	¥108,214	¥27,769	\$977

Note: The following Losses on Impairment of Fixed Assets were recognized in the fiscal year ended March 31, 2021.

Purpose of Use	Type	Area	Impairment Losses	
			Millions of Yen	Millions of U.S. Dollars
Operating assets	Buildings	Tokyo	¥16,047	\$144

As for operating assets, the Bank aggregates the head office and all branches as one unit, taking into consideration mutually complementary relationship of the cash flows. Idle assets (including assets held for sale) were assessed individually by asset.

For the operating assets to be sold due to decision to relocate the data center, the Bank reduced the book values to their recoverable amounts and recognized the relevant losses as Losses on Impairment of Fixed Assets in the fiscal year ended March 31, 2021. The recoverable amounts are the net realizable value, which is calculated based on the appraisal value excluding estimated disposal costs.

For the consolidated subsidiaries, assets of each individual subsidiary are grouped as one unit. There is no Losses on Impairment of Fixed Assets for these asset groups in the fiscal year ended March 31, 2021.

29. Other Comprehensive Income

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

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥ 532,807	¥ 348,242	\$ 4,812
Reclassification adjustments to profit or loss	(195,905)	(71,207)	(1,769)
Amounts before tax effects	336,902	277,034	3,043
Tax effects	(92,109)	(77,969)	(831)
Total	244,792	199,065	2,211
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	56,736	(984,174)	512
Reclassification adjustments to profit or loss	317,003	434,028	2,863
Amounts before tax effects	373,739	(550,145)	3,375
Tax effects	(103,712)	152,665	(936)
Total	270,026	(397,480)	2,439
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	121	(63)	1
Reclassification adjustments to profit or loss	—	—	—
Amounts before tax effects	121	(63)	1
Tax effects	—	—	—
Total	121	(63)	1
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	61,318	(5,364)	553
Reclassification adjustments to profit or loss	(1,857)	(4,104)	(16)
Amounts before tax effects	59,460	(9,469)	537
Tax effects	(16,500)	2,627	(149)
Total	42,960	(6,841)	388
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	2,366	984	21
Reclassification adjustments to profit or loss	39	(261)	0
Total	2,406	722	21
Total Other Comprehensive Income	¥ 560,307	¥(204,596)	\$ 5,061

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. Dollars
	2021	2020	2021
Cash and Due from Banks	¥20,066,967	¥19,505,050	\$181,257
Less: Interest-bearing Due from Banks	(945,174)	(1,013,080)	(8,537)
Cash and Cash Equivalents at the End of the Fiscal Year	¥19,121,793	¥18,491,970	\$172,719

31. Segment Information

Fiscal year ended March 31, 2021

(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, 2021	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥99,177	¥1,146,767	¥112,918	¥1,358,863

Millions of U.S. Dollars				
Fiscal year ended March 31, 2021	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$895	\$10,358	\$1,019	\$12,274

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, 2021	Japan	Americas	Europe	Others	Total
	¥1,321,134	¥19,422	¥4,314	¥13,991	¥1,358,863

Millions of U.S. Dollars					
Fiscal year ended March 31, 2021	Japan	Americas	Europe	Others	Total
	\$11,933	\$175	\$38	\$126	\$12,274

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, 2021	Japan	Americas	Europe	Others	Total
	¥164,565	¥195	¥833	¥320	¥165,914

Millions of U.S. Dollars					
As of March 31, 2021	Japan	Americas	Europe	Others	Total
	\$1,486	\$1	\$7	\$2	\$1,498

c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2021	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥166,869	—

Millions of U.S. Dollars			
Fiscal year ended March 31, 2021	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,507	—

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, 2020**(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, 2020	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥129,571	¥1,295,831	¥119,142	¥1,544,544

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, 2020	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥1,483,494	¥36,142	¥5,527	¥19,380	¥1,544,544

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, 2020	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥122,230	¥214	¥791	¥325	¥123,562

c. Information about Major Customers

Fiscal year ended March 31, 2020	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥191,652	—

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

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) and 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 businesses.

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 Bills Sold 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 difficulties of securing necessary funds in certain cases such as market crashes.

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 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 Portfolio Management Committee (market risk, credit risk, liquidity risk), the Credit Committee, the Food and

Agri Finance 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) Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and aligns 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 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 interest rate risk sensitivity, 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, 2021 and 2020 summed up to ¥11 million (\$0 million) and ¥5 million, respectively, in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,755,437 million (\$24,888 million) and ¥1,991,361 million as of March 31, 2021 and 2020, 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, 2021 and 2020 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.

(c) 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 Risk Management Committee, the 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.

(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 Portfolio Management Committee.

d. Supplementary Explanations for the Fair Value of Financial Instruments and Other Items

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

Stocks and others with no market prices are excluded from the table below (ref. Note 1). In addition to this, Call Loans and Bills Bought, Cash and Due from Banks, Cash Collateral Paid for Financial Instruments, Negotiable Certificates of Deposit, Payables under Repurchase Agreements, and Short-term Entrusted Funds, are omitted because these instruments are settled in a short period and then their fair values would approximate their carrying values.

Investments in Partnership and others are out of scope from the disclosure of the fair value measurement due to being applied to transitional measure of Article 27 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 4th July 2019), and the consolidated balance sheet amount of the financial instrument is ¥827,012 million (\$7,470 million) and ¥699,756 million as of March 31, 2021 and 2020, respectively.

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of March 31, 2021 and 2020 are as follows:

	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, 2021						
Monetary Claims Bought	¥ 302,918	¥ 302,983	¥ 65	\$ 2,736	\$ 2,736	\$ 0
Trading Assets (*2)						
Trading Securities	2,016	2,016	—	18	18	—
Money Held in Trust (*1)						
Other Money Held in Trust	10,638,362	10,643,016	4,653	96,092	96,134	42
Securities						
Held-to-Maturity Debt Securities	12,786,165	12,843,398	57,232	115,492	116,009	516
Other Securities	34,300,147	34,300,147	—	309,819	309,819	—
Loans and Bills Discounted	22,102,545			199,643		
Reserve for Possible Loan Losses (*1)	(128,885)			(1,164)		
	21,973,659	22,016,167	42,507	198,479	198,863	383
Total Assets	¥80,003,269	¥80,107,729	¥104,459	\$722,638	\$723,581	\$943
Deposits	¥65,652,162	¥65,652,219	¥ 56	\$593,010	\$593,010	\$ 0
Debentures	355,479	355,756	277	3,210	3,213	2
Borrowed Money	5,092,464	5,092,464	—	45,998	45,998	—
Total Liabilities	¥71,100,105	¥71,100,440	¥ 334	\$642,219	\$642,222	\$ 3
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ (2,133)	¥ (2,133)	¥ —	\$ (19)	\$ (19)	\$ —
Transactions Accounted for as Hedge						
Transactions	(1,199,014)	(1,199,014)	—	(10,830)	(10,830)	—
Total Derivative Instruments	¥(1,201,148)	¥(1,201,148)	¥ —	\$(10,849)	\$(10,849)	\$ —

(*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.

As of March 31, 2020	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
Monetary Claims Bought	¥ 301,081	¥ 301,067	¥ (13)
Trading Assets (*2)			
Trading Securities	1	1	—
Money Held in Trust (*1)			
Other Money Held in Trust	5,996,527	6,000,651	4,123
Securities			
Held-to-Maturity Debt Securities	15,793,031	15,395,716	(397,315)
Other Securities	37,907,922	37,907,922	—
Loans and Bills Discounted	20,058,825		
Reserve for Possible Loan Losses (*1)	(48,871)		
	20,009,953	20,037,723	27,769
Total Assets	¥80,008,518	¥79,643,081	¥(365,436)
Deposits	¥65,639,097	¥65,639,105	¥ 7
Debentures	784,446	784,758	311
Borrowed Money	5,413,844	5,413,844	—
Total Liabilities	¥71,837,388	¥71,837,707	¥ 319
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ 6,968	¥ 6,968	¥ —
Transactions Accounted for as Hedge			
Transactions	(618,818)	(618,818)	—
Total Derivative Instruments	¥ (611,849)	¥ (611,849)	¥ —

(*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) The following tables list Consolidated Balance Sheet Amount of Stocks and others with no market prices as of March 31, 2021 and as of March 31, 2020, respectively:

“Other Securities” in “Disclosures Regarding the Fair Value of Financial Instruments and Other Items” excludes these financial instruments.

As of March 31, 2021	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks (*1)	¥176,562	\$1,594
Others (*2)	2,984	26
Total	¥179,547	\$1,621

(*1) 1. The amount of revaluation losses for the fiscal year ended March 31, 2021 was ¥466 million (\$4 million) on Unlisted Stocks.

2. “Others” includes preferred equity securities issued by special purpose companies.

As of March 31, 2020	Millions of Yen
Unlisted Stocks (*1)	¥128,969
Others (*2)	2,984
Total	¥131,953

(*1) 1. The amount of revaluation losses for the fiscal year ended March 31, 2020 was ¥309 million on Unlisted Stocks.

2. “Others” includes preferred equity securities issued by special purpose companies.

(Note 2) The redemption schedule of money claims and securities with stated maturities after the consolidated balance sheet date is as follows:

As of March 31, 2021	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)	¥20,032,567	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	60,890	—	—	—	—	—
Receivables under Resale Agreements	548,061	—	—	—	—	—
Monetary Claims Bought	2,685	—	3,365	46,757	78,638	171,238
Securities						
Held-to-Maturity Debt Securities	2,569,896	705,904	807,451	714,513	4,438,948	3,556,075
Japanese Government Bonds	2,238,500	403,500	—	—	—	500,000
Corporate Bonds	66	—	1,046	100,000	—	—
Foreign Bonds	331,330	302,404	806,404	614,513	4,438,948	3,056,075
Other Securities held that have Maturity	819,660	1,616,776	2,348,351	6,588,819	11,983,016	3,958,140
Japanese Government Bonds	383,500	747,900	446,600	—	2,854,900	2,395,000
Municipal Government Bonds	4	13,209	32,609	5,860	14,603	65,500
Corporate Bonds	277,945	424,355	210,153	27,000	8,000	197,680
Foreign Bonds	130,510	261,144	1,220,079	6,343,119	8,732,651	606,364
Investment Trust	3,524	128,816	244,148	10,477	233,050	652,431
Other	24,175	41,351	194,760	202,361	139,811	41,163
Loans and Bills Discounted (*2)	11,108,712	4,370,675	3,118,394	1,378,041	1,199,560	836,873
Total	¥35,142,475	¥6,693,356	¥6,277,562	¥8,728,131	¥17,700,164	¥8,522,327

As of March 31, 2021	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)	\$180,946	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	550	—	—	—	—	—
Receivables under Resale Agreements	4,950	—	—	—	—	—
Monetary Claims Bought	24	—	30	422	710	1,546
Securities						
Held-to-Maturity Debt Securities	23,212	6,376	7,293	6,453	40,095	32,120
Japanese Government Bonds	20,219	3,644	—	—	—	4,516
Corporate Bonds	0	—	9	903	—	—
Foreign Bonds	2,992	2,731	7,283	5,550	40,095	27,604
Other Securities held that have Maturity	7,403	14,603	21,211	59,514	108,237	35,752
Japanese Government Bonds	3,464	6,755	4,033	—	25,787	21,633
Municipal Government Bonds	0	119	294	52	131	591
Corporate Bonds	2,510	3,833	1,898	243	72	1,785
Foreign Bonds	1,178	2,358	11,020	57,294	78,878	5,477
Investment Trust	31	1,163	2,205	94	2,105	5,893
Other	218	373	1,759	1,827	1,262	371
Loans and Bills Discounted (*2)	100,340	39,478	28,167	12,447	10,835	7,559
Total	\$317,428	\$60,458	\$56,702	\$78,837	\$159,878	\$76,978

(*) 1. Demand deposits within Due from Banks are included in "1 Year or Less."

2. Loans to debtors in bankruptcy, debtors in default, doubtful debtors and others of ¥70,287 million (\$634 million) for which the redemption amount cannot be estimated, and loans with no maturity of ¥20,000 million (\$180 million) within Loans and Bills Discounted, are excluded from the table above.

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, 2020						
Due from Banks (*1)	¥19,463,323	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	54,330	—	—	—	—	—
Monetary Claims Bought	130,600	—	—	41,067	72,199	57,221
Securities						
Held-to-Maturity Debt Securities	2,719,981	3,166,878	496,470	504,103	2,264,694	6,640,010
Japanese Government Bonds	2,171,200	2,626,000	16,000	—	—	—
Corporate Bonds	—	371	1,447	—	—	—
Foreign Bonds	548,781	540,507	479,023	504,103	2,264,694	6,640,010
Other Securities held that have Maturity	4,024,769	2,117,186	1,524,697	4,934,755	8,929,954	3,603,766
Japanese Government Bonds	1,407,400	1,426,600	40,000	—	1,304,400	1,905,000
Municipal Government Bonds	41,636	9,009	6,809	5,861	14,607	65,500
Corporate Bonds	623,929	313,339	189,249	28,374	8,000	247,600
Foreign Bonds	1,932,463	202,356	582,493	4,702,298	7,293,022	746,974
Investment Trust	—	125,508	647,393	2,440	159,968	595,731
Other	19,339	40,372	58,752	195,780	149,955	42,959
Loans and Bills Discounted (*2)	9,865,033	4,146,601	2,929,704	1,414,456	945,210	723,556
Total	¥36,258,038	¥9,430,666	¥4,950,872	¥6,894,383	¥12,212,058	¥11,024,555

(*1) 1. Demand deposits within Due from Banks are included in "1 Year or Less."

2. Loans to debtors in bankruptcy, debtors in default, doubtful debtors and others of ¥24.261 million for which the redemption amount cannot be estimated, and loans with no maturity of ¥10,000 million within Loans and Bills Discounted, are excluded from the table above.

(Note 3) 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, 2021						
Deposits (*1)	¥65,283,696	¥ 312,348	¥ 56,117	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,100,259	—	—	—	—	—
Debentures	118,979	236,500	—	—	—	—
Payables under Repurchase Agreements	17,073,926	—	—	—	—	—
Borrowed Money (*2)	1,008,049	1,300,218	1,419,198	19,619	27,484	1,317,895
Short-term Entrusted Funds	877,743	—	—	—	—	—
Total	¥87,462,653	¥1,849,067	¥1,475,315	¥19,619	¥27,484	¥1,317,895

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, 2021						
Deposits (*1)	\$589,682	\$ 2,821	\$ 506	\$ —	\$ —	\$ —
Negotiable Certificates of Deposit	28,003	—	—	—	—	—
Debentures	1,074	2,136	—	—	—	—
Payables under Repurchase Agreements	154,222	—	—	—	—	—
Borrowed Money (*2)	9,105	11,744	12,819	177	248	11,904
Short-term Entrusted Funds	7,928	—	—	—	—	—
Total	\$790,015	\$16,701	\$13,325	\$177	\$248	\$11,904

(*1) 1. Demand deposits within Deposits are included in "1 Year or Less."

2. Perpetual subordinated borrowings within Borrowed Money are included in "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, 2020						
Deposits (*1)	¥65,363,328	¥ 190,193	¥ 85,575	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,406,965	—	—	—	—	—
Debentures	401,379	248,477	134,588	1	—	—
Payables under Repurchase Agreements	15,726,573	—	—	—	—	—
Borrowed Money (*2)	2,118,321	1,355,881	568,162	19,855	25,252	1,326,372
Short-term Entrusted Funds	792,594	—	—	—	—	—
Total	¥86,809,162	¥1,794,552	¥788,326	¥19,856	¥25,252	¥1,326,372

(*1) 1. Demand deposits within Deposits are included in "1 Year or Less."

2. Perpetual subordinated borrowings within Borrowed Money are included in "Over 10 Years."

(3) Disclosures Regarding the Fair Value of Financial Instruments and Other Items by Level within the Fair Value Hierarchy

According to observability and significance of inputs used by calculating fair values, fair values for these financial instruments are classified into the following three-level hierarchy.

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than Level 1 prices that are either directly or indirectly observable for the financial instrument.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the instruments.

If multiple inputs which have a significant impact on market value calculation are used, a financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities whose fair values are equal to consolidated balance sheet amounts are as follows.

As of March 31, 2021	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 125,522	¥ 674	\$ —	\$ 1,133	\$ 6
Trading Assets						
Trading Securities	2,016	—	—	18	—	—
Money Held in Trust						
Other Money Held in Trust	8,590,336	1,984,353	2,061	77,593	17,923	18
Securities						
Other Securities						
Stocks	744,327	—	—	6,723	—	—
Bonds	6,967,074	1,356,197	—	62,930	12,249	—
Japanese Government Bonds	6,967,074	—	—	62,930	—	—
Municipal Government Bonds	—	153,990	—	—	1,390	—
Corporate Bonds	—	1,202,206	—	—	10,859	—
Other	15,608,979	9,565,576	57,992	140,989	86,402	523
Foreign Bonds	15,138,986	3,115,927	25,317	136,744	28,144	228
Foreign Stocks	20,351	—	—	183	—	—
Investment Trust	449,640	6,449,648	32,674	4,061	58,257	295
Total Assets	¥31,912,734	¥13,031,648	¥60,728	\$288,255	\$117,709	\$548
Derivative Instruments						
Related to Currencies	¥ —	¥ (837,245)	¥ —	\$ —	\$ (7,562)	\$ —
Related to Interest Rates	—	(363,915)	—	—	(3,287)	—
Related to Bonds	12	—	—	0	—	—
Total Derivative Instruments	¥ 12	¥(1,201,161)	¥ —	\$ 0	\$(10,849)	\$ —

As of March 31, 2020	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ —	¥ 777
Trading Assets			
Trading Securities	1	—	—
Money Held in Trust			
Other Money Held in Trust	3,819,386	2,102,992	2,215
Securities			
Other Securities			
Stocks	597,894	—	—
Bonds	6,355,032	1,636,676	1,409
Japanese Government Bonds	6,355,032	—	—
Municipal Government Bonds	—	166,838	—
Corporate Bonds	—	1,469,838	1,409
Other	15,093,474	14,159,456	63,978
Foreign Bonds	14,727,626	2,300,892	24,189
Foreign Stocks	10,157	—	—
Investment Trust	355,690	11,858,563	39,789
Total Assets	¥25,865,788	¥17,899,125	¥68,382
Derivative Instruments			
Related to Currencies	¥ —	¥ 207,318	¥ —
Related to Interest Rates	—	(819,168)	—
Related to Bonds	—	—	—
Total Derivative Instruments	¥ —	¥ (611,849)	¥ —

Financial assets and liabilities whose fair values are not equal to consolidated balance sheet amounts are as follows.

As of March 31, 2021	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 151,946	¥ 24,840	\$ —	\$ 1,372	\$ 224
Money Held in Trust						
Other Money Held in Trust	—	381	65,883	—	3	595
Securities						
Held-to-Maturity Debt Securities						
Japanese Government Bonds	493,520	2,670,296	—	4,457	24,119	—
Corporate Bonds	—	101,157	—	—	913	—
Foreign Bonds	—	9,443,305	135,118	—	85,297	1,220
Loans and Bills Discounted	—	—	22,016,167	—	—	198,863
Total Assets	¥493,520	¥12,367,087	¥22,242,009	\$4,457	\$111,707	\$200,903
Deposits	¥ —	¥65,652,219	¥ —	\$ —	\$593,010	\$ —
Debentures	—	355,756	—	—	3,213	—
Borrowed Money	—	5,092,464	—	—	45,998	—
Total Liabilities	¥ —	¥71,100,440	¥ —	\$ —	\$642,222	\$ —

As of March 31, 2020	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥—	¥ 266,397	¥ 33,892
Money Held in Trust			
Other Money Held in Trust	—	393	75,662
Securities			
Held-to-Maturity Debt Securities			
Japanese Government Bonds	—	4,853,251	—
Corporate Bonds	—	1,831	—
Foreign Bonds	—	10,330,434	210,199
Loans and Bills Discounted	—	—	20,037,723
Total Assets	¥—	¥15,452,307	¥20,357,477
Deposits	¥—	¥65,639,105	¥ —
Debentures	—	784,758	—
Borrowed Money	—	5,413,844	—
Total Liabilities	¥—	¥71,837,707	¥ —

(Note 1) Calculation Methods and Inputs for the Fair Value of Financial Instruments are as follows:

Assets

Monetary Claims Bought

Monetary Claims Bought are valued and classified according to the same methods described in “Loans and Bills Discounted” and “Securities” below.

Trading Assets

Trading Securities are valued and classified according to the same methods described in “Securities” below.

Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued and classified according to the same methods described in “Loans and Bills Discounted” and “Securities” 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.

Securities

When unadjusted quoted prices are available in an active market, such securities are classified into Level 1 of the fair value hierarchy. Examples of Level 1 securities include listed equities and government bonds.

When quoted prices are available but not traded actively, such securities are classified into Level 2 of the fair value hierarchy. Level 2 securities mainly include municipal bonds and corporate bonds. When quoted prices are not available, the Bank and its subsidiaries generally estimate fair values by using prices obtained from independent pricing vendors, or by using valuation technique such as Discount Cash Flow method. As for valuation, the Bank and its subsidiaries maximize the use of observable inputs. Inputs include default rates, recovery rates, prepayment rates and discount rates. Where significant inputs adopted to the fair value measurements for securities are unobservable, such securities are classified into Level 3 of the fair value hierarchy.

Additionally, in terms of the fair value hierarchy for Investment Trusts, the Bank does not apply the transitional measurement permitted by Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 4th July 2019). It discloses the detail and others of the fair value hierarchy for the instrument in each level. Concretely, in addition to the factors mentioned above, probability of redemption or sale at net asset value are reflected on classification of the fair value hierarchy for Investment Trusts. Net asset value for certain Investment Trusts is adjusted by liquidity discount and such Investment Trust is classified into Level 3 of the fair value hierarchy.

Loans and Bills Discounted

The fair value of Loans and Bills Discounted with floating rates approximates the book value since it is repriced reflecting market interest fluctuations within a short period, unless the creditworthiness of the debtors has changed significantly after execution. Accordingly, the book 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 main inputs include the default rates based on the current credit rating of the debtors, recovery rates, and other inputs. As for mortgages, the fair value is calculated according to the Discounted Cash Flow method. The main inputs include the default rates, recovery rates, prepayment rates and other inputs.

As for Loans and Bills Discounted to doubtful debtors and others, the fair value is calculated by the present value of expected future cash flows or the estimated recovery amount of collateral and guarantee.

With respect to Loans and Bills Discounted without stated maturity for which credit is extended up to the value of the collateral assets, the book value is deemed to approximate the fair value, taking into account expected maturities, interest rates and other terms. All of Loans and Bills Discounted are classified into Level 3 of the fair value hierarchy since significant inputs for the assets are unobservable.

Liabilities

Deposits

With respect to demand deposits, the amounts payable on demand as of the consolidated balance sheet date (the book value) are estimated at fair value. The fair value of time deposits with floating rates approximates the book 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 significantly. Accordingly, the fair value is deemed to be the book value. As for time deposits with fixed rates, the fair value is calculated according to the Discounted Cash Flow method, and these discount rates are the currently-applied deposit rates determined as interest rates similar to the market basis. Some contractual terms are short-term (1 year or less), and the fair value approximates the book value. Accordingly, the fair value is deemed to be the book value. All of the calculated fair values for deposits are classified into Level 2 of the fair value hierarchy.

Debentures

As for Debentures, the fair value is based on the quoted market price if available, or calculated according to the Discounted Cash Flow method. The main input of this method is the rate which would be applied if a similar debenture was issued. Debentures are classified into Level 2 of the fair value hierarchy considering the market liquidity for those.

Borrowed Money

The fair value of Borrowed Money with floating rates approximates the book 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 significantly. Accordingly, the book value is deemed to be the fair value. Therefore, Borrowed Money with floating rate is classified into Level 2 of the fair value hierarchy.

As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The input of this method is the interest rate which would be applied to a similar borrowed money. Where unobservable inputs have a significant impact on the fair value for Borrowed Money with fixed rates, the instrument is classified into Level 3 of the fair value hierarchy. Where not, the instrument is classified into Level 2 of the fair value hierarchy. The fair value of the Borrowed Money within a year or less with fixed rates approximates the book value and then the fair value is deemed to be the book value. Such Borrowed Money is classified into Level 2 of the fair value hierarchy.

Derivative Instruments

When unadjusted quoted prices are available for Derivative instruments in an active market, such instruments are classified into Level 1 of the fair value hierarchy. Examples of these Derivative instruments include Bond Futures, Interest Rate Futures and others.

Where quoted market price is unavailable, the Bank estimates fair values for Derivative instruments by a discounted net present value method, an option pricing model and other methods as appropriate. Main inputs used by valuation methods mentioned above are interest rates, foreign currency exchange rates, volatility and other variables. Further, the fair value for derivative instruments such as Swap and others is reflected on the price adjustment based on credit risk of counter parties and the Bank itself. Where unobservable inputs are not adopted or their impact is not significant on the fair value for Derivative instruments, such derivative instruments are classified into Level 2 of the fair value hierarchy. Derivatives that are evaluated using valuation techniques with significant unobservable inputs are classified into Level 3 of the fair value hierarchy.

Relevant notes regarding the fair value of derivative instruments are described in section 35. Fair Value of Derivative Instruments.

(Note 2) The Fair value of Level 3 for financial instruments recorded at fair value on the consolidated balance sheet is as follows

Quantitative Information of Significant Unobservable Inputs about Level 3 Fair Value Measurements

As of March 31, 2021

None

As of March 31, 2020

Asset	Valuation Technique	Significant Unobservable Inputs	Range
Securities			
Other Securities			
Corporate Bonds	Discount Present Value Method	Default rates	1.02%
		Recovery rates	50.00%

Table of a Reconciliation from Balance at the Beginning of the Fiscal Year to Balance at the End of the Period, and Unrealized gain/loss recognized as profit/loss in the period is as follows

	Millions of Yen				Millions of U.S. Dollars					
	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income	Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	Net amount of Purchase, Sale, Issuance and Settlement	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income	Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	Net amount of Purchase, Sale, Issuance and Settlement
As of March 31, 2021										
Monetary Claims Bought	¥ 777	¥—	¥ (2)	¥ (101)	\$ 7	\$—	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Money Held in Trust										
Other Money Held in Trust	2,215	—	(512)	358	20	—	(4)	3	3	3
Securities										
Other Securities										
Bonds	1,409	—	90	(252)	12	—	0	(2)	(2)	(2)
Corporate Bonds	1,409	—	90	(252)	12	—	0	(2)	(2)	(2)
Other	63,978	—	1,733	(7,720)	577	—	15	(69)	(69)	(69)
Foreign Bonds	24,189	—	(31)	1,159	218	—	(0)	10	10	10
Investment Trust	39,789	—	1,764	(8,879)	359	—	15	(80)	(80)	(80)
Total Assets	¥68,382	¥—	¥1,309	¥(7,714)	\$617	\$—	\$11	\$(69)	\$(69)	\$(69)

	Millions of Yen				Millions of U.S. Dollars			
	Transfers to Fair Value of Level 3	Transfers from Fair Value of Level 3 (*2)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the period for Financial Assets and Financial Liabilities held at the end of the period	Transfers to Fair Value of Level 3	Transfers from Fair Value of Level 3 (*2)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the period for Financial Assets and Financial Liabilities held at the end of the period
As of March 31, 2021								
Monetary Claims Bought	¥—	¥ —	¥ 674	¥—	\$—	\$—	\$ 6	\$—
Money Held in Trust								
Other Money Held in Trust	—	—	2,061	—	—	—	18	—
Securities								
Other Securities								
Bonds	—	(1,247)	—	—	—	(11)	—	—
Corporate Bonds	—	(1,247)	—	—	—	(11)	—	—
Other	—	—	57,992	—	—	—	523	—
Foreign Bonds	—	—	25,317	—	—	—	228	—
Investment Trust	—	—	32,674	—	—	—	295	—
Total Assets	¥—	¥(1,247)	¥60,728	¥—	\$—	\$(11)	\$548	\$—

(*) 1. "Recorded in Other Comprehensive Income" is included Net Unrealized Gains (Losses) on Other Securities in Other Comprehensive Income of Consolidated Statement of Comprehensive Income.

2. These are transfers from the fair value of Level 3 to that of Level 2. This is primarily because credit spreads for similar financial instruments as observable inputs have become available. This transfer is implemented at the end of the period.

Explanation of Market Value Evaluation Process

Supervisory Department for Fair Value Measurement in the Bank establishes guidelines and procedures for fair value and Fair Value Measurement Department calculates fair value in compliance with these guidelines and procedures. Assessment Department, which is independent from Fair Value Measurement Department verifies appropriateness of the calculation result of fair value, and the result of the verification is reported in the Risk Management Committee. Thus, the Bank confirms the appropriateness of guidelines and procedures for fair value measurement.

Moreover, as for fair value measurement, the Bank adopts pricing models which the most properly reflect on types, characteristics, and risks for individual financial instrument. Where market values obtained from independent pricing vendors are used, the Bank verifies the validity of the vendors' market values by means of appropriate approaches such as assessment of pricing models and inputs which the vendors adopt, comparison with fair values of similar financial instruments and others.

Explanation of an Impact on Fair Value in the Case of Changing Significant Unobservable Inputs

As of March 31, 2021

None

As of March 31, 2020

Significant unobservable inputs used by calculating the fair value for corporate bonds are default rates and recovery rates. Rapid increase (or decrease) of default rates will independently cause rapid drop (or increase) of fair value and rapid increase (or decrease) of recovery rates will independently cause rapid increase (or drop) of fair value. Generally, the change of assumption about default rates oppositely correlates the change of assumption about recovery rates.

