The Norinchukin Bank

INTERIM REPORT 2008

For the Six Months ended September 30, 2008

Profile

The Norinchukin Bank (the "Bank") was established in 1923 as a quasi-governmental financial institution. Privatized in 1959, the Bank is one of Japan's largest and most distinguished financial institutions.

The Bank is the central bank for Japan's agricultural, forestry and fishery cooperative systems. Based on constant funds procurement from member cooperatives, the Bank carries out efficient and flexible asset management by investing in various financial products. This is carried out on a global scale. The profits from these activities are then continuously passed on to its members.

The Bank has branches in the world's major financial centers, including New York, London and Singapore. Coupled with its head office in Tokyo, this network enables 24-hour coverage of the global financial markets.

Corporate Outline

Name ■ The Norinchukin Bank

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

Date of Establishment ■ December 20, 1923

President and Chief Executive Officer
■ Hirofumi Ueno

Paid-in Capital ■ ¥2,016 billion
(As of September 30, 2008)
*All capital is from private parties (members and investors in preferred securities). The Bank receives no public funding and has never accepted the injection of public funds.

Total Assets (On a Consolidated Basis)
■ ¥58,103 billion
(As of September 30, 2008)

Capital Adequacy Ratio (On a Consolidated Basis)
■ 11.29% (As of September 30, 2008)
(Basel II standard)

Members: ■ Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives, and related associations, as well as organizations that have invested in the Bank, including other Agricultural, Forestry, and Fishery Cooperatives
(Number of shareholders: 4,142)
(As of September 30, 2008)

Number of Employees ■ 3,045 (As of September 30, 2008)

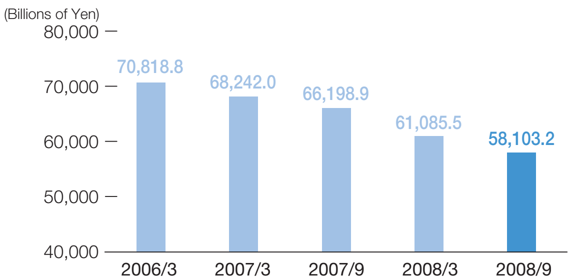
Ratings

Ratings Agency	Long-term Debt	Short-term Debt
Standard & Poor's	A+	A-1
Moody's Investors Service	Aa2	P-1

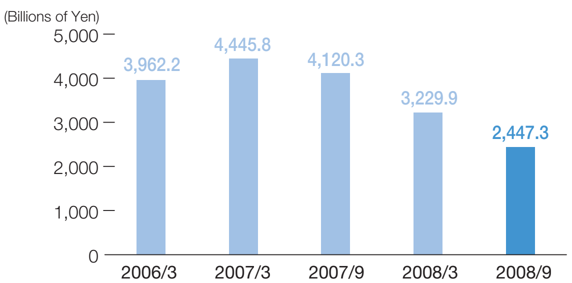
(As of September 30, 2008)

Financial Highlights (Consolidated)

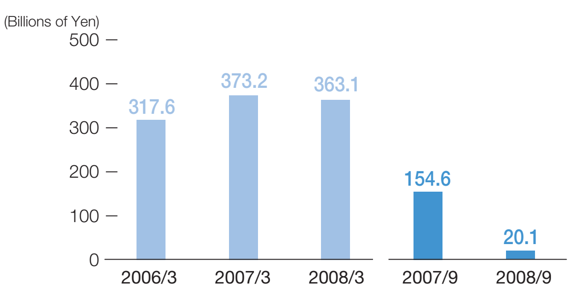
• Total Assets



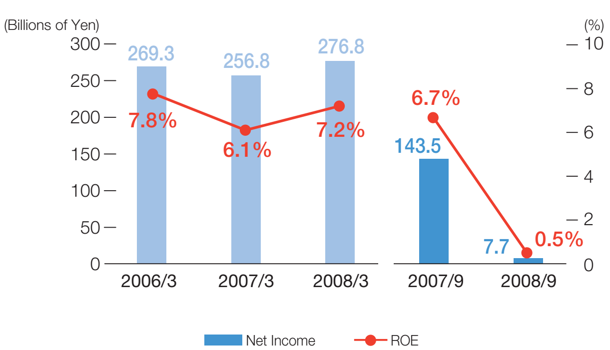
• Net Assets



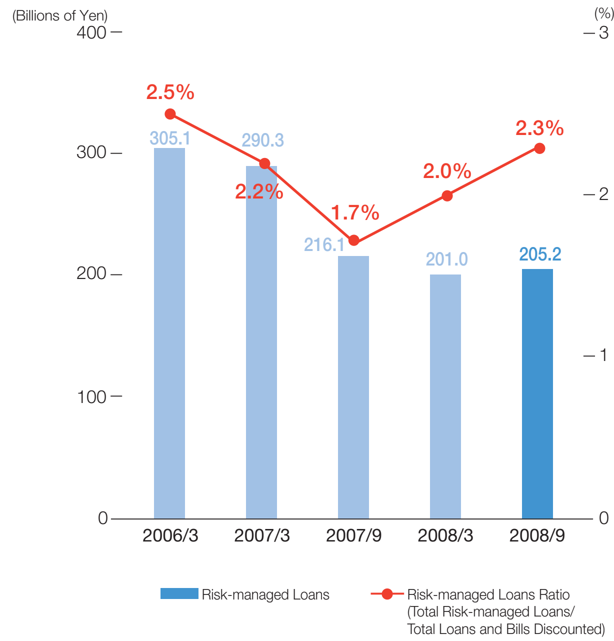
• Ordinary Profit



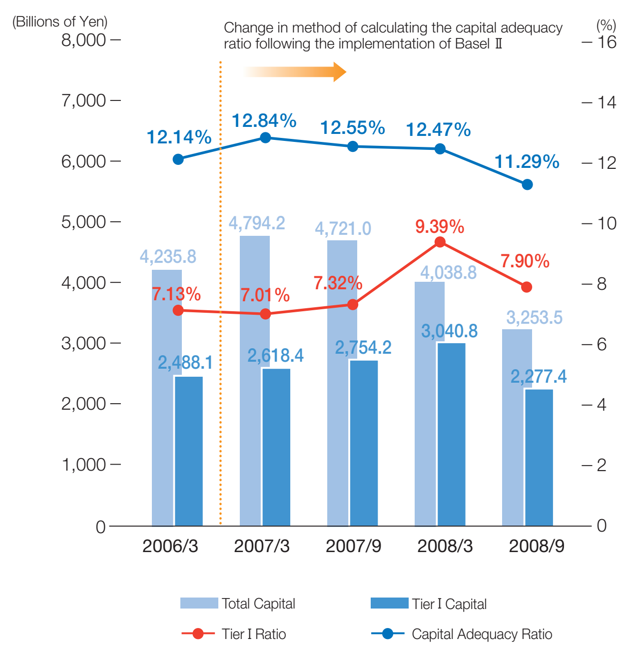
• ROE and Net Income



• Risk-managed Loans



• Capital Adequacy Ratio



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Report on interim accounts settlement for the first half of fiscal 2008

During the first half of fiscal 2008, management in Japan's agricultural, forestry and fishery industries was broadly affected by the high price of raw materials, including cereals for animal feed. Moreover, financial markets, which had already been shaken by the U.S. subprime loan crisis, gave way to a sudden credit crunch and have reached the point where there is fear of dysfunction on a global scale, after the failure of a major U.S. investment bank. In response to these conditions, needless to say, each enterprise has taken steps to help itself. Particularly in response to the global financial crisis, actions are being taken, such as precautionary capital injections to financial institutions and the supply of liquidity by central banks as a coordinated international policy, led by the G7. Despite all of these measures, the uncertainty regarding the deterioration in the global economy, especially with regard to future business conditions for financial institutions, is expected to continue for now.

Taking into account the business environment described above, we at the Norinchukin Bank ("the Bank") have pursued a conservative style of portfolio management, based on comprehensive and rigorous risk control. However, our ordinary profit fell 86.9% from the same period in the previous term to ¥20.1 billion (on a consolidated basis) in the first half. This was mainly because increasing losses on securities holdings, which were caused by the collapse in global financial markets, exceeded our expectations.

Our capital adequacy ratio and our Tier I ratio, which indicate the Bank's financial condition, as of September 30, 2008, on a consolidated basis, stood at 11.29% and 7.90%, respectively. As a result, we have been able to maintain our financial health even amid this unprecedented crisis.

Yet, since the end of September 2008 the financial crisis has been worsening at a greater scale and pace than we expected. Hence, in order to ensure a strong capital base, we made a determination to raise ¥1,905.6 billion, at most, in capital from our members by the end of March, 2009. This will enable us to preserve our financial health even as the financial markets deteriorate further in the future.

Given the harsh business environment discussed above, all directors and employees of the Bank, the JA Bank and the JF Marine Bank are working, and will continue to work, with each other to resolutely address every issue we face. Through both the sound execution of these efforts and demonstration of the results we have achieved, we intend to work harder than ever to earn both a high reputation and credibility from the Bank's members, clients and investors.

We look forward to receiving your continued support and encouragement in our endeavors.

February 2009

Hirofumi Ueno
President and Chief Executive Officer

Recent Trends in Japan's Agriculture, Forestry and Fisheries

Agricultural Situation

As a result of the rise in the prices of fuel, animal feed, and fertilizers since the spring of 2008, Japanese agricultural enterprises are facing great difficulties. While prices of certain fuels and animal feed categories are now falling back toward more normal levels, a decline in consumption is expected, as a result of the global economic downturn, and the business outlook in the agricultural sector is likely to remain harsh for some time to come.

In response to these situations, the Japanese government has recently adopted emergency measures in its supplementary budget for fiscal 2008. The JA Group has also drawn up emergency support initiatives, including programs that address the particular needs of farmers in each region.

On the international stage, as part of agricultural negotiations under the World Trade Organization (WTO) aimed at hammering out new rules on trade liberalization, a round of talks was commenced in the summer of 2008 with the goal of establishing modalities — standards for the reduction of protectionist measures such as customs tariffs — within the year. These negotiations are still ongoing, and we, as a member of the JA Group, will be observing their outcome in the near future with great interest.

As for discussions on the elimination of tariffs and other bilateral and regional measures under the Economic Partnership Agreement (EPA) and the Free Trade Agreement (FTA), the Japanese government has concluded EPAs with eight countries and one regional area. The future development of Japan's agricultural sector will depend heavily on the results of such negotiations, particularly those with Australia. Therefore, close monitoring will be required.

Japan's Forestry Resources

The Japanese forestry industry continues to endure a long-term trend toward lower prices for its lumber products. As a result, Japan's small logging operators are finding it very difficult to run their businesses at a profit. However, signs of recovery by Japan's forestry industry are already appearing, as the country now has enormous timber resources, and overseas supplies of timber are struggling to keep up with demand. In addition, several measures have been taken not only in relation to the environment by aiming to enhance the role of forests as carbon sinks but also in relation to forestry development, by encouraging logging operators to consolidate into units that provide advantages for their clients and that are able to offer a stable supply of domestic timber.

The State of the Fisheries Industry

From its peak of around 12.82 million tons in 1984, the amount of marine products caught and processed by Japan's fisheries industry has declined to roughly 5.70 million tons in 2007. In fact, the nation's self-sufficiency rate for marine food products has been in decline for an even longer period, having fallen from 113% in 1964 to approximately 62% in 2007. In the background of these developments lies an ongoing depletion of fishery resources in the seas surrounding Japan, combined with other obstacles to maintaining the level of seafood catches, including the rising cost of marine engine fuel, the declining number of people choosing to pursue the fisherman's trade, and the continued aging of many of the country's fishing vessels, owing to a lack of funds for renewal.

Against the backdrop of these long-term trends, particularly the price of oil, A fuel oil, which is limited in its usage to the agriculture or fishery industries, surged by nearly 40% in the first six months of 2008. In response to this, the Fisheries Agency has established a new measure for granting subsidies to cover the price hike margin on fuel, and plans to continue to implement the this measure in fiscal 2009.

Principal Developments in the First Half of the Fiscal Year

As a national level financial institution for Agricultural, Forestry and Fisheries cooperatives in Japan, the Bank provides active support from multiple perspectives for the cooperative banking business conducted by Japan Agricultural Cooperatives (JA) and Japan Fishery Cooperatives (JF). We also work closely with Japan Forestry Cooperatives on initiatives aimed at developing the nation's forestry industry and supporting reforestation programs.

As one of Japan's leading institutional investors, the Norinchukin Bank constantly strives to ensure improvement in stability of earnings, financial health, management probity and rigorous internal control.

Initiatives to Strengthen the Financial Services Provided by the JA Bank

Based on the JA Bank Medium-Term Management Strategy for the three-year period from fiscal 2007 through fiscal 2009, covering comprehensive strategies for both management and operational issues, at the Bank we are working to expand our customer base, provide more finely-tailored financial services, and realize the unified operation of JA, Prefectural Banking Federations of Agricultural Cooperatives (Shinnoren), and the Bank itself.

