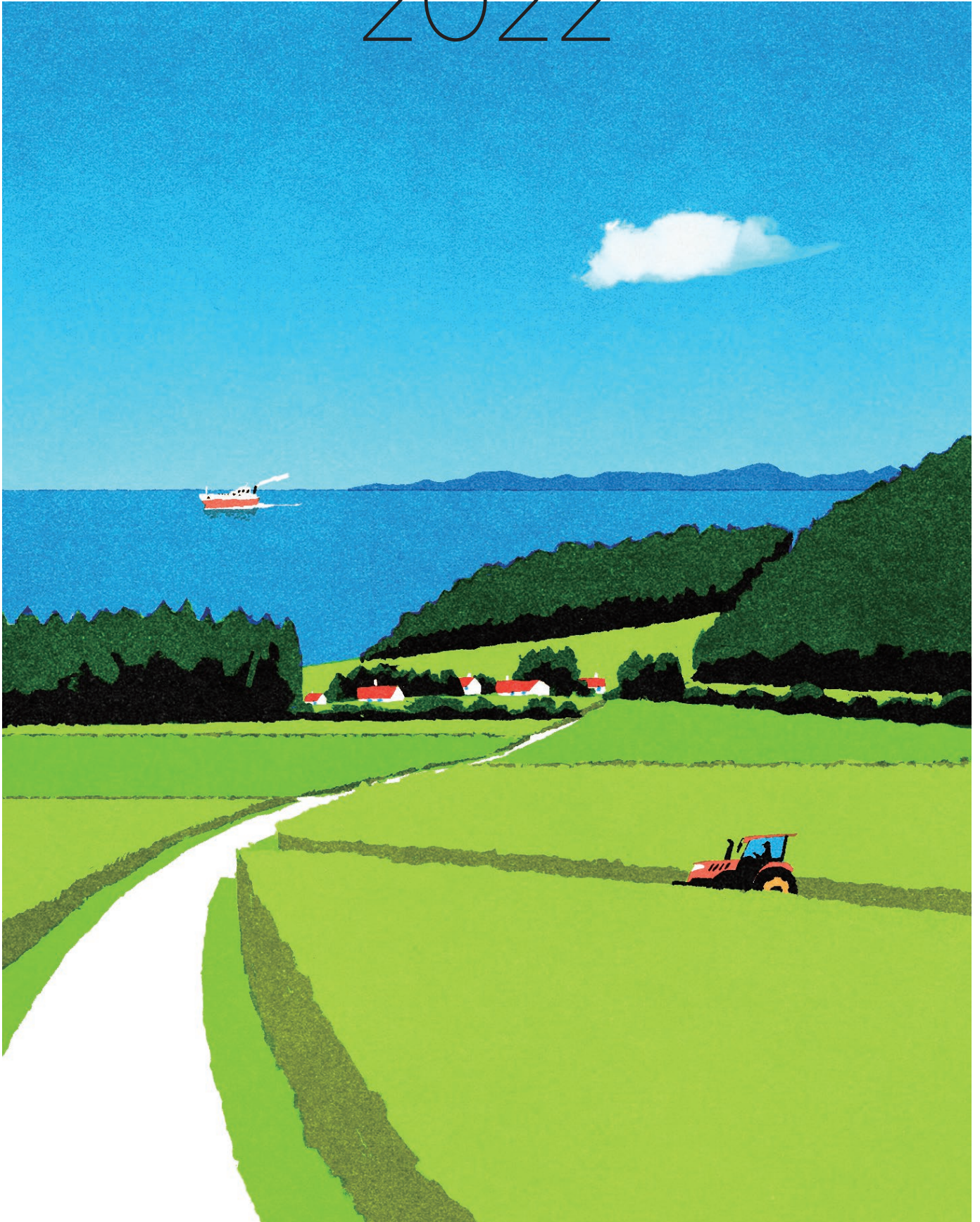


Integrated Report

# ANNUAL REPORT

## 2022



NORINCHUKIN

**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**

## Editorial Policy

- The Norinchukin Bank (the Bank) has published the Integrated Report 2022 for the purpose of helping its stakeholders understand the Bank's initiatives for the sustainable value creation. This integrated report has been edited with reference to the International Integrated Reporting Framework publicly announced by the Value Reporting Foundation (VRF)\*.
- The content of this report was verified at the Disclosure Committee regarding the appropriateness of disclosure, reported or proposed to the Supervisory Committee and the Board of Directors, the two statutory bodies under the Norinchukin Bank Act, and finally determined by the Representative Director (in charge of disclosure), in accordance with the disclosure policy (refer to page 56) of the Bank.
- This document is the Bank's annual report prepared in accordance with Article 81 of the Norinchukin Bank Act. It contains information about the financial condition and performance of the Bank as of March 31, 2022 (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.

\*The global nonprofit, private organization that offers a comprehensive suite of resources designed to help businesses and investors develop a shared understanding of enterprise value. It was established by several private companies, investors, associations of accountants, administrative bodies and other organizations, with the aim of developing international enterprise reporting frameworks.

## Positioning of the Integrated Reports Issued by the Bank

The Bank issues its integrated report as a synthetic document format that comprises three separate volumes to better align with the interests of respective stakeholders. For details of each volume, please see the Bank's website (<https://www.nochubank.or.jp/en/>) or read the two-dimensional barcode to access the PDF-formatted files of your desired report volume.



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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

*TORU NAKAYA*

*Kazuto Oku*

We would like to sincerely thank all our stakeholders for supporting the day-to-day operations of The Norinchukin Bank (“the Bank”).

Our annual report contains details of our business performance for fiscal 2021, 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—farmers, 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.

## Support for the Food and Agriculture Value Chain

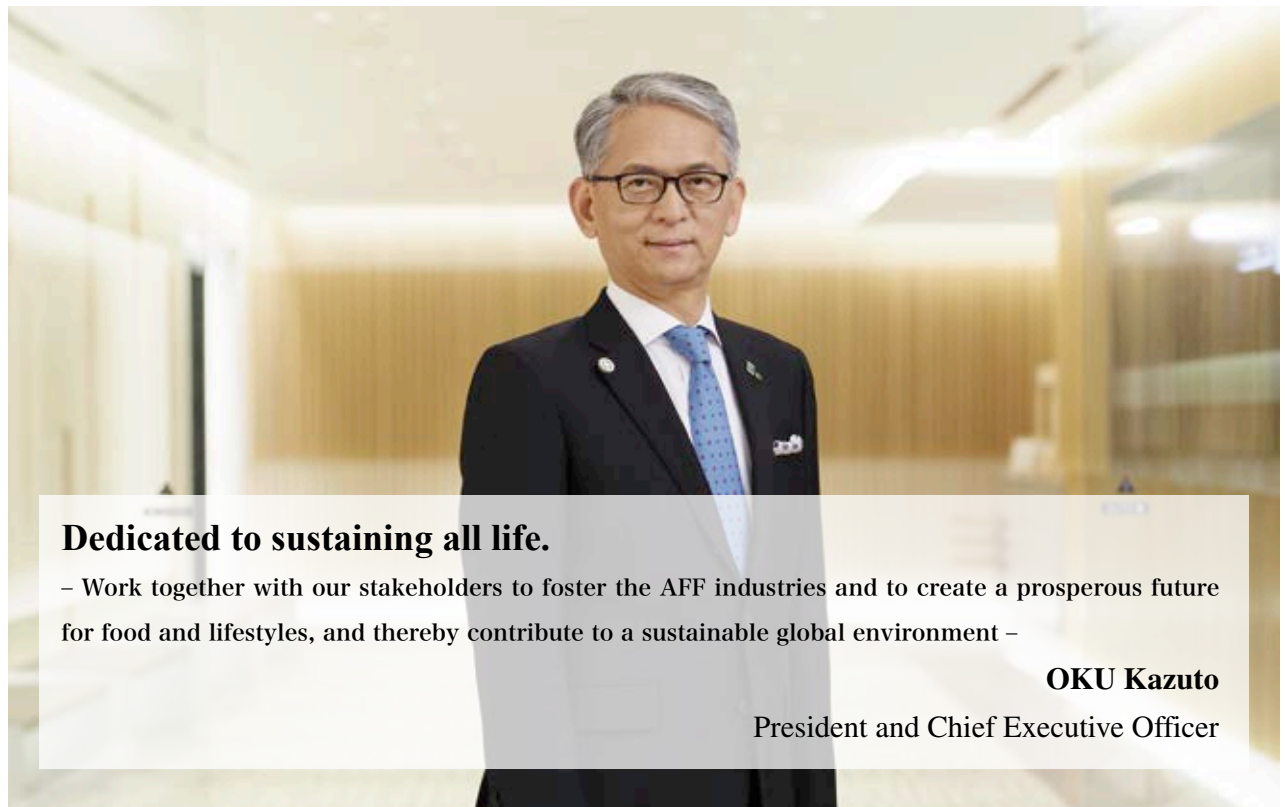
The prolonged impact of the COVID-19 pandemic, as well as one caused by Russian aggression against Ukraine, have led to the global supply chain disruption and price surges around the world, with continued effects in various industries. The Bank will continue to provide maximum support for all stakeholders throughout the food and agriculture value chain, i.e. from “upstream” production (farmers, fishermen and foresters), through food-related industries (e.g., food processing, distribution and restaurant industries), toward “downstream” consumptions in Japan and abroad, as well as the regions as the base of the entire chain.

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, and promote initiatives to contribute to the development of the AFF industries and communities.

Finally, we ask for your continuing support of JA Bank, JF Marine Bank, JForest Group and the Bank.

July 2022

## Message from the CEO



On behalf of the Bank, I would like to express my sincerest appreciation for your support for and understanding of the Bank. As a national-level financial institution founded on the AFF cooperatives, the Bank has remained committed to the development of the AFF industries since its establishment in 1923 and will soon mark its 100th anniversary. To express that the Bank’s business exists together with “life,” which is sustained by AFF business operations and the cycle of nature, the Bank formulated a corporate brand statement: “Dedicated to sustaining all life.”

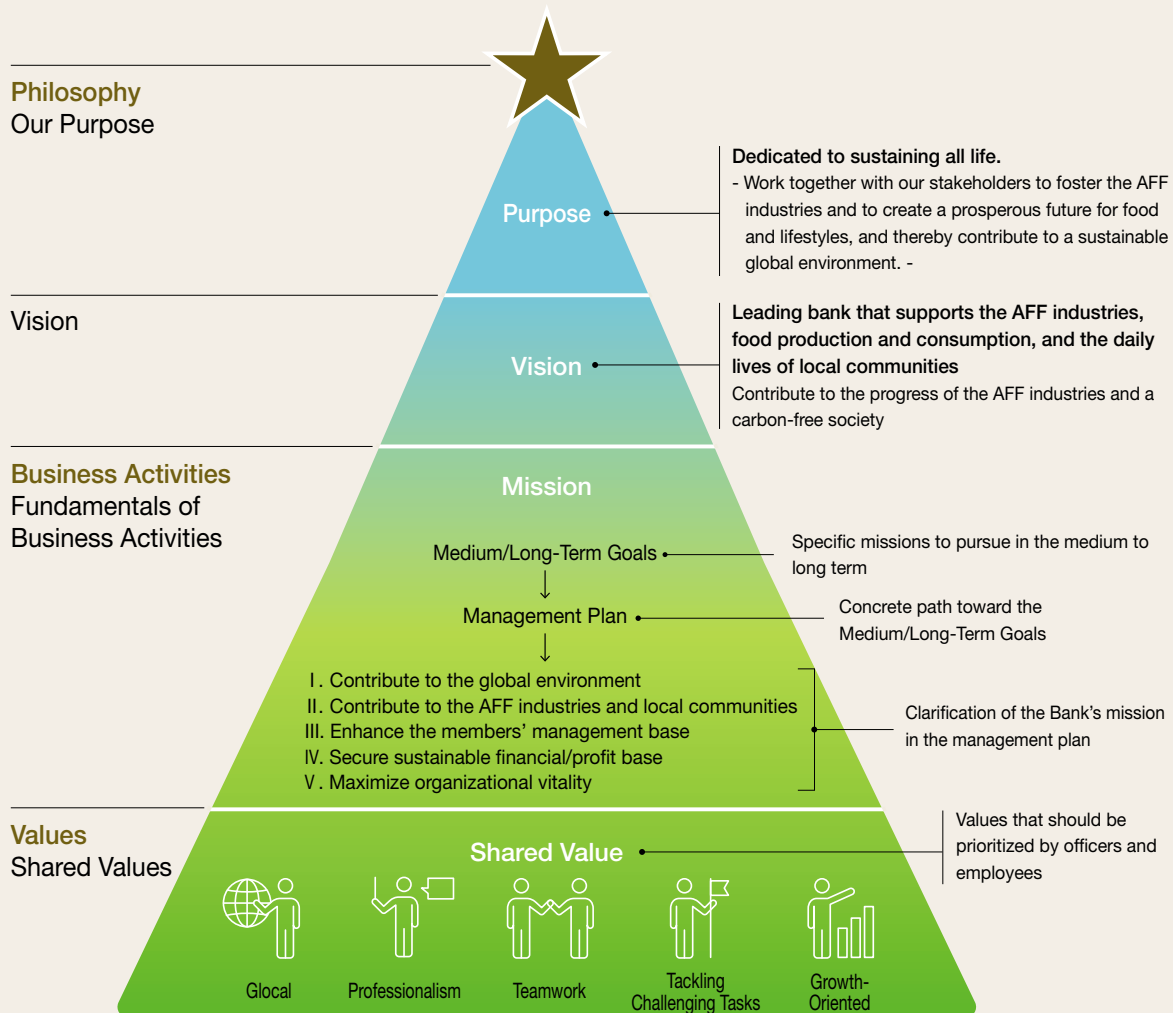
The environment surrounding the AFF industries has changed with the times. Most recently, the COVID-19 pandemic and changes in global geopolitics have delivered significant blows and disruptions to the AFF industries, the food and agriculture value chains and global supply chains. Environmental issues such as climate change and various social issues have also surfaced. There is pressure to address these issues through our business operations.

As unprecedented “non-continuous changes” are expected to continue emerging, the Bank presents five specific missions to continue to fulfill its overall mission of being committed to the development of the AFF industries: contribute to the global environment; contribute to the AFF industries and local communities; enhance the members’ management base; secure a sustainable financial/profit base; and maximize organizational vitality. Based on these specific missions, the Bank identified its Purpose (what contributions the Bank should make to a sustainable environment and the society of the future) and its Vision (what the Bank should do to perform its purpose). To achieve these, the Bank set the Medium/Long-Term Goals and the Medium-Term Management Plan as a path guiding its daily business operations toward those Goals.

Based on the “Shared Values” that should be prioritized by its officers and employees, the Bank conducts daily business activities to achieve the goals of its Management Plan and then 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 operations.

Through these efforts, we will deepen a dialogue with our stakeholders and meet their expectations, thereby promoting the continued development of the AFF industries and the provision of value to society.

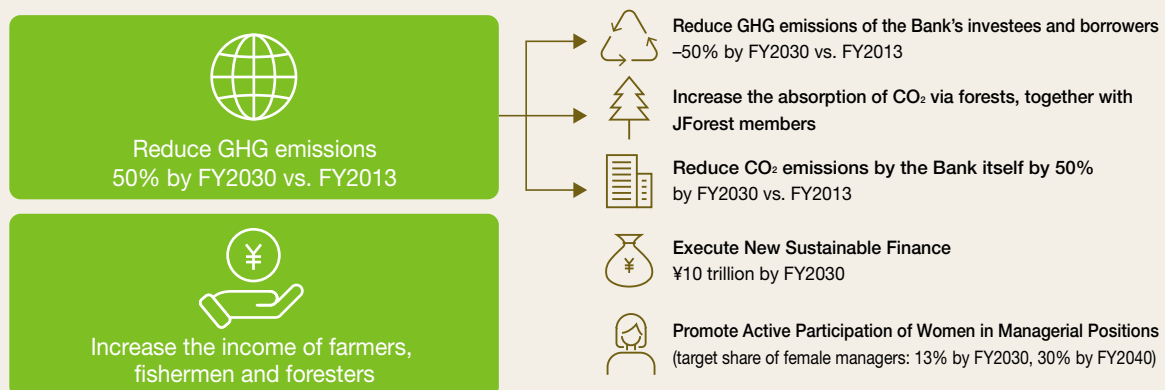
## Our Purpose, Vision and Mission



### 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

## The Norinchukin Bank's Medium/Long-Term Goals FY2030





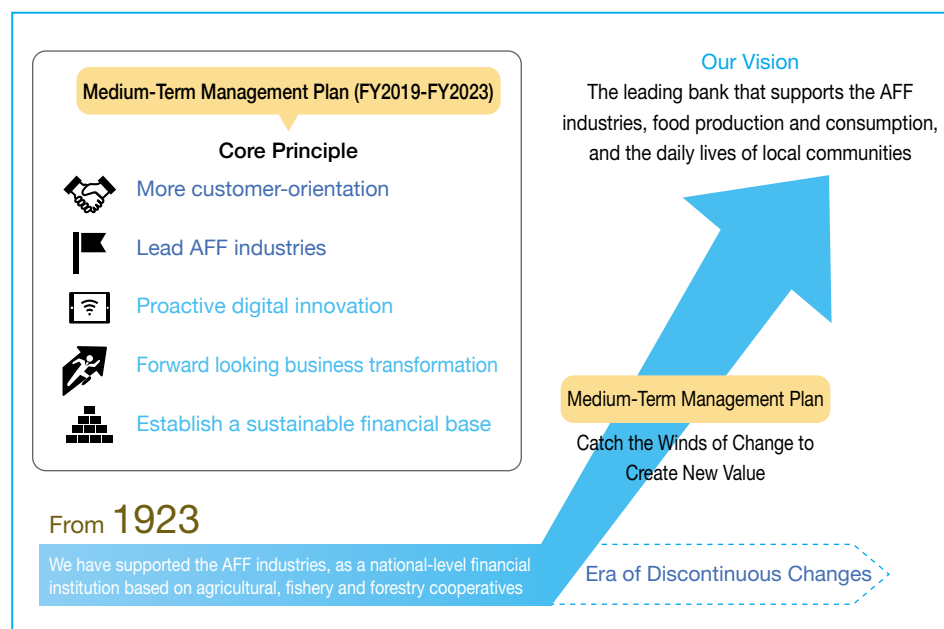
## Core Principle and Priority Strategies of the Medium-Term Management Plan (FY2019–FY2023)

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

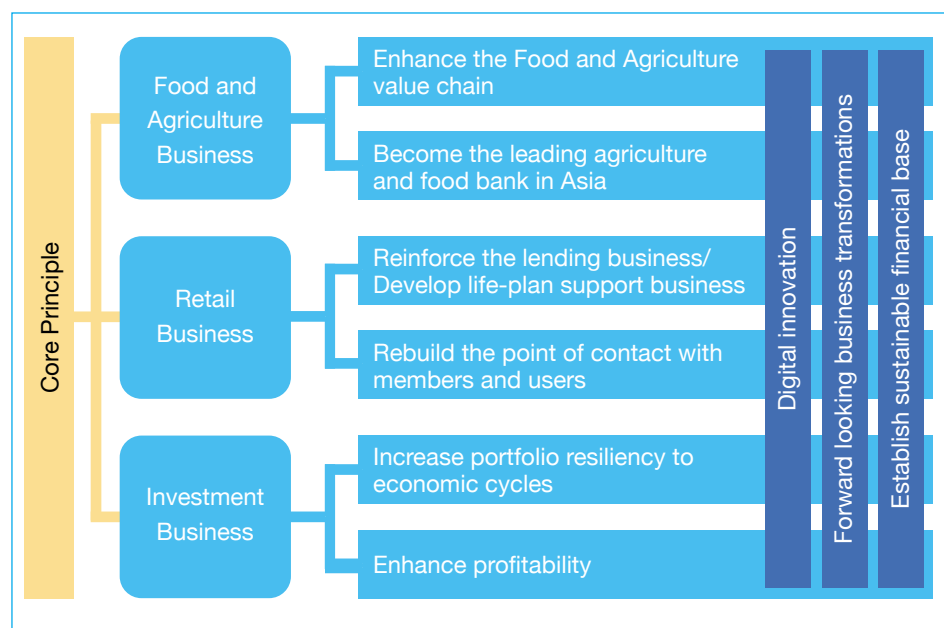
As unprecedented “non-continuous changes” are expected, the Bank continues working on the Medium-Term Management Plan in line with the following core principle and priority strategies to continue to fulfill

its mission of contributing to the development of the AFF industries. Together with our cooperative groups, we will strive to meet the expectations of our customers, aimed at being “the leading bank that supports the AFF industries, food production and consumption and the daily lives of local communities,” and realize sustainable growth and offer value to society.

### Core Principle



### Priority Strategies



## Business Performance in Fiscal 2021

With an unchanging attitude toward the vision to be “the leading bank that supports the AFF industries, food production and consumption and the daily lives of local communities,” as set forth in the Medium-Term Management Plan, the Bank steadily addressed the following missions in fiscal 2021. The Bank progressed

to fulfill its Purpose and Vision even in the severe environment by reviewing its tasks and policies flexibly and quickly in response to changes in the operating environment, including measures against the COVID-19 pandemic.

## Contribute to the Global Environment

Aiming to achieve “Reduce GHG emissions by 50%” which is one of the FY2030 Medium- to Long-Term Goals, we examined measurement targets and methods, and performed GHG emission measurement of certain asset classes. In addition, we focused on the

execution of sustainable finance that contributes to solutions of environmental and social issues for both investments in markets and financing for companies. As a result, we executed new sustainable finance amounting to ¥1.5 trillion in fiscal 2021.

## Contribute to the AFF Industries and Local Communities

To address the negative effects on the AFF industries, the food and agriculture value chain and the global supply chains, the Bank, together with the JA Bank and JF Marine Bank members, promoted management consultation and other support for the AFF industry workers and local communities to reinforce its

function of financial intermediation. By continuing to offer solutions that contribute to the growth of the AFF industries and local communities, we will engage in efforts toward another Medium- to Long-Term Goal, “Increase the income of farmers, fishermen and foresters.”

## Enhance the Members’ Management Base

To develop the functions of financial intermediation unique to JA Bank, the “JA Bank Medium-Term Strategies (FY2022–2024)” were formulated to exercise creative efforts based on its comprehensive business in the fields of agriculture, daily living and local communities. At JF Marine Bank, to complete the members’ efforts to reform their businesses and organizations,

the Bank provided various support to establish the inter-regional JF Shingyoren comprising three blocks around the nation. By practicing and assisting the members’ efforts, the Bank will promote contribution to the sustainable development of the AFF industries and turning them into growth industries.

## Secure a Sustainable Financial/Profit Base

As an effort to further stabilize its foreign currencies funding for sustainable portfolio management, the Bank issued foreign-currency-denominated Norinchukin Bank Debentures, along with enhancement of the Bank’s cash flow and liquidity risk management in response to the upcoming regulatory and market environment changes. On asset side, the Bank has explored further its current investment and lending methods to

develop and offer new functions and diversify profit sources. The Bank also established new subsidiaries, Norinchukin Capital Co., Ltd., and Nochu-JAML Investment Advisors Co., Ltd., with the aim of expanding outside income through the group companies, which is a part of our strategy to generate and grow future profit sources.

## Maximize Organizational Vitality

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Taking the opportunity of moving to the new head office in January 2022, the Bank implemented workstyle changes to make it flexible in terms of work-time and place perspectives, in order to ensure the infection prevention and business continuity simultaneously. In addition, the Bank established the Chief Diversity Officer (CDO) position, who is responsible for promoting women empowerment and diversity in workplace, and has proceeded with initiatives to increase the ratio of

women in managerial positions and promote women empowerment. The Bank is engaged with multifaceted efforts including support for balance between work and childcare, a work-life balance and promoting childcare leave taken by male employees, etc.

Being aware of the Bank's Purpose and the Medium/Long-Term Goals, the Bank will continue pursuing efforts that reinforce sustainability in the future and take steps to complete the Management Plan.

## Message from the CFO



**ITO Yoshihiro**

Director and Managing Executive Officer  
Member of the Board of Directors  
Chief Financial Officer

### The Bank's Financial Management

Because the Bank exists as a financial institution for cooperative organizations designed to facilitate smooth financial intermediation, we engage in initiatives toward building a sustainable financial base to stably return profits to our members and continue to offer our value to a diverse range of stakeholders. To achieve that, we introduced the risk appetite framework and continue to advance our governance, finan-

cial management and risk management.

For our financial management, it is important to ensure the three elements: continuing “stable returns” to members, maintaining the “soundness” as a financial institution and maximizing profitability to the extent the first two elements are achieved. We conduct financial management in consideration of the balance of these three elements.

### Financial and Economic Circumstances

Despite uncertainties concerning the spread of infection with COVID-19 variants and the risk of high inflation persisting, fiscal 2021 saw movements toward sustainable economic recovery, supported by fiscal and financial policy measures and the gradual spread of vaccination. Toward the end of fiscal 2021, drastic geopolitical changes led to a disruption of global supply chains, commodity price surges and other effects, with concerns over the possibility of recessions under high inflation.

As the normalization of business activities went on, the financial markets proceeded steadily centering on

the stock market during the first half of fiscal 2021. Entering the second half, the policy of reversing the accommodative monetary policy intensified mainly in the United States, which triggered significant increase of the long-term interest rates especially of U.S. Treasury bonds amid increasing prices and further prospects for monetary tightening. The stock market revealed an increasing adjustment mood, and the exchange market experienced a further appreciation of the dollar against the yen due to the difference in monetary policies between the United States and Japan.

## Financial Results and Capital Adequacy in Fiscal 2021

In fiscal 2021, the Bank recorded consolidated ordinary profit of ¥238.5 billion and profit attributable to owners of parent of ¥184.6 billion. Although a decrease in foreign currency funding costs during the first half of the fiscal year and steady progress of new investments contributed to increase net income, the posted loss resulting from sales of interest rate assets which

are mostly bonds lowered the results from the previous year.

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 17.87%, a Tier 1 capital ratio of 21.22% and a total capital ratio of 21.23%.

### Summary of Earnings

(Billions of Yen)

	FY2019	FY2020	FY2021
Ordinary Profit	122.9	310.0	<b>238.5</b>
Profit Attributable to Owners of Parent	92.0	208.2	<b>184.6</b>
Net Assets	7,261.6	7,955.5	<b>7,294.6</b>
Common Equity Tier 1 Capital Ratio	19.49%	19.86%	<b>17.87%</b>
Tier 1 Capital Ratio	23.02%	23.19%	<b>21.22%</b>
Total Capital Ratio	23.02%	23.19%	<b>21.23%</b>

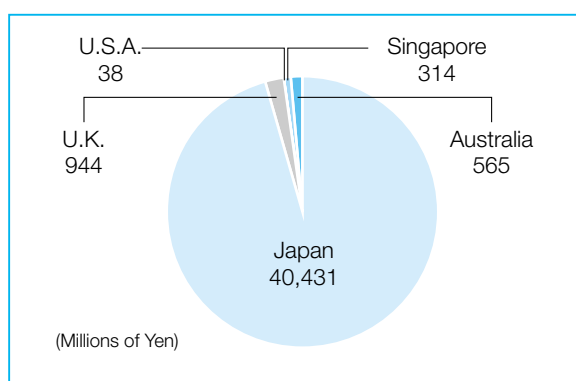
## Efforts to Enhance Tax Compliance

The appropriate fulfillment of tax obligations is one of the critical social responsibilities of a company. With the business model of globally diversified investments, the Bank exercises its tax obligations not only in Japan but also with awareness of foreign tax laws and regulations concerning overseas lending and investing activities from Japan and business operations at its overseas locations, as well as international initiatives such as the BEPS Actions agreed by major jurisdictions at the

OECD and implemented in Japan.

The Bank also conducts efforts to enhance tax compliance within the organization with the aim of increasing its medium- to long-term corporate value through sustainable growth. Specifically, the Bank provides its officers and employees with seminars designed to increase their tax literacy and will make continued efforts to increase awareness of tax compliance and reinforce tax governance.

Amount of Tax Payment by Jurisdictions (As of March 31, 2021)



## Message from a Supervisory Committee Member



**SATO Takafumi**  
Supervisory Committee Member

I have served as a member of the Supervisory Committee for about two years. As I learn more about The Norinchukin Bank, I find it to be a unique organization about which I still have much to learn. I present this message from the perspective of an outside officer to help you better understand the Bank.

### Uniqueness of The Norinchukin Bank

I think that the Bank is a unique organization with the following characteristics:

- The Bank is a financial institution dedicated to supporting specific industries—the AFF industries—and the economic and cultural activities that are closely connected to everyday life—“food.”
- The Bank is a huge financial institution with a significant presence in the global market, yet it remains closely connected to local communities in Japan,

with business locations serving as JA Bank and JF Marine Bank throughout the nation.

- As a financial institution for cooperatives, the Bank has a management and governance structure that differs from that of a stock company, and as a central institution it has a role in the governance of the related cooperatives throughout Japan.

### Social Mission and Practice Thereof

The Bank’s Purpose is to foster the AFF industries and create a prosperous future for food and lifestyles, while also contributing to a sustainable global environment. The key is how to practice that mission and produce visible results. It is also important to measure the results and disclose them to get public feedback.

The Bank is deeply involved in the value chain of

the food and AFF industries from upstream to downstream, including material procurement, production, processing, distribution, sales (including export) and consumption. In the Food and Agriculture Business, the Bank is building a network that can deliver high added value by supporting people at each stage of the chain and matching those persons accordingly.

Because the AFF industries and food are indispensable for human life, it could be said that the Bank assumes part of the responsibility for the stable supply of food to support human living.

To turn the AFF industries into sustainable growth industries, many challenges lie ahead, which are not easy to resolve. The issues to which the Bank could contribute range from increasing incomes and the number of people engaging in the AFF industries to assisting the growth of local communities and maintaining the natural environment. Every issue requires consistent and sustained engagement.

To manage the progress of initiatives on those issues, the Bank uses the risk appetite framework (RAF), a method increasingly popular for banks' business administration, and I find the Bank's approach

to be innovative. The RAF is a framework to achieve disciplined risk taking and optimization of the balance between risk and return. I have a favorable feeling about the Bank connecting its Purpose to its business administration as a financial institution, which tend to be separate at most institutions. I also find it appropriate that the Bank sets medium- to long-term goals for individual initiatives and manages the progress through the Medium-Term Management Plan. To manage progress, it is important to conduct timely measurement and evaluation of results based on those measurements. With a focus on the items that fall short of the goals, it is important to review the results and renew the goals by considering why the goals were not reached, where the goals could be improved or if the goals were not realistic.

## Status as a Global Financial Institution

The Bank is designated as one of the seven Systemically Important Banks (SIBs) in Japan. Introduced after the Global Financial Crisis of 2007–2008, the SIB framework imposes stricter regulations on the banks listed as SIBs because their failure could have a significant effect on not only the failed bank but also the entire financial system.

How should we view the increase in managerial

burden—for example, maintaining a higher capital adequacy ratio than is required for general banks—that could arise from being on the SIB list? If the SIB designation leads to the reputation of being a highly reliable financial institution with good financial health, wouldn't that bring higher status, which would work favorably in conducting business operations?

## Collaboration with Cooperative Organizations

Turning to the domestic situation, the development of local communities, for example, is inseparable from the nature of the Bank as a financial institution closely connected to local communities with business locations throughout Japan. JA Bank and JF Marine Bank have JAs and JFs (JA Shinnoren and JF Shingyoren at the prefectural level) throughout the nation, which independently engage in initiatives tailored to the needs and characteristics of the region where they operate. From among these initiatives, discovering and supporting positive and innovative on-site efforts and disseminating them as best practices across the nation is one of the roles of the Bank. In other words, it is to establish a shared sense of value and share good things

on a nationwide basis.

The decentralized operating system based on on-site initiatives like that of the Bank respects the independence of each cooperative organization under the umbrella, unlike the centralized system of general banks where the headquarters issue uniform directions to branches. In such a decentralized system, independent-minded efforts on the ground are important, but at the same time, it is essential to share a sense of value and principles that provide discipline for such on-site activities. It is a role of the Bank to support such “self-disciplinary” efforts from the perspective of governance.

## Characteristics of Governance

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The Norinchukin Bank does not have shareholders in a general sense. Instead, voting rights are held by delegates who are selected by vote in respective regions and sectors from the investors and members comprising the representatives of people engaged in the AFF industries across the nation. The Supervisory Committee, which is equivalent to the board of directors at general companies, consists of members representing the cooperative organizations that constitute the majority and members outside the cooperative organizations, like myself, who participate in a position like that of an outside director.

Comparing listed stock companies and cooperative organizations from the viewpoint of the governance of

a financial institution, each has good and bad points. Decision-making within the same group tends to have a lack of tension, whereas it could help avoid the situation where there is strong pressure from some shareholders to prioritize short-term profits that could lead to loss of value in the medium to long term. In the economic world, a transition is in progress from classical shareholder capitalism to stakeholder capitalism, with a focus not only on shareholders but also various other stakeholders such as business partners, employees, local communities and the global environment. I feel that listed companies and cooperative organizations are moving closer to each other in sharing a sense of value.

## Sustainable Management

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The Bank brought up the concept of sustainable management in fiscal 2021. The Bank has already made efforts to enhance the sustainability of the AFF industries and the related local communities, and I believe it will step up such efforts and further systematize them. The SDGs and ESG initiatives have high affinity with the Purpose of The Norinchukin Bank. The AFF industries can nurture “life” while enjoying the benefits of nature and maintaining a prosperous coexistence with the concept of sustainability.

On sustainable management, the Bank has set me-

dium- to long-term numerical targets to be achieved by fiscal 2030 as to greenhouse gas emissions from the investees and borrowers, absorption of CO<sub>2</sub> via forests, CO<sub>2</sub> emissions from the Bank’s business locations, execution of new sustainable finance, share of female managers and so on. In promoting these initiatives, I think it will become important to measure results, evaluate achievements and disclose them effectively.

I expect the Bank to continue to promote innovative initiatives that can be enabled only by them.



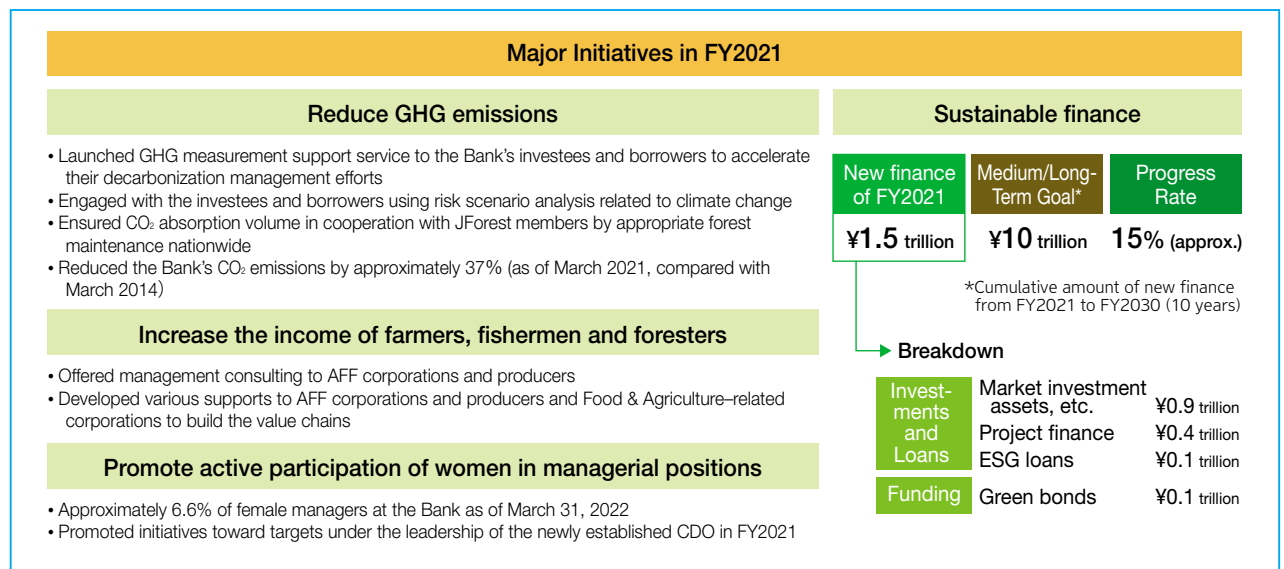
# Sustainability Management Initiatives

Issues that could shake the Bank’s foundations of business are rapidly developing on a global scale, including the progress of climate change, food shortages due to the globally rising population, labor shortages in advanced economies due to aging and shrinking demography, problems of human rights and a loss of biodiversity. As expectations for companies to solve these environmental and social issues are increasing, we recognize that our stakeholders want the Bank to meet these expectations in operating its businesses.

Based on an understanding of such global trends, the Bank, to address the global issues through its business, performs initiatives of sustainability management based on discussions at the Sustainability Committee, which operates under the Board of Directors. The Bank assigned two Chief Sustainability Officers (Co-CSuO), one each in Japan and overseas, responsible for supervising and promoting sustainable management, and a

Chief Diversity Officer responsible for supervising and promoting diversity & inclusion initiatives. In addition, the Bank established the Sustainability Advisory Board to reflect opinions of external experts on the Bank’s sustainable management.

To achieve the FY2030 Medium/Long-Term Goals set forth in fiscal 2021, the Bank launched specific efforts to reduce GHG emissions, including support aimed at decarbonization management through dialogues with customers, appropriate forest maintenance in cooperation with JForest members to ensure CO<sub>2</sub> absorption, and efforts to reduce CO<sub>2</sub> emissions by the Bank itself, thereby contributing to the realization of a carbon-free society. The Bank also engages in initiatives to increase the income of farmers, fishermen and foresters and raise the share of female managers. The Bank’s new sustainable finance in fiscal 2021 reached about ¥1.5 trillion.



## Participation in Major Initiatives

<ul style="list-style-type: none"> <li>Principles for Financial Action for the 21st Century</li> <li>United Nations Global Compact</li> <li>Carbon Disclosure Project</li> <li>Equator Principles</li> <li>Task Force on Climate-related Financial Disclosures</li> <li>Japan Climate Initiative</li> <li>UNEP FI</li> <li>PRB</li> <li>PCAF</li> <li>AIGCC</li> <li>Climate Action 100+</li> <li>TNFD Forum</li> </ul>			

## Measures to Address Climate Change Disclosure according to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

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. From the perspective of opportunities and risks concerning

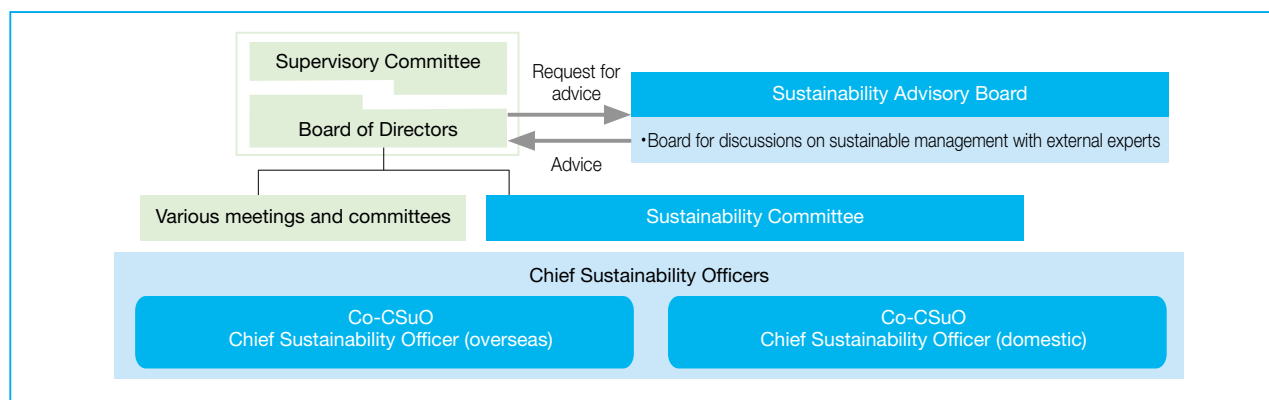
climate change, the Bank is pursuing efforts to contribute to the alleviation of and adaptation to climate change through its business operations. As part of such efforts, the Bank is appropriately addressing the impacts and risks of climate change on the Bank’s businesses and implementing measures and expanding disclosures in line with the TCFD recommendations.

### Governance

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 submitting proposals and reporting at the Supervisory Committee or the Board of Directors meetings according to the themes to be discussed.

In addition, the Bank has assigned Chief Sustain-

ability Officers (Co-CSuOs) who are responsible for supervising and promoting initiatives to solve environmental and social issues, including climate change. Furthermore, the Bank established the Sustainability Advisory Board as an advisory body to the Board of Directors to advance its sustainable management by incorporating the opinions of external experts.



### Strategy

Through its business activities, the Bank is working on initiatives to address opportunities and risks relating to climate change.

#### Climate change–related opportunities

Climate change presents a possible risk in the future, but at the same time, addressing the alleviation of and adaptation to climate change offers business opportunities. The Bank promotes initiatives to support the transition to a carbon-free society from the aspect of financing.

(Examples of initiatives)

- Initiatives through sustainable finance

- Impact investment program
- Renewable energy–related project financing
- ESG loans to solve environmental issues
- Initiatives to ensure the sustainability of forests and forestry
  - Initiative to continue and activate the function of forests to absorb carbon dioxide

#### Climate change–related risks

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 to climate change and a carbon-free society.

- **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

### Climate change-related risks recognized by the Bank

Risk	Category	Major risks	Timeframe
Transition risk	Policy Legal Technology Market	<ul style="list-style-type: none"> <li>• Regulations to achieve the 2°C target could have an impact on the business models and business performance of investees and borrowers, thereby increasing the cost of credit.</li> <li>• The market's shift toward decarbonation could change the supply-demand relationship of products and services and business performance, thereby increasing the cost of credit.</li> </ul>	Medium/Long Term
	Policy	<ul style="list-style-type: none"> <li>• Change of regulations to respond to growing international demand to strengthen measures against climate change</li> </ul>	Short Term
	Reputation	<ul style="list-style-type: none"> <li>• Risk that climate change-related efforts and disclosure are regarded to be insufficient</li> </ul>	Short Term
Physical risk	Acute Chronic	<ul style="list-style-type: none"> <li>• Natural disasters, such as a typhoon and heavy rain, could stagnate investees' and borrowers' businesses, worsening their performance and damage the value of collateral of real estate and other properties, which could increase the cost of credit.</li> <li>• Climate change could affect land utilization and the productivity of primary industries.</li> <li>• Abnormal weather could cause damage to the Bank's assets, affecting the continuity of its business.</li> </ul>	Short/Medium/Long Term

#### • Scenario analysis

The Bank evaluated the financial impact of transition risk on the credit portfolio in fiscal 2020. The scope of analysis included (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).