33. Fair Value of Securities

Trading Securities

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
As of March 31			
Trading Securities	¥(6)	¥—	\$ (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

	Type	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, 2021							
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,645,562	¥ 2,670,296	¥ 24,733	\$ 23,896	\$ 24,119	\$ 223
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	101,113	101,157	44	913	913	0
	Other	6,552,479	6,598,745	46,266	59,185	59,603	417
	Foreign Bonds	6,466,477	6,512,642	46,165	58,409	58,826	416
	Other	86,001	86,102	101	776	777	0
	Subtotal	9,299,155	9,370,199	71,044	83,995	84,637	641
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	499,613	493,520	(6,093)	4,512	4,457	(55)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—
	Other	3,164,118	3,156,465	(7,652)	28,580	28,511	(69)
	Foreign Bonds	3,073,398	3,065,781	(7,616)	27,760	27,692	(68)
	Other	90,719	90,684	(35)	819	819	(0)
	Subtotal	3,663,731	3,649,985	(13,745)	33,093	32,968	(124)
Total		¥12,962,886	¥13,020,185	¥ 57,298	\$117,088	\$117,606	\$ 517

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, 2020	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 4,825,376	¥ 4,853,251	¥ 27,874
	Municipal Government Bonds	—	—	—
	Corporate Bonds	1,818	1,831	12
	Other	1,490,455	1,505,572	15,117
	Foreign Bonds	1,400,484	1,415,427	14,942
	Other	89,970	90,145	174
	Subtotal	6,317,650	6,360,655	43,005
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
Other	9,775,685	9,335,350	(440,334)	
Foreign Bonds	9,565,352	9,125,206	(440,145)	
Other	210,333	210,144	(188)	
Subtotal	9,775,685	9,335,350	(440,334)	
Total		¥16,093,335	¥15,696,005	¥(397,329)

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, 2021	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 729,825	¥ 247,130	¥ 482,694	\$ 6,592	\$ 2,232	\$ 4,359
	Bonds	3,069,931	2,935,371	134,560	27,729	26,514	1,215
	Japanese Government Bonds	2,919,990	2,785,565	134,424	26,375	25,160	1,214
	Municipal Government Bonds	45,364	45,336	27	409	409	0
	Corporate Bonds	104,577	104,470	107	944	943	0
	Other	18,269,308	16,375,128	1,894,180	165,019	147,910	17,109
	Foreign Bonds	13,297,229	12,309,926	987,303	120,108	111,190	8,917
	Foreign Stocks	20,351	7,682	12,669	183	69	114
	Investment Trusts	4,818,888	3,924,913	893,974	43,527	35,452	8,074
	Other	132,839	132,605	233	1,199	1,197	2
Subtotal	22,069,066	19,557,630	2,511,435	199,341	176,656	22,684	
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	14,502	17,700	(3,198)	130	159	(28)
	Bonds	5,253,339	5,298,601	(45,261)	47,451	47,860	(408)
	Japanese Government Bonds	4,047,084	4,087,890	(40,805)	36,555	36,924	(368)
	Municipal Government Bonds	108,626	110,229	(1,602)	981	995	(14)
	Corporate Bonds	1,097,628	1,100,482	(2,853)	9,914	9,940	(25)
	Other	7,101,613	7,476,432	(374,819)	64,146	67,531	(3,385)
	Foreign Bonds	4,983,002	5,205,465	(222,462)	45,009	47,018	(2,009)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	2,113,075	2,265,432	(152,356)	19,086	20,462	(1,376)
	Other	5,535	5,535	(0)	49	49	(0)
Subtotal	12,369,455	12,792,735	(423,279)	111,728	115,551	(3,823)	
Total	¥34,438,521	¥32,350,365	¥2,088,156	\$311,069	\$292,208	\$18,861	

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, 2020	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 559,022	¥ 220,044	¥ 338,978
	Bonds	5,797,427	5,556,978	240,448
	Japanese Government Bonds	5,660,799	5,420,516	240,283
	Municipal Government Bonds	7,048	7,040	8
	Corporate Bonds	129,579	129,422	157
	Other	23,419,412	21,494,767	1,924,645
	Foreign Bonds	15,081,883	13,978,465	1,103,417
	Foreign Stocks	10,157	7,075	3,082
	Investment Trusts	8,320,070	7,501,932	818,138
	Other	7,301	7,294	7
	Subtotal	29,775,863	27,271,790	2,504,072
	Stocks	38,871	47,136	(8,264)
	Bonds	2,195,690	2,208,240	(12,549)
	Japanese Government Bonds	694,232	701,257	(7,024)
	Municipal Government Bonds	159,789	161,817	(2,028)
	Corporate Bonds	1,341,668	1,345,165	(3,496)
	Other	5,910,227	6,227,786	(317,559)
	Foreign Bonds	1,970,825	2,045,422	(74,597)
	Foreign Stocks	—	—	—
	Investment Trusts	3,933,973	4,176,931	(242,957)
	Other	5,429	5,432	(3)
	Subtotal	8,144,790	8,483,164	(338,373)
	Total	¥37,920,653	¥35,754,954	¥2,165,698

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, 2021 and 2020.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2021	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	¥ 11,761	¥ 6,574	¥ 23	\$ 106	\$ 59	\$ 0
Bonds	983,657	5,006	845	8,884	45	7
Japanese Government Bonds	983,657	5,006	845	8,884	45	7
Municipal Government Bonds	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—
Other	3,761,627	40,819	98,106	33,977	368	886
Foreign Bonds	3,656,949	14,151	97,831	33,031	127	883
Foreign Stocks	24	24	0	0	0	0
Investment Trusts	99,481	26,435	274	898	238	2
Other	5,172	208	—	46	1	—
Total	¥4,757,045	¥52,400	¥98,974	\$42,968	\$473	\$893

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2020	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 2,146	¥ 1,503	¥ 1
Bonds	287,531	1,630	5
Japanese Government Bonds	287,531	1,630	5
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	1,278,981	85,549	20,653
Foreign Bonds	949,450	48,105	—
Foreign Stocks	—	—	—
Investment Trusts	48,980	3,193	925
Other	280,550	34,250	19,728
Total	¥1,568,659	¥88,683	¥20,660

Note: Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes (except Stocks and others with no market prices and Investments in Partnership) are revalued to their fair value, and the difference between the book value and the fair value is treated as a realized loss for the fiscal years ended March 31, 2021 and 2020 (“revaluation loss”), if the fair value has significantly deteriorated from the book value unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2021 was ¥12,986 million (\$117 million) including ¥12,113 million (\$109 million) on Investment Trusts and ¥872 million (\$7 million) on Stocks.

The amount of revaluation loss for the fiscal year ended March 31, 2020 was ¥1,583 million, all of which was on Stocks.

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 book value

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

34. Fair Value of Money Held in Trust

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

	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
As of March 31, 2021					
Other Money Held in Trust	¥10,638,598	¥10,192,091	¥446,506	¥470,534	¥24,028

	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
As of March 31, 2021					
Other Money Held in Trust	\$96,094	\$92,061	\$4,033	\$4,250	\$217

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

	Millions of Yen				
	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
As of March 31, 2020					
Other Money Held in Trust	¥5,996,681	¥5,900,065	¥96,615	¥137,261	¥40,646

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, 2021								
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.	340,741	319,401	3,147	3,147	3,077	2,885	28	28
Rec.: Flt.-Pay.: Fix.	208,886	187,545	(2,875)	(2,875)	1,886	1,694	(25)	(25)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 272	¥ 272	\$ /	\$ /	\$ 2	\$ 2

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

As of March 31, 2020	Millions of Yen				Fair Value	Unrealized Gain/Loss
	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.		762,918		721,600	21,928	21,928
Rec.: Flt.-Pay.: Fix.		336,427		295,109	(23,247)	(23,247)
Rec.: Flt.-Pay.: Flt.		—		—	—	—
Interest Rate Options:						
Sold		—		—		—
Purchased		—		—		—
Other:						
Sold		—		—		—
Purchased		—		—		—
Total	¥	/	¥	/	¥ (1,319)	¥ (1,319)

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

Currency-Related Derivative Instruments

As of March 31, 2021	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								
Sold		—		—		—		—
Forwards:								
Sold		324,940		3,061	(7,808)	(7,808)	2,935	27
Purchased		648,843		3,066	5,388	5,388	5,860	27
Currency Options:								
Sold		—		—		—		—
Purchased		—		—		—		—
Other:								
Sold		—		—		—		—
Purchased		—		—		—		—
Total	¥	/	¥	/	¥(2,419)	¥(2,419)	\$ /	\$ /
							\$(21)	\$(21)

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

As of March 31, 2020	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	1,247,639	2,743	(6,317)	(6,317)
Purchased	2,427,802	2,629	14,604	14,604
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 8,287	¥ 8,287

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

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2021 and 2020.

Bond-Related Derivative Instruments

As of March 31, 2021	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	¥2,838	¥—	¥ 36	¥ 36	\$25	\$—	\$ 0	\$ 0
Purchased	3,531	—	(23)	(23)	31	—	(0)	(0)
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 12	¥ 12	\$ /	\$ /	\$ 0	\$ 0

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

As of March 31, 2020	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥—	¥—	¥—	¥—
Purchased	—	—	—	—
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥—	¥—

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

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of March 31, 2021 and 2020.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2021 and 2020.

(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, 2021		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	¥ 320,000	¥ 200,000	¥ 756	\$ 2,890	\$ 1,806	\$ 6
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,059,185	7,312,908	(364,943)	72,795	66,054	(3,296)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	341,338	283,515	Note 2	3,083	2,560	Note 2
Total			¥ /	¥ /	¥(364,187)	\$ /	\$ /	\$(3,289)

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 Committee Practical Guideline No. 24, issued on October 8, 2020).

2. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the 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, 2020			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	¥ 455,000	¥ 320,000	¥ 1,393
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,927,696	7,950,963	(819,242)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	346,900	272,182	Note 2
Total			¥ /	¥ /	¥(817,849)

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. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the 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, 2021			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	¥15,826,273	¥9,964,047	¥(773,815)	\$142,952	\$90,001	\$(6,989)
	Forex Forward		2,216,719	—	(61,010)	20,022	—	(551)
Total			¥ /	¥ /	¥(834,826)	\$ /	\$ /	\$(7,540)

Note: 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 Committee Practical Guideline No. 25, issued on October 8, 2020).

As of March 31, 2020			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	¥15,728,890	¥8,428,975	¥237,304
	Forex Forward		3,404,192	—	(38,273)
Total			¥ /	¥ /	¥199,031

Note: 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).

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2021 and 2020.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2021 and 2020.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Assets			
Cash and Due from Banks	¥ 19,820,208	¥ 19,458,993	\$179,028
Call Loans	60,890	54,330	550
Receivables under Resale Agreements	547,931	13,048	4,949
Monetary Claims Bought	302,918	301,081	2,736
Trading Assets	7,310	7,862	66
Money Held in Trust	10,637,717	5,996,009	96,086
Securities	48,491,498	54,694,312	438,004
Loans and Bills Discounted	21,824,004	19,828,858	197,127
Foreign Exchange Assets	271,190	189,851	2,449
Other Assets	2,877,505	2,475,961	25,991
Tangible Fixed Assets	164,657	122,233	1,487
Intangible Fixed Assets	54,299	49,375	490
Prepaid Pension Cost	41,641	35,568	376
Customers' Liabilities for Acceptances and Guarantees	269,647	226,965	2,435
Reserve for Possible Loan Losses	(131,577)	(49,181)	(1,188)
Reserve for Possible Investment Losses	(1,730)	(1,734)	(15)
Total Assets	¥105,238,114	¥103,403,535	\$950,574
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 65,675,444	¥ 65,656,007	\$593,220
Negotiable Certificates of Deposit	3,100,259	2,406,965	28,003
Debentures	361,479	791,446	3,265
Payables under Repurchase Agreements	17,073,926	15,726,573	154,222
Trading Liabilities	5,137	8,102	46
Borrowed Money	5,035,964	5,357,344	45,487
Foreign Exchange Liabilities	0	0	0
Short-term Entrusted Funds	877,743	792,594	7,928
Other Liabilities	4,491,742	4,773,113	40,572
Reserve for Bonus Payments	5,901	5,877	53
Reserve for Retirement Benefits	25,394	23,124	229
Reserve for Directors' Retirement Benefits	1,015	925	9
Deferred Tax Liabilities	479,825	451,012	4,334
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	77
Acceptances and Guarantees	269,647	226,965	2,435
Total Liabilities	97,412,087	96,228,661	879,885
Net Assets			
Paid-in Capital	4,040,198	4,040,198	36,493
Capital Surplus	25,020	25,020	225
Retained Earnings	2,079,491	1,942,649	18,783
Total Owners' Equity	6,144,710	6,007,868	55,502
Net Unrealized Gains on Other Securities, net of taxes	1,944,952	1,700,265	17,567
Net Deferred Losses on Hedging Instruments, net of taxes	(277,948)	(547,571)	(2,510)
Revaluation Reserve for Land, net of taxes	14,312	14,312	129
Total Valuation and Translation Adjustments	1,681,316	1,167,005	15,186
Total Net Assets	7,826,026	7,174,874	70,689
Total Liabilities and Net Assets	¥105,238,114	¥103,403,535	\$950,574

(2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Income			
Interest Income:	¥ 851,281	¥1,246,587	\$ 7,689
Interest on Loans and Bills Discounted	83,558	115,880	754
Interest and Dividends on Securities	749,319	1,102,526	6,768
Interest on Call Loans	(4)	2,187	(0)
Interest on Receivables under Resale Agreements	(211)	5	(1)
Interest on Due from Banks	11,857	20,036	107
Other Interest Income	6,762	5,950	61
Fees and Commissions	14,346	19,417	129
Trading Income	513	—	4
Other Operating Income	74,208	132,740	670
Other Income	396,843	122,174	3,584
Total Income	1,337,192	1,520,919	12,078
Expenses			
Interest Expenses:	629,387	1,155,024	5,685
Interest on Deposits	29,065	121,363	262
Interest on Negotiable Certificates of Deposit	8,629	41,918	77
Interest on Debentures	690	1,825	6
Interest on Borrowed Money	40,816	42,733	368
Interest on Call Money	(0)	(14)	(0)
Interest on Payables under Repurchase Agreements	4,977	174,812	44
Other Interest Expenses	545,209	772,383	4,924
Fees and Commissions	15,925	16,055	143
Trading Expenses	18	885	0
Other Operating Expenses	156,212	65,427	1,411
General and Administrative Expenses	135,504	139,440	1,223
Other Expenses	106,899	26,325	965
Total Expenses	1,043,948	1,403,158	9,429
Income before Income Taxes	293,244	117,761	2,648
Income Taxes — Current	247,987	18,673	2,239
Income Taxes — Deferred	(166,826)	9,621	(1,506)
Total Income Taxes	81,160	28,295	733
Net Income	¥ 212,083	¥ 89,465	\$ 1,915
		Yen	U.S. Dollars
Net Income per Share	¥28.10	2020 ¥6.34	2021 \$0.25

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2021.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	¥44,672	\$403
Dividends on Common Stock (at the rate of 3% of the ¥100 face value, or ¥3.00 per share)	12,771	115
Dividends on Lower Dividend Rate Stock (at the rate of 1.3% of the ¥100 face value, or ¥1.30 per share)	46,663	421
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115	10

Independent Auditor's Report

The Board of Directors
The Norinchukin Bank

Opinion

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statements of operations, comprehensive income, capital surplus and retained earnings, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of reserve for possible loan losses to the loans and bills discounted	
Key Audit Matter	Auditor's Responses
<p>The Norinchukin Bank (the Bank) is engaged in lending to a wide variety of industries in Japan and overseas.</p> <p>The collectability of loans and bills discounted recorded by the Bank is affected by uncertainties including the financial condition of the debtors and the deterioration of the economic environment, possibly leading to loan losses.</p> <p>To provide for such loan losses, the Bank calculates the amount of expected losses that</p>	<p>Our audit procedures performed to evaluate the appropriateness of the debtor classification as well as the appropriateness of recognition of reserve for possible loan losses adjusted for uncertainties of the future forecasts included the following, among others:</p> <ul style="list-style-type: none"> We evaluated the design and tested the operating effectiveness of the Bank's internal control over determination of debtor classification and recognition of

Key Audit Matter	Auditor's Responses
<p>will not be collected and records them as reserve for possible loan losses.</p> <p>The amount of the Reserve for Possible Loan Losses included in the consolidated balance sheet as of March 31, 2021 was 134,983 million-yen, and the specific method of recognition is described in Section (8) "Reserve for Possible Loan Losses" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements.</p> <p>The reserve for possible loan losses is calculated in accordance with the Bank's internal rules for self-assessment of asset quality and write-offs and provisions. The calculation process includes the determination of debtor classification based on the debtor's future debt repayment capacity and certain calculation method according to the debtor classification. Also, from the fiscal year ended March 31, 2021, the Bank has changed the methodology of estimating reserve for possible loan losses and calculates expected losses adjusted for the uncertainties of future forecasts in order to maintain stable lending to other institutions regardless of economic uncertainties. This is adjusted by referring the historical loan losses in accordance with current situation in economic cycle and possibility of each scenario in light of future outlook. These are based on the macroeconomic indicators (Japan's GDP growth rate) which are highly correlated to historical records of loan losses and the Bank's outlook for economic fluctuation. The current position in the economic cycle and the future forecasts which include the impact of the COVID-19 pandemic are described in Section (17) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements.</p> <p>In recording reserve for possible loan losses, the key assumptions in determining the debtor classifications are forward-looking assumptions such as the performance of debtors. In recording reserve for possible loan losses adjusted for the uncertainties of future forecasts, the key assumptions are the current</p>	<p>reserve for possible loan losses adjusted for the risks identified by the future forecasts.</p> <ul style="list-style-type: none"> • We selected certain debtors by taking into account the type of business of the debtor, financial position, business performance and the effects of COVID-19 to test whether the management classification of the selected debtor was appropriate. We also considered the monetary impact of changes in debtor classification on the amount recorded in reserve for possible loan losses. • We evaluated certain debtors' recent financial position and business performance by inspecting a set of materials related to the Bank's self-assessment of asset quality as well as we made inquiries to the Credit Risk Management Division and other relevant divisions to obtain supporting evidences as necessary. • We examined the reasonableness and possibility of the future outlook of individual debtors by analyzing the trends from past results of the major financial items. Our procedures also consisted of evaluating the accuracy of estimates based on the historical degree of achievement of business plans in previous fiscal years. We also considered and evaluated relevant market and industry information, when available, that corroborated or contracted managements assumptions used in the classification of debtors. • We assessed the possibility of each scenario based on the assumptions adopted and evaluated management's assumptions by comparing each scenario with available external information, such as external economists' reports, etc. In performing these procedures, we involved our network firm's specialists in the economic domain. • We examined the amount of the reserve for possible loan losses calculated based on the assumptions applied, by inspecting the inputs and testing the accuracy through recalculation.

Key Audit Matter	Auditor's Responses
<p>position in the economic cycle and the possibility of each scenario in light of the future outlook.</p> <p>The future forecasts of debtors' performance and the current position in the economic cycle are highly dependent on estimates and the management's judgement since these key assumptions are affected by changes in the business environment surrounding the debtors and economic conditions which could be further affected by COVID-19.</p> <p>Therefore, the appropriateness of the determination of debtor classification and the recognition of reserve for possible loan losses adjusted for uncertainties of future forecasts is considered a key audit matter.</p>	

Appropriateness of fair value measurement of Foreign Bonds for which publicized market prices are not available	
Key Audit Matter	Auditor's Responses
<p>The Bank invests in securities based on the fundamental concept of "globally diversified investment". In terms of geographical area, the Bank invests in areas including Japan, the United States and Europe and other regions, and the Bank allocates its assets by various assets, including bonds, equities, credit, and alternative assets. The assets mainly include Held-To-Maturity Debt Securities and Other Securities. As of March 31, 2021, the amount of securities recorded on the consolidated balance sheet was 48,093,847 million-yen, accounting for 44% of total assets.</p> <p>Foreign bonds consist of products such as asset-backed securities which are exposed to market risks arising from interest rates, currency exchange rates and price fluctuations as well as credit and liquidity risks. The amount of Foreign Bonds recorded in the consolidated balance sheet as of March 31, 2021 was 27,820,107 million-yen, accounting for 57% of Securities.</p> <p>In cases where publicized market prices are not available, the fair value of foreign bonds are evaluated by using the valuation obtained from third parties such as information vendors, or determined based on the Bank's own estimates, and the fair value is measured using the income approach in both cases. As</p>	<p>Our audit procedures performed to examine the appropriateness of fair value measurement of Foreign Bonds for which publicized market prices included the following, among others:</p> <ul style="list-style-type: none"> • We evaluated the design and tested the operating effectiveness of the Bank's internal control over fair value measurement of foreign bonds. • We inspected the results of the Bank's verification of comparisons of the valuations obtained from third parties with those obtained from other third parties, trend analysis and accordance with accounting standards for third party's fair value measurements, and examined the content and the valuation process. • We examined the valuations obtained from third parties by obtaining the valuations of the third parties such as brokers, other than the external information vendor, which is the sources of the fair values, and by comparing them with the fair values used by the Bank. • For foreign bonds fair-valued by the Bank by its own, we inspected the results of the Bank's validation for key inputs and valuation models and examined the fair value measurement approach used. We

Key Audit Matter	Auditor's Responses
<p>for calculating the fair value, the Bank has adopted the valuation models which reflects the nature, characteristics and risks of each instrument, and has used inputs such as default rates, recovery rates, prepayment rates and discount rates.</p> <p>As stated in the Section (17) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" the fair value of Foreign Bonds for which publicized market prices are not available is 256,444 million-yen for Other Securities and 8,222,262 million-yen for Held-To-Maturity Debt Securities.</p> <p>In determining fair value, those inputs are used, but the fair value may differ if different assumptions are used, and the determination of fair value is highly dependent on the uncertainty of key assumptions used in estimates and management's judgment. Therefore, appropriateness of fair value measurement of foreign bonds for which publicized market prices are not available is considered a key audit matter.</p>	<p>involved our network firm's valuation specialists to perform these procedures.</p> <ul style="list-style-type: none"> • We examined the inputs by cross-checking the inputs used in the fair value measurement with the evidences that support the objectivity of these inputs. • We examined the fair value measured based on the Bank's own estimates, by independently testing the accuracy through recalculation and comparing the outcome with the Bank's outcome. • We inspected and assessed the external credit ratings and examined whether to make adjustment to the valuation of foreign bonds related to credit risk.

Responsibilities of Management, Audit & Supervisory Board Member and Audit & Supervisory Board 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 such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Member and Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Member and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Member and Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board Member and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 24, 2021

/s/ Hideya Nanba
Designated Engagement Partner
Certified Public Accountant

/s/ Kazuya Hosono
Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuhiro Nagao
Designated Engagement Partner
Certified Public Accountant

Capital Adequacy (Consolidated)

Disclosure Regarding Capital Adequacy and Features of Regulatory Capital Instruments

The Norinchukin Bank (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 “Advanced Internal Ratings-Based Approach (A-IRB) (partially the Foundation Internal Ratings-Based Approach (F-IRB))” and “The Standardized Approach (TSA)” for calculating operational risk capital charges.

The Bank calculates its leverage ratio based on the formula contained in Notification No. 4 of the 2019 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 referred to as the “Notification on the Leverage Ratio”).

As for the external audit on the calculation of capital adequacy ratio and leverage ratio (on a consolidated and a

non-consolidated basis), the Bank has been audited via the agreed-upon procedures and operation by Ernst & Young ShinNihon LLC pursuant to the “Practical Guidelines for the Agreed-upon Procedures and Operations for the Inspection of the Capital Ratio and Leverage Ratio Calculation Framework” (JICPA Industry Committee Report No. 4465). These operations do not constitute part of the consolidated financial statements or financial statements or part of the audits on the internal control related to the financial reporting. Ernst & Young ShinNihon LLC conducts these operations not to express any audit opinion or conclusion regarding the capital and leverage ratios themselves and/or the internal control regarding the calculation of capital and leverage ratios. Rather, Ernst & Young ShinNihon LLC implements such procedures within the range that was agreed upon with the Bank and reports the results of the review to the Bank.

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 as well as the features of regulatory capital instruments can be found in the IR Library of the Bank’s website at <https://www.nochubank.or.jp/>.

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, 2021, the Bank had 17 consolidated subsidiaries and firms. The names and principal lines of business of the primary subsidiaries are as follows:

- Norinchukin Trust & Banking Co., Ltd.: Trust and banking business
 - 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

Overview of Internal Capital Adequacy Assessment Process

The Bank conducts the Internal Capital Adequacy Assessment Process (ICAAP) and comprehensively manages its capital resources.

The ICAAP is a series of processes for ensuring the recognition of the capital-related tolerable risks for the Bank and the risk tolerance level from the perspective of risk management in light of the business model and risk profile of the Bank, in accordance with its management policies, business strategies, expected return and risk appetite, all of which are specified in the RAF, and demonstrating

that the Bank maintains a sufficient level of internal capital to cover risks based on such recognition. In addition to monitoring the current status of the capital resources that the Bank holds, the Bank conducts comprehensive assessments mainly by verifying the appropriateness of its framework for maintaining capital adequacy and its operation as well as confirming the sturdiness and flexibility of operations from a forward-looking perspective by implementing comprehensive stress tests.

Overview of the Risk Characteristics and Risk Management Policies, Procedures and Framework of the Entire Consolidated Group

Overview of the Risk Characteristics and Risk Management Policies, Procedures and Framework of the Entire Consolidated Group

■ Approach to Risk Management

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 (market risk, credit 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.

In line with the Basic Policies for Risk Management, the Bank's group companies have established their own risk management systems by setting effective management policies and frameworks, etc., according to the content of their businesses and risk characteristics, in consultation with the Bank.

■ 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 categorizes the types of risks to be controlled into market risk, credit risk and operational risk. To maximize the benefit of the globally diversified investment concept, the Bank manages the economic capital on an aggregate basis instead of allocating the capital to each asset class or to each business segment, as the Bank believes such an approach should fit in the business profile of the Bank. In addition, the definition of internal capital applied and the economic capital management framework are determined by the Board of Directors, while the middle office is responsible for monitoring the fluctuating capital levels and the amount of risk during each fiscal year. These results are reported to the management on a timely basis and used for sharing an awareness of the risk environment between the middle office and the front office.

Measurement of risks is conducted as to all financial assets and liabilities in the Bank's portfolio, in principle.

Market risk is measured primarily using a method which simulates scenarios such as interest rate and stock price fluctuations, based on past data (historical simulation method). Credit risk is mainly measured using simulations of scenarios such as default, downgrading and greater credit spread, upon consideration of credit concentration risk on certain corporate groups, industries and regions. On that basis, in order that the correlation between the risks of market and credit are reflected consistently, their Value-at-Risk (VaR), with a 99.50% confidence interval and one-year holding period, is centrally simulated to measure the integrated risk amount. Also, operational risk is measured by VaR, which is measured using statistical methods with a 99.90% confidence interval and one-year holding period and using potential risk event scenarios and risk events that have come to light.

■ Implementation of Stress Tests

Stress tests are performed together with the implementation of the fiscal year's ICAAP and budget planning. By preparing strict stress scenarios that factor in specific timelines and the ripple effects of risks covering the Bank's entire portfolio after analyzing internal and external environments, the Bank verifies the impact of these stresses on profit, capital and risk.

Moreover, stress tests play an important role in the process of formulating portfolio management strategies, which occur along with budget planning. In addition, the Bank also utilizes stress tests for a forward-looking assessment of internal capital adequacy such as reviewing the countermeasures (management actions) to take at times of stress based on the assumed amount of impact on profitability and capital, etc. resulting from stress tests.

■ Market Risk Management

Market risk is the possibility of loss arising from a market event such as fluctuations in the value of assets and liabilities (including off-balance-sheet items) due to fluctuations in various market risk factors, including interest rates, foreign exchange rates and stock prices, and fluctuations in the income generated from those assets and liabilities.

In its portfolio management under the basic concept of "globally diversified investment," the Bank positions market risk as a significant risk factor affecting its earnings

base and aims to retain a stable level of profit through active risk-taking supported by an appropriate risk management framework.

■ Market Risk Management Framework

The Bank's market risk management is conducted through the Risk Management Committee being responsible for overall integrated risk management, the Portfolio Management Committee setting market portfolio allocation policies, the middle office monitoring the amount of risk independent of the front office executing transactions.

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. These functions are fulfilled by the middle office, which is independent of the front office. Matters relevant to market portfolio management (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. 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.

Matters Relating to Credit Risk

Overview of Credit Risk Characteristics and Risk Management Policies, Procedures and Framework

■ 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 and economic environment that causes an asset (including off-balance sheet items) to lose value or to be significantly impaired. At the Bank, in its portfolio management based on "globally diversified investments," credit risk, as well as market risk, is positioned as an important

risk in optimizing the portfolio. Specifically, credit risk arising from investment and loan activities for the "food and agriculture business" and "investment business" is appropriately managed by building a management framework centering on the Internal Rating System.

■ Credit Risk Management Framework

The Bank adopts a business model of taking the deposits received by cooperative members from the JA Bank's membership and investing them effectively and consistently and providing stable returns. Therefore, the Bank not only conducts traditional loan and deposit businesses but

also develops a broad range of globally diversified investments in Japanese and international financial markets, centering on bonds, stocks, credit assets and alternative assets. As a result, its balance of market assets—mainly securities—exceeds that of loan assets.

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, with the Risk Management Division serving as the secretariat, is responsible for deliberation and decision making on the basic framework for overall credit risk management, including the Internal Rating System, self-assessment, economic capital management and credit ceiling for credit overconcentration risk. Each the Portfolio Management Committee and the Food and Agri Finance Committee, with the Financial Planning & Control Division and the Risk Management Division serving as the secretariat respectively, formulates basic strategies and deliberates on the execution policies regarding loans and investments, and deliberates and decides on business strategies for important or large transactions. Moreover, the Credit Committee functions as a venue for deliberation and decision making 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. The Compliance Division checks the appropriateness of business operations from the aspect of compliance by attending various meetings and, if finding any significant fact, reports that to an Audit & Supervisory Board Member.

Under the direction of the Board of Directors, the Internal Audit Division audits the operational status of such meetings and reports the results to the Board of Directors.

Overview of the Criteria for Write-Offs and Provisions to Reserves

■ 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.

■ 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 mainly from the historical loss ratio, with additional consideration of risks that are configured based on future predictions. For substandard debtors 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.

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 1-2 5 2 6 3 7	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
8-1 8-2 8-3 8-4	Substandard Other substandard debtors Debtors under requirement of control	II	Debtors requiring close monitoring going forward	Special attention
9	Doubtful	III	Debtors who are highly likely to fall into bankruptcy	Doubtful
10-1 10-2	Debtors in default Debtors in bankruptcy	IV	Debtor who have effectively fallen into bankruptcy, although no facts have emerged to indicate legal or formal bankruptcy Debtors who are legally and formally bankrupt	Bankrupt or de facto bankrupt

Details on Loans and Bills Discounted and other items are described in the Notes to the Financial Statements.

On the other hand, the credit risk parameters used to calculate the capital adequacy ratio are different from the parameters used to calculate the general reserves for possible loan losses and are calculated based on a transition to the default (substandard debtors or below) under the Internal Rating System. Among the credit risk parameters, the Probability of Default (PD) is estimated by the Bank based on historical default ratios corresponding to the internal ratings, whereas the Loss Given Default (LGD) is estimated by the Bank based on internal loss data after default. For the Exposure at Default (EAD), the value specified in the Notification Regarding Capital Adequacy Ratio is used.

■ Exposure Subject to Standardized Approach

For the assets listed below, the Bank partially applies the Standardized Approach specifically to those assets.

- The on-balance sheet assets and off-balance sheet items of the Bank's consolidated subsidiaries, with the

exception of IRB approach-applied subsidiaries.

- The following assets held by the Bank and IRB approach-applied subsidiaries: Suspense payments (with the exception of the account for securities), prepaid expenses, foreign currency forward contracts for foreign currency deposits of cooperative organizations, current account overdrafts (to holders of the Bank's debentures) and off-balance-sheet assets (the portion of reverse mortgages that the Bank guaranteed to pay).

The Bank applies the standardized approach to ratings of five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in computing its risk assets, namely S&P Global Ratings, Moody's Investors Service, Fitch Ratings, Rating & Investment Information and Japan Credit Rating Agency.

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.

Exposure Subject to the Internal Ratings-Based Approach

■ Scope of Internal Ratings-Based (IRB) Approach

The Bank adopts the IRB Approach in computing credit risk assets. The scope of the IRB Approach was defined at the time of adoption as applying to all exposures in principle.

However, insignificant business units and asset categories in computing the amount of credit risk assets are excluded from the application of the IRB Approach, and the Standardized Approach is applied. Whether to apply the Standardized Approach is decided on consideration of the qualitative aspect of credit business, among other factors, in addition to the quantitative requirements specified in the Notification.

Outline of the Internal Rating System

The Internal Rating System is introduced and operated as a crucial tool to ensure a good balance between active risk taking and keeping the credit risk amount under control within the limits of the Bank's financial strength such as capital under appropriate risk management.

Types of Exposure by Portfolio and Overview of Internal Rating Procedures

■ Corporate, Sovereign and Bank Exposure

Types of Exposure

The types of corporate exposure include general business corporate exposure, bank exposure, sovereign (country) 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, sovereign and bank exposure, the front office is in charge of applying for a rating and then the credit risk management section reviews and approves it.

Moreover, the debtor rating is reviewed at least once a year. In addition, when an event occurs that could cause a change in the rating, the Bank conducts an "ad-hoc review."

Overview of Loan Recovery Rating Procedures

At the Bank, a loan recovery rating is assigned to each transaction with corporate, sovereign and bank exposure according to the conservation status of the collateral.

Moreover, the loan recovery rating is reviewed on a quarterly basis.

■ Equity Exposure

The Bank assigns debtor 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 retail 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.

Parameter Estimates and Validation Framework

■ Corporate, Sovereign and Bank Exposures

• PD

For the Probability of Default (PD) for corporate, sovereign and bank exposures, the Bank uses internal estimates corresponding to the debtor rating grades for four categories—resident corporate, non-resident corporate, bank and sovereign.

Among the above exposures, the resident corporate uses default data by the Bank's internal rating, whereas the non-resident corporate, bank and sovereign categories use default data by external ratings mapped to the internal rating grades to calculate long-term average default ratios corresponding to the debtor rating grades, to which the correction and capital floors stipulated in the Notification Regarding Capital Adequacy Ratio are applied to estimate the PDs.

For the bank and sovereign exposures, which are low default portfolios (LDPs), it is difficult to make consistent PD estimates from long-term average default data, which

is the case with general corporate exposures. Therefore, after estimating the rating transition matrix, the probability of default that could occur after several years' rating transitions is calculated to estimate the PDs. In addition, a floor is applied to the upper ratings with the default ratio being below the floor level, among the resident corporate, non-resident corporate and bank exposures, thereby raising the PDs.

For the PDs applied in calculating the capital adequacy ratio, more conservative PDs are applied, compared to the long-term average default ratios to ensure stable management. To confirm the validity and conservativeness of the PDs, benchmarking and validation of the assumptions underlying the PD estimation method are conducted, in addition to back-testing using the default data by the Bank's internal ratings and validation by comparing to long-term average default ratios. The continuation of a low-default environment, except for some industries in Japan and globally for the past three fiscal years, led to a discrepancy with the conservative PDs applied in calculating capital adequacy ratio.

- **LGD**

For the Loss Given Default (LGD) for the Bank's general business corporate exposure, internal estimates corresponding to the loan recovery ratings are used.

LGDs are estimated by formulating the long-term average loss ratio and the collateral coverage ratio based on internal loss data after default and reflecting various correction requirements. In particular, a correction concerning the economic slowdown period is measured by applying a certain amount of stress through yearly regression using the average loss ratio and macroeconomic indicators.