Under the JA Bank Medium-Term Management Strategy, we will be taking steps to raise the efficiency of management and operational methods. We will also aim to provide services that meet the needs of clients and JA members, including financial services for core farmers, services for pension recipients and services related to wills and inheritance. In the retail banking field, a tie-up with Mitsubishi UFJ Financial Group, Inc. (MUFG) has allowed the JA Bank Group to offer IC-embedded ATM cards and credit cards (The JA Card) with more attractive features.

Initiatives in Financial Services for Core Farmers

Within Japan's agricultural industry and the government's agricultural policy, it is becoming increasingly important to develop core farmers. Acting as the main bank for core farmers, the JA Bank is actively involved in initiatives to revitalize farming in every region of the country. As of the end of September 2008, the number of JA Bank Finance Leaders, who coordinate funding and other services for Core Farmers, had risen to approximately 1,700.

The Agri-Super Fund, which is offered to core farmers adopting a policy of stabilizing their farming income, and the JA Agricultural Equipment and Greenhouse Loans, which finance the purchase of farming equipment and facilities, were launched in January 2007. Since then, demand for these financial products has been brisk across the country. As a follow-up product, we introduced a new financial service in April 2008, known as the "Core Farmers Support Loan," which targets core farmers who use the JA Bank for conducting their household finances, such as tax payments. (The details of this service may differ from one prefecture to another, as well as among individual JA.)

We are also promoting the direct supply of funds to farmers through our Agribusiness Loan, which we began offering in April 2005 to agricultural companies, as well as funds secured using livestock as collateral, which we commenced in November 2006 through a collaboration among the Bank, the National Federation of Agricultural Cooperative Associations, and Kyoei Fire & Marine Insurance Co., Ltd. These loans, targeted at livestock breeders, utilize the trust method, in which the livestock (such as cattle and pigs) comprise the collateral.

In addition, we contribute to maintain the financial stability of agricultural business operators through investments made by the Agribusiness Investment & Consultation Co., Ltd., an affiliate of the Bank.

The JA Bank Agri-Support Business

In fiscal 2007, to provide even more effective financial support for the nation's farmers and farming communities and thus fulfill our social responsibilities, the JA Bank began the JA Bank Agri-Support Business. At present, the Bank plans to contribute roughly ¥10 billion to the JA Bank Agri-Eco Support Fund, the body directly responsible for administering the JA Bank Agri-Support business, by the end of fiscal 2009. The Agri-Support Business pursues four programs, detailed below, to achieve the following three goals: (1) providing support for core farmers; (2) offering assistance in activities that contribute to agriculture and to regional communities; (3) promoting activities to improve the understanding of and increase interest in agriculture.

The first of the above-mentioned four programs involves granting subsidies to farmers for the payment of interest on agriculture related loans provided by JA. This program started in fiscal 2007, and in the first offering in June 2008, we received over 13,000 applications under which we paid out ¥133 million in interest payment subsidies.

The second program involves the food and regional culture information distribution business. We held events under this program in July 2008 in Tottori Prefecture and in September of the same year in Kagoshima Prefecture. These events featured locally-grown agricultural produce and examples of local culture, and both were well-attended.

Under the third program, launched in fiscal 2008, we produce educational materials and deliver them to elementary schools all over Japan. These educational materials teach children about such themes as the relationships between farming and food, farming and the natural environment, and farming and the financial sector. In addition, financial support is provided to JA and other farming organizations around Japan which are engaged in teaching people about the role of the farming industry. These measures being undertaken by the JA Bank have been publicized in a program broadcast by one of the private TV networks since October 2008.

The fourth program involves investment initiatives, such as the Agri-Eco Support Investment Fund. This fund was established in August 2008 to target agricultural or environmental projects so as to simultaneously contribute to the rejuvenation of farming communities and help preserve the environment. Under this scheme, investments are made to bolster the capital base of companies engaged in such projects, and management advice is also provided.

Fees Abolished for Use of ATMs Operated by the JA Bank, and No-Fee ATM Tie-Up Agreement Signed with the Bank of Tokyo-Mitsubishi UFJ

Since July 22, 2008 JA Bank cash card holders have been able to withdraw and deposit cash at ATMs without paying a fee, regardless of when the transaction takes place.

In addition, since October 20, 2008, under an agreement signed between the JA Bank and the Bank of Tokyo-Mitsubishi UFJ, Ltd., cash card holders of both banks have been able to withdraw cash from ATMs operated by the other institution, free of charge. This service is available during the daytime on weekdays only. This agreement will increase the number of ATMs at which JA Bank cash cards can be used with free-of-charge withdrawals during the daytime on weekdays from the approximately 12,000 ATMs operated by the JA Bank to around 34,000, which includes approximately 9,000 ATMs operated by the Bank of Tokyo-Mitsubishi UFJ, Ltd. and about 13,000 operated by Seven Bank, Ltd.

Measures to Secure Public Trust in the JA Bank

Since the lifting of unconditional guarantees on bank deposits, the JA Bank — in accordance with the basic policies concluded with the unanimous consent of its members — has been monitoring each JA's credit status to maintain a constant and firm grasp of the state of its financial position, with the goal of maintaining both good financial health and the public's trust. In line with these efforts, we have been giving advice on management improvement to each JA whose financial position has not been in line with the standards set forth.

We have also been providing each JA with advice regarding the design and operation of an efficient cooperative banking business, the promotion of nonperforming loan disposal, methods of minimizing market risk with regard to securities holdings, and compliance with the Basel II standards.

Management Integration at the JA Bank

In June 1998, the Bank drew up its basic policy on mergers within the JA Bank, based on separate talks held with the Prefectural Banking Federations (Shinnoren) of individual prefectures interested in merging with the Bank. As of October 31, 2008, eight Shinnoren were fully integrated into the Bank — Miyagi, Akita, Yamagata, Fukushima, Tochigi, Toyama, Okayama, and Nagasaki Shinnoren. Thus, in these prefectures, the overall system is being simplified from a three-tiered structure to a two-tiered structure — the Bank and individual JA.

In addition, Kumamoto Shinnoren completed the full integration of its operations in January 2009.

With regard to the organizational streamlining of the cooperative banking business, we are carefully taking into account the unique situations of each prefecture, so as to achieve greater efficiency. Going forward, we will be devoting our full efforts to creating a JA Bank that enjoys the trust and fulfills the expectations of its clients and members. We intend to work steadily to enhance support for JA and improve the efficiency of our operations.

Upgrading the JASTEM System

Migration to JASTEM, the core computer system employed at the JA Bank, was completed in all 47 of Japan's prefectures in May 2006. As a result, the JASTEM system has enabled the creation of the infrastructure for the provision of uniform services nationwide. We are working to ensure that the JASTEM system operates with greater stability.

In addition, the hardware of the current JASTEM system will be upgraded in the near future. The next-generation version of JASTEM is now under development with the aim of achieving an advanced level of security and improved customer convenience.

Development of the new system is proceeding as scheduled, and we are conducting comprehensive tests to confirm the proper functioning of the system.

The next-generation JASTEM system is scheduled to roll out in four phases (January and May of 2010, and January and May of 2011), organized by region, and we are aiming to implement a safe and seamless transition.

Reforms within the Fishery Cooperatives (JF) Group

The JF Group has been making a concerted effort, particularly in the three-year period between fiscal 2007 and fiscal 2009, to implement reforms with the aim of achieving a reorganization of the operations, structure and management methods. The Fisheries Agency launched a new project for covering losses posted by JF.

In addition to the previous fiscal year's contribution to the JF Marine Bank Support Association, the JF Marine Bank, in the current fiscal year, aims to offer a financial support for individual JF, which seeks proper monitoring of its risk management in accordance with the JF Marine Bank Basic Policy revision. The aim of this is to reduce the bad loans and reform the business models of individual JF. We also are making progress towards expanding and strengthening the JF Marine Bank Safety Net by focusing on the supervision of underperforming JF. These efforts are being conducted in collaboration with the regulatory authorities and the National Federation of Fishery Cooperative Associations (Zengyoren) to complete the restructuring of JF Group.

Regarding Mitsubishi UFJ NICOS as an Equity Affiliate

The Bank maintains a strategic business and capital alliance in the retail business with Mitsubishi UFJ NICOS Co., Ltd. (hereinafter "NICOS") and Mitsubishi UFJ Financial Group, Inc. We acquired a approximately 15% equity stake in NICOS in August 2008, thereby making it an equity affiliate of the Bank. Through strengthening its collaboration with NICOS, the Bank aims to further develop and grow the credit card business at the JA Bank. Through these efforts, the Bank intends to expand its lineup of credit card services and further enhance customer convenience.

Rationalizing Our Branch Network

To operate the Bank's network of branches in Japan both more effectively and more efficiently, we are following a policy of dividing the country into regional blocs and concentrating lending activities for each bloc into a small number of loan centers. The policy also involves a reduction in the total number of our branches, with many offices being closed down and those operational areas taken over by other branches located nearby.

In July 2008, our Mito Branch was closed and its operations were transferred to our Otemachi office located in Tokyo. Our Wakayama Office was closed, with operations taken over by our Osaka Branch. Our Okayama Branch has taken over the operations of the Hiroshima Branch and the Yamaguchi Branch.

In May 2009, the Otemachi office will be closed, with the operations taken over by our headquarters. In July 2009, our Niigata Branch will be closed (operations to be taken over by our Toyama Branch); the Tokushima Office, Matsuyama Branch and the Kochi Branch will be closed, and those operations will be taken over by our Takamatsu Branch.

The Establishment of an Endowed University Lecture Course

The Bank undertakes CSR activities to fulfill its social responsibilities and ensure the continuing trust of its various stakeholders, including shareholders of the Bank. We implement CSR activities in order to: 1) make a contribution to the Bank's shareholders and members, 2) make a contribution to the promotion of the agricultural, forestry and fisheries industries, and 3) make a contribution to society.

From the perspective of a financial institution whose foundation is the cooperatives for members and clients engaging in the agricultural, forestry and fishery industries, and at the same time, which plays the role of a major institutional investor, we began providing funding for lecture courses at four universities in fiscal 2008 as part of our CSR activities: Waseda University (a course which was conducted jointly with Beijing University), The University of Tokyo, Keio University and The Tokyo University of Science. This funding is aimed at promoting education and research activity, primarily with regard to industry, finance and investment as well as supporting the development of people who will take on work in these fields in the future.

Report on Progress Made in Strengthening of the Bank's Compliance System

The Norinchukin Bank positions the rigorous practice of compliance in its day-to-day operations as one of its top-priority management issues, and to this end, we are working to further strengthen our compliance system and enhance its effectiveness.

Amid changes in laws and regulations, as well as growing demand from society at large for more effective protection of customers, the Bank is actively implementing a policy of strengthening management to enhance customer protection.

We will continue to respond to changes in social requirements and the business environment in such a way as to maintain the trust of our customers and shareholders. To do this, we will ensure that all members of the Bank's management and staff practice thorough legal compliance, based uncompromisingly on the practice of self-responsibility. We will practice a transparent management style in which great importance is placed on disclosure of corporate information and on management accountability. To make this possible, an unwavering commitment to compliance is of paramount importance.

Developments Concerning Organizations Involved with Forestry Cooperatives

The forestry cooperatives have been developing a campaign which comprises three key management reform initiatives focused on the revitalization of forest lands, the forestry industry, and rural mountain villages in order to support the environment and livelihood of the Japanese people. The three key initiatives are: 1) a project for the joint administration of forest lands through the grouping of forest areas, with the goal of lowering operating costs; 2) a project for a stable supply of domestic lumber, which aims to ensure a steady supply of high-quality lumber; and 3) a project for management reform, which has as its objective the nurturing of reliable forestry cooperative organization which will carry out the duties entrusted by their members and customers.

From fiscal 2007, the Forestry Agency clearly positioned the first two initiatives as government policies, and in fiscal 2008, the Agency introduced a training session for managers of forestry cooperatives, to train them in advanced forestry management.

The Bank is stepping-up its efforts to support forestry cooperatives so that they can reinforce their business base by themselves. We further increased our support for these various initiatives by hosting a seminar for the top management of forestry cooperatives in July 2008. In the seminar, guest lecturers included Germany's former forestry administrator and the top management of Japan's listed companies, who reported on overseas forestry and lumber operations and gave management advice.

Achievements of the Forest Rejuvenation Fund

To provide support for activities directed at revitalizing private forest lands threatened with deterioration and to help forests fulfill their roles that would be beneficial to the public interest, the Bank established its Norinchukin 80th Anniversary Forest Rejuvenation Fund (Public Trust) in March 2005. Over the last three years, the fund has lended a total of approximately ¥300 million to thirteen organizations.

The Fund's activities are not limited to providing financing; it also publicizes on a nationwide scale the achievements of forest rejuvenation projects that have been selected for financial assistance, and promotes them as models to be followed. After the initial clearing and reforestation stage, the Fund sends specialists in woodland ecology and forestry management, and provides continuous support until the completion of each project.

For a fourth time, we accepted applications for grants for forestry activities. This fiscal year, we received 21 applications between May 19 and July 18. We are currently examining the applications to determine on the next recipients, to be announced in the spring of 2009. The Bank intends to effectively use the Fund to contribute to the rejuvenation of forests owned by private companies and individuals.