In fiscal 2021, the Bank additionally conducted scenario analyses on acute and chronic physical risks. As for acute risks, the Bank analyzed flood damage, which has been severe in recent years, specifically

concerning its effects on the important business locations in Japan of domestic borrowers and on mortgage collateral held by the Bank. The analysis concluded that the effects on the credit portfolio are limited.

As for chronic risks, the Bank analyzed the impact of chronic physical risks on the agricultural sector, which is important to the Bank as its business is based on the AFF industries. The analysis was conducted on rice production and livestock farming (raw milk and beef cattle), studying the effects of climate change, including rising temperatures, on the income of producers and how to address those effects. This analysis, however, is only about the effects on the income of producers, and further research is necessary for developing appropriate models to analyze the Bank's financial impacts, because of the need for identifying the highly probable estimation path among many diverse and complex ones.

## Risk Management

The Bank has adopted a risk management framework related to the environment and society including climate change. In line with the Environmental Policy and the Human Rights Policy that are basic policies for solving environmental and social issues, the Bank stipulates a policy to address environmental and social considerations in lending and investing activities for the sectors where negative effects on the environment and society, including climate change, are suspected. In addition, concerning large-scale development projects, the Bank applies the Equator Principles.

Based on the risk appetite framework, which is a framework of business management for disciplined

risk taking and the optimization of risks and returns, the Bank selects the top risk (that requires special attention) in consideration of the business environment and risk awareness and analyzes possible future scenarios. Selecting “rapid changes in the environment surrounding sustainable management” as the top risk, the Bank recognizes that rapid environmental changes regarding various themes on sustainability, including climate change and biodiversity, could have a significant impact on the sustainability of the Bank, including the portfolio having stranded assets and the negative effects of wind, flood and other damage to the AFF industries.

## Metrics & Targets

The Bank set forth the FY2030 Medium/Long-Term Goals and makes steady progress toward them.

- Scope 1, 2: The Bank aims to reduce CO<sub>2</sub> emissions by the Bank itself by 50% by fiscal 2030 compared with fiscal 2013.

Results of FY2021

(Unit: tCO<sub>2</sub>)

Period of measurement	March 31, 2014	March 31, 2021
Scope 1	2,200	1,256
Scope 2	30,200	19,057
Total	32,400	20,313(-37%)

- Scope 3: The Bank aims to reduce GHG emissions at its investees and borrowers by 50% by fiscal 2030 compared with fiscal 2013.

Results of FY2021

The Bank assessed the current status of GHG emissions across various asset classes in its investment and loan portfolio, and estimated the GHG emission amount via its financing activity to corporations in the form of loans, bonds and stocks.

- The Bank will execute new sustainable finance totaling ¥10 trillion by fiscal 2030.

Results of FY2021

The amount of new sustainable finance executed in fiscal 2021 totaled ¥1.5 trillion, or 15% in rate of progression.

For details, please refer to “Sustainability Report 2022.”



# 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 Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) and JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives) at the prefectural level, and (3) The Norinchukin Bank at the national level are referred to collectively as the “cooperative banking business.”

## ■ Business Activities of Cooperatives

### ● Japan Agricultural Cooperatives (JA)

JA are cooperatives, established under the Agricultural Cooperative 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 insurance; and (4) offering banking services, such as accepting deposits, making loans and remitting funds.

There are 551 JA throughout Japan (as of April 1, 2022) 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 869 JF throughout Japan (as of April 1, 2022) 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, 2022) 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 biodiversity 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.

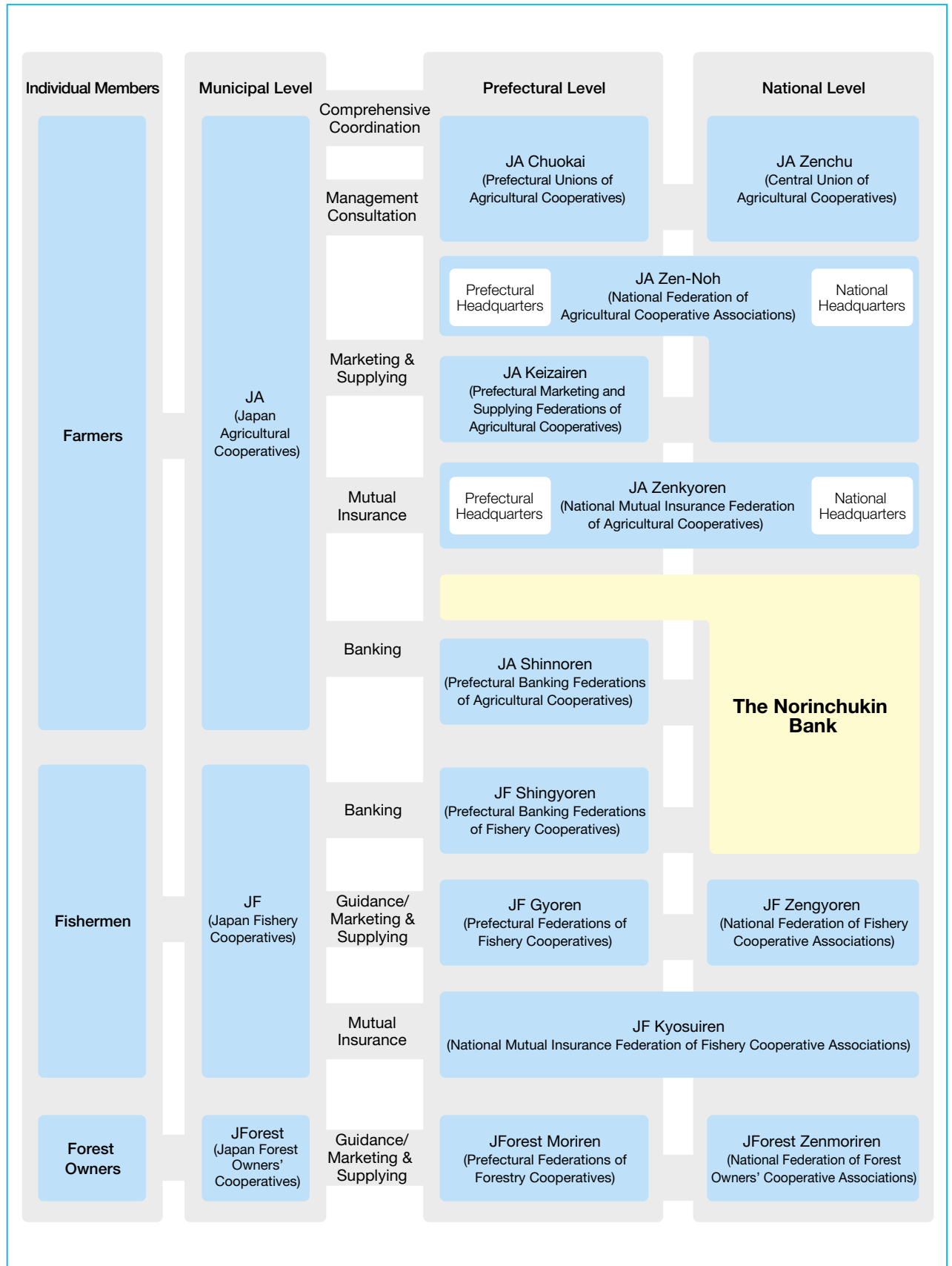
The Bank's funds are derived from member deposits (most funds held at the Bank are deposits of individual

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

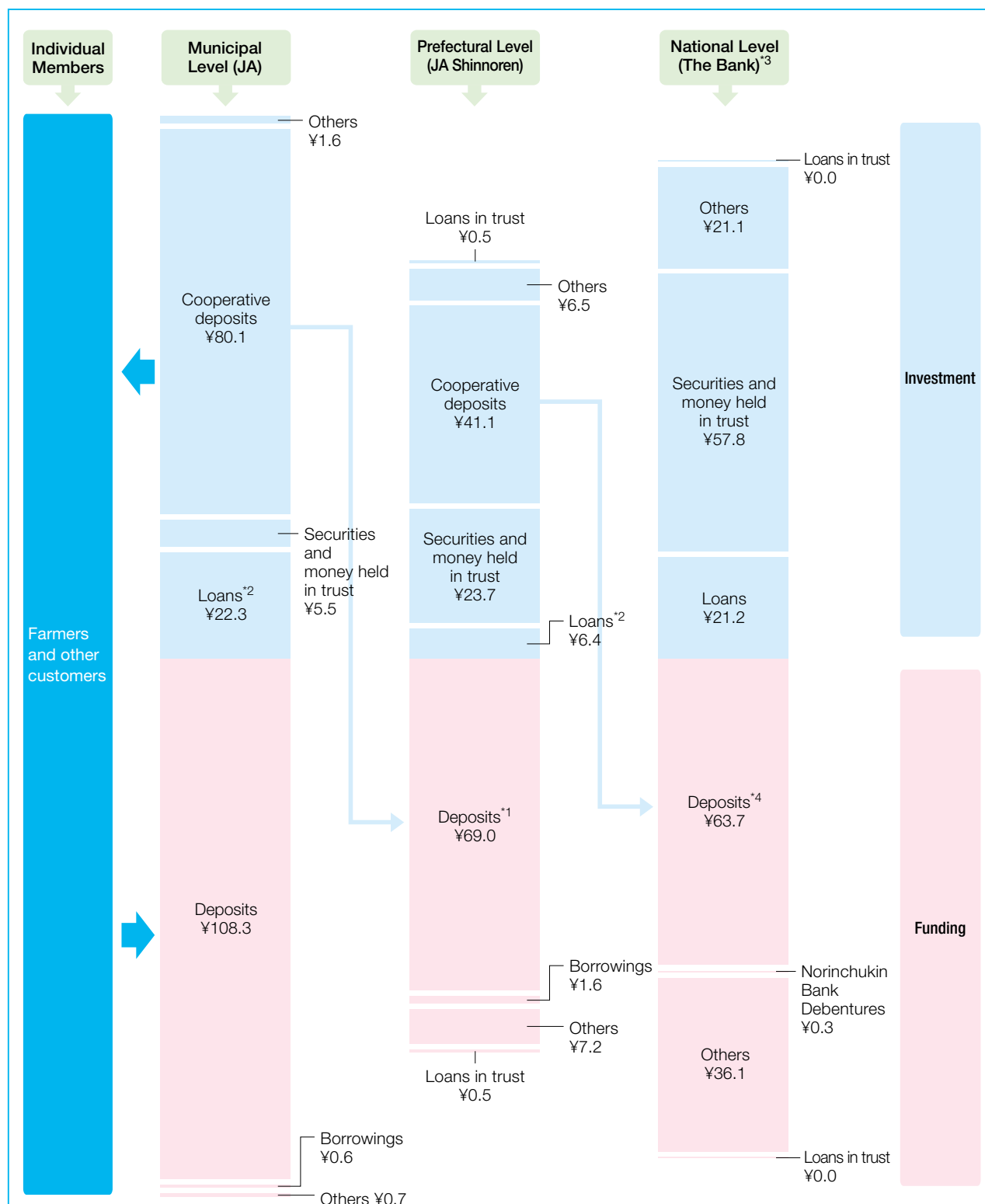
As a financial institution based on agricultural, fisheries and forestry cooperatives, as well as other members of the agriculture, fisheries and forestry cooperative system, the Bank contributes to the development of the nation's economy by supporting the advancement of the agriculture, fishery and 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, 2022)

(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.

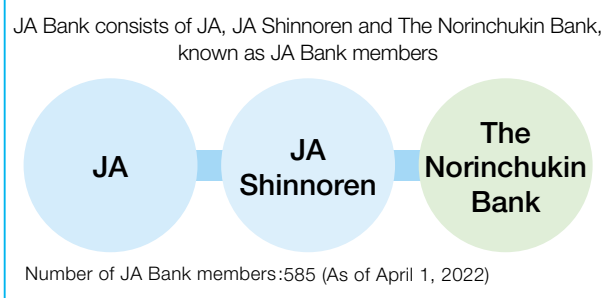
### ■ What is JA Bank?

#### ● 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, 2022, JA Bank had 552 JA, 32 JA Shinnoren and The Norinchukin Bank, for a total of 585 entities.

#### JA Bank



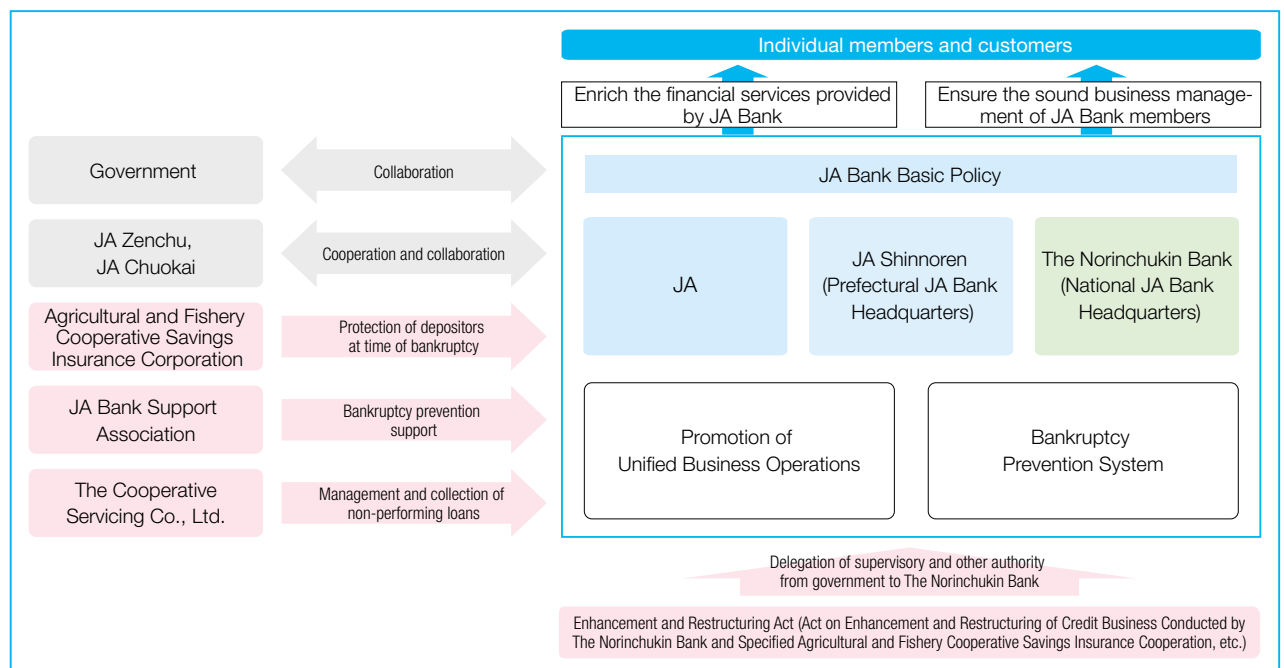
### ■ The JA Bank System

#### ● 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 2022–2024), JA Bank performs its unique financial intermediary function, including the provision of funds centering on lending, as well as the offering of counseling, advice and solutions to stakeholders, toward the goals of “Realization of sustainable agriculture,” “Realization of affluent and easy-to-live convivial local communities,” and “Fulfillment of original functions as a cooperative association,” which are the aspirations of the JA Group.

In the agricultural field, JA Bank, as an organization based on primary industries, provides funds (financing and investment) according to the growth stage of the respective farmers and consulting to a broad range of future leaders with the aim of realizing higher farmers’ income. JA Bank also endeavors to establish and strengthen value chains through the expansion of investment and financing transactions with food and agriculture-related companies.

In the living field, JA Bank aims to help realize affluent lives for individual members and customers. To this end, JA Bank engages in establishing new contact points with them by leveraging its proposal activity, which is tailored to their respective life plans according to their individual asset conditions and needs, and digital services.

In the community field, toward the realization of an inclusive regional society, JA Bank engages in solidifying collaboration with public administration and local stakeholders and coping with tasks and/or needs specific to the community with ingenuity. In addition, JA Bank promotes exchanges between urban and rural areas, the policy of local production for local consumption regarding energy and other measures through collaboration with local stakeholders.

Furthermore, to continuously perform its financial intermediary function, JA must ensure “sustainability and soundness in the future” for itself. JA Bank, therefore, will continue to address the challenge of establishing and strengthening a sustainable JA management foundation to be implemented by entire JA Group.

## ● 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.

In April 2022, we started to provide a payment slip settlement service using the PayB application in the JA Bank App as a measure to strengthen non-face-to-face transaction channels. In our drive for cashless settlement, we enabled linkage of JA Bank’s customer accounts with two smartphone payment services. We intend to continue efforts to enhance the convenience and security of our services for individual members and customers of JA Bank.

## ● 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 2021, JA deposits rose 1.4% year on year to a year-end balance of ¥108,343 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 3.7%

year on year to a year-end balance of ¥22,388 billion. Securities held by JA increased 16.5% year on year to a year-end balance of ¥5,526 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 552 JA organizations in April 2022, a decrease of 102 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**

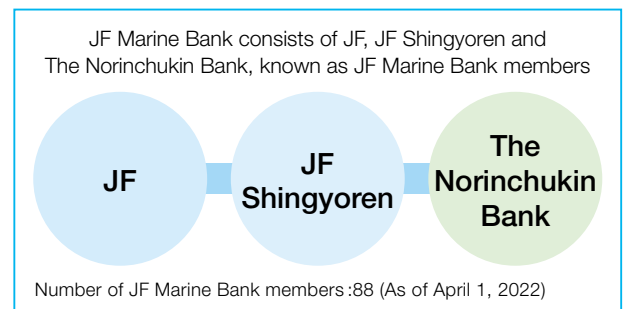
### ■ What is JF Marine Bank?

#### ● 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, 2022, JF Marine Bank members totaled 88, consisting of 75 JF that offer financial services, 12 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 efforts 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.

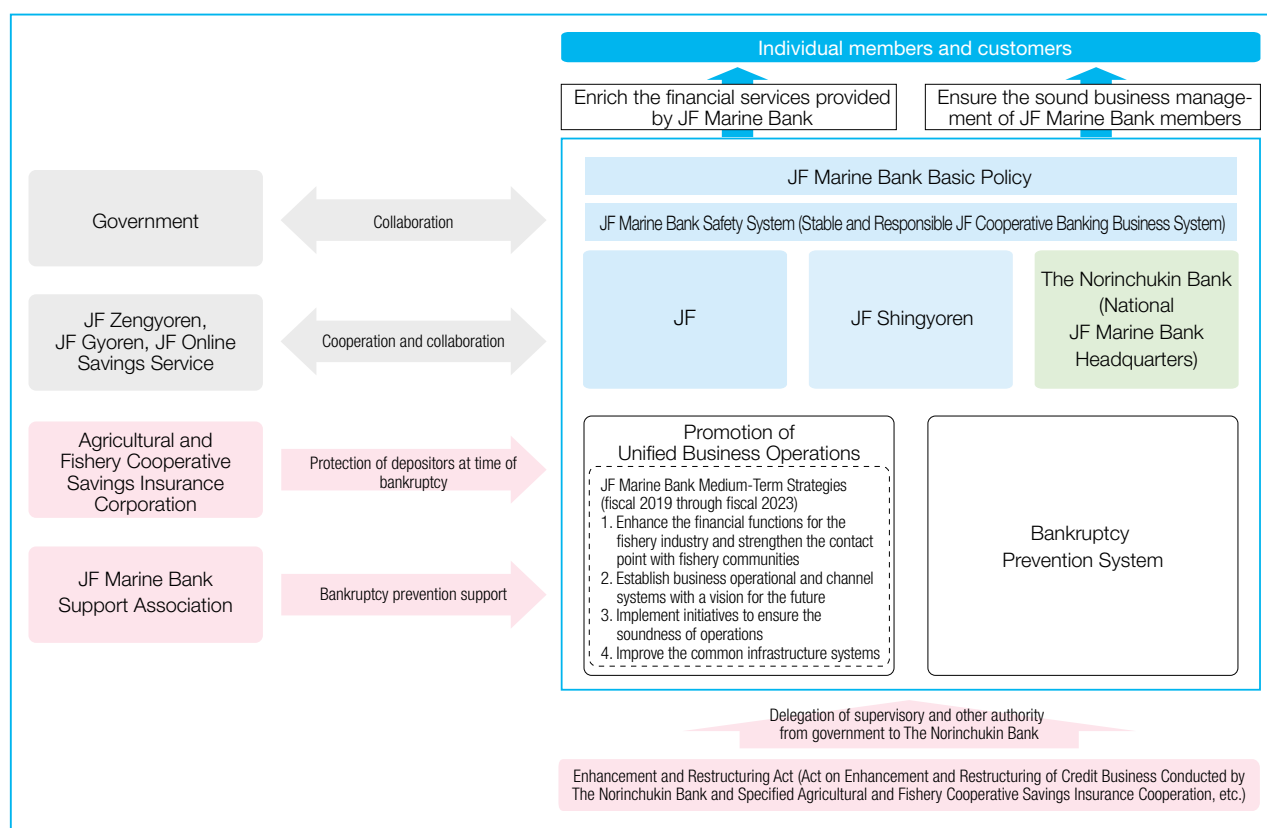
● **Framework for Bankruptcy Prevention**

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 members toward organizational and business reforms.

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

**Framework of the JF Marine Bank 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 0.9% year on year to ¥2,680 billion as of March 31, 2022.

The balance of loans at JF Bank rose 2.0% year on year to ¥513 billion due to factors such as addressing individual members' needs for funds and accommodating the fund related to 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, 2022, the banking business operating system consisted of integrated Shingyoren to which banking business was transferred from JF to JF Shingyoren (seven 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, 2022, 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 six in fiscal 2021. As a result, the number of JF stood at 869 as of April 1, 2022, 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 “JForest Vision 2030” new cooperative campaign policy resolved in 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, the Bank provides non-financial support such as safety improvement for forestry workers and the enhanced use of domestic lumber 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 eight years from fiscal 2014 to 2021, the Bank received 248 applications and decided on ¥1,375 million in subsidies after selecting 63 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 seven years from fiscal 2015 to 2021, ¥529 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 most frequent forest-related cause of injury or death. In collaboration with JForest Zenmoriren, in fiscal 2020 the Bank produced Forestry Safety Education 360°VR, which is a safety educational tool that utilizes high-precision live-action VR (virtual reality). Thereafter, the Bank released an upgraded version of this safety educational tool based on feedback from users. This tool allows a VR head-

set user to experience a mock dangerous situation on a forestry 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 education 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 realize a sustainable society utilizing forest materials through the enhanced use of domestic lumber, and the Bank supports JForest Group in those efforts.

As support for initiatives that contribute to the development of local forests and the forestry business, the Bank provided subsidies for 57 projects in 46 prefectures in fiscal 2021 for the production and donation of wood products made from local lumber, sponsorships for tree-planting events, wood-use education and other wood-related activities.

In October 2016, the Bank established an endowed research department at the University of Tokyo for the study of lumber-using systems, launching 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, of which activities are now in its second *course*, is currently driving various initiatives regarding themes suited to current trends (e.g., Forest Environment Transfer Tax, investments in ESGs/SDGs) to expand the use of lumber in alliance with member companies and organizations.

In addition, in December 2021, the WSN participated in setting up the Japan Wood Design Association, which was established to promote the development of forests and the forestry business, as well as regional revitalization, and broadly contribute to society by pursuing the realization of a sustainable society through measures such as decarbonization.

## Safety Net for the Cooperative Banking System

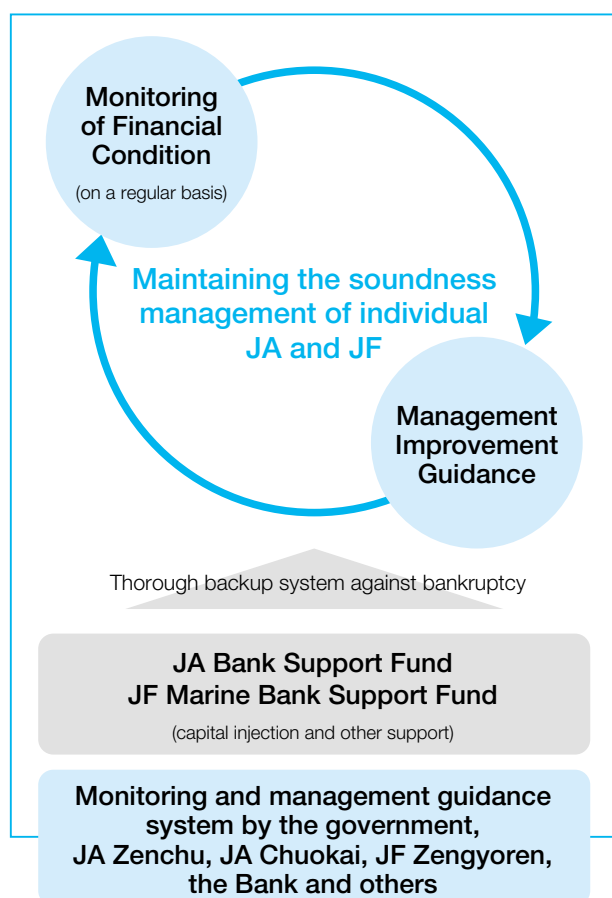
JA Bank and JF Marine Bank have established a safety net based on the Bankruptcy Prevention System and the Agricultural and Fishery Cooperative Savings Insurance System to provide an increased sense of security for their individual members and customers.

### ■ 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, 2022, the balance of the JA Bank Support Fund was ¥165.2 billion and that of the JF Marine Bank Support Fund was ¥21.5 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 Shinnoren, JF Shingyoren and other entities.

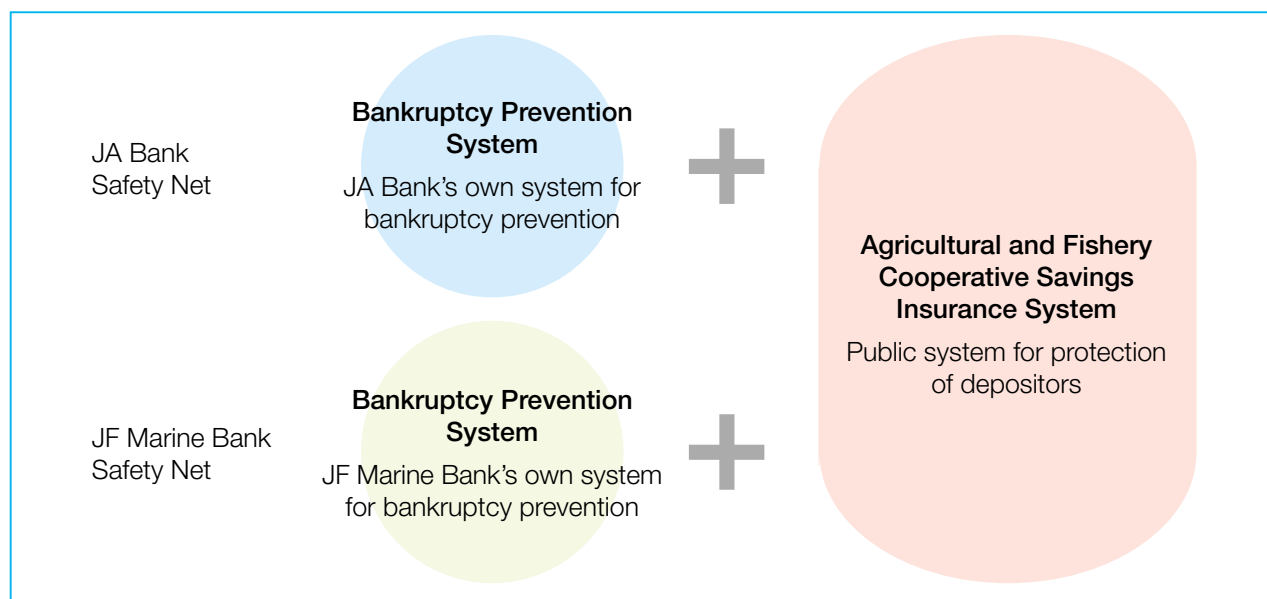
When funds are deposited in agricultural or fishery cooperatives covered by the system, the deposits are automatically guaranteed by this system.

Even though the blanket deposit insurance system was fully discontinued on April 1, 2005, payment and settlement deposits 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, 2022, the balance of the reserve fund of the Agricultural and Fishery Cooperative Savings Insurance System was ¥462.7 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

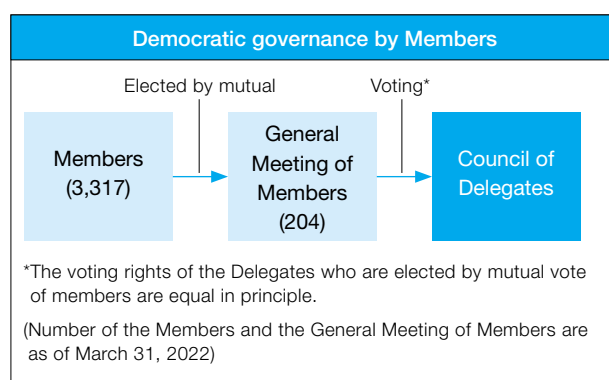
The Bank is both the national-level organization for Japan's AFF cooperatives and an institutional investor that plays a major role in the financial and capital markets through investment of large amounts of funds in Japan and overseas. Accordingly, while adhering to decisions made by the Council of Delegates, the Bank's decision-making duties are shared and coordinated by the Supervisory Committee and the Board of Directors, as stipulated by the Norinchukin Bank Act, while taking into consideration the internal and external situations of the cooperatives.

## ■ General Meeting of Members/ Council of Delegates

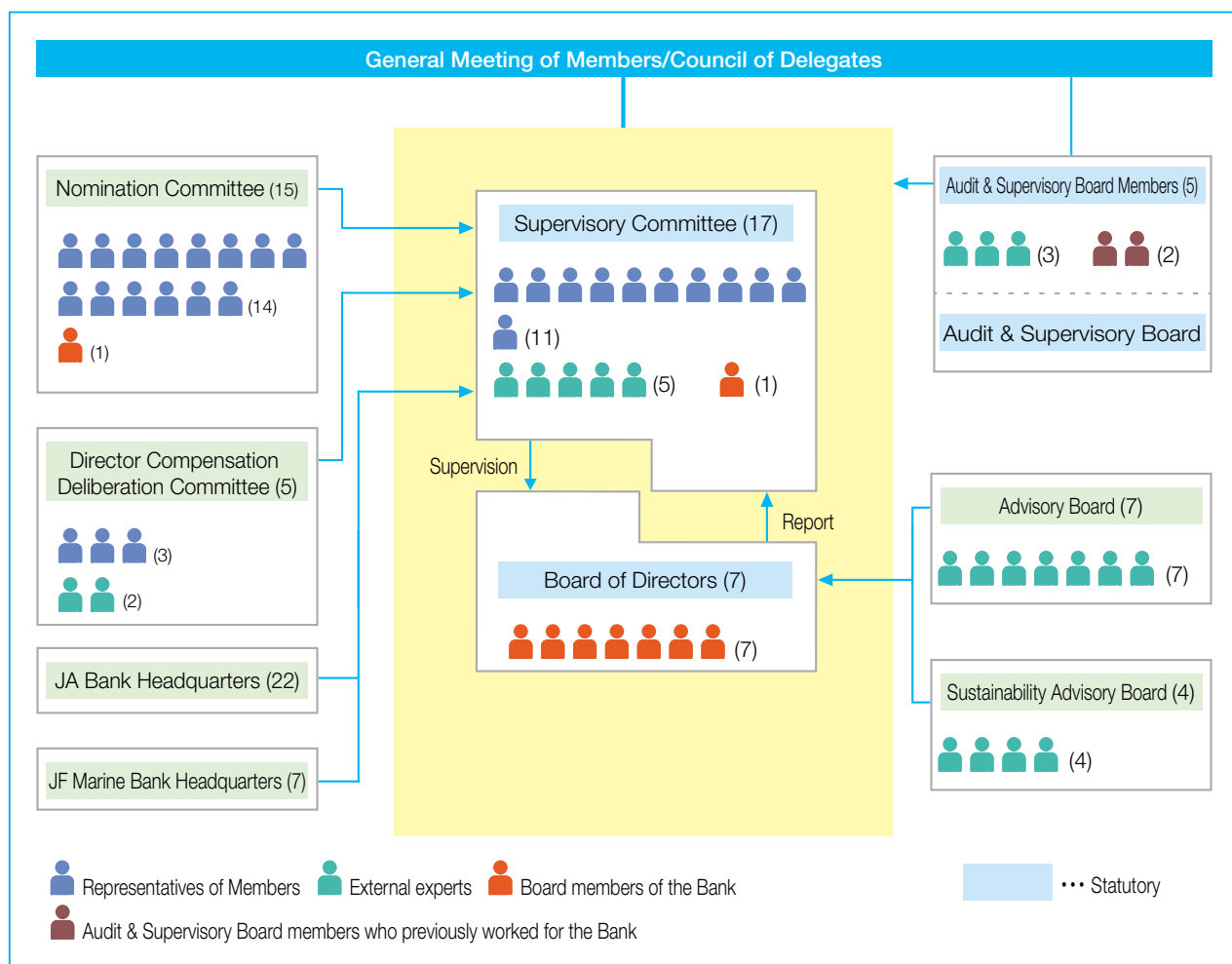
The Norinchukin Bank Act and the Bank's Articles of Incorporation stipulate the General Meeting of Members as the supreme decision-making organization, and that the Council of Delegates is a decision-making organization that substitutes for the General Meeting of

Members. The Norinchukin Bank's regular decision-making is based on the Council of Delegates.

Unlike stock companies where one share represents one vote, the voting rights of the Delegates who are elected by mutual vote of members are equal in principle at the Council of Delegates, regardless of the number of investment units they own, where organizational decisions are made on business reports and appropriation of surplus, as well as amendments to the Articles of Incorporation and the election of the Supervisory Committee Members.



## Management System of the Bank (As of July 1, 2022)



### ■ Supervisory Committee

The Supervisory Committee makes decisions regarding issues to be proposed at or reported to the Council of Delegates as well as important issues related to the 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 member cooperatives, and are then appointed by the Council of Delegates.

As of July 1, 2022, the Supervisory Committee had 17 members, consisting of which 11 members elected from among top management of the AFF cooperative organizations as the representatives of the Bank’s members (shareholders), 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 36.)

Expected roles of representative members and external experts
<p>The following roles are expected of representative members, from a standpoint of representing people engaged in the AFF industries and cooperative organizations, and of external experts from an independent and objective standpoint.</p>
<p>Supervise the Directors’ business execution and conflicts of interest</p>
<p>Contribute to accomplishing the Purpose of the Bank</p>
<p>Make appropriate decisions in response to proposals from the business execution side</p>
<p>Provide opinions, advice and requests to the business executors and have discussions with them</p>

### ■ 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.

### ■ Effectiveness Evaluation of the Board of Directors

The Bank conducts evaluations of the effectiveness of the Board of Directors periodically. Through questionnaires and interviews targeted at all Directors and Audit & Supervisory Board Members, we make analyses and evaluations of the effectiveness of the Board of Directors and report the results at Board meetings.

In fiscal 2021, it was evaluated that the effectiveness continued to improve. Meanwhile, to address an issue recognized in fiscal 2020—to break away from an overemphasis on discussions to formulate annual plans and allocate more time for discussion of important themes to be addressed over the long term—we shared views on areas for improvement in the PDCA process, how to select themes and so on.

The Bank will engage in the following tasks to enhance board effectiveness.

1. Conduct reviews to expedite the PDCA cycle.
2. Consider better ways to follow up on matters that are determined to require continuous monitoring by the Board of Directors.
3. Consider more appropriate meeting material formats and styles that support discussions at the Board of Directors.

### ■ 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.

### 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
NAKAZAKI Kazuhisa	Representative Director and Chairman of JForest Zenmoriren
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
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, Chairman of the Rural Women Empowerment and Life Improvement Association and Chancellor 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

## Expertise of the Supervisory Committee Members and Directors (Skill Matrix)

		Management	Finance/ Accounting	Legal Affairs/Risk Management	Admini- stration/IT	AFF Industries	Coope- ratives	Inter- national	Financial	
Supervisory Committee Members	Representative members (11) [Skills expected commonly are shown.]	●				●	●			
	External experts	BANDO Mariko	●		●			●	●	
		TANABE Masanori	●	●	●					●
		KOBAYASHI Eizo	●			●	●		●	
		SATO Takafumi	●	●	●				●	●
		MINAGAWA Yoshitsugu			●		●	●		
Board of Directors	The Bank's Directors	OKU Kazuto	●			●	●	●	●	
		YAGI Masanobu	●				●		●	
		YUDA Hiroshi		●					●	●
		AKIYOSHI Ryo					●	●		●
		ITO Yoshihiro		●						●
		YOSHIDA Hikaru				●		●		●
		FUKUDA Hiroaki			●				●	●

Note: The matrix illustrates the fields of expertise that are particularly expected to demonstrate by the Supervisory Committee members and Directors, and does not include all the knowledge/experience they own.

### ■ Functions under Supervisory Committee

#### ● 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, 2022, the Nomination Committee had 15 members, consisting of 14 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, 2022, the Director Compensation Deliberation Committee had five members, consisting

of three representatives of the Bank's members and two external experts.

#### ● JA Bank Headquarters, JF Marine Bank Headquarters

The JA Bank Headquarters and the JF Marine Bank Headquarters mainly consist of senior management of member cooperative organizations, which represent the Bank's members, 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, 2022, the JA Bank Headquarters had 22 members, consisting of 20 external representatives of the Bank's members and two directors of the Bank. In addition, the JF Marine Bank Headquarters has seven members, consisting of five external representatives of the Bank's members and two directors of the Bank.

## ■ FY2021 Activity Status of Supervisory Committee and Subcommittee Meetings

Committee name	Number of meetings	Attendance ratio
Supervisory Committee	13 times	91.8%
Nomination Committee	3 times	91.7%
Director Compensation Deliberation Committee	2 times	91.7%
JA Bank Headquarters Committee	12 times	92.7%
JF Marine Bank Headquarters Committee	9 times	87.5%

## ■ Advisory Board

In April 2021, the Bank established the Advisory Board as an advisory body to 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/agriculture value chain, IT/digital, socioeconomics and locality/food.

The Advisory Board had seven members as of July 1, 2022.

## ■ Sustainability Advisory Board

In April 2022, the Bank established the Sustainability Advisory Board as an advisory body to the Board of Directors to deliberate on the Bank's roles and adequacy of its initiatives to fulfill its Purpose based on a good understanding of the domestic and overseas trends on sustainability issues.

Members of the Sustainability Advisory Board are external experts with in-depth knowledge in such fields as financial business and corporate management as well as the domestic and international trends of regulations concerning sustainability.

The Board had four members as of July 1, 2022.

## 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 (Member of the Supervisory Committee of the Bank)
TAKASHIMA Kohey	Representative Director, CEO, Oisix ra daichi Inc.
NOGUCHI Sakae	President & CEO, JA Zen-Noh
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

(As of August 24, 2021, in Japanese phonetic order)

## Sustainability Advisory Board Members

Name	Organization
ADACHI Eiichiro	Senior Counselor of The Japan Research Institute, Limited
SATO Takafumi	Member of the Supervisory Committee of the Bank (former Trustee Vice-Chair of the IFRS Foundation)
TAKAMURA Yukari	Professor, The University of Tokyo Institute for Future Initiatives
MIZOUCHI Ryosuke	Senior Executive Officer, Kirin Holdings Company, Limited

(As of July 1, 2022, in Japanese phonetic 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 website (<https://www.nochu-bank.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 makes it an overall policy to reduce the balance of its strategic shareholdings.

The Bank’s strategic shareholdings are regularly examined for their merit and effectiveness from a comprehensive perspective based on quantitative criteria combined with qualitative evaluations, and the result is reported to the Board of Directors. The strategic shareholdings deemed to have merit and effectiveness refer to such shareholdings that contribute to supporting the AFF industries, the food/agricultural value chain through the enhancement of the Bank and its cooperative organizations’ business value and the growth of food and agricultural businesses, based on the comprehensive business relationships with the business partners.

As a result of its examination, the Bank, in principle, will take action to sell the strategic shareholdings of which the merit and effectiveness of the holdings are 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

In particular, regarding the following proposals that could have a significant impact on the above viewpoints, the judgment will be made upon due consideration through dialogue with the issuers and other means.

- Proposal on appropriation of surplus (in the case of a significant lack of balance between growth investments and internal reserves)
- Proposal on election of directors and corporate auditors (in the case of if there’s a violation of law or misconduct, etc., or negative earnings successively for a certain period)
- Proposals on retirement benefits/increasing directors’ compensation (in the case of performance-based compensation, compensation increase despite the event of misconduct, etc.)
- Proposal on appointment of the accounting auditor
- Proposal on takeover defense measures
- Proposal on organizational restructuring (e.g., acquisitions, mergers)
- Shareholder proposals
- Proposals on social issues and environmental problems, etc.

## ■ Directors' Compensation System

### ● Directors' Compensation Policy

The Bank is a financial institution founded by AFF 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 AFF industries and the nation's economy. To help the Bank realize this aim, the Bank has designed its director compensation system.

### ● Compensation Structure

The compensation for the Bank's directors consists of directors' compensation and retirement benefits, in principle.

The compensation for Directors consists of fixed and variable compensation, whereas the compensation for Supervisory Committee Members and Audit & Supervisory Board Members consists only of fixed compensation from the standpoint of ensuring effective fulfillment of their responsibilities.

As for the retirement benefits, a common structure is applied for Directors, Supervisory Committee Members and Audit & Supervisory Board Members.

### ● Compensation Determination Process

The process for determination of the directors' compensation is as follows: Based on the result of deliberations by the Director Compensation Deliberation Committee, the Supervisory Committee determines proposals on the total amount of directors' compensation and presentation of retirement benefits. Said proposals are finally deliberated and adopted at a meeting of the Council of Delegates.

The individual amounts of compensation for Directors, Supervisory Committee Members and Audit & Supervisory Board Members are decided by the Board of Directors, the Supervisory Committee and by consultation among the Audit & Supervisory Board Members, respectively, within the range of the total amount resolved by the Council of Delegates.

In addition, upon the resolution of the Council of Delegates, the specific amounts, etc., of retirement benefits for Directors, Supervisory Committee Members and Audit & Supervisory Board Members are decided by the Board of Directors, the Supervisory Committee and by consultation among the Audit & Supervisory Board Members, respectively.