For bank and sovereign exposures, which are low-default portfolios, the Bank's internal estimates are not used.

For the LGDs applied in calculating the capital adequacy ratio, validation using back-testing and other methods, based on internal loss data; benchmarking; and validation of the assumptions underlying the LGD estimation method are conducted to confirm the validity and conservativeness of the LGDs.

Although the length of time from default to the liquidation (conclusion) of exposures varies to a certain degree

according to the reasons for the liquidation of each individual exposure, the average length of such a period has stayed about the same. Therefore, the average period of conclusion is set and used to estimate the LGDs.

- **EAD**

For the Exposure at Default (EAD) relating to corporate, sovereign and bank exposures, the Bank's internal estimates are not used.

■ Retail Exposure

For the Probability of Default (PD) and the Loss Given Default (LGD) for the Bank's retail exposures, internal estimates are used for each pool level classified by the characteristics of exposure and the status of credit risk.

The PDs are estimated by calculating long-term average default ratios based on historical default data for each pool level and applying the correction and capital floor stipulated in the Notification Regarding Capital Adequacy Ratio. To confirm the validity and conservativeness of the PDs, benchmarking and validation concerning the years elapsed and the effect during the year of execution are conducted, in addition to back-testing using default data for each pool level.

The LGDs are estimated for each pool level by calculating the loss ratio based on the loss data after defaults occurring in the past and reflecting various corrections. Regarding a correction factor concerning the economic slowdown, changes in the value of collateral occurred during a certain economic cycle and its loss ratio are reflected in the LGDs.

As to the periods from the time of default to the liquidation (conclusion) of exposures, setting the period from the occurrence of the default until confirming the loss or the period until an upgrade to a non-default rating at the concluding (liquidating) side, whereas the period until the end of the applicable fiscal year at the non-concluding side, such set periods are used to estimate the LGDs.

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.

■ Framework for the Implementation of the Internal Rating System as Well as the Development and Management of Models Used

At the Bank, the middle office, which is independent of the front office, designs the Internal Rating System 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 System to ensure appropriate implementation is performed on a regular basis.

Credit Risk Mitigation Techniques

Overview of Risk Characteristics, Risk Management Policies, Procedures and Framework Related to Credit Risk Mitigation Techniques

■ Overview

Credit Risk Mitigation (CRM) Techniques refer to the method to reduce the amounts of credit risk assets by using collateral, guarantees or other means for the recovery of claims. The Bank adjusts the amounts of credit risk assets using eligible financial collateral, guarantees or other means in accordance with the Notification Regarding Capital Adequacy Ratio.

A major eligible type of financial collateral is securities. For securities with market value such as listed stocks, a decline in market value means a reduction in the recoverable amount. The recovery effect is not recognized for stocks of the parent company.

Regarding guarantees, the types of guarantors in such transactions are mainly sovereigns, including central and local governments, financial institutions and corporates. To evaluate the creditworthiness of a guarantor, in principle, the Bank evaluates the entity's financial soundness as a guarantor after assigning a debtor rating and assessing the guarantor's creditworthiness. The effectiveness of CRM is not recognized if the debtor rating of a guarantor declines and falls below that of a guarantee.

To recognize the effectiveness of CRM using collateral and a guarantee, the legal effectiveness and appropriate

The middle office conducts validation, monitoring and implementation of the internal rating framework, and engages in the development of models as well. The Credit Risk Management Division handles the implementation of models, whereas the Risk Management Division conducts validation thereof and formulates a model maintenance plan, considering opinions from the related Departments, which is to be discussed at the Risk Management Committee.

The design, implementation and validation of the Internal Rating System as well as the formulation of model maintenance plans are audited by the Internal Audit Division independent of the Risk Management Division.

assessment of the collateral and guarantee are important. Concerning the adequacy of collateral and guarantees, the front office and the Risk Management Division maintain their legal effectiveness and ensure their recoverability, and regularly confirm the marketability (liquidity) of collateral through timely and appropriate assessments.

■ Remarks on Policies for the Use of Netting and Basic Features of the Process and the Usage Status of Netting

For eligible financial collateral (excluding repo-type transactions and secured derivative transactions), the effectiveness of CRM can be recognized if it satisfies the relevant requirements stipulated in the Notification Regarding Capital Adequacy Ratio. The Bank recognizes the effectiveness of CRM only for deposits with the Bank (including Norinchukin Bank Debentures) or stocks, etc. On the other hand, for deposits held with the Bank that are not pledged as collateral, as deposits and loans are not offset, the Bank does not take into account the effects of CRM.

For the application of netting, the Bank specifies detailed procedures in its internal rules, confirms legal efficacy at the time of a collateral pledge and periodically confirms and reevaluates whether the function of protection from credit risks is maintained. To calculate the effectiveness of CRM, the amount of eligible financial collateral is used with consideration of the standard volatility adjustment ratios.

■ Basic Features of Evaluation of Collateral and Collateral Administrative Policies and Processes

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.

■ Remarks on the Status of Market Risk or Credit Risk Concentrations 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.

Counterparty Credit Risk in Derivative Transactions

Overview of Risk Characteristics and Risk Management Policies, Procedures and Framework for Counterparty Credit Risk in Derivatives and Repo-Type Transactions

■ Policies for Allocation of Risk Capital and Credit Ceiling Concerning Exposures to Counterparties and CCP

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 SA-CCR method (the replacement cost (mark-to-market) of the transaction plus an add-on deemed to reflect the potential future exposure).

■ Assessment on Collateral, Guarantee, Netting and Other Credit Risk Mitigation (CRM) Techniques and Overview of Management Policies and Disposal Procedures for Collateral, etc.

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. If the counterparty is not a core company of the group it belongs to, the Bank concludes a guarantee agreement with the core company of the group.

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 transactions, etc., in some cases, the Bank receives collateral such as various types of bonds, depending on the agreements that are concluded with its major counterparties.

The effectiveness of CRM techniques in these transactions is evaluated by the appropriate transaction unit. In case the amounts of collateral, etc., received are insufficient, according to the details of the agreement, the Bank receives additional collateral, thereby managing collateral, etc. In addition, in case of the disposal of collateral, such is executed based on the specifics of the agreement with each counterparty.

■ Policies for Recognition, Monitoring and Management of Wrong-Way Risk

“Wrong-way risk” refers to a risk of an increase in loss through interaction with the counterparty, which occurs in case the exposure of derivative transactions to the counterparty is adversely co-dependent with the credit quality of that counterparty.

Regarding risks related to financial institutions, which account for a majority of counterparty credit risks, the Bank conducts appropriate management of such risks including a wrong-way risk, by establishing credit limits for each financial institution based on the Bank Ceiling system and via monitoring on a daily basis.

■ 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.

Securitization Exposure

Overview of Risk Characteristics, Risk Management Policies, Procedures and Framework Related to 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. The Bank does not plan to conduct securitized transactions in trading accounts.

Securitization exposure is managed mainly by operating the following cycle: After a management framework and an investment policy for each asset class are determined by the four committees consisting of the management—the Risk Management Committee, the Credit Committee, the Portfolio Management Committee and the Food and Agri Finance Committee—the front office executes the

transaction through individual analysis during initial investment research (due diligence) and credit screening. The middle office, which is independent of the front office, reports the status of the credit risk portfolio and other related matters to the committees for further review of the management framework, leading to planning and formulation of an investment policy.

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 Bank appropriately monitors and verifies the status of its compliance with the regulations regarding risk retention and other details for each project at the time of investment and during the fiscal year.

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.

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, 2021, 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 2020.

As of March 31, 2021, the Bank had not provided credit support, etc., other than contracts.

Accounting Policies for Securitization Exposure

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.

For securitization exposures to which RBA is applied, the Bank relies on the following five qualified credit rating agencies: S&P Global Ratings, Moody's Investors Service, Fitch Ratings, Rating & Investment Information and Japan Credit Rating Agency.

The Bank does not use the “Internal Assessment Approach (IAA).”

Market Risk

Characteristics of Market Risks and Market Risk Management Policies, Procedures and Framework

The Bank's trading operations refer to operations of trading accounts, etc., to generate profits from short-term fluctuations in market prices and utilizing prices or other gaps between markets. The section of the front office in charge of execution of trades is organizationally separated from other sections of the front office handling other transactions. The front office executes trades within the approved position and loss limits predetermined from a risk-return perspective. The middle office, which is independent of the front office, measures the risk amounts including VaR and monitors the status of risk taking by the front office. The results of such monitoring are regularly reported to the Portfolio Management Committee, etc. For

risk measurements, the Bank uses internal models based on a variance-covariance method with a one-tailed 99% confidence interval and a 10-business day holding period, and measures VaR on a daily basis.

Computation of Market Risk Amount by Internal Models Approach

■ VaR and Stress VaR

(1) Scope of Internal Models Approach

An internal models approach based on a variance-covariance method is used, covering general market risk in the trading accounts.

(2) In case multiple models are used at different business bases of the Group, explanation on the models used by each operational base:

Not applicable

(3) Overview of the Models

VaR is measured using the variance-covariance matrix. Regarding the volatility of the variance-covariance matrix, after estimating a long-term stable value by weighing historical data using the exponential weighted moving average (EWMA) method, the generalized autoregressive conditional heteroskedasticity (GARCH) model is used to adjust the variables. For the remaining differences, a “T-distribution” is assumed, taking into account the market’s fat-tailed distribution.

(4) Difference between the model used for internal management and the legally stipulated model

There is no difference.

(5) Value at Risk

- Frequency of updates of historical data: daily
- Period of observation of historical data: the most recent 1,000 business days
- Method for weighing historical data: risk-weighing of historical data using the EWMA method.
- Holding period adjustment method: VaR calculated based on a holding period of fewer than 10 business days was converted to a VaR for a 10-business day holding period by adjusting the holding period based on the VaR per business day. To adjust the holding period, volatility during one business day is adjusted to volatility during 10 business days using the GARCH model.
- VaR summing method: General market risks and individual risks are simply summed. Different risk factor values are summed, reflecting a correlation that is estimated using the variance-covariance method based on historical data.
- Price reevaluation method: Prices are reevaluated by sensitivity analysis.
- Measurement of fluctuations in risk factors: risks related to interest rate are determined via absolute return, whereas risks related to currency exchange rates and bond futures, etc., are determined via bilateral returns.

(6) Remarks on stress VaR

- Stress period selection method and the basis for the selection: Based on the daily profit/loss fluctuations since 1999, the variance of profit/loss fluctuations during 250 days was computed and the period with the largest variance was selected as a stress period.

- Price reevaluation method: Prices are reevaluated using price sensitivity analysis.

- Holding period adjustment method: For stress VaR computed based on the holding period of fewer than 10 business days, the holding period is adjusted by multiplying by \sqrt{t} .

(7) Remarks on stress tests

The Bank conducts stress tests monthly based on multiple stress scenarios assuming radical market changes such as the largest fluctuations in interest rates for the past five years.

(8) Back-testing

The VaR of one business day that is calculated using a model is compared to daily profit/loss fluctuations. In case more than a certain excess was seen due to the model’s factors, those factors are analyzed and the model is reviewed on an as-needed basis.

(9) Validation framework for parameters used for internal models

For validation of the parameters used for internal models, the following items are validated on a regular basis:

- Statistical validation concerning suitability with the hypothetical distribution assumed for the variance-covariance matrix
- Statistical validation concerning the significance of the parameters estimated by the GARCH model
- Statistical validation concerning how close the prices reevaluated by a sensitivity analysis are to actual profit/loss fluctuations

Based on the analysis results from the Division in charge of management of the internal models, if there are any problems, the Risk Management Division discusses whether to review the model.

(10) Other remarks on model validation methods

Not applicable

■ Additional risk

Not applicable

■ Comprehensive risk

Not applicable

Operational Risk

Overview of Risk Management Policies and Procedures Related to Operational Risk

■ 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.

■ 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, IT systems risk, legal risk, personnel risk, tangible assets risk, information security risk, business continuity risk, reputational risk and regulatory risk.

■ Basic Approach of Operational Risk Management

The Bank has established policies and procedures to manage and control individual operational risks such as processing risk, IT systems risk, legal 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. To counter business continuity risk, for which the Bank's key management strategy is the mitigation of the impact and effect of risk events following their occurrence, the Bank has established the Policies and Procedures for Risk Management and other rules to address the situation after occurrence of a disaster and countermeasures to take when a disaster is predicted to occur. In addition, the Bank has worked to verify and enhance the effectiveness of its business continuity framework through regular drills.

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

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

Equity Exposure

Overview of Risk Characteristics, Risk Management Policies, Procedures and Framework Related to Equity Exposure

■ Framework for Correct Recognition, Evaluation, Measurement and Reporting of Risks

Risk measurements are conducted by the middle office, which is independent of the front office. The Bank's

exposure to equity comprises stocks classified as other securities and stocks of subsidiaries and affiliates. 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.

■ Risk Management Policies for Other Securities and Stocks of Subsidiaries and Affiliates by Category

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. Concerning the stocks of subsidiaries and affiliates, such are recognized as credit risk assets and managed within the economic capital management framework.

■ Principal Accounting Policies for Exposures Including Evaluation of Exposure to Equity and Other Investments (Including the items in line with Article 8, Paragraph 3, of the “Ordinance on Terminology, Forms and Preparation Methods of Financial Statement” in case the accounting policies are changed)

For accounting purposes, among exposure to equity and other investments, stocks of subsidiaries and affiliates 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). Stocks and others with no market prices 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.

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds —

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.

Interest Rate Risk

Overview of Risk Management Policies and Procedures Related to Interest Rate Risk

The core concept of the Bank's portfolio management is "globally diversified investment." Based on the concept, the Bank aims to build a sound and profitable portfolio with bonds (interest rate), stocks, and credit assets as major asset classes. In constructing the portfolio, the Bank controls the income and risk from each of these assets within the limits of the Bank's capital, taking into account the correlation among asset classes and other factors.

Therefore, the Bank deems market risk, such as interest rate risk and the risk of stock price volatility, to be a significant risk factor affecting the Bank's earnings base. Through active and appropriate risk-taking supported by a robust risk management framework, the Bank aims to retain a stable level of profit. The Bank also utilizes hedge transactions such as derivatives from a perspective of controlling market risks including interest rate risk and maintaining such risks at an adequate level.

For risk management, from the perspective of controlling market risks including interest rate risk and credit risk, etc., while keeping an appropriate risk balance, so that such risks are kept within a range of its capital-based financial strength, the Bank has established capital management checkpoints. For monitoring, Δ EVE is measured on a daily basis to grasp the impact of interest rate fluctuations on current market values and NII and Δ NII to grasp the impact of interest rate fluctuations on the level of earnings. Such data are reported to the management of the Bank.

In addition to the above, the Bank conducts periodic stress tests, etc., to perform profit-and-loss simulation analyses under a wide range of scenarios, such as a scenario in which interest rates rise and fall based on a dynamic portfolio. Furthermore, the Bank has established a framework to properly monitor the multifaceted effects of interest rate risk, including 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 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 the 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Committee Practical Guideline No. 24, issued on October 8, 2020). 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.

Overview of Interest Rate Risk Calculation Methods

■ Average/longest maturity for a revision of the interest rate allotted to liquid deposits

For deposits without a contractual maturity that the Bank accepts, without applying an internal model, such are instead evaluated as overnight deposits to measure their interest rate risks.

■ Assumptions related to early repayment, etc., before the loan maturity

To evaluate mortgage-backed bonds and housing loans, related interest rate risks are measured, taking potential early repayments into account. In such measurements, the midterm cancellation ratio is estimated by a statistical analysis based on the interest rate situation and the historical repayment and cancellation data.

■ Method to tabulate multiple different currencies and the underlying assumption

Regarding the Economic Value of Equity (Δ EVE), from the perspective of consistency with economic capital management, by estimating a correlation structure among different currencies based on historical interest rate fluctuations, Δ EVE is tabulated for multiple currencies using a method similar to a variance-covariance method, taking the variance effect into account. In case currencies with losses occurred and currencies with profits generated both existed in specific scenarios, from the perspective of carefully estimating the offsetting effect between currencies with profits and currencies with losses, after factoring in the cross-currency offsetting effect into the analysis of the profit-generating currencies, the Δ EVE of currencies with gains and that of currencies with losses are summed and tabulated.

Concerning Net Interest Income (Δ NII), the Δ NII among different currencies is simply summed.

■ Assumptions regarding the spread (whether to include in the discount interest and/or cash flow, etc., at the time of calculation)

Discounted interest rates are established, considering the appropriate spread for each product. Such spread is set as invariable despite interest rate shocks.

■ Other assumptions that pose serious impact on Δ EVE and/or Δ NII such as utilization of internal models

Most time deposits with the Bank are cooperative deposits from JA and JA Shinnoren. Cooperative deposits are

time deposits that are continually deposited by JA and JA Shinnoren based on the JA Bank Basic Policy from the perspective of safe and efficient management by the entire JA Bank. A source of part of such time deposits is the liquid deposits received by JA and JA Shinnoren from their individual customers.

Therefore, of the cooperative deposits, regarding the balance of liquid deposits that JA and JA Shinnoren receive from their individual customers, statistical analysis is conducted, and projected interest rate, Japan's population dynamics and the trend of deposits and savings are analyzed. Then, maturity—with the average maturity for revision of the interest rate being five years and the longest maturity for revising the interest rate being 10 years—is allotted to each such deposit (core deposit) to recognize the interest rate risks in terms of the Δ EVE and Δ NII, assuming the average maturity of cooperative deposits is 1.7 years.

■ Remarks on fluctuations since the disclosure at the end of the previous fiscal year

Not applicable

■ Other remarks on the interpretation and significance of measured values

Not applicable

Capital Ratio Information (Consolidated)

CC1: Composition of Capital (Consolidated)

(Millions of Yen, %)

Basel III Template No.	Items	a	b	c	
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2	
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,056,587	5,953,577		
1a	of which: capital and capital surplus	4,015,219	4,015,219		
2	of which: retained earnings	2,146,592	2,013,599		
26	of which: cash dividends to be paid	105,223	75,241		
	of which: other than the above	—	—		
3	Accumulated other comprehensive income and other disclosed reserves	1,732,008	1,171,744	(a)	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—	—		
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,788,596	7,125,322		
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	46,219	43,353		
8	of which: goodwill (net of related tax liability, including those equivalent)	3,563	3,954		
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	42,656	39,399		
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	(212,099)	(286,301)		
12	Shortfall of eligible provisions to expected losses	995	45,466		
13	Securitization gain on sale	—	—		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—	—		
15	Net defined-benefit asset	81,029	42,059		
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—		
17	Reciprocal cross-holdings in common equity	—	—		
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	—	—		
19+20+21	Amount exceeding the 10% threshold on specified items	—	—		
19	of which: significant investments in the common stock of financials	—	—		
20	of which: mortgage servicing rights	—	—		
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—		
22	Amount exceeding the 15% threshold on specified items	—	—		
23	of which: significant investments in the common stock of financials	—	—		
24	of which: mortgage servicing rights	—	—		
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)	(83,854)	(155,421)		
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,872,451	7,280,744		
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	49,973	49,973	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,316,972	1,316,972	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	

(Millions of Yen, %)

Basel III Template No.	Items	a	b	c
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	4,149	4,531	
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	—	—	
33	of which: instruments issued by banks and their special purpose vehicles	—	—	
35	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	—	—	
36	Additional Tier 1 capital: instruments (D)	1,371,094	1,371,477	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
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)	—	—	
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)	54,142	53,123	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	54,142	53,123	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	1,316,952	1,318,353	
Tier 1 capital (T1=CET1+AT1)				
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	9,189,403	8,599,098	
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	—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	—	
	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)	191	307	
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	923	923	
47	of which: instruments issued by banks and their special purpose vehicles	923	923	
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	82	45	
50a	of which: general reserve for possible loan losses	82	45	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	1,196	1,276	
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
54	Investments in the capital and other TLAC liabilities 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 common share capital of the entity (amount above the 10% threshold)	—	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	
57	Tier 2 capital: regulatory adjustments (I)	—	—	

(Millions of Yen, %)

Basel III Template No.	Items	a	b	c
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,196	1,276	
Total capital (TC=T1+T2)				
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	9,190,599	8,600,374	
Risk weighted assets				
60	Risk weighted assets (L)	39,622,427	37,344,929	
Capital ratio (consolidated) and buffers				
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	19.86%	19.49%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	23.19%	23.02%	
63	Total capital ratio (consolidated) ((K)/(L))	23.19%	23.02%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.00%	3.00%	
65	Of which: capital conservation buffer requirement	2.50%	2.50%	
66	Of which: bank-specific countercyclical buffer requirement	0.00%	0.00%	
67	Of which: higher loss absorbency requirement	0.50%	0.50%	
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital buffer requirements	15.19%	14.99%	
Regulatory adjustments				
72	Non-significant investments in the capital and other TLAC liabilities of other financial institutions that are below the thresholds for deduction (before risk weighting)	166,719	153,160	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	25,168	24,471	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
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)	82	45	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	424	491	
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	198,334	188,714	
Capital instruments under phase-out arrangements				
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	—	—	
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")	—	—	
84	Current cap on Tier 2 instruments under phase-out arrangements	153,600	307,201	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	

CC2: Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Consolidated)

(Millions of Yen)

Items	a	b	c	d
	As of March 31, 2021	As of March 31, 2020	Reference numbers or symbols for referring to Template CC1	Reference numbers or symbols for referring to appended tables
	Consolidated balance sheet amount	Consolidated balance sheet amount		
(Assets)				
Loans and Bills Discounted	22,102,545	20,058,825		
Foreign Exchanges Assets	290,017	209,889		
Securities	48,093,847	54,533,258		2-b, 6-a
Money Held in Trust	10,638,598	5,996,681		6-b
Trading Assets	7,310	7,862		
Monetary Claims Bought	302,918	301,081		
Call Loans and Bills Bought	60,890	54,330		
Receivables under Resale Agreements	548,061	13,048		
Cash and Due from Banks	20,066,967	19,505,050		
Other Assets	2,885,756	2,500,911		
Tangible Fixed Assets	165,914	123,562		
Buildings	36,641	42,048		
Land	97,707	46,885		
Lease Assets	19,436	31,279		
Construction in Progress	1,187	212		
Other	10,941	3,135		
Intangible Fixed Assets	57,724	53,100		2-a
Software	38,636	27,299		
Lease Assets	10,863	4,772		
Other	8,224	21,028		
Net Defined-benefit Asset	112,151	58,213		3
Deferred Tax Assets	3,771	2,952		4-a
Customers' Liabilities for Acceptances and Guarantees	2,446,587	2,115,202		
Reserve for Possible Loan Losses	(134,983)	(51,587)		
Reserve for Possible Investment Losses	(270)	(372)		
Total Assets	107,647,809	105,482,009		
(Liabilities)				
Deposits	65,652,162	65,639,097		
Negotiable Certificates of Deposit	3,100,259	2,406,965		
Debentures	355,479	784,446		
Trading Liabilities	5,137	8,102		
Borrowed Money	5,092,464	5,413,844		8
Payables under Repurchase Agreements	17,073,926	15,726,573		
Foreign Exchanges Liabilities	0	0		
Short-term Entrusted Funds	877,743	792,594		
Other Liabilities	4,543,028	4,824,601		
Reserve for Bonus Payments	7,552	7,490		
Net Defined Benefit Liability	29,486	38,841		
Reserve for Directors' Retirement Benefits	1,459	1,425		
Deferred Tax Liabilities	498,333	452,542		4-b
Deferred Tax Liabilities for Land Revaluation	8,607	8,607		4-c
Acceptances and Guarantees	2,446,587	2,115,202		
Total Liabilities	99,692,228	98,220,336		

(Millions of Yen)

Items	a	b	c	d
	As of March 31, 2021	As of March 31, 2020	Reference numbers or symbols for referring to Template CC1	Reference numbers or symbols for referring to appended tables
	Consolidated balance sheet amount	Consolidated balance sheet amount		
(Net Assets)				
Paid-in Capital	4,040,198	4,040,198		1-a
Capital Surplus	24,993	24,993		1-b
Retained Earnings	2,146,592	2,013,599		1-c
Total Owners' Equity	6,211,784	6,078,792		
Net Unrealized Gains on Other Securities	1,948,587	1,701,619		
Net Deferred Losses on Hedging Instruments	(280,135)	(550,151)		5
Revaluation Reserve for Land	14,312	14,312		
Foreign Currency Translation Adjustment	(16)	(153)		
Remeasurements of Defined Benefit Plans	49,260	6,118		
Total Accumulated Other Comprehensive Income	1,732,008	1,171,744	(a)	
Non-controlling Interests	11,787	11,136		7
Total Net Assets	7,955,581	7,261,673		
Total Liabilities and Net Assets	107,647,809	105,482,009		

Note: The regulatory and accounting scopes of consolidation are identical.

Appended Tables

Note: The items that were included in the Bank's own capital via the transitional arrangements are not included in these tables.

1. Owners' Equity

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
1-a	Paid-in Capital	4,040,198	4,040,198	
1-b	Capital Surplus	24,993	24,993	
1-c	Retained Earnings	2,146,592	2,013,599	
	Total Owners' Equity	6,211,784	6,078,792	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,161,811	6,028,818	Directly issued qualifying common share capital plus related capital surplus and retained earnings (before adjusting cash dividends to be paid)
1a	of which: capital and capital surplus	4,015,219	4,015,219	
2	of which: retained earnings	2,146,592	2,013,599	
	of which: other than the above	—	—	
31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	49,973	49,973	

2. Intangible Assets

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
2-a	Intangible Fixed Assets	57,724	53,100	
2-b	Securities	48,093,847	54,533,258	
	of which: goodwill attributable to equity-method investees	3,563	3,954	
	Income taxes related to above	(15,068)	(13,701)	

(2) Composition of Capital (Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
8	Intangible assets: goodwill	3,563	3,954	
9	Intangible assets: other	42,656	39,399	Other intangible assets other than goodwill and mortgage servicing rights
	Intangible assets: mortgage servicing rights	—	—	
20	Amount exceeding the 10% threshold on specified items	—	—	
24	Amount exceeding the 15% threshold on specified items	—	—	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	

3. Net Defined-benefit Asset

(1) Consolidated Balance Sheet (Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
3	Net defined-benefit asset	112,151	58,213	
	Income taxes related to above	(31,122)	(16,154)	

(2) Composition of Capital (Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
15	Net defined-benefit asset	81,029	42,059	

4. Deferred Tax Assets

(1) Consolidated Balance Sheet (Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
4-a	Deferred tax assets	3,771	2,952	
4-b	Deferred Tax Liabilities	498,333	452,542	
4-c	Deferred Tax Liabilities for Land Revaluation	8,607	8,607	
	Intangible assets to which tax-effect accounting was applied	15,068	13,701	
	Portion of net defined-benefit asset to which tax-effect accounting was applied	31,122	16,154	

(2) Composition of Capital (Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
	Deferred tax assets arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
21	Amount exceeding the 10% threshold on specified items	—	—	
25	Amount exceeding the 15% threshold on specified items	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—	

5. Deferred Gains or Losses on Derivatives under Hedge Accounting

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
5	Net Deferred Losses on Hedging Instruments	(280,135)	(550,151)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(212,099)	(286,301)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

6. Items Associated with Investments in the Capital of Financial Institutions

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
6-a	Securities	48,093,847	54,533,258	
6-b	Money Held in Trust	10,638,598	5,996,681	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Investments in own capital instruments	—	—	
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—	
37	Investments in own Additional Tier 1 instruments	—	—	
52	Investments in own Tier 2 instruments	—	—	
	Reciprocal cross-holdings	—	—	
17	Reciprocal cross-holdings in common equity	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
	Non-significant investments in the capital etc., of other financial institutions	166,719	153,160	
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	—	—	
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)	—	—	
54	Investments in the capital and other TLAC liabilities 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 common share capital of the entity (amount above the 10% threshold)	—	—	
72	Non-significant investments in the capital and other TLAC liabilities of other financial institutions that are below the thresholds for deduction (before risk weighting)	166,719	153,160	

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Significant investments in the capital, etc., of other financial institutions	79,310	77,595	
19	Amount exceeding the 10% threshold on specified items	—	—	
23	Amount exceeding the 15% threshold on specified items	—	—	
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)	54,142	53,123	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	25,168	24,471	

7. Non-controlling Interests

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
7	Non-controlling Interests	11,787	11,136	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—	—	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	4,149	4,531	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	191	307	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)

8. Other Capital Instruments

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
8	Borrowed Money	5,092,464	5,413,844	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,316,972	1,316,972	

OV1: Overview of RWA (Consolidated)

(Millions of Yen)

Basel III Template No.		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Credit risk (excluding counterparty credit risk)	8,889,579	7,819,278	752,878	662,279
2	Of which: standardized approach (SA)	33,791	39,176	2,703	3,134
3	Of which: internal rating-based (IRB) approach	8,690,040	7,653,521	736,915	649,018
	Of which: significant investments	—	—	—	—
	Of which: estimated residual value of lease transactions	—	—	—	—
	Others	165,747	126,580	13,259	10,126
4	Counterparty credit risk (CCR)	516,251	502,124	42,156	41,605
5	Of which: standardized approach for counterparty credit risk (SA-CCR)	56,728	112,547	4,810	9,544
6	Of which: expected positive exposure (EPE) method	—	—	—	—
	Of which: credit valuation adjustment (CVA)	63,383	111,084	5,070	8,886
	Of which: Central counterparty related exposure (CCP)	274,412	91,998	21,952	7,359
	Others	121,727	186,494	10,322	15,814
7	Equity positions in banking book under market-based approach	3,956,159	3,674,767	335,482	311,620
8	Equity investments in funds - Look-through approach	17,453,738	16,921,993	1,479,982	1,434,891
9	Equity investments in funds - Mandate-based approach	—	—	—	—
	Equity investments in funds - Simple approach (subject to 250% RW)	—	—	—	—
	Equity investments in funds - Simple approach (subject to 400% RW)	155,062	254,263	13,149	21,561
10	Equity investments in funds - Fall-back approach (subject to 1,250% RW)	419,324	589,350	33,545	47,148
11	Settlement risk	156,294	151,616	13,253	12,857
12	Securitization exposures in banking book	1,895,836	2,062,865	151,666	165,029
13	Of which: Securitization IRB approach (SEC-IRBA) or internal assessment approach (IAA)	—	—	—	—
14	Of which: Securitization external ratings-based approach (SEC-ERBA)	1,895,836	2,062,865	151,666	165,029
15	Of which: Securitization standardized approach (SEC-SA)	—	—	—	—
	Of which: 1,250% risk weight is applied	0	0	0	0
16	Market risk	3,592,396	3,065,346	287,391	245,227
17	Of which: standardized approach (SA)	3,586,009	3,051,409	286,880	244,112
18	Of which: internal model approaches (IMA)	6,386	13,937	510	1,114
19	Operational risk	687,106	502,551	54,968	40,204
20	Of which: Basic Indicator Approach	—	—	—	—
21	Of which: Standardized Approach	687,106	502,551	54,968	40,204
22	Of which: Advanced Measurement Approach	—	—	—	—
23	Amounts below the thresholds for deduction	62,716	60,973	5,318	5,170
	Risk weighted assets subject to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total	37,784,467	35,605,132	3,169,794	2,987,594

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	
Assets							
Loans and Bills Discounted	22,102,545	21,843,588	—	258,956	—	—	—
Foreign Exchange Assets	290,017	290,017	—	—	—	—	—
Securities	48,093,847	39,156,410	23,658,980	8,880,423	—	—	491,338
Money Held in Trust	10,638,598	10,638,598	1,245,760	—	—	—	—
Trading Assets	7,310	—	5,293	—	—	7,310	—
Monetary Claims Bought	302,918	3,666	—	299,251	—	—	—
Call Loans and Bills Bought	60,890	60,890	—	—	—	—	—
Receivables under Resale Agreements	548,061	—	1,900,296	—	—	—	—
Cash and Due from Banks	20,066,967	20,066,967	—	—	—	—	—
Other Assets	2,885,756	146,557	1,387,021	18,333	—	—	1,333,844
Tangible Fixed Assets	165,914	165,914	—	—	—	—	—
Intangible Fixed Assets	57,724	—	—	—	—	—	57,724
Net Defined Benefit Asset	112,151	—	—	—	—	—	112,151
Deferred Tax Assets	3,771	—	—	—	—	—	3,771
Customers' Liabilities for Acceptances and Guarantees	2,446,587	2,446,587	—	—	—	—	—
Reserve for Possible Loan Losses	(134,983)	(134,983)	—	—	—	—	—
Reserve for Possible Investment Losses	(270)	(270)	—	—	—	—	—
Total assets	107,647,809	94,683,944	28,197,352	9,456,965	7,310	1,998,830	
Liabilities							
Deposits	65,652,162	—	3,378,058	—	—	—	62,274,103
Negotiable Certificates of Deposit	3,100,259	—	—	—	—	—	3,100,259
Debentures	355,479	—	—	—	—	—	355,479
Trading Liabilities	5,137	—	5,137	—	—	5,137	—
Borrowed Money	5,092,464	—	—	—	—	—	5,092,464
Payables under Repurchase Agreements	17,073,926	—	18,426,161	—	—	—	(1,352,235)
Foreign Exchange Liabilities	0	—	—	—	—	—	0
Short-term Entrusted Funds	877,743	—	—	—	—	—	877,743
Other Liabilities	4,543,028	—	1,263,617	—	—	—	3,279,411
Reserve for Bonus Payments	7,552	—	—	—	—	—	7,552
Net Defined Benefit Liability	29,486	—	—	—	—	—	29,486
Reserve for Directors' Retirement Benefits	1,459	—	—	—	—	—	1,459
Deferred Tax Liabilities	498,333	—	—	—	—	—	498,333
Deferred Tax Liabilities for Land Revaluation	8,607	—	—	—	—	—	8,607
Acceptances and Guarantees	2,446,587	—	—	—	—	—	2,446,587
Total liabilities	99,692,228	—	23,072,975	—	5,137	76,619,252	

Notes: 1. (a) and (b) are combined because the accounting scope of consolidation and the regulatory scope of consolidation under the capital ratio requirements are identical.