Flow of Funds in JA and JF Cooperative Banking Business

Flow of Funds in JA Cooperative Banking Business

The aggregate balance of deposits with JA increased during the first half of fiscal 2008, reaching ¥82,806.3 billion as of the end of September 2008, up 1.9% over the end of the previous first-half period. This is largely attributable to a steady increase in deposits by individual customers as a result of the JA Bank responding to their financial needs.

The aggregate balance of total JA loans, as of the end of September 2008, stood at ¥21,972.2 billion, for a year-on-year increase of 2.2%. Home mortgage consultation sessions and sales campaigns focusing on home mortgages played an important role in increasing loans to individual customers.

The aggregate balance of securities, as of the end of September 2008, stood at ¥4,715.4 billion, representing a year-on-year increase of 4.5%.

The aggregate balance of deposits with Shinnoren rose in connection with the increase seen in JA deposits, reaching ¥51,579.7 billion as of the end of September 2008, for a year-on-year increase of 1.1%.

Shinnoren loans at the end of September 2008 stood at ¥5,302.0 billion, up by 1.9% over the end of the previous first-half period, largely as a result of an increase in loans to corporate clients.

The securities holdings of Shinnoren (including money held in trust) at the end of September 2008 amounted to ¥17,105.0 billion, up 0.8% year-on-year.

• Trends of Balances of Deposits and Loans

(Billions of yen)

	As of March 31, 2007	As of September 30, 2007	As of March 31, 2008	As of September 30, 2008
JA Deposits	¥80,189.0	¥81,232.3	¥82,075.6	**¥82,806.3**
JA Loans	21,216.5	21,497.1	21,598.3	**21,972.2**
Shinnoren Deposits	50,038.8	51,010.8	51,534.7	**51,579.7**
Shinnoren Loans	5,152.9	5,200.7	5,246.7	**5,302.0**

Flow of Funds in JF Cooperative Banking Business

The aggregate balance of JF deposits stood at ¥2,227.5 billion at the end of September 2008, representing a year-on-year decline of 0.4%. This is mainly attributable to poor fish catches as well as a decrease in deposits by local government bodies, etc.

Owing to the severity of the fishery industry's operating environment and the weak investment demand in this industry, JF loans, as of the end of September 2008, amounted to ¥722.3 billion, down 6.1% year-on-year.

The above-quoted figures for deposits and loans comprise the aggregate balances held nationwide at the JF level and at the prefectural banking federation of fishery cooperatives (Shingyoren) level. (These figures exclude funds deposited with Shingyoren by JF, as well as loans made to JF by Shingyoren.)

Financial Review

■ Financial Results for the First Half of Fiscal 2008 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of September 30, 2008 include the results of 8 consolidated subsidiaries (down 1 company from previous year-end) and 4 affiliates (up 1 company and down 2 companies from previous year-end) accounted for by the equity method.

The following is a summary of Financial Results for the First Half of Fiscal 2008.

Balance of Assets and Liabilities

Consolidated Total Assets at the end of the period were ¥58,103.2 billion, down ¥2,982.2 billion from the previous fiscal year-end.

On the procurement side, Deposits amounted to ¥38,302.5 billion and Debentures was ¥5,030.7 billion. On the asset side, Loans and Bills Discounted was ¥8,818.6 billion and the Securities was ¥32,938.7 billion.

Income

Mainly due to a loss of the Bank's holdings securities, consolidated Ordinary Profits were ¥20.1 billion, down ¥134.5 billion from the previous period and consolidated Net Income was ¥7.7 billion, down ¥135.8 billion from the previous period.

Capital Adequacy Ratio

Consolidated Capital Adequacy Ratio (Basel II standard) was 11.29% as of September 30, 2008.

Key Management Indicators (Consolidated)

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

	Fiscal 2005	Fiscal 2006	Fiscal 2007 (First Half)	Fiscal 2007	Fiscal 2008 (First Half)	Fiscal 2008 (First Half)
Total Income	¥ 1,811.2	¥ 2,639.9	¥ 1,384.8	¥ 2,703.8	**¥ 952.5**	**$ 9,199**
Total Expenses	1,445.0	2,250.8	1,165.7	2,278.5	**929.6**	**8,977**
Net Income	269.3	256.8	143.5	276.8	**7.7**	**75**
Total Net Assets (Note 2)	3,962.2	4,445.8	4,120.3	3,229.9	**2,447.3**	**23,635**
Total Assets	70,818.8	68,242.0	66,198.9	61,085.5	**58,103.2**	**561,113**
Capital Adequacy Ratio (%, BIS) (Note 3)	12.14	12.84	12.55	12.47	**11.29**	**11.29**

Notes: 1. U.S. dollars have been converted at the rate of ¥103.55 to U.S. $1, the effective rate of exchange at September 30, 2008.

2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes and Minority Interests in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) issued on April 28, 2006, which came into effect from the fiscal year ended March 31, 2007.

3. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio prior to the fiscal year ended March 31, 2007.

■ Financial Results for the First Half of Fiscal 2008 (Non-Consolidated)

Balance of Assets and Liabilities

Total Assets of the Bank at the end of the period were ¥58,114.2 billion, down ¥3,077.4 billion from the previous fiscal year-end.

On the procurement side, Deposits amounted to ¥38,311.8 billion and Debentures was ¥5,031.1 billion. On the asset side, Loans and Bills Discounted was ¥8,744.7 billion and the Securities was ¥32,960.2 billion.

Income

Amid the increasing turmoil in financial markets triggered by the subprime loan crisis in the US, the Bank has been managing its portfolio conservatively, using integrated risk management. Mainly due to a loss of the Bank's securities holdings which was caused by the exceptional price decline in markets that came under extreme stress, especially on securitized products, by the financial market disruption, the Bank's Ordinary Profits were ¥20.5 billion, down ¥130.0 billion from the previous period and Net Income was ¥10.4 billion, down ¥130.9 billion from the previous period.

The Bank's gross operating profits were ¥59.9 billion and net operating profits (before reversal of reserve for possible loan losses) were ¥4.0 billion.

Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio (Basel II standard) was 11.32% as of September 30, 2008.

Key Management Indicators (Non-Consolidated)

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

	Fiscal 2005	Fiscal 2006	Fiscal 2007 (First Half)	Fiscal 2007	Fiscal 2008 (First Half)	Fiscal 2008 (First Half)
Total Income	¥ 1,796.1	¥ 2,624.4	¥ 1,378.0	¥ 2,691.4	**¥ 947.4**	**$ 9,149**
Total Expenses	1,435.2	2,241.3	1,162.6	2,274.9	**921.8**	**8,902**
Net Income	267.6	253.8	141.4	272.0	**10.4**	**101**
Paid-in Capital	1,465.0	1,484.0	1,484.0	2,016.0	**2,016.0**	**19,469**
Total Net Assets (Note 2)	3,947.7	4,423.0	4,095.2	3,202.4	**2,422.3**	**23,393**
Total Assets	70,764.1	68,487.2	66,383.7	61,191.7	**58,114.2**	**561,219**
Deposits	40,483.4	41,253.6	40,646.2	38,813.3	**38,311.8**	**369,984**
Debentures	4,787.7	4,471.3	4,659.6	4,822.1	**5,031.1**	**48,587**
Loans and Bills Discounted	11,948.7	12,804.4	12,289.7	9,795.6	**8,744.7**	**84,450**
Securities	45,607.4	43,750.5	41,568.6	36,262.3	**32,960.2**	**318,303**
Capital Adequacy Ratio (%, BIS) (Note 3)	12.10	12.84	12.56	12.55	**11.32**	**11.32**

Notes: 1. U.S. dollars have been converted at the rate of ¥103.55 to U.S.$ 1, the effective rate of exchange at September 30, 2008.

2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) issued on April 28, 2006.

3. 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, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio prior to the fiscal year ended March 31, 2007.

Credit Costs in First Half of Fiscal 2008 (Non-Consolidated)

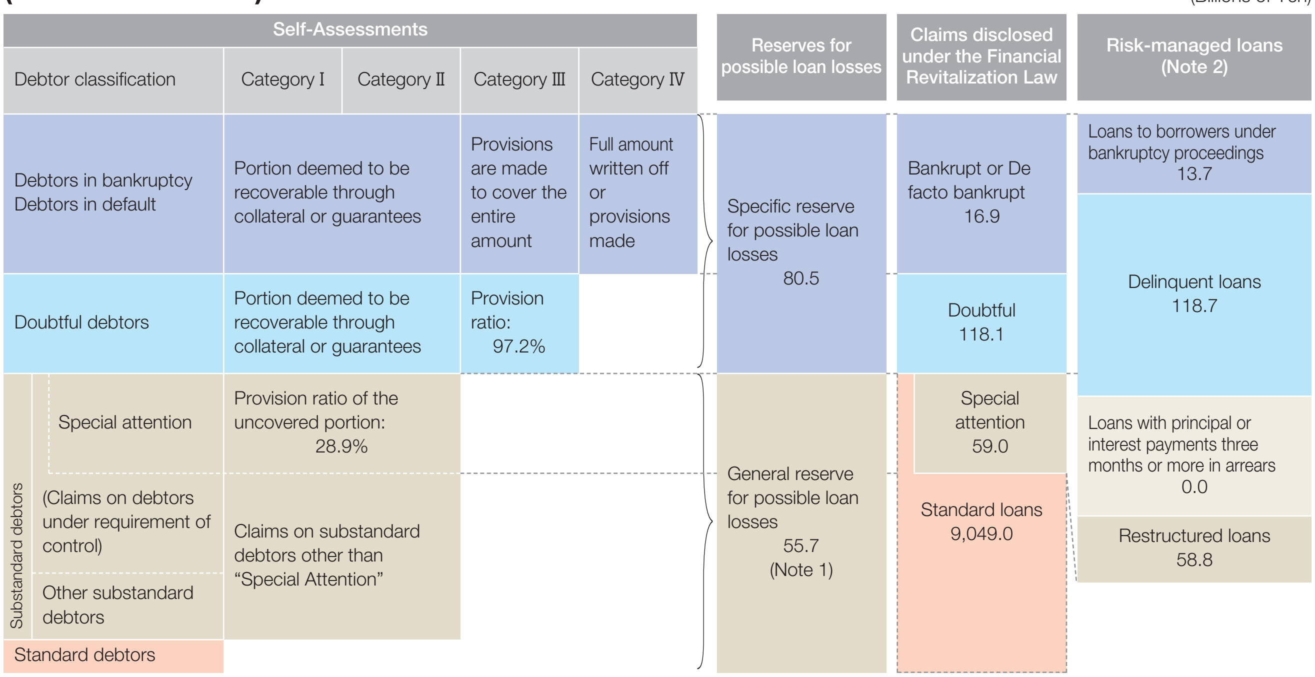
(Billions of Yen)

Loan write-offs	¥1.0
Provisions to general reserve for possible loan losses	5.3
Provisions to specific reserve for possible loan losses	0.0
Provisions to reserve for specified overseas debts	(0.0)
Other	––
Total credit costs	¥6.4

The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of September 30, 2008)

(Non-Consolidated)

(Billions of Yen)



Notes: 1. The expected default ratios for computing the provisions to the general reserve for possible loan losses are 0.20% for standard debtors, 4.69% for substandard debtors (excluding claims under requirement of control), and 11.02% for claims under requirement of control.

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

Impact of the Financial Crisis Triggered by the U.S. Subprime Loan Crisis

Extremely tight liquidity persists in U.S. and European financial markets, amid an unparalleled global economic crisis triggered by the U.S. subprime loan crisis. Prices of securitized products have plummeted to an all-time low in response to a sell-off by market players amid a growing reluctance among lenders to provide financing. The securitized products held by the Bank mainly consist of financial products with high credit ratings, such as securities collateralized by small loans to individuals with highly diversified loan portfolios and other securities collateralized by corporate loans. (The details of the Bank's exposure to securitized products appear below.)

The Bank will continue its efforts to further enhance its capital base. We are now in the process of conducting a review of current investment and risk management policies with the aim of investing more conservatively in the future.