## Outline of the Compensation Structure for Directors

Type of compensation		Description	
Directors' compensation	Fixed compensation	<ul style="list-style-type: none"> <li>The fixed compensation is determined on the basis of the titles and positions, etc., of directors, while considering the Bank's special nature as the central bank and the specialized financial institution for cooperatives as well as the trends in cooperative organizations and other business sectors.</li> </ul>	70%
	Variable compensation	<ul style="list-style-type: none"> <li>As a sound incentive toward sustainable growth, the variable compensation is determined based on the achievement of targets, etc., set forth in the management plan to enhance sustainability management, contribute to the AFF industries and local communities, reinforce the managerial foundation of members and contribute to employee engagement.</li> <li>Part of the variable compensation is offered according to the quantitative and qualitative evaluations, etc., based on the degree of achievement of targets in the management plan entered by each director/officer.</li> </ul>	30%
Retirement benefits		<ul style="list-style-type: none"> <li>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 rule.</li> </ul>	



● Supervisory Committee Members






(As of July 1, 2022)

Title	Name	Brief career history	
Chairman of the Supervisory Committee	NAKAYA Toru 	2012 2017  2022	Director of THE JAPAN AGRICULTURAL NEWS 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 Executive Advisor of JA Kinan Executive Advisor of JA Wakayama Chuokai
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	NAKAZAKI Kazuhisa 	2005 2011 2021	Representative Director and Cooperative President of JForest Kuzumaki Representative Director and Chairman of JForest Iwate Moriren Representative Director and Chairman of JForest Zenmoriren Member of the Nomination Committee of the Bank Member of the Director Compensation Deliberation Committee of the Bank Member of the Supervisory Committee of the Bank
Supervisory Committee Member	ONODERA Keisaku 	2020	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, 2022)

Title	Name	Brief career history	
Supervisory Committee Member	SAKAMOTO Tomio 	2020	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	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
Supervisory Committee Member	FUKAYAMA Kazuhiko 	2012 2019	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
Supervisory Committee Member	KUBOTA Tadashi 	2016 2019 2021	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 Director and Vice Chairman of JF Zengyoren

(As of July 1, 2022)

Title	Name	Brief career history	
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 2008 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 Chairman of the Rural Women Empowerment and Life Improvement Association Chancellor of Showa Women's University Member of the Supervisory Committee of the Bank Outside Director of MS&amp;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>
Supervisory Committee Member	<p>KOBAYASHI Eizo</p> 	<p>1972 2000 2002 2003 2004 2010 2020</p>	<p>Joined C. Itoh &amp; Co. Ltd. (Former name of ITOCHU Corporation) Executive Officer of ITOCHU Managing Executive Officer of ITOCHU Managing Director of ITOCHU Senior Managing Director of ITOCHU President &amp; C.E.O. of ITOCHU Chairman of ITOCHU Director Emeritus of ITOCHU Member of the Supervisory Committee of the Bank</p>
Supervisory Committee Member	<p>SATO Takafumi</p> 	<p>1973 2001 2002 2004 2007 2010 2013 2020</p>	<p>Joined the Ministry of Finance, Japan Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency, Japan Director-General, Inspection Bureau, Financial Services Agency Director-General, Supervisory Bureau, Financial Services Agency Commissioner, Financial Services Agency Professor, Hitotsubashi University Graduate School of Commerce (currently, Hitotsubashi University Graduate School of Business Administration) President, Tokyo Stock Exchange Regulation (currently, Japan Exchange Regulation (JPX-R)) Member of the Supervisory Committee of the Bank</p>

(As of July 1, 2022)

Title	Name	Brief career history
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)

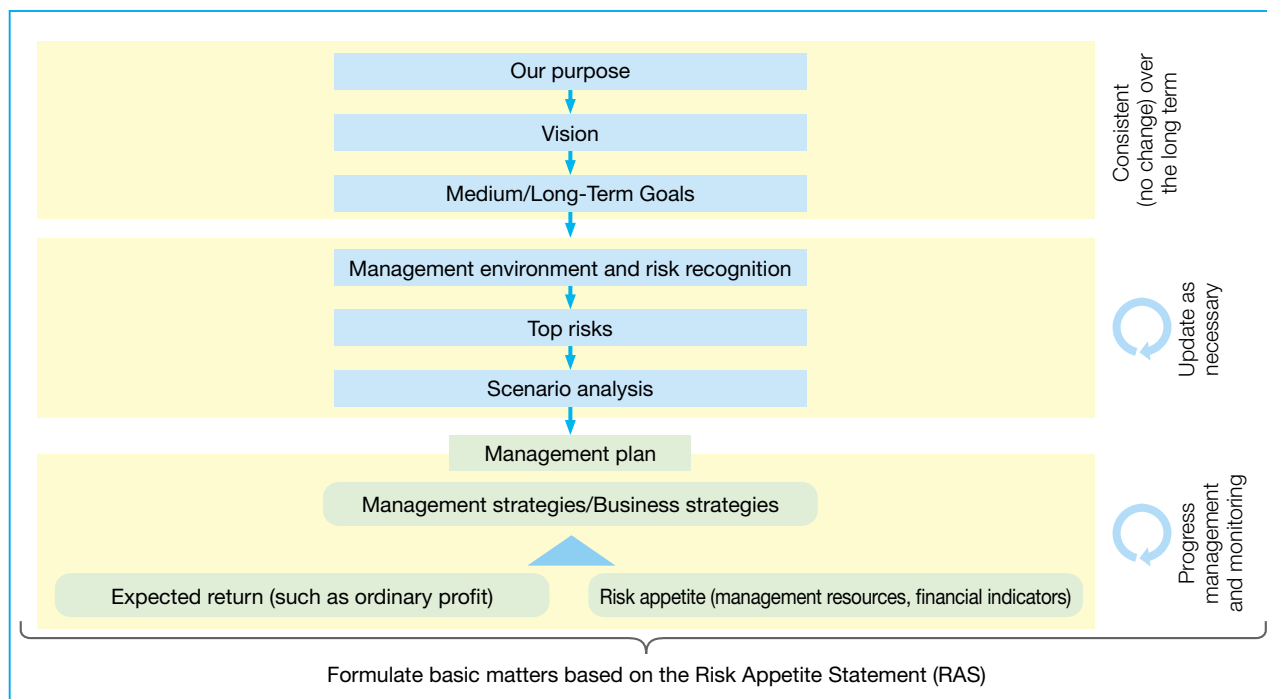
The Bank's RAF is a "framework for business administration leading to disciplined risk taking and optimizing the balance between risk and return" by clarifying the Bank's management strategies, business strategies and expected return (types and amounts of return that are set as goals) and risk appetite (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)
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
Sharp rise in interest rates	Raise in funding costs and destabilization of the financial base due to an increase in 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
Rapid changes in the circumstances surrounding sustainability management	Loss of stakeholders and adverse effect on the AFF industries and local communities due to the slow implementation of measures to address environmental issues such as climate change
Weakening of the business base due to a decline in customers	Customer turnover leading to shrinkage of the Bank's business base because of not capturing the changing needs of customers amid increasingly severe competition and aging populations

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

## ■ Risk Culture

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 to maintain its soundness and continue to fulfill its responsibilities consistently. To this end, it is especially important for

the appropriate implementation of the RAF that directors and employees throughout the organization share the “risk culture” concerning risk recognition, risk taking and risk management.

The Bank fosters a sound risk culture throughout the organization by defining and internally disseminating the “Code of Conduct,” so that all senior management and employees of the Bank 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 Code of Conduct. 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**

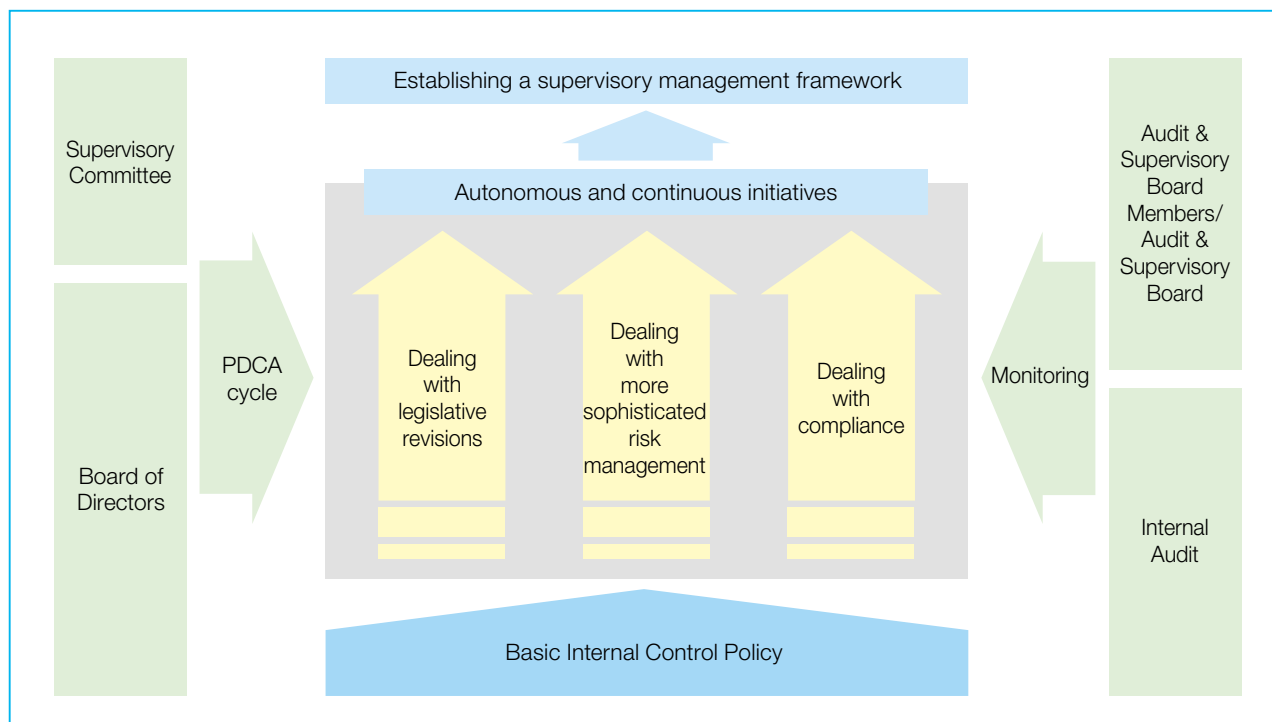
- 1) A director must report immediately to the Audit & Supervisory Board in case of discovering information that could cause serious damage to the Bank and the Bank Group.
- 2) When the Legal Affairs and Compliance Division discovers information that is important from a compliance perspective or that 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 share information among the members to pursue their duties. 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 2021.

### ■ **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  
10 CPAs and 24 assistants (as of March 31, 2022)
- 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.

As a result of evaluation from the viewpoints stated 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 2020		Fiscal 2021	
	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	239	73	244	64
Consolidated subsidiary	33	6	43	7
Total	272	79	288	71

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the accounting firm includes the creation of comfort letters for issuing foreign-currency-denominated Norinchukin Bank Debentures.

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 2020		Fiscal 2021	
	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	—	138	—	97
Consolidated subsidiary	13	2	12	1
Total	13	140	12	99

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 services concerning the FATCA verification.

### 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

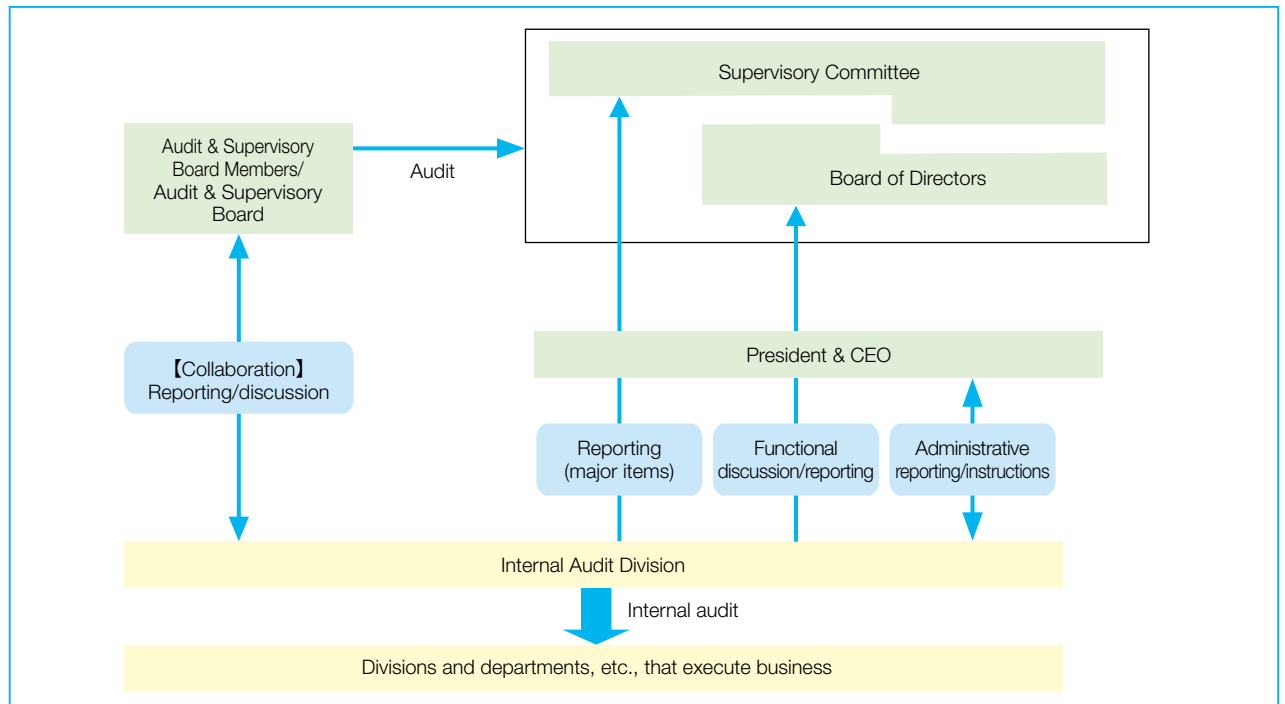
To implement internal audits, the Internal Audit Division adheres to the IIA\* standards and makes best effort to encourage the Bank's overseas branches to comply with the internal audit standards that are applicable to the countries where those branches are located.

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 and Human Rights Policy. In addition, the Bank disseminates the "Code of Conduct" to all senior management and employees to show the criteria for judgment and action to ensure good faith and fair execution of duties as a prerequisite for business operations and advises specific ways of thinking to put shared values into action. 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.

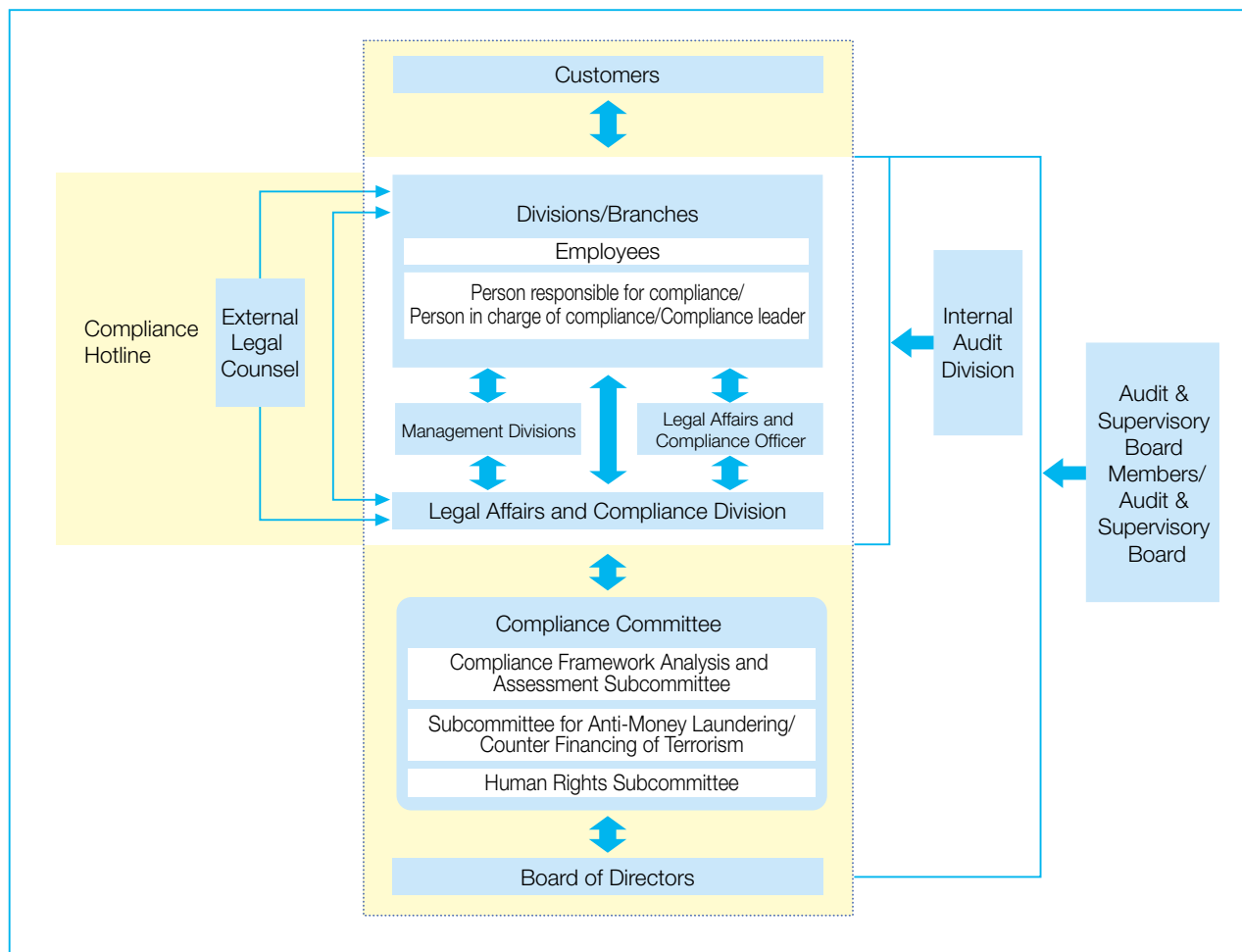
### 5. Building a Highly Transparent Organizational Culture

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 management 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 subcommit-

tees 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, the Global Investments and the Corporate & Shared Services headquarters 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 the Compliance Hotline to enable directors and employees to report on compliance issues. The Compliance Hotline offers several contacts to report to the Legal Affairs and Compliance Division or outside lawyers while enabling the reporter to choose anonymity or non-anonymity. 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 directors' and 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.

## ■ Enhancing Disclosure

To improve and strengthen its disclosure initiatives, the Bank formed the Disclosure Committee in fiscal 2006 to discuss the appropriateness of its 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 disclosure and accountability as its key management priority. Accordingly, the Bank strives for appropriate 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 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, 115 students have graduated and begun engaging in farming nationwide. At present, class of 2022 and 2023 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 60 projects. For fiscal 2022, the Fund started solicitation in May 2022.

### ● 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 2,081 (as of March 31, 2022) 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.

In fiscal 2021, the Bank cosponsored the Farmers' & Kids' Festival (cosponsored since fiscal 2010), an annual event where agricultural and other corporations throughout the nation sell their agricultural products and/or conduct workshops targeted at consumers in urban areas, and the Next Generation Agriculture Summit (cosponsored since fiscal 2016) to solicit self-motivated young farmers.

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 2021, we donated 1.31 million textbooks to primary schools nationwide. Cumulatively since fiscal 2008, we have distributed more than 20 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

JA Bank is engaging in life plan support by 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 regularly 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 comprise only mutual funds that have passed these evaluations. In April 2022, the "JA Bank Asset Management Service," a discretionary investment service, was added to the service lineup.

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.

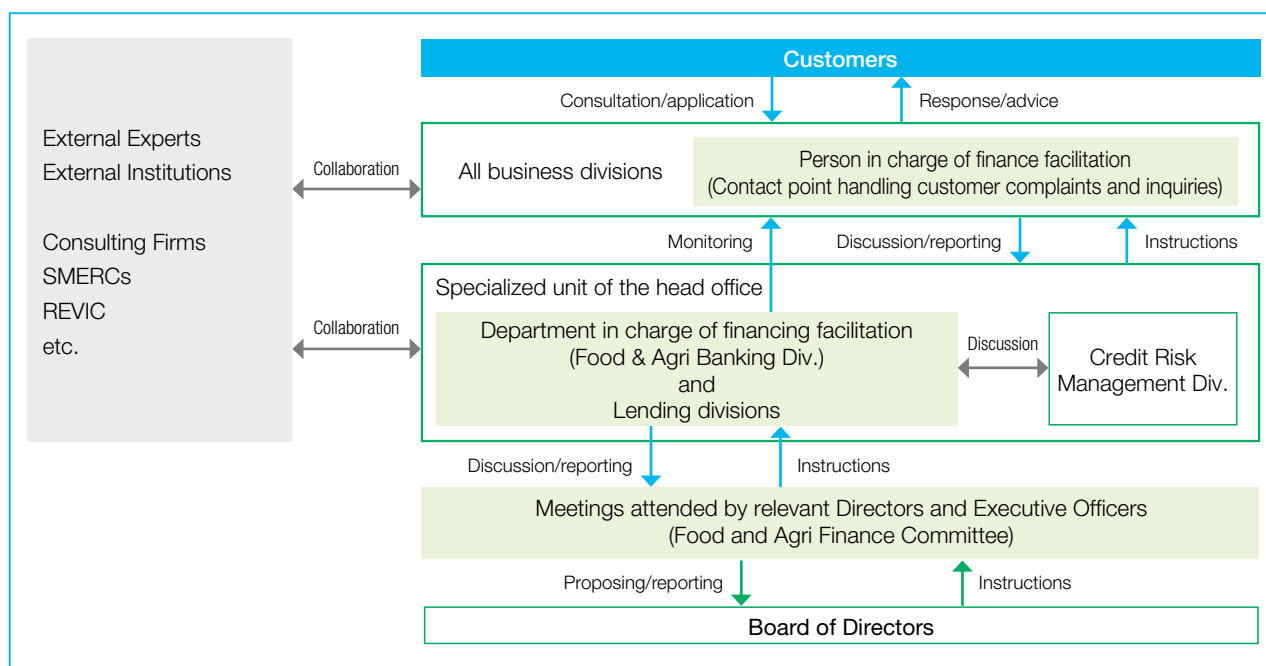
### ● Management Support Initiatives for Customers

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, Small and Medium-Sized Enterprise Revitalization Councils (SMERCs) 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 becoming core personnel in each headquarters, the Bank is actively providing opportunities for all employees 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 Shinoren. 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 an educational and enlightenment policy regarding the environment and human rights, based on which the Bank strives to deepen the proper understanding of directors and employees about the environment and human rights issues by conducting trainings 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 a harassment 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 flexible working hours, paid leave by the hour, certain interval between work hours, staggered work hours and teleworking. 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. Furthermore, we conduct efforts to foster awareness in the Bank, such as by inviting outside lecturers to provide seminars on promoting women's participation and work-style reform.



Women Employee Career Forum



Seminar on promoting women's participation and work-style reform

## ■ 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

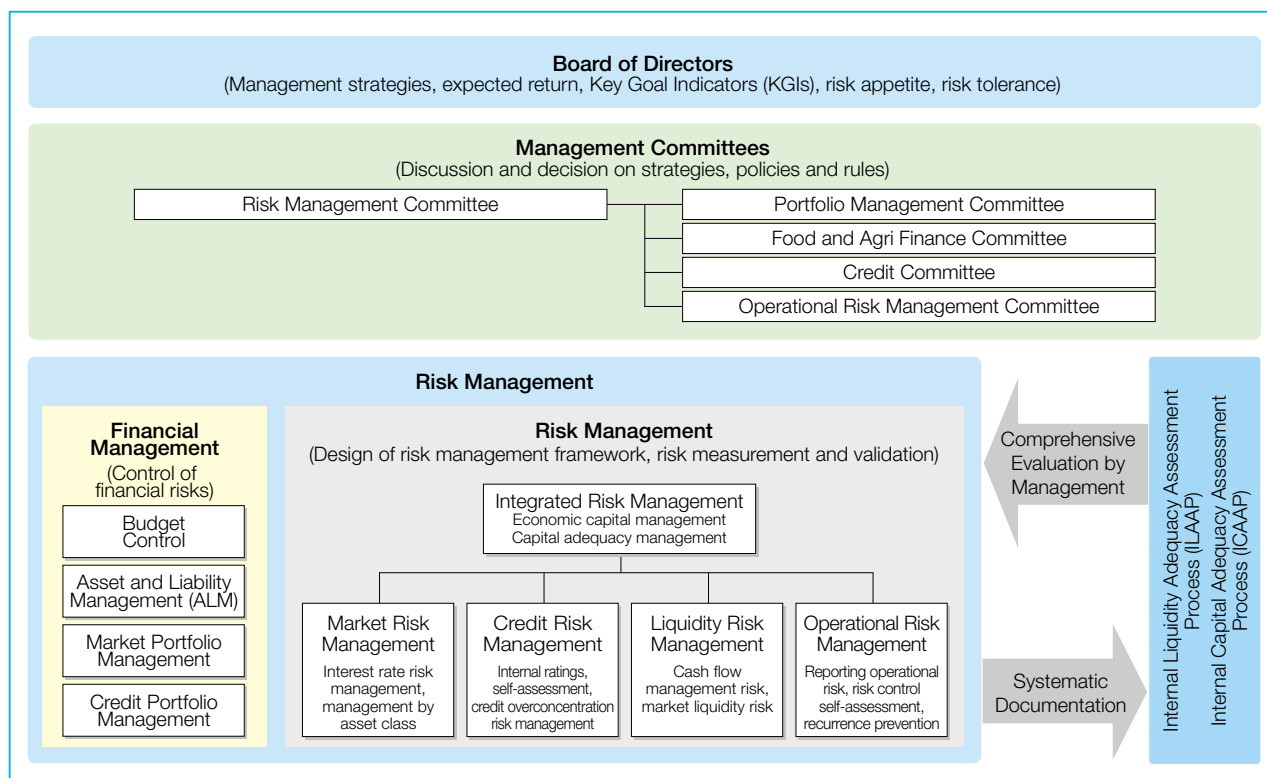
cooperative banking business; and realize stable returns to its members through the further evolution of its existing globally diversified investments.

### 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 economic capital management and capital adequacy management as its axes.

## Risk Management System



## ■ 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"> <li>• U.S. subprime mortgage crisis</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Collapse of Lehman Brothers</li> </ul>
2010	<ul style="list-style-type: none"> <li>• European Sovereign Debt Crisis</li> <li>• Announcement of Basel III</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Start of application of capital adequacy ratio requirements</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Start of application of Liquidity Coverage Ratio (LCR)</li> <li>• Designated as a D-SIB (Domestic Systemically Important Bank) by the Japanese authorities</li> </ul>
2017	<ul style="list-style-type: none"> <li>• Finalization of Basel III</li> <li>• Start of application of Advanced Internal Ratings-Based Approach (A-IRB)</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Start of application of Interest Rate Risk in the Banking Book (IRRBB) regulation</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Start of application of Leverage Ratio</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Start of application of Net Stable Funding Ratio (NSFR)</li> </ul>

## 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 2021 on a consolidated basis was 17.87% and that on a non-consolidated basis was 17.85%, whereas the total capital ratio at the end of fiscal 2021 on a consolidated basis was 21.23% and that on a non-consolidated basis was 21.27%. 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

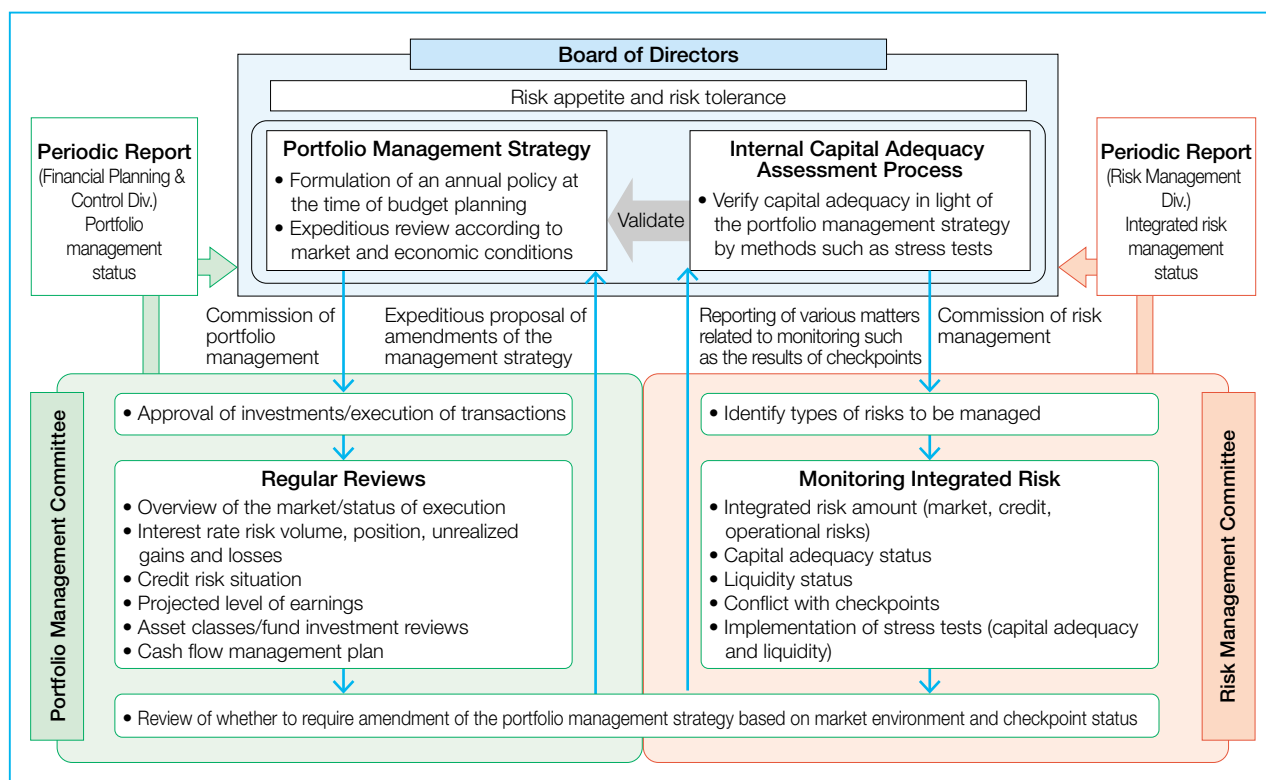
Based on the Basic Policies for Risk Management, the Bank stipulates a core integrated risk management framework that manages risk quantitatively and comprehensively in comparison with capital, which represents its financial strength. The core function in this framework is economic capital management.

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

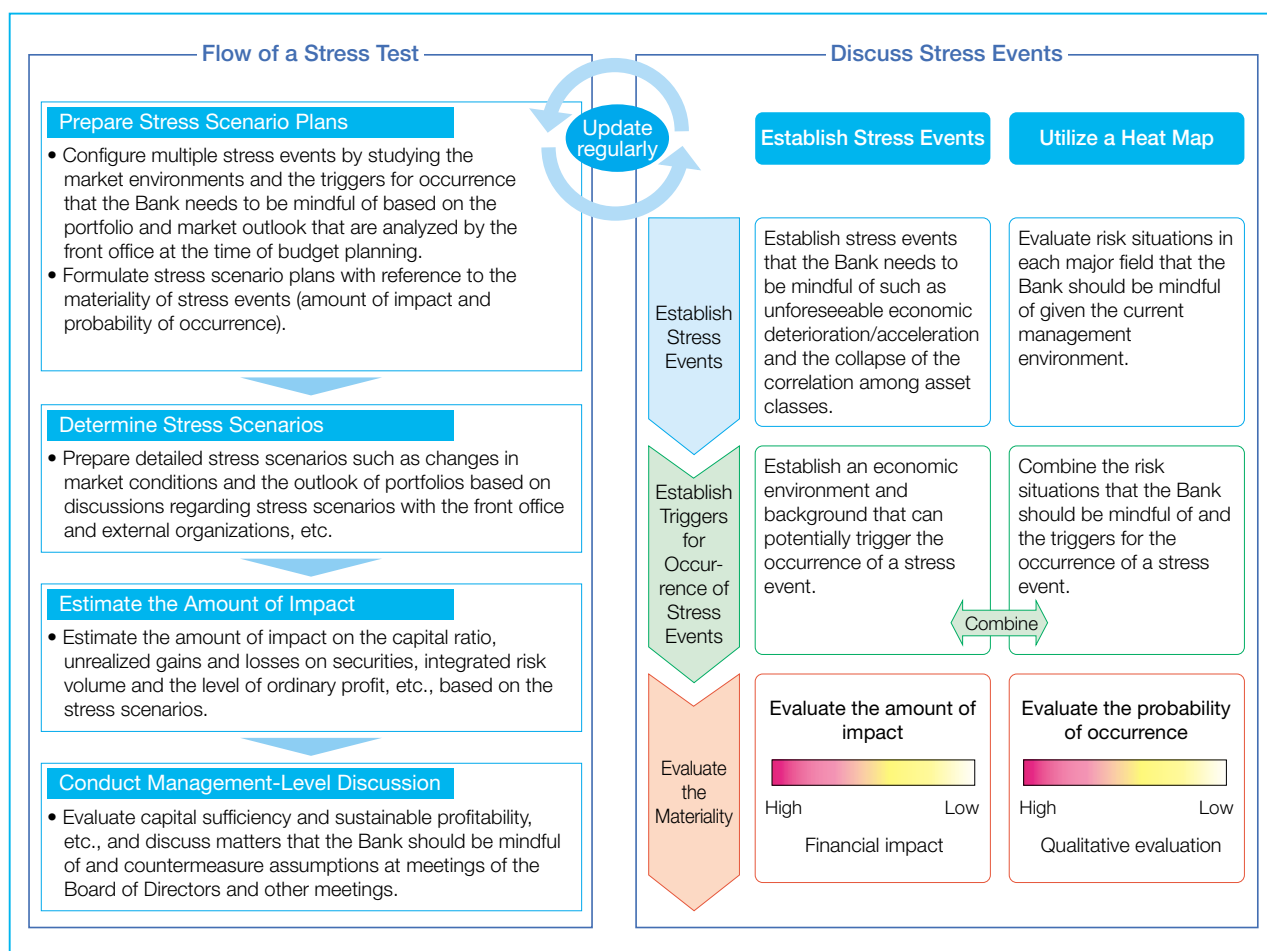


### Implementation of Stress Tests

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 ( $\Delta$ EVE, NII and  $\Delta$ 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 monitoring 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

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

$\Delta$ 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.

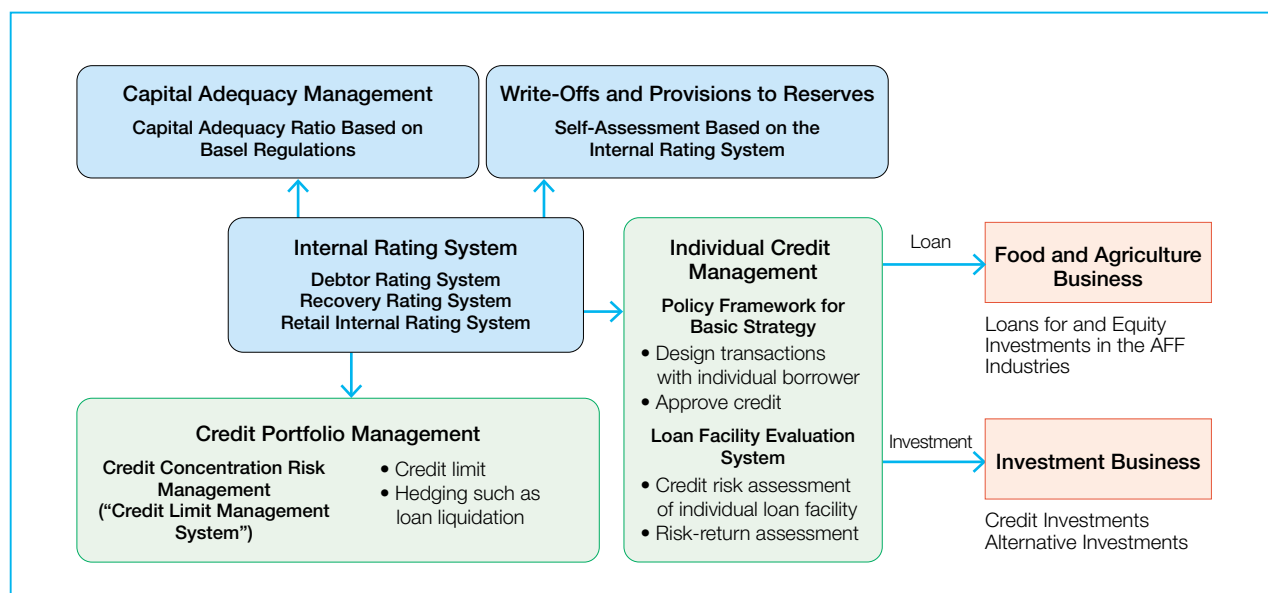
In credit portfolio management, the Bank is focused on managing credit concentration risk as investments and loan projects have become larger in scale and more globalized, etc.

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 that complies with the requirements as a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number in Japan, under "Act on the Protection of Personal Information." Likewise, the Bank complies with personal information protection laws of the jurisdictions in which its overseas entities operate.

### • 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 AFF 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' needs by offering advisory functions according to their challenges and utilizing its abundant funds in yen to address the need for M&A funds. For customers entering the overseas market, the Bank leverages its stable foreign currency funding ability, through cooperation among its overseas network and branches in Japan.

Leveraging its deep relationships with leaders in the AFF industries and accumulated knowledge of these 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.

## Loan Balance by Industry

(Billions of Yen, %)

	FY2021 (Composition ratio)
Domestic	21,241.9 ( 92.5)
Manufacturing	2,471.2 ( 10.8)
Agriculture	63.1 ( 0.3)
Forestry	4.3 ( 0.0)
Fishing	14.9 ( 0.1)
Mining	111.8 ( 0.5)
Construction	182.8 ( 0.8)
Utilities	1,192.7 ( 5.2)
Information/telecommunications	107.4 ( 0.5)
Transportation	871.4 ( 3.8)
Wholesaling, retailing	1,239.2 ( 5.4)
Finance and insurance	3,727.2 ( 16.2)
Real estate	1,012.6 ( 4.4)
Services	1,886.3 ( 8.2)
Municipalities	4.2 ( 0.0)
Others	8,352.0 ( 36.4)
Overseas	1,713.5 ( 7.5)
Government	— ( —)
Financial institutions	720.5 ( 3.1)
Others	992.9 ( 4.3)
Total	22,955.4 (100.0)
Loan balance of domestic branches (A)	10,983.6
Loan balance for SMEs (B)	1,695.3
SME ratio (B/A)	(15.4)

Notes: 1. "Domestic" refers to the Bank's domestic branches (excluding special international financial transactions accounts). "Overseas" refers to the Bank's overseas branches and special international financial transactions accounts.

2. "Others" under "Domestic" include the loan balance for the government (¥8,352 billion in FY2021).

3. "Loan balance of domestic branches" refers to the loan balance of the Bank's domestic branches, excluding that for the government, the Bank's members and other non-member AFF industry organizations which can qualify for the Bank's membership.

4. "Loan balance for SMEs" refers to the loan balance of the Bank's domestic branches for companies with capital of not more than ¥300 million (however, ¥100 million for wholesaling and ¥50 million for retailing and services) or companies/individuals with not more than 300 regular employees (however, 100 for wholesaling and services and 50 for retailing), excluding the loan balance for the Bank's members and other non-member AFF industry organizations which can qualify for the Bank's membership.

## 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. For investment in securities, the Bank has promoted “globally diversified investment” since 1998 to achieve stable returns over the medium to long term. With offices in the world’s financial centers, including New York, London and Singapore, the Bank obtains and reviews information to construct a portfolio with less risk as a whole by diversifying investments in a wide range of markets and assets with different risk-return characteristics.

Recently, the Bank has bolstered group-wide asset management business. Various asset management firms belong to the Norinchukin Group, including Norinchukin Value Investments Co., Ltd., which has engaged in long-term concentrated investments since its founding in 2014; Norinchukin Zenkyoren Asset Management Co., Ltd., which has management resources such as credit and alternative assets transferred from the Bank in 2021; Nochu-JAML

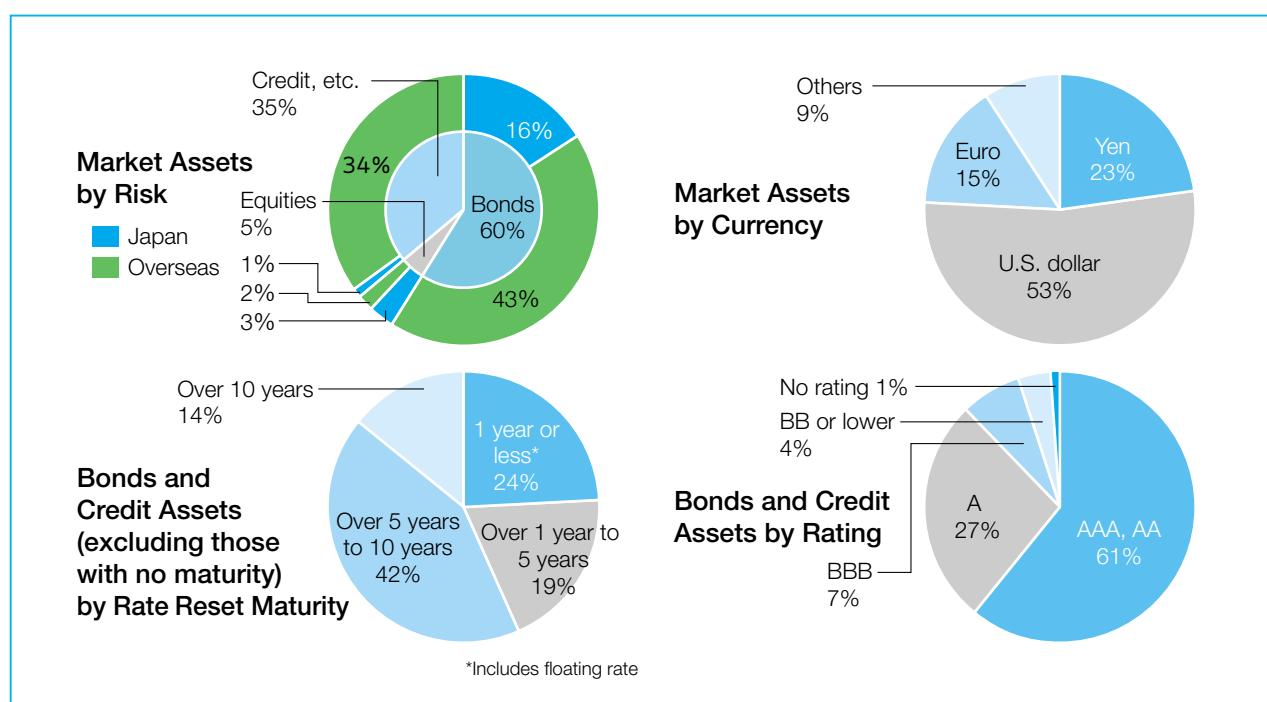
Investment Advisors Co., Ltd., which was established in 2021 to manage the real estate private REIT services; and Norinchukin Capital Co., Ltd., which was established in 2021 to increase private equity investments. In collaboration with these asset management firms in the group, the Bank satisfies a wide range of investor needs for financial instruments and asset-management services.