2. Repo-type transactions are classified into two categories of credit risk of securities and counterparty credit risk.

3. Of market risks, which include the foreign exchange risk of banking accounting, only the items in the trading account are posted.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Loans and Bills Discounted	20,058,825	19,815,877	—	—	242,947	—	—
Foreign Exchange Assets	209,889	209,889	—	—	—	—	—
Securities	54,533,258	44,654,932	21,828,145	9,820,895	—	—	827,805
Money Held in Trust	5,996,681	5,996,681	1,324,678	—	—	—	—
Trading Assets	7,862	—	7,861	—	—	7,862	—
Monetary Claims Bought	301,081	130,588	—	—	170,492	—	—
Call Loans and Bills Bought	54,330	54,330	—	—	—	—	—
Receivables under Resale Agreements	13,048	—	13,048	—	—	—	—
Cash and Due from Banks	19,505,050	19,505,050	—	—	—	—	—
Other Assets	2,500,911	188,685	549,125	40,574	—	—	1,722,526
Tangible Fixed Assets	123,562	123,562	—	—	—	—	—
Intangible Fixed Assets	53,100	—	—	—	—	—	53,100
Net Defined Benefit Asset	58,213	—	—	—	—	—	58,213
Deferred Tax Assets	2,952	—	—	—	—	—	2,952
Customers' Liabilities for Acceptances and Guarantees	2,115,202	2,115,202	—	—	—	—	—
Reserve for Possible Loan Losses	(51,587)	(51,587)	—	—	—	—	—
Reserve for Possible Investment Losses	(372)	(372)	—	—	—	—	—
Total assets	105,482,009	92,742,840	23,722,859	10,274,910	7,862	2,664,598	
Liabilities							
Deposits	65,639,097	—	3,765,813	—	—	—	61,873,283
Negotiable Certificates of Deposit	2,406,965	—	—	—	—	—	2,406,965
Debentures	784,446	—	—	—	—	—	784,446
Trading Liabilities	8,102	—	8,102	—	—	8,102	—
Borrowed Money	5,413,844	—	—	—	—	—	5,413,844
Payables under Repurchase Agreements	15,726,573	—	15,726,573	—	—	—	—
Foreign Exchange Liabilities	0	—	—	—	—	—	0
Short-term Entrusted Funds	792,594	—	—	—	—	—	792,594
Other Liabilities	4,824,601	—	1,198,372	—	—	—	3,626,228
Reserve for Bonus Payments	7,490	—	—	—	—	—	7,490
Net Defined Benefit Liability	38,841	—	—	—	—	—	38,841
Reserve for Directors' Retirement Benefits	1,425	—	—	—	—	—	1,425
Deferred Tax Liabilities	452,542	—	—	—	—	—	452,542
Deferred Tax Liabilities for Land Revaluation	8,607	—	—	—	—	—	8,607
Acceptances and Guarantees	2,115,202	—	—	—	—	—	2,115,202
Total liabilities	98,220,336	—	20,698,862	8,102	—	77,521,473	

Notes: 1. (a) and (b) are combined because the accounting scope of consolidation and the regulatory scope of consolidation under the capital ratio requirements are identical.

2. Repo-type transactions are classified into two categories of credit risk of securities and counterparty credit risk.

3. Of market risks, which include the foreign exchange risk of banking accounting, only the items in the trading account are posted.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	105,648,978	94,683,944	28,197,352	9,456,965	7,310
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	23,072,975	—	23,072,975	—	5,137
3	Total net amount under regulatory scope of consolidation	82,576,003	94,683,944	5,124,377	9,456,965	2,172
4	Off-balance sheet amounts	1,516,209	1,516,209	—	—	—
5	Differences in valuations	—	—	—	—	—
6	Differences due to different netting rules, other than those already included in row 2	—	—	—	—	—
7	Differences due to consideration of provisions	135,254	135,254	—	—	—
8	Differences due to prudential filters	—	—	—	—	—
9	Others	24,019,266	41,712	23,977,554	—	—
	of which: repo-type transactions differences	23,053,729	—	23,053,729	—	—
	of which: derivative transactions differences	923,824	—	923,824	—	—
10	Exposure amounts considered for regulatory purposes	134,938,190	96,377,120	29,101,931	9,456,965	2,172

Note: As differences related to repo-type transactions, mainly the differences arising from a method used to measure the effectiveness of CRM.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	102,817,411	92,742,840	23,722,859	10,274,910	7,862
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	20,698,862	—	20,698,862	—	8,102
3	Total net amount under regulatory scope of consolidation	82,118,548	92,742,840	3,023,996	10,274,910	(240)
4	Off-balance sheet amounts	1,401,724	1,401,724	—	—	—
5	Differences in valuations	—	—	—	—	—
6	Differences due to different netting rules, other than those already included in row 2	—	—	—	—	—
7	Differences due to consideration of provisions	51,960	51,960	—	—	—
8	Differences due to prudential filters	—	—	—	—	—
9	Others	21,703,744	48,959	21,654,784	—	—
	of which: repo-type transactions differences	20,526,929	—	20,526,929	—	—
	of which: derivative transactions differences	1,127,855	—	1,127,855	—	—
10	Exposure amounts considered for regulatory purposes	129,198,936	94,245,485	24,678,780	10,274,910	(240)

Note: As differences related to repo-type transactions, mainly the differences arising from a method used to measure the effectiveness of CRM.

Credit Risk (Consolidated)

(Investment Fund, securitization exposures, repo-type transactions and derivatives transactions are excluded.)

1. Credit Risk Exposure

Fiscal 2020 (Ended March 31, 2021)

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure	Default exposure	Reserve for default exposure	Write-off of default exposure
Japan	19,761	12,477	19,670	51,909	82	49	0
Asia except Japan	771	347	37	1,156	—	—	—
Europe	1,258	7,810	556	9,625	0	0	—
The Americas	1,165	9,584	840	11,590	9	5	—
Other areas	495	1,391	72	1,958	—	—	—
Amounts held by consolidated subsidiaries	3,211	67	285	3,563	6	0	0
Offsets on consolidation	(910)	(321)	(10)	(1,242)	—	—	—
Total	25,753	31,356	21,452	78,562	99	55	1

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure	Default exposure	Reserve for default exposure	Write-off of default exposure
Manufacturing	3,813	669	5	4,488	43	31	—
Agriculture	78	0	0	78	8	5	0
Forestry	4	—	0	4	0	0	—
Fishing	17	0	0	17	9	4	0
Mining	94	4	0	99	—	—	—
Construction	232	12	0	244	2	0	—
Utility	1,235	8	1	1,244	0	0	—
Information/telecommunications	147	50	0	198	—	—	—
Transportation	1,084	441	1	1,527	9	5	—
Wholesaling, retailing	1,843	160	0	2,004	6	2	—
Finance and insurance	4,812	3,729	20,873	29,415	0	0	—
Real estate	1,143	11	3	1,159	0	0	—
Services	2,547	60	2	2,610	12	4	—
Municipalities	6	1,622	8	1,636	—	—	—
Others	6,390	24,838	279	31,509	0	—	0
Amounts held by consolidated subsidiaries	3,211	67	285	3,563	6	0	0
Offsets on consolidation	(910)	(321)	(10)	(1,242)	—	—	—
Total	25,753	31,356	21,452	78,562	99	55	1

Notes: 1. "Others" within "Finance and insurance" includes due from the Bank of Japan in Cash and certain other items.

2. "Securities" within "Others" includes bonds issued by central government.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure
In 1 year	11,837	3,181	20,137	35,155
Over 1 year to 3 years	4,263	1,883	4	6,150
Over 3 years to 5 years	3,211	2,417	8	5,636
Over 5 years to 7 years	1,524	6,929	27	8,481
Over 7 years	2,616	16,043	56	18,715
No term to maturity	0	1,157	943	2,101
Amounts held by consolidated subsidiaries	3,211	67	285	3,563
Offsets on consolidation	(910)	(321)	(10)	(1,242)
Total	25,753	31,356	21,452	78,562

Notes: 1. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 3% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.

2. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2019 (Ended March 31, 2020)

Geographic Distribution of Exposure, Details in Significant Areas

by Major Types of Credit Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure	Default exposure	Reserve for default exposure	Write-off of default exposure
Japan	18,248	13,535	18,910	50,694	41	15	0
Asia except Japan	764	304	3	1,073	—	—	—
Europe	980	7,751	158	8,891	—	—	—
The Americas	1,163	9,417	987	11,568	—	—	—
Other areas	380	714	53	1,148	—	—	—
Amounts held by consolidated subsidiaries	2,403	27	91	2,522	4	0	0
Offsets on consolidation	(346)	(91)	(21)	(459)	—	—	—
Total	23,595	31,659	20,184	75,439	45	16	0

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure	Default exposure	Reserve for default exposure	Write-off of default exposure
Manufacturing	3,372	524	134	4,031	13	2	0
Agriculture	79	—	0	79	8	5	0
Forestry	5	—	0	5	0	0	—
Fishing	19	0	0	19	9	4	—
Mining	115	—	0	116	—	—	—
Construction	146	10	0	156	2	0	—
Utility	1,074	7	2	1,084	0	0	—
Information/telecommunications	177	26	0	204	—	—	—
Transportation	922	473	1	1,397	—	—	—
Wholesaling, retailing	1,709	125	1	1,836	5	2	—
Finance and insurance	4,457	3,417	19,693	27,568	0	0	—
Real estate	988	45	3	1,037	0	0	—
Services	2,238	99	3	2,340	0	0	—
Municipalities	8	1,065	5	1,078	—	—	—
Others	6,222	25,928	268	32,419	0	—	0
Amounts held by consolidated subsidiaries	2,403	27	91	2,522	4	0	0
Offsets on consolidation	(346)	(91)	(21)	(459)	—	—	—
Total	23,595	31,659	20,184	75,439	45	16	0

Notes: 1. "Others" within "Finance and insurance" includes due from the Bank of Japan in Cash and certain other items.

2. "Securities" within "Others" includes bonds issued by central government.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of Yen)

Items	Loans, commitments, off-balance sheet exposure	Securities	Others	Total credit risk exposure
In 1 year	10,857	6,808	19,822	37,489
Over 1 year to 3 years	3,951	4,785	6	8,743
Over 3 years to 5 years	3,096	1,049	5	4,151
Over 5 years to 7 years	1,432	5,399	18	6,850
Over 7 years	2,186	12,959	56	15,201
No term to maturity	13	721	204	939
Amounts held by consolidated subsidiaries	2,403	27	91	2,522
Offsets on consolidation	(346)	(91)	(21)	(459)
Total	23,595	31,659	20,184	75,439

Notes: 1. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 2% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.

2. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Delinquent Maturity Exposure

(Billions of Yen)

Items	As of March 31, 2021	As of March 31, 2020
Less than One Month	0	0
From One Month to less than Two Months	0	0
From Two Months to less than Three Months	—	0
Three Months or More	—	—
Amounts held by consolidated subsidiaries	1	1
Total	1	1

Note: "One Month or less" excludes loans that are not delinquent.

Special Attention

(Billions of Yen)

Items	As of March 31, 2021	As of March 31, 2020
Amounts of the reserves that were increased to address the exposure	16	14
Amounts of other than the above	—	—
Amounts held by consolidated subsidiaries	10	1
Total	27	15

Ratio of the EAD for each asset class to the total amount of EAD

(%)

Items	As of March 31, 2021	As of March 31, 2020
Subject to Standardized Approach	0.38	0.11
Subject to Internal Ratings-Based Approach (IRB)	99.35	99.66
Corporate exposure (excluding Specialized Lending Products)	14.60	13.32
Corporate exposure (Specialized Lending)	2.42	2.19
Bank exposure	5.02	5.27
Sovereign exposure	65.55	68.01
Equity portfolios subject to PD/LGD approaches	1.12	0.87
Retail exposure	3.08	2.79
Other debt purchased	7.53	7.21
Important investments	0.00	0.00
Lease transactions	0.00	0.00
Other assets	0.27	0.23
Total	100.00	100.00

CR1: Credit quality of assets**Fiscal 2020 (Ended March 31, 2021)**

(Millions of Yen)

No.		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
	On-balance sheet assets				
1	Loans	94,398	21,097,117	128,868	21,062,647
2	Debt Securities	—	30,509,245	1,730	30,507,515
3	Off-balance sheet exposures	45	20,521,983	53	20,521,975
4	Total on-balance sheet assets (1+2+3)	94,444	72,128,347	130,652	72,092,138
	Off-balance sheet assets				
5	Acceptances and Guarantees	6,649	2,439,938	5,250	2,441,336
6	Commitments	1,646	1,483,057	574	1,484,129
7	Total off-balance sheet assets (5+6)	8,295	3,922,995	5,825	3,925,465
	Total				
8	Total (4+7)	102,739	76,051,342	136,478	76,017,604

Note: Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
	On-balance sheet assets				
1	Loans	36,639	19,576,220	47,145	19,565,714
2	Debt Securities	—	31,019,041	—	31,019,041
3	Off-balance sheet exposures	13	20,012,452	31	20,012,434
4	Total on-balance sheet assets (1+2+3)	36,652	70,607,715	47,177	70,597,190
	Off-balance sheet assets				
5	Acceptances and Guarantees	1,824	2,113,378	2,249	2,112,953
6	Commitments	900	1,284,674	298	1,285,276
7	Total off-balance sheet assets (5+6)	2,724	3,398,052	2,547	3,398,229
	Total				
8	Total (4+7)	39,376	74,005,768	49,724	73,995,420

Note: Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

CR2: Changes in stock of defaulted loans and debt securities

(Millions of Yen)

No.		As of March 31, 2021	As of March 31, 2020
1	Defaulted loans and debt securities at end of the previous reporting period	36,652	37,668
2	Default	87,834	24,831
3	Changes in the amounts of per factor during the fiscal year	Returned to non-defaulted status	550
4		Amounts written off	782
5		Other changes (Decrease in the balance due to a recovery of exposure mainly at default)	(28,709)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	94,444	36,652

CR3: Credit risk mitigation techniques – overview**Fiscal 2020 (Ended March 31, 2021)**

(Millions of Yen)

No.		a	b	c	d	e
		Exposures unsecured	Exposures totally secured	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives, of which: secured amount
1	Loans	20,602,795	459,852	243,937	571,262	—
2	Debt securities	29,742,151	765,364	—	765,364	—
3	Other on-balance sheet assets	20,519,686	2,289	46	2,457	—
4	Total	70,864,632	1,227,505	243,984	1,339,084	—
5	Of which defaulted	93,033	1,410	3,770	—	—

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e
		Exposures unsecured	Exposures totally secured	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives, of which: secured amount
1	Loans	19,066,311	499,402	208,531	505,982	—
2	Debt securities	30,294,502	724,539	—	724,539	—
3	Other on-balance sheet assets	20,010,515	1,919	37	2,214	—
4	Total	69,371,329	1,225,861	208,569	1,232,736	—
5	Of which defaulted	36,567	84	1,652	—	—

CR4: Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %)

No.	Asset classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	—	—	—	—	—	—
2	Japanese government and the Bank of Japan	—	—	—	—	—	—
3	Foreign central government and their central banks	—	—	—	—	—	—
4	Bank for International Settlements	—	—	—	—	—	—
5	Japanese regional municipal bodies	—	—	—	—	—	—
6	Non-central government public sector entities	—	—	—	—	—	—
7	Multilateral Development Bank	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities	—	—	—	—	—	—
9	Japanese government institutions	—	—	—	—	—	—
10	Regional third-sector company	—	—	—	—	—	—
11	Banks and securities firms	—	—	—	—	—	—
12	Corporates	—	—	—	—	—	—
13	SMEs and individuals	—	—	—	—	—	—
14	Residential Mortgage	—	—	—	—	—	—
15	Exposures to corporates, SMEs and individuals (acquisition of real estate)	—	—	—	—	—	—
16	Loans with principal or interest payments three months or more in arrears (excluding residential mortgage)	—	—	—	—	—	—
17	Extension of three months or more in mortgage loan terms	—	—	—	—	—	—
18	Bills in process of collection	—	—	—	—	—	—
19	Guarantee by Credit Guarantee Corporations	—	—	—	—	—	—
20	Guarantee by Regional Economy Vitalization Corporation of Japan (REVIC)	—	—	—	—	—	—
21	Investment (excluding important investment)	—	—	—	—	—	—
22	Total	—	—	—	—	—	—

Notes: 1. Assets subject to the Standardized Approach are a) the on-balance and off-balance sheet assets of the Bank's consolidated subsidiaries, with the exception of IRB approach-applied subsidiaries and b) the suspense payments and prepaid expenses on the consolidated balance sheet of the Bank and IRB approach-applied subsidiaries.

2. The total of the credit risk assets subject to the Standardized Approach (above a+b) is ¥33.7 billion, which is not shown in these statements due to its extremely limited amount—only about 0.09% of the credit risk assets on a consolidated basis (¥35,342.9 billion).

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %)

No.	Asset classes	a		b		c		d		e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA	RWA density				
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount						
1	Cash	—	—	—	—	—	—	—	—		
2	Japanese government and the Bank of Japan	—	—	—	—	—	—	—	—		
3	Foreign central government and their central banks	—	—	—	—	—	—	—	—		
4	Bank for International Settlements	—	—	—	—	—	—	—	—		
5	Japanese regional municipal bodies	—	—	—	—	—	—	—	—		
6	Non-central government public sector entities	—	—	—	—	—	—	—	—		
7	Multilateral Development Bank	—	—	—	—	—	—	—	—		
8	Japan Finance Organization for Municipalities	—	—	—	—	—	—	—	—		
9	Japanese government institutions	—	—	—	—	—	—	—	—		
10	Regional third-sector company	—	—	—	—	—	—	—	—		
11	Banks and securities firms	—	—	—	—	—	—	—	—		
12	Corporates	—	—	—	—	—	—	—	—		
13	SMEs and individuals	—	—	—	—	—	—	—	—		
14	Residential Mortgage	—	—	—	—	—	—	—	—		
15	Exposures to corporates, SMEs and individuals (acquisition of real estate)	—	—	—	—	—	—	—	—		
16	Loans with principal or interest payments three months or more in arrears (excluding residential mortgage)	—	—	—	—	—	—	—	—		
17	Extension of three months or more in mortgage loan terms	—	—	—	—	—	—	—	—		
18	Bills in process of collection	—	—	—	—	—	—	—	—		
19	Guarantee by Credit Guarantee Corporations	—	—	—	—	—	—	—	—		
20	Guarantee by Regional Economy Vitalization Corporation of Japan (REVIC)	—	—	—	—	—	—	—	—		
21	Investment (excluding important investment)	—	—	—	—	—	—	—	—		
22	Total	—	—	—	—	—	—	—	—		

Notes: 1. Assets subject to the Standardized Approach are a) the on-balance and off-balance sheet assets of the Bank's consolidated subsidiaries, with the exception of IRB approach-applied subsidiaries and b) the suspense payments and prepaid expenses on the consolidated balance sheet of the Bank and IRB approach-applied subsidiaries.

2. The total of the credit risk assets subject to the Standardized Approach (above a+b) is ¥39.1 billion, which is not shown in these statements due to its extremely limited amount—only about 0.11% of the credit risk assets on a consolidated basis (¥33,777.0 billion).

CR5: Standardized approach – exposures by asset classes and risk weights

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.	Asset classes	Risk weight	a	b	c	d	e	f	g	h	i	j	k
			Total credit exposures amount (post CCF and post-CRM)										
			0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash		—	—	—	—	—	—	—	—	—	—	—
2	Japanese government and the Bank of Japan		—	—	—	—	—	—	—	—	—	—	—
3	Foreign central government and their central banks		—	—	—	—	—	—	—	—	—	—	—
4	Bank for International Settlements		—	—	—	—	—	—	—	—	—	—	—
5	Japanese regional municipal bodies		—	—	—	—	—	—	—	—	—	—	—
6	Non-central government public sector entities		—	—	—	—	—	—	—	—	—	—	—
7	Multilateral Development Bank		—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities		—	—	—	—	—	—	—	—	—	—	—
9	Japanese government institutions		—	—	—	—	—	—	—	—	—	—	—
10	Regional third-sector company		—	—	—	—	—	—	—	—	—	—	—
11	Banks and securities firms		—	—	—	—	—	—	—	—	—	—	—
12	Corporates		—	—	—	—	—	—	—	—	—	—	—
13	SMEs and individuals		—	—	—	—	—	—	—	—	—	—	—
14	Residential Mortgage		—	—	—	—	—	—	—	—	—	—	—
15	Exposures to corporates, SMEs and individuals (acquisition of real estate)		—	—	—	—	—	—	—	—	—	—	—
16	Loans with principal or interest payments three months or more in arrears (excluding residential mortgage)		—	—	—	—	—	—	—	—	—	—	—
17	Extension of three months or more in mortgage loan terms		—	—	—	—	—	—	—	—	—	—	—
18	Bills in process of collection		—	—	—	—	—	—	—	—	—	—	—
19	Guarantee by Credit Guarantee Corporations		—	—	—	—	—	—	—	—	—	—	—
20	Guarantee by Regional Economy Vitalization Corporation of Japan (REVIC)		—	—	—	—	—	—	—	—	—	—	—
21	Investment (excluding important investment)		—	—	—	—	—	—	—	—	—	—	—
22	Total		—	—	—	—	—	—	—	—	—	—	—

Notes: 1. Assets subject to the Standardized Approach are a) the on-balance and off-balance sheet assets of the Bank's consolidated subsidiaries, with the exception of IRB approach-applied subsidiaries and b) the suspense payments and prepaid expenses on the consolidated balance sheet of the Bank and IRB approach-applied subsidiaries.

2. The total of the credit risk assets subject to the Standardized Approach (above a+b) is ¥33.7 billion, which is not shown in these statements due to its extremely limited amount—only about 0.09% of the credit risk assets on a consolidated basis (¥35,342.9 billion).

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.	Asset classes	Risk weight	a	b	c	d	e	f	g	h	i	j	k
			Total credit exposures amount (post CCF and post-CRM)										
			0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash		—	—	—	—	—	—	—	—	—	—	—
2	Japanese government and the Bank of Japan		—	—	—	—	—	—	—	—	—	—	—
3	Foreign central government and their central banks		—	—	—	—	—	—	—	—	—	—	—
4	Bank for International Settlements		—	—	—	—	—	—	—	—	—	—	—
5	Japanese regional municipal bodies		—	—	—	—	—	—	—	—	—	—	—
6	Non-central government public sector entities		—	—	—	—	—	—	—	—	—	—	—
7	Multilateral Development Bank		—	—	—	—	—	—	—	—	—	—	—
8	Japan Finance Organization for Municipalities		—	—	—	—	—	—	—	—	—	—	—
9	Japanese government institutions		—	—	—	—	—	—	—	—	—	—	—
10	Regional third-sector company		—	—	—	—	—	—	—	—	—	—	—
11	Banks and securities firms		—	—	—	—	—	—	—	—	—	—	—
12	Corporates		—	—	—	—	—	—	—	—	—	—	—
13	SMEs and individuals		—	—	—	—	—	—	—	—	—	—	—
14	Residential Mortgage		—	—	—	—	—	—	—	—	—	—	—
15	Exposures to corporates, SMEs and individuals (acquisition of real estate)		—	—	—	—	—	—	—	—	—	—	—
16	Loans with principal or interest payments three months or more in arrears (excluding residential mortgage)		—	—	—	—	—	—	—	—	—	—	—
17	Extension of three months or more in mortgage loan terms		—	—	—	—	—	—	—	—	—	—	—
18	Bills in process of collection		—	—	—	—	—	—	—	—	—	—	—
19	Guarantee by Credit Guarantee Corporations		—	—	—	—	—	—	—	—	—	—	—
20	Guarantee by Regional Economy Vitalization Corporation of Japan (REVIC)		—	—	—	—	—	—	—	—	—	—	—
21	Investment (excluding important investment)		—	—	—	—	—	—	—	—	—	—	—
22	Total		—	—	—	—	—	—	—	—	—	—	—

Notes: 1. Assets subject to the Standardized Approach are a) the on-balance and off-balance sheet assets of the Bank's consolidated subsidiaries, with the exception of IRB approach-applied subsidiaries and b) the suspense payments and prepaid expenses on the consolidated balance sheet of the Bank and IRB approach-applied subsidiaries.

2. The total of the credit risk assets subject to the Standardized Approach (above a+b) is ¥39.1 billion, which is not shown in these statements due to its extremely limited amount—only about 0.11% of the credit risk assets on a consolidated basis (¥33,777.0 billion).

CR6: IRB – Credit risk exposures by portfolio and PD range

■ Foundation Internal Ratings-Based Approach (F-IRB)

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Sovereign exposure													
1	0.00 to 0.15 or less	49,491,569	—	—	50,349,169	0.00	0.0	45.00	2.9	88,650	0.17	64	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	40,475	—	—	40,475	0.28	0.0	45.00	3.7	26,457	65.36	50	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	54,996	—	—	5	5.90	0.0	45.00	3.4	8	170.41	0	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	49,587,040	—	—	50,389,650	0.00	0.0	45.00	2.9	115,116	0.22	115	4
Bank exposure													
1	0.00 to 0.15 or less	3,763,358	1,411	0.92	3,759,668	0.05	0.1	44.81	2.5	946,710	25.18	955	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	182,679	1,533	0.83	90,823	0.40	0.0	43.46	2.3	55,003	60.56	160	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	11,084	304	1.00	11,388	1.14	0.0	44.32	2.5	11,031	96.86	57	—
6	Exceeding 2.50 to 10.00 or less	1,966	73	1.00	1,834	8.56	0.0	44.31	2.9	3,416	186.19	70	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	3,959,087	3,323	0.89	3,863,715	0.07	0.2	44.78	2.5	1,016,161	26.30	1,244	—
Corporate exposure (excluding SMEs exposure and specialized lending)													
1	0.00 to 0.15 or less	6,808,191	1,425,359	0.48	7,240,575	0.05	0.4	44.42	2.9	1,839,001	25.39	1,744	—
2	Exceeding 0.15 to 0.25 or less	2,462,860	357,439	0.64	2,428,320	0.16	0.5	44.62	2.8	1,080,666	44.50	1,835	—
3	Exceeding 0.25 to 0.50 or less	248,171	36,019	0.65	284,536	0.42	0.1	44.77	2.6	190,479	66.94	535	—
4	Exceeding 0.50 to 0.75 or less	142,554	528	0.75	100,292	0.63	0.0	45.00	3.1	92,479	92.20	284	—
5	Exceeding 0.75 to 2.50 or less	257,283	36,286	0.32	238,848	1.16	0.1	44.53	2.8	245,850	102.93	1,246	—
6	Exceeding 2.50 to 10.00 or less	92,485	21,757	0.52	92,182	4.14	0.1	44.97	3.3	140,021	151.89	1,718	—
7	Exceeding 10.00 to 100.00 or less	117,089	14,458	0.78	124,761	15.39	0.1	45.00	3.9	298,161	238.98	8,645	—
8	100.00 (default)	62,419	1,005	0.75	61,421	100.00	0.0	44.99	3.9	—	0.00	27,638	—
9	Subtotal	10,191,055	1,892,855	0.52	10,570,939	0.91	1.7	44.50	2.9	3,886,660	36.76	43,648	36,771
SMEs exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	147	—	—	147	0.23	0.0	45.00	1.0	59	40.25	0	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	0	43	1.00	44	4.80	0.0	45.00	4.6	88	200.95	0	—
7	Exceeding 10.00 to 100.00 or less	0	—	—	0	15.84	0.0	45.00	5.0	0	207.61	0	—
8	100.00 (default)	456	30	1.00	486	100.00	0.0	45.00	1.2	—	0.00	218	—
9	Subtotal	604	73	1.00	678	72.09	0.0	45.00	1.4	148	21.88	219	226
Specialized lending exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach													
1	0.00 to 0.15 or less	704,216	—	—	704,216	0.04	0.1	90.00	5.0	704,866	100.09	316	
2	Exceeding 0.15 to 0.25 or less	130,283	—	—	130,283	0.15	0.1	90.00	5.0	160,552	123.23	176	
3	Exceeding 0.25 to 0.50 or less	11,039	—	—	11,039	0.41	0.0	90.00	5.0	20,725	187.73	40	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	2,199	—	—	2,199	1.06	0.0	90.00	5.0	5,795	263.45	21	
6	Exceeding 2.50 to 10.00 or less	4,025	12,178	0.75	13,158	3.98	0.0	90.00	5.0	57,706	438.54	472	
7	Exceeding 10.00 to 100.00 or less	875	—	—	875	15.84	0.0	90.00	5.0	5,975	682.49	124	
8	100.00 (default)	105	—	—	105	100.00	0.0	90.00	5.0	1,184	1,125.00	94	
9	Subtotal	852,745	12,178	0.75	861,879	0.16	0.3	90.00	5.0	956,806	111.01	1,246	
Debt purchased for corporate (Default risk)													
1	0.00 to 0.15 or less	5,453,497	111,889	1.00	5,568,478	0.00	0.0	44.57	1.0	23,753	0.42	24	
2	Exceeding 0.15 to 0.25 or less	86,920	7,500	1.00	91,062	0.21	0.0	42.52	3.3	46,705	51.28	83	
3	Exceeding 0.25 to 0.50 or less	3,703	—	—	3,703	0.28	0.0	45.00	2.8	2,072	55.96	4	
4	Exceeding 0.50 to 0.75 or less	19,933	—	—	29,784	0.63	0.0	45.00	3.3	27,873	93.58	84	
5	Exceeding 0.75 to 2.50 or less	21,562	—	—	15,994	0.83	0.0	45.00	2.7	14,262	89.16	59	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	20,142	—	—	15,858	15.35	0.0	45.00	4.8	40,765	257.05	1,095	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	5,605,760	119,389	1.00	5,724,883	0.05	0.0	44.54	1.1	155,432	2.71	1,352	
Debt purchased for corporate (Dilution risk)													
1	0.00 to 0.15 or less	—	—	—	24,744	0.04	0.0	45.00	1.0	3,187	12.88	4	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	24,744	0.04	0.0	45.00	1.0	3,187	12.88	4	
Loan participation (corporate) (Default risk of seller)													
1	0.00 to 0.15 or less	—	—	—	17,233	0.00	0.0	45.00	5.0	—	0.00	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	17,233	0.00	0.0	45.00	5.0	—	0.00	—	
Debt purchased for retail													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	
Qualifying revolving retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Retail exposure secured by residential properties													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	2,166,477	1.00	2,166,477	0.31	103.9	45.34	—	544,004	25.11	3,045	—
4	Exceeding 0.50 to 0.75 or less	138,965	—	—	138,965	0.71	10.1	50.92	—	70,375	50.64	502	—
5	Exceeding 0.75 to 2.50 or less	59	—	—	59	1.03	0.0	30.25	—	22	38.66	0	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	1,239	5,021	1.00	6,260	14.15	0.4	46.44	—	14,776	236.02	416	—
8	100.00 (default)	1,637	3,242	1.00	4,880	100.00	0.4	46.91	—	3,773	77.32	1,987	—
9	Subtotal	141,902	2,174,741	1.00	2,316,644	0.58	115.0	45.68	—	632,953	27.32	5,952	797
Other retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	286	2,189	1.00	2,475	0.27	2.5	88.22	—	1,079	43.60	5	—
4	Exceeding 0.50 to 0.75 or less	45,167	—	—	45,167	0.60	1.7	44.51	—	15,979	35.37	120	—
5	Exceeding 0.75 to 2.50 or less	1,294	4,273	1.00	5,568	1.22	2.8	93.42	—	5,747	103.21	63	—
6	Exceeding 2.50 to 10.00 or less	—	8	1.00	8	8.78	0.0	88.22	—	11	142.53	0	—
7	Exceeding 10.00 to 100.00 or less	157	1	1.00	158	19.91	0.0	45.00	—	158	99.87	14	—
8	100.00 (default)	630	12	1.00	643	100.00	0.0	47.01	—	710	110.46	245	—
9	Subtotal	47,535	6,486	1.00	54,022	1.89	7.1	51.59	—	23,686	43.84	450	32
Total		70,385,732	4,209,047	0.78	73,824,390	0.16	124.6	45.43	2.6	6,790,154	9.19	54,234	37,830