Investment on Securitized Products (Non-Consolidated) (Note 1)

as of September 30, 2008

1. Exposures by product (Note 2)

(Billions of Yen)

	AAA	AA	A, BBB	Below BBB	Total	Change from previous fiscal year end
ABS	¥2,744.9	¥ 13.5	¥121.9	¥ 0.0	¥2,880.5	¥1,038.9
RMBS (Note 3)	610.5	84.6	55.4	4.8	755.4	(92.2)
CMBS	423.5	83.5	163.0	0.0	670.1	(79.2)
CDO	1,784.6	281.7	366.5	8.7	2,441.6	(74.2)
CLO	1,517.7	166.7	311.7	0.0	1,996.1	(1.6)
Resecuritized Products (Note 4)	206.5	97.2	30.8	8.7	343.3	(69.0)
CBO and Others	60.2	17.8	23.9	0.0	102.0	(3.5)
Others	0.0	0.0	35.9	39.5	75.5	(10.5)
Total	**¥5,563.7**	**¥463.4**	**¥743.0**	**¥53.1**	**¥6,823.3**	**¥ 782.6**

2. Unrealized Gains/Losses and Total Losses by product

(Billions of Yen)

	AAA	AA	A, BBB	Below BBB	Total	Change from previous fiscal year end	Losses (Note 5)
ABS	¥(160.3)	¥ (0.2)	¥ (6.7)	¥ 0.0	¥(167.4)	¥(113.8)	¥ 0.0
RMBS (Note 3)	(18.9)	(29.4)	(11.3)	(2.3)	(62.1)	(8.0)	(5.8)
CMBS	(46.7)	(8.3)	(24.1)	0.0	(79.3)	(26.5)	(3.7)
CDO	(234.5)	(74.0)	(129.0)	(0.1)	(437.7)	(156.1)	(71.4)
CLO	(175.6)	(48.5)	(115.3)	0.0	(339.6)	(146.0)	(13.8)
Resecuritized Products (Note 4)	(54.7)	(22.5)	(9.6)	(0.1)	(87.1)	(6.4)	(57.6)
CBO and Others	(4.1)	(2.8)	(4.0)	0.0	(10.9)	(3.5)	0.0
Others	0.0	0.0	(11.8)	0.0	(11.8)	(8.8)	(0.5)
Total	**¥(460.5)**	**¥(112.1)**	**¥(183.2)**	**¥(2.4)**	**¥(758.4)**	**¥(313.3)**	**¥(81.5)**

3. Exposure by currency

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 5)
U.S. dollars	¥4,777.8	¥1,037.2	¥(537.5)	¥(222.8)	¥(77.3)
Euro	899.0	(136.4)	(203.1)	(82.8)	(3.7)
Pounds sterling	59.4	(4.7)	(4.2)	0.1	(0.5)
Yen	1,087.0	(113.2)	(13.4)	(7.8)	0.0
Total	**¥6,823.3**	**¥ 782.6**	**¥(758.4)**	**¥(313.3)**	**¥(81.5)**

Notes: 1. Securitized Products are defined internally based on the definition in Basel II. Includes Sub-prime related products.
2. The amount of securitization exposure is net exposure after write-off and revaluation. For some CMBS, the amount of exposure ¥153.0 billion (Revaluation Losses ¥1.1 billion), which should be included in Specialized Lending (SL) under Basel II, is not included here.
3. Includes Sub-prime RMBS. Not include mortgage-backed securities related with US Government sponsored entities.
4. Re-securitized Products such as ABS-CDO, CDO of CDO's. Includes ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.
5. Total value of revaluation losses and unrealized losses of financial instruments with embedded derivatives in the 2008/9.

Reference Fair Value of Securitization Exposure

Securitization exposure includes investment securities, monetary claims bought, outstanding loans as well as accrued income and undrawn commitments. Most of investment securities among securitization exposure have a fair value on an outstanding basis. Loans and monetary claims bought do not have a fair value. Fair value assessment is performed based on "Accounting Standards for Financial Instruments" and "Practical Guidelines on Accounting for Financial Instruments" at quoted prices provided by security firms or other third-parties. Our independent middle office comprehensively verifies the appropriateness of quoted prices. If fair values have declined relative to acquisition cost by 50% or more, the Bank records revaluation losses pursuant to the above accounting standards and practical guidelines.

Reference (Non-Consolidated)

as of September 30, 2008

1. Investment on Sub-prime Loan Related Products (Note 1)

(1) Sub-prime Loan related products (Sub-prime RMBS: primary Instruments) (Note 2)

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
AAA	¥ 39.5	¥ (2.7)	¥(15.3)	¥(4.0)	¥ 0.0
AA	71.5	(9.2)	(29.2)	(5.3)	(1.4)
A, BBB	24.3	(15.5)	(10.9)	6.0	(3.5)
Below BBB	4.8	1.7	(2.3)	(2.3)	(0.9)
Total	**¥140.3**	**¥(25.8)**	**¥(57.8)**	**¥(5.6)**	**¥(5.8)**

(2) ABS-CDO including sub-prime RMBS (squared instruments) (Note 4)

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
AAA	¥ 3.7	¥(11.0)	¥ (1.3)	¥ 3.3	¥ 0.0
AA	51.9	(4.6)	(9.7)	(5.5)	(0.4)
A, BBB	5.7	(1.1)	(1.6)	(0.7)	0.0
Below BBB	1.9	0.5	0.0	0.0	(2.1)
Total	**¥63.3**	**¥(16.2)**	**¥(12.8)**	**¥(2.9)**	**¥(2.6)**

(3) CDO of CDO's including sub-prime RMBS (cubic instruments) (Note 5)

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
AAA	¥36.9	¥(3.1)	¥(16.2)	¥(4.7)	¥ 0.0
AA	0.9	(0.3)	0.0	0.8	(1.2)
A, BBB	0.0	0.0	0.0	0.0	0.0
Below BBB	0.0	0.0	0.0	0.0	0.0
Total	**¥37.9**	**¥(3.5)**	**¥(16.2)**	**¥(3.9)**	**¥(1.2)**

(4) Total of sub-prime loan related products (Total of (1) to (3))

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
AAA	¥ 80.2	¥(16.9)	¥(32.9)	¥ (5.5)	¥ 0.0
AA	124.4	(14.1)	(39.0)	(10.1)	(3.1)
A, BBB	30.1	(16.6)	(12.6)	5.3	(3.5)
Below BBB	6.7	2.2	(2.3)	(2.3)	(3.0)
Total	**¥241.6**	**¥(45.6)**	**¥(86.9)**	**¥(12.6)**	**¥(9.7)**

2. Investment on Monoline Products

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
Financial Products with Monoline guarantee (Note 6)	¥190.5	¥(3.1)	¥(32.3)	¥(6.9)	¥0.0
Monoline Products in Securitization business	0.0	0.0	0.0	0.0	0.0
Total	**¥190.5**	**¥(3.1)**	**¥(32.3)**	**¥(6.9)**	**¥0.0**

3. Investment on Leveraged Loans (Note 7)

(Billions of Yen)

	Exposures	Change from previous fiscal year end
Domestic	¥ 52.3	¥(3.2)
Overseas	193.4	2.8
Total	**¥245.7**	**¥(0.4)**

4. Trading of Sub-prime loan related products

The Bank has not originated, underwritten traded ABCP, SIV, and leveraged loans. We do not own any Sub-prime loan related products in our trading account and are not involved in any unconsolidated off-balance transactions. We are only involved in sponsoring 1 SPC to provide liquidity to our domestic client's account receivables. (Exposures: ¥116.2 billion)

5. Investment on Bonds Issued by US Housing-related GSEs (Note 8)

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Losses (Note 3)
Agency Mortgage Bonds	¥2,158.3	¥(1,406.0)	¥ 2.5	¥ (77.8)	¥0.0
Agency Bonds	1,324.1	(744.0)	29.1	(42.8)	0.0
Total	**¥3,482.5**	**¥(2,150.0)**	**¥31.7**	**¥(120.6)**	**¥0.0**

6. Credits to Lehman Brothers Group

The bank gives no direct credit such as loans, bonds, equities, and commitment line to Lehman Brothers Group. Also there are no exposures by unwinding swaps (e.g. currency swaps) or repurchase transactions.

Notes: 1. The Bank has not loaned in pure Sub-prime loans.
2. Ratios by vintage (Issuance year) is 97%, 3%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.
3. Total value of impaired losses and unrealized losses of compound instruments in 1st-half of 2009/3.
4. Capital Note issued SIV is ¥0.52 million (After ¥25 million write-off and non-revaluation losses).
Ratios by (Issuance year) is 50%, 36%, and 14% for 2004 and before, 2005-2006, and after 2007, respectively.
5. CDO of CDO's contains RMBS even if only slightly. Include only a few sub-prime RMBS included.
Ratios by vintage (Issuance year) is 55%, 45%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.
6. Non-guaranteed grade for nonrecourse loan and CLO is above investment grades. No sub-prime related loan products for guaranteed products.
The Bank has CDO including monoline-CDS in addition to monoline guaranteed products. Exposure of monoline-CDS calculated based on monoline-CDS ratio to securitized product amounts is ¥6.2 billion.
7. Internal definition of loans mainly targets LBOs. The reserve for individual possible loan losses is ¥4.7 billion.
8. The Bank has ¥647.8 billion of mortgaged-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

Consolidated Balance Sheets (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2008 and 2007, and March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2008	2007	2008	**2008**
Assets				
Cash and Due from Banks (Note 12)	**¥ 2,542,038**	¥ 1,454,087	¥ 1,096,901	**$ 24,549**
Call Loans and Bills Bought	**2,420,430**	1,424,249	1,851,020	**23,375**
Receivables under Resale Agreements	**—**	680,215	258,135	**—**
Receivables under Securities Borrowing Transactions	**1,742,089**	713,643	1,108,779	**16,824**
Monetary Claims Bought	**709,673**	826,839	770,387	**6,853**
Trading Assets	**30,278**	51,631	48,033	**292**
Money Held in Trust (Notes 4 and 15)	**6,676,643**	6,242,523	7,964,516	**64,478**
Securities (Notes 3, 5, 10 and 14)	**32,938,732**	41,547,014	36,242,079	**318,095**
Loans and Bills Discounted (Notes 4, 5 and 9)	**8,818,621**	12,349,632	9,853,902	**85,163**
Foreign Exchange Assets	**54,558**	4,598	7,119	**527**
Other Assets (Note 5)	**1,317,527**	602,118	1,452,979	**12,724**
Tangible Fixed Assets	**133,833**	139,190	136,254	**1,293**
Intangible Fixed Assets	**24,691**	12,417	18,417	**238**
Deferred Tax Assets	**463,326**	2,818	153,135	**4,474**
Customers' Liabilities for Acceptances and Guarantees	**370,852**	288,173	317,809	**3,581**
Reserve for Possible Loan Losses	**(140,090)**	(140,244)	(140,511)	**(1,353)**
Reserve for Possible Investment Losses	**—**	—	(53,455)	**—**
Total Assets	**¥58,103,207**	¥66,198,912	¥61,085,505	**$561,113**
Liabilities and Net Assets				
Liabilities				
Deposits (Note 6)	**¥38,302,586**	¥40,637,435	¥38,804,362	**$369,895**
Negotiable Certificates of Deposit	**499,461**	1,298,078	538,019	**4,823**
Debentures	**5,030,713**	4,659,454	4,821,975	**48,582**
Bonds (Note 7)	**320,232**	364,988	337,695	**3,092**
Call Money and Bills Sold (Note 5)	**1,467,489**	794,348	758,000	**14,172**
Payables under Repurchase Agreements (Note 5)	**2,416,414**	6,177,155	4,461,811	**23,336**
Payables under Securities Lending Transactions (Note 5)	**338,158**	791,353	496,637	**3,266**
Trading Liabilities	**8,836**	14,219	15,248	**85**
Borrowed Money (Notes 5 and 8)	**1,950,850**	1,136,531	998,700	**18,840**
Foreign Exchange Liabilities	**37**	1	2	**0**
Short-term Entrusted Funds	**4,255,482**	4,031,430	4,401,193	**41,096**
Other Liabilities	**667,656**	1,267,761	1,876,213	**6,448**
Reserve for Bonus Payments	**5,963**	5,782	5,826	**58**
Reserve for Employees' Retirement Benefits	**888**	781	832	**9**
Reserve for Directors' Retirement Benefits	**925**	643	791	**9**
Deferred Tax Liabilities	**—**	590,579	1,031	**—**
Deferred Tax Liabilities for Land Revaluation	**19,284**	19,802	19,452	**186**
Acceptances and Guarantees	**370,852**	288,173	317,809	**3,581**
Total Liabilities	**55,655,833**	62,078,524	57,855,604	**537,478**
Net Assets				
Paid-in Capital (Note 11)	**2,016,033**	1,484,017	2,016,033	**19,469**
Capital Surplus	**25,020**	25,020	25,020	**242**
Retained Earnings	**1,382,351**	1,323,334	1,457,413	**13,349**
Total Owners' Equity	**3,423,405**	2,832,372	3,498,467	**33,060**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	**(1,083,717)**	1,269,036	(296,711)	**(10,466)**
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	**67,697**	(21,968)	(12,003)	**654**
Revaluation Reserve for Land, net of taxes	**33,835**	34,981	34,208	**327**
Foreign Currency Transaction Adjustments	**(11)**	(2)	(16)	**(0)**
Total Valuation and Translation Adjustments	**(982,195)**	1,282,047	(274,523)	**(9,485)**
Minority Interests	**6,163**	5,967	5,956	**60**
Total Net Assets	**2,447,374**	4,120,387	3,229,901	**23,635**
Total Liabilities and Net Assets	**¥58,103,207**	¥66,198,912	¥61,085,505	**$561,113**

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

Consolidated Statements of Operations (Unaudited)