In addition, the Bank further focuses on expanding and deepening sustainable finance on a group-wide basis toward one of its Medium/Long-Term Goals of executing ¥10 trillion in new sustainable finance by fiscal 2030.

### ■ 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.

**Breakdown of Investment Assets** (As of March 31, 2022)



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

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

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

## ■ Market 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 a 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.

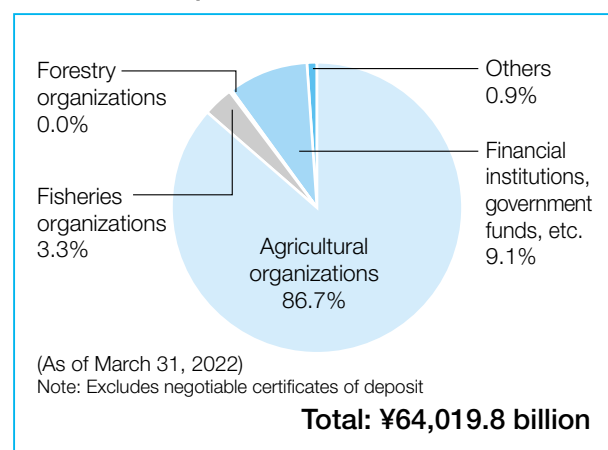
### ● Deposits from JA Bank and JF Marine Bank Members

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.

In September 2021, the Bank issued U.S. dollar-denominated Norinchukin Bank Debentures amounting to one billion U.S. dollars in the overseas market. The combined balance of issued and outstanding debentures denominated in yen and foreign currencies totaled ¥363.7 billion as of March 31, 2022. The issuance of yen-denominated Norinchukin Bank Debentures (bonds for subscription) has been suspended in consideration of the recent financial circumstances.

## 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 6,600 branches (as of March 31, 2022). 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, 2022)

	Number of cooperative members*	Number of branches*	Number of cash dispensers and ATMs
Norinchukin Bank	1	20	0
JA Shinnoren	32	48	612
JA	563	6,445	10,141
JF Shingyoren	13	77	447
JF	75	98	158
Total	684	6,688	11,358

\*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, 2022).

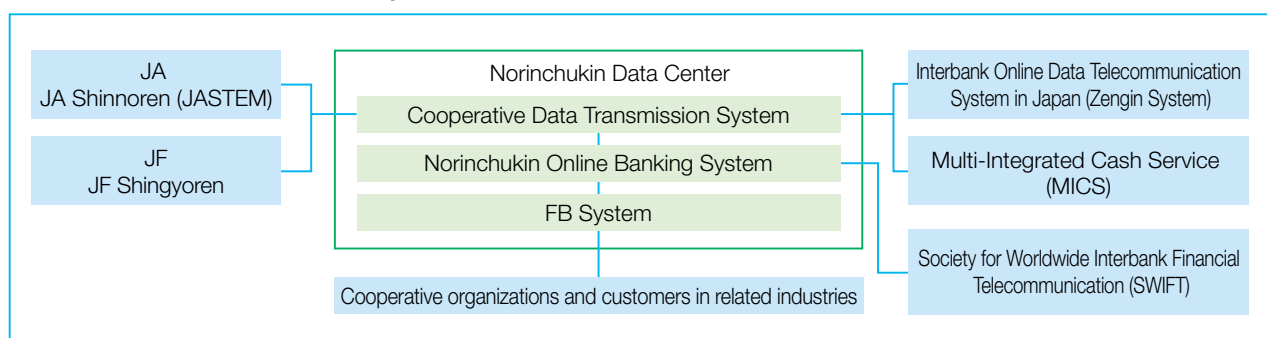
The Bank’s domestic offices (1) receive deposits from cooperative members; (2) extend loans to AFF sectors including individuals and corporations related to these sectors, as well as the public sector in each region; and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

### ● 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, 2022)

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., as the only trust bank in the Norinchukin Group, offers asset and investment management services to institutional investors, including cooperative financial institutions, by capitalizing on the knowledge, experience and networks accumulated by the group in the international financial markets. In addition to these services, the trust bank offers the testamentary trust service to individual customers.

Established	August 17, 1995
Location	2-1, Kandanshikichou 2-chome, Chiyoda-ku, Tokyo 101-0054, Japan
Representative	TAKAHASHI Shigemitsu, President
Number of directors and employees	161

## 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	19

## The Bank's Subsidiary in Europe

### Norinchukin Bank Europe N.V.

[www.nochu-bank.eu](http://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
Representative	YASUTAKE Atsushi, President and CEO
Number of directors and employees	47

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

### Norinchukin Research Institute Co., Ltd.

[www.nochuri.co.jp/english/index.html](http://www.nochuri.co.jp/english/index.html)

Norinchukin Research Institute Co., Ltd., engages in surveys, research, advising and other activities as a think tank for cooperative financial institutions, covering such services as fundamental and practical studies on the AFF industries and food and cooperative associations; research and studies on the food and agriculture value chain; advice on the latest trends of technological innovation for the AFF industries; solutions for environmental and social issues, including the SDGs and ESG; and economic and financial information.

Established	March 25, 1986
Location	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, Japan
Representative	KAWASHIMA Kenji, President
Number of directors and employees	70

### 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	MIYAJI Hitoshi, President & CEO
Number of directors and employees	42
Note:	As of April 18, 2022, the location changed to 27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo, Japan.

## Investment Management Firm

### Norinchukin Value Investments Co., Ltd.

[www.nvic.co.jp](http://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	YUDA Hiroshi, President
Number of directors and employees	36



## 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	USHIKUBO Katsuhiko, Chairman & CEO
Number of directors and employees	212

## Norinchukin Capital Co., Ltd.

Norinchukin Capital Co., Ltd., engages in private equity investments and fund management as the Bank's investment subsidiary, providing risk capital and managerial support to companies at various stages, such as technology start-up companies and growth and mature companies, including those relating to food and agriculture business.

Established	August 10, 2021
Location	3-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Representative	WADA Toru, President and CEO
Number of directors and employees	21

## Nochu-JAML Investment Advisors Co., Ltd.

Nochu-JAML Investment Advisors Co., Ltd., is a real estate investment advisory firm jointly established by the Bank and the JA MITSUI LEASING, LTD., group. In fiscal 2022, the company is scheduled to commence the management of a private real estate investment trust.

Established	September 15, 2021
Location	9-2, Kandaogawamachi 3-chome, Chiyoda-ku, Tokyo 101-0052, Japan
Representative	YAMASHITA Kazunori, President and CEO
Number of directors and employees	6

## ■ 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 mortgages 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	SUNANAGA Toshihide, President & CEO
Number of directors and employees	174

### 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 101-0021, Japan
Representative	ISHIDA Takahiro, President & CEO
Number of directors and employees	45
Note:	Due to a personnel change, ARITA Yoshihiro newly assumed office as President & CEO as of June 27, 2022.

### The Cooperative Servicing Co., Ltd.

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

Established	April 11, 2001
Location	23-14, Higashiikebukuro 3-chome, Toshima-ku, Tokyo 170-0013, Japan
Representative	SHINODA Takashi, President & CEO
Number of directors and employees	70

## JA MITSUI LEASING, LTD.

[www.jamitsuilease.co.jp/en/](http://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. As a one and only member that operates the leasing business nationwide in the Bank Group and cooperative system, 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	SHIMBU Keito, President & CEO
Number of directors and employees	994

## The Agribusiness Investment & Consultation Co., Ltd.

The Agribusiness Investment & Consultation Co., Ltd., incorporated in accordance with the Act on Special Measures to Facilitate Investment in Agricultural, Forestry and Fisheries Corporations, etc., invests in AFF corporations nationwide and in companies involved in the processing and distribution of agricultural products to support the growth of the food value chain and the development of local communities.

Established	October 24, 2002
Location	2, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo 101-0062, Japan
Representative	MATSUMOTO Yasuyuki, Operating Officer
Number of directors and employees	32

## ■ 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	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
Representative	UTSUMI Tomoe, President & CEO
Number of directors and employees	139

### 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	42
Note:	Due to a personnel change, ICHIKAWA Satoshi newly assumed office as President & CEO as of April 1, 2022.
Note:	As of May 30, 2022, the location changed to 3-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan.

### 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	133
Note:	Due to a personnel change, KURATA Kanji newly assumed office as President & CEO as of April 1, 2022.
Note:	As of May 23, 2022, the location changed to 2-24, Toyosu 3-chome, Koto-ku, Tokyo, Japan.

### 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 JASTEM 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	694

## ■ Others

### Ant Capital Partners Co., Ltd.

[www.antcapital.jp/english/](http://www.antcapital.jp/english/)

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

Established	October 23, 2000
Location	4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-6390, Japan
Representative	IINUMA Ryosuke, President and CEO
Number of directors and employees	51

### JAML MRC Holding, Inc.

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

Established	March 6, 2015
Location	70 East 55th Street, 22th Floor, New York, NY 10022, 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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

# Financial Review

## ■ Financial Results for the fiscal year ended March 31, 2022 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2022 include the results of 21 consolidated subsidiaries and 6 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2021 (for the fiscal year ended March 31, 2022).

### • Balance of Assets and Liabilities

Consolidated Total Assets decreased by ¥1,509.4 billion from the previous fiscal year-end to ¥106,138.3 billion, and consolidated Total Net Assets decreased by ¥660.8 billion from the previous fiscal year-end to ¥7,294.6 billion.

On the assets side, Loans and Bills Discounted increased by ¥1,239.3 billion to ¥23,341.8 billion, and Securities decreased by ¥1,345.2 billion to ¥46,748.5 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits decreased by ¥1,642.2 billion to ¥64,009.8 billion, and Debentures increased by ¥4.8 billion to ¥360.2 billion from the previous fiscal year-end, respectively.

### • Income

Consolidated Ordinary Profits\* were ¥238.5 billion, down ¥71.4 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥184.6 billion, down ¥23.5 billion from the previous fiscal year.

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

### • Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Consolidated Common Equity Tier 1 Capital Ratio 17.87%, Consolidated Tier 1 Capital Ratio 21.22%, and Consolidated Total Capital Ratio 21.23% as of March 31, 2022.

## Key Management Indicators (Consolidated)

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

	2018/3	2019/3	2020/3	2021/3	2022/3	2022/3
Total Income	¥ 1,464.4	¥ 1,732.1	¥ 1,546.3	¥ 1,358.8	¥ 1,268.6	\$ 10,366
Total Expenses	1,280.5	1,607.8	1,422.3	1,065.2	1,005.0	8,212
Profit Attributable to Owners of Parent	147.6	103.5	92.0	208.2	184.6	1,508
Total Comprehensive Income	(192.9)	238.5	(111.1)	769.8	(551.6)	(4,507)
Total Net Assets	6,746.0	7,473.2	7,261.6	7,955.5	7,294.6	59,606
Total Assets	104,927.7	105,953.9	105,482.0	107,647.8	106,138.3	867,285
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.02	16.59	19.49	19.86	17.87	17.87
Tier 1 Capital Ratio (%)	19.02	19.65	23.02	23.19	21.22	21.22
Total Capital Ratio (%)	23.50	19.65	23.02	23.19	21.23	21.23

Notes: 1. U.S. dollars have been converted at the rate of ¥122.38 to U.S. \$1, the effective rate of exchange at March 31, 2022.

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, 2022 (Non-consolidated)

### • Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year decreased by ¥1,871.7 billion to ¥103,366.3 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥681.4 billion to ¥7,144.5 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥22,955.4 billion, and Securities was ¥47,057.2 billion. On the liabilities side, Deposits amounted to ¥64,019.8 billion, and Debentures was ¥363.7 billion.

### • Income

Interest income of the Bank for the fiscal year ended March 31, 2022 totaled to ¥242.9 billion, down ¥21.1 billion from the previous fiscal year.

The total credit costs were ¥17.6 billion in net losses mainly due to the specific provision of reserve for possible loan losses and others.

As for securities investments, net gains/losses on sales were net losses of ¥65.4 billion, down ¥18.8 billion from the previous fiscal year and the expenses of

provisions and impairments for price-decline of securities and other reasons decreased by ¥10.7 billion to ¥2.6 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥219.0 billion in Ordinary Profits, down ¥90.5 billion and ¥172.6 billion in Net Income, down ¥39.3 billion from the previous fiscal year, respectively. The Bank's net operating losses stood at ¥94.2 billion.

The Bank invests in securities utilizing Money Held in Trust on a large scale. Therefore, the Bank's net operating profits including gains/losses on Money Held in Trust-related transactions, which are substantially the same as investment in securities stood at ¥111.8 billion.

### • Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 17.85%, Tier 1 Capital Ratio 21.27%, and Total Capital Ratio 21.27% as of March 31, 2022.

### Key Management Indicators (Non-consolidated)

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

	2018/3	2019/3	2020/3	2021/3	2022/3	2022/3
Total Income	¥ 1,425.7	¥ 1,709.1	¥ 1,520.9	¥ 1,337.1	¥ 1,239.1	\$ 10,125
Total Expenses	1,268.4	1,591.9	1,403.1	1,043.9	994.7	8,128
Net Income	129.9	100.6	89.4	212.0	172.6	1,411
Paid-in Capital	3,480.4	4,040.1	4,040.1	4,040.1	4,040.1	33,013
Total Net Assets	6,654.0	7,381.8	7,174.8	7,826.0	7,144.5	58,380
Total Assets	103,417.6	104,176.8	103,403.5	105,238.1	103,366.3	844,634
Deposits	65,823.8	66,821.5	65,656.0	65,675.4	64,019.8	523,123
Debentures	1,774.4	1,262.2	791.4	361.4	363.7	2,972
Loans and Bills Discounted	11,742.6	18,438.0	19,828.8	21,824.0	22,955.4	187,575
Securities	52,332.7	55,751.1	54,694.3	48,491.4	47,057.2	384,517
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.20	16.73	19.56	19.84	17.85	17.85
Tier 1 Capital Ratio (%)	19.23	19.86	23.15	23.22	21.27	21.27
Total Capital Ratio (%)	23.78	19.86	23.15	23.23	21.27	21.27

Notes: 1. U.S. dollars have been converted at the rate of ¥122.38 to U.S. \$1, the effective rate of exchange at March 31, 2022.

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)
	2022	2021	2022
<b>Assets</b>			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 18,140,525	¥ 20,066,967	\$148,231
Call Loans and Bills Bought (Note 32)	—	60,890	—
Receivables under Resale Agreements	366	548,061	2
Monetary Claims Bought (Notes 32 and 33)	387,819	302,918	3,168
Trading Assets (Notes 3, 32 and 33)	2,466	7,310	20
Money Held in Trust (Notes 10, 32 and 34)	10,867,985	10,638,598	88,805
Securities (Notes 4, 6, 10, 21, 32 and 33)	46,748,553	48,093,847	381,995
Loans and Bills Discounted (Notes 5, 6, 10, 20 and 32)	23,341,865	22,102,545	190,732
Foreign Exchange Assets (Notes 6 and 7)	375,980	290,017	3,072
Other Assets (Notes 6, 8, 10 and 32)	3,178,992	2,885,756	25,976
Tangible Fixed Assets (Note 9)	151,442	165,914	1,237
Intangible Fixed Assets (Note 9)	52,174	57,724	426
Net Defined Benefit Asset (Note 17)	119,913	112,151	979
Deferred Tax Assets (Note 18)	4,315	3,771	35
Customers' Liabilities for Acceptances and Guarantees (Notes 6 and 19)	2,915,891	2,446,587	23,826
Reserve for Possible Loan Losses (Note 32)	(149,942)	(134,983)	(1,225)
Reserve for Possible Investment Losses	—	(270)	—
<b>Total Assets</b>	<b>¥106,138,351</b>	<b>¥107,647,809</b>	<b>\$867,285</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 11 and 32)	¥ 64,009,893	¥ 65,652,162	\$523,042
Negotiable Certificates of Deposit (Note 32)	2,140,966	3,100,259	17,494
Debentures (Notes 12 and 32)	360,280	355,479	2,943
Payables under Repurchase Agreements (Notes 10 and 32)	19,327,671	17,073,926	157,931
Trading Liabilities (Notes 13 and 32)	1,692	5,137	13
Borrowed Money (Notes 10, 14 and 32)	4,924,931	5,092,464	40,242
Foreign Exchange Liabilities (Note 15)	—	0	—
Short-term Entrusted Funds (Note 32)	684,692	877,743	5,594
Other Liabilities (Notes 16 and 32)	4,150,052	4,543,028	33,911
Reserve for Bonus Payments	7,554	7,552	61
Net Defined Benefit Liability (Note 17)	21,742	29,486	177
Reserve for Directors' Retirement Benefits	1,043	1,459	8
Deferred Tax Liabilities (Note 18)	295,753	498,333	2,416
Deferred Tax Liabilities for Land Revaluation	1,499	8,607	12
Acceptances and Guarantees (Note 19)	2,915,891	2,446,587	23,826
<b>Total Liabilities</b>	<b>98,843,664</b>	<b>99,692,228</b>	<b>807,678</b>
<b>Net Assets</b>			
Paid-in Capital (Note 22)	4,040,198	4,040,198	33,013
Capital Surplus	23,399	24,993	191
Retained Earnings	2,236,608	2,146,592	18,275
<b>Total Owners' Equity</b>	<b>6,300,206</b>	<b>6,211,784</b>	<b>51,480</b>
Net Unrealized Gains on Other Securities	758,987	1,948,587	6,201
Net Deferred Gains (Losses) on Hedging Instruments	177,259	(280,135)	1,448
Revaluation Reserve for Land	5,970	14,312	48
Foreign Currency Transaction Adjustments	517	(16)	4
Remeasurements of Defined Benefit Plans (Note 17)	41,753	49,260	341
<b>Total Accumulated Other Comprehensive Income</b>	<b>984,488</b>	<b>1,732,008</b>	<b>8,044</b>
Non-controlling Interests	9,992	11,787	81
<b>Total Net Assets</b>	<b>7,294,687</b>	<b>7,955,581</b>	<b>59,606</b>
<b>Total Liabilities and Net Assets</b>	<b>¥106,138,351</b>	<b>¥107,647,809</b>	<b>\$867,285</b>

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)
	2022	2021	2022
<b>Income</b>			
Interest Income:	¥ 715,757	¥ 847,539	\$ 5,848
Interest on Loans and Bills Discounted	97,994	97,446	800
Interest and Dividends on Securities	601,800	730,549	4,917
Interest on Call Loans and Bills Bought	(793)	(4)	(6)
Interest on Receivables under Resale Agreements	(574)	(211)	(4)
Interest on Due from Banks	11,673	11,866	95
Other Interest Income	5,657	7,893	46
Fees and Commissions	28,964	31,359	236
Trading Income (Note 23)	104	513	0
Other Operating Income (Note 24)	100,106	79,462	817
Other Income (Note 25)	423,701	399,989	3,462
<b>Total Income</b>	<b>1,268,633</b>	<b>1,358,863</b>	<b>10,366</b>
<b>Expenses</b>			
Interest Expenses:	514,517	631,003	4,204
Interest on Deposits	12,285	29,014	100
Interest on Negotiable Certificates of Deposit	3,010	8,629	24
Interest on Debentures	1,294	690	10
Interest on Borrowed Money	37,359	40,945	305
Interest on Call Money and Bills Sold	(0)	(0)	(0)
Interest on Payables under Repurchase Agreements	(27,402)	4,977	(223)
Other Interest Expenses	487,970	546,746	3,987
Fees and Commissions	15,330	17,743	125
Trading Expenses (Note 26)	—	18	—
Other Operating Expenses (Note 27)	294,393	157,130	2,405
General and Administrative Expenses	146,066	151,139	1,193
Other Expenses (Note 28)	34,784	108,214	284
<b>Total Expenses</b>	<b>1,005,092</b>	<b>1,065,249</b>	<b>8,212</b>
<b>Income before Income Taxes</b>	<b>263,540</b>	<b>293,613</b>	<b>2,153</b>
Income Taxes — Current	4,946	251,398	40
Income Taxes — Deferred	73,319	(167,310)	599
<b>Total Income Taxes</b>	<b>78,265</b>	<b>84,087</b>	<b>639</b>
<b>Profit</b>	<b>185,275</b>	<b>209,526</b>	<b>1,513</b>
Profit Attributable to Non-controlling Interests	624	1,292	5
<b>Profit Attributable to Owners of Parent</b>	<b>¥ 184,650</b>	<b>¥ 208,233</b>	<b>\$ 1,508</b>
		Yen	U.S. Dollars (Note 1)
		2022	2022
<b>Profit Attributable to Owners of Parent per Share</b>	<b>¥25.18</b>	<b>¥27.19</b>	<b>\$0.20</b>

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)
	2022	2021	2022
<b>Profit</b>	¥ 185,275	¥209,526	\$ 1,513
<b>Other Comprehensive Income</b>	(736,929)	560,307	(6,021)
Net Unrealized Gains (Losses) on Other Securities (Note 29)	(1,188,833)	244,792	(9,714)
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	457,347	270,026	3,737
Revaluation Reserve for Land (Note 29)	2,247	—	18
Foreign Currency Transaction Adjustments (Note 29)	440	121	3
Remeasurements of Defined Benefit Plans (Note 29)	(7,623)	42,960	(62)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	(506)	2,406	(4)
<b>Total Comprehensive Income</b>	¥ (551,654)	¥769,833	\$ (4,507)
Attributable to:			
Owners of Parent	(552,280)	768,497	(4,512)
Non-controlling Interests	626	1,336	5

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)
	2022	2021	2022
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 204
Additions:	—	—	—
Deductions:			
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests	1,594	—	13
Balance at the End of the Fiscal Year	23,399	24,993	191
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	2,146,592	2,013,599	17,540
Additions:			
Profit Attributable to Owners of Parent	184,650	208,233	1,508
Reversal of Revaluation Reserve for Land	10,589	—	86
Deductions:			
Dividends	105,223	75,241	859
Balance at the End of the Fiscal Year	¥2,236,608	¥2,146,592	\$18,275

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)
	2022	2021	2022
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes	¥ 263,540	¥ 293,613	\$ 2,153
Depreciation	23,159	24,150	189
Losses on Impairment of Fixed Assets	—	16,047	—
Equity in Losses (Earnings) of Affiliates	(5,932)	(3,008)	(48)
Net Increase (Decrease) in Reserve for Possible Loan Losses	14,616	83,455	119
Net Increase (Decrease) in Reserve for Possible Investment Losses	(270)	(101)	(2)
Net Increase (Decrease) in Reserve for Bonus Payments	2	61	0
Net Decrease (Increase) in Net Defined Benefit Asset	(7,762)	(53,937)	(63)
Net Increase (Decrease) in Net Defined Benefit Liability	(7,743)	(9,354)	(63)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(416)	34	(3)
Interest Income	(715,757)	(847,539)	(5,848)
Interest Expenses	514,517	631,003	4,204
Losses (Gains) on Securities	140,051	29,472	1,144
Losses (Gains) on Money Held in Trust	10,479	(94,234)	85
Foreign Exchange Losses (Gains)	(3,230,110)	(1,619,658)	(26,394)
Losses (Gains) on Disposal of Fixed Assets	(24,969)	340	(204)
Net Decrease (Increase) in Trading Assets	4,843	552	39
Net Increase (Decrease) in Trading Liabilities	(3,445)	(2,965)	(28)
Net Decrease (Increase) in Loans and Bills Discounted	(1,200,828)	(2,003,467)	(9,812)
Net Increase (Decrease) in Deposits	(1,642,269)	13,064	(13,419)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(959,293)	693,293	(7,838)
Net Increase (Decrease) in Debentures	4,801	(428,967)	39
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(189,053)	(364,898)	(1,544)
Net Decrease (Increase) in Interest-bearing Due from Banks	(89,033)	68,890	(727)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	524,588	(543,180)	4,286
Net Increase (Decrease) in Call Money and Bills Sold and Other	2,253,744	1,347,353	18,415
Net Increase (Decrease) in Short-term Entrusted Funds	(193,050)	85,149	(1,577)
Net Decrease (Increase) in Foreign Exchange Assets	(85,963)	(80,127)	(702)
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	(0)	(0)
Interest Received	659,205	871,473	5,386
Interest Paid	(512,767)	(664,663)	(4,189)
Other, Net	528,903	53,762	4,321
Subtotal	(3,926,213)	(2,504,385)	(32,082)
Income Taxes Paid	(243,760)	(38,051)	(1,991)
Net Cash Provided by (Used in) Operating Activities	(4,169,973)	(2,542,436)	(34,073)

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(14,541,719)	(11,727,989)	(118,824)
Proceeds from Sales of Securities	7,221,548	4,661,573	59,009
Proceeds from Redemption of Securities	9,734,315	10,050,713	79,541
Increase in Money Held in Trust	(1,194,665)	(537,046)	(9,761)
Decrease in Money Held in Trust	1,005,215	883,393	8,213
Purchases of Tangible Fixed Assets	(4,012)	(75,581)	(32)
Purchases of Intangible Fixed Assets	(9,067)	(9,151)	(74)
Proceeds from Sales of Tangible Fixed Assets	41,200	—	336
Net Cash Provided by (Used in) Investing Activities	2,252,814	3,245,911	18,408
<b>Cash Flows from Financing Activities:</b>			
Repayments of Subordinated Borrowed Money	(923)	—	(7)
Proceeds from Share Issuance to Non-controlling Interests	60	—	0
Purchase of Treasury Shares of Subsidiaries	(3,605)	—	(29)
Dividends Paid	(105,223)	(75,241)	(859)
Dividends Paid to Non-controlling Interests	(470)	(685)	(3)
Net Cash Provided by (Used in) Financing Activities	(110,162)	(75,926)	(900)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>4,699</b>	<b>2,274</b>	<b>38</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,022,621)</b>	<b>629,823</b>	<b>(16,527)</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>19,121,793</b>	<b>18,491,970</b>	<b>156,249</b>
<b>Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)</b>	<b>¥ 17,099,172</b>	<b>¥ 19,121,793</b>	<b>\$ 139,721</b>

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 ¥122.38=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2022, 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, 2021 was 18, 17 of which were consolidated and the remaining subsidiary was unconsolidated. The number of subsidiaries as of March 31, 2022 was 22, 21 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.

Norinchukin Bank Europe N.V.

Newly established “Norinchukin Capital Co., Ltd.” and other three companies were consolidated from the fiscal year ended March 31, 2022.

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, 2021      Number of subsidiaries: 9

Closing date: March 31, 2022      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-making body through sharing of personnel, provision of finance and technology, and other relationships; or 3) holds more than 20% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, is able to influence the decision-making body in a material degree, unless evidence exists which shows that the Bank does not have such influence.

The numbers of affiliates as of March 31, 2022 and 2021 were 6 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.

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries was excluded from the scope of application of the equity method since it was liquidated during the fiscal year.

## (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 March 17, 2022). 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 March 17, 2022) 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 ¥10,286 million (\$84 million) and ¥9,911 million for the fiscal years ended March 31, 2022 and 2021, 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 6) 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 the risks identified based on future forecasts. Specifically, the reserve for possible loans losses is recorded, taking into account the current position in economic cycles and the likelihood of each scenario in light of future outlook, by referring to historical loan losses, 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 fluctuations. 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. There were no Reserve for Possible Investment Losses recorded as of March 31, 2022.

#### **(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) 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.

### (14) 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.

### (15) Accounting Principles and Procedures When Related Accounting Standards Are Not Clear

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.

### (16) 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). Reserve for Possible Loan Losses on the consolidated financial statements were ¥149,942 million (\$1,225 million) and ¥134,983 million for the fiscal year ended March 31, 2022 and 2021, respectively.

(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.

In calculating Reserve for Possible Loan Losses, the Bank reflects the risks identified based on future forecasts in order to maintain stable lending to other institutions regardless of economic fluctuations.

#### II. Key assumptions

The debtor's future forecasts including its expected business performance are the key assumptions in determining the debtor classification.

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



The Bank estimates the current position in the economic cycles as a period of recovery in the fiscal year. As for the future outlook, the main scenario is the continuation of a moderate economic recovery, given that the strict restrictions on economic activities for COVID-19 has been avoided and the risk of infections has been reduced due to the progress of COVID-19 vaccine booster shots. In addition, the assumptions partially reflect the economic recession scenario, mainly due to the materialization of geopolitical risks (the situation in Ukraine) and the spread of infectious diseases by new COVID variants.

### 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 and geopolitical risks (the situation in Ukraine), 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 Quoted Market Prices

(a). Amounts accounted on consolidated financial statements are as follows.

As of March 31, 2022	Millions of Yen		Millions of U.S. Dollars	
	Consolidated	Fair Value	Consolidated	Fair Value
	Balance Sheet Amount		Balance Sheet Amount	
Items				
Foreign Bonds				
Other securities	¥ 93,474	¥ 93,474	\$ 763	\$ 763
Held-to-Maturity Debt Securities	5,915,115	5,897,089	48,334	48,186
Total	¥6,008,589	¥5,990,564	\$49,097	\$48,950

As of March 31, 2021	Millions of Yen	
	Consolidated	Fair Value
	Balance Sheet Amount	
Items		
Foreign Bonds		
Other securities	¥ 256,444	¥ 256,444
Held-to-Maturity Debt Securities	8,203,610	8,222,262
Total	¥8,460,055	¥8,478,706

(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 quoted market prices, 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.

**(17) Other Information****(Change in Accounting Policies)****(Adoption of Accounting Standard for Revenue Recognition and Others)**

The Bank and its consolidated subsidiaries have adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on 31st March 2020) and others at the beginning of the fiscal year and recognize revenue when promised goods or services are transferred to customers, in an amount that reflects the consideration to which the Bank and its consolidated subsidiaries expect to be entitled in exchange for those goods or services.

Upon the adoption of the accounting standard, the Bank and its consolidated subsidiaries elected the transition method described by proviso to Article 84 of the accounting standard, and have recognized a cumulative effect in case where the Bank and its consolidated subsidiaries would have retrospectively elected the new accounting policy, which was adjusted to retained earnings at the beginning of the fiscal year, and have adopted the new accounting policy to the beginning balance of retained earnings in the fiscal year.

As a result, the impact on the consolidated financial statements was immaterial.

**3. Trading Assets**

	Millions of Yen		Millions of U.S.
	2022	2021	Dollars
As of March 31			2022
Trading Securities	¥ 4	¥2,016	\$ 0
Derivatives of Securities Related to Trading Transactions	—	39	—
Trading-related Financial Derivatives	2,462	5,254	20
Total	¥2,466	¥7,310	\$20

**4. Securities**

	Millions of Yen		Millions of U.S.
	2022	2021	Dollars
As of March 31			2022
Japanese Government Bonds	¥ 7,992,279	¥10,112,251	\$ 65,307
Municipal Government Bonds	158,369	153,990	1,294
Corporate Bonds	1,178,570	1,303,319	9,630
Stocks	821,668	906,672	6,714
Other	36,597,665	35,617,614	299,049
Foreign Bonds	28,067,892	27,820,107	229,350
Foreign Stocks	39,298	34,571	321
Investment Trusts	7,351,359	6,931,963	60,069
Other	1,139,114	830,971	9,308
Total	¥46,748,553	¥48,093,847	\$381,995

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
<b>As of March 31, 2022</b>					
Bonds	¥1,421,147	¥1,088,251	¥ 2,826,943	¥3,992,877	¥ —
Japanese Government Bonds	1,205,151	464,418	2,704,399	3,618,310	—
Municipal Government Bonds	9,005	49,631	14,589	85,142	—
Corporate Bonds	206,990	574,202	107,953	289,423	—
Stocks	—	—	—	—	821,668
Other	536,433	7,275,889	19,125,684	3,493,573	6,166,084
Foreign Bonds	415,069	6,697,358	18,242,457	2,713,006	—
Foreign Stocks	—	—	—	—	39,298
Investment Trusts	82,661	268,771	405,380	724,299	5,870,246
Other	38,702	309,758	477,847	56,267	256,539
Total	¥1,957,581	¥8,364,140	¥21,952,628	¥7,486,450	¥6,987,752

As of March 31, 2021	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	¥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
<b>Total</b>	<b>¥3,394,212</b>	<b>¥5,583,244</b>	<b>¥24,382,924</b>	<b>¥7,945,362</b>	<b>¥6,788,104</b>

As of March 31, 2022	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	\$11,612	\$ 8,892	\$ 23,099	\$32,626	\$ —
Japanese Government Bonds	9,847	3,794	22,098	29,566	—
Municipal Government Bonds	73	405	119	695	—
Corporate Bonds	1,691	4,691	882	2,364	—
Stocks	—	—	—	—	6,714
Other	4,383	59,453	156,281	28,546	50,384
Foreign Bonds	3,391	54,725	149,064	22,168	—
Foreign Stocks	—	—	—	—	321
Investment Trusts	675	2,196	3,312	5,918	47,967
Other	316	2,531	3,904	459	2,096
<b>Total</b>	<b>\$15,995</b>	<b>\$68,345</b>	<b>\$179,380</b>	<b>\$61,173</b>	<b>\$57,098</b>

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
	2022	2021	2022
Loans on Deeds	¥21,695,831	¥19,953,948	\$177,282
Loans on Bills	401,960	286,386	3,284
Overdrafts	1,242,269	1,860,952	10,150
Bills Discounted	1,803	1,257	14
<b>Total</b>	<b>¥23,341,865</b>	<b>¥22,102,545</b>	<b>\$190,732</b>

## 6. Non Performing Loans Based on the Norinchukin Bank Act and the Financial Reconstruction Law

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Bankrupt and Quasi-Bankrupt Assets	¥ 1,846	¥ 2,597	\$ 15
Doubtful Assets	83,523	73,386	682
Loans Past Due for Three Months or More	573	271	4
Restructured Loans	27,849	29,133	227
<b>Total</b>	<b>¥113,793</b>	<b>¥105,387</b>	<b>\$929</b>

Notes: 1. These assets consist of those included in the accounts of bonds included in "Securities" (its principal's redemption and interest payments are guaranteed, in whole or in part, and the corporate bonds issue is limited to a private placement of the securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), "Loans", "Foreign Exchanges Assets", accrued interest income and suspense payment in "Other assets" and "Customers' Liabilities for Acceptances and Guarantees" on the consolidated balance sheet, and securities in the notes (Limited to those under a loan for use or lending agreement.) that are in case of loan.

2. Bankrupt and Quasi-Bankrupt Assets are credits against debtors in bankruptcy due to the commencement of bankruptcy proceedings, the commencement of corporate reorganization proceedings, and the petition of rehabilitation proceedings, as well as credits of a similar nature.

3. Doubtful Assets are credits that the debtor is not yet in a state of bankruptcy, but its financial position and business performance have deteriorated, and it is highly probable that principal's collection and interest on credits in accordance with the terms of the contract will not be received. These credits do not fall under the category of Bankrupt and Quasi-Bankrupt Assets.

4. Loans Past Due for Three Months or More are loans on which payments of principal and/or interest have not been made for a period of three months or more since the next day following the first due date, and which are not included in Bankrupt and Quasi-Bankrupt Assets, or Doubtful Assets.

5. 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 loans, and which are not included in Bankrupt and Quasi-Bankrupt Assets, Doubtful Assets or Loans Past Due for Three Months or More.

### (Changes in Presentation Methods)

As "Order Partially Revising Order on Credit Business Conducted by Japan Fisheries Cooperative, etc." (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No. 1, January 24, 2020) including the partial revision of "Ordinance for Enforcement of The Norinchukin Bank Act" (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No. 16 of 2001) was enforced on March 31, 2022, the classification of Non Performing Loans based on the Norinchukin Bank Act is presented in accordance with the classifications of loans based on Financial Reconstruction Law.

## 7. Foreign Exchange Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Due from Foreign Banks	¥375,980	¥290,017	\$3,072
<b>Total</b>	<b>¥375,980</b>	<b>¥290,017</b>	<b>\$3,072</b>

## 8. Other Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Prepaid Expenses	¥ 1,775	¥ 1,718	\$ 14
Accrued Income	135,294	125,775	1,105
Derivatives other than for Trading	343,244	61,325	2,804
Cash Collateral Paid for Financial Instruments	1,511,691	1,424,768	12,352
Other	1,186,986	1,272,166	9,699
<b>Total</b>	<b>¥3,178,992</b>	<b>¥2,885,756</b>	<b>\$25,976</b>

## 9. Tangible Fixed Assets and Intangible Fixed Assets

### Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Buildings	¥ 31,596	¥ 36,641	\$ 258
Land	74,919	97,707	612
Lease Assets	18,242	19,436	149
Construction in Progress	5,250	1,187	42
Other	21,434	10,941	175
<b>Total Net Book Value</b>	<b>151,442</b>	<b>165,914</b>	<b>1,237</b>
<b>Accumulated Depreciation Deducted</b>	<b>¥103,647</b>	<b>¥116,002</b>	<b>\$ 846</b>

**Intangible Fixed Assets**

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Software	¥31,300	¥38,636	\$255
Lease Assets	8,896	10,863	72
Other	11,977	8,224	97
<b>Total</b>	<b>¥52,174</b>	<b>¥57,724</b>	<b>\$426</b>

**10. Assets Pledged**

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Securities	¥20,029,042	¥18,501,625	\$163,662
Loans and Bills Discounted	2,728,873	2,151,881	22,298

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Payables under Repurchase Agreements	¥19,007,856	¥17,073,926	\$155,318
Borrowed Money	2,264,378	2,606,580	18,502

In addition, as of March 31, 2022 and 2021, Securities (including transactions of Money Held in Trust) of ¥11,357,736 million (\$92,807 million) and ¥9,568,323 million, respectively, and Foreign Exchange Assets (including transactions of Money Held in Trust) of ¥3,434 million (\$28 million) and ¥— million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2022 and 2021, initial margins of futures markets of ¥87,622 million (\$715 million) and ¥20,493 million, respectively, cash collateral paid for financial instruments of ¥1,511,691 million (\$12,352 million) and ¥1,424,768 million, respectively, other cash collateral paid of ¥811,029 million (\$6,627 million) and ¥1,059,337 million, respectively, and guarantee deposits of ¥8,103 million (\$66 million) and ¥8,119 million, respectively, were included in Other Assets.

**11. Deposits**

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Time Deposits	¥55,692,535	¥56,792,010	\$455,078
Deposits at Notice	10,629	12,650	86
Ordinary Deposits	3,291,796	3,798,523	26,898
Current Deposits	96,632	98,339	789
Other Deposits	4,918,299	4,950,639	40,188
<b>Total</b>	<b>¥64,009,893</b>	<b>¥65,652,162</b>	<b>\$523,042</b>

**12. Debentures**

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Long-term Coupon Debentures	¥360,280	¥355,479	\$2,943
<b>Total</b>	<b>¥360,280</b>	<b>¥355,479</b>	<b>\$2,943</b>

### 13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Derivatives of Securities Related to Trading Transactions	¥ —	¥ 26	\$—
Trading-related Financial Derivatives	1,692	5,111	13
<b>Total</b>	<b>¥1,692</b>	<b>¥5,137</b>	<b>\$13</b>

### 14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,316,972 million (\$10,761 million) and ¥1,317,895 million as of March 31, 2022 and 2021, 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.
	2022	2021	Dollars 2022
Foreign Bills Payable	¥—	¥0	\$—
<b>Total</b>	<b>¥—</b>	<b>¥0</b>	<b>\$—</b>

### 16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Accrued Expenses	¥ 37,868	¥ 36,032	\$ 309
Income Taxes Payable	6,251	218,956	51
Unearned Income	2,130	5,096	17
Derivatives other than for Trading	1,379,646	1,262,630	11,273
Accounts Payable for Securities Purchased	2,557,398	2,914,976	20,897
Other	166,757	105,305	1,362
<b>Total</b>	<b>¥4,150,052</b>	<b>¥4,542,997</b>	<b>\$33,911</b>

### 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 adopt lump-sum payment pension plans, defined benefit pension plans and defined contribution pension plans.

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, 2022 and 2021, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥142,749	¥139,685	\$1,166
Service Cost	4,437	4,386	36
Interest Cost	430	421	3
Actuarial Differences	1,949	3,452	15
Retirement Benefit Paid	(4,999)	(5,196)	(40)
Balance at the End of the Fiscal Year	¥144,567	¥142,749	\$1,181

b. The changes in plan assets for the years ended March 31, 2022 and 2021, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥226,562	¥160,248	\$1,851
Expected Return on Plan Assets	2,448	2,044	20
Actuarial Differences	5,503	64,770	44
Contributions by the Bank	11,963	2,035	97
Retirement Benefit Paid	(2,523)	(2,536)	(20)
Balance at the End of the Fiscal Year	¥243,954	¥226,562	\$1,993

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2022 and 2021 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥1,148	¥1,190	\$ 9
Retirement Benefit Expense	376	295	3
Retirement Benefit Paid	(250)	(290)	(2)
Contributions to the Plans	(57)	(45)	(0)
Balance at the End of the Fiscal Year	¥1,216	¥1,148	\$ 9

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, 2022 and 2021 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Funded Retirement Benefit Obligations	¥ 145,610	¥ 143,782	\$ 1,189
Plan Assets at Fair Value	(244,645)	(227,275)	(1,999)
	(99,035)	(83,492)	(809)
Unfunded Retirement Benefit Obligations	865	827	7
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	(98,170)	(82,664)	(802)
Net Defined Benefit Liability	21,742	29,486	177
Net Defined Benefit Asset	119,913	112,151	979
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (98,170)	¥ (82,664)	\$ (802)

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

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

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Service Cost	¥ 4,437	¥ 4,386	\$ 36
Interest Cost	430	421	3
Expected Return on Plan Assets	(2,448)	(2,044)	(20)
Amortization of Actuarial Differences	(14,107)	(1,857)	(115)
Amortization of Prior Service Cost	—	—	—
Retirement Benefit Expense by the Simplified Method	376	295	3
Other	980	795	8
<b>Retirement Benefit Expense on Defined Benefit Plan</b>	<b>¥(10,331)</b>	<b>¥ 1,997</b>	<b>\$ (84)</b>

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

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

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Prior Service Cost	¥ —	¥ —	\$ —
Actuarial Differences	(10,552)	59,460	(86)
<b>Total</b>	<b>¥(10,552)</b>	<b>¥59,460</b>	<b>\$(86)</b>

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

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Unrecognized Prior Service Cost	¥ —	¥ —	\$ —
Unrecognized Actuarial Differences	57,922	68,475	473
<b>Total</b>	<b>¥57,922</b>	<b>¥68,475</b>	<b>\$473</b>

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	2022	2021
Bonds	14%	13%
Stocks	79%	80%
Insurance Assets (General Account)	6%	6%
Other	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(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	2022	2021
Discount Rate	0.3%	0.3%
Expected Rates of Increase in Salary	2.0–3.9%	2.0–3.6%
Expected Rates of Return on Plan Assets	0–3.0%	0–3.0%

### (3) Defined Contribution Pension Plans

Contributions by the Bank's consolidated subsidiaries to the defined contribution pension plans were ¥35 million (\$0 million) for the year ended March 31, 2022.