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Sovereign exposure													
1	0.00 to 0.15 or less	49,978,111	—	—	50,681,269	0.00	0.0	45.00	2.5	165,397	0.32	120	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	36,225	5,451	0.75	40,313	0.28	0.0	45.00	4.7	30,502	75.66	50	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	1,294	—	—	1,294	0.86	0.0	45.00	4.2	1,409	108.91	5	—
6	Exceeding 2.50 to 10.00 or less	113,422	—	—	1,181	3.23	0.0	45.00	4.9	1,912	161.91	17	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	50,129,053	5,451	0.75	50,724,059	0.00	0.0	45.00	2.5	199,222	0.39	193	—
Bank exposure													
1	0.00 to 0.15 or less	3,806,203	85	1.00	3,806,288	0.05	0.1	44.76	2.5	924,528	24.28	928	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	130,132	1,037	0.75	39,571	0.40	0.0	44.02	2.5	26,165	66.12	69	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	62,833	2,013	0.95	64,593	1.14	0.0	31.39	1.6	40,514	62.72	231	—
6	Exceeding 2.50 to 10.00 or less	23,537	448	1.00	23,693	4.06	0.0	26.55	1.9	20,379	86.01	290	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	4,022,706	3,584	0.90	3,934,146	0.10	0.2	44.43	2.5	1,011,587	25.71	1,520	—
Corporate exposure (excluding SMEs exposure and specialized lending)													
1	0.00 to 0.15 or less	5,815,961	1,184,610	0.45	6,245,616	0.05	0.4	45.16	3.0	1,603,484	25.67	1,501	—
2	Exceeding 0.15 to 0.25 or less	2,351,927	293,885	0.62	2,310,269	0.16	0.5	44.93	2.8	1,053,578	45.60	1,757	—
3	Exceeding 0.25 to 0.50 or less	250,303	33,361	0.62	275,129	0.42	0.1	44.89	2.8	190,251	69.14	518	—
4	Exceeding 0.50 to 0.75 or less	153,362	12,638	0.73	128,716	0.63	0.0	45.00	3.4	121,267	94.21	364	—
5	Exceeding 0.75 to 2.50 or less	236,999	36,079	0.30	222,371	1.28	0.1	44.83	3.1	245,087	110.21	1,276	—
6	Exceeding 2.50 to 10.00 or less	42,751	11,069	0.07	36,397	4.22	0.1	44.25	3.7	56,227	154.48	679	—
7	Exceeding 10.00 to 100.00 or less	98,963	9,017	0.84	103,181	15.40	0.1	45.00	4.1	249,312	241.62	7,152	—
8	100.00 (default)	13,453	954	0.76	13,272	100.00	0.0	44.91	1.5	—	0.00	5,960	—
9	Subtotal	8,963,723	1,581,617	0.49	9,334,955	0.45	1.6	45.08	2.9	3,519,209	37.69	19,211	323

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
SMEs exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	664	—	—	664	0.24	0.0	45.00	1.3	294	44.40	0	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	3	—	—	3	1.92	0.0	45.00	5.0	4	123.00	0	—
6	Exceeding 2.50 to 10.00 or less	1	—	—	1	4.80	0.0	45.00	5.0	1	146.01	0	—
7	Exceeding 10.00 to 100.00 or less	0	—	—	0	15.84	0.0	45.00	5.0	1	201.17	0	—
8	100.00 (default)	528	35	1.00	564	100.00	0.0	45.00	1.2	—	0.00	253	—
9	Subtotal	1,198	35	1.00	1,234	45.86	0.0	45.00	1.3	303	24.57	254	288
Specialized lending exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach													
1	0.00 to 0.15 or less	529,878	—	—	529,878	0.04	0.1	90.00	5.0	530,441	100.10	237	—
2	Exceeding 0.15 to 0.25 or less	101,193	—	—	101,193	0.15	0.1	90.00	5.0	121,629	120.19	137	—
3	Exceeding 0.25 to 0.50 or less	13,317	—	—	13,317	0.41	0.0	90.00	5.0	26,820	201.39	49	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	1,977	—	—	1,977	1.13	0.0	90.00	5.0	5,285	267.26	20	—
6	Exceeding 2.50 to 10.00 or less	1,711	—	—	1,711	5.55	0.0	90.00	5.0	7,370	430.56	85	—
7	Exceeding 10.00 to 100.00 or less	498	—	—	498	15.83	0.0	90.00	5.0	3,402	682.49	71	—
8	100.00 (default)	38	—	—	38	100.00	0.0	90.00	5.0	436	1,125.00	34	—
9	Subtotal	648,616	—	—	648,616	0.10	0.3	90.00	5.0	695,386	107.21	636	—
Debt purchased for corporate (Default risk)													
1	0.00 to 0.15 or less	5,032,704	85,300	1.00	5,128,463	0.00	0.0	45.00	1.0	37,308	0.72	59	—
2	Exceeding 0.15 to 0.25 or less	93,369	10,848	0.92	97,672	0.21	0.0	45.00	3.7	55,474	56.79	92	—
3	Exceeding 0.25 to 0.50 or less	3,703	—	—	3,703	0.28	0.0	45.00	3.8	2,450	66.14	4	—
4	Exceeding 0.50 to 0.75 or less	34,599	—	—	42,018	0.63	0.0	45.00	3.8	40,846	97.21	119	—
5	Exceeding 0.75 to 2.50 or less	21,485	—	—	12,655	1.04	0.0	45.00	2.8	12,124	95.80	59	—
6	Exceeding 2.50 to 10.00 or less	19,564	—	—	16,211	3.49	0.0	45.00	5.0	28,020	172.83	254	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	5,205,427	96,148	0.99	5,300,725	0.02	0.0	45.00	1.1	176,225	3.32	589	—
Debt purchased for corporate (Dilution risk)													
1	0.00 to 0.15 or less	—	—	—	8,652	0.01	0.0	45.00	1.0	237	2.74	0	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	743	0.15	0.0	45.00	1.0	184	24.77	0	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	9,395	0.02	0.0	45.00	1.0	421	4.48	0	—
Loan participation (corporate) (Default risk of seller)													
1	0.00 to 0.15 or less	—	—	—	39,599	0.02	0.0	45.00	2.8	3,312	8.36	4	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	39,599	0.02	0.0	45.00	2.8	3,312	8.36	4	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Debt purchased for retail													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Retail exposure secured by residential properties													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	1,878,791	1.00	1,878,791	0.28	93.3	35.80	—	345,891	18.41	1,883	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	137,913	—	—	137,913	0.76	10.2	68.70	—	98,733	71.59	720	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	1,156	5,709	1.00	6,866	19.65	0.4	41.34	—	15,942	232.18	576	—
8	100.00 (default)	1,595	1,049	1.00	2,644	100.00	0.3	108.27	—	5,013	189.61	2,462	—
9	Subtotal	140,665	1,885,550	1.00	2,026,216	0.50	104.3	38.15	—	465,581	22.97	5,641	620
Other retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	286	2,678	1.00	2,964	0.26	3.6	90.92	—	1,300	43.85	7	—
4	Exceeding 0.50 to 0.75 or less	42,776	—	—	42,776	0.67	1.6	59.27	—	21,348	49.90	169	—
5	Exceeding 0.75 to 2.50 or less	941	3,810	1.00	4,751	2.13	2.6	99.18	—	6,165	129.75	100	—
6	Exceeding 2.50 to 10.00 or less	—	7	1.00	7	9.82	0.0	90.92	—	11	151.74	0	—
7	Exceeding 10.00 to 100.00 or less	256	—	1.00	256	22.13	0.0	59.34	—	353	137.68	33	—
8	100.00 (default)	1,038	23	1.00	1,062	100.00	0.1	104.49	—	1,794	168.91	966	—
9	Subtotal	45,299	6,520	1.00	51,819	2.92	8.0	65.67	—	30,974	59.77	1,278	356
Total		69,156,691	3,578,908	0.77	72,070,767	0.08	114.8	45.20	2.6	6,102,224	8.46	29,332	1,589

CR6: IRB – Credit risk exposures by portfolio and PD range

■ Advanced Internal Ratings-Based Approach (A-IRB)

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a Original on-balance sheet gross exposure	b Off-balance sheet exposures pre CCF	c Average CCF	d EAD post CRM and post-CCF	e Average PD	f Number of obligors	g Average LGD	h Average maturity	i RWA	j RWA density	k EL	l Provisions
Sovereign exposure													
1	0.00 to 0.15 or less	—	—	—	14,486	0.04	0.0	30.28	3.3	1,745	12.04	1	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	14,486	0.04	0.0	30.28	3.3	1,745	12.04	1	—
Bank exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Corporate exposure (excluding SMEs exposure and specialized lending)													
1	0.00 to 0.15 or less	253,983	3,100	0.50	261,776	0.05	0.0	29.02	3.9	46,814	17.88	37	—
2	Exceeding 0.15 to 0.25 or less	74,573	9,986	0.56	81,873	0.16	0.0	28.66	2.8	21,924	26.77	38	—
3	Exceeding 0.25 to 0.50 or less	27,082	7,150	0.71	33,401	0.42	0.0	28.01	2.5	13,410	40.15	39	—
4	Exceeding 0.50 to 0.75 or less	5,310	—	—	4,220	0.63	0.0	18.10	3.8	1,591	37.70	4	—
5	Exceeding 0.75 to 2.50 or less	51,592	2,226	0.72	53,645	1.27	0.1	27.92	3.0	35,019	65.27	192	—
6	Exceeding 2.50 to 10.00 or less	62,100	6,221	0.91	64,218	4.80	0.1	28.98	3.8	68,016	105.91	893	—
7	Exceeding 10.00 to 100.00 or less	11,823	2,613	0.80	11,846	15.83	0.0	28.33	3.3	17,391	146.80	531	—
8	100.00 (default)	7,687	3,278	0.94	10,686	100.00	0.0	25.23	1.4	—	0.00	2,696	—
9	Subtotal	494,154	34,576	0.71	521,669	3.21	0.5	28.60	3.4	204,168	39.13	4,434	4,640
SMEs exposure													
1	0.00 to 0.15 or less	6,151	—	—	5,251	0.05	0.0	30.35	4.3	991	18.88	0	—
2	Exceeding 0.15 to 0.25 or less	28,627	2,288	0.75	27,171	0.17	0.0	26.25	3.8	6,808	25.05	12	—
3	Exceeding 0.25 to 0.50 or less	5,930	3,252	0.13	6,149	0.42	0.0	29.63	2.9	2,501	40.67	7	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	22,526	1,027	0.96	24,078	1.51	0.2	27.39	2.8	13,870	57.60	100	—
6	Exceeding 2.50 to 10.00 or less	31,203	2,461	0.91	30,447	4.80	0.3	29.77	2.4	23,942	78.63	435	—
7	Exceeding 10.00 to 100.00 or less	28,099	2,618	0.98	25,027	15.84	0.3	29.76	2.1	30,645	122.45	1,179	—
8	100.00 (default)	22,206	725	1.00	18,183	100.00	0.1	28.35	2.1	—	0.00	5,156	—
9	Subtotal	144,744	12,374	0.70	136,308	17.64	1.1	28.47	2.8	78,761	57.78	6,892	10,213
Specialized lending exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Debt purchased for corporate (Default risk)													
1	0.00 to 0.15 or less	0	26,556	1.00	26,556	0.05	0.0	30.35	2.4	3,456	13.01	4	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	0	26,556	1.00	26,556	0.05	0.0	30.35	2.4	3,456	13.01	4	—
Debt purchased for corporate (Dilution risk)													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Loan participation (corporate) (Default risk of seller)													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Debt purchased for retail													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Retail exposure secured by residential properties													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Other retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Total		638,899	73,507	0.81	699,021	5.84	1.7	28.68	3.3	288,131	41.21	11,333	14,853

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Sovereign exposure													
1	0.00 to 0.15 or less	—	—	—	1,425	0.05	0.0	30.35	4.6	331	23.27	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	1,425	0.05	0.0	30.35	4.6	331	23.27	—	—
Bank exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporate exposure (excluding SMEs exposure and specialized lending)													
1	0.00 to 0.15 or less	191,907	100	0.75	193,268	0.05	0.0	29.77	3.6	33,267	17.21	28	
2	Exceeding 0.15 to 0.25 or less	93,478	10,238	0.52	102,548	0.15	0.0	29.12	3.2	29,488	28.75	45	
3	Exceeding 0.25 to 0.50 or less	44,272	6,868	0.66	49,536	0.42	0.0	28.04	2.9	21,358	43.11	58	
4	Exceeding 0.50 to 0.75 or less	5,285	—	—	4,240	0.63	0.0	19.00	4.3	1,785	42.11	5	
5	Exceeding 0.75 to 2.50 or less	65,902	5,450	0.81	72,101	1.28	0.1	27.84	2.9	46,536	64.54	260	
6	Exceeding 2.50 to 10.00 or less	20,850	5,229	0.89	21,402	4.80	0.1	26.26	2.3	18,245	85.24	269	
7	Exceeding 10.00 to 100.00 or less	16,497	4,201	0.91	17,198	15.82	0.0	27.95	2.7	24,358	141.62	760	
8	100.00 (default)	6,081	—	—	5,487	100.00	0.0	27.21	1.2	—	0.00	1,493	
9	Subtotal	444,275	32,087	0.71	465,784	2.28	0.5	28.79	3.2	175,040	37.57	2,922	3,256
SMEs exposure													
1	0.00 to 0.15 or less	2,950	—	—	23,079	0.04	0.0	29.20	4.0	3,737	16.19	3	
2	Exceeding 0.15 to 0.25 or less	14,852	5,775	0.74	10,506	0.17	0.0	25.77	4.5	3,130	29.79	4	
3	Exceeding 0.25 to 0.50 or less	3,949	429	0.30	4,109	0.42	0.0	29.26	3.3	1,660	40.42	5	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	23,397	4,049	0.36	25,458	1.49	0.2	27.89	2.5	14,115	55.44	106	
6	Exceeding 2.50 to 10.00 or less	31,399	2,238	0.99	30,812	4.80	0.3	28.99	2.1	23,047	74.79	428	
7	Exceeding 10.00 to 100.00 or less	22,312	3,000	0.78	20,196	15.84	0.3	29.50	2.3	24,364	120.63	943	
8	100.00 (default)	20,261	661	1.00	16,121	100.00	0.1	29.40	2.4	—	0.00	4,741	
9	Subtotal	119,123	16,154	0.69	130,283	16.29	1.1	28.69	2.8	70,056	53.77	6,233	9,987
Specialized lending exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Debt purchased for corporate (Default risk)													
1	0.00 to 0.15 or less	—	28,556	1.00	28,556	0.05	0.0	30.35	3.0	4,343	15.21	4	
2	Exceeding 0.15 to 0.25 or less	—	2,400	1.00	2,400	0.15	0.0	30.35	1.0	400	16.70	1	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	30,956	1.00	30,956	0.05	0.0	30.35	2.8	4,744	15.32	5	—
Debt purchased for corporate (Dilution risk)													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g	h	i	j	k	l
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Loan participation (corporate) (Default risk of seller)													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Debt purchased for retail													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Retail exposure secured by residential properties													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Other retail exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—
Total		563,399	79,198	0.82	628,450	5.07	1.6	28.85	3.1	250,173	39.80	9,161	13,243

CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques

(Millions of Yen)

No.	Portfolio	As of March 31, 2021		As of March 31, 2020	
		a	b	a	b
		Pre-credit derivatives RWA	Actual RWA	Pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	—	—	—	—
2	Sovereign – AIRB	—	—	—	—
3	Banks – FIRB	—	—	—	—
4	Banks – AIRB	—	—	—	—
5	Corporate – FIRB	—	—	—	—
6	Corporate – AIRB	—	—	—	—
7	Specialised lending – FIRB	—	—	—	—
8	Specialised lending – AIRB	—	—	—	—
9	Retail – qualifying revolving (QRRE)	—	—	—	—
10	Retail – residential mortgage exposures	—	—	—	—
11	Other retail exposures	—	—	—	—
12	Equity – FIRB	—	—	—	—
13	Equity – AIRB	—	—	—	—
14	Purchased receivables – FIRB	—	—	—	—
15	Purchased receivables – AIRB	—	—	—	—
16	Total	—	—	—	—

Note: Because the Bank did not use credit derivatives as credit risk mitigation techniques as of March 31, 2021 and 2020, credit derivatives are not shown in these statements.

CR8: RWA flow statements of credit risk exposures under IRB

(Millions of Yen)

No.		As of March 31, 2021	As of March 31, 2020
		RWA amounts	RWA amounts
1	RWA as at end of previous reporting period	7,653,521	5,628,859
2	Changes in the amounts per factor during the fiscal year	Asset size	1,099,653
3		Asset quality	(241,708)
4		Model updates	0
5		Methodology and policy	0
6		Acquisitions and disposals	0
7		Foreign exchange movements	178,574
8		Other	0
9		RWA as at end of reporting period	8,690,040

Note: Methodology and policy in fiscal 2019 corresponds to the amount of variation in RWA arising from methodological changes in calculations driven by the early application of a portion of the finalizing Basel III.

CR9: IRB – Backtesting of probability of default (PD) per portfolio

Fiscal 2020 (Ended March 31, 2021)

(% , the Number of Items)

a	b	c					d	e	f		g	h	i
		External rating equivalent							Number of obligors				
Portfolio	PD Range	S&P	Moody's	Fitch	R&I	JCR	Weighted average PD	Arithmetic average PD by obligors	End of previous period	End of current period	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate (5 years)
Sovereign exposure	1-1 to 2	AAA—A-	Aaa—A3	AAA—A-	AAA—A-	AAA—A-	0.00%	0.00%	104	113	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.12%	0.18%	19	20	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	0.86%	0.86%	4	3	0	0	0.00%
	7	B+	B1	B+	B+	B+	5.90%	5.90%	1	1	0	0	0.00%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	9.88%	9.88%	2	3	0	0	0.00%
Bank exposure	1-1 to 2	AAA—A-	Aaa—A3	AAA—A-	AAA—A-	AAA—A-	0.05%	0.05%	164	164	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.09%	0.25%	83	185	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.16%	1.54%	103	13	0	0	0.00%
	7	B+	B1	B+	B+	B+	4.95%	4.95%	21	4	0	0	0.00%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	8.94%	8.94%	6	3	0	0	0.00%
Corporate exposure	1-1 to 2	AAA—A-	Aaa—A3	AAA—A-	AAA—A-	AAA—A-	0.05%	0.06%	558	589	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.21%	0.25%	1,032	1,104	1	0	0.04%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.23%	1.48%	755	643	8	0	0.25%
	7	B+	B1	B+	B+	B+	4.55%	4.78%	613	701	4	0	0.77%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	15.71%	15.82%	423	458	12	2	4.95%
Retail exposure	Standard loans						0.32%	0.39%	111,567	121,232	204	0	0.08%
	Delinquent loans						19.73%	20.82%	440	440	63	0	9.78%

Notes: 1. Although most tallied data are about consolidated assets, in principle, as to the “Number of obligors,” “Defaulted obligors in the year” and “Average historical annual default rate (5 years)” of corporate, sovereign and bank exposure, only non-consolidated data are tallied, taking into account that the PDs are estimated mainly for the group of obligors of the Bank as a non-consolidated entity and a majority of such obligors are borrowers of the Bank alone on a non-consolidated basis.

2. Although the Bank has applied the Advanced Internal Ratings-Based Approach (A-IRB) to corporate, sovereign and bank exposure, beginning with the standard capital adequacy ratio calculation as of March 31, 2017, because the average PD and the average historical annual default rates, which are subject to back-testing, were calculated including the data prior to the transition to the A-IRB, the sum of the investment funds under the A-IRB and those under the Foundation Internal Ratings-Based Approach (F-IRB) were tallied and disclosed.

3. Back-testing is not applied to Specialized Lending Products because the slotting criteria method is adopted for them. Moreover, the data on equity exposure and debt purchased for corporate, for which the PD/LGD approaches are applied, are not tallied for each classification because the number of defaults is recognized in one of the above categories in case default occurs.

4. Retail exposure, the balance of which is insignificant against total assets, is disclosed as a whole in a single portfolio category.

5. Because related back-testing is conducted and tallied using the PD values used to calculate the capital adequacy ratio for estimation and validation, with the “previous year-end” for corporate, sovereign and bank exposure being September 30, 2019, and the “current year-end” as September 30, 2020, and with the “previous year-end” for retail exposure being the end of a reference month on an exposure pool basis in estimation and validation for 2019 and the “current year-end” being the end of the same reference month for 2020, the “Number of obligors” and “Defaulted obligors in the year” were tallied. Also, the “Weighted-average PD” and “Arithmetic average PD by obligors” are calculated, considering the purpose of this disclosure, using the PD values that were applied to compute the risk-weighted asset data used to calculate the capital adequacy ratio as of the reference date of March 31, 2021.

6. Concerning the “Average historical annual default rate (5 years),” the five-year average value is computed with the reference date of September 30 of each year for corporate exposure, and that for retail exposure with the reference date being the end of the reference month of each exposure pool for estimation and validation, using the internal past default data.

7. For retail exposure, calculation was conducted not by obligor but also by loan.

■ Establishment of the Debtor Rating System and Categories for Estimating PDs Related to Corporate, Sovereign and Bank Exposure

Portfolio	Evaluation methods for assigning debtor ratings	Category for estimating PDs	Ratio to the entire credit RWA
Sovereign exposure	Internal development methods Methods to refer to credit ratings by external agencies	Sovereign	0.31%
Bank exposure	Internal development methods Methods to refer to credit ratings by external agencies	Bank	2.71%
Corporate exposure (excluding Specialized Lending Products)	Internal development methods Methods to refer to credit ratings by external agencies Credit rating agencies estimating models approach	Resident corporate Non-resident corporate	11.15%
Specialized Lending Products	Internal development methods	Not applicable because the slotting criteria method is applied	4.31%
Equity Exposure to the PD/LGD Approaches are applied	Internal development methods Methods to refer to credit ratings by external agencies	Categorized as resident corporate, non-resident corporate, bank or sovereign	2.55%
Other debt purchased for corporate, sovereign and bank exposure	Internal development methods Methods to refer to credit ratings by external agencies	Categorized as resident corporate, non-resident corporate, bank or sovereign	0.43%

Note: The "Category for estimating PDs" are Resident corporate, Non-resident corporate, Bank and Sovereign under the Debtor Rating System. PDs are assigned corresponding to the debtor rankings in each category.

■ Remarks on the Evaluation Methods for Assigning Ratings to Corporate, Sovereign and Bank Exposure

Evaluation methods	Overview of the evaluation methods	Method to allocate exposures to the evaluation methods to be applied
Internal development methods	Evaluation method combining quantitative and qualitative methods, in principle, using a quantitative model	<ol style="list-style-type: none"> 1. Allocation of ratings based on the quantitative financial information and qualitative information available via transactions mainly with credit risk in financing, etc. 2. Allocation of ratings to debtors of which evaluation by the internal development method is possible because there is a sufficient level of quality and quantity of information obtained from disclosure data and fund managers in case of investing in specific bonds and loans mainly with credit risk (including fund and other indirect investments)
Methods to refer to credit ratings by external agencies	Evaluation methods utilizing mainly S&P or Moody's credit rating information	<p>Allocation of ratings to debtors of which rating information from external credit rating agencies is available. Provided, however, the use of this method shall be limited to either of the following.</p> <ol style="list-style-type: none"> 1. In case of investing in bonds or loans mainly with market risks such as price volatility and interest risk (including fund and other indirect investments) 2. In case of investing in credit risk-born funds, etc., with inferior quality and quantity of information on the investment targets constituting the fund available from disclosure data and fund managers compared to the information obtained on debtors to whom the Bank's internal development method is applied, thereby the alternative use of rating information from external credit rating agencies as major information rather than the use of the internal development method being judged to be more appropriate
Credit rating agencies estimating models approach	Evaluation method utilizing quantitative evaluation by a vendor model for estimating the external rating as major information	<p>In case of investing in specific bonds and loans (including investment types commissioned to external firms) mainly with credit risk and allotment of ratings to debtors who satisfy both of the following:</p> <ol style="list-style-type: none"> 1. In case it is impossible to obtain rating information by external credit rating agencies 2. In case the quality and quantity of information available from disclosure data and fund managers is inferior compared to that of debtors to whom internal development methods are applied, thereby the alternative use of quantitative evaluation by a vendor model of estimating external rating as major information rather than the use of internal development methods being judged to be more appropriate

■ Establishment of Pools Related to Retail Exposure

Portfolio	Pools		Ratio to the entire RWA
	Non-consolidated	Consolidated subsidiaries	
Retail exposure secured by residential properties	Cooperative mortgage loan	Mortgage loan that is not backed by a loan guarantee company, JA Bank mortgage loan guarantee	1.69%
Qualifying revolving retail exposure	—	—	—
Other debt purchased (retail)	Purchased mortgage loans, purchased personal loans	Purchased retail receivables	0.00%
Other retail exposure	Agricultural funds for individual agricultural business operators, forestry funds for individual forestry business operators, fishery funds for individual fishery business operators, educational loans in trust	Business loans not backed by a loan guarantee company, non-businesses loans not backed by a loan guarantee company, JA Bank unsecured loan guarantee	0.06%

■ Remarks on the Scope of Application of Retail Exposure Pools

Portfolio	Method to apply exposure pools
Retail exposure secured by residential properties	Credit of an individual who resides on the real estate owned by the Bank
Qualifying revolving retail exposures	Exposures with all the characteristics listed below 1. Exposure with the debt balance changeable depending on the debtor's arbitrary judgments within the upper limit stipulated in the contract, with no collateral, and no contract regarding the maintenance of credit lines, thereby allowing the Bank to cancel without cause 2. Exposure to individual person-related risks 3. The upper limit of the balance for an individual is ¥10 million or lower. 4. Low volatility in the loss ratio of low-PD exposures in the portfolio to which the exposure belongs 5. It is possible to verify the volatility rate using the loss ratio data of the exposure.
Other debt purchased (retail)	Loans for individuals purchased from outside the consolidated group of the Bank
Other retail exposure	Non-business loans for individuals that are not categorized in the above loans for individuals (e.g., educational funds, auto loans and funds for living) or business loans mainly by credit guarantee associations in the amount of less than ¥100 million after subtracting the portion of the guarantee

Fiscal 2019 (Ended March 31, 2020)

(% the Number of Items)

a	b	c					d	e	f		g	h	i
		External rating equivalent							Number of obligors	End of previous period			
Portfolio	PD Range	S&P	Moody's	Fitch	R&I	JCR	Weighted average PD	Arithmetic average PD by obligors			Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate (5 years)
Sovereign exposure	1-1 to 2	AAA-A-	Aaa-A3	AAA-A-	AAA-A-	AAA-A-	0.00%	0.00%	94	103	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.07%	0.13%	21	19	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	0.86%	0.86%	2	3	0	0	0.00%
	7	B+	B1	B+	B+	B+	5.90%	5.90%	1	1	0	0	0.00%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	9.88%	9.88%	1	2	0	0	0.00%
Bank exposure	1-1 to 2	AAA-A-	Aaa-A3	AAA-A-	AAA-A-	AAA-A-	0.03%	0.03%	162	159	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.08%	0.18%	103	87	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.60%	1.66%	112	104	0	0	0.00%
	7	B+	B1	B+	B+	B+	4.95%	4.95%	19	21	0	0	0.00%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	8.94%	8.94%	4	6	0	0	0.00%
Corporate exposure	1-1 to 2	AAA-A-	Aaa-A3	AAA-A-	AAA-A-	AAA-A-	0.05%	0.05%	532	545	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.22%	0.25%	962	1,021	0	0	0.02%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.18%	1.42%	702	751	1	0	0.03%
	7	B+	B1	B+	B+	B+	4.59%	4.78%	613	607	5	0	1.04%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	15.83%	15.83%	405	420	36	0	5.53%
Retail exposure	Standard loans						0.35%	0.44%	97,941	111,567	76	0	0.08%
	Delinquent loans						21.10%	25.65%	364	440	59	0	8.90%

Notes: 1. Although most tallied data are about consolidated assets, in principle, as to the “Number of obligors,” “Defaulted obligors in the year” and “Average historical annual default rate (5 years)” of corporate, sovereign and bank exposure, only non-consolidated data are tallied, taking into account that the PDs are estimated mainly for the group of obligors of the Bank as a non-consolidated entity and a majority of such obligors are borrowers of the Bank alone on a non-consolidated basis.

2. Although the Bank has applied the Advanced Internal Ratings-Based Approach (A-IRB) to corporate, sovereign and bank exposure, beginning with the standard capital adequacy ratio calculation as of March 31, 2017, because the average PD and the average historical annual default rates, which are subject to back-testing, were calculated including the data prior to the transition to the A-IRB, the sum of the investment funds under the A-IRB and those under the Foundation Internal Ratings-Based Approach (F-IRB) were tallied and disclosed.

3. Back-testing is not applied to Specialized Lending Products because the slotting criteria method is adopted for them. Moreover, the data on equity exposure and debt purchased for corporate, for which the PD/LGD approaches are applied, are not tallied for each classification because the number of defaults is recognized in one of the above categories in case default occurs.

4. Retail exposure, the balance of which is insignificant against total assets, is disclosed as a whole in a single portfolio category.

5. Because related back-testing is conducted and tallied using the PD values used to calculate the capital adequacy ratio for estimation and validation, with the “previous year-end” for corporate, sovereign and bank exposure being September 30, 2018, and the “current year-end” as September 30, 2019, and with the “previous year-end” for retail exposure being the end of a reference month on an exposure pool basis in estimation and validation for 2018 and the “current year-end” being the end of the same reference month for 2019, the “Number of obligors” and “Defaulted obligors in the year” were tallied. Also, the “Weighted-average PD” and “Arithmetic average PD by obligors” are calculated, considering the purpose of this disclosure, using the PD values that were applied to compute the risk-weighted asset data used to calculate the capital adequacy ratio as of the reference date of March 31, 2020.

6. Concerning the “Average historical annual default rate (5 years),” the five-year average value is computed with the reference date of September 30 of each year for corporate exposure, and that for retail exposure with the reference date being the end of the reference month of each exposure pool for estimation and validation, using the internal past default data.

7. For retail exposure, calculation was conducted not by obligor but also by loan.

■ Establishment of the Debtor Rating System and Categories for Estimating PDs Related to Corporate, Sovereign and Bank Exposure

Portfolio	Evaluation methods for assigning debtor ratings	Category for estimating PDs	Ratio to the entire credit RWA
Sovereign exposure	Internal development methods Methods to refer to credit ratings by external agencies	Sovereign	0.56%
Bank exposure	Internal development methods Methods to refer to credit ratings by external agencies	Bank	2.88%
Corporate exposure (excluding Specialized Lending Products)	Internal development methods Methods to refer to credit ratings by external agencies Credit rating agencies estimating models approach	Resident corporate Non-resident corporate	10.68%
Specialized Lending Products	Internal development methods	Not applicable because the slotting criteria method is applied	3.70%
Equity Exposure to the PD/LGD Approaches are applied	Internal development methods Methods to refer to credit ratings by external agencies	Categorized as resident corporate, non-resident corporate, bank or sovereign	1.97%
Other debt purchased for corporate, sovereign and bank exposure	Internal development methods Methods to refer to credit ratings by external agencies	Categorized as resident corporate, non-resident corporate, bank or sovereign	0.52%

Note: The "Category for estimating PDs" are Resident corporate, Non-resident corporate, Bank and Sovereign under the Debtor Rating System. PDs are assigned corresponding to the debtor rankings in each category.