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Income				
Interest Income:	**¥685,749**	¥1,037,203	¥1,941,088	**$6,622**
Interest on Loans and Bills Discounted	**62,872**	76,318	151,179	**607**
Interest and Dividends on Securities	**585,138**	929,683	1,720,157	**5,651**
Fees and Commissions	**8,634**	9,382	19,251	**83**
Trading Income	**306**	80	1,044	**3**
Other Operating Income	**69,939**	57,356	313,617	**676**
Other Income	**187,924**	280,816	428,822	**1,815**
Total Income	**952,553**	1,384,840	2,703,825	**9,199**
Expenses				
Interest Expenses:	**617,135**	932,582	1,732,433	**5,960**
Interest on Deposits	**140,531**	185,790	369,999	**1,357**
Fees and Commissions	**7,227**	5,817	10,616	**70**
Trading Expenses	**571**	307	201	**5**
Other Operating Expenses	**164,357**	121,167	304,967	**1,587**
General and Administrative Expenses	**59,637**	59,378	113,144	**576**
Other Expenses	**80,676**	46,470	117,177	**779**
Total Expenses	**929,605**	1,165,724	2,278,540	**8,977**
Income before Income Taxes and Minority Interests	**22,947**	219,116	425,284	**222**
Income Taxes				
Current	**1,525**	28,058	137,263	**15**
Deferred	**13,544**	47,174	10,675	**131**
Minority Interests in Net Income	**123**	308	464	**1**
Net Income	**¥ 7,754**	¥ 143,575	¥ 276,880	**$ 75**

	Yen			U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Net Income per Share	**¥1.82**	¥33.64	¥49.49	**$0.02**

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

Consolidated Statements of Capital Surplus and Retained Earnings (Unaudited)

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Capital Surplus				
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	¥ 25,020	**$ 242**
Balance at the End of the Period	**25,020**	25,020	25,020	**242**
Retained Earnings				
Balance at the Beginning of the Fiscal Year	**1,457,413**	1,249,484	1,249,484	**14,074**
Additions:				
Net Income	**7,754**	143,575	276,880	**75**
Transfer from Revaluation Reserve for Land, net of taxes	**372**	12,446	13,220	**3**
Deductions:				
Dividends	**83,188**	82,171	82,171	**803**
Balance at the End of the Period	**¥1,382,351**	¥1,323,334	¥1,457,413	**$13,349**

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

Consolidated Statements of Cash Flows (Unaudited)

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Cash Flows from Operating Activities:				
Income before Income Taxes and Minority Interests	**¥ 22,947**	¥ 219,116	¥ 425,284	**$ 222**
Depreciation	**3,293**	4,212	8,109	**32**
Losses on Impairment of Fixed Assets	**1,014**	831	1,103	**10**
Amortization of Goodwill	**—**	—	(55)	**—**
Equity in Losses (Earnings) of Affiliates	**3**	(514)	(519)	**0**
Net Decrease in Reserve for Possible Loan Losses	**(420)**	(64,136)	(63,868)	**(4)**
Net Increase (Decrease) in Reserve for Possible Investment Losses	**(53,455)**	(38,628)	14,827	**(516)**
Net Increase in Reserve for Bonus Payments	**137**	750	794	**1**
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	**55**	(1,068)	(1,017)	**0**
Net Increase in Reserve for Directors' Retirement Benefits	**134**	453	600	**1**
Interest Income	**(685,749)**	(1,037,203)	(1,941,088)	**(6,622)**
Interest Expenses	**617,135**	932,582	1,732,433	**5,960**
Losses (Gains) on Securities	**189,623**	51,171	(20,791)	**1,831**
Gains on Money Held in Trust	**(23,505)**	(61,607)	(11,575)	**(227)**
Foreign Exchange Losses (Gains)	**(630,629)**	159,746	3,388,081	**(6,090)**
Losses (Gains) on Disposals of Fixed Assets	**106**	(565)	32	**1**
Net Decrease in Trading Assets	**17,755**	918	4,516	**171**
Net Decrease in Trading Liabilities	**(6,411)**	(5,443)	(4,414)	**(62)**
Net Decrease in Loans and Bills Discounted	**1,035,281**	505,047	3,000,777	**9,998**
Net Decrease in Deposits	**(501,776)**	(606,057)	(2,439,130)	**(4,846)**
Net Decrease in Negotiable Certificates of Deposit	**(38,557)**	(1,076,948)	(1,837,007)	**(372)**
Net Increase in Debentures	**208,737**	188,298	350,819	**2,016**
Net Increase in Borrowed Money (Excluding Subordinated Borrowed Money)	**952,150**	5,000	5,000	**9,195**
Net Increase in Interest-bearing Due from Banks	**(1,313,853)**	(818,238)	(383,784)	**(12,688)**
Net Increase in Call Loans and Bills Bought and Other	**(250,561)**	(1,266,798)	(1,215,036)	**(2,420)**
Net Increase in Receivables under Securities Borrowing Transactions	**(633,309)**	(150,361)	(545,497)	**(6,116)**
Net Decrease in Call Money and Bills Sold and Other	**(1,335,907)**	(1,535,974)	(3,287,667)	**(12,901)**
Net Increase (Decrease) in Short-term Entrusted Funds	**(145,711)**	1,162,462	1,532,226	**(1,407)**
Net Decrease in Payables under Securities Lending Transactions	**(158,479)**	(553,671)	(848,387)	**(1,531)**
Net Increase in Foreign Exchanges Assets	**(47,439)**	(1,422)	(3,943)	**(458)**
Net Increase in Foreign Exchanges Liabilities	**34**	0	1	**0**
Interest Received	**714,163**	1,015,187	1,957,856	**6,897**
Interest Paid	**(546,619)**	(806,776)	(1,712,230)	**(5,279)**
Other, Net	**(378,608)**	50,339	(187,385)	**(3,656)**
Subtotal	**(2,988,421)**	(3,729,297)	(2,080,936)	**(28,860)**
Income Taxes Paid	**(121,955)**	(66,399)	(76,447)	**(1,178)**
Net Cash Used in Operating Activities	**(3,110,377)**	(3,795,696)	(2,157,384)	**(30,038)**

Consolidated Statements of Cash Flows (Unaudited)

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Cash Flows from Investing Activities:				
Purchases of Securities	**(2,293,305)**	(4,076,798)	(8,847,073)	**(22,147)**
Proceeds from Sales of Securities	**2,302,805**	4,595,546	7,240,315	**22,239**
Proceeds from Redemption of Securities	**2,473,901**	1,664,066	3,714,911	**23,891**
Increase in Money Held in Trust	**(1,397,741)**	(635,110)	(3,019,593)	**(13,498)**
Decrease in Money Held in Trust	**2,246,040**	2,106,981	2,615,657	**21,690**
Purchases of Tangible Fixed Assets	**(761)**	(1,655)	(4,771)	**(7)**
Purchases of Intangible Fixed Assets	**(6,156)**	(5,677)	(9,638)	**(60)**
Proceeds from Sales of Tangible Fixed Assets	**—**	—	2,177	**—**
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	—	(86)	**—**
Proceeds from Sales of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	**158**	—	—	**2**
Net Cash Provided by Investing Activities	**3,324,941**	3,647,353	1,691,897	**32,110**
Cash Flows from Financing Activities:				
Proceeds from Issuance of Subordinated Borrowed Money	**—**	—	383,800	**—**
Repayment of Subordinated Borrowings	**—**	—	(521,632)	**—**
Proceeds from Issuance of Stock	**—**	—	532,016	**—**
Dividends Paid	**(83,188)**	(82,171)	(82,171)	**(803)**
Dividends Paid to Minority Interests	**(47)**	(47)	(47)	**(1)**
Net Cash Provided by (Used in) Financing Activities	**(83,235)**	(82,219)	311,964	**(804)**
Net Increase (Decrease) in Cash and Cash Equivalents	**131,327**	(230,563)	(153,521)	**1,268**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**180,738**	334,260	334,260	**1,746**
Cash and Cash Equivalents at the End of the Period (Note 12)	**¥ 312,066**	¥ 103,697	¥ 180,738	**$ 3,014**

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

Notes to the Consolidated Financial Statements (Unaudited)

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 conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥103.55=U.S.$1, the approximate rate of exchange prevailing on September 30, 2008, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

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

2. Summary of Significant Accounting Policies

Accounting Changes

“Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, March 30, 2007) are applicable from the fiscal year beginning on or after April 1, 2008. The Bank has adopted the standard and guidance from the period ended September 30, 2008.

The effect of this adoption on the Consolidated Financial Statements is immaterial.

The definitions of securities in “Accounting Standard for Financial Instruments” (ASBJ statement No. 10) and in “Practical Guidelines on Accounting Standards for Financial Instruments” (JICPA Laws and Regulations Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007, respectively, which is applicable from the fiscal year ending on or after the effective date of Financial Instruments and Exchange Law. The Bank has adopted the revised standards and guidance from the period ended September 30, 2007.

Prior to March 31, 2007, taking into consideration mutually complemental relationship of the cash flows as well as functional characteristic, the operating assets were grouped into the head office, domestic branches and overseas branches, for which the operating results were separately measured on a periodical basis, while idle assets (including assets held for sale) were grouped by asset. Effective April 1, 2007, the Bank changed the grouping of the operating assets to aggregate the head office, domestic branches and overseas branches as one unit, while the grouping of the idle assets remains unchanged. This change was in line with revisions of the branch policies reflecting the newly established JA Bank Medium-Term Management Strategy (1. successive abolition of retail businesses related to funding and investing at domestic branches and integration of those businesses to the head office or “block offices”, 2. the revisions in the functions of each branch offices and the commencement of the above mentioned integration and abolition, and 3. integrated operation of investments and loans with overseas office).

(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 September 30, 2008 and 2007 was 8 and 9, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The balance sheet date of the first half of fiscal year of all Consolidated Subsidiaries is September 30.

Due to merger in April, 2008 with Nochu Information System Co., Ltd. which is a consolidated subsidiary, The JA Bank Computer System Co., Ltd. was excluded from the scope of consolidation in fiscal 2008.

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 number of affiliates as of September 30, 2008 and 2007 was 5 and 5, 4 and 4 of which were accounted for under the equity method, while the remaining immaterial affiliate is carried at cost. The major affiliate accounted for under the equity method is as follows:

Mitsubishi UFJ NICOS Co., Ltd.

Due to acquisition of its share, Mitsubishi UFJ NICOS Co., Ltd. was newly accounted for by the equity method in the fiscal year. Goodwill is amortized using the straight-line method over 20 years.

Due to establishment of joint holding company and share exchange transaction with Mitsui Leasing and Development, Ltd., Kyodo Leasing Co., Ltd. and Kyodo Auto Leasing Co., Ltd. were excluded from the affiliates in fiscal 2008.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the differences between markets, interest rates or foreign exchange rates. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheets 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 Statements of Operations.

Securities, monetary claims and certain other instruments held for trading purposes are valued at the market price 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 during the period, 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 period, from the end of the previous fiscal year.

(3) Financial Instruments

(a) Securities

Held-to-maturity debt securities are valued at amortized cost, as determined by the moving average method. Investments in affiliates that are not accounted for under the equity method are valued at cost, as determined by the moving average method. Other securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities that do not have readily determinable fair value are valued at cost

determined by the moving average method or are valued at amortized cost. Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets.
(Additional information)
As for floating-rate Japanese government bonds which have recently been rarely dealt in the market, the Bank considered that market prices are no longer deemed as fair value, and evaluates the floating-rate Japanese government bonds based on reasonably estimated amounts at the end of the first half of the fiscal 2008.

As a result, compared with the case where they are valued based on the market prices, Securities and Net Unrealized Gains on Other Securities as of September 30, 2008 increased by ¥575,984 million ($5,562 million) and ¥396,565 million ($3,830 million), respectively, and Deferred Tax Assets decreased by ¥179,419 million ($1,733 million).

(b) Derivatives

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

(c) Hedge Accounting

① Hedge of Interest Rate Risk

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

Deferred hedge gains or losses were recorded in the consolidated balance sheets as a result of applying the hedge accounting method described in “Tentative Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used derivatives to manage the overall interest rate risk arising from various financial assets and liabilities, such as loans and deposits. Such deferred hedge gains or losses are amortized into interest income or interest expense over 7 years, the average remaining maturity, as calculated based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balances of deferred hedge losses and deferred hedge gains under a macro hedging methodology, before deducting the tax effect, as of September 30, 2008 and 2007 were ¥11,154 million ($108 million) and ¥127 million ($1 million), and ¥23,908 million and ¥309 million, respectively.

② Hedge of Foreign Exchange Rate Risk

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

The deferred method or the fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange 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.

③ 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 statements of operations or are deferred in the consolidated balance sheets in accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions, that are designated as hedging instruments, are traded in a non discretionary manner and are appropriately and ultimately covered by third party transactions, which are conducted in accordance with the standards stipulated in the JICPA Industry Audit Committee Report No. 24 and No. 25.

For certain other assets or liabilities, the Bank applies the deferred method or the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps. Under the deferred 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.

A certain Bank's consolidated subsidiary applies the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps.

(4) Tangible Fixed Assets (excluding Lease Assets)

① Depreciation

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

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

Buildings: 15 years to 50 years

Others: 5 years to 15 years

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

② Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revalued on March 31, 1998. Unrealized gains arising on revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheets. 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) Software

The costs of computer software developed or obtained for internal use are capitalized and amortized using the straight-line method over an estimated useful life of 5 years.

(6) Lease Assets

① Depreciation

Depreciation of Lease Assets in Tangible 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.

② Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting for operating leases.

(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 or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal 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 ¥64,407 million ($622 million) and ¥65,524 million for the period ended September 30, 2008 and 2007, respectively.