There were no consolidated subsidiaries which adopted the defined contribution pension plans as of March 31, 2021.

## 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.
	2022	2021	Dollars 2022
<b>Deferred Tax Assets:</b>			
Reserve for Possible Loan Losses	¥ 22,675	¥ 18,588	\$ 185
Write-off of Loans	1,011	1,069	8
Losses on Revaluation of Securities	17,202	17,450	140
Net Defined Benefit Liability	854	5,730	6
Depreciation Expense	470	485	3
Net Operating Losses Carried Forward	1,457	1,371	11
Unrealized Losses on Other Securities	7	27	0
Deferred Losses on Hedging Instruments	60,212	142,856	492
Unrealized Losses on Reclassification	2,547	2,531	20
Conversion of Investment Form of Securities	91,466	120,944	747
Other	112,619	115,658	920
Subtotal	310,526	426,716	2,537
Valuation Allowance	(91,616)	(72,585)	(748)
<b>Total Deferred Tax Assets</b>	<b>218,909</b>	<b>354,130</b>	<b>1,788</b>
<b>Deferred Tax Liabilities:</b>			
Gains from Contribution of Securities to Employee			
Retirement Benefit Trust	(4,968)	(4,968)	(40)
Net Defined Benefit Asset	(18,001)	(19,001)	(147)
Unrealized Gains on Other Securities	(287,359)	(740,446)	(2,348)
Deferred Gains on Hedging Instruments	(128,154)	(35,138)	(1,047)
Unrealized Gains on Reclassification	(170)	(1,116)	(1)
Conversion of Investment Form of Securities	(194)	(180)	(1)
Other	(71,499)	(47,839)	(584)
<b>Total Deferred Tax Liabilities</b>	<b>(510,348)</b>	<b>(848,692)</b>	<b>(4,170)</b>
<b>Net Deferred Tax Liabilities</b>	<b>¥(291,438)</b>	<b>¥(494,561)</b>	<b>\$(2,381)</b>

## 19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Guarantees	¥2,915,891	¥2,446,587	\$23,826
<b>Total</b>	<b>¥2,915,891</b>	<b>¥2,446,587</b>	<b>\$23,826</b>

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 ¥4,651,462 million (\$38,008 million) and ¥4,158,145 million as of March 31, 2022 and 2021, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,674,153 million (\$21,851 million) and ¥2,678,644 million as of March 31, 2022 and 2021, 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 ¥452,360 million (\$3,696 million) and ¥454,450 million as of March 31, 2022 and 2021, 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 ¥1,572,038 million (\$12,845 million) and ¥1,558,253 million as of March 31, 2022 and 2021, respectively, and include securities held without re-pledge of ¥26,050 million (\$212 million) and ¥457,271 million as of March 31, 2022 and 2021, respectively. No such securities are re-loaned to the third parties.

## 22. Paid-in Capital

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Common Stock	¥4,015,198	¥4,015,198	\$32,809
Preferred Stock	24,999	24,999	204
Total	¥4,040,198	¥4,040,198	\$33,013

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$29,330 million) and ¥3,589,481 million as of March 31, 2022 and 2021, respectively.

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

## 23. Trading Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Income from Trading Securities and Derivatives	¥ 11	¥ —	\$0
Income from Securities and Derivatives Related to Trading Transactions	47	50	0
Income from Trading-related Financial Derivatives	45	463	0
Total	¥104	¥513	\$0

## 24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Gains on Sales of Bonds	¥ 39,427	¥19,366	\$322
Gains on Redemption of Bonds	0	4	0
Gains on Derivatives other than for Trading or Hedging	9,352	9,009	76
Other	51,325	51,081	419
Total	¥100,106	¥79,462	\$817

## 25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Gains on Sales of Stocks and Other Securities	¥134,557	¥ 33,035	\$1,099
Gains on Money Held in Trust	253,754	352,813	2,073
Equity in Earnings of Affiliates	5,932	3,008	48
Gains on Disposal of Fixed Assets	26,333	—	215
Recoveries of Written-off Claims	395	202	3
Other	2,728	10,928	22
<b>Total</b>	<b>¥423,701</b>	<b>¥399,989</b>	<b>\$3,462</b>

## 26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Expenses on Trading Securities and Derivatives	¥—	¥18	\$—
<b>Total</b>	<b>¥—</b>	<b>¥18</b>	<b>\$—</b>

## 27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Amortization of Debenture Issuance Costs	¥ 933	¥ 23	\$ 7
Losses on Foreign Exchange Transactions	9,435	1,438	77
Losses on Sales of Bonds	238,675	98,691	1,950
Losses on Redemption of Bonds	5	16	0
Losses on Revaluation of Bonds	595	12,113	4
Other	44,748	44,847	365
<b>Total</b>	<b>¥294,393</b>	<b>¥157,130</b>	<b>\$2,405</b>

## 28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Write-off of Loans	¥ 30	¥ 137	\$ 0
Provision of Reserve for Possible Loan Losses	17,151	84,317	140
Losses on Sales of Stocks and Other Securities	99	282	0
Losses on Revaluation of Stocks and Other Securities	2,332	1,339	19
Losses on Money Held in Trust	4,774	4,747	39
Losses on Disposal of Fixed Assets	1,363	340	11
Losses on Impairment of Fixed Assets	—	16,047	—
Other	9,031	1,002	73
<b>Total</b>	<b>¥34,784</b>	<b>¥108,214</b>	<b>\$284</b>

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
Operating assets	Buildings	Tokyo	¥16,047

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.
	2022	2021	Dollars 2022
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥(1,641,061)	¥ 532,807	\$(13,409)
Reclassification adjustments to profit or loss	(1,801)	(195,905)	(14)
Amounts before tax effects	(1,642,863)	336,902	(13,424)
Tax effects	454,029	(92,109)	3,709
Total	(1,188,833)	244,792	(9,714)
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	365,121	56,736	2,983
Reclassification adjustments to profit or loss	267,886	317,003	2,188
Amounts before tax effects	633,007	373,739	5,172
Tax effects	(175,659)	(103,712)	(1,435)
Total	457,347	270,026	3,737
Revaluation Reserve for Land:			
Gains (Losses) arising during the fiscal year	—	—	—
Reclassification adjustments to profit or loss	—	—	—
Amounts before income tax effects	—	—	—
Income tax effects	2,247	—	18
Total	2,247	—	18
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	440	121	3
Reclassification adjustments to profit or loss	—	—	—
Amounts before tax effects	440	121	3
Tax effects	—	—	—
Total	440	121	3
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	3,554	61,318	29
Reclassification adjustments to profit or loss	(14,107)	(1,857)	(115)
Amounts before tax effects	(10,552)	59,460	(86)
Tax effects	2,928	(16,500)	23
Total	(7,623)	42,960	(62)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	(562)	2,366	(4)
Reclassification adjustments to profit or loss	56	39	0
Total	(506)	2,406	(4)
Total Other Comprehensive Income	¥ (736,929)	¥ 560,307	\$ (6,021)

## 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.
	2022	2021	Dollars 2022
Cash and Due from Banks	¥18,140,525	¥20,066,967	\$148,231
Less: Interest-bearing Due from Banks	(1,041,353)	(945,174)	(8,509)
Cash and Cash Equivalents at the End of the Fiscal Year	¥17,099,172	¥19,121,793	\$139,721

## 31. Segment Information

Fiscal year ended March 31, 2022

### (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, 2022	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥99,904	¥1,043,414	¥98,980	¥1,242,300

Millions of U.S. Dollars				
Fiscal year ended March 31, 2022	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$816	\$8,526	\$808	\$10,151

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, 2022	Japan	Americas	Europe	Others	Total
	¥1,199,876	¥24,874	¥3,025	¥14,522	¥1,242,300

Millions of U.S. Dollars					
Fiscal year ended March 31, 2022	Japan	Americas	Europe	Others	Total
	\$9,804	\$203	\$24	\$118	\$10,151

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, 2022	Japan	Americas	Europe	Others	Total
	¥149,555	¥209	¥1,140	¥536	¥151,442

Millions of U.S. Dollars					
As of March 31, 2022	Japan	Americas	Europe	Others	Total
	\$1,222	\$1	\$9	\$4	\$1,237

#### c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2022	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥207,019	—

Millions of U.S. Dollars			
Fiscal year ended March 31, 2022	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,691	—

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

None

**(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, 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**

Fiscal year ended March 31, 2021	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥99,177	¥1,146,767	¥112,918	¥1,358,863

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

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

**c. Information about Major Customers**

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

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 committees, 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, 2022 and 2021 summed up to ¥2 million (\$0 million) and ¥11 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 ¥2,782,851 million (\$22,739 million) and ¥2,755,437 million as of March 31, 2022 and 2021, 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, 2022 and 2021 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 indicators 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, Bills Bought, Cash and Due from Banks, 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 ¥1,134,388 million (\$9,269 million) and ¥827,012 million as of March 31, 2022 and 2021, respectively.

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of March 31, 2022 and 2021 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
<b>As of March 31, 2022</b>						
Monetary Claims Bought	¥ 387,819	¥ 388,122	¥ 303	\$ 3,168	\$ 3,171	\$ 2
Trading Assets (*2)						
Trading Securities	4	4	—	0	0	—
Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	4,669	4,669	—	38	38	—
Other Money Held in Trust	10,862,875	10,864,506	1,631	88,763	88,776	13
Securities						
Held-to-Maturity Debt Securities	8,734,596	8,700,508	(34,088)	71,372	71,094	(278)
Other Securities	36,687,132	36,687,132	—	299,780	299,780	—
Loans and Bills Discounted	23,341,865			190,732		
Reserve for Possible Loan Losses (*1)	(143,402)			(1,171)		
	<b>23,198,462</b>	<b>23,197,090</b>	<b>(1,372)</b>	<b>189,560</b>	<b>189,549</b>	<b>(11)</b>
Total Assets	¥79,875,560	¥79,842,034	¥(33,525)	\$652,684	\$652,410	\$(273)
Deposits	¥64,009,893	¥64,009,925	¥ 32	\$523,042	\$523,042	\$ 0
Debentures	360,280	349,198	(11,082)	2,943	2,853	(90)
Borrowed Money	4,924,931	4,924,931	—	40,242	40,242	—
Total Liabilities	¥69,295,104	¥69,284,055	¥(11,049)	\$566,228	\$566,138	\$(90)
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge Transactions	¥ 154	¥ 154	¥ —	\$ 1	\$ 1	\$ —
Transactions Accounted for as Hedge Transactions	(1,035,786)	(1,035,786)	—	(8,463)	(8,463)	—
Total Derivative Instruments	¥(1,035,631)	¥(1,035,631)	¥ —	\$ (8,462)	\$ (8,462)	\$ —

(\*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, 2021	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
Monetary Claims Bought	¥ 302,918	¥ 302,983	¥ 65
Trading Assets (*2)			
Trading Securities	2,016	2,016	—
Money Held in Trust (*1)			
Other Money Held in Trust	10,638,362	10,643,016	4,653
Securities			
Held-to-Maturity Debt Securities	12,786,165	12,843,398	57,232
Other Securities	34,300,147	34,300,147	—
Loans and Bills Discounted	22,102,545		
Reserve for Possible Loan Losses (*1)	(128,885)		
	21,973,659	22,016,167	42,507
<b>Total Assets</b>	<b>¥80,003,269</b>	<b>¥80,107,729</b>	<b>¥104,459</b>
Deposits	¥65,652,162	¥65,652,219	¥ 56
Debentures	355,479	355,756	277
Borrowed Money	5,092,464	5,092,464	—
<b>Total Liabilities</b>	<b>¥71,100,105</b>	<b>¥71,100,440</b>	<b>¥ 334</b>
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ (2,133)	¥ (2,133)	¥ —
Transactions Accounted for as Hedge			
Transactions	(1,199,014)	(1,199,014)	—
<b>Total Derivative Instruments</b>	<b>¥(1,201,148)</b>	<b>¥(1,201,148)</b>	<b>¥ —</b>

(\*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, 2022 and as of March 31, 2021, respectively:

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

As of March 31, 2022	Millions of Yen	Millions of U.S. Dollars
Stocks and others with no market prices	<b>¥190,693</b>	<b>\$1,558</b>

Note: The amount of revaluation losses for the fiscal year ended March 31, 2022 was ¥86 million (\$0 million) on Unlisted Stocks.

As of March 31, 2021	Millions of Yen
Stocks and others with no market prices	¥179,547

Note: The amount of revaluation losses for the fiscal year ended March 31, 2021 was ¥466 million on Unlisted Stocks.

(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, 2022	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)	¥18,075,530	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary Claims Bought	2,382	—	7,302	50,020	53,771	273,204
Securities						
Held-to-Maturity Debt Securities	647,882	431,663	540,379	597,481	4,825,298	1,701,206
Japanese Government Bonds	387,500	16,000	—	—	—	500,000
Corporate Bonds	—	655	—	100,000	—	—
Foreign Bonds	260,382	415,007	540,379	497,481	4,825,298	1,201,206
Other Securities held that have Maturity	1,304,803	1,604,613	5,835,058	5,090,129	11,828,222	5,637,232
Japanese Government Bonds	813,690	446,600	—	—	2,714,900	3,202,200
Municipal Government Bonds	9,004	6,809	42,861	9,606	5,001	65,500
Corporate Bonds	206,986	429,253	144,719	3,000	5,000	239,383
Foreign Bonds	153,759	644,825	5,146,072	4,622,888	8,668,378	1,349,581
Investment Trust	82,661	8,904	259,867	104,110	301,270	724,299
Other	38,702	68,221	241,537	350,525	133,672	56,267
Loans and Bills Discounted (*2)	12,886,825	4,040,047	2,862,600	1,336,067	1,174,619	954,471
<b>Total</b>	<b>¥32,917,425</b>	<b>¥6,076,324</b>	<b>¥9,245,340</b>	<b>¥7,073,699</b>	<b>¥17,881,912</b>	<b>¥8,566,114</b>

As of March 31, 2022	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)	\$147,700	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary Claims Bought	19	—	59	408	439	2,232
Securities						
Held-to-Maturity Debt Securities	5,294	3,527	4,415	4,882	39,428	13,901
Japanese Government Bonds	3,166	130	—	—	—	4,085
Corporate Bonds	—	5	—	817	—	—
Foreign Bonds	2,127	3,391	4,415	4,065	39,428	9,815
Other Securities held that have Maturity	10,661	13,111	47,679	41,592	96,651	46,063
Japanese Government Bonds	6,648	3,649	—	—	22,184	26,166
Municipal Government Bonds	73	55	350	78	40	535
Corporate Bonds	1,691	3,507	1,182	24	40	1,956
Foreign Bonds	1,256	5,269	42,049	37,774	70,831	11,027
Investment Trust	675	72	2,123	850	2,461	5,918
Other	316	557	1,973	2,864	1,092	459
Loans and Bills Discounted (*2)	105,301	33,012	23,391	10,917	9,598	7,799
<b>Total</b>	<b>\$268,977</b>	<b>\$49,651</b>	<b>\$75,546</b>	<b>\$57,801</b>	<b>\$146,117</b>	<b>\$69,996</b>

(\*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 ¥81,233 million (\$663 million) for which the redemption amount cannot be estimated, and loans with no maturity of ¥6,000 million (\$49 million) within Loans and Bills Discounted, are excluded from the table above.

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
<b>Total</b>	<b>¥35,142,475</b>	<b>¥6,693,356</b>	<b>¥6,277,562</b>	<b>¥8,728,131</b>	<b>¥17,700,164</b>	<b>¥8,522,327</b>

(\*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 ¥70,287 million for which the redemption amount cannot be estimated, and loans with no maturity of ¥20,000 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:

As of March 31, 2022	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
Deposits (*1)	¥63,595,549	¥ 354,183	¥ 60,159	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,140,966	—	—	—	—	—
Debentures	118,900	119,000	61,190	—	61,190	—
Payables under Repurchase Agreements	19,327,671	—	—	—	—	—
Borrowed Money (*2)	1,355,254	1,944,168	269,957	19,255	19,323	1,316,972
Short-term Entrusted Funds	684,692	—	—	—	—	—
<b>Total</b>	<b>¥87,223,034</b>	<b>¥2,417,352</b>	<b>¥391,306</b>	<b>¥19,255</b>	<b>¥80,513</b>	<b>¥1,316,972</b>

As of March 31, 2022	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
Deposits (*1)	\$519,656	\$ 2,894	\$ 491	\$ —	\$ —	\$ —
Negotiable Certificates of Deposit	17,494	—	—	—	—	—
Debentures	971	972	500	—	500	—
Payables under Repurchase Agreements	157,931	—	—	—	—	—
Borrowed Money (*2)	11,074	15,886	2,205	157	157	10,761
Short-term Entrusted Funds	5,594	—	—	—	—	—
<b>Total</b>	<b>\$712,722</b>	<b>\$19,752</b>	<b>\$3,197</b>	<b>\$157</b>	<b>\$657</b>	<b>\$10,761</b>

(\*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, 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	—	—	—	—	—
<b>Total</b>	<b>¥87,462,653</b>	<b>¥1,849,067</b>	<b>¥1,475,315</b>	<b>¥19,619</b>	<b>¥27,484</b>	<b>¥1,317,895</b>

(\*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, 2022	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 138,315	¥ 574	\$ —	\$ 1,130	\$ 4
Trading Assets						
Trading Securities	4	—	—	0	—	—
Money Held in Trust						
Money Held in Trust for Trading Purposes	—	4,669	—	—	38	—
Other Money Held in Trust	8,521,772	2,190,201	1,348	69,633	17,896	11
Securities						
Other Securities						
Stocks	654,352	—	—	5,346	—	—
Bonds	7,088,687	1,236,284	—	57,923	10,102	—
Japanese Government Bonds	7,088,687	—	—	57,923	—	—
Municipal Government Bonds	—	158,369	—	—	1,294	—
Corporate Bonds	—	1,077,914	—	—	8,807	—
Other	17,119,346	10,479,405	109,057	139,886	85,630	891
Foreign Bonds	16,708,551	3,541,145	87,848	136,530	28,935	717
Foreign Stocks	18,904	—	—	154	—	—
Investment Trust	391,890	6,938,260	21,209	3,202	56,694	173
<b>Total Assets</b>	<b>¥33,384,162</b>	<b>¥14,048,876</b>	<b>¥110,980</b>	<b>\$272,791</b>	<b>\$114,797</b>	<b>\$906</b>
Derivative Instruments						
Related to Currencies	¥ —	¥ (1,286,489)	¥ —	\$ —	\$ (10,512)	\$ —
Related to Interest Rates	—	250,857	—	—	2,049	—
<b>Total Derivative Instruments</b>	<b>¥ —</b>	<b>¥ (1,035,631)</b>	<b>¥ —</b>	<b>\$ —</b>	<b>\$ (8,462)</b>	<b>\$ —</b>

As of March 31, 2021	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 125,522	¥ 674
Trading Assets			
Trading Securities	2,016	—	—
Money Held in Trust			
Other Money Held in Trust	8,590,336	1,984,353	2,061
Securities			
Other Securities			
Stocks	744,327	—	—
Bonds	6,967,074	1,356,197	—
Japanese Government Bonds	6,967,074	—	—
Municipal Government Bonds	—	153,990	—
Corporate Bonds	—	1,202,206	—
Other	15,608,979	9,565,576	57,992
Foreign Bonds	15,138,986	3,115,927	25,317
Foreign Stocks	20,351	—	—
Investment Trust	449,640	6,449,648	32,674
<b>Total Assets</b>	<b>¥31,912,734</b>	<b>¥13,031,648</b>	<b>¥60,728</b>
Derivative Instruments			
Related to Currencies	¥ —	¥ (837,245)	¥ —
Related to Interest Rates	—	(363,915)	—
Related to Bonds	12	—	—
<b>Total Derivative Instruments</b>	<b>¥ 12</b>	<b>¥(1,201,161)</b>	<b>¥ —</b>

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

As of March 31, 2022	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 230,141	¥ 19,091	\$ —	\$ 1,880	\$ 155
Money Held in Trust						
Other Money Held in Trust	—	431	149,155	—	3	1,218
Securities						
Held-to-Maturity Debt Securities						
Japanese Government Bonds	478,816	408,095	—	3,912	3,334	—
Corporate Bonds	—	100,569	—	—	821	—
Foreign Bonds	—	7,569,081	143,946	—	61,849	1,176
Loans and Bills Discounted	—	—	23,197,090	—	—	189,549
<b>Total Assets</b>	<b>¥478,816</b>	<b>¥ 8,308,319</b>	<b>¥23,509,283</b>	<b>\$3,912</b>	<b>\$ 67,889</b>	<b>\$192,100</b>
Deposits	¥ —	¥64,009,925	¥ —	\$ —	\$523,042	\$ —
Debentures	—	349,198	—	—	2,853	—
Borrowed Money	—	4,924,931	—	—	40,242	—
<b>Total Liabilities</b>	<b>¥ —</b>	<b>¥69,284,055</b>	<b>¥ —</b>	<b>\$ —</b>	<b>\$566,138</b>	<b>\$ —</b>

As of March 31, 2021	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 151,946	¥ 24,840
Money Held in Trust			
Other Money Held in Trust	—	381	65,883
Securities			
Held-to-Maturity Debt Securities			
Japanese Government Bonds	493,520	2,670,296	—
Corporate Bonds	—	101,157	—
Foreign Bonds	—	9,443,305	135,118
Loans and Bills Discounted	—	—	22,016,167
<b>Total Assets</b>	<b>¥493,520</b>	<b>¥12,367,087</b>	<b>¥22,242,009</b>
Deposits	¥ —	¥65,652,219	¥ —
Debentures	—	355,756	—
Borrowed Money	—	5,092,464	—
<b>Total Liabilities</b>	<b>¥ —</b>	<b>¥71,100,440</b>	<b>¥ —</b>

(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 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, 2022

None

As of March 31, 2021

None



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 recorded 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		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		Net Amount of Purchase, Sale, Issuance and Settlement
		Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)			Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	
<b>As of March 31, 2022</b>								
Monetary Claims Bought	¥ 674	¥—	¥ (3)	¥ (97)	\$ 5	\$—	\$ (0)	\$ (0)
Money Held in Trust								
Other Money Held in Trust	2,061	—	(59)	(125)	16	—	(0)	(1)
Securities								
Other Securities								
Bonds	—	—	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—	—	—
Other	57,992	—	(2,823)	41,580	473	—	(23)	339
Foreign Bonds	25,317	—	(5,187)	55,409	206	—	(42)	452
Investment Trust	32,674	—	2,363	(13,829)	266	—	19	(113)
<b>Total Assets</b>	<b>¥60,728</b>	<b>¥—</b>	<b>¥(2,886)</b>	<b>¥ 41,358</b>	<b>\$496</b>	<b>\$—</b>	<b>\$(23)</b>	<b>\$ 337</b>

	Millions of Yen				Millions of U.S. Dollars							
	Transfers to Fair Value of Level 3 (*2)	Transfers from Fair Value of Level 3 (*3)	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 (*2)	Transfers from Fair Value of Level 3 (*3)	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				
<b>As of March 31, 2022</b>												
Monetary Claims Bought	¥ —	¥ —	¥ 574	¥—	\$ —	\$—	\$ 4	\$—				
Money Held in Trust												
Other Money Held in Trust	—	(528)	1,348	—	—	(4)	11	—				
Securities												
Other Securities												
Bonds	—	—	—	—	—	—	—	—				
Corporate Bonds	—	—	—	—	—	—	—	—				
Other	12,307	—	109,057	—	100	—	891	—				
Foreign Bonds	12,307	—	87,848	—	100	—	717	—				
Investment Trust	—	—	21,209	—	—	—	173	—				
<b>Total Assets</b>	<b>¥12,307</b>	<b>¥(528)</b>	<b>¥110,980</b>	<b>¥—</b>	<b>\$100</b>	<b>\$(4)</b>	<b>\$906</b>	<b>\$—</b>				

(\*1) 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 2 to that of Level 3. This is because observability of inputs has been lowered. This transfer is implemented at the end of the period.

3. 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.

	Millions of Yen			
	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net Amount of Purchase, Sale, Issuance and Settlement
		Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	
As of March 31, 2021				
Monetary Claims Bought	¥ 777	¥—	¥ (2)	¥ (101)
Money Held in Trust				
Other Money Held in Trust	2,215	—	(512)	358
Securities				
Other Securities				
Bonds	1,409	—	90	(252)
Corporate Bonds	1,409	—	90	(252)
Other	63,978	—	1,733	(7,720)
Foreign Bonds	24,189	—	(31)	1,159
Investment Trust	39,789	—	1,764	(8,879)
Total Assets	¥68,382	¥—	¥1,309	¥(7,714)

	Millions of Yen			
	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	¥—
Money Held in Trust				
Other Money Held in Trust	—	—	2,061	—
Securities				
Other Securities				
Bonds	—	(1,247)	—	—
Corporate Bonds	—	(1,247)	—	—
Other	—	—	57,992	—
Foreign Bonds	—	—	25,317	—
Investment Trust	—	—	32,674	—
Total Assets	¥—	¥(1,247)	¥60,728	¥—

(\*1) 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, 2022

None

As of March 31, 2021

None

## 33. Fair Value of Securities

### Trading Securities

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
	Unrealized Gains (Losses) included in the Income for the fiscal year	Unrealized Gains (Losses) included in the Income for the fiscal year	Unrealized Gains (Losses) included in the Income for the fiscal year
As of March 31			
Trading Securities	¥—	¥(6)	\$—

Note: The above analysis of Trading Securities includes Trading Securities disclosed as Trading Assets in the consolidated balance sheet.

### Held-to-Maturity Debt Securities

As of March 31, 2022	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
		Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 403,959	¥ 408,095	¥ 4,135	\$ 3,300
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	655	657	2	5	5	0
	Other	1,933,464	1,954,886	21,421	15,798	15,973	175
	Foreign Bonds	1,805,732	1,826,671	20,938	14,755	14,926	171
	Other	127,732	128,215	482	1,043	1,047	3
	Subtotal	2,338,079	2,363,639	25,559	19,105	19,313	208
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	499,633	478,816	(20,817)	4,082	3,912	(170)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	100,000	99,912	(88)	817	816	(0)
	Other	6,045,813	6,007,374	(38,439)	49,401	49,087	(314)
	Foreign Bonds	5,924,615	5,886,356	(38,259)	48,411	48,099	(312)
	Other	121,197	121,017	(179)	990	988	(1)
Subtotal	6,645,447	6,586,102	(59,344)	54,301	53,816	(484)	
Total	¥8,983,526	¥8,949,741	¥(33,785)	\$73,406	\$73,130	\$(276)	

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, 2021	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,645,562	¥ 2,670,296	¥ 24,733
	Municipal Government Bonds	—	—	—
	Corporate Bonds	101,113	101,157	44
	Other	6,552,479	6,598,745	46,266
	Foreign Bonds	6,466,477	6,512,642	46,165
	Other	86,001	86,102	101
	Subtotal	9,299,155	9,370,199	71,044
	Japanese Government Bonds	499,613	493,520	(6,093)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
Other	3,164,118	3,156,465	(7,652)	
Foreign Bonds	3,073,398	3,065,781	(7,616)	
Other	90,719	90,684	(35)	
Subtotal	3,663,731	3,649,985	(13,745)	
Total		¥12,962,886	¥13,020,185	¥ 57,298

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, 2022	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 640,688	¥ 235,659	¥ 405,029	\$ 5,235	\$ 1,925	\$ 3,309
	Bonds	1,488,169	1,434,122	54,046	12,160	11,718	441
	Japanese Government Bonds	1,459,720	1,405,691	54,029	11,927	11,486	441
	Municipal Government Bonds	10,838	10,831	6	88	88	0
	Corporate Bonds	17,610	17,600	10	143	143	0
	Other	9,797,367	8,577,601	1,219,765	80,056	70,089	9,967
	Foreign Bonds	7,315,285	6,841,381	473,903	59,775	55,902	3,872
	Foreign Stocks	18,904	8,092	10,812	154	66	88
	Investment Trusts	2,346,384	1,612,482	733,902	19,172	13,176	5,996
	Other	116,792	115,645	1,146	954	944	9
Subtotal	11,926,225	10,247,383	1,678,841	97,452	83,734	13,718	
Stocks	13,663	16,819	(3,155)	111	137	(25)	
Bonds	6,836,801	7,003,297	(166,495)	55,865	57,225	(1,360)	
Japanese Government Bonds	5,628,966	5,787,028	(158,062)	45,995	47,287	(1,291)	
Municipal Government Bonds	147,530	150,086	(2,555)	1,205	1,226	(20)	
Corporate Bonds	1,060,304	1,066,181	(5,877)	8,664	8,712	(48)	
Other	18,062,793	18,762,709	(699,916)	147,595	153,315	(5,719)	
Foreign Bonds	13,022,258	13,602,592	(580,333)	106,408	111,150	(4,742)	
Foreign Stocks	—	—	—	—	—	—	
Investment Trusts	5,004,974	5,124,548	(119,573)	40,897	41,874	(977)	
Other	35,559	35,568	(8)	290	290	(0)	
Subtotal	24,913,258	25,782,825	(869,567)	203,572	210,678	(7,105)	
Total	¥36,839,483	¥36,030,209	¥ 809,274	\$301,025	\$294,412	\$ 6,612	

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.

		Millions of Yen		
As of March 31, 2021	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 729,825	¥ 247,130	¥ 482,694
	Bonds	3,069,931	2,935,371	134,560
	Japanese Government Bonds	2,919,990	2,785,565	134,424
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Municipal Government Bonds	45,364	45,336	27
	Corporate Bonds	104,577	104,470	107
	Other	18,269,308	16,375,128	1,894,180
	Foreign Bonds	13,297,229	12,309,926	987,303
	Foreign Stocks	20,351	7,682	12,669
	Investment Trusts	4,818,888	3,924,913	893,974
	Other	132,839	132,605	233
	Subtotal	22,069,066	19,557,630	2,511,435
	Stocks	14,502	17,700	(3,198)
	Bonds	5,253,339	5,298,601	(45,261)
	Japanese Government Bonds	4,047,084	4,087,890	(40,805)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Municipal Government Bonds	108,626	110,229	(1,602)
	Corporate Bonds	1,097,628	1,100,482	(2,853)
	Other	7,101,613	7,476,432	(374,819)
	Foreign Bonds	4,983,002	5,205,465	(222,462)
	Foreign Stocks	—	—	—
	Investment Trusts	2,113,075	2,265,432	(152,356)
	Other	5,535	5,535	(0)
	Subtotal	12,369,455	12,792,735	(423,279)
	Total	¥34,438,521	¥32,350,365	¥2,088,156

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, 2022 and 2021.

### Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2022	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	¥ 42,029	¥ 27,422	¥ 99	\$ 343	\$ 224	\$ 0
Bonds	1,403,830	1,556	40,967	11,471	12	334
Japanese Government Bonds	1,403,830	1,556	40,967	11,471	12	334
Municipal Government Bonds	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—
Other	5,868,999	145,006	197,707	47,957	1,184	1,615
Foreign Bonds	5,668,410	29,740	197,641	46,318	243	1,614
Foreign Stocks	0	—	—	0	—	—
Investment Trusts	175,476	114,829	66	1,433	938	0
Other	25,112	436	—	205	3	—
Total	¥7,314,859	¥173,985	¥238,774	\$59,771	\$1,421	\$1,951

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2021	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 11,761	¥ 6,574	¥ 23
Bonds	983,657	5,006	845
Japanese Government Bonds	983,657	5,006	845
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	3,761,627	40,819	98,106
Foreign Bonds	3,656,949	14,151	97,831
Foreign Stocks	24	24	0
Investment Trusts	99,481	26,435	274
Other	5,172	208	—
<b>Total</b>	<b>¥4,757,045</b>	<b>¥52,400</b>	<b>¥98,974</b>

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, 2022 and 2021 (“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, 2022 was ¥2,840 million (\$23 million) including ¥2,245 million (\$18 million) on Stocks and ¥595 million (\$4 million) on Investment Trusts.

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

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

### Money Held in Trust for Trading Purposes

As of March 31, 2022	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	<b>¥4,669</b>	<b>¥—</b>	<b>\$38</b>	<b>\$—</b>

As of March 31, 2021	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥—	¥—

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

As of March 31, 2022	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	<b>¥10,863,315</b>	<b>¥10,944,909</b>	<b>¥(81,593)</b>	<b>¥65,863</b>	<b>¥147,457</b>

## 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
<b>As of March 31, 2022</b>					
Other Money Held in Trust	\$88,767	\$89,433	\$(666)	\$538	\$1,204

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

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				
<b>As of March 31, 2022</b>										
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.	¥2,466,110	179,267	1,844	1,844	20,151	1,464	15	15		
Rec.: Flt.-Pay.: Fix.	136,953	129,267	(1,277)	(1,277)	1,119	1,056	(10)	(10)		
Rec.: Flt.-Pay.: Flt.		—		—		—		—		
Interest Rate Options:										
Sold		—		—		—		—		
Purchased		—		—		—		—		
Other:										
Sold		—		—		—		—		
Purchased		—		—		—		—		
<b>Total</b>	¥	/	¥	567	¥	567	\$	/	\$	4

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

As of March 31, 2021	Millions of Yen				Fair Value	Unrealized Gain/Loss
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss		
	Total	Over 1 Year				
<b>Exchange-traded Transactions</b>						
<b>Interest Rate Futures:</b>						
Sold	¥	—	¥	—	¥	—
Purchased		—		—		—
<b>Interest Rate Options:</b>						
Sold		—		—		—
Purchased		—		—		—
<b>Over-the-counter Transactions</b>						
<b>Forward Rate Agreements:</b>						
Sold		—		—		—
Purchased		—		—		—
<b>Interest Rate Swaps:</b>						
Rec.: Fix.-Pay.: Flt.		340,741		319,401	3,147	3,147
Rec.: Flt.-Pay.: Fix.		208,886		187,545	(2,875)	(2,875)
Rec.: Flt.-Pay.: Flt.		—		—	—	—
<b>Interest Rate Options:</b>						
Sold		—		—		—
Purchased		—		—		—
<b>Other:</b>						
Sold		—		—		—
Purchased		—		—		—
<b>Total</b>	¥	/	¥	/	¥ 272	¥ 272

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, 2022	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		
<b>Exchange-traded Transactions</b>								
<b>Currency Futures:</b>								
Sold	¥	—	¥	—	¥	—	¥	—
Purchased		—		—		—		—
<b>Currency Options:</b>								
Sold		—		—		—		—
Purchased		—		—		—		—
<b>Over-the-counter Transactions</b>								
<b>Currency Swaps</b>								
Sold		—		—		—		—
<b>Forwards:</b>								
Sold		481,349		2,314	(16,161)	(16,161)	3,933	18
Purchased		629,524		2,206	15,749	15,749	5,144	18
<b>Currency Options:</b>								
Sold		—		—		—		—
Purchased		—		—		—		—
<b>Other:</b>								
Sold		—		—		—		—
Purchased		—		—		—		—
<b>Total</b>	¥	/	¥	/	¥ (412)	¥ (412)	\$ /	\$ /
							\$ (3)	\$ (3)

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



As of March 31, 2021	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
<b>Exchange-traded Transactions</b>				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Over-the-counter Transactions</b>				
Currency Swaps				
Forwards:				
Sold	324,940	3,061	(7,808)	(7,808)
Purchased	648,843	3,066	5,388	5,388
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(2,419)</b>	<b>¥(2,419)</b>

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, 2022 and 2021.

### Bond-Related Derivative Instruments

As of March 31, 2022	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		
<b>Exchange-traded Transactions</b>								
Bond Futures:								
Sold	¥—	¥—	¥—	¥—	\$—	\$—	\$—	\$—
Purchased	—	—	—	—	—	—	—	—
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Over-the-counter Transactions</b>								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥—</b>	<b>¥—</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$—</b>	<b>\$—</b>

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

As of March 31, 2021	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
<b>Exchange-traded Transactions</b>				
<b>Bond Futures:</b>				
Sold	¥2,838	¥—	¥ 36	¥ 36
Purchased	3,531	—	(23)	(23)
<b>Bond Futures Options:</b>				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Over-the-counter Transactions</b>				
<b>Bond Options:</b>				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Other:</b>				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 12</b>	<b>¥ 12</b>

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, 2022 and 2021.

### Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2022 and 2021.

### (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, 2022		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	¥ 200,000	¥ 80,000	¥ 177	\$ 1,634	\$ 653	\$ 1
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,501,588	8,153,773	250,113	69,468	66,626	2,043
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	393,616	290,710	Note 2	3,216	2,375	Note 2
Total			¥ /	¥ /	¥250,290	\$ /	\$ /	\$2,045

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 March 17, 2022).

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, 2021		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	¥ 320,000	¥ 200,000	¥ 756
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,059,185	7,312,908	(364,943)
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
Total			¥ /	¥ /	¥(364,187)

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).

## Currency-Related Derivative Instruments

As of March 31, 2022		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	¥15,706,728	¥11,234,807	¥(1,047,456)	\$128,343	\$91,802	\$ (8,559)
	Forex Forward		4,081,435	—	(238,620)	33,350	—	(1,949)
Total			¥ /	¥ /	¥(1,286,077)	\$ /	\$ /	\$(10,508)

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, 2021		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	¥15,826,273	¥9,964,047	¥(773,815)
	Forex Forward		2,216,719	—	(61,010)
Total			¥ /	¥ /	¥(834,826)

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).

## Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2022 and 2021.

## Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2022 and 2021.