■ Remarks on the Evaluation Methods for Assigning Ratings to Corporate, Sovereign and Bank Exposure

Evaluation methods	Overview of the evaluation methods	Method to allocate exposures to the evaluation methods to be applied
Internal development methods	Evaluation method combining quantitative and qualitative methods, in principle, using a quantitative model	1. Allocation of ratings based on the quantitative financial information and qualitative information available via transactions mainly with credit risk in financing, etc. 2. Allocation of ratings to debtors of which evaluation by the internal development method is possible because there is a sufficient level of quality and quantity of information obtained from disclosure data and fund managers in case of investing in specific bonds and loans mainly with credit risk (including fund and other indirect investments)
Methods to refer to credit ratings by external agencies	Evaluation methods utilizing mainly S&P or Moody's credit rating information	Allocation of ratings to debtors of which rating information from external credit rating agencies is available Provided, however, the use of this method shall be limited to either of the following. 1. In case of investing in bonds or loans mainly with market risks such as price volatility and interest risk (including fund and other indirect investments) 2. In case of investing in credit risk-born funds, etc., with inferior quality and quantity of information on the investment targets constituting the fund available from disclosure data and fund managers compared to the information obtained on debtors to whom the Bank's internal development method is applied, thereby the alternative use of rating information from external credit rating agencies as major information rather than the use of the internal development method being judged to be more appropriate
Credit rating agencies estimating models approach	Evaluation method utilizing quantitative evaluation by a vendor model for estimating the external rating as major information	In case of investing in specific bonds and loans (including investment types commissioned to external firms) mainly with credit risk and allotment of ratings to debtors who satisfy both of the following: 1. In case it is impossible to obtain rating information by external credit rating agencies 2. In case the quality and quantity of information available from disclosure data and fund managers is inferior compared to that of debtors to whom internal development methods are applied, thereby the alternative use of quantitative evaluation by a vendor model of estimating external rating as major information rather than the use of internal development methods being judged to be more appropriate

■ Establishment of Pools Related to Retail Exposure

Portfolio	Pools		Ratio to the entire RWA
	Non-consolidated	Consolidated subsidiaries	
Retail exposure secured by residential properties	Cooperative mortgage loan	Mortgage loan that is not backed by a loan guarantee company, JA Bank mortgage loan guarantee	1.32%
Qualifying revolving retail exposure	—	—	—
Other debt purchased (retail)	Purchased mortgage loans, purchased personal loans	Purchased retail receivables	0.00%
Other retail exposure	Agricultural funds for individual agricultural business operators, forestry funds for individual forestry business operators, fishery funds for individual fishery business operators, educational loans in trust	Business loans not backed by a loan guarantee company, non-businesses loans not backed by a loan guarantee company, JA Bank unsecured loan guarantee	0.09%

■ Remarks on the Scope of Application of Retail Exposure Pools

Portfolio	Method to apply exposure pools
Retail exposure secured by residential properties	Credit of an individual who resides on the real estate owned by the Bank
Qualifying revolving retail exposures	Exposures with all the characteristics listed below 1. Exposure with the debt balance changeable depending on the debtor's arbitrary judgments within the upper limit stipulated in the contract, with no collateral, and no contract regarding the maintenance of credit lines, thereby allowing the Bank to cancel without cause 2. Exposure to individual person-related risks 3. The upper limit of the balance for an individual is ¥10 million or lower. 4. Low volatility in the loss ratio of low-PD exposures in the portfolio to which the exposure belongs 5. It is possible to verify the volatility rate using the loss ratio data of the exposure.
Other debt purchased (retail)	Loans for individuals purchased from outside the consolidated group of the Bank
Other retail exposure	Non-business loans for individuals that are not categorized in the above loans for individuals (e.g., educational funds, auto loans and funds for living) or business loans mainly by credit guarantee associations in the amount of less than ¥100 million after subtracting the portion of the guarantee

CR10: IRB (specialised lending and equities under the simple risk-weight method)

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %)

a	b	c	d	e	f	g	h	i	j	k	l	
Specialized Lending Products (supervisory slotting criteria)												
Other than Lending for High-Volatility Commercial Real Estate (HVCRE)												
Regulatory categories	Residual contractual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount (EAD)					RWA	Expected losses	
					PF	OF	CF	IPRE	Total			
Strong	Less than 2.5 years	113,811	50,765	50%	118,758	—	—	33,127	151,885	75,942	—	
	Equal to or more than 2.5 years	1,027,213	104,617	70%	946,191	41,209	—	74,960	1,062,361	743,652	4,249	
Good	Less than 2.5 years	52,463	26,683	70%	66,925	—	—	—	66,925	46,847	267	
	Equal to or more than 2.5 years	388,573	96,011	90%	378,146	—	—	35,803	413,949	372,554	3,311	
Satisfactory		24,310	—	115%	24,310	—	—	—	24,310	27,956	680	
Weak		139,203	961	250%	19,504	112,803	—	5,612	137,920	344,800	11,033	
Default		3,723	—	—	—	6,027	—	—	6,027	—	3,013	
Total		1,749,299	279,038	—	1,553,835	160,039	—	149,503	1,863,379	1,611,755	22,556	
High-Volatility Commercial Real Estate (HVCRE)												
Regulatory categories	Residual contractual maturity	On-balance sheet amount	Off-balance sheet amount	RW						Exposure amount (EAD)	RWA	Expected losses
Strong	Less than 2.5 years	—	—	70%						—	—	—
	Equal to or more than 2.5 years	—	—	95%						—	—	—
Good	Less than 2.5 years	—	—	95%						—	—	—
	Equal to or more than 2.5 years	—	—	120%						—	—	—
Satisfactory		—	—	140%						—	—	—
Weak		—	—	250%						—	—	—
Default		—	—	—						—	—	—
Total		—	—	—						—	—	—
Equity Exposure (Method of the Market-Based Approach)												
Equity Exposure to which the Market-Based Approach is applied												
Categories	On-balance sheet amount	Off-balance sheet amount	RW						Exposure amount (EAD)	RWA		
Exchange-traded equity exposures	450,216	—	300%						450,216	1,350,649		
Private equity exposures	601,499	66,503	400%						651,377	2,605,510		
Other equity exposures	—	—	—						—	—		
Total	1,051,716	66,503	—						1,101,593	3,956,159		
Equity Exposure to which a risk weight of 100%												
Equity Exposure to which a risk weight of 100% is applied as set forth in the proviso of Notification Regarding Capital Adequacy Ratio, Article 143-1	—	—	100%						—	—		

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %)

a	b	c	d	e	f	g	h	i	j	k	l
Specialized Lending Products (supervisory slotting criteria)											
Other than Lending for High-Volatility Commercial Real Estate (HVCRE)											
Regulatory categories	Residual contractual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount (EAD)					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years	40,915	31,564	50%	62,933	1,591	—	—	64,524	32,262	—
	Equal to or more than 2.5 years	991,805	153,185	70%	866,244	101,883	—	97,477	1,065,605	745,923	4,262
Good	Less than 2.5 years	16,300	55,278	70%	47,823	—	—	—	47,823	33,476	191
	Equal to or more than 2.5 years	334,004	83,295	90%	316,442	14,066	—	24,807	355,316	319,784	2,842
Satisfactory		62,723	—	115%	23,236	39,487	—	—	62,723	72,132	1,756
Weak		40,460	941	250%	30,578	5,439	—	3,000	39,017	97,544	3,121
Default		—	—	—	—	—	—	—	—	—	—
Total		1,486,210	324,265	—	1,347,257	162,468	—	125,284	1,635,010	1,301,123	12,173

High-Volatility Commercial Real Estate (HVCRE)

Regulatory categories	Residual contractual maturity	On-balance sheet amount	Off-balance sheet amount	RW		Exposure amount (EAD)	RWA	Expected losses
Strong	Less than 2.5 years	—	—	70%		—	—	—
	Equal to or more than 2.5 years	—	—	95%		—	—	—
Good	Less than 2.5 years	—	—	95%		—	—	—
	Equal to or more than 2.5 years	—	—	120%		—	—	—
Satisfactory		—	—	140%		—	—	—
Weak		—	—	250%		—	—	—
Default		—	—	—		—	—	—
Total		—	—	—		—	—	—

Equity Exposure (Method of the Market-Based Approach)

Equity Exposure to which the Market-Based Approach is applied

Categories	On-balance sheet amount	Off-balance sheet amount	RW		Exposure amount (EAD)	RWA	
Exchange-traded equity exposures	356,304	—	300%		356,304	1,068,913	
Private equity exposures	590,024	81,918	400%		651,463	2,605,853	
Other equity exposures	—	—	0%		—	—	
Total	946,328	81,918	0%		1,007,767	3,674,767	

Equity Exposure to which a risk weight of 100%

Equity Exposure to which a risk weight of 100% is applied as set forth in the proviso of Notification Regarding Capital Adequacy Ratio, Article 143-1	—	—	100%		—	—	
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CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	12,664	163,479	—	1.4	246,602	56,728
2	Expected positive exposure method	—	—	—	—	—	—
3	Simple Approach for credit risk mitigation	—	—	—	—	—	—
4	Comprehensive Approach for credit risk mitigation	—	—	—	—	13,101,059	121,727
5	VaR	—	—	—	—	—	—
6	Total	—	—	—	—	—	178,455

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	137,675	245,481		1.4	560,463	112,547
2	Expected positive exposure method			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					18,498,060	186,494
5	VaR					—	—
6	Total						299,041

CCR2: Credit valuation adjustment (CVA) capital charge

(Millions of Yen)

No.		As of March 31, 2021		As of March 31, 2020	
		a	b	a	b
		EAD post-CRM	RWA	EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	—	—	—	—
2	(i) VaR component (including the 3×multiplier)		—		—
3	(ii) Stressed VaR component (including the 3×multiplier)		—		—
4	All portfolios subject to the Standardized CVA capital charge	232,631	63,383	511,975	111,084
5	Total subject to the CVA capital charge	232,631	63,383	511,975	111,084

CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.	Items	Risk weight	a	b	c	d	e	f	g	h	i	
			Amount of Credit Exposure (Consideration the effect of credit risk mitigation techniques)									
			0%	10%	20%	50%	75%	100%	150%	Others	Total	
1	Japanese government and the Bank of Japan		—	—	—	—	—	—	—	—	—	
2	Foreign central government and their central banks		—	—	—	—	—	—	—	—	—	
3	Bank for International Settlements		—	—	—	—	—	—	—	—	—	
4	Japanese regional municipal bodies		—	—	—	—	—	—	—	—	—	
5	Non-central government public sector entities		—	—	—	—	—	—	—	—	—	
6	Multilateral Development Bank		—	—	—	—	—	—	—	—	—	
7	Japan Finance Organization for Municipalities		—	—	—	—	—	—	—	—	—	
8	Japanese government institutions		—	—	—	—	—	—	—	—	—	
9	Regional third-sector company		—	—	—	—	—	—	—	—	—	
10	Banks and securities firms		—	—	—	—	—	—	—	—	—	
11	Corporates		—	—	—	—	—	—	—	—	—	
12	SMEs and individuals		—	—	—	—	—	—	—	—	—	
13	Other than above		—	—	—	—	—	—	—	—	—	
14	Total		—	—	—	—	—	—	—	—	—	

Note: The Bank had no counterparty credit risk exposure subject to the Standardized Approach as of March 31, 2021.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.	Items	Risk weight	a	b	c	d	e	f	g	h	i
			Amount of Credit Exposure (Consideration the effect of credit risk mitigation techniques)								
			0%	10%	20%	50%	75%	100%	150%	Others	Total
1	Japanese government and the Bank of Japan		—	—	—	—	—	—	—	—	—
2	Foreign central government and their central banks		—	—	—	—	—	—	—	—	—
3	Bank for International Settlements		—	—	—	—	—	—	—	—	—
4	Japanese regional municipal bodies		—	—	—	—	—	—	—	—	—
5	Non-central government public sector entities		—	—	—	—	—	—	—	—	—
6	Multilateral Development Bank		—	—	—	—	—	—	—	—	—
7	Japan Finance Organization for Municipalities		—	—	—	—	—	—	—	—	—
8	Japanese government institutions		—	—	—	—	—	—	—	—	—
9	Regional third-sector company		—	—	—	—	—	—	—	—	—
10	Banks and securities firms		—	—	—	—	—	—	—	—	—
11	Corporates		—	—	—	—	—	—	—	—	—
12	SMEs and individuals		—	—	—	—	—	—	—	—	—
13	Other than above		—	—	—	—	—	—	—	—	—
14	Total		—	—	—	—	—	—	—	—	—

Note: The Bank had no counterparty credit risk exposure subject to the Standardized Approach as of March 31, 2020.

CCR4: IRB – CCR exposures by portfolio and PD scale

■ Foundation Internal Ratings-Based Approach (F-IRB)

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
Sovereign exposure								
1	0.00 to 0.15 or less	2,610,257	0.00	0.0	45.00	1.0	—	0.00
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	2,610,257	0.00	0.0	45.00	1.0	—	0.00
Bank exposure								
1	0.00 to 0.15 or less	9,338,645	0.05	0.0	4.92	0.1	170,755	1.82
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	9,338,645	0.05	0.0	4.92	0.1	170,755	1.82
Corporate exposure (excluding SMEs exposure and specialized lending)								
1	0.00 to 0.15 or less	1,395,633	0.05	0.0	0.13	0.1	5,620	0.40
2	Exceeding 0.15 to 0.25 or less	1,261	0.15	0.0	45.00	3.2	555	44.04
3	Exceeding 0.25 to 0.50 or less	1,558	0.42	0.0	45.00	4.9	1,435	92.06
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	49	1.10	0.0	45.00	1.6	41	84.40
6	Exceeding 2.50 to 10.00 or less	0	4.80	0.0	45.00	1.0	0	129.84
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	1,398,504	0.05	0.0	0.22	0.1	7,653	0.54
SMEs exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Total		13,347,407	0.04	0.0	12.27	0.3	178,409	1.33

Note: The number of counterparties is less than 100 in each portfolio.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
Sovereign exposure								
1	0.00 to 0.15 or less	2,424,571	0.00	0.0	44.76	0.9	—	0.00
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	2,424,571	0.00	0.0	44.76	0.9	—	0.00
Bank exposure								
1	0.00 to 0.15 or less	15,260,018	0.05	0.0	6.94	0.1	290,509	1.90
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	15,260,018	0.05	0.0	6.94	0.1	290,509	1.90
Corporate exposure (excluding SMEs exposure and specialized lending)								
1	0.00 to 0.15 or less	1,369,357	0.05	0.0	2.06	0.1	5,678	0.41
2	Exceeding 0.15 to 0.25 or less	2,312	0.15	0.0	45.00	2.9	961	41.56
3	Exceeding 0.25 to 0.50 or less	1,894	0.42	0.0	45.00	4.9	1,746	92.21
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	64	1.03	0.0	45.00	2.2	58	90.37
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	1,373,629	0.05	0.0	2.19	0.1	8,444	0.61
SMEs exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Total		19,058,219	0.04	0.1	11.41	0.2	298,954	1.56

Note: The number of counterparties is less than 100 in each portfolio.

CCR4: IRB – CCR exposures by portfolio and PD scale

■ Advanced Internal Ratings-Based Approach (A-IRB)

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
Sovereign exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Corporate exposure (excluding SMEs exposure and specialized lending)								
1	0.00 to 0.15 or less	207	0.05	0.0	30.35	3.4	37	17.90
2	Exceeding 0.15 to 0.25 or less	27	0.15	0.0	30.35	1.0	4	17.15
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	235	0.06	0.0	30.35	3.1	41	17.81
SMEs exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	19	0.24	0.0	30.35	1.1	3	19.09
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	19	0.24	0.0	30.35	1.1	3	19.09
Total		255	0.07	0.0	30.35	2.9	45	17.91

Note: The number of counterparties is less than 100 in each portfolio.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %, Thousands, Year)

No.	PD scale	a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
Sovereign exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Bank exposure								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	—	—	—	—	—	—	—
Corporate exposure (excluding SMEs exposure and specialized lending)								
1	0.00 to 0.15 or less	—	—	—	—	—	—	—
2	Exceeding 0.15 to 0.25 or less	220	0.15	0.0	30.35	4.0	74	33.80
3	Exceeding 0.25 to 0.50 or less	1	0.42	0.0	30.35	2.0	0	40.08
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	8	0.83	0.0	30.35	1.0	3	45.44
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	230	0.17	0.0	30.35	3.8	79	34.27
SMEs exposure								
1	0.00 to 0.15 or less	58	0.05	0.0	30.35	1.1	5	9.00
2	Exceeding 0.15 to 0.25 or less	15	0.24	0.0	30.35	1.1	2	19.58
3	Exceeding 0.25 to 0.50 or less	—	—	—	—	—	—	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	—	—	—	—	—	—	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	74	0.08	0.0	30.35	1.1	8	11.16
Total		304	0.15	0.0	30.35	3.2	87	28.65

Note: The number of counterparties is less than 100 in each portfolio.

CCR5: Composition of collateral for CCR exposure**Fiscal 2020 (Ended March 31, 2021)**

(Millions of Yen)

No.		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
Segregated	Unsegregated	Segregated	Unsegregated				
1	Cash – domestic currency	—	908	415,909	723,970	—	6,000
2	Cash – other currencies	—	78	261,514	20,256	21,804,220	2,438,906
3	Domestic sovereign debt	—	—	381,237	—	—	5,252,593
4	Other sovereign debt	—	—	69,727	—	1,786,282	14,504,730
5	Government agency debt	—	—	—	—	—	3,045,310
6	Corporate bonds	—	—	—	—	—	469,345
7	Equity securities	—	—	—	31,983	—	—
8	Other collateral	—	—	—	—	—	2,662,880
9	Total	—	986	1,128,388	776,209	23,590,503	28,379,766

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
Segregated	Unsegregated	Segregated	Unsegregated				
1	Cash – domestic currency	—	129,175	633,166	172,606	—	17,748
2	Cash – other currencies	—	3,669	437,774	31,517	19,607,036	31
3	Domestic sovereign debt	—	—	736,490	—	12,636	6,057,167
4	Other sovereign debt	—	—	65,992	1,111	349	13,388,117
5	Government agency debt	—	—	—	—	—	1,893,475
6	Corporate bonds	—	—	—	—	—	69,381
7	Equity securities	—	—	—	26,902	—	—
8	Other collateral	—	—	—	—	—	2,481,379
9	Total	—	132,844	1,873,422	232,138	19,620,023	23,907,302

CCR6: Credit derivatives exposures

(Millions of Yen)

No.		As of March 31, 2021		As of March 31, 2020	
		a	b	a	b
		Protection bought	Protection sold	Protection bought	Protection sold
	Notionals	—	—	—	—
1	Single-name credit default swaps	—	—	—	—
2	Index credit default swaps	—	—	—	—
3	Total return swaps	—	—	—	—
4	Credit options	—	—	—	—
5	Other credit derivatives	—	—	—	—
6	Total notionals	—	—	—	—
	Fair values	—	—	—	—
7	Positive fair value (asset)	—	—	—	—
8	Negative fair value (liability)	—	—	—	—

Note: The Bank had no amount of credit derivative instruments exposure subject to the tallying on this template as of March 31, 2021 and 2020.

CCR7: RWA flow statements of CCR exposures under Expected Positive Exposure Method

(Millions of Yen)

No.		As of March 31, 2021	As of March 31, 2020
		Amounts	Amounts
1	RWA as at end of previous reporting period	—	—
2	Changes in the amounts of per factor during the fiscal year	Asset size	—
3		Credit quality of counterparties	—
4		Model updates (Expected positive exposure method only)	—
5		Methodology and policy (Expected positive exposure method only)	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	—
8		Other	—
9	RWA as at end of current reporting period	—	—

Note: The Bank had not applied the Expected Positive Exposure Method as of March 31, 2021 and 2020.

CCR8: Exposures to central counterparties

(Millions of Yen)

No.		As of March 31, 2021		As of March 31, 2020	
		a	b	a	b
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		274,412		91,998
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	15,817,066	822	6,650,624	350
3	(i) OTC derivatives	1,003,007	812	1,274,881	350
4	(ii) Exchange-traded derivatives	259	10	—	—
5	(iii) Securities financing transactions	14,813,799	—	5,375,743	—
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	368,016		645,957	
8	Non-segregated initial margin	464,629	—	33,498	—
9	Pre-funded default fund contributions	233,131	273,588	163,598	91,648
10	Unfunded default fund contributions	—	—	—	—
11	Exposures to non-QCCPs (total)		—		—
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—
13	(i) OTC derivatives	—	—	—	—
14	(ii) Exchange-traded derivatives	—	—	—	—
15	(iii) Securities financing transactions	—	—	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
17	Segregated initial margin	—		—	
18	Non-segregated initial margin	—	—	—	—
19	Pre-funded default fund contributions	—	—	—	—
20	Unfunded default fund contributions	—	—	—	—

SEC1: Securitization exposures in the banking book**Fiscal 2020 (Ended March 31, 2021)**

(Millions of Yen)

No.	Types of underlying assets	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	—	—	—	—	—	—	2,328,712	—	2,328,712
2	residential mortgage	—	—	—	—	—	—	1,458,176	—	1,458,176
3	credit card	—	—	—	—	—	—	323,509	—	323,509
4	other retail exposures	—	—	—	—	—	—	547,026	—	547,026
5	re-securitization	—	—	—	—	—	—	0	—	0
6	Wholesale (total) – of which	—	—	—	—	—	—	7,128,253	—	7,128,253
7	loans to corporates	—	—	—	—	—	—	7,006,699	—	7,006,699
8	commercial mortgage	—	—	—	—	—	—	68,400	—	68,400
9	lease and receivables	—	—	—	—	—	—	53,152	—	53,152
10	other wholesale	—	—	—	—	—	—	—	—	—
11	re-securitization	—	—	—	—	—	—	—	—	—

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.	Types of underlying assets	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	—	—	—	—	—	—	2,332,288	—	2,332,288
2	residential mortgage	—	—	—	—	—	—	1,384,208	—	1,384,208
3	credit card	—	—	—	—	—	—	304,532	—	304,532
4	other retail exposures	—	—	—	—	—	—	643,547	—	643,547
5	re-securitization	—	—	—	—	—	—	0	—	0
6	Wholesale (total) – of which	—	—	—	—	—	—	7,942,622	—	7,942,622
7	loans to corporates	—	—	—	—	—	—	7,831,616	—	7,831,616
8	commercial mortgage	—	—	—	—	—	—	66,418	—	66,418
9	lease and receivables	—	—	—	—	—	—	44,586	—	44,586
10	other wholesale	—	—	—	—	—	—	—	—	—
11	re-securitization	—	—	—	—	—	—	—	—	—

SEC2: Securitization exposures in the trading book**Fiscal 2020 (Ended March 31, 2021)**

(Millions of Yen)

No.	Types of underlying assets	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	—	—	—	—	—	—	—	—	—
2	residential mortgage	—	—	—	—	—	—	—	—	—
3	credit card	—	—	—	—	—	—	—	—	—
4	other retail exposures	—	—	—	—	—	—	—	—	—
5	re-securitization	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	—	—	—	—	—	—	—	—	—
7	loans to corporates	—	—	—	—	—	—	—	—	—
8	commercial mortgage	—	—	—	—	—	—	—	—	—
9	lease and receivables	—	—	—	—	—	—	—	—	—
10	other wholesale	—	—	—	—	—	—	—	—	—
11	re-securitization	—	—	—	—	—	—	—	—	—

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.	Types of underlying assets	a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	—	—	—	—	—	—	—	—	—
2	residential mortgage	—	—	—	—	—	—	—	—	—
3	credit card	—	—	—	—	—	—	—	—	—
4	other retail exposures	—	—	—	—	—	—	—	—	—
5	re-securitization	—	—	—	—	—	—	—	—	—
6	Wholesale (total) – of which	—	—	—	—	—	—	—	—	—
7	loans to corporates	—	—	—	—	—	—	—	—	—
8	commercial mortgage	—	—	—	—	—	—	—	—	—
9	lease and receivables	—	—	—	—	—	—	—	—	—
10	other wholesale	—	—	—	—	—	—	—	—	—
11	re-securitization	—	—	—	—	—	—	—	—	—

SEC3: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total exposures															
		Traditional securitization								Synthetic securitization							
		Of which securitization				Of which re-securitization				Of which securitization				Of which re-securitization			
		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior	
Exposure values (by RW bands)																	
1	≤20% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2	>20% to 50% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3	>50% to 100% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4	>100% to <1,250% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5	1,250% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Exposure values (by regulatory approach)																	
6	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
7	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
8	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
RWA (by regulatory approach)																	
10	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
12	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Capital charge after cap																	
14	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
16	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total exposures															
		Traditional securitization								Synthetic securitization							
		Of which securitization				Of which re-securitization				Of which securitization				Of which re-securitization			
Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior			
Exposure values (by RW bands)																	
1	≤20% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2	>20% to 50% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3	>50% to 100% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4	>100% to <1,250% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5	1,250% RW	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Exposure values (by regulatory approach)																	
6	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
7	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
8	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
RWA (by regulatory approach)																	
10	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
12	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Capital charge after cap																	
14	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	SEC-ERBA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
16	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	1,250%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

SEC4: Securitization exposures in the banking book and associated capital requirements – bank acting as investor

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total exposures															
		Traditional securitization								Synthetic securitization							
		Of which securitization				Of which re-securitization				Of which securitization				Of which re-securitization			
Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior			
Exposure values (by RW bands)																	
1	≤20% RW	9,427,162	9,427,162	9,427,162	2,298,908	7,128,253	—	—	—	—	—	—	—	—	—	—	
2	>20% to 50% RW	4,470	4,470	4,470	4,470	—	—	—	—	—	—	—	—	—	—	—	
3	>50% to 100% RW	22,345	22,345	22,345	22,345	—	—	—	—	—	—	—	—	—	—	—	
4	>100% to <1,250% RW	2,987	2,987	2,987	2,987	—	—	—	—	—	—	—	—	—	—	—	
5	1,250% RW	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	

(Millions of Yen)

No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total exposures															
		Traditional securitization								Synthetic securitization							
		Of which securitization				Of which re-securitization				Of which securitization				Of which re-securitization			
		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior	
Exposure values (by regulatory approach)																	
6	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
7	SEC-ERBA	9,456,965	9,456,965	9,456,965	2,328,712	7,128,253	—	—	—	—	—	—	—	—	—	—	
8	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	
RWA (by regulatory approach)																	
10	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11	SEC-ERBA	1,895,836	1,895,836	1,895,836	473,272	1,422,563	—	—	—	—	—	—	—	—	—	—	
12	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	
Capital charge after cap																	
14	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	SEC-ERBA	151,666	151,666	151,666	37,861	113,805	—	—	—	—	—	—	—	—	—	—	
16	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Total exposures															
		Traditional securitization								Synthetic securitization							
		Of which securitization				Of which re-securitization				Of which securitization				Of which re-securitization			
		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior		Of which retail underlying		Of which wholesale		Of which senior		Of which non-senior	
Exposure values (by RW bands)																	
1	≤20% RW	10,246,327	10,246,327	10,246,327	2,303,705	7,942,622	—	—	—	—	—	—	—	—	—	—	
2	>20% to 50% RW	4,378	4,378	4,378	4,378	—	—	—	—	—	—	—	—	—	—	—	
3	>50% to 100% RW	20,859	20,859	20,859	20,859	—	—	—	—	—	—	—	—	—	—	—	
4	>100% to <1,250% RW	3,345	3,345	3,345	3,345	—	—	—	—	—	—	—	—	—	—	—	
5	1,250% RW	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	
Exposure values (by regulatory approach)																	
6	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
7	SEC-ERBA	10,274,910	10,274,910	10,274,910	2,332,288	7,942,622	—	—	—	—	—	—	—	—	—	—	
8	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
9	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	
RWA (by regulatory approach)																	
10	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11	SEC-ERBA	2,062,865	2,062,865	2,062,865	476,076	1,586,789	—	—	—	—	—	—	—	—	—	—	
12	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
13	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	
Capital charge after cap																	
14	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
15	SEC-ERBA	165,029	165,029	165,029	38,086	126,943	—	—	—	—	—	—	—	—	—	—	
16	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
17	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—	

MR1: Market risk under standardized approach

(Millions of Yen)

No.		As of March 31, 2021	As of March 31, 2020
		RWA	RWA
1	Interest rate risk (general and specific)	—	—
2	Equity risk (general and specific)	—	—
3	Foreign exchange risk	3,586,009	3,051,409
4	Commodity risk	—	—
	Options		
5	Simplified approach	—	—
6	Delta-plus method	—	—
7	Scenario approach	—	—
8	Securitization	—	—
9	Total	3,586,009	3,051,409

MR2: RWA flow statements of market risk exposures under an IMA

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

No.		a	b	c	d	e	f	
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA	
1a	Risk-weighted assets at the end of the previous fiscal year	5,160	8,776	—	—		13,937	
1b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the previous fiscal year	28.44	69.20	—	—		45.21	
1c	Amounts calculated under the Internal Models Approach as of the reference date prior to the previous year-end calculation	181	126	—	—		308	
2	Amounts of volatilities by factor during the fiscal year	Movement in risk levels	202	1,094	—	—		1,297
3		Model updates/changes	—	—	—	—		—
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	0	14	—	—		14
7	Other	76	—	—	—		76	
8a	Amounts calculated under the Internal Models Approach as of the reference date for computation at the end of the fiscal year	460	1,235	—	—		1,696	
8b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the fiscal year	4.32	3.55	—	—		3.76	
8c	RWA at end of reporting period	1,994	4,391	—	—		6,386	

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

No.		a	b	c	d	e	f
		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	Risk-weighted assets at the end of the previous fiscal year	3,297	14,392	—	—		17,690
1b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the previous fiscal year	4.54	3.11	—	—		3.30
1c	Amounts calculated under the Internal Models Approach as of the reference date prior to the previous year-end calculation	725	4,626	—	—		5,352
2	Amounts of volatilities by factor during the fiscal year	Movement in risk levels	(697)	(4,499)	—	—	(5,197)
3		Model updates/changes	—	—	—	—	—
4		Methodology and policy	—	—	—	—	—
5		Acquisitions and disposals	—	—	—	—	—
6		Foreign exchange movements	—	—	—	—	—
7		Other	153	—	—	—	153
8a	Amounts calculated under the Internal Models Approach as of the reference date for computation at the end of the fiscal year	181	126	—	—		308
8b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the fiscal year	28.44	69.20	—	—		45.21
8c	RWA at end of reporting period	5,160	8,776	—	—		13,937

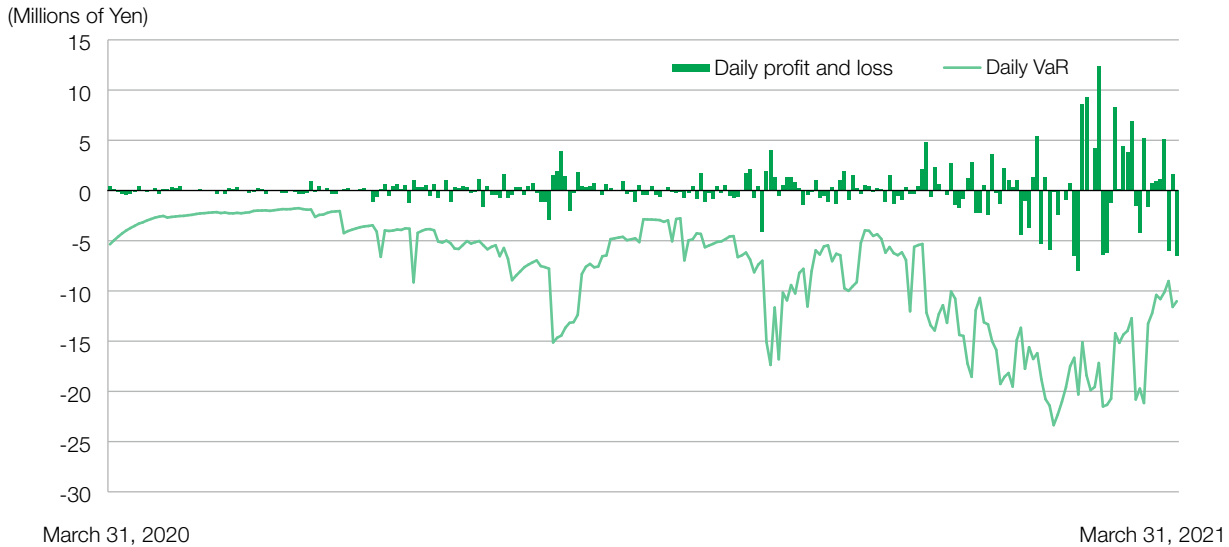
MR3: IMA values for trading portfolios

(Millions of Yen)

No.		As of March 31, 2021	As of March 31, 2020
	VaR (10 day 99%)		
1	Maximum value	76	901
2	Average value	27	77
3	Minimum value	6	14
4	Period end	36	14
	Stressed VaR (10 day 99%)		
5	Maximum value	165	385
6	Average value	56	248
7	Minimum value	9	9
8	Period end	98	10
	Incremental Risk Charge (99.9%)		
9	Maximum value	—	—
10	Average value	—	—
11	Minimum value	—	—
12	Period end	—	—
	Comprehensive Risk capital charge (99.9%)		
13	Maximum value	—	—
14	Average value	—	—
15	Minimum value	—	—
16	Period end	—	—
17	Floor (standardized measurement method)	—	—

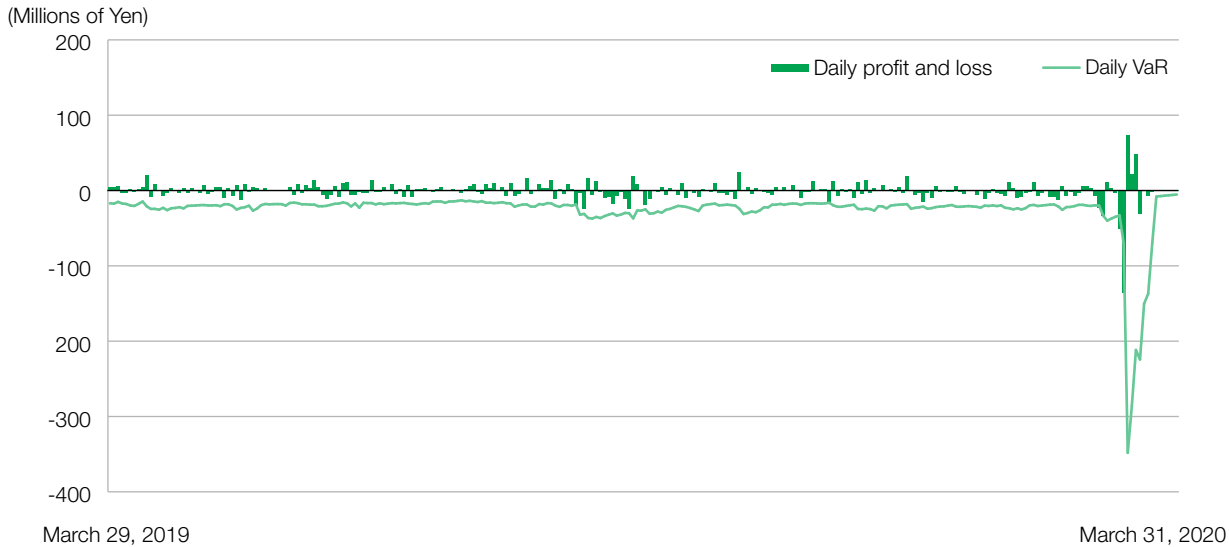
MR4: Comparison of VaR estimates with gains/losses

Fiscal 2020 (Ended March 31, 2021)



Note: There was no excess in the number of back-tests that the Bank conducted in fiscal 2020.