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

c. Reserve for loans to debtors with restructured loans (see Note 4) 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, the reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

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

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

All claims are assessed by the Business Units based on the Bank's internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from the Business Units, audits these self-assessments. Reserve described above is 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 financial conditions and other factors of the issuer of the securities.

(10) Reserve for Bonus Payments

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

(11) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

Unrecognized actuarial differences are amortized over a certain period of time (10 years) using the declining-balance method beginning in the fiscal year after the difference had been incurred.

(12) Reserve for Directors' Retirement Benefits

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

(13) Consumption Taxes

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

(14) Accounting for Income Taxes

Income Taxes-Current and Income Taxes-Deferred are calculated based upon assumption that transfer to or reversal from Reserve for Tax Basis Adjustments of Fixed Assets is made at the end of the fiscal year.

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

"Cash and Cash Equivalents" in the consolidated statements of cash flows represents cash and non-interest bearing due from bank in Cash and Due from Banks of the consolidated balance sheets.

(16) Net Income per Share

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

The aggregate number of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the denominator in the calculation of net income per share.

3. Securities

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Japanese Government Bonds	**¥ 9,186,161**	¥10,226,398	**$ 88,712**
Municipal Government Bonds	**8,334**	31,607	**81**
Corporate Bonds	**428,336**	477,232	**4,137**
Stocks	**736,883**	909,395	**7,116**
Other	**22,579,016**	29,902,381	**218,049**
Foreign Bonds	**12,516,032**	14,956,222	**120,869**
Foreign Stocks	**85,124**	73,742	**822**
Other	**9,977,860**	14,872,416	**96,358**
Total	**¥32,938,732**	¥41,547,014	**$318,095**

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Loans on Deeds	**¥6,916,150**	¥10,395,855	**$66,791**
Loans on Bills	**180,830**	204,058	**1,746**
Overdrafts	**1,710,222**	1,731,394	**16,516**
Bills Discounted	**11,418**	18,323	**110**
Total	**¥8,818,621**	¥12,349,632	**$85,163**

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Loans to Borrowers under Bankruptcy Proceedings	**¥ 14,134**	¥ 6,915	**$ 137**
Delinquent Loans	**127,085**	150,248	**1,227**
Loans Past Due for Three Months or More	**750**	757	**7**
Restructured Loans	**63,314**	58,180	**611**
Total	**¥205,285**	¥216,101	**$1,982**

(1) Loans to borrowers under bankruptcy proceedings are loans whose interests accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as "Non-accrual Loans") since the loans are determined to be uncollectible considering the period of time past due and other reasons, as stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No. 97, 1965).

(2) Delinquent loans are also non-accrual loans other than loans to borrowers under bankruptcy proceedings or loans whereby payments of interest are deferred in order to support the borrowers' rehabilitation.

(3) Loans past due for three months or more are loans whose principal or interest is past-due for three months or more, other than loans to borrowers under bankruptcy proceedings and delinquent loans.
In addition, Money Held in Trust includes delinquent loans of ¥267 million ($3 million) as of September 30, 2008.

(4) Restructured loans are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferred of payments of interest or principal, waiving principal repayments, etc., in order to support the borrowers' rehabilitation and facilitate the collection of the loan.

5. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Securities	**¥5,932,421**	¥6,425,458	**$57,290**
Loans and Bills Discounted	**2,854,805**	—	**27,569**

Liabilities related to the above pledged assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Call Money and Bills Sold	**¥ 490,000**	¥ 470,000	**$ 4,732**
Payables under Repurchase Agreements	**2,212,015**	5,504,419	**21,362**
Payables under Securities Lending Transactions	**79,604**	452,305	**769**
Borrowed Money	**942,150**	—	**9,099**

In addition, as of September 30, 2008 and 2007, Securities of ¥2,761,950 million ($26,673 million) and ¥3,537,124 million, respectively were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures markets.

As of September 30, 2008 and 2007, initial margins of futures transactions of ¥1,825 million ($18 million) and ¥1,719 million, receivables under financial derivatives transactions of ¥6,700 million ($65 million) and ¥5,462 million, and guarantee deposits of ¥5,788 million ($56 million) and no amount were included in Other Assets, respectively.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Time Deposits	**¥33,471,357**	¥33,705,448	**$323,239**
Deposits at Notice	**23,381**	26,362	**226**
Ordinary Deposits	**741,223**	940,667	**7,158**
Current Deposits	**86,034**	60,691	**831**
Other Deposits	**3,980,588**	5,904,265	**38,441**
Total	**¥38,302,586**	¥40,637,435	**$369,895**

7. Bonds

Bonds include subordinated bonds of ¥320,232 million ($3,092million) and ¥364,988 million as of September 30, 2008 and 2007, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥963,700 million ($9,307 million) and ¥1,101,532 million as of September 30, 2008 and 2007, respectively.

9. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements is ¥2,968,350 million ($28,666 million) and ¥3,440,760 million as of September 30, 2008 and 2007, respectively. The amount, which the Bank and its consolidated subsidiaries can cancel at any time without penalty, is ¥1,957,948 million ($18,908 million) and ¥2,161,327 million as of September 30, 2008 and 2007, 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 financial condition of the borrower, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

10. Securities Loaned

The Bank held no securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) as of September 30, 2008 and 2007.

Securities Borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥467,871 million ($4,518 million) and ¥1,010,303 million as of September 30, 2008 and 2007, respectively, and securities held without re-pledge of ¥2,196,998 million ($21,217 million) and ¥1,548,189 million as of September 30, 2008 and 2007, respectively.

11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Common Stock	**¥1,991,033**	¥1,459,017	**$19,228**
Preferred Stock	**24,999**	24,999	**241**
Total	**¥2,016,033**	¥1,484,017	**$19,469**

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,565,316 million ($15,116 million) and ¥1,033,300 million as of September 30, 2008 and 2007, 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.

12. Cash Flows

The reconciliation of Cash and Due from Banks in the consolidated balance sheets to "Cash and Cash Equivalents" at the end of the period is as follows:

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2008**	2007	**2008**
Cash and Due from Banks	**¥2,542,038**	¥1,454,087	**$24,549**
Less: Interest-bearing Due from Banks	**(2,229,972)**	(1,350,390)	**(21,535)**
Cash and Cash Equivalents at the End of the Period	**¥ 312,066**	¥ 103,697	**$ 3,014**

13. Segment Information

(a) Segment Information by Type of Businesses

Segment Information by Type of Businesses is not shown in this statement, since the business segments, other than the banking businesses, are immaterial.

(b) Segment Information by Geographic Areas

	Millions of Yen						
Six Months ended September 30, 2008	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
Ordinary Income							
(1) Ordinary Income from Third-parties	**¥897,117**	**¥ 7,950**	**¥ 24,137**	**¥19,392**	**¥ 948,598**	**¥ —**	**¥948,598**
(2) Inter-segment Ordinary Income	**36,358**	**39,410**	**79,246**	**62,159**	**217,175**	**(217,175)**	**—**
Total	**933,476**	**47,360**	**103,384**	**81,552**	**1,165,773**	**(217,175)**	**948,598**
Ordinary Expenses	**922,948**	**40,049**	**101,653**	**81,008**	**1,145,659**	**(217,175)**	**928,484**
Ordinary Profits	**¥ 10,527**	**¥ 7,311**	**¥ 1,730**	**¥ 543**	**¥ 20,113**	**¥ —**	**¥ 20,113**

	Millions of Yen						
Six months ended September 30, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
Ordinary Income							
(1) Ordinary Income from Third-parties	¥1,269,549	¥ 12,522	¥ 20,533	¥ 16,911	¥1,319,516	¥ —	¥1,319,516
(2) Inter-segment Ordinary Income	28,583	173,454	125,999	93,158	421,194	(421,194)	—
Total	1,298,132	185,976	146,532	110,070	1,740,711	(421,194)	1,319,516
Ordinary Expenses	1,150,654	180,029	145,501	109,843	1,586,028	(421,194)	1,164,834
Ordinary Profits	¥ 147,477	¥ 5,946	¥ 1,031	¥ 226	¥ 154,682	¥ —	¥ 154,682

Six Months ended September 30, 2008	Millions of U.S. Dollars						
	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
Ordinary Income							
(1) Ordinary Income from Third-parties	**$8,664**	**$ 77**	**$233**	**$187**	**$ 9,161**	**$ —**	**$9,161**
(2) Inter-segment Ordinary Income	**351**	**381**	**765**	**600**	**2,097**	**(2,097)**	**—**
Total	**9,015**	**458**	**998**	**787**	**11,258**	**(2,097)**	**9,161**
Ordinary Expenses	**8,913**	**387**	**982**	**782**	**11,064**	**(2,097)**	**8,967**
Ordinary Profits	**$ 102**	**$ 71**	**$ 16**	**$ 5**	**$ 194**	**$ —**	**$ 194**

Notes: 1. The Bank reported Ordinary Income and Ordinary Profits that corresponds to Sales and Operating Profits for non-financial companies, for the Bank's head office, branches and the consolidated subsidiaries according to the classification of geographic areas. The geographic classification is effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.
2. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom and Asia includes the Republic of Singapore.

(c) Ordinary Income from International Operations

Six Months ended September 30	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
2008	**¥734,535**	**¥ 948,598**	**77.4%**
2007	¥965,237	¥1,319,516	73.1%

	Millions of U.S. Dollars		Percentage
2008	**$7,094**	**$9,161**	**77.4%**

Notes: 1. Ordinary Income from International Operations is shown in place of Overseas Sales for non-financial companies.
2. Ordinary Income from International Operations comprises foreign currency transactions, yen-denominated trade bills, yen-denominated transactions with non-Japanese residents, transactions in the offshore market in Japan, transactions by overseas branches of the Bank and transactions by overseas consolidated subsidiaries (excluding Inter-segment Ordinary Income between consolidated entities). The composition of this substantial volume of transactions is not broken down by counter-party. Therefore, segment information by geographic areas has not been presented.

14. Fair Value of Securities

For the Six Months Ended September 30, 2008

Held-to-maturity Debt Securities that have Fair Value

As of September 30, 2008	Millions of Yen				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
			Net	Gain	Loss
Japanese Government Bonds	**¥15,121**	**¥15,174**	**¥53**	**¥54**	**¥0**
Total	**¥15,121**	**¥15,174**	**¥53**	**¥54**	**¥0**

As of September 30, 2008	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
			Net	Gain	Loss
Japanese Government Bonds	**$146**	**$147**	**$1**	**$1**	**$0**
Total	**$146**	**$147**	**$1**	**$1**	**$0**

Note: Fair value is primarily based on the closing market prices at the consolidated balance sheet date.

Other Securities that have Fair Value

As of September 30, 2008	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	¥ 387,041	¥ 515,205	¥ 128,164	¥156,832	¥ 28,667
Bonds	9,177,772	9,471,113	293,341	295,251	1,910
Japanese Government Bonds	8,878,353	9,171,040	292,686	292,686	—
Municipal Government Bonds	7,636	7,724	87	89	1
Corporate Bonds	291,781	292,348	567	2,476	1,909
Other	23,410,990	21,453,884	(1,957,106)	215,739	2,172,846
Foreign Bonds	13,027,270	12,054,189	(973,081)	167,538	1,140,619
Foreign Stocks	45,648	38,722	(6,925)	—	6,925
Other	10,338,071	9,360,972	(977,099)	48,201	1,025,300
Total	¥32,975,803	¥31,440,203	¥(1,535,600)	¥667,823	¥2,203,424

As of September 30, 2008	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	$ 3,738	$ 4,976	$ 1,238	$1,515	$ 277
Bonds	88,631	91,464	2,833	2,851	18
Japanese Government Bonds	85,739	88,566	2,827	2,827	—
Municipal Government Bonds	74	75	1	1	0
Corporate Bonds	2,818	2,823	5	23	18
Other	226,084	207,183	(18,901)	2,083	20,984
Foreign Bonds	125,806	116,409	(9,397)	1,618	11,015
Foreign Stocks	441	374	(67)	—	67
Other	99,837	90,400	(9,437)	465	9,902
Total	$318,453	$303,623	$(14,830)	$6,449	$21,279

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheets.

2. Consolidated balance sheets amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

As for floating-rate Japanese government bonds which have recently been rarely dealt in the market, the Bank considered that market prices are no longer be deemed as fair value, and evaluates the floating-rate Japanese government bonds based on reasonably estimated amounts at the end of the period.

As a result, compared with the case where they are valued based on the market prices, Securities and Net Unrealized Gains on Other Securities increased by ¥575,984 million ($5,562 million) and ¥396,565 million ($3,830 million), respectively, and Deferred Tax Assets decreased by ¥179,419 million ($1,733 million).

3. Certain other securities which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost and the fair value is treated as a realized loss for the period ("revaluation loss"), if the fair value (primarily the closing market price at the end of the period) has significantly deteriorated from the acquisition cost (including amortized cost), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥80,639 million ($779 million) (including ¥719 million ($7 million) on Stocks and ¥79,920 million ($772 million) on Foreign Bonds).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair values are 50% or less of their acquisition costs

Securities whose fair values are more than 50% and 70% or less of their acquisition costs for a certain period

Major components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of September 30, 2008	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥135,381	$1,307
Foreign Bonds	461,842	4,460
Other	814,818	7,869

For the Six Months Ended September 30, 2007

Held-to-maturity Debt Securities that have Fair Value

	Millions of Yen				
	Consolidated Balance	Fair Value	Net Unrealized Gain		
As of September 30, 2007	Sheet Amount		Net	Gain	Loss
Japanese Government Bonds	¥16,682	¥16,682	¥0	¥24	¥24
Total	¥16,682	¥16,682	¥0	¥24	¥24

Note: Fair value is primarily based on the closing market prices at the consolidated balance sheet date.