## 36. The Norinchukin Bank (Parent Company)

### (1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
<b>Assets</b>			
Cash and Due from Banks	¥ 18,070,056	¥ 19,820,208	\$147,655
Call Loans	—	60,890	—
Receivables under Resale Agreements	—	547,931	—
Monetary Claims Bought	387,819	302,918	3,168
Trading Assets	2,466	7,310	20
Money Held in Trust	10,864,800	10,637,717	88,779
Securities	47,057,256	48,491,498	384,517
Loans and Bills Discounted	22,955,497	21,824,004	187,575
Foreign Exchange Assets	375,980	271,190	3,072
Other Assets	3,129,171	2,877,505	25,569
Tangible Fixed Assets	149,530	164,657	1,221
Intangible Fixed Assets	49,732	54,299	406
Prepaid Pension Cost	57,465	41,641	469
Customers' Liabilities for Acceptances and Guarantees	415,117	269,647	3,392
Reserve for Possible Loan Losses	(147,046)	(131,577)	(1,201)
Reserve for Possible Investment Losses	(1,481)	(1,730)	(12)
<b>Total Assets</b>	<b>¥103,366,368</b>	<b>¥105,238,114</b>	<b>\$844,634</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥ 64,019,836	¥ 65,675,444	\$523,123
Negotiable Certificates of Deposit	2,140,966	3,100,259	17,494
Debentures	363,780	361,479	2,972
Payables under Repurchase Agreements	19,327,671	17,073,926	157,931
Trading Liabilities	1,692	5,137	13
Borrowed Money	4,868,429	5,035,964	39,781
Foreign Exchange Liabilities	—	0	—
Short-term Entrusted Funds	684,692	877,743	5,594
Other Liabilities	4,104,171	4,491,742	33,536
Reserve for Bonus Payments	5,665	5,901	46
Reserve for Retirement Benefits	15,031	25,394	122
Reserve for Directors' Retirement Benefits	730	1,015	5
Deferred Tax Liabilities	272,524	479,825	2,226
Deferred Tax Liabilities for Land Revaluation	1,499	8,607	12
Acceptances and Guarantees	415,117	269,647	3,392
<b>Total Liabilities</b>	<b>96,221,809</b>	<b>97,412,087</b>	<b>786,254</b>
<b>Net Assets</b>			
Paid-in Capital	4,040,198	4,040,198	33,013
Capital Surplus	25,020	25,020	204
Retained Earnings	2,157,550	2,079,491	17,629
<b>Total Owners' Equity</b>	<b>6,222,769</b>	<b>6,144,710</b>	<b>50,847</b>
Net Unrealized Gains on Other Securities, net of taxes	756,155	1,944,952	6,178
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	159,663	(277,948)	1,304
Revaluation Reserve for Land, net of taxes	5,970	14,312	48
<b>Total Valuation and Translation Adjustments</b>	<b>921,789</b>	<b>1,681,316</b>	<b>7,532</b>
<b>Total Net Assets</b>	<b>7,144,559</b>	<b>7,826,026</b>	<b>58,380</b>
<b>Total Liabilities and Net Assets</b>	<b>¥103,366,368</b>	<b>¥105,238,114</b>	<b>\$844,634</b>

## (2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
<b>Income</b>			
Interest Income:	¥ 716,343	¥ 851,281	\$ 5,853
Interest on Loans and Bills Discounted	76,401	83,558	624
Interest and Dividends on Securities	623,465	749,319	5,094
Interest on Call Loans	(724)	(4)	(5)
Interest on Receivables under Resale Agreements	(574)	(211)	(4)
Interest on Due from Banks	12,114	11,857	98
Other Interest Income	5,660	6,762	46
Fees and Commissions	11,960	14,346	97
Trading Income	104	513	0
Other Operating Income	94,335	74,208	770
Other Income	416,402	396,843	3,402
Total Income	1,239,146	1,337,192	10,125
<b>Expenses</b>			
Interest Expenses:	516,191	629,387	4,217
Interest on Deposits	12,167	29,065	99
Interest on Negotiable Certificates of Deposit	3,010	8,629	24
Interest on Debentures	1,294	690	10
Interest on Borrowed Money	37,222	40,816	304
Interest on Call Money	(0)	(0)	(0)
Interest on Payables under Repurchase Agreements	(25,467)	4,977	(208)
Other Interest Expenses	487,964	545,209	3,987
Fees and Commissions	21,933	15,925	179
Trading Expenses	—	18	—
Other Operating Expenses	293,429	156,212	2,397
General and Administrative Expenses	128,272	135,504	1,048
Other Expenses	34,926	106,899	285
Total Expenses	994,754	1,043,948	8,128
<b>Income before Income Taxes</b>	244,392	293,244	1,996
Income Taxes — Current	(2,132)	247,987	(17)
Income Taxes — Deferred	73,830	(166,826)	603
Total Income Taxes	71,698	81,160	585
<b>Net Income</b>	¥ 172,693	¥ 212,083	\$ 1,411

	Yen		U.S. Dollars
	2022	2021	2022
<b>Net Income per Share</b>	¥22.37	¥28.10	\$0.18

## 37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2022.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Dividends			
Special Dividends	¥29,660		\$242
Dividends on Common Stock (at the rate of 3% of the ¥100 face value, or ¥3.00 per share)	12,771		104
Dividends on Lower Dividend Rate Stock (at the rate of 1.3% of the ¥100 face value, or ¥1.30 per share)	46,663		381
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115		9

## 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, 2022, 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, 2022, 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
The Norinchukin Bank (the Bank) is engaged in lending to a wide variety of industries in Japan and overseas. The amount of the loans and bills discounted included in the consolidated balance sheet as of March 31, 2022 was 23,341,865 million-yen, accounting for 22% of the Total Assets. 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	Our audit procedures performed to evaluate the appropriateness of the debtor classification determined by the Bank as well as the appropriateness of recognition of reserve for possible loan losses adjusted for risks identified based on the future forecasts included the following, among others: (1) Evaluation of internal control • We evaluated the design and tested the operating effectiveness of the Bank's

Key Audit Matter	Auditor's Responses
<p>of the economic environment, possibly leading to loan losses. To provide for such loan losses, the Bank calculates the amount of expected losses that will not be collected and records them as reserve for possible loan losses. The amount of the Reserve for Possible Loan Losses included in the consolidated balance sheet as of March 31, 2022 was 149,942 million-yen. The reserve for possible loan losses is calculated in accordance with the Bank's internal rules for self-assessment of asset quality and recognizing write-offs and provisions. The calculation process includes the determination of debtor classification and certain calculation method according to the debtor classification. The specific method of recognition is described in Section (8) "Reserve for Possible Loan Losses" and (16) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements.</p> <p>(1) Determination of debtor classification In determining the debtor classification, the debtor's future debt repayment capacity is assessed, taking into account the debtor's future forecasts including its expected business performance, considering the debtor's solvency based on certain factors such as the debtor's type of business, financial position, cash flows and profitability. The debtor's future forecasts including its expected business performance are the key assumptions in determining the debtor classification.</p> <p>(2) Recognition of reserve for possible loan losses adjusted for the risks identified based on future forecasts In recognizing the reserve for possible loan losses, the amount of expected losses is estimated after adjusting for the risks identified based on future forecasts. Specifically, the reserve for possible loans losses is recorded, taking into account the current position in economic cycles and the likelihood of each scenario in light of future</p>	<p>internal controls over determination of debtor classification and recognition of reserve for possible loan losses adjusted for the risks identified based on the future forecasts.</p> <p>(2) Determination of debtor classification</p> <ul style="list-style-type: none"> <li>• We selected certain debtors on a sample basis by taking into account the type of business of the debtor, financial position, business performance and the effects of COVID-19, in addition to considering the monetary impact of changes in debtor classification on the amount recorded in reserve for possible loan losses.</li> <li>• We evaluated the selected debtors' recent financial position, cash flows and business performance by inspecting a set of documents related to the Bank's self-assessment of asset quality of the debtors. We also made inquiries to the Credit Risk Management Division and other relevant divisions to obtain supporting evidence as necessary.</li> <li>• We examined the reasonableness and likelihood of future outlook of individual debtors by analyzing the trends from past results of the major financial indicators. Our procedures also consisted of evaluating the accuracy of estimates based on the historical 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.</li> </ul> <p>(3) Recognition of reserve for possible loan losses adjusted for the risks identified based on the future forecasts</p> <ul style="list-style-type: none"> <li>• We examined the current position in economic cycles and the likelihood of each scenario based on the future forecasts by comparing the documents of the decision-making bodies that discussed the future forecasts 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.</li> </ul>

Key Audit Matter	Auditor's Responses
<p>outlook, by referring to historical loan losses, 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 fluctuations. The current position in economic cycles and the likelihood of each scenario in light of future outlook are the key assumptions in predicting future forecasts. The future forecasts of debtors' performance, the current position in economic cycles and the likelihood of each scenario in light of future outlook are highly dependent on estimation uncertainty and the management's judgement since they are affected by changes in the business environment surrounding the debtors as well as economic conditions arising out from COVID-19 pandemic and geopolitical risks.</p> <p>Based on the above, the appropriateness of the determination of debtor classification and the recognition of Reserve for Possible Loan Losses adjusted for the risks identified based on future forecasts is considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>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.</li> </ul>

Appropriateness of fair value measurement of Foreign Bonds for which quoted 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, 2022, the amount of securities recorded on the consolidated balance sheet was 46,748,553 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</p>	<p>Our audit procedures performed to examine the appropriateness of fair value measurement of Foreign Bonds for which quoted market prices included the following, among others:</p> <ul style="list-style-type: none"> <li>We evaluated the design and tested the operating effectiveness of the Bank's internal control over fair value measurement of foreign bonds.</li> <li>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.</li> <li>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,</li> </ul>



Key Audit Matter	Auditor's Responses
<p>March 31, 2022 was 28,067,892 million-yen, accounting for 60% of Securities.</p> <p>In cases where quoted 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 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 (16) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" the fair value of Foreign Bonds for which quoted market prices are not available is 93,474 million-yen for Other Securities and 5,897,089 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 quoted market prices are not available is considered a key audit matter.</p>	<p>which is the sources of the fair values, and by comparing them with the fair values used by the Bank.</p> <ul style="list-style-type: none"> <li>• We inspected the results of the Bank's validation for key inputs and valuation models used for its own estimate and examined the fair value measurement approach used. We involved our network firm's valuation specialists to perform these procedures.</li> <li>• We examined the inputs measured based on the Bank's own estimate, by cross-checking the inputs used in the fair value measurement with the evidences that support the objectivity of these inputs.</li> <li>• 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.</li> <li>• We inspected and assessed the external credit ratings and examined whether to make adjustment to the valuation of foreign bonds related to credit risk.</li> </ul>

### Other Information

The other information comprises the information included in the Annual Report as a part of the Integrated Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Value Report and the Sustainability Report as a part of the Integrated Report, which are expected to be made available to us after that date. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Member and Audit & Supervisory Board responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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, 2022 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

August 2, 2022

/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, 2022, the Bank had 21 consolidated subsidiaries and firms. The names and principal lines of business of the primary subsidiaries are as follows:
  1. Norinchukin Trust & Banking Co., Ltd.: Trust and banking business
  2. Kyodo Housing Loan Co., Ltd.: Loans and guarantees for housing
- Companies belonging to the Consolidated Group but not included in the scope of consolidation:
  - Not applicable
- Companies not belonging to the Consolidated Group but included in the scope of consolidation:
  - Not applicable
- Affiliated companies engaged in financial service business that were subject to the provisions of Article 9 of the Notification Regarding Capital Adequacy Ratio:
  - Not applicable
- Restrictions on the transfer of funds and capital between the members of the Consolidated Group:
  - Not applicable

## Companies with Less than the Regulatory Required Capital and the Amount of Shortfall

With regard to the group companies that are subject to capital deduction, as provided for in the Notification

Regarding Capital Adequacy Ratio, the names of those companies whose capital is less than the regulatory required capital and the total amount of shortfall in their capital:

Not applicable

## 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 the Standardized Approach, which is a method of calculation stipulated in the Notification Regarding Capital Adequacy Ratio.

### ■ 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.

Details on remaining debt 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

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

Internal Rating	Self-Assessment			Exposure Requiring Mandatory Disclosure under the Norinchukin Bank Act and 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	
9	Doubtful	III	Debtors who are highly likely to fall into bankruptcy	Doubtful
10-1	Debtors in default	IV	Debtor who have effectively fallen into bankruptcy, although no facts have emerged to indicate legal or formal bankruptcy	Bankrupt or de facto bankrupt
10-2	Debtors in bankruptcy		Debtors who are legally and formally bankrupt	

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), pre-paid 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.

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.

## 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 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.

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.

#### ■ 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. For deposits held with the Bank that are not pledged as collateral, if the requirements stipulated in the Notification Regarding Capital Adequacy Ratio are met, the Bank considers the effects of CRM by offsetting deposits and loans.

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.

## 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).

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.

#### ■ 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 to ensure appropriate management. 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, 2022, 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 2021.

As of March 31, 2022, 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 revaluated by sensitivity analysis.
- Measurement of fluctuations in risk factors: risks related to interest rate are determined via actual changes, whereas risks related to currency exchange rates and bond futures, etc., are determined via relative changes.

(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 revaluated 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 revaluated 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 Regulations 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,  $\Delta$ EVE is measured on a daily basis as a general rule to grasp the impact of interest rate fluctuations on current market values and NII and  $\Delta$ 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 March 17, 2022). 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 ( $\Delta$ EVE), from the perspective of consistency with economic capital management, by estimating a correlation structure among different currencies based on historical interest rate fluctuations,  $\Delta$ 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  $\Delta$ EVE of currencies with gains and that of currencies with losses are summed and tabulated.

Concerning Net Interest Income ( $\Delta$ NII), the  $\Delta$ 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  $\Delta$ EVE and/or  $\Delta$ 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 4.3 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  $\Delta$ EVE and  $\Delta$ NII, assuming the average maturity of cooperative deposits is 1.6 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, 2022	As of March 31, 2021	Reference to Template CC2	
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	<b>6,158,431</b>	6,056,587		
1a	of which: capital and capital surplus	<b>4,015,219</b>	4,015,219		
2	of which: retained earnings	<b>2,236,608</b>	2,146,592		
26	of which: cash dividends to be paid	<b>93,395</b>	105,223		
	of which: other than the above	—	—		
3	Accumulated other comprehensive income and other disclosed reserves	<b>984,488</b>	1,732,008	(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)	<b>7,142,919</b>	7,788,596		
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	<b>41,622</b>	46,219		
8	of which: goodwill (net of related tax liability, including those equivalent)	<b>3,248</b>	3,563		
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	<b>38,373</b>	42,656		
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	<b>15,136</b>	(212,099)		
12	Shortfall of eligible provisions to expected losses	—	995		
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	<b>86,637</b>	81,029		
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)	<b>143,396</b>	(83,854)		
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	<b>6,999,523</b>	7,872,451		
<b>Additional Tier 1 capital: instruments</b>					
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	<b>48,378</b>	49,973	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	<b>1,316,972</b>	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, 2022	As of March 31, 2021	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)	5,778	4,149	
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)	1,371,129	1,371,094	
<b>Additional Tier 1 capital: regulatory adjustments</b>				
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)	56,621	54,142	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	56,621	54,142	
<b>Additional Tier 1 capital (AT1)</b>				
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	1,314,507	1,316,952	
<b>Tier 1 capital (T1=CET1+AT1)</b>				
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	8,314,030	9,189,403	
<b>Tier 2 capital: instruments and provisions</b>				
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)	543	191	
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	—	923	
47	of which: instruments issued by banks and their special purpose vehicles	—	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	367	82	
50a	of which: general reserve for possible loan losses	367	82	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	911	1,196	
<b>Tier 2 capital: regulatory adjustments</b>				
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, 2022	As of March 31, 2021	Reference to Template CC2
<b>Tier 2 capital (T2)</b>				
58	Tier 2 capital (T2) ((H)-(I)) (J)	<b>911</b>	1,196	
<b>Total capital (TC=T1+T2)</b>				
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	<b>8,314,941</b>	9,190,599	
<b>Risk weighted assets</b>				
60	Risk weighted assets (L)	<b>39,163,521</b>	39,622,427	
<b>Capital ratio (consolidated) and buffers</b>				
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	<b>17.87%</b>	19.86%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	<b>21.22%</b>	23.19%	
63	Total capital ratio (consolidated) ((K)/(L))	<b>21.23%</b>	23.19%	
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)	<b>3.00%</b>	3.00%	
65	Of which: capital conservation buffer requirement	<b>2.50%</b>	2.50%	
66	Of which: bank-specific countercyclical buffer requirement	<b>0.00%</b>	0.00%	
67	Of which: higher loss absorbency requirement	<b>0.50%</b>	0.50%	
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital buffer requirements	<b>13.23%</b>	15.19%	
<b>Regulatory adjustments</b>				
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)	<b>182,791</b>	166,719	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	<b>26,388</b>	25,168	
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)	—	—	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>				
76	Provisions (general reserve for possible loan losses)	<b>367</b>	82	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	<b>1,989</b>	424	
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	<b>199,347</b>	198,334	
<b>Capital instruments under phase-out arrangements</b>				
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	
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, 2022	As of March 31, 2021	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	23,341,865	22,102,545		
Foreign Exchanges Assets	375,980	290,017		
Securities	46,748,553	48,093,847		2-b, 6-a
Money Held in Trust	10,867,985	10,638,598		6-b
Trading Assets	2,466	7,310		
Monetary Claims Bought	387,819	302,918		
Call Loans and Bills Bought	—	60,890		
Receivables under Resale Agreements	366	548,061		
Cash and Due from Banks	18,140,525	20,066,967		
Other Assets	3,178,992	2,885,756		
Tangible Fixed Assets	151,442	165,914		
Buildings	31,596	36,641		
Land	74,919	97,707		
Lease Assets	18,242	19,436		
Construction in Progress	5,250	1,187		
Other	21,434	10,941		
Intangible Fixed Assets	52,174	57,724		2-a
Software	31,300	38,636		
Lease Assets	8,896	10,863		
Other	11,977	8,224		
Net Defined-benefit Asset	119,913	112,151		3
Deferred Tax Assets	4,315	3,771		4-a
Customers' Liabilities for Acceptances and Guarantees	2,915,891	2,446,587		
Reserve for Possible Loan Losses	(149,942)	(134,983)		
Reserve for Possible Investment Losses	—	(270)		
<b>Total Assets</b>	<b>106,138,351</b>	<b>107,647,809</b>		
(Liabilities)				
Deposits	64,009,893	65,652,162		
Negotiable Certificates of Deposit	2,140,966	3,100,259		
Debentures	360,280	355,479		
Trading Liabilities	1,692	5,137		
Borrowed Money	4,924,931	5,092,464		8
Payables under Repurchase Agreements	19,327,671	17,073,926		
Foreign Exchanges Liabilities	—	0		
Short-term Entrusted Funds	684,692	877,743		
Other Liabilities	4,150,052	4,543,028		
Reserve for Bonus Payments	7,554	7,552		
Net Defined Benefit Liability	21,742	29,486		
Reserve for Directors' Retirement Benefits	1,043	1,459		
Deferred Tax Liabilities	295,753	498,333		4-b
Deferred Tax Liabilities for Land Revaluation	1,499	8,607		4-c
Acceptances and Guarantees	2,915,891	2,446,587		
<b>Total Liabilities</b>	<b>98,843,664</b>	<b>99,692,228</b>		

(Millions of Yen)

Items	a	b	c	d
	As of March 31, 2022	As of March 31, 2021	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	<b>4,040,198</b>	4,040,198		1-a
Capital Surplus	<b>23,399</b>	24,993		1-b
Retained Earnings	<b>2,236,608</b>	2,146,592		1-c
Total Owners' Equity	<b>6,300,206</b>	6,211,784		
Net Unrealized Gains on Other Securities	<b>758,987</b>	1,948,587		
Net Deferred Losses on Hedging Instruments	<b>177,259</b>	(280,135)		5
Revaluation Reserve for Land	<b>5,970</b>	14,312		
Foreign Currency Translation Adjustment	<b>517</b>	(16)		
Remeasurements of Defined Benefit Plans	<b>41,753</b>	49,260		
Total Accumulated Other Comprehensive Income	<b>984,488</b>	1,732,008	(a)	
Non-controlling Interests	<b>9,992</b>	11,787		7
Total Net Assets	<b>7,294,687</b>	7,955,581		
Total Liabilities and Net Assets	<b>106,138,351</b>	107,647,809		

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, 2022	As of March 31, 2021	Remarks
1-a	Paid-in Capital	<b>4,040,198</b>	4,040,198	
1-b	Capital Surplus	<b>23,399</b>	24,993	
1-c	Retained Earnings	<b>2,236,608</b>	2,146,592	
	Total Owners' Equity	<b>6,300,206</b>	6,211,784	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
	Directly issued qualifying common share capital plus related capital surplus and retained earnings	<b>6,251,827</b>	6,161,811	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	<b>4,015,219</b>	4,015,219	
2	of which: retained earnings	<b>2,236,608</b>	2,146,592	
	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	<b>48,378</b>	49,973	

### 2. Intangible Assets

(1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2022	As of March 31, 2021	Remarks
2-a	Intangible Fixed Assets	<b>52,174</b>	57,724	
2-b	Securities	<b>46,748,553</b>	48,093,847	
	of which: goodwill attributable to equity-method investees	<b>3,248</b>	3,563	
	Income taxes related to above	<b>(13,800)</b>	(15,068)	

## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
8	Intangible assets: goodwill	3,248	3,563	
9	Intangible assets: other	38,373	42,656	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, 2022	As of March 31, 2021	Remarks
3	Net defined-benefit asset	119,913	112,151	
	Income taxes related to above	(33,275)	(31,122)	

## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
15	Net defined-benefit asset	86,637	81,029	

## 4. Deferred Tax Assets

## (1) Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2022	As of March 31, 2021	Remarks
4-a	Deferred tax assets	4,315	3,771	
4-b	Deferred Tax Liabilities	295,753	498,333	
4-c	Deferred Tax Liabilities for Land Revaluation	1,499	8,607	
	Intangible assets to which tax-effect accounting was applied	13,800	15,068	
	Portion of net defined-benefit asset to which tax-effect accounting was applied	33,275	31,122	

## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	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, 2022	As of March 31, 2021	Remarks
5	Net Deferred Losses on Hedging Instruments	177,259	(280,135)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	15,136	(212,099)	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, 2022	As of March 31, 2021	Remarks
6-a	Securities	46,748,553	48,093,847	
6-b	Money Held in Trust	10,867,985	10,638,598	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	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	182,791	166,719	
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)	182,791	166,719	

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
	Significant investments in the capital, etc., of other financial institutions	<b>83,009</b>	79,310	
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)	<b>56,621</b>	54,142	
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)	<b>26,388</b>	25,168	

## 7. Non-controlling Interests

(1) Consolidated Balance Sheet (Millions of Yen)

Reference numbers	Consolidated balance sheet items	As of March 31, 2022	As of March 31, 2021	Remarks
7	Non-controlling Interests	<b>9,992</b>	11,787	

(2) Composition of Capital (Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	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)	<b>5,778</b>	4,149	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)	<b>543</b>	191	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, 2022	As of March 31, 2021	Remarks
8	Borrowed Money	<b>4,924,931</b>	5,092,464	

(2) Composition of Capital (Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	<b>1,316,972</b>	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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Credit risk (excluding counterparty credit risk)	<b>8,503,594</b>	8,889,579	<b>719,616</b>	752,878
2	Of which: standardized approach (SA)	<b>159,087</b>	33,791	<b>12,727</b>	2,703
3	Of which: internal rating-based (IRB) approach	<b>8,193,628</b>	8,690,040	<b>694,819</b>	736,915
	Of which: significant investments	—	—	—	—
	Of which: estimated residual value of lease transactions	—	—	—	—
	Others	<b>150,877</b>	165,747	<b>12,070</b>	13,259
4	Counterparty credit risk (CCR)	<b>701,047</b>	516,251	<b>57,324</b>	42,156
5	Of which: standardized approach for counterparty credit risk (SA-CCR)	<b>117,866</b>	56,728	<b>9,995</b>	4,810
6	Of which: expected positive exposure (EPE) method	—	—	—	—
	Of which: credit valuation adjustment (CVA)	<b>119,115</b>	63,383	<b>9,529</b>	5,070
	Of which: Central counterparty related exposure (CCP)	<b>323,522</b>	274,412	<b>25,881</b>	21,952
	Others	<b>140,543</b>	121,727	<b>11,918</b>	10,322
7	Equity positions in banking book under market-based approach	<b>3,865,629</b>	3,956,159	<b>327,805</b>	335,482
8	Equity investments in funds - Look-through approach	<b>18,033,078</b>	17,453,738	<b>1,529,162</b>	1,479,982
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)	<b>158,723</b>	155,062	<b>13,459</b>	13,149
10	Equity investments in funds - Fall-back approach (subject to 1,250% RW)	<b>500,006</b>	419,324	<b>40,000</b>	33,545
11	Settlement risk	<b>163,354</b>	156,294	<b>13,852</b>	13,253
12	Securitization exposures in banking book	<b>1,549,274</b>	1,895,836	<b>123,941</b>	151,666
13	Of which: Securitization IRB approach (SEC-IRBA) or internal assessment approach (IAA)	—	—	—	—
14	Of which: Securitization external ratings-based approach (SEC-ERBA)	<b>1,549,274</b>	1,895,836	<b>123,941</b>	151,666
15	Of which: Securitization standardized approach (SEC-SA)	—	—	—	—
	Of which: 1,250% risk weight is applied	<b>0</b>	0	<b>0</b>	0
16	Market risk	<b>2,942,611</b>	3,592,396	<b>235,408</b>	287,391
17	Of which: standardized approach (SA)	<b>2,937,924</b>	3,586,009	<b>235,033</b>	286,880
18	Of which: internal model approaches (IMA)	<b>4,686</b>	6,386	<b>374</b>	510
19	Operational risk	<b>836,435</b>	687,106	<b>66,914</b>	54,968
20	Of which: Basic Indicator Approach	—	—	—	—
21	Of which: Standardized Approach	<b>836,435</b>	687,106	<b>66,914</b>	54,968
22	Of which: Advanced Measurement Approach	—	—	—	—
23	Amounts below the thresholds for deduction	<b>65,970</b>	62,716	<b>5,594</b>	5,318
	Risk weighted assets subject to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total	<b>37,319,723</b>	37,784,467	<b>3,133,081</b>	3,169,794

## LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Fiscal 2021 (Ended March 31, 2022)

(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
<b>Assets</b>							
Loans and Bills Discounted	23,341,865	23,034,714	—	—	307,150	—	—
Foreign Exchange Assets	375,980	375,980	—	—	—	—	—
Securities	46,748,553	39,671,120	30,897,446	7,017,562	—	—	432,584
Money Held in Trust	10,867,985	10,867,985	1,155,100	—	—	—	—
Trading Assets	2,466	—	2,462	—	—	2,466	—
Monetary Claims Bought	387,819	2,382	—	—	385,437	—	—
Call Loans and Bills Bought	0	—	—	—	—	—	—
Receivables under Resale Agreements	366	366	4,114,460	—	—	—	—
Cash and Due from Banks	18,140,525	18,140,525	—	—	—	—	—
Other Assets	3,178,992	248,470	2,136,605	14,311	—	—	779,362
Tangible Fixed Assets	151,442	151,442	—	—	—	—	—
Intangible Fixed Assets	52,174	—	—	—	—	—	52,174
Net Defined Benefit Asset	119,913	—	—	—	—	—	119,913
Deferred Tax Assets	4,315	—	—	—	—	—	4,315
Customers' Liabilities for Acceptances and Guarantees	2,915,891	2,915,891	—	—	—	—	—
Reserve for Possible Loan Losses	(149,942)	(149,942)	—	—	—	—	—
Reserve for Possible Investment Losses	0	—	—	—	—	—	—
<b>Total assets</b>	<b>106,138,351</b>	<b>95,258,938</b>	<b>38,306,074</b>	<b>7,724,461</b>	<b>2,466</b>	<b>1,388,350</b>	
<b>Liabilities</b>							
Deposits	64,009,893	—	3,421,752	—	—	—	60,588,140
Negotiable Certificates of Deposit	2,140,966	—	—	—	—	—	2,140,966
Debentures	360,280	—	—	—	—	—	360,280
Trading Liabilities	1,692	—	1,692	—	—	1,692	—
Borrowed Money	4,924,931	—	—	—	—	—	4,924,931
Payables under Repurchase Agreements	19,327,671	—	23,442,131	—	—	—	(4,114,460)
Foreign Exchange Liabilities	0	—	—	—	—	—	0
Short-term Entrusted Funds	684,692	—	—	—	—	—	684,692
Other Liabilities	4,150,052	—	1,452,327	—	—	—	2,697,725
Reserve for Bonus Payments	7,554	—	—	—	—	—	7,554
Net Defined Benefit Liability	21,742	—	—	—	—	—	21,742
Reserve for Directors' Retirement Benefits	1,043	—	—	—	—	—	1,043
Deferred Tax Liabilities	295,753	—	—	—	—	—	295,753
Deferred Tax Liabilities for Land Revaluation	1,499	—	—	—	—	—	1,499
Acceptances and Guarantees	2,915,891	—	—	—	—	—	2,915,891
<b>Total liabilities</b>	<b>98,843,664</b>	<b>—</b>	<b>28,317,903</b>	<b>—</b>	<b>1,692</b>	<b>70,525,761</b>	

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 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	
<b>Assets</b>							
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)	—	—	—	—	—
<b>Total assets</b>	<b>107,647,809</b>	<b>94,683,944</b>	<b>28,197,352</b>	<b>9,456,965</b>	<b>7,310</b>	<b>1,998,830</b>	
<b>Liabilities</b>							
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
<b>Total liabilities</b>	<b>99,692,228</b>	<b>—</b>	<b>23,072,975</b>	<b>5,137</b>	<b>76,619,252</b>		

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 2021 (Ended March 31, 2022)

(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)	104,750,001	95,258,938	38,306,074	7,724,461	2,466
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	28,317,903	—	28,317,903	—	1,692
3	Total net amount under regulatory scope of consolidation	76,432,098	95,258,938	9,988,171	7,724,461	774
4	Off-balance sheet amounts	1,866,092	1,866,092	—	—	—
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	149,942	149,942	—	—	—
8	Differences due to prudential filters	—	—	—	—	—
9	Others	29,322,078	39,598	29,282,480	—	—
	of which: repo-type transactions differences	28,486,582	—	28,486,582	—	—
	of which: derivative transactions differences	795,898	—	795,898	—	—
10	Exposure amounts considered for regulatory purposes	144,310,459	97,314,571	39,270,651	7,724,461	774

Note: As differences related to repo-type transactions, mainly the differences arising from a method used to measure the effectiveness of CRM.

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.

**Credit Risk (Consolidated)**

(Investment Fund, securitization exposures, repo-type transactions and derivatives transactions are excluded.)

**1. Credit Risk Exposure**

Fiscal 2021 (Ended March 31, 2022)

**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	21,263	10,176	17,431	48,872	93	65	0
Asia except Japan	811	382	4	1,198	—	—	—
Europe	1,369	8,502	274	10,146	—	—	—
The Americas	1,265	10,592	1,020	12,878	11	8	—
Other areas	511	1,589	60	2,161	—	—	—
Amounts held by consolidated subsidiaries	3,816	212	138	4,167	5	0	0
Offsets on consolidation	(1,032)	(316)	(16)	(1,365)	—	—	—
<b>Total</b>	<b>28,005</b>	<b>31,139</b>	<b>18,914</b>	<b>78,060</b>	<b>110</b>	<b>74</b>	<b>1</b>

**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	3,733	432	4	4,171	63	54	—
Agriculture	82	0	0	82	12	6	0
Forestry	5	—	0	5	0	0	—
Fishing	15	0	0	15	8	3	0
Mining	116	—	0	116	—	—	—
Construction	264	12	0	277	2	0	—
Utility	1,487	4	2	1,493	—	—	—
Information/telecommunications	180	12	0	192	—	—	—
Transportation	968	378	0	1,348	7	4	—
Wholesaling, retailing	1,946	137	0	2,083	3	1	0
Finance and insurance	4,408	3,990	18,434	26,833	0	0	—
Real estate	1,173	9	3	1,185	—	—	—
Services	2,482	49	2	2,533	6	2	—
Municipalities	4	1,574	7	1,586	—	—	—
Others	8,352	24,643	335	33,331	0	—	0
Amounts held by consolidated subsidiaries	3,816	212	138	4,167	5	0	0
Offsets on consolidation	(1,032)	(316)	(16)	(1,365)	—	—	—
<b>Total</b>	<b>28,005</b>	<b>31,139</b>	<b>18,914</b>	<b>78,060</b>	<b>110</b>	<b>74</b>	<b>1</b>

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	14,268	1,586	18,423	34,278
Over 1 year to 3 years	4,037	1,714	5	5,757
Over 3 years to 5 years	2,880	5,588	20	8,489
Over 5 years to 7 years	1,342	5,123	31	6,496
Over 7 years	2,693	16,160	50	18,904
No term to maturity	0	1,070	261	1,332
Amounts held by consolidated subsidiaries	3,816	212	138	4,167
Offsets on consolidation	(1,032)	(316)	(16)	(1,365)
Total	28,005	31,139	18,914	78,060

Notes: 1. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 4% 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 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	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	—	1,157	943	2,101
Amounts held by consolidated subsidiaries	3,211	67	285	3,563
Offsets on consolidation	(910)	(321)	(10)	(1,242)
<b>Total</b>	<b>25,753</b>	<b>31,356</b>	<b>21,452</b>	<b>78,562</b>

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."

## Delinquent Maturity Exposure

(Billions of Yen)

Items	As of March 31, 2022	As of March 31, 2021
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
<b>Total</b>	<b>1</b>	<b>1</b>

Note: "One Month or less" excludes loans that are not delinquent.

## Special Attention

(Billions of Yen)

Items	As of March 31, 2022	As of March 31, 2021
Amounts of the reserves that were increased to address the exposure	19	16
Amounts of other than the above	—	—
Amounts held by consolidated subsidiaries	8	10
<b>Total</b>	<b>27</b>	<b>27</b>

## Ratio of the EAD for each asset class to the total amount of EAD

(%)

Items	As of March 31, 2022	As of March 31, 2021
Subject to Standardized Approach	0.83	0.38
Subject to Internal Ratings-Based Approach (IRB)	98.88	99.35
Corporate exposure (excluding Specialized Lending Products)	14.37	14.60
Corporate exposure (Specialized Lending)	2.80	2.42
Bank exposure	2.66	5.02
Sovereign exposure	64.28	65.55
Equity portfolios subject to PD/LGD approaches	1.01	1.12
Retail exposure	3.56	3.08
Other debt purchased	10.16	7.53
Important investments	0.00	0.00
Lease transactions	0.00	0.00
Other assets	0.29	0.27
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**CR1: Credit quality of assets****Fiscal 2021 (Ended March 31, 2022)**

(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	104,090	22,791,556	140,318	22,755,327
2	Debt Securities	—	30,379,550	12	30,379,537
3	Off-balance sheet exposures	33	18,691,345	63	18,691,315
4	Total on-balance sheet assets (1+2+3)	104,123	71,862,452	140,395	71,826,181
	Off-balance sheet assets				
5	Acceptances and Guarantees	5,744	2,910,146	5,487	2,910,404
6	Commitments	1,123	1,584,686	543	1,585,266
7	Total off-balance sheet assets (5+6)	6,868	4,494,832	6,030	4,495,670
	Total				
8	Total (4+7)	110,991	76,357,285	146,425	76,321,852

Note: Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

**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."

**CR2: Changes in stock of defaulted loans and debt securities**

(Millions of Yen)

No.		As of March 31, 2022	As of March 31, 2021
1	Defaulted loans and debt securities at end of the previous reporting period	94,444	36,652
2	Default	52,869	87,834
3	Returned to non-defaulted status	6,578	550
4	Amounts written off	980	782
5	Other changes (Decrease in the balance due to a recovery of exposure mainly at default)	(35,644)	(28,709)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	104,110	94,444

**CR3: Credit risk mitigation techniques – overview****Fiscal 2021 (Ended March 31, 2022)**

(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	20,517,382	2,237,945	1,925,922	654,238	—
2	Debt securities	29,646,845	732,691	—	732,691	—
3	Other on-balance sheet assets	18,689,239	2,075	62	2,258	—
4	Total	68,853,467	2,972,713	1,925,984	1,389,189	—
5	Of which defaulted	103,712	411	2,704	—	—

**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	—	—

## CR4: Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Fiscal 2021 (Ended March 31, 2022)

(Millions of Yen, %)

No.	Asset classes	a		b		c		d		e	f
		Exposures before CCF and CRM				Exposures post-CCF and CRM					
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density		
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 ¥159.0 billion, which is not shown in these statements due to its extremely limited amount—only about 0.44% of the credit risk assets on a consolidated basis (¥35,384.4 billion).

## 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		On-balance sheet amount	Off-balance sheet amount	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).



## CR5: Standardized approach – exposures by asset classes and risk weights

### Fiscal 2021 (Ended March 31, 2022)

(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 ¥159.0 billion, which is not shown in these statements due to its extremely limited amount—only about 0.44% of the credit risk assets on a consolidated basis (¥35,384.4 billion).

## 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).

## CR6: IRB – Credit risk exposures by portfolio and PD range

## ■ Foundation Internal Ratings-Based Approach (F-IRB)

Fiscal 2021 (Ended March 31, 2022)

(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	47,730,364	—	—	48,546,196	0.00%	0.0	44.99%	3.1	114,904	0.23%	60	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	80,197	—	—	80,197	0.28%	0.0	45.00%	3.8	53,470	66.67%	101	
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	29,801	—	—	5	5.90%	0.0	45.00%	2.4	8	158.54%	0	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	47,840,364	—	—	48,626,399	0.00%	0.0	44.99%	3.1	168,382	0.34%	161	11
Bank exposure													
1	0.00 to 0.15 or less	3,584,211	1,257	91.81%	1,984,456	0.05%	0.1	44.99%	3.1	625,750	31.53%	459	
2	Exceeding 0.15 to 0.25 or less	—	—	—	—	—	—	—	—	—	—	—	
3	Exceeding 0.25 to 0.50 or less	186,976	1,551	83.88%	26,679	0.40%	0.0	44.97%	2.5	16,890	63.30%	48	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	1,032	251	100.00%	614	1.14%	0.0	45.00%	4.9	788	128.41%	3	
6	Exceeding 2.50 to 10.00 or less	6,453	—	—	6,152	2.91%	0.0	45.00%	1.0	6,693	108.77%	80	
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—	—	—	—	—	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	3,778,673	3,061	88.47%	2,017,902	0.06%	0.2	44.99%	3.1	650,122	32.21%	590	—
Corporate exposure (excluding SMEs exposure and specialized lending)													
1	0.00 to 0.15 or less	6,850,221	1,512,121	51.23%	7,425,425	0.05%	0.4	44.32%	2.8	1,791,905	24.13%	1,754	
2	Exceeding 0.15 to 0.25 or less	1,938,805	292,547	63.69%	1,822,294	0.16%	0.5	44.42%	2.4	744,436	40.85%	1,373	
3	Exceeding 0.25 to 0.50 or less	233,698	41,603	53.89%	272,464	0.42%	0.1	44.90%	2.4	177,017	64.96%	513	
4	Exceeding 0.50 to 0.75 or less	178,404	3,546	74.99%	123,440	0.63%	0.0	45.00%	2.8	108,768	88.11%	349	
5	Exceeding 0.75 to 2.50 or less	201,102	24,969	39.56%	172,594	1.06%	0.1	44.34%	2.6	167,449	97.01%	821	
6	Exceeding 2.50 to 10.00 or less	96,585	27,973	56.82%	108,613	4.14%	0.1	45.00%	3.7	169,553	156.10%	2,024	
7	Exceeding 10.00 to 100.00 or less	198,945	17,453	80.90%	209,499	15.37%	0.2	44.98%	3.9	502,196	239.71%	14,497	
8	100.00 (default)	76,739	911	75.31%	76,626	100.00%	0.0	45.00%	2.7	—	0.00%	34,481	
9	Subtotal	9,774,502	1,921,127	53.44%	10,210,958	1.21%	1.7	44.39%	2.8	3,661,327	35.85%	55,816	58,019
SMEs exposure													
1	0.00 to 0.15 or less	—	—	—	—	—	—	—	—	—	—	—	
2	Exceeding 0.15 to 0.25 or less	0	—	—	0	0.15%	0.0	45.00%	5.0	0	53.38%	0	
3	Exceeding 0.25 to 0.50 or less	1	—	—	1	0.42%	0.0	45.00%	5.0	1	82.13%	0	
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	190	33	100.00%	33	4.80%	0.0	45.00%	4.5	64	190.90%	0	
7	Exceeding 10.00 to 100.00 or less	0	—	—	0	15.84%	0.0	45.00%	5.0	0	196.33%	0	
8	100.00 (default)	398	21	100.00%	420	100.00%	0.0	45.00%	1.1	—	0.00%	189	
9	Subtotal	590	55	100.00%	455	92.56%	0.0	45.00%	1.4	65	14.46%	189	236
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	637,793	—	—	637,793	0.04%	0.1	90.00%	5.0	638,205	100.06%	286	
2	Exceeding 0.15 to 0.25 or less	97,598	—	—	97,598	0.15%	0.1	90.00%	5.0	117,386	120.27%	132	
3	Exceeding 0.25 to 0.50 or less	11,572	—	—	11,572	0.41%	0.0	90.00%	5.0	21,764	188.06%	43	
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	
5	Exceeding 0.75 to 2.50 or less	5,447	—	—	5,447	1.02%	0.0	90.00%	5.0	14,226	261.16%	50	
6	Exceeding 2.50 to 10.00 or less	11,907	4,711	75.00%	15,441	3.83%	0.0	90.00%	5.0	67,290	435.77%	533	
7	Exceeding 10.00 to 100.00 or less	1,604	—	—	1,604	15.77%	0.0	90.00%	5.0	12,236	762.42%	227	
8	100.00 (default)	80	—	—	80	100.00%	0.0	90.00%	5.0	901	1,125.00%	72	
9	Subtotal	766,005	4,711	75.00%	769,539	0.19%	0.3	90.00%	5.0	872,010	113.31%	1,345	
Debt purchased for corporate (Default risk)													
1	0.00 to 0.15 or less	7,232,723	201,095	100.00%	7,448,142	0.00%	0.0	44.76%	1.0	32,541	0.43%	44	
2	Exceeding 0.15 to 0.25 or less	93,888	30,500	100.00%	109,810	0.19%	0.0	42.95%	2.0	40,984	37.32%	91	
3	Exceeding 0.25 to 0.50 or less	3,703	—	—	3,703	0.28%	0.0	45.00%	1.8	1,695	45.77%	4	
4	Exceeding 0.50 to 0.75 or less	17,292	—	—	38,535	0.63%	0.0	45.00%	3.0	37,588	97.54%	109	
5	Exceeding 0.75 to 2.50 or less	16,390	—	—	10,271	0.83%	0.0	45.00%	2.7	9,200	89.57%	38	
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	
7	Exceeding 10.00 to 100.00 or less	19,744	—	—	4,620	15.35%	0.0	45.00%	4.3	12,541	271.41%	319	
8	100.00 (default)	—	—	—	—	—	—	—	—	—	—	—	
9	Subtotal	7,383,743	231,595	100.00%	7,615,084	0.01%	0.0	44.73%	1.0	134,552	1.76%	607	
Debt purchased for corporate (Dilution risk)													
1	0.00 to 0.15 or less	—	—	—	22,018	0.04%	0.0	45.00%	1.0	3,050	13.85%	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	—	—	—	22,018	0.04%	0.0	45.00%	1.0	3,050	13.85%	4	
Loan participation (corporate) (Default risk of seller)													
1	0.00 to 0.15 or less	—	—	—	17,833	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	—	—	—	17,833	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	—	2,490,389	100.00%	2,490,389	0.30%	115.3	38.30%	—	515,802	20.71%	2,861	—
4	Exceeding 0.50 to 0.75 or less	141,522	—	—	141,522	0.70%	10.0	52.32%	—	72,928	51.53%	518	—
5	Exceeding 0.75 to 2.50 or less	42	—	—	42	1.05%	0.0	32.13%	—	17	41.59%	0	—
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	1,345	5,819	100.00%	7,164	13.93%	0.4	40.91%	—	14,901	207.98%	422	—
8	100.00 (default)	1,909	2,419	100.00%	4,328	100.00%	0.3	43.31%	—	5,047	116.60%	1,471	—
9	Subtotal	144,819	2,498,627	100.00%	2,643,446	0.52%	126.2	39.06%	—	608,697	23.02%	5,273	788
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	270	2,134	100.00%	2,405	0.25%	1.9	87.74%	—	992	41.24%	5	—
4	Exceeding 0.50 to 0.75 or less	47,387	—	—	47,387	0.58%	1.7	46.10%	—	17,050	35.98%	126	—
5	Exceeding 0.75 to 2.50 or less	1,345	4,644	100.00%	5,990	1.19%	2.8	92.29%	—	6,052	101.03%	66	—
6	Exceeding 2.50 to 10.00 or less	—	0	100.00%	0	8.78%	0.0	87.74%	—	1	141.76%	0	—
7	Exceeding 10.00 to 100.00 or less	100	3	100.00%	104	20.50%	0.0	47.58%	—	110	105.94%	10	—
8	100.00 (default)	802	56	100.00%	858	100.00%	0.0	64.92%	—	994	115.79%	477	—
9	Subtotal	49,907	6,839	100.00%	56,746	2.17%	6.6	53.02%	—	25,201	44.40%	686	64
Total		69,738,606	4,666,017	80.80%	71,980,386	0.20%	135.4	45.15%	2.7	6,123,409	8.50%	64,676	59,120

## 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	92.84%	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	83.69%	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	100.00%	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	100.00%	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	89.43%	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	48.78%	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	64.93%	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	65.02%	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	75.00%	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	32.85%	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	52.06%	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	78.15%	124,761	15.39%	0.1	45.00%	3.9	298,161	238.98%	8,645	—
8	100.00 (default)	62,419	1,005	75.42%	61,421	100.00%	0.0	44.99%	3.9	—	0.00%	27,638	—
9	Subtotal	10,191,055	1,892,855	52.12%	10,570,939	0.91%	1.7	44.50%	2.9	3,886,660	36.76%	43,648	36,771

(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
<b>SMEs exposure</b>													
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	100.00%	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	100.00%	486	100.00%	0.0	45.00%	1.2	—	0.00%	218	—
9	Subtotal	604	73	100.00%	678	72.09%	0.0	45.00%	1.4	148	21.88%	219	226
<b>Specialized lending exposure</b>													
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	—	—	—	—	—	—	—	—	—	—	—	—
<b>Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach</b>													
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	75.00%	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	75.00%	861,879	0.16%	0.3	90.00%	5.0	956,806	111.01%	1,246	—
<b>Debt purchased for corporate (Default risk)</b>													
1	0.00 to 0.15 or less	5,453,497	111,889	100.00%	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	100.00%	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	100.00%	5,724,883	0.05%	0.0	44.54%	1.1	155,432	2.71%	1,352	—
<b>Debt purchased for corporate (Dilution risk)</b>													
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	—
<b>Loan participation (corporate) (Default risk of seller)</b>													
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%	—	—