Fiscal 2019 (Ended March 31, 2020)



Note: The Bank conducted five excesses back-test in fiscal 2019. These excesses back-testing were conducted on September 5, 2019, resulting in a loss of ¥20 million with a VaR of ¥18 million, March 4, 2020, resulting in a loss of ¥23 million with a VaR of ¥20 million, March 5, 2020, resulting in a loss of ¥33 million with a VaR of ¥33 million, March 11, 2020, resulting in a loss of ¥50 million with a VaR of ¥32 million, March 12, 2020, resulting in a loss of ¥135 million with a VaR of ¥70 million. The reasons for these excesses back-testing were all market factors.

Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of Yen)

Items	As of March 31, 2021	As of March 31, 2020
	Exposure	Exposure
Look-through approach	18,194	18,438
Mandate-based approach	—	—
Simple approach (subject to 250% RW)	—	—
Simple approach (subject to 400% RW)	39	64
Fall-back approach (subject to 1,250% RW)	33	47
Total	18,268	18,550

Notes: 1. The “Look-through approach” is a computation method if the exposure-related information on the underlying assets for the retained exposure meets all the following requirements. Using this approach, the credit risk asset amount of the retained exposure is calculated by multiplying the amount of the retained exposure by the ratio that is obtained by dividing “the total amount of credit risk-weighted assets including such underlying assets” by “the total amount of assets held by the business entity that actually holds such underlying assets.” (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-2.)

1. The information of assets have been acquired appropriately and frequently.

2. The related information has been inspected and verified by an independent third party.

2. The “Mandate-based approach” is a computation method used when credit risk asset amounts cannot be computed using the “Look-through approach.” If clarified asset management criteria are available, using this approach, the credit risk asset amount of the retained exposure is calculated by multiplying the amount of the retained exposure by the ratio that is obtained by dividing the “maximized total amount of the credit risk-weighted assets including the underlying assets for the retained exposure based on such asset management criteria” by “the total amount of assets held by the business entity that actually holds such underlying assets.” (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-7.)

3. The “Simple approach” is a computation method applied in the case the requirements for neither the “Look-through approach” nor the “Mandate-based approach” can be met. In this approach, if the purported risk weight of retained exposure is deemed to be highly probable at the probability level listed below based on the explanation and information provided, the purported risk weight is used to compute the credit risk asset amount of the retained exposure. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-10.)

1. 250% or below: 250%

2. More than 250% and 400% or less: 400%

4. The “Fall-back approach (subject to 1,250% RW)” is a method for computing credit risk asset amounts using 1,250% risk weight in case none of the requirements of the “Look-through approach,” “Mandate-based approach” or “Simple approach” can be met. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-11.)

IRRBB1 – Quantitative information on IRRBB

(Millions of Yen)

No.		a	b	c	d
		ΔEVE		ΔNII	
		Fiscal 2020	Fiscal 2019	Fiscal 2020	Fiscal 2019
1	Parallel up	2,893,523	2,061,954	231,248	195,055
2	Parallel down	(259,894)	(537,035)	(221,746)	(183,034)
3	Steepener	1,128,406	651,036		
4	Flattener	(519,993)	(42,275)		
5	Short rate up	593,206	605,879		
6	Short rate down	50,163	(63,191)		
7	Maximum	2,893,523	2,061,954	231,248	195,055
		e		f	
		Fiscal 2020		Fiscal 2019	
8	Tier 1 capital	9,189,403		8,599,098	

Note: Interest risk measurements are conducted as to the non-consolidated and consolidated subsidiaries that retain more than a certain level of interest rate risk.

CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen, %)

Geographical breakdown	a	b	c	d
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
Luxembourg	0.50%	227,621		
Hong Kong (China)	1.00%	118,334		
Subtotal		345,956		
Total		31,327,844	0.00%	—

Note: As to geographic allocation methods for the amounts of credit risk-weighted assets, the location of each project of direct investments or fund and securitization products with which the look-through of the underlying assets is possible is defined as the ultimate country bearing the risk. Regarding fund and securitization products with which it is difficult to “look-through” the underlying assets, the ultimate risk-bearing country is allocated based on the asset management criteria and other factors.

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen, %)

Geographical breakdown	a	b	c	d
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
France	0.25%	367,608		
Luxembourg	0.25%	241,466		
Hong Kong (China)	1.00%	78,763		
Subtotal		687,837		
Total		28,924,268	0.00%	—

Note: As to geographic allocation methods for the amounts of credit risk-weighted assets, the location of each project of direct investments or fund and securitization products with which the look-through of the underlying assets is possible is defined as the ultimate country bearing the risk. Regarding fund and securitization products with which it is difficult to “look-through” the underlying assets, the ultimate risk-bearing country is allocated based on the asset management criteria and other factors.

GSIB1: Disclosure of G-SIB indicators

(Millions of Yen)

Basel III Template No.			Fiscal 2020	Fiscal 2019
1	Cross-jurisdictional activity	Cross-jurisdictional claims	49,335,752	48,363,044
2		Cross-jurisdictional liabilities	15,862,321	16,267,065
3	Size	Total exposures	109,372,788	107,064,955
4		Intra-financial system assets	8,479,873	8,347,965
5	Interconnectedness	Intra-financial system liabilities	6,345,702	5,102,907
6		Securities outstanding	3,455,738	3,191,412
7	Substitutability/ Financial institution infrastructure	Assets under custody	4,171,915	5,427,973
8		Payment activity	372,266,855	452,188,792
9		Underwritten transactions in debt and equity markets	3,350	7,020
10	Complexity	Notional amount of over-the-counter (OTC) derivatives	28,293,299	33,637,468
11		Level 3 assets	60,728	68,382
12		Trading and available for sale (AFS) securities	10,029,262	14,276,790

Composition of Leverage Ratio Disclosure (Consolidated)

Composition of Leverage Ratio Disclosure (Consolidated)

(Millions of Yen, %)

Corresponding line # on Basel III disclosure template (Table 2) (*)	Corresponding line # on Basel III disclosure template (Table 1) (*)	Items	As of March 31, 2021	As of March 31, 2020
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	84,968,079	103,001,895
1a	1	Total assets reported in the consolidated balance sheet	88,574,088	105,482,009
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) (–)	3,606,009	2,480,114
2	7	The amount of adjustment items pertaining to Tier 1 capital (–)	182,387	184,002
3		Total on-balance sheet exposures (a)	84,785,691	102,817,893
Exposures related to derivative transactions (2)				
4		Replacement cost multiplied by 1.4 associated with derivatives transactions, etc.	47,089	204,159
5		Potential future exposure multiplied by 1.4 associated with derivatives transactions, etc.	566,637	461,915
6		The amount of receivables arising from providing collateral, 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) (–)	579,102	137,908
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)	34,624	528,165
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	2,445,036	17,779
13		The amount of deductions from the assets above (line 12) (–)	1,352,235	—
14		The exposures for counterparty credit risk for repo transactions, etc.	980,310	651,178
15		The exposures for agent repo transaction		
16	5	The Total exposures related to repo transactions, etc. (c)	2,073,112	668,957
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	4,878,471	4,364,163
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (–)	1,655,219	1,498,227
19	6	Total exposures related to off-balance sheet transactions (d)	3,223,252	2,865,935
Leverage ratio on a consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	9,189,403	8,599,098
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	90,116,680	106,880,952
22		Leverage ratio on a consolidated basis ((e)/(f))	10.19%	8.04%
Leverage ratio on a consolidated basis (including the deposits with the Bank of Japan) (6)				
		Total exposures (f)	90,116,680	
		The deposits with the Bank of Japan	19,073,721	
		Total exposures (including the deposits with the Bank of Japan) (f')	109,190,401	
		Leverage ratio on a consolidated basis (including the deposits with the Bank of Japan) ((e)/(f'))	8.41%	

The Key Drivers of Material Changes Observed from the End of the Previous Reporting Period to the End of the Current Reporting Period

Leverage ratio as of March 31, 2021 is higher than March 31, 2020 due to a decrease in the total exposures as a result of the exclusion of deposits with the Bank of Japan, based on the amendment of Japanese Financial Services Agency (JFSA) and Ministry of Agriculture, Forestry and Fisheries (MAFF) Notification on June 30, 2020, under the provision to Paragraph 4 of Article 6 of the notification of JFSA and MAFF No. 4, 2019.

Sound Management of Liquidity Risk (Consolidated)

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Consolidated Basis

(Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2021)		The previous quarter (October 1 to December 31, 2020)	
		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	27,477,326		28,097,281	
Cash outflows (2)					
2	Cash outflows relating to unsecured retail funding	41,533	4,118	41,736	4,137
3	of which: stable deposits	500	15	513	15
4	of which: quasi-stable deposits	41,033	4,103	41,223	4,122
5	Cash outflows relating to unsecured wholesale funding	10,657,144	7,638,363	11,257,812	8,225,272
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,906,827	6,888,046	10,602,686	7,570,146
8	of which: debt securities	750,317	750,317	655,125	655,125
9	Cash outflows relating to secured funding, etc.	344,212		223,197	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	3,212,017	1,728,688	3,143,910	1,655,465
11	of which: cash outflows relating to derivative transactions	1,442,179	1,442,179	1,369,317	1,369,317
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	1,769,838	286,509	1,774,593	286,148
14	Cash outflows based on an obligation to provide capital	3,578,558	655,919	3,025,956	447,740
15	Cash outflows relating to contingencies	5,468,388	129,214	5,279,548	129,312
16	Total cash outflows	10,500,517		10,685,126	
Cash inflows (3)					
17	Cash inflows relating to secured fund management, etc.	153,495	—	—	—
18	Cash inflows relating to collections of advances, etc.	3,541,900	2,607,994	2,473,163	1,791,776
19	Other cash inflows	4,204,446	327,812	3,540,081	200,675
20	Total cash inflows	7,899,842	2,935,806	6,013,244	1,992,451
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	27,477,326		28,097,281	
22	Net cash outflows	7,564,711		8,692,675	
23	Liquidity coverage ratio on a consolidated basis	363.2%		323.2%	
24	The number of data for calculating the average value	60		63	

(Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2020)		The previous quarter (October 1 to December 31, 2019)	
High-quality liquid assets (1)					
1	Total high-quality liquid assets	26,876,939		26,893,875	
Cash outflows (2)					
		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
2	Cash outflows relating to unsecured retail funding	43,222	4,297	44,647	4,438
3	of which: stable deposits	360	11	375	11
4	of which: quasi-stable deposits	42,863	4,286	44,272	4,427
5	Cash outflows relating to unsecured wholesale funding	10,364,437	7,479,864	10,249,629	7,298,204
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,457,456	6,572,883	9,534,329	6,582,904
8	of which: debt securities	906,980	906,980	715,299	715,299
9	Cash outflows relating to secured funding, etc.	224,631		134,665	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	2,576,534	1,358,633	2,819,119	1,635,130
11	of which: cash outflows relating to derivative transactions	1,094,657	1,094,657	1,358,068	1,358,068
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	1,481,877	263,976	1,461,051	277,062
14	Cash outflows based on an obligation to provide capital	4,682,579	670,063	5,139,839	583,392
15	Cash outflows relating to contingencies	5,035,270	148,388	5,160,220	196,132
16	Total cash outflows	9,885,876		9,851,962	
Cash inflows (3)					
		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
17	Cash inflows relating to secured fund management, etc.	2,822	—	198,195	—
18	Cash inflows relating to collections of advances, etc.	3,208,763	2,298,499	2,927,099	2,215,085
19	Other cash inflows	4,825,105	485,746	5,254,560	613,796
20	Total cash inflows	8,036,690	2,784,245	8,379,854	2,828,881
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	26,876,939		26,893,875	
22	Net cash outflows	7,101,631		7,023,081	
23	Liquidity coverage ratio on a consolidated basis	378.4%		382.9%	
24	The number of data for calculating the average value	58		62	

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 has shown stable progress for the past two years.

Items concerning evaluation of the level of the consolidated liquidity coverage ratio

The consolidated liquidity coverage ratio has tended to be well above the required level.

The future consolidated liquidity coverage ratio is not predicted to differ substantially from the disclosed ratio.

The actual value of the consolidated liquidity coverage ratio does not differ substantially from the initial forecast.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's consolidated liquidity coverage ratio, there is no material item.

Other items concerning the consolidated liquidity coverage ratio

The Bank has not adopted the "Special case related to qualifying operational deposits" and the "Additional amount of collateral required at the time of scenario approach-based changes in fair value."

Considering the impact on the Bank's consolidated liquidity coverage ratio, with regard to immaterial consolidated subsidiaries with restrictions on practical operation, end-of-month data are converted to daily data.

Capital Adequacy (Non-Consolidated)

Capital Ratio Information (Non-Consolidated)

CC1: Composition of Capital (Non-Consolidated)

(Millions of Yen, %)

Basel III Template No.	Items	a	b	c	
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2	
Common Equity Tier 1 capital: instruments and reserves					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,989,487	5,882,627		
1a	of which: capital and capital surplus	4,015,219	4,015,219		
2	of which: retained earnings	2,079,491	1,942,649		
26	of which: cash dividends to be paid	105,223	75,241		
	of which: other than the above	—	—		
3	Valuation and translation adjustments and other disclosed reserves	1,681,316	1,167,005	(a)	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,670,803	7,049,633		
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	39,231	35,673		
8	of which: goodwill (net of related tax liability, including those equivalent)	—	—		
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	39,231	35,673		
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	(209,911)	(283,720)		
12	Shortfall of eligible provisions to expected losses	2,600	41,986		
13	Securitization 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)	30,086	25,698		
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—		
17	Reciprocal cross-holdings in common equity	—	—		
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	—	—		
19+20+21	Amount exceeding the 10% threshold on specified items	—	—		
19	of which: significant investments in the common stock of financials	—	—		
20	of which: mortgage servicing rights	—	—		
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—		
22	Amount exceeding the 15% threshold on specified items	—	—		
23	of which: significant investments in the common stock of financials	—	—		
24	of which: mortgage servicing rights	—	—		
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)	(137,994)	(180,362)		
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,808,797	7,229,995		
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	49,999	49,999	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	1,316,972	1,316,972	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	

		(Millions of Yen, %)		
Basel III Template No.	Items	a	b	c
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	—	—	
36	Additional Tier 1 capital: instruments (D)	1,366,971	1,366,971	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
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)	—	—	
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)	37,795	38,345	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	37,795	38,345	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	1,329,176	1,328,626	
Tier 1 capital (T1=CET1+AT1)				
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	9,137,974	8,558,622	
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	—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	—	
	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	923	923	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	17	16	
50a	of which: general reserve for possible loan losses	17	16	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	940	939	
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
54	Investments in the capital and other TLAC liabilities 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 common share capital of the entity (amount above the 10% threshold)	—	—	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	
57	Tier 2 capital: regulatory adjustments (I)	—	—	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	940	939	
Total capital (TC=T1+T2)				
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	9,138,914	8,559,561	
Risk weighted assets				
60	Risk weighted assets (L)	39,340,180	36,958,785	

(Millions of Yen, %)

Basel III Template No.	Items	a	b	c
		As of March 31, 2021	As of March 31, 2020	Reference to Template CC2
Capital ratio (non-consolidated) and buffers				
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	19.84%	19.56%	
62	Tier 1 capital ratio (non-consolidated) ((G)/(L))	23.22%	23.15%	
63	Total capital ratio (non-consolidated) ((K)/(L))	23.23%	23.15%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)			
65	Of which: capital conservation buffer requirement			
66	Of which: bank-specific countercyclical buffer requirement			
67	Of which: higher loss absorbency requirement			
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital buffer requirements			
Regulatory adjustments				
72	Non-significant investments in the capital and other TLAC liabilities of other financial institutions that are below the thresholds for deduction (before risk weighting)	165,481	151,941	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	17,055	17,055	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
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)	17	16	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	91	179	
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	197,038	186,758	
Capital instruments under phase-out arrangements				
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	—	—	
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")	—	—	
84	Current cap on Tier 2 instruments under phase-out arrangements	153,600	307,201	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—	

CC2: Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Non-Consolidated)

(Millions of Yen)

Items	a		b		c		d		e	f
	As of March 31, 2021				As of March 31, 2020					
	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation	Reference numbers or symbols for referring to Template CC1	Reference numbers or symbols for referring to appended tables		
(Assets)										
Loans and Bills Discounted	21,824,004	21,824,004	19,828,858	19,828,858						
Loans on deeds	19,611,508	19,611,508	18,128,236	18,128,236						
Loans on bills	286,386	286,386	382,495	382,495						
Overdrafts	1,924,852	1,924,852	1,316,200	1,316,200						
Bills discounted	1,257	1,257	1,926	1,926						
Foreign Exchanges Assets	271,190	271,190	189,851	189,851						
Due from foreign banks	271,190	271,190	189,851	189,851						
Securities	48,491,498	48,491,498	54,694,312	54,694,312						6-a
Japanese government bonds	10,112,251	10,112,251	11,180,408	11,180,408						
Municipal government bonds	138,183	138,183	151,039	151,039						
Corporate bonds	1,303,319	1,303,319	1,473,066	1,473,066						
Stocks	923,765	923,765	731,854	731,854						
Other securities	36,013,977	36,013,977	41,157,942	41,157,942						
Money Held in Trust	10,637,717	10,637,717	5,996,009	5,996,009						6-b
Trading Assets	7,310	7,310	7,862	7,862						
Trading securities	2,016	2,016	1	1						
Derivatives of securities related to trading transactions	39	39	—	—						
Trading-related financial derivatives	5,254	5,254	7,861	7,861						
Monetary Claims Bought	302,918	302,918	301,081	301,081						
Call Loans	60,890	60,890	54,330	54,330						
Receivables under Resale Agreements	547,931	547,931	13,048	13,048						
Cash and Due from Banks	19,820,208	19,820,208	19,458,993	19,458,993						
Cash	34,397	34,397	39,368	39,368						
Due from banks	19,785,811	19,785,811	19,419,624	19,419,624						
Other Assets	2,877,505	2,877,505	2,475,961	2,475,961						
Domestic exchange settlement account, debit	13	13	13	13						
Prepaid expenses	1,248	1,248	946	946						
Accrued income	119,428	119,428	149,098	149,098						
Initial margins of futures markets	20,493	20,493	31,692	31,692						
Valuation margins of futures markets	—	—	—	—						
Derivatives other than for trading	61,325	61,325	339,270	339,270						
Cash collateral paid for financial instruments	1,424,768	1,424,768	1,243,372	1,243,372						
Others	1,250,227	1,250,227	711,567	711,567						
Tangible Fixed Assets	164,657	164,657	122,233	122,233						
Buildings	36,015	36,015	41,578	41,578						
Land	97,707	97,707	46,885	46,885						
Lease assets	19,221	19,221	31,007	31,007						
Construction in progress	1,184	1,184	5	5						
Other	10,528	10,528	2,756	2,756						
Intangible Fixed Assets	54,299	54,299	49,375	49,375						2
Software	36,600	36,600	24,774	24,774						
Lease assets	10,420	10,420	4,302	4,302						
Other	7,278	7,278	20,298	20,298						
Defined-benefit pension fund net assets (prepaid pension costs)	41,641	41,641	35,568	35,568						3
Customers' Liabilities for Acceptances and Guarantees	269,647	269,647	226,965	226,965						
Reserve for Possible Loan Losses	(131,577)	(131,577)	(49,181)	(49,181)						
Reserve for Possible Investment Losses	(1,730)	(1,730)	(1,734)	(1,734)						
Total Assets	105,238,114	105,238,114	103,403,535	103,403,535						

(Millions of Yen)

Items	a	b	c	d	e	f
	As of March 31, 2021		As of March 31, 2020		Reference numbers or symbols for referring to Template CC1	Reference numbers or symbols for referring to appended tables
	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation		
(Liabilities)						
Deposits	65,675,444	65,675,444	65,656,007	65,656,007		
Time deposits	56,792,460	56,792,460	56,957,616	56,957,616		
Deposits at notice	12,650	12,650	12,658	12,658		
Ordinary deposits	3,817,593	3,817,593	3,572,318	3,572,318		
Current deposits	102,099	102,099	94,583	94,583		
Other deposits	4,950,639	4,950,639	5,018,831	5,018,831		
Negotiable Certificates of Deposit	3,100,259	3,100,259	2,406,965	2,406,965		
Debentures	361,479	361,479	791,446	791,446		
Debentures issued	361,479	361,479	791,446	791,446		
Trading Liabilities	5,137	5,137	8,102	8,102		
Derivatives of trading securities	—	—	—	—		
Derivatives of securities related to trading transactions	26	26	—	—		
Trading-related financial derivatives	5,111	5,111	8,102	8,102		
Borrowed Money	5,035,964	5,035,964	5,357,344	5,357,344		7
Borrowings	5,035,964	5,035,964	5,357,344	5,357,344		
Payables under Repurchase Agreements	17,073,926	17,073,926	15,726,573	15,726,573		
Foreign Exchanges Liabilities	0	0	0	0		
Foreign bills payable	0	0	0	0		
Short-term Entrusted Liability	877,743	877,743	792,594	792,594		
Other Liabilities	4,491,742	4,491,742	4,773,113	4,773,113		
Domestic exchange settlement account, credit	12,781	12,781	51	51		
Accrued expenses	37,733	37,733	70,646	70,646		
Income taxes payable	216,907	216,907	7,071	7,071		
Unearned income	5,049	5,049	9,182	9,182		
Derivatives other than for trading	1,262,630	1,262,630	950,878	950,878		
Cash collateral received for financial instruments	986	986	132,844	132,844		
Lease liabilities	18,691	18,691	22,682	22,682		
Account payables for securities purchased	2,915,225	2,915,225	3,408,314	3,408,314		
Others	21,727	21,727	171,441	171,441		
Reserve for Bonus Payments	5,901	5,901	5,877	5,877		
Reserve for Employees' Retirement Benefits	25,394	25,394	23,124	23,124		
Reserve for Directors' Retirement Benefits	1,015	1,015	925	925		
Deferred Tax Liabilities	479,825	479,825	451,012	451,012		4-b
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	8,607	8,607		4-c
Acceptances and Guarantees	269,647	269,647	226,965	226,965		
Total Liabilities	97,412,087	97,412,087	96,228,661	96,228,661		
(Net Assets)						
Paid-in Capital	4,040,198	4,040,198	4,040,198	4,040,198		1-a
Common equity	4,015,198	4,015,198	4,015,198	4,015,198		
of which: lower dividend rate stock	3,589,481	3,589,481	3,589,481	3,589,481		
Preferred stock	24,999	24,999	24,999	24,999		
Capital Surplus	25,020	25,020	25,020	25,020		1-b
Capital surplus	24,999	24,999	24,999	24,999		
Other capital surplus	20	20	20	20		
Reserve for revaluation	20	20	20	20		

(Millions of Yen)

Items	a	b	c	d	e	f
	As of March 31, 2021		As of March 31, 2020		Reference numbers or symbols for referring to Template CC1	Reference numbers or symbols for referring to appended tables
	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation	Non-Consolidated balance sheet amount	Non-Consolidated balance sheet amounts based on regulatory scope of consolidation		
Retained Earnings	2,079,491	2,079,491	1,942,649	1,942,649		1-c
Legal reserves	773,666	773,666	755,766	755,766		
Voluntary reserves	1,305,825	1,305,825	1,186,883	1,186,883		
Special reserves	333,744	333,744	323,700	323,700		
General reserves	559,403	559,403	559,403	559,403		
Reserves for tax basis adjustments of fixed assets	6,930	6,930	7,030	7,030		
Others	7	7	7	7		
Unappropriated retained earnings	405,739	405,739	296,741	296,741		
Net income	212,083	212,083	89,465	89,465		
Total Owners' Equity	6,144,710	6,144,710	6,007,868	6,007,868		
Net Unrealized Gains on Other Securities	1,944,952	1,944,952	1,700,265	1,700,265		
Net Deferred Losses on Hedging Instruments	(277,948)	(277,948)	(547,571)	(547,571)		5
Revaluation Reserve for Land, net of taxes	14,312	14,312	14,312	14,312		
Foreign Currency Translation Adjustment	—	—	—	—		
Total Valuation and Translation Adjustment	1,681,316	1,681,316	1,167,005	1,167,005	(a)	
Total Net Assets	7,826,026	7,826,026	7,174,874	7,174,874		
Total Liabilities and Net Assets	105,238,114	105,238,114	103,403,535	103,403,535		

Appended Tables

Note: The items that were included in the Bank's own capital via the transitional arrangements are not included in these tables.

1. Owners' Equity

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
1-a	Paid-in Capital	4,040,198	4,040,198	
1-b	Capital Surplus	25,020	25,020	
1-c	Retained Earnings	2,079,491	1,942,649	
	Total Owners' Equity	6,144,710	6,007,868	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,094,710	5,957,868	Directly issued qualifying common share capital plus related capital surplus and retained earnings (before adjusting cash dividends to be paid)
1a	of which: capital and capital surplus	4,015,219	4,015,219	
2	of which: retained earnings	2,079,491	1,942,649	
	of which: other than the above	—	—	
31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown	49,999	49,999	

2. Intangible Assets

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
2	Intangible Fixed Assets	54,299	49,375	
	Income taxes related to above	(15,068)	(13,701)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
8	Intangible assets: goodwill	—	—	
9	Intangible assets: other	39,231	35,673	Other intangible assets other than goodwill and mortgage servicing rights
	Intangible assets: mortgage servicing rights	—	—	
20	Amount exceeding the 10% threshold on specified items	—	—	
24	Amount exceeding the 15% threshold on specified items	—	—	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	

3. Defined-benefit Pension Fund Net Assets (Prepaid Pension Costs)

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
3	Defined-benefit pension fund net assets (prepaid pension costs)	41,641	35,568	
	Income taxes related to above	(11,555)	(9,870)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	30,086	25,698	

4. Deferred Tax Assets

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
4-a	Deferred tax assets	—	—	
4-b	Deferred Tax Liabilities	479,825	451,012	
4-c	Deferred Tax Liabilities for Land Revaluation	8,607	8,607	
	Intangible assets to which tax-effect accounting was applied	15,068	13,701	
	Net defined-benefit asset to which tax-effect accounting was applied	11,555	9,870	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the Non-Consolidated balance sheet due to offsetting of assets and liabilities.
	Deferred tax assets arising from temporary differences (net of related tax liability)	—	—	This item does not agree with the amount reported on the Non-Consolidated balance sheet due to offsetting of assets and liabilities.
21	Amount exceeding the 10% threshold on specified items	—	—	
25	Amount exceeding the 15% threshold on specified items	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—	

5. Deferred Gains or Losses on Derivatives under Hedge Accounting

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
5	Net Deferred Losses on Hedging Instruments	(277,948)	(547,571)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(209,911)	(283,720)	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"

6. Items Associated with Investments in the Capital of Financial Institutions

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
6-a	Securities	48,491,498	54,694,312	
6-b	Money Held in Trust	10,637,717	5,996,009	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Investments in own capital instruments	—	—	
16	Investments in own shares (excluding those reported in the Net Assets section)	—	—	
37	Investments in own Additional Tier 1 instruments	—	—	
52	Investments in own Tier 2 instruments	—	—	
	Reciprocal cross-holdings	—	—	
17	Reciprocal cross-holdings in common equity	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
	Non-significant investments in the capital etc., of other financial institutions	165,481	151,941	
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	—	—	
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 share capital of the entity (amount above the 10% threshold)	—	—	
54	Investments in the capital and other TLAC liabilities 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 common share capital of the entity (amount above the 10% threshold)"	—	—	
72	Non-significant investments in the capital and other TLAC liabilities of other financial institutions that are below the thresholds for deduction (before risk weighting)	165,481	151,941	

(Millions of Yen)				
Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
	Significant investments in the capital, etc., of other financial institutions	54,850	55,400	
19	Amount exceeding the 10% threshold on specified items	—	—	
23	Amount exceeding the 15% threshold on specified items	—	—	
40	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	37,795	38,345	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	17,055	17,055	

7. Other Capital Instruments

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2021	As of March 31, 2020	Remarks
7	Borrowed Money	5,035,964	5,357,344	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2021	As of March 31, 2020	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standard	1,316,972	1,316,972	

OV1: Overview of RWA (Non-Consolidated)

(Millions of Yen)

Basel III Template No.		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Credit risk (excluding counterparty credit risk)	8,158,287	7,098,677	690,993	601,293
2	Of which: standardized approach (SA)	7,277	14,274	582	1,141
3	Of which: internal rating-based (IRB) approach	7,985,535	6,958,141	677,173	590,050
	Of which: significant investments	—	—	—	—
	Of which: estimated residual value of lease transactions	—	—	—	—
	Others	165,474	126,261	13,237	10,100
4	Counterparty credit risk (CCR)	573,469	502,124	47,027	41,605
5	Of which: standardized approach for counterparty credit risk (SA-CCR)	56,728	112,547	4,810	9,544
6	Of which: expected positive exposure (EPE) method	—	—	—	—
	Of which: credit valuation adjustment (CVA)	63,383	111,084	5,070	8,886
	Of which: Central counterparty related exposure (CCP)	270,444	91,998	21,635	7,359
	Others	182,912	186,494	15,510	15,814
7	Equity positions in banking book under market-based approach	3,958,461	3,677,083	335,677	311,816
8	Equity investments in funds - Look-through approach	17,911,898	17,250,227	1,518,834	1,462,725
9	Equity investments in funds - Mandate-based approach	—	—	—	—
	Equity investments in funds - Simple approach (subject to 250% RW)	—	—	—	—
	Equity investments in funds - Simple approach (subject to 400% RW)	154,360	330,117	13,089	27,993
10	Equity investments in funds - Fall-back approach (subject to 1,250% RW)	419,364	589,350	33,549	47,148
11	Settlement risk	156,294	151,616	13,253	12,857
12	Securitization exposures in banking book	1,895,836	2,062,865	151,666	165,029
13	Of which: Securitization IRB approach (SEC-IRBA) or internal assessment approach (IAA)	—	—	—	—
14	Of which: Securitization external ratings-based approach (SEC-ERBA)	1,895,836	2,062,865	151,666	165,029
15	Of which: Securitization standardized approach (SEC-SA)	—	—	—	—
	Of which: 1,250% risk weight is applied	0	0	0	0
16	Market risk	3,592,383	3,065,342	287,390	245,227
17	Of which: standardized approach (SA)	3,585,996	3,051,405	286,879	244,112
18	Of which: internal model approaches (IMA)	6,386	13,937	510	1,114
19	Operational risk	651,437	467,375	52,115	37,390
20	Of which: Basic Indicator Approach	—	—	—	—
21	Of which: Standardized Approach	651,437	467,375	52,115	37,390
22	Of which: Advanced Measurement Approach	—	—	—	—
23	Amounts below the thresholds for deduction	42,638	42,638	3,615	3,615
	Risk weighted assets subject to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total	37,514,432	35,237,420	3,147,214	2,956,702

IRRBB1 – Quantitative information on IRRBB

(Millions of Yen)

No.		a	b	c	d
		ΔEVE		ΔNII	
		Fiscal 2020	Fiscal 2019	Fiscal 2020	Fiscal 2019
1	Parallel up	2,875,266	2,061,954	232,139	195,055
2	Parallel down	(257,384)	(537,035)	(222,583)	(183,034)
3	Steeper	1,122,364	651,036	—	—
4	Flattener	(516,962)	(42,275)	—	—
5	Short rate up	590,786	605,879	—	—
6	Short rate down	50,440	(63,191)	—	—
7	Maximum	2,875,266	2,061,954	232,139	195,055
		e		f	
		Fiscal 2020		Fiscal 2019	
8	Tier 1 capital	9,137,974		8,558,622	

Composition of Leverage Ratio Disclosure (Non-Consolidated)

Composition of Leverage Ratio Disclosure (Non-Consolidated)

(Millions of yen, %)

Corresponding line # on Basel III disclosure template (Table 2) (*)	Corresponding line # on Basel III disclosure template (Table 1) (*)	Items	As of March 31, 2021	As of March 31, 2020
On-balance sheet exposures (1)				
1		On-balance sheet exposures before deducting adjustment items	84,753,357	102,811,658
1a	1	Total assets reported in the non-consolidated balance sheet	86,182,296	103,403,535
1b	3	The amount of assets that are deducted from the total assets reported in the non-consolidated balance sheet (except adjustment items) (-)	1,428,938	591,876
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	109,713	141,703
3		Total on-balance sheet exposures (a)	84,643,644	102,669,955
Exposures related to derivative transactions (2)				
4		Replacement cost multiplied by 1.4 associated with derivatives transactions, etc.	47,089	204,159
5		Potential future exposure multiplied by 1.4 associated with derivatives transactions, etc.	566,637	461,915
6		The amount of receivables arising from providing collateral, provided where deducted from the non-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) (-)	579,102	137,908
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)	34,624	528,165
Exposures related to repo transactions (3)				
12		The amount of assets related to repo transactions, etc.	1,092,671	17,779
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	974,949	651,178
15		The exposures for agent repo transaction	—	—
16	5	The Total exposures related to repo transactions, etc. (c)	2,067,620	668,957
Exposures related to off-balance sheet transactions (4)				
17		Notional amount of off-balance sheet transactions	2,931,029	2,634,449
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	1,821,333	1,620,906
19	6	Total exposures related to off-balance sheet transactions (d)	1,109,695	1,013,543
Leverage ratio on a non-consolidated basis (5)				
20		The amount of capital (Tier 1 capital) (e)	9,137,974	8,558,622
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	87,855,585	104,880,621
22		Leverage ratio on a non-consolidated basis ((e)/(f))	10.40%	8.16%
Leverage ratio on a non-consolidated basis (including the deposits with the Bank of Japan) (6)				
		Total exposures (f)	87,855,585	/
		The deposits with the Bank of Japan	19,055,817	/
		Total exposures (including the deposits with the Bank of Japan) (f')	106,911,402	/
		Leverage ratio on a non-consolidated basis (including the deposits with the Bank of Japan) ((e)/(f'))	8.54%	/

The Key Drivers of Material Changes Observed from the End of the Previous Reporting Period to the End of the Current Reporting Period

Leverage ratio as of March 31, 2021 is higher than March 31, 2020 due to a decrease in the total exposures as a result of the exclusion of deposits with the Bank of Japan, based on the amendment of Japanese Financial Services Agency (JFSA) and Ministry of Agriculture, Forestry and Fisheries (MAFF) Notification on June 30, 2020, under the provision to Paragraph 4 of Article 6 of the notification of JFSA and MAFF No. 4, 2019.