Other Securities that have Fair Value

	Millions of Yen				
	Acquisition	Consolidated Balance	Net Unrealized Gain/Loss		
As of September 30, 2007	Cost	Sheet Amount	Net	Gain	Loss
Stocks	¥ 420,734	¥ 700,974	¥ 280,240	¥ 332,992	¥ 52,752
Bonds	10,590,666	10,579,658	(11,008)	61,079	72,087
Japanese Government Bonds	10,222,931	10,209,716	(13,215)	57,866	71,081
Municipal Government Bonds	30,775	30,945	170	172	1
Corporate Bonds	336,959	338,996	2,036	3,040	1,004
Other	28,385,729	29,778,497	1,392,768	1,685,959	293,191
Foreign Bonds	14,624,039	14,945,493	321,453	494,368	172,915
Foreign Stocks	28,916	29,224	307	1,287	980
Other	13,732,773	14,803,780	1,071,006	1,190,302	119,295
Total	¥39,397,130	¥41,059,130	¥1,662,000	¥2,080,031	¥418,031

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheets.
2. Consolidated balance sheets amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.
3. Certain other securities which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost and the fair value is treated as a realized loss for the period ("revaluation loss"), if the fair value (primarily the closing market price at the end of the period) has significantly deteriorated from the acquisition cost (including amortized cost), and unless a recovery in the fair value is deemed probable.
The amount of revaluation loss for the period was ¥38,480 million.
The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:
Securities whose fair values are 50% or less of their acquisition costs
Securities whose fair values are more than 50% and 70% or less of their acquisition costs for a certain period.

Major components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of September 30, 2007	Millions of Yen
Other Securities	
Unlisted Stocks	¥208,420
Foreign Bonds	10,728
Other	288,827

15. Fair Value of Money Held in Trust

For the Six Months Ended September 30, 2008

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

	Millions of Yen				
	Acquisition	Consolidated Balance	Net Unrealized Loss		
As of September 30, 2008	Cost	Sheet Amount	Net	Gain	Loss
Other Money Held in Trust	**¥6,577,298**	**¥6,538,836**	**¥(38,461)**	**¥69,329**	**¥107,791**

	Millions of U.S. Dollars				
	Acquisition	Consolidated Balance	Net Unrealized Loss		
As of September 30, 2008	Cost	Sheet Amount	Net	Gain	Loss
Other Money Held in Trust	**$63,518**	**$63,147**	**$(371)**	**$670**	**$1,041**

Note: Consolidated balance sheet amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

For the Six Months Ended September 30, 2007

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

	Millions of Yen				
	Acquisition	Consolidated Balance	Net Unrealized Gain		
As of September 30, 2007	Cost	Sheet Amount	Net	Gain	Loss
Other Money Held in Trust	¥5,922,251	¥6,102,864	¥180,613	¥214,223	¥33,609

Note: Consolidated balance sheet amount of Other Money Held in Trust presented on the consolidated balance sheets is based on the quoted market price of the underlying assets as at the consolidated balance sheet date.

16. Fair Value of Derivative Instruments

Interest Rate-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions:						
Interest Rate Futures	**¥ 23,013**	**¥ 7**	**¥ 7**	¥ 211,864	¥ (167)	¥ (167)
Interest Rate Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Forward Rate Agreements	**—**	**—**	**—**	—	—	—
Interest Rate Swaps	**1,828,282**	**1,389**	**1,389**	2,754,819	1,237	1,237
Interest Rate Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**/**	**¥1,396**	**¥1,396**	/	¥1,069	¥1,069

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Interest Rate Futures	**$ 222**	**$ 0**	**$ 0**
Interest Rate Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Forward Rate Agreements	**—**	**—**	**—**
Interest Rate Swaps	**17,656**	**13**	**13**
Interest Rate Options	**—**	**—**	**—**
Other	**—**	**—**	**—**
Total	**/**	**$13**	**$13**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 24).

Currency-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Currency Futures	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
Currency Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Currency Swaps	**—**	**—**	**—**	—	—	—
Forwards	**912,580**	**(1,664)**	**(1,664)**	1,409,621	589	589
Currency Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**/**	**¥(1,664)**	**¥(1,664)**	/	¥589	¥589

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions:			
Currency Futures	**$ —**	**$ —**	**$ —**
Currency Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Currency Swaps	**—**	**—**	**—**
Forwards	**8,813**	**(16)**	**(16)**
Currency Options	**—**	**—**	**—**
Other	**—**	**—**	**—**
Total	**/**	**$(16)**	**$(16)**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheets.

Stock-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions:						
Equity Price Index Futures	**¥ —**	**¥—**	**¥—**	¥ —	¥—	¥—
Equity Price Index Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Equity Options	**—**	**—**	**—**	—	—	—
Equity Price Index Swaps	**—**	**—**	**—**	—	—	—
Other	**1,000**	**—**	**—**	1,000	—	—
Total	**/**	**¥—**	**¥—**	/	¥—	¥—

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions:			
Equity Price Index Futures	**$—**	**$—**	**$—**
Equity Price Index Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Equity Options	**—**	**—**	**—**
Equity Price Index Swaps	**—**	**—**	**—**
Other	**10**	**—**	**—**
Total	**/**	**$—**	**$—**

Note: Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Bond Futures	**¥25,994**	**¥179**	**¥179**	¥88,325	¥178	¥178
Bond Futures Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Bond Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**/**	**¥179**	**¥179**	/	¥178	¥178

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Bond Futures	**$251**	**$ 2**	**$ 2**
Bond Futures Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Bond Options	**—**	**—**	**—**
Other	**—**	**—**	**—**
Total	**/**	**$ 2**	**$ 2**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of September 30, 2008 and 2007.

Credit Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Over-the-counter Transactions:						
Credit Default Swaps	**¥99,455**	**¥(5,715)**	**¥(5,715)**	¥96,723	¥602	¥602
Other	**—**	**—**	**—**	—	—	—
Total	**/**	**¥(5,715)**	**¥(5,715)**	/	¥602	¥602

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Over-the-counter Transactions:			
Credit Default Swaps	**$960**	**$(55)**	**$(55)**
Other	**—**	**—**	**—**
Total	**/**	**$(55)**	**$(55)**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

17. The Norinchukin Bank (Parent Company)

(a) Non-consolidated Balance Sheets (Unaudited)

	Millions of Yen			Millions of U.S. Dollars
	September 30		March 31	September 30
	2008	2007	2008	**2008**
Assets				
Cash and Due from Banks	**¥ 2,541,038**	¥ 1,453,349	¥ 1,095,094	**$ 24,539**
Call Loans	**2,405,430**	1,407,249	1,833,020	**23,230**
Receivables under Resale Agreements	**—**	680,215	258,135	**—**
Receivables under Securities Borrowing Transactions	**1,742,089**	713,643	1,108,779	**16,824**
Monetary Claims Bought	**709,673**	826,839	770,387	**6,853**
Trading Assets	**30,278**	51,631	48,033	**292**
Money Held in Trust	**6,675,114**	6,241,591	7,963,664	**64,463**
Securities	**32,960,257**	41,568,610	36,262,384	**318,303**
Loans and Bills Discounted	**8,744,732**	12,289,763	9,795,662	**84,450**
Foreign Exchange Assets	**54,558**	4,598	7,119	**527**
Other Assets	**1,313,437**	597,171	1,445,050	**12,684**
Tangible Fixed Assets	**132,129**	137,459	134,502	**1,276**
Intangible Fixed Assets	**23,534**	11,195	17,164	**227**
Deferred Tax Assets	**460,318**	—	150,750	**4,445**
Customers' Liabilities for Acceptances and Guarantees	**458,094**	538,214	492,389	**4,424**
Reserve for Possible Loan Losses	**(136,335)**	(137,764)	(136,922)	**(1,317)**
Reserve for Possible Investment Losses	**(90)**	(23)	(53,494)	**(1)**
Total Assets	**¥58,114,263**	¥66,383,746	¥61,191,721	**$561,219**
Liabilities and Net Assets				
Liabilities				
Deposits	**¥38,311,885**	¥40,646,256	¥38,813,327	**$369,984**
Negotiable Certificates of Deposit	**499,461**	1,298,078	538,019	**4,823**
Debentures	**5,031,163**	4,659,654	4,822,176	**48,587**
Call Money	**1,467,489**	794,348	758,000	**14,172**
Payables under Repurchase Agreements	**2,416,414**	6,177,155	4,461,811	**23,336**
Payables under Securities Lending Transactions	**338,158**	791,353	496,637	**3,266**
Trading Liabilities	**8,836**	14,219	15,248	**85**
Borrowed Money	**2,226,547**	1,467,161	1,301,922	**21,502**
Foreign Exchange Liabilities	**37**	1	2	**0**
Short-term Entrusted Funds	**4,255,482**	4,031,430	4,401,193	**41,096**
Other Liabilities	**653,573**	1,255,538	1,863,773	**6,312**
Reserve for Bonus Payments	**4,758**	4,636	4,746	**46**
Reserve for Directors' Retirement Benefits	**747**	433	539	**7**
Deferred Tax Liabilities	**—**	590,216	—	**—**
Deferred Tax Liabilities for Land Revaluation	**19,284**	19,802	19,452	**186**
Acceptances and Guarantees	**458,094**	538,214	492,389	**4,424**
Total Liabilities	**55,691,935**	62,288,503	57,989,241	**537,826**
Net Assets				
Paid-in Capital	**2,016,033**	1,484,017	2,016,033	**19,469**
Capital Surplus	**25,020**	25,020	25,020	**242**
Retained Earnings	**1,363,256**	1,304,165	1,435,601	**13,165**
Total Owners' Equity	**3,404,310**	2,813,203	3,476,655	**32,876**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	**(1,083,515)**	1,269,007	(296,521)	**(10,464)**
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	**67,697**	(21,949)	(11,861)	**654**
Revaluation Reserve for Land, net of taxes	**33,835**	34,981	34,208	**327**
Total Valuation and Translation Adjustments	**(981,982)**	1,282,039	(274,175)	**(9,483)**
Total Net Assets	**2,422,327**	4,095,243	3,202,479	**23,393**
Total Liabilities and Net Assets	**¥58,114,263**	¥66,383,746	¥61,191,721	**$561,219**

(b) Non-consolidated Statements of Operations (Unaudited)

	Millions of Yen			Millions of U.S. Dollars
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	**2008**
Income				
Interest Income:	**¥683,413**	¥1,034,929	¥1,936,357	**$6,600**
Interest on Loans and Bills Discounted	**60,627**	73,957	146,507	**586**
Interest and Dividends on Securities	**585,084**	929,801	1,720,183	**5,650**
Fees and Commissions	**5,976**	6,237	12,936	**57**
Trading Income	**306**	80	1,044	**3**
Other Operating Income	**67,338**	56,281	311,388	**650**
Other Income	**190,402**	280,496	429,673	**1,839**
Total Income	**947,437**	1,378,026	2,691,401	**9,149**
Expenses				
Interest Expenses:	**617,044**	932,615	1,732,370	**5,959**
Interest on Deposits	**140,549**	185,805	370,030	**1,357**
Fees and Commissions	**4,159**	6,634	15,052	**40**
Trading Expenses	**571**	307	201	**5**
Other Operating Expenses	**164,291**	121,194	305,010	**1,587**
General and Administrative Expenses	**55,817**	55,437	105,244	**539**
Other Expenses	**79,944**	46,444	117,117	**772**
Total Expenses	**921,828**	1,162,634	2,274,997	**8,902**
Income before Income Taxes	**25,609**	215,392	416,403	**247**
Income Taxes				
Current	**42**	26,554	134,522	**0**
Deferred	**15,095**	47,427	9,807	**146**
Net Income	**¥ 10,471**	¥ 141,411	¥ 272,073	**$ 101**

Capital Adequacy (Consolidated) [Disclosure under Basel II Pillar III]

■ Items for Quantitative Disclosure Related to Capital Adequacy Condition (Basel II Pillar III)

Capital adequacy conditions of the Bank in line with Basel II are described on the following pages.

Capital Adequacy

Contents of principal capital items are described as follows.

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Risk Exposures

This section describes detailed amounts of the Bank's various risks and exposures (including credit risk exposure, securitization exposure, market risk, equity exposure, Risk-weighted asset calculation for investment fund and interest rate risk), which form the basis for the computation of the capital adequacy ratio. This section also describes factors that affect the risk profiles, such as credit risk mitigation.

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1. Capital Structure (Consolidated)

(1) CAPITAL ADEQUACY RATIO (CONSOLIDATED)

Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2008 and 2007, was computed according to Basel II.