(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
<b>Debt purchased for retail</b>													
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	—	—	—	—	—	—	—	—	—	—	—	—
<b>Qualifying revolving retail exposure</b>													
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	—	—	—	—	—	—	—	—	—	—	—	—
<b>Retail exposure secured by residential properties</b>													
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	100.00%	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	100.00%	6,260	14.15%	0.4	46.44%	—	14,776	236.02%	416	—
8	100.00 (default)	1,637	3,242	100.00%	4,880	100.00%	0.4	46.91%	—	3,773	77.32%	1,987	—
9	Subtotal	141,902	2,174,741	100.00%	2,316,644	0.58%	115.0	45.68%	—	632,953	27.32%	5,952	797
<b>Other retail exposure</b>													
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	100.00%	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	100.00%	5,568	1.22%	2.8	93.42%	—	5,747	103.21%	63	—
6	Exceeding 2.50 to 10.00 or less	—	8	100.00%	8	8.78%	0.0	88.22%	—	11	142.53%	0	—
7	Exceeding 10.00 to 100.00 or less	157	1	100.00%	158	19.91%	0.0	45.00%	—	158	99.87%	14	—
8	100.00 (default)	630	12	100.00%	643	100.00%	0.0	47.01%	—	710	110.46%	245	—
9	Subtotal	47,535	6,486	100.00%	54,022	1.89%	7.1	51.59%	—	23,686	43.84%	450	32
Total		70,385,732	4,209,047	78.38%	73,824,390	0.16%	124.6	45.43%	2.6	6,790,154	9.19%	54,234	37,830

## CR6: IRB – Credit risk exposures by portfolio and PD range

## ■ Advanced Internal Ratings-Based Approach (A-IRB)

Fiscal 2021 (Ended March 31, 2022)

(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	—	—	—	13,664	0.03%	0.0	30.29%	3.3	1,746	12.78%	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	—	—	—	13,664	0.03%	0.0	30.29%	3.3	1,746	12.78%	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	266,548	3,000	50.00%	274,669	0.05%	0.0	28.77%	3.9	49,424	17.99%	39	—
2	Exceeding 0.15 to 0.25 or less	85,438	9,421	55.22%	93,516	0.15%	0.0	28.71%	3.1	25,860	27.65%	41	—
3	Exceeding 0.25 to 0.50 or less	34,907	8,385	67.64%	47,218	0.42%	0.0	28.45%	2.8	20,408	43.22%	56	—
4	Exceeding 0.50 to 0.75 or less	5,422	6,875	75.00%	4,530	0.63%	0.0	17.29%	3.4	1,531	33.81%	4	—
5	Exceeding 0.75 to 2.50 or less	61,955	2,976	72.02%	63,094	1.42%	0.1	27.38%	2.8	41,049	65.05%	249	—
6	Exceeding 2.50 to 10.00 or less	30,695	7,351	88.35%	34,528	4.80%	0.1	28.26%	3.1	33,852	98.04%	468	—
7	Exceeding 10.00 to 100.00 or less	16,153	2,747	78.79%	16,649	15.84%	0.0	27.22%	2.9	23,215	139.43%	717	—
8	100.00 (default)	6,423	223	75.00%	6,462	100.00%	0.0	27.98%	1.2	—	0.00%	1,808	—
9	Subtotal	507,544	40,980	69.55%	540,670	2.25%	0.5	28.38%	3.4	195,342	36.12%	3,386	2,763
SMEs exposure													
1	0.00 to 0.15 or less	10,753	—	—	8,253	0.05%	0.0	30.35%	4.1	1,581	19.15%	1	—
2	Exceeding 0.15 to 0.25 or less	26,252	2,075	75.14%	23,948	0.18%	0.0	25.83%	3.6	5,754	24.02%	10	—
3	Exceeding 0.25 to 0.50 or less	6,336	1,423	65.76%	6,748	0.42%	0.0	29.21%	3.5	2,907	43.08%	8	—
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	21,354	6,111	50.20%	25,648	1.57%	0.2	28.20%	2.5	14,659	57.15%	114	—
6	Exceeding 2.50 to 10.00 or less	33,355	2,708	99.82%	32,532	4.80%	0.3	29.66%	2.1	24,901	76.54%	463	—
7	Exceeding 10.00 to 100.00 or less	18,170	2,350	97.04%	15,629	15.84%	0.3	29.54%	2.5	18,730	119.83%	731	—
8	100.00 (default)	23,051	3,240	99.86%	22,014	100.00%	0.1	27.78%	1.9	—	0.00%	6,117	—
9	Subtotal	139,275	17,911	76.96%	134,774	19.68%	1.2	28.40%	2.6	68,534	50.85%	7,447	11,015
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	100.00%	26,556	0.05%	0.0	30.35%	1.5	2,582	9.72%	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	100.00%	26,556	0.05%	0.0	30.35%	1.5	2,582	9.72%	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		646,820	85,447	80.56%	715,665	5.41%	1.7	28.50%	3.2	268,205	37.47%	10,839	13,779

## 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	—	—	—	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	—	—	—	—	—	—	—	—	—	—	—	—

(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	253,983	3,100	50.80%	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	56.38%	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	71.68%	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	72.33%	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	91.30%	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	80.86%	11,846	15.83%	0.0	28.33%	3.3	17,391	146.80%	531	
8	100.00 (default)	7,687	3,278	94.98%	10,686	100.00%	0.0	25.23%	1.4	—	0.00%	2,696	
9	Subtotal	494,154	34,576	71.87%	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	75.18%	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	13.91%	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	96.10%	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	91.67%	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	98.23%	25,027	15.84%	0.3	29.76%	2.1	30,645	122.45%	1,179	
8	100.00 (default)	22,206	725	100.00%	18,183	100.00%	0.1	28.35%	2.1	—	0.00%	5,156	
9	Subtotal	144,744	12,374	70.42%	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	—	—	—	—	—	—	—	—	—	—	—	—
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	100.00%	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	100.00%	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	—	—	—	—	—	—	—	—	—	—	—	—

(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		638,899	73,507	81.79%	699,021	5.84%	1.7	28.68%	3.3	288,131	41.21%	11,333	14,853

**CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques**

(Millions of Yen)

No.	Portfolio	As of March 31, 2022		As of March 31, 2021	
		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, 2022 and 2021, 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, 2022	As of March 31, 2021
		RWA amounts	RWA amounts
1	RWA as at end of previous reporting period	<b>8,690,040</b>	7,653,521
2	Changes in the amounts per factor during the fiscal year	Asset size	(97,407)
3		Asset quality	(591,383)
4		Model updates	0
5		Methodology and policy	0
6		Acquisitions and disposals	0
7		Foreign exchange movements	192,379
8		Other	0
9		RWA as at end of reporting period	<b>8,193,628</b>

**CR9: IRB – Backtesting of probability of default (PD) per portfolio****Fiscal 2021 (Ended March 31, 2022)**

(% , the Number of Items)

a	b	c					d	e	f		g	h	i
		External rating equivalent							Number of obligors	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%	113	113	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.09%	0.17%	20	21	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	—	2.74%	3	5	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%	3	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	166	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.10%	0.25%	185	176	0	0	0.00%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.15%	1.54%	13	14	0	0	0.00%
	7	B+	B1	B+	B+	B+	4.95%	4.95%	4	3	0	0	0.00%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	8.94%	8.94%	3	2	0	0	0.00%
Corporate exposure	1-1 to 2	AAA—A-	Aaa—A3	AAA—A-	AAA—A-	AAA—A-	0.05%	0.06%	589	633	0	0	0.00%
	3 to 4	BBB+—BBB-	Baa1—Baa3	BBB+—BBB-	BBB+—BBB-	BBB+—BBB-	0.22%	0.25%	1,104	1,134	0	0	0.04%
	5 to 6	BB+—BB-	Ba1—Ba3	BB+—BB-	BB+—BB-	BB+—BB-	1.18%	1.48%	643	682	3	0	0.35%
	7	B+	B1	B+	B+	B+	4.52%	4.78%	701	699	6	0	0.78%
	8-1 to 8-2	B—CCC-	B2—Caa3	B—CCC-	B—CCC-	B—CCC-	15.68%	15.83%	458	466	36	2	6.13%
Retail exposure	Standard loans						0.34%	0.39%	121,232	131,990	141	0	0.09%
	Delinquent loans						14.28%	18.01%	440	507	57	0	9.97%

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, 2020, and the “current year-end” as September 30, 2021, 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 2020 and the “current year-end” being the end of the same reference month for 2021, 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	0.46%
Bank exposure	Internal development methods Methods to refer to credit ratings by external agencies	Bank	1.76%
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	10.62%
Specialized Lending Products	Internal development methods	Not applicable because the slotting criteria method is applied	4.88%
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	2.36%
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	0.38%

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	<b>1.64%</b>
Qualifying revolving retail exposure	—	—	—
Other debt purchased (retail)	Purchased mortgage loans, purchased personal loans	Purchased retail receivables	<b>0.00%</b>
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	<b>0.06%</b>

## ■ 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 2020 (Ended March 31, 2021)

(% , 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	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, 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	0.31%
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"> <li>1. Allocation of ratings based on the quantitative financial information and qualitative information available via transactions mainly with credit risk in financing, etc.</li> <li>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)</li> </ol>
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"> <li>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)</li> <li>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</li> </ol>
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"> <li>1. In case it is impossible to obtain rating information by external credit rating agencies</li> <li>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</li> </ol>

## ■ 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

## CR10: IRB (specialised lending and equities under the simple risk-weight method) Fiscal 2021 (Ended March 31, 2022)

(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	112,863	60,392	50%	140,532	—	—	16,536	157,068	78,534	—	
	Equal to or more than 2.5 years	1,258,035	98,424	70%	1,181,575	39,235	—	55,457	1,276,268	893,388	5,105	
Good	Less than 2.5 years	45,242	34,524	70%	71,136	—	—	—	71,136	49,795	284	
	Equal to or more than 2.5 years	432,398	124,564	90%	428,851	—	—	39,994	468,845	421,961	3,750	
Satisfactory		8,264	—	115%	8,264	—	—	—	8,264	9,504	231	
Weak		140,314	1,613	250%	14,503	107,317	—	17,710	139,531	348,829	11,162	
Default		—	—	—	—	—	—	—	—	—	—	
<b>Total</b>		<b>1,997,120</b>	<b>319,520</b>	<b>—</b>	<b>1,844,864</b>	<b>146,553</b>	<b>—</b>	<b>129,698</b>	<b>2,121,116</b>	<b>1,802,013</b>	<b>20,534</b>	
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		—	—	—						—	—	—
<b>Total</b>		<b>—</b>	<b>—</b>	<b>—</b>						<b>—</b>	<b>—</b>	<b>—</b>
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	629,330	—	300%						629,330	1,887,990		
Private equity exposures	431,337	84,095	400%						494,409	1,977,639		
Other equity exposures	—	—	—						—	—		
<b>Total</b>	<b>1,060,667</b>	<b>84,095</b>	<b>—</b>						<b>1,123,739</b>	<b>3,865,629</b>		
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 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	
<b>Total</b>		<b>1,749,299</b>	<b>279,038</b>	—	<b>1,553,835</b>	<b>160,039</b>	—	<b>149,503</b>	<b>1,863,379</b>	<b>1,611,755</b>	<b>22,556</b>	
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		—	—	—						—	—	—
<b>Total</b>		—	—	—						—	—	—
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	—	—	—						—	—		
<b>Total</b>	<b>1,051,716</b>	<b>66,503</b>	—						<b>1,101,593</b>	<b>3,956,159</b>		
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%						—	—		

## CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

## Fiscal 2021 (Ended March 31, 2022)

(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	139,619	243,701		1.4	536,648	117,866
2	Expected positive exposure method			—	—	—	—
3	Simple Approach for credit risk mitigation					—	—
4	Comprehensive Approach for credit risk mitigation					15,631,222	140,543
5	VaR					—	—
6	<b>Total</b>						<b>258,409</b>

## 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

## CCR2: Credit valuation adjustment (CVA) capital charge

(Millions of Yen)

No.		As of March 31, 2022		As of March 31, 2021	
		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	510,830	119,115	232,631	63,383
5	Total subject to the CVA capital charge	510,830	119,115	232,631	63,383

## CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights

## Fiscal 2021 (Ended March 31, 2022)

(Millions of Yen)

No.	Items	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, 2022.

## 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.

**CCR4: IRB – CCR exposures by portfolio and PD scale**  
**■ Foundation Internal Ratings-Based Approach (F-IRB)**  
**Fiscal 2021 (Ended March 31, 2022)**

(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
<b>Sovereign exposure</b>								
1	0.00 to 0.15 or less	<b>4,543,161</b>	<b>0.00%</b>	<b>0.0</b>	<b>45.00%</b>	<b>4.8</b>	—	<b>0.00%</b>
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	<b>4,543,161</b>	<b>0.00%</b>	<b>0.0</b>	<b>45.00%</b>	<b>4.8</b>	—	<b>0.00%</b>
<b>Bank exposure</b>								
1	0.00 to 0.15 or less	<b>10,075,710</b>	<b>0.05%</b>	<b>0.0</b>	<b>7.27%</b>	<b>0.2</b>	<b>250,855</b>	<b>2.48%</b>
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	<b>10,075,710</b>	<b>0.05%</b>	<b>0.0</b>	<b>7.27%</b>	<b>0.2</b>	<b>250,855</b>	<b>2.48%</b>
<b>Corporate exposure (excluding SMEs exposure and specialized lending)</b>								
1	0.00 to 0.15 or less	<b>1,547,206</b>	<b>0.05%</b>	<b>0.0</b>	<b>0.18%</b>	—	<b>6,309</b>	<b>0.40%</b>
2	Exceeding 0.15 to 0.25 or less	<b>568</b>	<b>0.15%</b>	<b>0.0</b>	<b>45.00%</b>	<b>2.6</b>	<b>219</b>	<b>38.64%</b>
3	Exceeding 0.25 to 0.50 or less	<b>1,081</b>	<b>0.42%</b>	<b>0.0</b>	<b>45.00%</b>	<b>4.9</b>	<b>993</b>	<b>91.94%</b>
4	Exceeding 0.50 to 0.75 or less	—	—	—	—	—	—	—
5	Exceeding 0.75 to 2.50 or less	<b>24</b>	<b>1.02%</b>	<b>0.0</b>	<b>45.00%</b>	<b>1.0</b>	<b>18</b>	<b>73.91%</b>
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	<b>1,548,880</b>	<b>0.05%</b>	<b>0.0</b>	<b>0.23%</b>	—	<b>7,540</b>	<b>0.48%</b>
<b>SMEs exposure</b>								
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		<b>16,167,752</b>	<b>0.03%</b>	<b>0.0</b>	<b>17.20%</b>	<b>1.5</b>	<b>258,395</b>	<b>1.59%</b>

Note: The number of counterparties is less than 100 in each portfolio.

## 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
<b>Sovereign exposure</b>								
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%
<b>Bank exposure</b>								
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%
<b>Corporate exposure (excluding SMEs exposure and specialized lending)</b>								
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%
<b>SMEs exposure</b>								
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	—	—	—	—	—	—	—
<b>Total</b>		<b>13,347,407</b>	<b>0.04%</b>	<b>0.0</b>	<b>12.27%</b>	<b>0.3</b>	<b>178,409</b>	<b>1.33%</b>

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 2021 (Ended March 31, 2022)

(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	106	0.05%	0.0	30.35%	1.0	10	10.27%
2	Exceeding 0.15 to 0.25 or less	11	0.15%	0.0	30.35%	1.0	1	16.70%
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	1	1.02%	0.0	30.35%	1.0	—	49.84%
6	Exceeding 2.50 to 10.00 or less	—	—	—	—	—	—	—
7	Exceeding 10.00 to 100.00 or less	—	—	—	—	—	—	—
8	100.00 (default)	—	—	—	—	—	—	—
9	Subtotal	119	0.07%	0.0	30.35%	1.0	13	11.33%
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		119	0.07%	0.0	30.35%	1.0	13	11.33%

Note: The number of counterparties is less than 100 in each portfolio.

## 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
<b>Sovereign exposure</b>								
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	—	—	—	—	—	—	—
<b>Bank exposure</b>								
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	—	—	—	—	—	—	—
<b>Corporate exposure (excluding SMEs exposure and specialized lending)</b>								
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%
<b>SMEs exposure</b>								
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%
<b>Total</b>		<b>255</b>	<b>0.07%</b>	<b>0.0</b>	<b>30.35%</b>	<b>2.9</b>	<b>45</b>	<b>17.91%</b>

Note: The number of counterparties is less than 100 in each portfolio.

**CCR5: Composition of collateral for CCR exposure**

Fiscal 2021 (Ended March 31, 2022)

(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	—	13,368	90,902	1,388,918	1,293,950	7,005
2	Cash – other currencies	—	59,559	24,955	78,880	25,569,933	4,404,664
3	Domestic sovereign debt	—	—	314,200	—	—	7,075,562
4	Other sovereign debt	—	—	70,679	—	3,910,967	20,242,099
5	Government agency debt	—	—	—	—	—	1,681,744
6	Corporate bonds	—	—	—	—	—	—
7	Equity securities	—	—	—	14,259	—	—
8	Other collateral	—	—	—	—	—	4,477,599
9	Total	—	72,928	500,738	1,482,057	30,774,851	37,888,677

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

**CCR6: Credit derivatives exposures**

(Millions of Yen)

No.		As of March 31, 2022		As of March 31, 2021	
		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, 2022 and 2021.

## CCR7: RWA flow statements of CCR exposures under Expected Positive Exposure Method

(Millions of Yen)

No.		As of March 31, 2022	As of March 31, 2021
		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, 2022 and 2021.

## CCR8: Exposures to central counterparties

(Millions of Yen)

No.		As of March 31, 2022		As of March 31, 2021	
		a	b	a	b
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		<b>323,522</b>		274,412
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	<b>22,668,154</b>	<b>3,330</b>	15,817,066	822
3	(i) OTC derivatives	<b>801,015</b>	<b>3,330</b>	1,003,007	812
4	(ii) Exchange-traded derivatives	—	—	259	10
5	(iii) Securities financing transactions	<b>21,867,138</b>	—	14,813,799	—
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	<b>328,881</b>		368,016	
8	Non-segregated initial margin	<b>390,246</b>	—	464,629	—
9	Pre-funded default fund contributions	<b>216,236</b>	<b>320,192</b>	233,131	273,588
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 2021 (Ended March 31, 2022)**

(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	—	—	—	—	—	—	2,288,024	—	2,288,024
2	residential mortgage	—	—	—	—	—	—	1,704,527	—	1,704,527
3	credit card	—	—	—	—	—	—	212,739	—	212,739
4	other retail exposures	—	—	—	—	—	—	370,756	—	370,756
5	re-securitization	—	—	—	—	—	—	0	—	0
6	Wholesale (total) – of which	—	—	—	—	—	—	5,436,437	—	5,436,437
7	loans to corporates	—	—	—	—	—	—	5,316,540	—	5,316,540
8	commercial mortgage	—	—	—	—	—	—	76,522	—	76,522
9	lease and receivables	—	—	—	—	—	—	43,373	—	43,373
10	other wholesale	—	—	—	—	—	—	—	—	—
11	re-securitization	—	—	—	—	—	—	—	—	—

**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	—	—	—	—	—	—	—	—	—

**SEC2: Securitization exposures in the trading book****Fiscal 2021 (Ended March 31, 2022)**

(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 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	—	—	—	—	—	—	—	—	—

**SEC3: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor**

## Fiscal 2021 (Ended March 31, 2022)

(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 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 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 2021 (Ended March 31, 2022)

(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 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	7,695,550	7,695,550	7,695,550	2,259,113	5,436,437	—	—	—	—	—	—	—	—	—	—
2	>20% to 50% RW	3,425	3,425	3,425	3,425	—	—	—	—	—	—	—	—	—	—	—
3	>50% to 100% RW	23,394	23,394	23,394	23,394	—	—	—	—	—	—	—	—	—	—	—
4	>100% to <1,250% RW	2,090	2,090	2,090	2,090	—	—	—	—	—	—	—	—	—	—	—
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	7,724,461	7,724,461	7,724,461	2,288,024	5,436,437	—	—	—	—	—	—	—	—	—	—
8	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—
RWA (by regulatory approach)																
10	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	SEC-ERBA	1,549,274	1,549,274	1,549,274	467,071	1,082,202	—	—	—	—	—	—	—	—	—	—
12	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—
Capital charge after cap																
14	SEC-IRBA or IAA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	SEC-ERBA	123,941	123,941	123,941	37,365	86,576	—	—	—	—	—	—	—	—	—	—
16	SEC-SA	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	1,250%	0	0	—	—	—	0	—	0	—	—	—	—	—	—	—

## 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	—	—	—	—	—	—	—
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	—	—	—	—	—	—	—



**MR1: Market risk under standardized approach**

(Millions of Yen)

No.		As of March 31, 2022	As of March 31, 2021
		RWA	RWA
1	Interest rate risk (general and specific)	—	—
2	Equity risk (general and specific)	—	—
3	Foreign exchange risk	<b>2,937,924</b>	3,586,009
4	Commodity risk	—	—
	Options		
5	Simplified approach	—	—
6	Delta-plus method	—	—
7	Scenario approach	—	—
8	Securitization	—	—
9	Total	<b>2,937,924</b>	3,586,009

**MR2: RWA flow statements of market risk exposures under an IMA**

Fiscal 2021 (Ended March 31, 2022)

(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	<b>1,994</b>	<b>4,391</b>	—	—		<b>6,386</b>	
1b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the previous fiscal year	<b>4.32</b>	<b>3.55</b>	—	—		<b>3.76</b>	
1c	Amounts calculated under the Internal Models Approach as of the reference date prior to the previous year-end calculation	<b>460</b>	<b>1,235</b>	—	—		<b>1,696</b>	
2	Amounts of volatilities by factor during the fiscal year	Movement in risk levels	<b>(432)</b>	<b>(1,128)</b>	—	—		<b>(1,561)</b>
3		Model updates/changes	—	—	—	—		—
4		Methodology and policy	—	—	—	—		—
5		Acquisitions and disposals	—	—	—	—		—
6		Foreign exchange movements	—	—	—	—		—
7		Other	<b>72</b>	—	—	—		<b>72</b>
8a	Amounts calculated under the Internal Models Approach as of the reference date for computation at the end of the fiscal year	<b>100</b>	<b>106</b>	—	—		<b>207</b>	
8b	Adjustment of the amounts of risk-weighted assets given the regulatory required capital ratio at the end of the fiscal year	<b>17.82</b>	<b>27.07</b>	—	—		<b>22.58</b>	
8c	RWA at end of reporting period	<b>1,795</b>	<b>2,890</b>	—	—		<b>4,686</b>	

## 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	

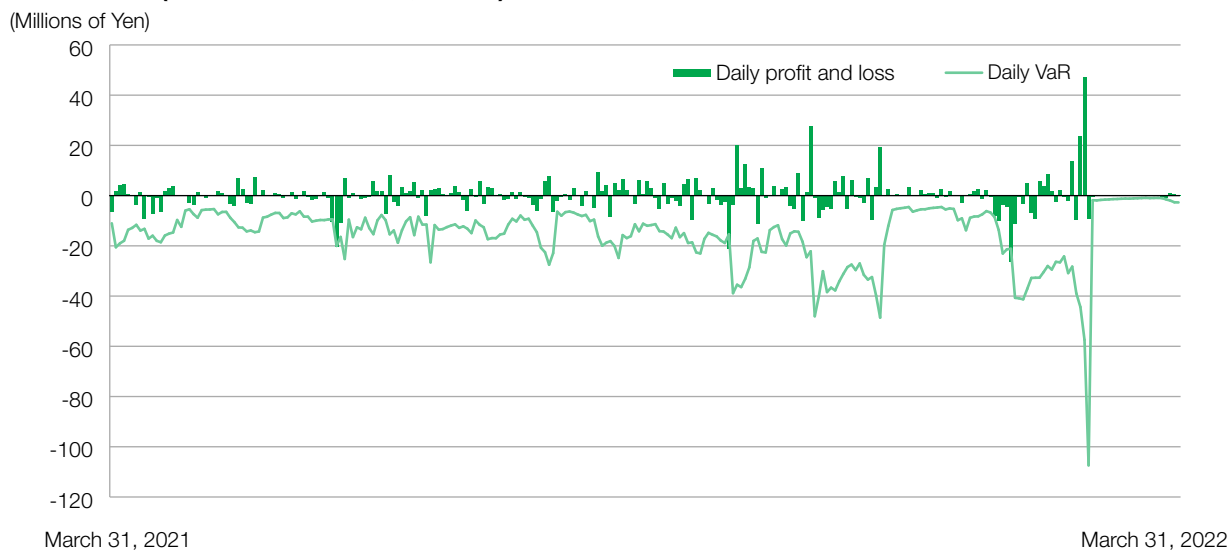
## MR3: IMA values for trading portfolios

(Millions of Yen)

No.		As of March 31, 2022	As of March 31, 2021
	VaR (10 day 99%)		
1	Maximum value	<b>306</b>	76
2	Average value	<b>49</b>	27
3	Minimum value	<b>3</b>	6
4	Period end	<b>8</b>	36
	Stressed VaR (10 day 99%)		
5	Maximum value	<b>192</b>	165
6	Average value	<b>95</b>	56
7	Minimum value	<b>8</b>	9
8	Period end	<b>8</b>	98
	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)	—	—

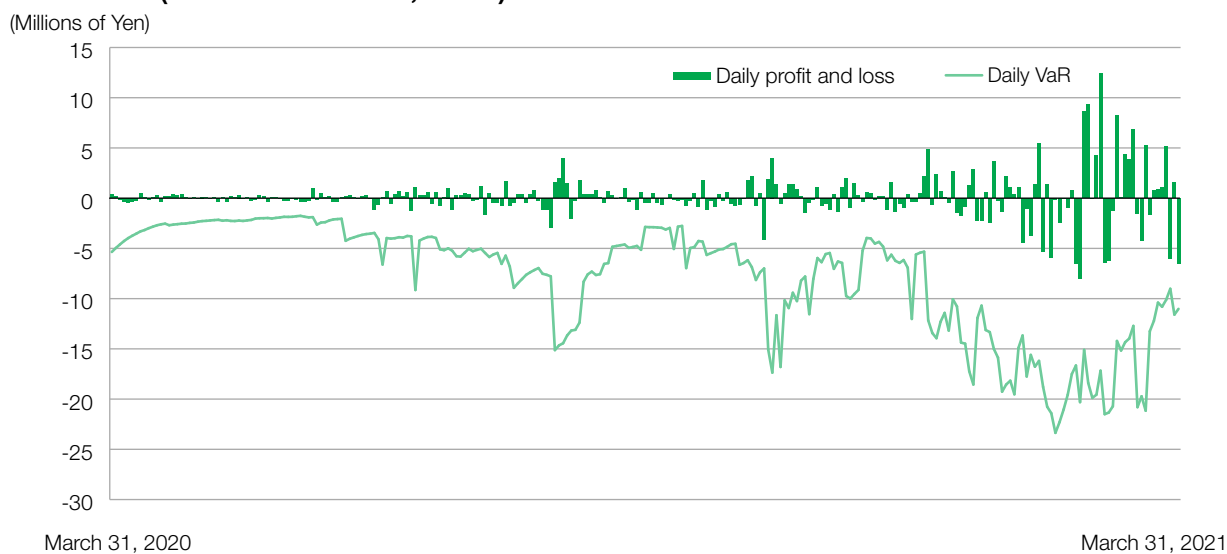
## MR4: Comparison of VaR estimates with gains/losses

### Fiscal 2021 (Ended March 31, 2022)



*Note: The Bank conducted four excesses back-test in fiscal 2021. These excesses back-testing were conducted on June 15, 2021, resulting in a loss of ¥10.7 million with a VaR of ¥9.4 million, June 16, 2021, resulting in a loss of ¥20.5 million with a VaR of ¥20.0 million, October 28, 2021, resulting in a loss of ¥21.3 million with a VaR of ¥15.4 million, February 2, 2022, resulting in a loss of ¥26.6 million with a VaR of ¥21.2 million. The reasons for these excesses back-testing were all market factors.*

### Fiscal 2020 (Ended March 31, 2021)



*Note: There was no excess in the number of back-tests that the Bank conducted in fiscal 2020.*

## 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, 2022	As of March 31, 2021
	Exposure	Exposure
Look-through approach	<b>18,563</b>	18,194
Mandate-based approach	—	—
Simple approach (subject to 250% RW)	—	—
Simple approach (subject to 400% RW)	<b>40</b>	39
Fall-back approach (subject to 1,250% RW)	<b>40</b>	33
<b>Total</b>	<b>18,644</b>	18,268

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 2021	Fiscal 2020	Fiscal 2021	Fiscal 2020
1	Parallel up	<b>2,862,897</b>	2,893,523	<b>306,421</b>	231,248
2	Parallel down	<b>(3,050,794)</b>	(259,894)	<b>(313,744)</b>	(221,746)
3	Steeper	<b>1,106,631</b>	1,128,406		
4	Flattener	<b>(578,710)</b>	(519,993)		
5	Short rate up	<b>655,559</b>	593,206		
6	Short rate down	<b>101,845</b>	50,163		
7	Maximum	<b>2,862,897</b>	2,893,523	<b>306,421</b>	231,248
		e		f	
		Fiscal 2021		Fiscal 2020	
8	Tier 1 capital	<b>8,314,030</b>		9,189,403	

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 2021 (Ended March 31, 2022)

(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%	254,399		
Hong Kong (China)	1.00%	125,854		
Subtotal		380,254		
Total		31,671,869	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 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.

## GSIB1: Disclosure of G-SIB indicators

(Millions of Yen)

Basel III Template No.			Fiscal 2021	Fiscal 2020
1	Cross-jurisdictional activity	Cross-jurisdictional claims	51,556,324	49,335,752
2		Cross-jurisdictional liabilities	27,179,040	15,862,321
3	Size	Total exposures	108,038,487	109,372,788
4	Interconnectedness	Intra-financial system assets	9,366,348	8,479,873
5		Intra-financial system liabilities	6,415,279	6,345,702
6		Securities outstanding	2,501,246	3,455,738
7		Assets under custody	5,100,462	4,171,915
8	Substitutability/ Financial institution infrastructure	Payment activity	924,177,758	372,266,855
9		Underwritten transactions in debt and equity markets	780	3,350
10		Trading volume	—	—
11	Complexity	Notional amount of over-the-counter (OTC) derivatives	32,597,307	28,293,299
12		Level 3 assets	110,980	60,729
13		Trading and available for sale (AFS) securities	10,040,484	10,029,262

## 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, 2022	As of March 31, 2021
<b>On-balance sheet exposures (1)</b>				
1		On-balance sheet exposures before deducting adjustment items	<b>85,562,106</b>	84,968,079
1a	1	Total assets reported in the consolidated balance sheet	<b>89,121,281</b>	88,574,088
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) (-)	<b>3,559,175</b>	3,606,009
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	<b>184,881</b>	182,387
3		Total on-balance sheet exposures (a)	<b>85,377,224</b>	84,785,691
<b>Exposures related to derivative transactions (2)</b>				
4		Replacement cost multiplied by 1.4 associated with derivatives transactions, etc.	<b>456,278</b>	47,089
5		Potential future exposure multiplied by 1.4 associated with derivatives transactions, etc.	<b>624,045</b>	566,637
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) (-)	<b>1,024,915</b>	579,102
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)	<b>55,408</b>	34,624
<b>Exposures related to repo transactions (3)</b>				
12		The amount of assets related to repo transactions, etc.	<b>4,412,037</b>	2,445,036
13		The amount of deductions from the assets above (line 12) (-)	<b>4,114,460</b>	1,352,235
14		The exposures for counterparty credit risk for repo transactions, etc.	<b>1,378,461</b>	980,310
15		The exposures for agent repo transaction		
16	5	The Total exposures related to repo transactions, etc. (c)	<b>1,676,038</b>	2,073,112
<b>Exposures related to off-balance sheet transactions (4)</b>				
17		Notional amount of off-balance sheet transactions	<b>5,382,721</b>	4,878,471
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	<b>1,654,857</b>	1,655,219
19	6	Total exposures related to off-balance sheet transactions (d)	<b>3,727,863</b>	3,223,252
<b>Leverage ratio on a consolidated basis (5)</b>				
20		The amount of capital (Tier 1 capital) (e)	<b>8,314,030</b>	9,189,403
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	<b>90,836,535</b>	90,116,680
22		Leverage ratio on a consolidated basis ((e)/(f))	<b>9.15%</b>	10.19%
<b>Leverage ratio on a consolidated basis (including the deposits with the Bank of Japan) (6)</b>				
		Total exposures (f)	<b>90,836,535</b>	90,116,680
		The deposits with the Bank of Japan	<b>17,017,069</b>	19,073,721
		Total exposures (including the deposits with the Bank of Japan) (f')	<b>107,853,605</b>	109,190,401
		Leverage ratio on a consolidated basis (including the deposits with the Bank of Japan) ((e)/(f'))	<b>7.70%</b>	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

The leverage ratio as of March 31, 2022, is lower than the ratio as of March 31, 2021, due to a decline in Net Unrealized Gains on Other Securities, which led to a decrease in the amount of capital.

# 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, 2022)		The previous quarter (October 1 to December 31, 2021)	
		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	<b>25,954,438</b>		27,164,191	
Cash outflows (2)					
2	Cash outflows relating to unsecured retail funding	<b>42,013</b>	<b>4,167</b>	40,578	4,025
3	of which: stable deposits	<b>486</b>	<b>14</b>	464	13
4	of which: quasi-stable deposits	<b>41,526</b>	<b>4,152</b>	40,114	4,011
5	Cash outflows relating to unsecured wholesale funding	<b>10,407,199</b>	<b>7,239,346</b>	11,240,433	8,022,460
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	<b>9,461,923</b>	<b>6,294,070</b>	10,422,224	7,204,251
8	of which: debt securities	<b>945,276</b>	<b>945,276</b>	818,208	818,208
9	Cash outflows relating to secured funding, etc.	<b>274,395</b>		215,945	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	<b>3,318,071</b>	<b>1,867,980</b>	3,204,169	1,824,868
11	of which: cash outflows relating to derivative transactions	<b>1,578,366</b>	<b>1,578,366</b>	1,541,747	1,541,747
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	<b>1,739,705</b>	<b>289,614</b>	1,662,422	283,121
14	Cash outflows based on an obligation to provide capital	<b>2,938,584</b>	<b>694,663</b>	2,755,408	552,513
15	Cash outflows relating to contingencies	<b>5,913,206</b>	<b>129,252</b>	5,818,101	127,319
16	Total cash outflows	<b>10,209,805</b>		10,747,133	
Cash inflows (3)					
17	Cash inflows relating to secured fund management, etc.	<b>397,164</b>	—	1,204,003	—
18	Cash inflows relating to collections of advances, etc.	<b>4,879,806</b>	<b>3,866,913</b>	6,345,710	5,466,564
19	Other cash inflows	<b>3,170,825</b>	<b>254,777</b>	3,009,620	234,303
20	Total cash inflows	<b>8,447,796</b>	<b>4,121,690</b>	10,559,334	5,700,867
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	<b>25,954,438</b>		27,164,191	
22	Net cash outflows	<b>6,088,115</b>		5,046,265	
23	Liquidity coverage ratio on a consolidated basis	<b>426.3%</b>		538.3%	
24	The number of data for calculating the average value	<b>59</b>		63	

## 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, it is possible that daily data are not used.



## Quantitative Disclosure Items Concerning a Net Stable Funding Ratio on a Consolidated Basis

(Millions of Yen, %)

Items		The current quarter (January 1 to March 31, 2022)					The previous quarter (October 1 to December 31, 2021)				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available stable funding (ASF) items (1)</b>											
1	Capital; of which:	8,514,960	—	—	—	8,514,960	9,525,413	—	—	—	9,525,413
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	8,514,960	—	—	—	8,514,960	9,525,413	—	—	—	9,525,413
3	Other capital instruments that are not included in the above category	—	—	—	—	—	—	—	—	—	—
4	Funding from retail and small business customers; of which:	41,230	—	—	—	37,131	42,227	—	—	—	38,028
5	Stable deposits	469	—	—	—	446	462	—	—	—	439
6	Less stable deposits	40,761	—	—	—	36,685	41,765	—	—	—	37,588
7	Wholesale funding; of which:	3,583,292	59,361,785	23,239,632	3,911,303	43,196,144	4,279,661	54,759,972	28,092,459	3,643,968	43,391,652
8	Operational deposits	—	—	—	—	—	—	—	—	—	—
9	Other wholesale funding	3,583,292	59,361,785	23,239,632	3,911,303	43,196,144	4,279,661	54,759,972	28,092,459	3,643,968	43,391,652
10	Liabilities with matching interdependent assets	—	—	—	—	—	—	—	—	—	—
11	Other liabilities; of which:	5,928	2,994,592	22,433	4	14,891	9,976	2,984,074	1,338	45,130	28,855
12	Derivative liabilities	—	—	—	—	—	—	—	—	22,674	—
13	All other liabilities and equity not included in the above categories	5,928	2,994,592	22,433	4	14,891	9,976	2,984,074	1,338	22,455	28,855
14	Total available stable funding					51,763,127					52,983,949
<b>Required stable funding (RSF) items (2)</b>											
15	HQLA					1,592,075					1,507,394
16	Deposits held at financial institutions for operational purposes	2,285	—	—	—	1,142	2,111	—	—	—	1,055
17	Loans, repo transactions-related assets, securities and other similar assets; of which:	13,427,682	10,305,431	2,800,387	20,276,102	34,447,151	12,781,315	12,420,438	2,828,849	19,879,410	33,850,688
18	Loans to- and repo transactions with financial institutions (secured by level 1 HQLA)	—	—	—	—	—	—	602,448	—	—	—
19	Loans to- and repo transactions with financial institutions (not included in item 18)	626,560	1,682,181	549,820	2,953,866	3,780,380	474,547	3,348,650	617,676	2,949,687	3,994,916
20	Loans and repo transactions-related assets (not included in item 18, 19 and 22); of which:	641,144	8,618,294	2,166,179	6,907,142	11,693,235	564,030	8,463,020	2,205,172	6,838,932	11,512,728
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	7,210,315	1,562,381	575,231	4,760,248	—	7,065,292	1,616,793	569,431	4,711,173
22	Residential mortgages; of which:	—	2,181	4,671	193,729	138,689	—	2,411	4,589	191,323	137,141
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	1,554	3,252	147,034	97,975	—	1,653	3,213	144,918	96,630
24	Securities that are not in default and do not qualify as HQLA and other similar assets	12,159,976	2,774	79,715	10,221,363	18,834,846	11,742,737	3,907	1,410	9,899,466	18,205,902
25	Assets with matching interdependent liabilities	—	—	—	—	—	—	—	—	—	—
26	Other assets; of which:	1,135,018	354,740	31,215	2,590,921	3,824,130	877,752	318,356	46,808	2,372,988	3,370,277
27	Physical traded commodities, including gold	—	—	—	—	—	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)				1,244,544	1,059,451				1,365,072	1,161,892
29	Derivative assets				169,148	169,148				—	—
30	Derivative liabilities (before deduction of variation margin posted)				64,818	64,818				29,697	29,697
31	All other assets not included in the above categories	1,135,018	354,740	31,215	1,112,409	2,530,712	877,752	318,356	46,808	978,217	2,178,686
32	Off-balance sheet items				8,147,326	211,175				7,496,869	210,529
33	Total required stable funding					40,075,675					38,939,945
34	Consolidated net stable funding ratio (NSFR)					129.1%					136.0%

## Qualitative Disclosure Items Concerning a Net Stable Funding Ratio on a Consolidated Basis

### Items concerning a change in the consolidated net stable funding ratio on a time-series basis

The consolidated net stable funding ratio has shown stable progress since it was subject to the Basel standards in the second quarter of fiscal 2021.

### Items concerning exceptional treatment regarding interdependent assets and liabilities

“Exceptional treatment regarding interdependent assets and liabilities” is not applied.

### Other items concerning the consolidated net stable funding ratio

The consolidated net stable funding ratio has tended to be well above the required level.

The future consolidated net stable funding ratio is not predicted to differ substantially from the disclosed ratio.

The actual value of the consolidated net stable funding ratio does not differ substantially from the initial forecast.