Sound Management of Liquidity Risk (Non-Consolidated)

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Non-Consolidated Basis

(Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2021)		The previous quarter (October 1 to December 31, 2020)	
High-quality liquid assets (1)					
1	Total high-quality liquid assets	27,244,933		27,807,462	
Cash outflows (2)		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
2	Cash outflows relating to unsecured retail funding	41,533	4,118	41,736	4,137
3	of which: stable deposits	500	15	513	15
4	of which: quasi-stable deposits	41,033	4,103	41,223	4,122
5	Cash outflows relating to unsecured wholesale funding	10,657,390	7,638,609	11,226,534	8,193,993
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,906,985	6,888,204	10,571,324	7,538,784
8	of which: debt securities	750,404	750,404	655,209	655,209
9	Cash outflows relating to secured funding, etc.	344,212		223,197	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	3,239,181	1,748,561	3,112,950	1,650,363
11	of which: cash outflows relating to derivative transactions	1,442,179	1,442,179	1,369,317	1,369,317
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	1,797,002	306,381	1,743,633	281,046
14	Cash outflows based on an obligation to provide capital	3,578,147	655,508	3,027,148	448,932
15	Cash outflows relating to contingencies	3,618,644	103,000	3,509,532	106,481
16	Total cash outflows	10,494,009		10,627,107	
Cash inflows (3)		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
17	Cash inflows relating to secured fund management, etc.	153,495	—	—	—
18	Cash inflows relating to collections of advances, etc.	3,601,253	2,668,059	2,534,739	1,853,631
19	Other cash inflows	4,209,917	327,064	3,545,163	200,072
20	Total cash inflows	7,964,665	2,995,123	6,079,902	2,053,703
Liquidity coverage ratio on a non-consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	27,244,933		27,807,462	
22	Net cash outflows	7,498,886		8,573,404	
23	Liquidity coverage ratio on a non-consolidated basis	363.3%		324.3%	
24	The number of data for calculating the average value	60		63	

(Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2020)		The previous quarter (October 1 to December 31, 2019)	
High-quality liquid assets (1)					
1	Total high-quality liquid assets	26,876,939		26,893,875	
Cash outflows (2)					
		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
2	Cash outflows relating to unsecured retail funding	43,222	4,297	44,647	4,438
3	of which: stable deposits	360	11	375	11
4	of which: quasi-stable deposits	42,863	4,286	44,272	4,427
5	Cash outflows relating to unsecured wholesale funding	10,334,658	7,450,085	10,217,442	7,266,017
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,427,587	6,543,014	9,502,054	6,550,629
8	of which: debt securities	907,071	907,071	715,388	715,388
9	Cash outflows relating to secured funding, etc.	224,631		134,665	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	2,516,530	1,341,439	2,760,699	1,613,424
11	of which: cash outflows relating to derivative transactions	1,094,657	1,094,657	1,358,068	1,358,068
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	1,421,873	246,782	1,402,631	255,356
14	Cash outflows based on an obligation to provide capital	4,683,354	670,838	5,141,410	584,963
15	Cash outflows relating to contingencies	3,465,493	125,699	3,667,590	176,580
16	Total cash outflows	9,816,988		9,780,088	
Cash inflows (3)					
		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
17	Cash inflows relating to secured fund management, etc.	2,822	—	198,195	—
18	Cash inflows relating to collections of advances, etc.	3,269,654	2,359,884	2,985,938	2,274,266
19	Other cash inflows	4,823,588	484,229	5,253,699	612,935
20	Total cash inflows	8,096,064	2,844,114	8,437,832	2,887,201
Liquidity coverage ratio on a non-consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	26,876,939		26,893,875	
22	Net cash outflows	6,972,874		6,892,887	
23	Liquidity coverage ratio on a non-consolidated basis	385.4%		390.1%	
24	The number of data for calculating the average value	58		62	

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 has shown stable progress for the past two years.

Items concerning evaluation of the level of the non-consolidated liquidity coverage ratio

The non-consolidated liquidity coverage ratio has tended to be well above the required level.

The future non-consolidated liquidity coverage ratio is not predicted to differ substantially from the disclosed ratio.

The actual value of the non-consolidated liquidity coverage ratio does not differ substantially from the initial forecast.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's non-consolidated liquidity coverage ratio, there is no material item.

Other items concerning the non-consolidated liquidity coverage ratio

The Bank has not adopted the "Special case related to qualifying operational deposits" and the "Additional amount of collateral required at the time of scenario approach-based changes in fair value."

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 Act, 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.

is 2% or higher, and which have a material impact on the Group management. Specifically, Kyodo Housing Loan Co., Ltd. is such a subsidiary of the Bank.

● 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 Highly Compensated Persons

Highly Compensated Persons are those persons whose compensation is higher than the average for the Subject Directors (excluding those who retired during the period), calculated by dividing the total compensation described in the chart “REM1: Remuneration awarded during the financial year.” 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 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 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.

Definition of Major Consolidated Subsidiaries

Major consolidated subsidiaries are the subsidiaries whose ratio of total assets to the Bank’s consolidated total assets

■ Determining the Subject Directors' Compensation

Regarding the Bank's compensation structure for directors, the Bank established the Director Compensation Deliberation Committee (the "Committee") to deliberate on compensation issues, as a subcommittee of the Supervisory Committee. The 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 Committee is composed of committee members (cooperative organization representatives, attorneys and CPAs) commissioned by the Supervisory Committee, and the Chairman of the 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 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 Committee was convened two times between April 2020 and March 2021.

Note: Of the Committee members, those who concurrently serve as a member of another committee such as the Supervisory Committee, the total compensation paid to them is not indicated because it is impossible to calculate the amounts of compensation for the execution only of this Committee separately. Regarding other members, because such disclosure would reveal each member's compensation, the total compensation paid is not indicated.

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

The Bank is a financial institution founded by agricultural, fishery and forestry workers' cooperative organizations based on The Norinchukin Bank Act. Through the provision of financial and various other functions for these cooperative organizations, the Bank aims to contribute to the development of the agricultural, fishery and forestry industries and the nation's economy. To help the Bank realize this aim, the Bank has designed its director compensation system.

● 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 organizations and other business sectors, director compensation is determined on the basis of fixed compensation by director's rank, combined with variable

compensation in accordance with the status of progress on the initiatives of the Bank's management plans as a sound incentive toward sustainable growth.

For Audit & Supervisory Board members, from the perspective of effective functioning of their duties, only fixed compensation is paid, there being no variable compensation.

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 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.

REM1: Remuneration awarded during the financial year Fiscal 2020 (Ended March 31, 2021)

(Person, Millions of Yen)

No.			a	b
			Senior management	Other material risk takers
1	Fixed remuneration	Number of employees	10	—
2		Total fixed remuneration (3+5+7)	252	—
3		of which: cash-based	252	—
4		of which: deferred	—	—
5		of which: shares or other share-linked instruments	—	—
6		of which: deferred	—	—
7		of which: other forms	—	—
8		of which: deferred	—	—
9	Variable remuneration	Number of employees	7	—
10		Total variable remuneration (11+13+15)	60	—
11		of which: cash-based	60	—
12		of which: deferred	—	—
13		of which: shares or other share-linked instruments	—	—
14		of which: deferred	—	—
15		of which: other forms	—	—
16		of which: deferred	—	—
17	Retirement benefits	Number of employees	10	—
18		Total retirement benefits	102	—
19		of which: deferred	—	—
20	Other remuneration	Number of employees	—	—
21		Total other remuneration	—	—
22		of which: deferred	—	—
23	Total remuneration (2+10+18+21)		413	—

Notes: 1. Number of the Subject Directors includes that of retired directors.

2. Directors' Retirement Benefits are the sum of Directors' Retirement Benefits (excluding a reversal of Directors' Retirement Benefits for fiscal 2019) paid during fiscal 2020 and Reserve for Directors' Retirement Benefits posted for fiscal 2020.

Fiscal 2019 (Ended March 31, 2020)

(Person, Millions of Yen)

No.			a	b
			Senior management	Other material risk takers
1	Fixed remuneration	Number of employees	9	—
2		Total fixed remuneration (3+5+7)	251	—
3		of which: cash-based	251	—
4		of which: deferred	—	—
5		of which: shares or other share-linked instruments	—	—
6		of which: deferred	—	—
7		of which: other forms	—	—
8		of which: deferred	—	—
9	Variable remuneration	Number of employees	7	—
10		Total variable remuneration (11+13+15)	63	—
11		of which: cash-based	63	—
12		of which: deferred	—	—
13		of which: shares or other share-linked instruments	—	—
14		of which: deferred	—	—
15		of which: other forms	—	—
16	of which: deferred	—	—	
17	Retirement benefits	Number of employees	9	—
18		Total retirement benefits	99	—
19		of which: deferred	—	—
20	Other remuneration	Number of employees	—	—
21		Total other remuneration	—	—
22		of which: deferred	—	—
23	Total remuneration (2+10+18+21)		414	—

Notes: 1. Number of the Subject Directors includes that of retired directors.

2. Directors' Retirement Benefits are the sum of Directors' Retirement Benefits (excluding a reversal of Directors' Retirement Benefits for fiscal 2018) paid during fiscal 2019 and Reserve for Directors' Retirement Benefits posted for fiscal 2019.

REM2: Special payments

Fiscal 2020 (Ended March 31, 2021)

(Person, Millions of Yen)

	a		b		c		d		e		f	
	Guaranteed bonuses		Sign-on awards		Severance payments							
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management	—	—	—	—	—	—	—	—	—	—	—	—
Other material risk takers	—	—	—	—	—	—	—	—	—	—	—	—

Fiscal 2019 (Ended March 31, 2020)

(Person, Millions of Yen)

	a		b		c		d		e		f	
	Guaranteed bonuses		Sign-on awards		Severance payments							
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management	—	—	—	—	—	—	—	—	—	—	—	—
Other material risk takers	—	—	—	—	—	—	—	—	—	—	—	—

REM3: Deferred remuneration Fiscal 2020 (Ended March 31, 2021)

(Millions of Yen)

		a	b	c	d	e
		Total amount of outstanding deferred remuneration	Of which Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of reduction during the year due to ex post explicit adjustments	Total amount of reduction during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management	Cash	—	—	—	—	—
	Shares or other share-linked instruments	—	—	—	—	—
	Other remuneration	—	—	—	—	—
Other material risk takers	Cash	—	—	—	—	—
	Shares or other share-linked instruments	—	—	—	—	—
	Other remuneration	—	—	—	—	—
Total		—	—	—	—	—

Fiscal 2019 (Ended March 31, 2020)

(Millions of Yen)

		a	b	c	d	e
		Total amount of outstanding deferred remuneration	Of which Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of reduction during the year due to ex post explicit adjustments	Total amount of reduction during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management	Cash	—	—	—	—	—
	Shares or other share-linked instruments	—	—	—	—	—
	Other remuneration	—	—	—	—	—
Other material risk takers	Cash	—	—	—	—	—
	Shares or other share-linked instruments	—	—	—	—	—
	Other remuneration	—	—	—	—	—
Total		—	—	—	—	—

Status of Capital and Shareholders

Members and Share Ownership (As of March 31, 2021)

(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	717 (135)	8,561,708,620 (7,526,360,000)
Federations of Agricultural Cooperatives	99 (32)	30,333,816,690 (27,571,600,000)
Forest Owners' Cooperatives	605 (0)	19,616,220 (0)
Forestry Production Cooperatives	10 (0)	14,050 (0)
Federations of Forest Owners' Cooperatives	46 (0)	22,921,100 (0)
Fishery Cooperatives	915 (6)	159,580,751 (99,380,000)
Fishery Production Cooperatives	20 (0)	161,240 (0)
Federations of Fishery Cooperatives	81 (28)	1,021,307,689 (697,470,000)
Marine Products Processing Cooperatives	36 (0)	559,100 (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	47 (0)	1,115,700 (0)
Federations of Agricultural Mutual Relief Insurance Associations	6 (0)	243,400 (0)
Fishing Boat Insurance Association	1 (0)	2,454,350 (0)
Agricultural Credit Guarantee Fund Associations	10 (0)	139,650 (0)
Fishery Credit Guarantee Fund Associations	4 (0)	17,158,100 (0)
Fishery Mutual Relief Insurance Associations	11 (0)	132,000 (0)
Federation of Fishery Mutual Relief Insurance Associations	1 (0)	292,800 (0)
Land Improvement Districts	750 (0)	2,871,440 (0)
Federations of Land Improvement Districts	3 (0)	2,450 (0)
Medium and Small-Sized Enterprise Cooperative Associations Related to Sericulture, Forestry or Salt Production	15 (0)	133,500 (0)
Total	3,384 (201)	40,151,988,300 (35,894,810,000)

(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	20	23,426,340
Total	32	55,791,450

Voting Rights of Members

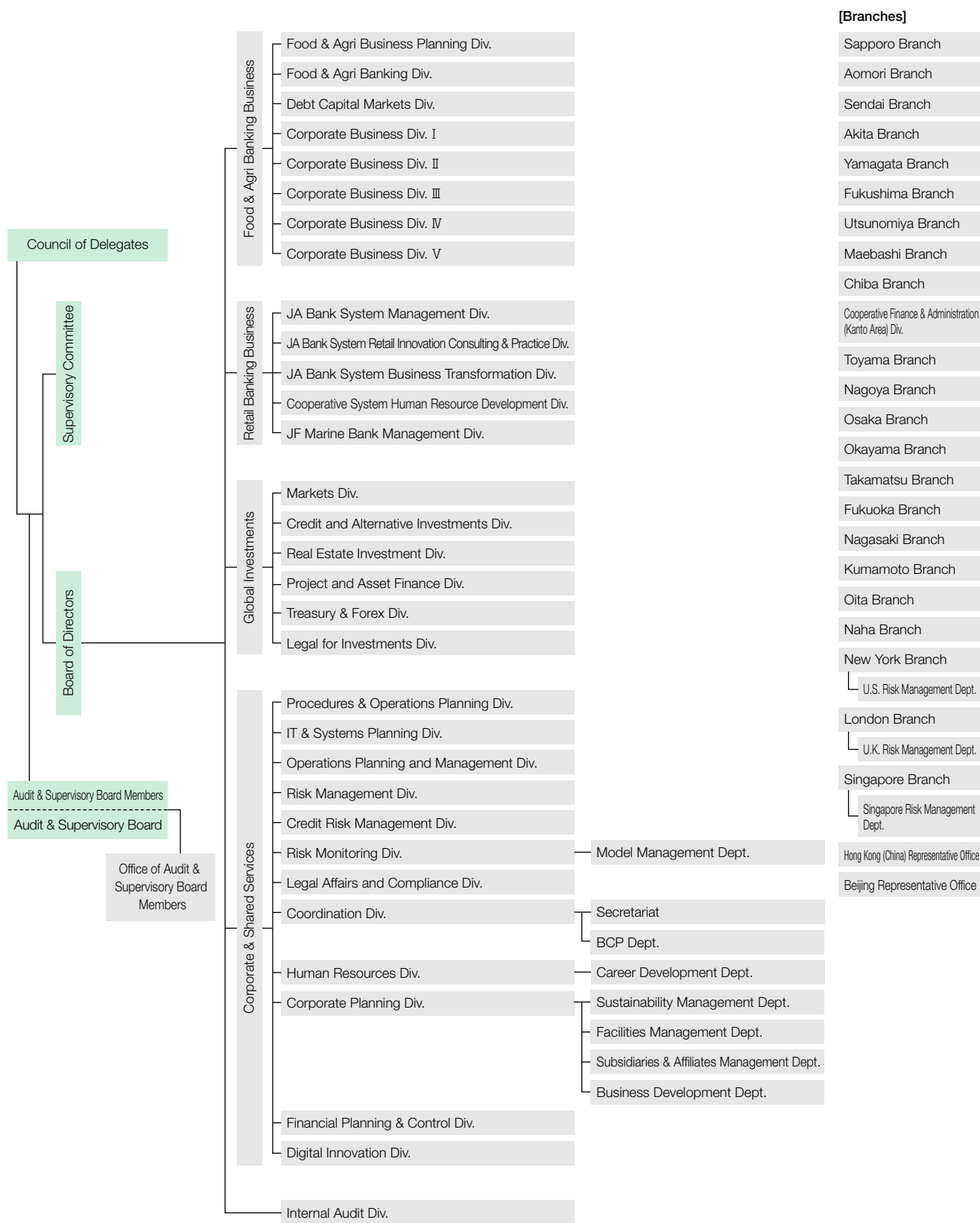
The Norinchukin Bank is the central financial institution for Japan's agricultural, fishery and forest owners' cooperative system. The supreme management decision-making organization for the Bank is the Council of Delegates, which consists of representative members and substitutes for the general meetings 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 in principle 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
March 29, 2019	559,710	4,040,198	Allotment

Organizational Diagram (As of April 1, 2021)



Management (As of July 1, 2021)

Supervisory Committee

NAKAYA Toru	KISHIMOTO Takayuki	TANABE Masanori
OKAWA Ryoichi	SATO Hiroshi	KOBAYASHI Eizo
ONIKI Haruto	KURIHARA Shunrou	SATO Takafumi
KISHI Hiroshi	FUKAYAMA Kazuhiko	MINAGAWA Yoshitsugu
ONODERA Keisaku	KUBOTA Tadashi	OKU Kazuto
SAKAMOTO Tomio	MAEKAWA Osamu	
SAKURAI Hiroshi	BANDO Mariko	

Directors and Officers

OKU Kazuto <i>Representative Director and President Chief Executive Officer</i>	YUDA Hiroshi <i>Director and Managing Executive Officer Member of the Board of Directors Chief Investment Officer</i>	ITO Yoshihiro <i>Director and Managing Executive Officer Member of the Board of Directors Chief Financial Officer/ Chief Corporate Transformation Officer</i>
YAGI Masanobu <i>Representative Director and Managing Executive Officer Member of the Board of Directors Chief Operating Officer</i>	NAGANO Masaki <i>Managing Executive Officer Treasurer Global Head of ALM and Investor Relations</i>	YOSHIDA Hikaru <i>Director and Managing Executive Officer Member of the Board of Directors Chief Information Officer</i>
IWASO Satoshi <i>Managing Executive Officer Co-Head of Food, Agribusiness and Corporate Banking</i>	AKIYOSHI Ryo <i>Director and Managing Executive Officer Member of the Board of Directors Co-Head of JA and JF Business Support</i>	FUJISAKI Kei <i>Director and Managing Executive Officer Member of the Board of Directors Chief Risk Officer/ Chief Compliance Officer</i>
UMEDA Yasuhiro <i>Managing Executive Officer Co-Head of Food, Agribusiness and Corporate Banking</i>	KAWAMOTO Shin <i>Managing Executive Officer Co-Head of JA and JF Business Support</i>	UTSUMI Tomoe <i>Managing Executive Officer Head of Operations</i>
IMAI Masato <i>Managing Executive Officer (Based in London, UK) Head of Global Banking, Head of EMEA</i>	KAWATA Junji <i>Managing Executive Officer Co-Head of JA and JF Business Support Head of Agriculture & Fisheries Banking and Regional Revitalization</i>	KITABAYASHI Taro <i>Managing Executive Officer Chief Human Resource Officer Chief Administrative Officer/ Chief Strategy Officer</i>

Audit & Supervisory Board

MIYACHI Shigeo	MUROI Masahiro	SAKAI Hiroyuki
ITO Akiko	OGATA Masaki	

History

Milestones in the Bank's 98-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** • Acts 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 (China) and Beijing (July, November)
- 2000** • Norinchukin Zenkyoren Asset Management Co., Ltd., is established (October)
- 2001** • The Norinchukin Bank Act is revised (June)
 - Enhancement and Restructuring Act 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)
 - Norinchukin Business Assist Co., Ltd. is established (December)
- 2017** • Norinchukin Australia Pty Limited is established (February)
 - JA savings deposits top ¥100 trillion (June)
 - Executive Officer System is introduced (July)
 - JA Card Co., Ltd. is established (October)
- 2018** • Capital increase through issue of low dividend rate stocks (¥559.7 billion) and perpetual subordinated loan notes is conducted (March)
- 2019** • Office is abolished (March)
- 2020** • Started to provide financial and non-financial support to address the spread of COVID-19 infections (April)
 - Norinchukin Bank Europe N.V. started operation (September)
 - Concluded a contract for a merger of inter-regional JF Shingyoren in Kyushu and that in the Eastern Japan block (October)
 - Capital and Business Alliances started among Norinchukin, JA Zen-Noh, ITOCHU and FamilyMart (March)
 - Started to strengthen the asset management business conducted by Norinchukin Zenkyoren Asset Management Co., Ltd. (March)

List of Group Companies

(As of March 31, 2021)

Company Name	Address	Nature of Business	Date of Establishment	Capital (Millions of Yen) Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	2-1, Kandanishikichou 2-chome, Chiyoda-ku, Tokyo 101-0047, Japan	Trust & Banking	August 17, 1995	20,000 100.00
Norinchukin Australia Pty Limited	Level 29, 126 Phillip Street, Sydney, NSW2000, Australia	Project financing operations in Australia and New Zealand	February 8, 2017	AS\$221 million 100.00
Norinchukin Bank Europe N.V.	Gustav Mahlerlaan 1216, 4th Floor, 1081 LA Amsterdam, The Netherlands	Banking in Europe	September 21, 2018	€2,000 million 100.00
Norinchukin Research Institute Co., Ltd.	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, 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	100 100.00
Nochu Business Support Co., Ltd.	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan	Provider of administrative services for The Norinchukin Bank	August 18, 1998	100 100.00
Norinchukin Business Assist Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan	Provider of administrative services for The Norinchukin Bank	December 1, 2016	30 100.00 (20.00) ^{Note}
Norinchukin Academy Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan	Training	May 25, 1981	20 100.00
Norinchukin Value Investments Co., Ltd.	2-3, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan	Investment Management Services & Advisory Services	October 2, 2014	444 92.50 (27.75) ^{Note}
Kyodo Housing Loan Co., Ltd.	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, 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
JA Card Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan	Planning and promotion, such as JA card business	October 2, 2017	100 51.00
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
The Cooperative Servicing Co., Ltd.	23-14, Higashiikebukuro 3-chome, Toshima-ku, Tokyo 170-0013, 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
Ant Capital Partners Co., Ltd.	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan	Private Equity Investments & Fund Management	October 23, 2000	100 24.95
Gulf Japan Food Fund GP	PO Box 309, Uglan 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.	2, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo 101-0062, Japan	Investment in Agricultural Corporations	October 24, 2002	4,070 19.97
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	344 —

Note: The percentage of share units indirectly owned by The Norinchukin Bank.

Global Network (As of April 1, 2021)

Overseas Branches

New York Branch

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

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

12 Marina Boulevard, #38-01/02,
Marina Bay Financial Centre
Tower 3, Singapore 018982
Telephone: 65-6535-1011
Fax: 65-6535-2883
SWIFT: NOCUSGSG

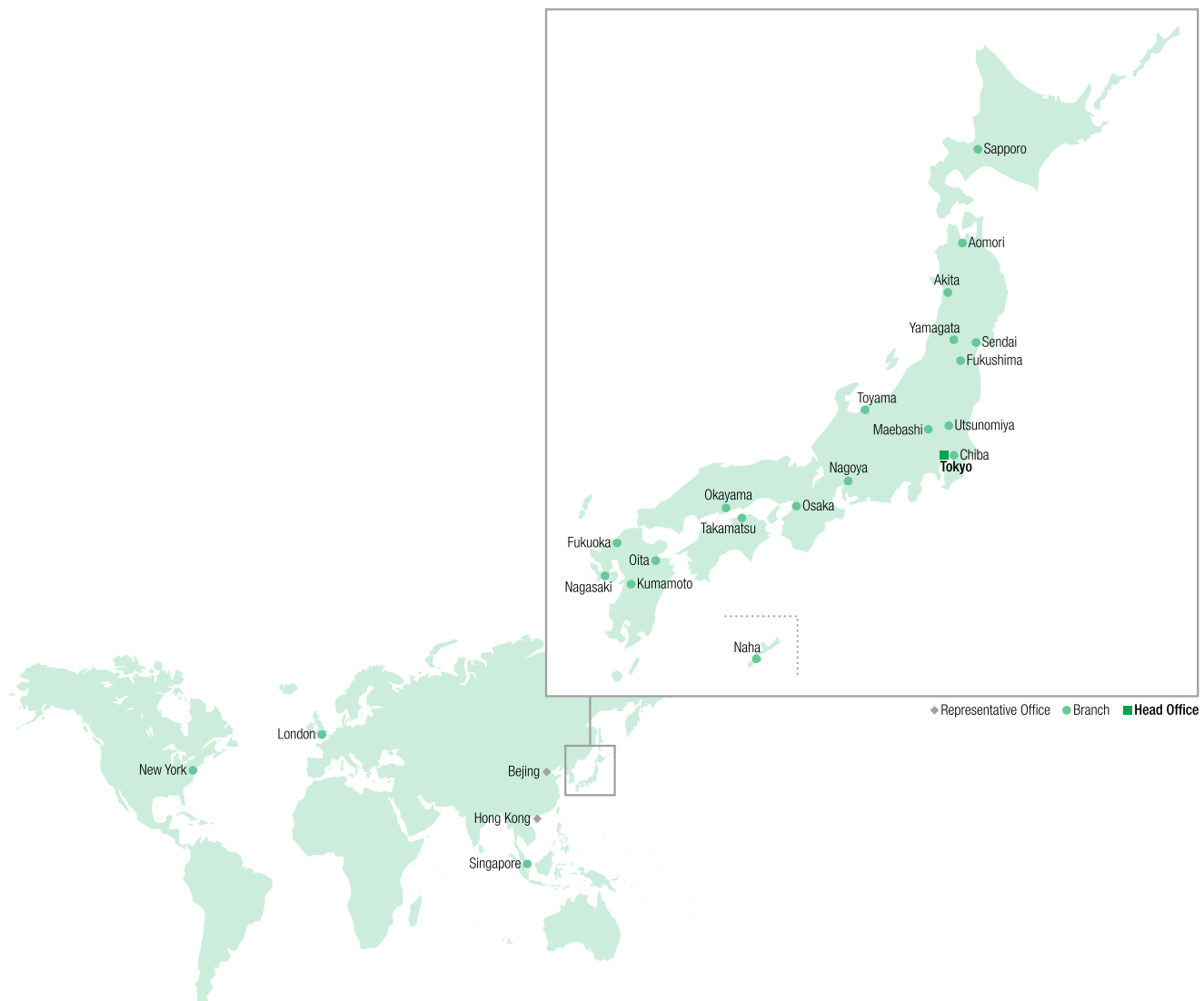
Overseas Representative Offices

Hong Kong (China) Representative Office

34th Floor, Edinburgh Tower,
The Landmark, 15 Queen's Road,
Central, Hong Kong, People's Republic
of China
Telephone: 852-2868-2839
Fax: 852-2918-4430

Beijing Representative Office

Room 601, Chang Fu Gong Building,
Jia-26, Jianguo Men Wai St.,
Beijing, China 100022
Telephone: 86-10-6513-0858
Fax: 86-10-6513-0859





Corporate Outline

Name	■ The Norinchukin Bank
Legal basis	■ The Norinchukin Bank Act (Act No. 93 of 2001)
Date of establishment	■ December 20, 1923
Chairman of the Supervisory Committee	■ NAKAYA Toru
President and Chief Executive Officer	■ OKU Kazuto
Paid-in capital	■ ¥4,040.1 billion (US\$36.4 billion) (As of March 31, 2021) <small>*All capital is from private parties (members and investors in preferred securities).</small>
Total assets (On a consolidated basis)	■ ¥107,647.8 billion (US\$972.3 billion) (As of March 31, 2021)
Capital ratio (On a consolidated basis, Basel III standard)	■ Common Equity Tier 1 Capital Ratio 19.86% (As of March 31, 2021) ■ Tier 1 Capital Ratio 23.19% (As of March 31, 2021) ■ Total Capital Ratio 23.19% (As of March 31, 2021)
Members	■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry cooperative organizations that have invested in the Bank (Number of shareholders: 3,384) (As of March 31, 2021)
Number of employees	■ 3,515 (As of March 31, 2021)
Business locations	(In Japan) ■ Head office: 1 ■ Branch: 19 ■ Branch annex: 1 (Overseas) ■ Branch: 3 ■ Representative office: 2 (As of March 31, 2021)

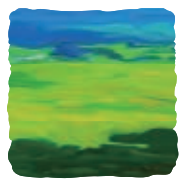
Ratings (As of March 31, 2021)

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

Contact Information of Head Office:

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