# 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, 2022	As of March 31, 2021	Reference to Template CC2	
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	<b>6,079,374</b>	5,989,487		
1a	of which: capital and capital surplus	<b>4,015,219</b>	4,015,219		
2	of which: retained earnings	<b>2,157,550</b>	2,079,491		
26	of which: cash dividends to be paid	<b>93,395</b>	105,223		
	of which: other than the above	—	—		
3	Valuation and translation adjustments and other disclosed reserves	<b>921,789</b>	1,681,316	(a)	
6	Common Equity Tier 1 capital: instruments and reserves (A)	<b>7,001,163</b>	7,670,803		
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	<b>35,931</b>	39,231		
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)	<b>35,931</b>	39,231		
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	<b>(2,459)</b>	(209,911)		
12	Shortfall of eligible provisions to expected losses	—	2,600		
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)	<b>41,518</b>	30,086		
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)	<b>74,991</b>	(137,994)		
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	<b>6,926,172</b>	7,808,797		
<b>Additional Tier 1 capital: instruments</b>					
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	<b>49,999</b>	49,999	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	<b>1,316,972</b>	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, 2022	As of March 31, 2021	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)	<b>1,366,971</b>	1,366,971	
<b>Additional Tier 1 capital: regulatory adjustments</b>				
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)	<b>37,872</b>	37,795	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	<b>37,872</b>	37,795	
<b>Additional Tier 1 capital (AT1)</b>				
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	<b>1,329,099</b>	1,329,176	
<b>Tier 1 capital (T1=CET1+AT1)</b>				
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	<b>8,255,271</b>	9,137,974	
<b>Tier 2 capital: instruments and provisions</b>				
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	—	—	
47+49	Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	—	923	
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	<b>17</b>	17	
50a	of which: general reserve for possible loan losses	<b>17</b>	17	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	<b>17</b>	940	
<b>Tier 2 capital: regulatory adjustments</b>				
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)	—	—	
<b>Tier 2 capital (T2)</b>				
58	Tier 2 capital (T2) ((H)-(I)) (J)	<b>17</b>	940	
<b>Total capital (TC=T1+T2)</b>				
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	<b>8,255,289</b>	9,138,914	
<b>Risk weighted assets</b>				
60	Risk weighted assets (L)	<b>38,797,598</b>	39,340,180	

(Millions of Yen, %)				
Basel III Template No.	Items	a	b	c
		As of March 31, 2022	As of March 31, 2021	Reference to Template CC2
<b>Capital ratio (non-consolidated) and buffers</b>				
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	<b>17.85%</b>	19.84%	
62	Tier 1 capital ratio (non-consolidated) ((G)/(L))	<b>21.27%</b>	23.22%	
63	Total capital ratio (non-consolidated) ((K)/(L))	<b>21.27%</b>	23.23%	
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			
<b>Regulatory adjustments</b>				
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)	<b>181,566</b>	165,481	
73	Significant investments in the common stock of other financial institutions that are below the thresholds for deduction (before risk weighting)	<b>17,555</b>	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)	—	—	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>				
76	Provisions (general reserve for possible loan losses)	<b>17</b>	17	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	<b>98</b>	91	
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	<b>198,359</b>	197,038	
<b>Capital instruments under phase-out arrangements</b>				
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	
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, 2022				As of March 31, 2021					
	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	22,955,497	22,955,497	21,824,004	21,824,004						
Loans on deeds	21,215,264	21,215,264	19,611,508	19,611,508						
Loans on bills	401,960	401,960	286,386	286,386						
Overdrafts	1,336,469	1,336,469	1,924,852	1,924,852						
Bills discounted	1,803	1,803	1,257	1,257						
Foreign Exchanges Assets	375,980	375,980	271,190	271,190						
Due from foreign banks	375,980	375,980	271,190	271,190						
Securities	47,057,256	47,057,256	48,491,498	48,491,498						6-a
Japanese government bonds	7,992,279	7,992,279	10,112,251	10,112,251						
Municipal government bonds	142,570	142,570	138,183	138,183						
Corporate bonds	1,178,570	1,178,570	1,303,319	1,303,319						
Stocks	829,998	829,998	923,765	923,765						
Other securities	36,913,837	36,913,837	36,013,977	36,013,977						
Money Held in Trust	10,864,800	10,864,800	10,637,717	10,637,717						6-b
Trading Assets	2,466	2,466	7,310	7,310						
Trading securities	4	4	2,016	2,016						
Derivatives of securities related to trading transactions	—	—	39	39						
Trading-related financial derivatives	2,462	2,462	5,254	5,254						
Monetary Claims Bought	387,819	387,819	302,918	302,918						
Call Loans	—	—	60,890	60,890						
Receivables under Resale Agreements	—	—	547,931	547,931						
Cash and Due from Banks	18,070,056	18,070,056	19,820,208	19,820,208						
Cash	64,994	64,994	34,397	34,397						
Due from banks	18,005,062	18,005,062	19,785,811	19,785,811						
Other Assets	3,129,171	3,129,171	2,877,505	2,877,505						
Domestic exchange settlement account, debit	11	11	13	13						
Prepaid expenses	1,063	1,063	1,248	1,248						
Accrued income	128,520	128,520	119,428	119,428						
Initial margins of futures markets	87,622	87,622	20,493	20,493						
Derivatives other than for trading	343,244	343,244	61,325	61,325						
Cash collateral paid for financial instruments	1,511,691	1,511,691	1,424,768	1,424,768						
Others	1,057,017	1,057,017	1,250,227	1,250,227						
Tangible Fixed Assets	149,530	149,530	164,657	164,657						
Buildings	30,959	30,959	36,015	36,015						
Land	74,919	74,919	97,707	97,707						
Lease assets	17,436	17,436	19,221	19,221						
Construction in progress	5,131	5,131	1,184	1,184						
Other	21,083	21,083	10,528	10,528						
Intangible Fixed Assets	49,732	49,732	54,299	54,299						2
Software	29,717	29,717	36,600	36,600						
Lease assets	8,896	8,896	10,420	10,420						
Other	11,118	11,118	7,278	7,278						
Defined-benefit pension fund net assets (prepaid pension costs)	57,465	57,465	41,641	41,641						3
Customers' Liabilities for Acceptances and Guarantees	415,117	415,117	269,647	269,647						
Reserve for Possible Loan Losses	(147,046)	(147,046)	(131,577)	(131,577)						
Reserve for Possible Investment Losses	(1,481)	(1,481)	(1,730)	(1,730)						
Total Assets	103,366,368	103,366,368	105,238,114	105,238,114						

(Millions of Yen)

Items	a	b	c	d	e	f
	As of March 31, 2022		As of March 31, 2021		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	<b>64,019,836</b>	<b>64,019,836</b>	65,675,444	65,675,444		
Time deposits	<b>55,692,985</b>	<b>55,692,985</b>	56,792,460	56,792,460		
Deposits at notice	<b>10,629</b>	<b>10,629</b>	12,650	12,650		
Ordinary deposits	<b>3,298,602</b>	<b>3,298,602</b>	3,817,593	3,817,593		
Current deposits	<b>101,915</b>	<b>101,915</b>	102,099	102,099		
Other deposits	<b>4,915,703</b>	<b>4,915,703</b>	4,950,639	4,950,639		
Negotiable Certificates of Deposit	<b>2,140,966</b>	<b>2,140,966</b>	3,100,259	3,100,259		
Debentures	<b>363,780</b>	<b>363,780</b>	361,479	361,479		
Debentures issued	<b>363,780</b>	<b>363,780</b>	361,479	361,479		
Trading Liabilities	<b>1,692</b>	<b>1,692</b>	5,137	5,137		
Derivatives of securities related to trading transactions	—	—	26	26		
Trading-related financial derivatives	<b>1,692</b>	<b>1,692</b>	5,111	5,111		
Borrowed Money	<b>4,868,429</b>	<b>4,868,429</b>	5,035,964	5,035,964		7
Borrowings	<b>4,868,429</b>	<b>4,868,429</b>	5,035,964	5,035,964		
Payables under Repurchase Agreements	<b>19,327,671</b>	<b>19,327,671</b>	17,073,926	17,073,926		
Foreign Exchanges Liabilities	—	—	0	0		
Foreign bills payable	—	—	0	0		
Short-term Entrusted Liability	<b>684,692</b>	<b>684,692</b>	877,743	877,743		
Other Liabilities	<b>4,104,171</b>	<b>4,104,171</b>	4,491,742	4,491,742		
Domestic exchange settlement account, credit	<b>87</b>	<b>87</b>	12,781	12,781		
Accrued expenses	<b>39,473</b>	<b>39,473</b>	37,733	37,733		
Income taxes payable	<b>439</b>	<b>439</b>	216,907	216,907		
Unearned income	<b>2,016</b>	<b>2,016</b>	5,049	5,049		
Variation margins of futures markets	—	—	8	8		
Derivatives other than for trading	<b>1,379,646</b>	<b>1,379,646</b>	1,262,630	1,262,630		
Cash collateral received for financial instruments	<b>72,928</b>	<b>72,928</b>	986	986		
Lease liabilities	<b>15,853</b>	<b>15,853</b>	18,691	18,691		
Account payables for securities purchased	<b>2,566,597</b>	<b>2,566,597</b>	2,915,225	2,915,225		
Others	<b>27,130</b>	<b>27,130</b>	21,727	21,727		
Reserve for Bonus Payments	<b>5,665</b>	<b>5,665</b>	5,901	5,901		
Reserve for Employees' Retirement Benefits	<b>15,031</b>	<b>15,031</b>	25,394	25,394		
Reserve for Directors' Retirement Benefits	<b>730</b>	<b>730</b>	1,015	1,015		
Deferred Tax Liabilities	<b>272,524</b>	<b>272,524</b>	479,825	479,825		4-b
Deferred Tax Liabilities for Land Revaluation	<b>1,499</b>	<b>1,499</b>	8,607	8,607		4-c
Acceptances and Guarantees	<b>415,117</b>	<b>415,117</b>	269,647	269,647		
<b>Total Liabilities</b>	<b>96,221,809</b>	<b>96,221,809</b>	97,412,087	97,412,087		
(Net Assets)						
Paid-in Capital	<b>4,040,198</b>	<b>4,040,198</b>	4,040,198	4,040,198		1-a
Common equity	<b>4,015,198</b>	<b>4,015,198</b>	4,015,198	4,015,198		
of which: lower dividend rate stock	<b>(3,589,481)</b>	<b>(3,589,481)</b>	(3,589,481)	(3,589,481)		
Preferred stock	<b>24,999</b>	<b>24,999</b>	24,999	24,999		
Capital Surplus	<b>25,020</b>	<b>25,020</b>	25,020	25,020		1-b
Capital surplus	<b>24,999</b>	<b>24,999</b>	24,999	24,999		
Other capital surplus	<b>20</b>	<b>20</b>	20	20		
Reserve for revaluation	<b>20</b>	<b>20</b>	20	20		

(Millions of Yen)

Items	a	b	c	d	e	f
	As of March 31, 2022		As of March 31, 2021		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	2,157,550	2,157,550	2,079,491	2,079,491		1-c
Legal reserves	816,166	816,166	773,666	773,666		
Voluntary reserves	1,341,384	1,341,384	1,305,825	1,305,825		
Special reserves	373,771	373,771	333,744	333,744		
General reserves	559,403	559,403	559,403	559,403		
AFF Industries, Community and Environment Reserve Fund	10,000	10,000	—	—		
Reserves for tax basis adjustments of fixed assets	6,799	6,799	6,930	6,930		
Others	7	7	7	7		
Unappropriated retained earnings	391,403	391,403	405,739	405,739		
Net income	172,693	172,693	212,083	212,083		
Total Owners' Equity	6,222,769	6,222,769	6,144,710	6,144,710		
Net Unrealized Gains on Other Securities	756,155	756,155	1,944,952	1,944,952		
Net Deferred Losses on Hedging Instruments	159,663	159,663	(277,948)	(277,948)		5
Revaluation Reserve for Land, net of taxes	5,970	5,970	14,312	14,312		
Total Valuation and Translation Adjustment	921,789	921,789	1,681,316	1,681,316	(a)	
Total Net Assets	7,144,559	7,144,559	7,826,026	7,826,026		
Total Liabilities and Net Assets	103,366,368	103,366,368	105,238,114	105,238,114		

## 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, 2022	As of March 31, 2021	Remarks
1-a	Paid-in Capital	4,040,198	4,040,198	
1-b	Capital Surplus	25,020	25,020	
1-c	Retained Earnings	2,157,550	2,079,491	
	Total Owners' Equity	6,222,769	6,144,710	

#### (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
	Directly issued qualifying common share capital plus related capital surplus and retained earnings	6,172,769	6,094,710	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	2,157,550	2,079,491	
	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, 2022	As of March 31, 2021	Remarks
2	Intangible Fixed Assets	49,732	54,299	
	Income taxes related to above	(13,800)	(15,068)	



## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
8	Intangible assets: goodwill	—	—	
9	Intangible assets: other	35,931	39,231	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, 2022	As of March 31, 2021	Remarks
3	Defined-benefit pension fund net assets (prepaid pension costs)	57,465	41,641	
	Income taxes related to above	(15,946)	(11,555)	

## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	41,518	30,086	

## 4. Deferred Tax Assets

## (1) Non-Consolidated Balance Sheet

(Millions of Yen)

Reference numbers	Non-Consolidated balance sheet items	As of March 31, 2022	As of March 31, 2021	Remarks
4-a	Deferred tax assets	—	—	
4-b	Deferred Tax Liabilities	272,524	479,825	
4-c	Deferred Tax Liabilities for Land Revaluation	1,499	8,607	
	Intangible assets to which tax-effect accounting was applied	13,800	15,068	
	Net defined-benefit asset to which tax-effect accounting was applied	15,946	11,555	

## (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	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, 2022	As of March 31, 2021	Remarks
5	Net Deferred Losses on Hedging Instruments	159,663	(277,948)	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(2,459)	(209,911)	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, 2022	As of March 31, 2021	Remarks
6-a	Securities	47,057,256	48,491,498	
6-b	Money Held in Trust	10,864,800	10,637,717	

(2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	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	181,566	165,481	
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)	181,566	165,481	

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
	Significant investments in the capital, etc., of other financial institutions	<b>55,428</b>	54,850	
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)	<b>37,872</b>	37,795	
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)	<b>17,555</b>	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, 2022	As of March 31, 2021	Remarks
7	Borrowed Money	<b>4,868,429</b>	5,035,964	

### (2) Composition of Capital

(Millions of Yen)

Basel III Template No.	Composition of capital disclosure	As of March 31, 2022	As of March 31, 2021	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standard	<b>1,316,972</b>	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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Credit risk (excluding counterparty credit risk)	7,410,037	8,158,287	627,612	690,993
2	Of which: standardized approach (SA)	7,839	7,277	627	582
3	Of which: internal rating-based (IRB) approach	7,251,884	7,985,535	614,959	677,173
	Of which: significant investments	—	—	—	—
	Of which: estimated residual value of lease transactions	—	—	—	—
	Others	150,314	165,474	12,025	13,237
4	Counterparty credit risk (CCR)	768,481	573,469	63,062	47,027
5	Of which: standardized approach for counterparty credit risk (SA-CCR)	117,866	56,728	9,995	4,810
6	Of which: expected positive exposure (EPE) method	—	—	—	—
	Of which: credit valuation adjustment (CVA)	119,115	63,383	9,529	5,070
	Of which: Central counterparty related exposure (CCP)	319,444	270,444	25,555	21,635
	Others	212,055	182,912	17,982	15,510
7	Equity positions in banking book under market-based approach	3,847,395	3,958,461	326,259	335,677
8	Equity investments in funds - Look-through approach	18,789,410	17,911,898	1,593,299	1,518,834
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)	157,860	154,360	13,386	13,089
10	Equity investments in funds - Fall-back approach (subject to 1,250% RW)	500,144	419,364	40,011	33,549
11	Settlement risk	163,354	156,294	13,852	13,253
12	Securitization exposures in banking book	1,549,274	1,895,836	123,941	151,666
13	Of which: Securitization IRB approach (SEC-IRBA) or internal assessment approach (IAA)	—	—	—	—
14	Of which: Securitization external ratings-based approach (SEC-ERBA)	1,549,274	1,895,836	123,941	151,666
15	Of which: Securitization standardized approach (SEC-SA)	—	—	—	—
	Of which: 1,250% risk weight is applied	0	0	0	0
16	Market risk	2,942,579	3,592,383	235,406	287,390
17	Of which: standardized approach (SA)	2,937,892	3,585,996	235,031	286,879
18	Of which: internal model approaches (IMA)	4,686	6,386	374	510
19	Operational risk	790,677	651,437	63,254	52,115
20	Of which: Basic Indicator Approach	—	—	—	—
21	Of which: Standardized Approach	790,677	651,437	63,254	52,115
22	Of which: Advanced Measurement Approach	—	—	—	—
23	Amounts below the thresholds for deduction	43,888	42,638	3,721	3,615
	Risk weighted assets subject to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total	36,963,103	37,514,432	3,103,807	3,147,214

## IRRBB1 – Quantitative information on IRRBB

(Millions of Yen)

No.		a	b	c	d
		ΔEVE		ΔNII	
		Fiscal 2021	Fiscal 2020	Fiscal 2021	Fiscal 2020
1	Parallel up	2,838,402	2,875,266	308,052	232,139
2	Parallel down	(3,021,059)	(257,384)	(315,331)	(222,583)
3	Steeper	1,099,337	1,122,364		
4	Flattener	(575,226)	(516,962)		
5	Short rate up	651,724	590,786		
6	Short rate down	101,841	50,440		
7	Maximum	2,838,402	2,875,266	308,052	232,139
		e		f	
		Fiscal 2021		Fiscal 2020	
8	Tier 1 capital	8,255,271		9,137,974	

## 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, 2022	As of March 31, 2021
<b>On-balance sheet exposures (1)</b>				
1		On-balance sheet exposures before deducting adjustment items	<b>85,307,424</b>	84,753,357
1a	1	Total assets reported in the non-consolidated balance sheet	<b>86,365,459</b>	86,182,296
1b	3	The amount of assets that are deducted from the total assets reported in the non-consolidated balance sheet (except adjustment items) (-)	<b>1,058,035</b>	1,428,938
2	7	The amount of adjustment items pertaining to Tier 1 capital (-)	<b>115,323</b>	109,713
3		Total on-balance sheet exposures (a)	<b>85,192,101</b>	84,643,644
<b>Exposures related to derivative transactions (2)</b>				
4		Replacement cost multiplied by 1.4 associated with derivatives transactions, etc.	<b>456,278</b>	47,089
5		Potential future exposure multiplied by 1.4 associated with derivatives transactions, etc.	<b>624,045</b>	566,637
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) (-)	<b>1,024,915</b>	579,102
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)	<b>55,408</b>	34,624
<b>Exposures related to repo transactions (3)</b>				
12		The amount of assets related to repo transactions, etc.	<b>297,210</b>	1,092,671
13		The amount of deductions from the assets above (line 12) (-)	—	—
14		The exposures for counterparty credit risk for repo transactions, etc.	<b>1,355,351</b>	974,949
15		The exposures for agent repo transaction	—	—
16	5	The Total exposures related to repo transactions, etc. (c)	<b>1,652,562</b>	2,067,620
<b>Exposures related to off-balance sheet transactions (4)</b>				
17		Notional amount of off-balance sheet transactions	<b>3,091,183</b>	2,931,029
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)	<b>1,846,249</b>	1,821,333
19	6	Total exposures related to off-balance sheet transactions (d)	<b>1,244,933</b>	1,109,695
<b>Leverage ratio on a non-consolidated basis (5)</b>				
20		The amount of capital (Tier 1 capital) (e)	<b>8,255,271</b>	9,137,974
21	8	Total exposures ((a)+(b)+(c)+(d)) (f)	<b>88,145,005</b>	87,855,585
22		Leverage ratio on a non-consolidated basis ((e)/(f))	<b>9.36%</b>	10.40%
<b>Leverage ratio on a non-consolidated basis (including the deposits with the Bank of Japan) (6)</b>				
		Total exposures (f)	<b>88,145,005</b>	87,855,585
		The deposits with the Bank of Japan	<b>17,000,908</b>	19,055,817
		Total exposures (including the deposits with the Bank of Japan) (f')	<b>105,145,914</b>	106,911,402
		Leverage ratio on a non-consolidated basis (including the deposits with the Bank of Japan) ((e)/(f'))	<b>7.85%</b>	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

The leverage ratio as of March 31, 2022, is lower than the ratio as of March 31, 2021, due to a decline in Net Unrealized Gains on Other Securities, which led to a decrease in the amount of capital.

## 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, 2022)		The previous quarter (October 1 to December 31, 2021)	
		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	<b>25,728,258</b>		26,973,529	
Cash outflows (2)					
2	Cash outflows relating to unsecured retail funding	<b>42,013</b>	<b>4,167</b>	40,578	4,025
3	of which: stable deposits	<b>486</b>	<b>14</b>	464	13
4	of which: quasi-stable deposits	<b>41,526</b>	<b>4,152</b>	40,114	4,011
5	Cash outflows relating to unsecured wholesale funding	<b>10,383,371</b>	<b>7,215,810</b>	11,199,482	7,981,706
6	of which: qualifying operational deposits	—	—	—	—
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	<b>9,437,957</b>	<b>6,270,397</b>	10,380,920	7,163,145
8	of which: debt securities	<b>945,413</b>	<b>945,413</b>	818,561	818,561
9	Cash outflows relating to secured funding, etc.	<b>274,395</b>		215,945	
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	<b>3,188,271</b>	<b>1,839,387</b>	3,079,394	1,797,227
11	of which: cash outflows relating to derivative transactions	<b>1,578,366</b>	<b>1,578,366</b>	1,541,747	1,541,747
12	of which: cash outflows relating to funding programs	—	—	—	—
13	of which: cash outflows relating to credit/liquidity facilities	<b>1,609,904</b>	<b>261,020</b>	1,537,646	255,479
14	Cash outflows based on an obligation to provide capital	<b>2,927,214</b>	<b>683,293</b>	2,745,242	542,347
15	Cash outflows relating to contingencies	<b>3,927,834</b>	<b>106,437</b>	3,887,145	101,259
16	Total cash outflows	<b>10,123,491</b>		10,642,512	
Cash inflows (3)					
17	Cash inflows relating to secured fund management, etc.	<b>397,164</b>	—	1,204,003	—
18	Cash inflows relating to collections of advances, etc.	<b>4,973,291</b>	<b>3,961,133</b>	6,439,201	5,560,405
19	Other cash inflows	<b>3,174,721</b>	<b>253,156</b>	3,012,721	232,034
20	Total cash inflows	<b>8,545,177</b>	<b>4,214,290</b>	10,655,925	5,792,439
Liquidity coverage ratio on a non-consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included	<b>25,728,258</b>		26,973,529	
22	Net cash outflows	<b>5,911,065</b>		4,856,713	
23	Liquidity coverage ratio on a non-consolidated basis	<b>435.2%</b>		555.3%	
24	The number of data for calculating the average value	<b>59</b>		63	

## 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."

## Quantitative Disclosure Items Concerning a Net Stable Funding Ratio on a Non-Consolidated Basis

(Millions of Yen, %)

Items	The current quarter (January 1 to March 31, 2022)					The previous quarter (October 1 to December 31, 2021)					
	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
<b>Available stable funding (ASF) items (1)</b>											
1	Capital; of which:	8,368,153	—	—	—	8,368,153	9,391,272	—	—	—	9,391,272
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	8,368,153	—	—	—	8,368,153	9,391,272	—	—	—	9,391,272
3	Other capital instruments that are not included in the above category	—	—	—	—	—	—	—	—	—	—
4	Funding from retail and small business customers; of which:	41,231	—	—	—	37,131	42,227	—	—	—	38,028
5	Stable deposits	469	—	—	—	446	462	—	—	—	439
6	Less stable deposits	40,761	—	—	—	36,685	41,765	—	—	—	37,588
7	Wholesale funding; of which:	3,589,590	59,305,146	23,240,132	3,912,303	43,198,220	4,285,851	54,703,127	28,093,959	3,645,218	43,394,257
8	Operational deposits	—	—	—	—	—	—	—	—	—	—
9	Other wholesale funding	3,589,590	59,305,146	23,240,132	3,912,303	43,198,220	4,285,851	54,703,127	28,093,959	3,645,218	43,394,257
10	Liabilities with matching interdependent assets	—	—	—	—	—	—	—	—	—	—
11	Other liabilities; of which:	2,257	2,922,352	22,433	4	11,221	4,245	2,915,739	1,338	45,130	23,125
12	Derivative liabilities	—	—	—	—	—	—	—	—	22,674	—
13	All other liabilities and equity not included in the above categories	2,257	2,922,352	22,433	4	11,221	4,245	2,915,739	1,338	22,455	23,125
14	Total available stable funding					51,614,726					52,846,683
<b>Required stable funding (RSF) items (2)</b>											
15	HQLA					1,389,340					1,427,533
16	Deposits held at financial institutions for operational purposes	2,012	—	—	—	1,006	1,986	—	—	—	993
17	Loans, repo transactions-related assets, securities and other similar assets; of which:	13,651,954	10,559,244	2,946,127	19,504,237	34,087,773	12,990,760	12,627,367	2,934,885	19,182,639	33,522,922
18	Loans to- and repo transactions with financial institutions (secured by level 1 HQLA)	—	—	—	—	—	—	602,448	—	—	—
19	Loans to- and repo transactions with financial institutions (not included in item 18)	609,619	1,939,445	701,528	2,695,883	3,628,445	463,284	3,559,151	733,082	2,730,578	3,863,395
20	Loans and repo transactions-related assets (not included in item 18, 19 and 22); of which:	624,932	8,617,019	2,164,877	6,590,135	11,408,709	558,963	8,461,855	2,200,387	6,555,573	11,264,592
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	7,210,315	1,562,381	575,231	4,760,248	—	7,065,292	1,616,793	569,431	4,711,173
22	Residential mortgages; of which:	—	4	4	40	30	—	4	4	42	32
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	—	4	4	40	30	—	4	4	42	32
24	Securities that are not in default and do not qualify as HQLA and other similar assets	12,417,402	2,774	79,715	10,218,178	19,050,586	11,968,512	3,907	1,410	9,896,444	18,394,903
25	Assets with matching interdependent liabilities	—	—	—	—	—	—	—	—	—	—
26	Other assets; of which:	1,293,129	353,304	30,212	2,544,509	3,933,390	1,060,978	317,184	44,093	2,365,975	3,542,603
27	Physical traded commodities, including gold	—	—	—	—	—	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	—	—	—	1,244,544	1,059,451	—	—	—	1,365,072	1,161,892
29	Derivative assets	—	—	—	169,148	169,148	—	—	—	—	—
30	Derivative liabilities (before deduction of variation margin posted)	—	—	—	64,818	64,818	—	—	—	29,697	29,697
31	All other assets not included in the above categories	1,293,129	353,304	30,212	1,065,998	2,639,972	1,060,978	317,184	44,093	971,205	2,351,013
32	Off-balance sheet items	—	—	—	5,973,141	183,165	—	—	—	5,375,674	176,124
33	Total required stable funding					39,594,676					38,670,178
34	Non-consolidated net stable funding ratio (NSFR)					130.3%					136.6%



## Qualitative Disclosure Items Concerning a Net Stable Funding Ratio on a Non-Consolidated Basis

### Items concerning a change in the non-consolidated net stable funding ratio on a time-series basis

The non-consolidated net stable funding ratio has shown stable progress since it was subject to the Basel standards in the second quarter of fiscal 2021.

### Items concerning exceptional treatment regarding interdependent assets and liabilities

“Exceptional treatment regarding interdependent assets and liabilities” is not applied.

### Other items concerning the non-consolidated net stable funding ratio

The non-consolidated net stable funding ratio has tended to be well above the required level.

The future non-consolidated net stable funding ratio is not predicted to differ substantially from the disclosed ratio.

The actual value of the non-consolidated net stable funding ratio does not differ substantially from the initial forecast.

# 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.

#### ● Definition of the Subject Directors

The Subject Directors are the Bank’s Board members and Audit & Supervisory Board members. The Supervisory Committee members and part-time Audit & Supervisory Board members are excluded from the scope.

#### ● Definition of the Subject Employees

Among the Bank’s directors other than the Subject Directors, and the Bank’s employees, as well as the Bank’s major consolidated subsidiaries’ directors and employees, who are “Highly Compensated Persons” that exert a major material impact on the business operations or financial status of the Bank or its major subsidiaries are deemed the Subject Employees and are thereby subject to compensation disclosure. None of the Bank’s directors other than the Subject Directors, or the Bank’s employees, as well as the directors or employees of its major subsidiaries fall under the category of the Subject Employees.

#### Definition of Major Consolidated Subsidiaries

Major consolidated subsidiaries are the subsidiaries whose ratio of total assets to the Bank’s consolidated

total assets is 2% or higher, and which have a material impact on the Group management. Specifically, Kyodo Housing Loan Co., Ltd. is such a subsidiary of the Bank.

#### 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 Persons Who Exert a Material Impact on the Business Operations or Financial Status of the Group

Persons who Exert a Material Impact on the Business Operations or Financial Status of the Group are those persons whose ordinary transactions and areas of management exert a considerable influence on the business operations of the Bank, the Group and the major consolidated subsidiaries, or persons whose transactions exert a considerable influence on the financial status of the Group through the generation of losses.

## ■ Determining the Subject Directors' Compensation

Regarding the Bank's compensation structure for directors, the Bank established the Director Compensation Deliberation Committee (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 2021 and March 2022.

*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—which set forth goals, etc., that help advance sustainable management, contribute to the AFF industries and local communities, reinforce the members' business base and promote employee engagement—as a sound incentive toward sustainable growth.

The ratio of fixed to variable compensation is roughly 7 to 3. Part of the variable compensation is determined according to quantitative and qualitative evaluations on the degree of accomplishment of the management plans entered into by individual officers.

For Supervisory Committee and 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 2021 (Ended March 31, 2022)

(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)	247	—
3		of which: cash-based	247	—
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)	82	—
11		of which: cash-based	82	—
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	95	—
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)		425	—

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 2020) paid during fiscal 2021 and Reserve for Directors' Retirement Benefits posted for fiscal 2021.

## 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.

## REM2: Special payments

## Fiscal 2021 (Ended March 31, 2022)

(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	
Senior management	—	—	—	—	—	—	—	—	—	—	—	—
Other material risk takers	—	—	—	—	—	—	—	—	—	—	—	—

## 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	
Senior management	—	—	—	—	—	—	—	—	—	—	—	—
Other material risk takers	—	—	—	—	—	—	—	—	—	—	—	—

### REM3: Deferred remuneration Fiscal 2021 (Ended March 31, 2022)

(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 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		—	—	—	—	—

# Status of Capital and Shareholders

## Members and Share Ownership (As of March 31, 2022)

### (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	702 (135)	8,561,713,020 ( 7,526,360,000)
Federations of Agricultural Cooperatives	98 ( 32)	30,333,813,090 (27,571,600,000)
Forest Owners' Cooperatives	602 ( 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	910 ( 6)	159,580,751 ( 99,380,000)
Fishery Production Cooperatives	18 ( 0)	24,140 ( 0)
Federations of Fishery Cooperatives	66 ( 13)	1,021,459,489 ( 697,470,000)
Marine Products Processing Cooperatives	34 ( 0)	544,400 ( 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	44 ( 0)	1,338,100 ( 0)
Federations of Agricultural Mutual Relief Insurance Associations	3 ( 0)	21,000 ( 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	732 ( 0)	2,870,640 ( 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	3,317 (186)	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 basically 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.

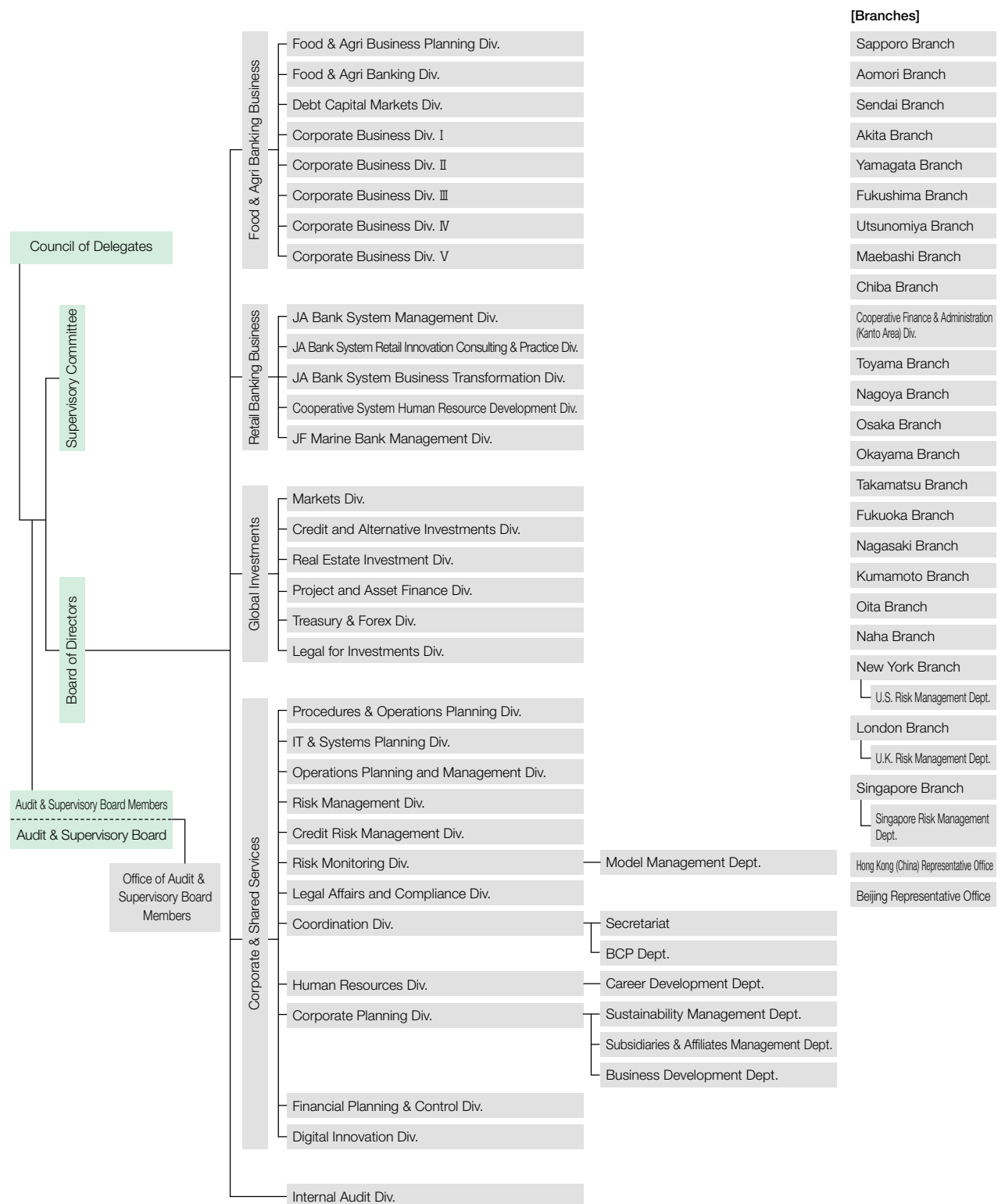
## Trends in the Bank's Capital

(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, 2022)



# Management (As of July 1, 2022)

## Supervisory Committee

<b>NAKAYA Toru</b>	<b>SAKURAI Hiroshi</b>	<b>BANDO Mariko</b>
<b>OKAWA Ryoichi</b>	<b>KURIHARA Shunrou</b>	<b>TANABE Masanori</b>
<b>ONIKI Haruto</b>	<b>FUKAYAMA Kazuhiko</b>	<b>KOBAYASHI Eizo</b>
<b>NAKAZAKI Kazuhisa</b>	<b>KUBOTA Tadashi</b>	<b>SATO Takafumi</b>
<b>ONODERA Keisaku</b>	<b>MAEKAWA Osamu</b>	<b>MINAGAWA Yoshitsugu</b>
<b>SAKAMOTO Tomio</b>		<b>OKU Kazuto</b>

## Directors and Officers

<b>OKU Kazuto</b> <i>Representative Director and President Chief Executive Officer</i>	<b>YUDA Hiroshi</b> <i>Director and Managing Executive Officer Member of the Board of Directors Chief Investment Officer</i>	<b>ITO Yoshihiro</b> <i>Director and Managing Executive Officer Member of the Board of Directors Chief Financial Officer/ Chief Corporate Transformation Officer</i>
<b>YAGI Masanobu</b> <i>Representative Director and Managing Executive Officer Member of the Board of Directors Chief Operating Officer</i>	<b>NAGANO Masaki</b> <i>Managing Executive Officer Treasurer Global Head of ALM and Investor Relations</i>	<b>YOSHIDA Hikaru</b> <i>Director and Managing Executive Officer Member of the Board of Directors Chief Information Officer</i>
<b>IWASO Satoshi</b> <i>Managing Executive Officer Co-Head of Food, Agribusiness and Corporate Banking</i>	<b>AKIYOSHI Ryo</b> <i>Director and Managing Executive Officer Member of the Board of Directors Co-Head of JA and JF Business Support</i>	<b>FUKUDA Hiroaki</b> <i>Director and Managing Executive Officer Member of the Board of Directors Chief Risk Officer/ Chief Compliance Officer</i>
<b>UMEDA Yasuhiro</b> <i>Managing Executive Officer Co-Head of Food, Agribusiness and Corporate Banking</i>	<b>KAWAMOTO Shin</b> <i>Managing Executive Officer Co-Head of JA and JF Business Support</i>	<b>UTSUMI Tomoe</b> <i>Managing Executive Officer Head of Operations Chief Diversity Officer</i>
<b>IMAI Masato</b> <i>Managing Executive Officer (Based in London, UK) Head of Global Banking, Head of EMEA Co-Chief Sustainability Officer</i>	<b>KAWATA Junji</b> <i>Managing Executive Officer Co-Head of JA and JF Business Support Head of Agriculture &amp; Fisheries Banking and Regional Revitalization</i>	<b>KITABAYASHI Taro</b> <i>Managing Executive Officer Chief Human Resource Officer Chief Administrative Officer/ Chief Strategy Officer Co-Chief Sustainability Officer</i>

## Audit & Supervisory Board

<b>MIYACHI Shigeo</b>	<b>MUROI Masahiro</b>	<b>SAKAI Hiroyuki</b>
<b>ITO Akiko</b>	<b>OGATA Masaki</b>	

# History

## Milestones in the Bank's 99-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, JAZen-Noh, ITOCHU and FamilyMart (March)
- Started to strengthen the asset management business conducted by Norinchukin Zenkyoren Asset Management Co., Ltd. (March)
- 2021** • Norinchukin Capital Co., Ltd. is established (August)
- The U.S. dollar denominated Norinchukin Bank Debentures (Green bonds) are issued (September)
- 2022** • The head office has been relocated from DN Tower 21 (Yurakucho) to Otemachi One Tower (Otemachi) (from January)

## List of Group Companies

(As of March 31, 2022)

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, Kandanshikichou 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	A\$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.	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8155, 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) <sup>Note</sup>
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 & Investment Advisory Services	October 2, 2014	444 92.50 (27.75) <sup>Note</sup>
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 101-0021, 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	1,466 66.66
Norinchukin Capital Co., Ltd.	3-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan	Private Equity Investments & Fund Management	August 10, 2021	100 100.00
Nochu-JAML Investment Advisors Co., Ltd.	9-2, Kandaogawamachi 3-chome, Chiyoda-ku, Tokyo 101-0052, Japan	Real Estate Asset Management	September 15, 2021	100 70.00
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.	4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-6390, 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.	70 East 55th Street, 22nd Floor, New York, NY 10022, 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	5,070 25.89

Notes: 1. The percentage of share units indirectly owned by The Norinchukin Bank.

2. Norinchukin Facilities Co., Ltd. changed its location to 2-24, Toyosu 3-chome, Koto-ku, Tokyo, Japan, on May 23, 2022.

3. Norinchukin Business Assist Co., Ltd. changed its location to 3-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan, on May 30, 2022.

4. Norinchukin Academy Co., Ltd. changed its location to 27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo, Japan, on April 18, 2022.

5. Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries completed liquidation on March 30, 2022.

# Global Network (As of April 1, 2022)

## 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

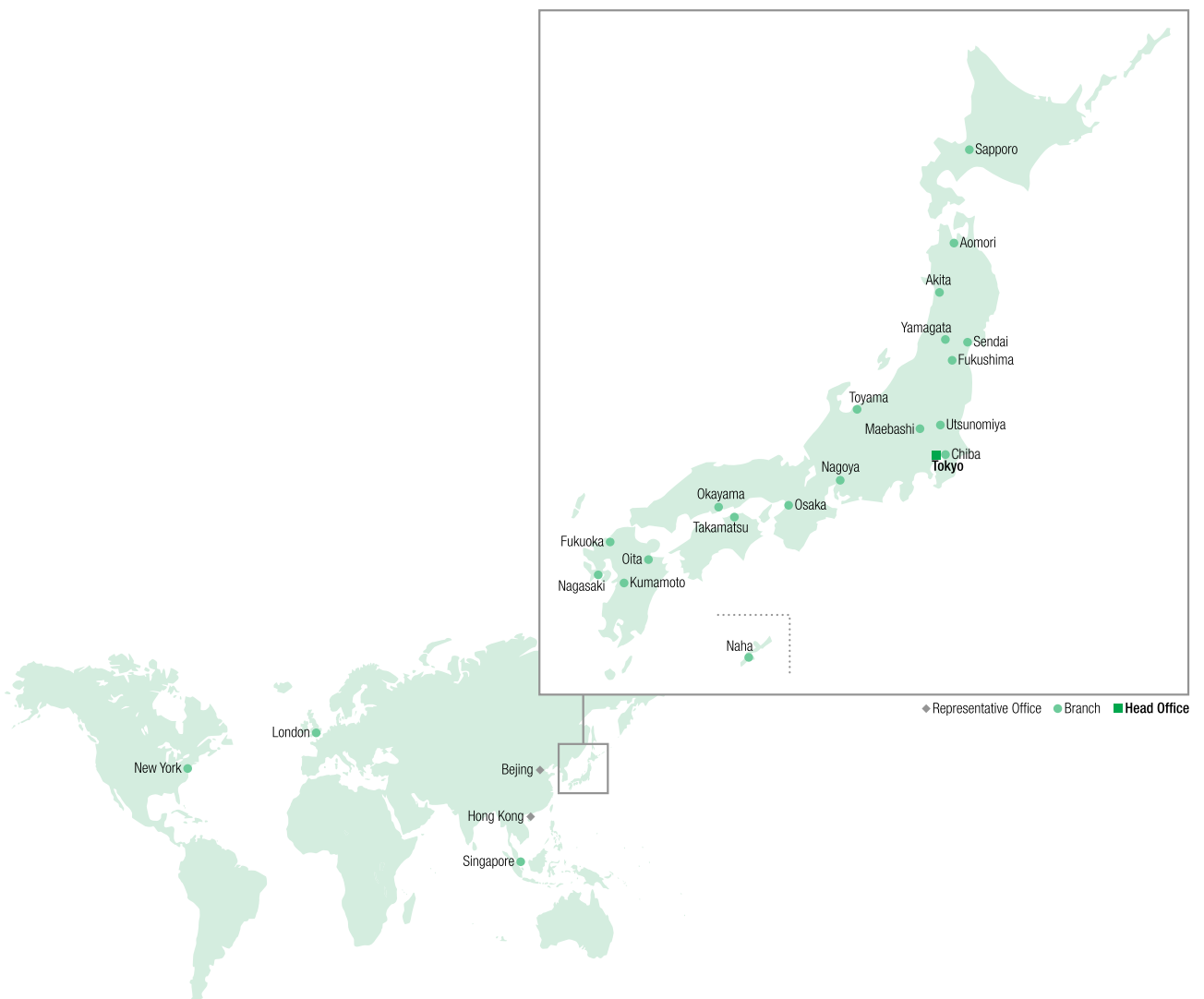
## Overseas Representative Offices

### Hong Kong (China) Representative Office

34th Floor, Edinburgh Tower,  
The Landmark, 15 Queen's Road,  
Central, Hong Kong, 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

<b>Name</b>	■ The Norinchukin Bank
<b>Legal basis</b>	■ The Norinchukin Bank Act (Act No. 93 of 2001)
<b>Date of establishment</b>	■ December 20, 1923
<b>Chairman of the Supervisory Committee</b>	■ NAKAYA Toru
<b>President and Chief Executive Officer</b>	■ OKU Kazuto
<b>Paid-in capital</b>	■ ¥4,040.1 billion (US\$33.0 billion) (As of March 31, 2022) <small>*All capital is from private parties (members and investors in preferred securities).</small>
<b>Total assets (On a consolidated basis)</b>	■ ¥106,138.3 billion (US\$867.2 billion) (As of March 31, 2022)
<b>Capital ratio (On a consolidated basis, Basel III standard)</b>	■ Common Equity Tier 1 Capital Ratio 17.87% (As of March 31, 2022) ■ Tier 1 Capital Ratio 21.22% (As of March 31, 2022) ■ Total Capital Ratio 21.23% (As of March 31, 2022)
<b>Members</b>	■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry coopera- tive organizations that have invested in the Bank (Number of shareholders: 3,317) (As of March 31, 2022)
<b>Number of employees</b>	■ 3,462 (As of March 31, 2022)
<b>Business locations</b>	(In Japan) ■ Head office: 1 ■ Branch: 19 ■ Branch annex: 1 (Overseas) ■ Branch: 3 ■ Representative office: 2 (As of March 31, 2022)

**Ratings** (As of March 31, 2022)

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:

2-1, Otemachi 1-chome, Chiyoda-ku,  
Tokyo 100-8155 Japan

URL: <https://www.nochubank.or.jp/en/>

SWIFT: NOCUJPJT



NORINCHUKIN

農林中央金庫