As of September 30

Items			Millions of yen		Millions of U.S. dollars
			2008	2007	**2008**
Tier I capital	Capital stock		**2,016,033**	1,484,017	**19,469**
	Included as non-cumulative, perpetual preferred stock		**24,999**	24,999	**241**
	Deposit for subscription to preferred stock		**—**	—	**—**
	Capital surplus		**25,020**	25,020	**241**
	Earned surplus		**1,382,084**	1,320,882	**13,347**
	Amount corresponding to the decrease in capital due to merger of subsidiaries		**—**	—	**—**
	Treasury stock		**—**	—	**—**
	Deposit for subscription to treasury stock		**—**	—	**—**
	Unrealized loss on other securities		**(1,083,712)**	—	**(10,465)**
	Foreign currency transaction adjustment		**(11)**	(2)	**(0)**
	Stock acquisition rights		**—**	—	**—**
	Minority interest of consolidated subsidiaries		**6,196**	5,957	**59**
	Including preferred securities issued by overseas special-purpose corporations		**—**	—	**—**
	Amount corresponding to operating rights		**—**	—	**—**
	Amount corresponding to consolidated adjustments		**—**	—	**—**
	Intangible assets acquired via business combination		**—**	—	**—**
	Goodwill and others		**—**	—	**—**
	Amount corresponding to the increase in capital due to securitization transactions		**—**	—	**—**
	Amount equivalent to 50% expected losses in excess of qualifying allowance		**68,184**	81,614	**658**
	Subtotal	(A)	**2,277,425**	2,754,260	**21,993**
	Including preferred securities with interest rate step-up clause		**—**	—	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	—	**—**
Tier II capital	45% of unrealized gains on other securities		**—**	848,804	**—**
	45% of unrealized gains on land		**23,904**	24,653	**230**
	General reserve for possible loan losses		**50**	287	**0**
	Qualifying subordinated debt		**1,283,932**	1,466,520	**12,399**
	Included as perpetual subordinated bonds and loans		**963,700**	579,900	**9,306**
	Included as dated subordinated bonds, loans, and preferred stock		**320,232**	886,620	**3,092**
	Subtotal		**1,307,887**	2,340,266	**12,630**
	Tier II capital included as qualifying capital	(B)	**1,307,887**	2,340,266	**12,630**
Tier III capital	Short-term subordinated debt		**—**	—	**—**
	Including amount added to capital	(C)	**—**	—	**—**
Deductions	Deductions	(D)	**331,724**	373,457	**3,203**
Total Capital	(A)+(B)+(C)-(D)	(E)	**3,253,588**	4,721,070	**31,420**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**26,362,880**	33,352,096	**254,590**
	Including on-balance sheet		**24,524,588**	30,958,647	**236,838**
	Including off-balance sheet		**1,838,292**	2,393,448	**17,752**
	Assets equivalent to market risk	(G)	**1,403,568**	3,292,086	**13,554**
	(For reference: actual market risk volume)	(H)	**112,285**	263,366	**1,084**
	Amount corresponding to operational risk (J)/8%	(I)	**1,051,386**	954,137	**10,153**
	(For reference: amount corresponding to operational risk)	(J)	**84,110**	76,330	**812**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**28,817,835**	37,598,319	**278,298**
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) x 100%			**11.29%**	12.55%	**11.29%**
Tier I ratio = (A)/(K) x 100%			**7.90%**	7.32%	**7.90%**
Consolidated required capital			**2,305,426**	3,007,865	**22,263**

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Yang ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC is not required to express its opinion on the Bank's capital adequacy.

3. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.

4. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) holdings of instruments issued for raising capital, issued by affiliated corporations conducting financial service businesses, (3) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (4) expected losses on equity exposure, and (5) securitization exposure subject to deduction from capital (Notification Regarding Capital Adequacy, Article 8).

5. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

(2) EXPLANATION OF COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO

Names of Companies with Less than the Regulatory Required Capital and the Amounts

Among those companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy, Article 8-1-2 a and b, the name of those companies whose capital is below the regulatory required capital and the amounts of overall shortfall in capital.

None of the Bank's Group companies fall under this category.

2. Items for Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Regulatory Required Capital

(Billions of yen)

Items	As of September 30, 2008		As of September 30, 2007	
	EAD	Regulatory Required Capital	EAD	Regulatory Required EAD
Amount of regulatory required capital for credit risk	**71,528**	**2,461**	81,133	3,067
Exposure subject to Internal Ratings-Based Approach	**71,473**	**2,459**	80,751	3,051
Corporate exposure (excluding Specialized Lending)	**6,606**	**439**	7,576	388
Corporate exposure (Specialized Lending)	**856**	**81**	695	75
Sovereign exposure	**19,192**	**2**	23,557	0
Bank exposure	**13,735**	**111**	16,263	125
Retail exposure	**411**	**24**	4	0
Retail exposure secured by residential properties	**374**	**19**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**36**	**4**	4	0
Securitization exposure	**6,821**	**114**	4,877	116
Equity portfolios	**679**	**89**	1,117	161
Equity portfolios subject to PD/LGD approaches	**121**	**18**	67	9
Equity portfolios subject to simple risk-weighted method	**82**	**28**	82	27
Equities under the internal models approach	**17**	**4**	337	70
Grandfathered equity exposure	**458**	**38**	630	53
Exposure subject to risk-weighted asset calculation for investment fund	**22,320**	**1,540**	26,325	2,166
Other debt purchased	**71**	**2**	109	3
Other exposures	**778**	**53**	222	12
Exposure subject to Standardized Approach	**54**	**1**	382	16
Assets subject to Standardized Approach on a non-consolidated basis	**13**	**1**	8	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**38**	**0**	373	15
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**1**	**0**	0	0
Amount of regulatory required capital for market risk	**/**	**112**	/	263
Standardized Approach	**/**	**111**	/	262
Interest rate risk category	**/**	**—**	/	0
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**111**	/	262
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**84**	/	76
Offsets on consolidation	**/**	**2,657**	/	3,407

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grand fathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy, Article 282).

3. Items for Credit Risk (Consolidated)

(Funds and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For the Six Months Ended September 30, 2008

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,597	9,515	119	6,115	27,348	209
Asia except Japan	59	37	2	968	1,067	—
Europe	93	1,631	450	3,706	5,882	0
The Americas	282	4,672	199	3,597	8,751	—
Other areas	26	19	1	10	57	—
Amounts held by consolidated subsidiaries	434	21	—	42	498	13
Total	12,493	15,898	773	14,440	43,606	224

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	573	125	0	0	699	14	—
Pulp and paper	210	34	0	0	244	3	—
Chemicals	537	102	0	0	639	11	—
Other manufacturing	902	130	0	0	1,034	16	0
Total for manufacturing	2,224	392	1	0	2,618	46	0
Agriculture, forestry and fishing	122	0	0	0	122	36	1
Construction	163	12	0	0	175	6	0
Utility	182	57	0	0	240	—	—
Information/telecommunications, transportation	765	136	2	0	903	5	—
Wholesaling, retailing	1,861	70	0	0	1,933	26	0
Services	1,387	64	0	1	1,454	35	3
Finance and insurance	1,485	4,496	769	12,873	19,625	3	0
Other non-manufacturing	3,866	10,645	0	1,522	16,034	48	0
Total for non-manufacturing	9,834	15,484	772	14,397	40,489	163	5
Amounts held by consolidated subsidiaries	434	21	—	42	498	13	3
Total	12,493	15,898	773	14,440	43,606	224	9

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**8,406**	**286**	**198**	**10,754**	**19,646**
Over 1 year to 3 years	**1,571**	**1,617**	**571**	**0**	**3,760**
Over 3 years to 5 years	**1,188**	**2,695**	**0**	**57**	**3,941**
Over 5 years to 7 years	**488**	**1,190**	**0**	**4**	**1,684**
Over 7 years	**377**	**9,461**	**2**	**734**	**10,575**
No term to maturity	**26**	**625**	**0**	**2,847**	**3,498**
Amounts held by consolidated subsidiaries	**434**	**21**	**—**	**42**	**498**
Total	**12,493**	**15,898**	**773**	**14,440**	**43,606**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2008.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥54.9 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For the Six Months Ended September 30, 2007

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	15,622	10,985	33	4,109	30,750	224
Asia except Japan	67	23	2	1,079	1,172	—
Europe	122	3,534	163	5,045	8,865	—
The Americas	302	7,427	58	3,077	10,866	—
Other areas	40	13	3	0	57	—
Amounts held by consolidated subsidiaries	325	19	0	43	387	14
Total	16,481	22,003	260	13,354	52,099	238

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	605	146	0	0	752	10	—
Pulp and paper	219	45	0	0	265	4	—
Chemicals	541	174	0	0	716	11	—
Other manufacturing	1,047	188	1	0	1,236	7	2
Total for manufacturing	2,413	555	1	0	2,970	33	2
Agriculture, forestry and fishing	119	0	0	0	119	37	0
Construction	180	15	0	0	196	0	—
Utility	158	62	0	0	221	—	—
Information/telecommunications, transportation	805	162	2	0	970	12	—
Wholesaling, retailing	1,916	94	0	0	2,012	37	0
Services	1,473	67	0	1	1,543	56	—
Finance and insurance	1,816	6,385	255	12,359	20,816	5	—
Other non-manufacturing	7,270	14,639	0	950	22,861	40	—
Total for non-manufacturing	13,742	21,429	258	13,311	48,741	190	0
Amounts held by consolidated subsidiaries	325	19	0	43	387	14	3
Total	16,481	22,003	260	13,354	52,099	238	6

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	12,089	1,082	170	11,775	25,118
Over 1 year to 3 years	1,716	2,175	83	0	3,975
Over 3 years to 5 years	1,500	3,505	1	51	5,058
Over 5 years to 7 years	409	2,776	0	10	3,197
Over 7 years	407	11,363	4	719	12,494
No term to maturity	31	1,081	0	755	1,868
Amounts held by consolidated subsidiaries	325	19	0	43	387
Total	16,481	22,003	260	13,354	52,099

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2007.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥396.1 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVES FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2008	As of September 30, 2007	Increase/(decrease)
General reserve for possible loan losses	**46**	31	**15**
Specific reserve for possible loan losses	**77**	91	**(14)**
Japan	**76**	91	**(15)**
Asia except Japan	**—**	—	**—**
Europe	**0**	—	**0**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**8**	6	**1**
Offsets on consolidation	**(4)**	(4)	**(0)**
Specified reserve for loans to countries with financial problems	**—**	0	**(0)**
Total	**127**	125	**1**

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of September 30, 2008	As of September 30, 2007	Increase/(decrease)
General reserve for possible loan losses	**46**	31	**15**
Specific reserve for possible loan losses	**77**	91	**(14)**
Manufacturing:	**10**	9	**0**
Food products	**7**	5	**1**
Pulp and paper	**1**	1	**(0)**
Chemicals	**—**	—	**—**
Other manufacturing	**2**	2	**(0)**
Non-manufacturing	**66**	82	**(18)**
Agriculture, forestry and fishing	**17**	16	**1**
Construction	**1**	0	**1**
Utility	**—**	—	**—**
Information/telecommunications, transportation	**2**	9	**(6)**
Wholesaling, retailing	**19**	16	**2**
Services	**7**	20	**(12)**
Finance and insurance	**1**	1	**(0)**
Other non-manufacturing	**15**	17	**(2)**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**8**	6	**1**
Offsets on consolidation	**(4)**	(4)	**(0)**
Specified reserve for loans to countries with financial problems	**—**	0	**(0)**
Total	**127**	125	**1**

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2008

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.54%	40.81%	83%	6,606	5,092	1,514
1-1 to 4	0.16%	39.60%	31%	5,031	3,636	1,394
5 to 7	1.83%	44.64%	114%	817	743	74
8-1 to 8-2	19.26%	44.69%	353%	594	551	42
Subtotal	2.13%	40.71%	71%	6,443	4,931	1,511
8-3 to 10-2	100.00%	44.48%	558%	162	160	2
Sovereign Exposure	0.01%	44.42%	0%	19,192	15,346	3,846
1-1 to 4	0.00%	44.42%	0%	19,179	15,332	3,846
5 to 7	7.78%	45.00%	257%	13	13	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.01%	44.42%	0%	19,192	15,346	3,846
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	31.71%	10%	13,735	8,077	5,658
1-1 to 4	0.04%	31.70%	10%	13,709	8,057	5,651
5 to 7	2.58%	45.00%	156%	18	11	6
8-1 to 8-2	7.07%	20.00%	100%	8	7	0
Subtotal	0.04%	31.71%	10%	13,735	8,076	5,658
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.92%	90.00%	189%	121	113	7
1-1 to 4	0.14%	90.00%	140%	99	99	—
5 to 7	4.42%	90.00%	412%	21	14	7
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.92%	90.00%	189%	121	113	7
8-3 to 10-2	100.00%	90.00%	1,250%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

For the Six Months Ended September 30, 2007

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	3.21%	40.32%	64%	7,576	5,466	2,114
1-1 to 4	0.15%	39.22%	29%	6,030	4,076	1,954
5 to 7	1.79%	44.71%	116%	1,126	997	128
8-1 to 8-2	19.26%	44.23%	347%	255	225	29
Subtotal	1.06%	40.23%	53%	7,412	5,299	2,112
8-3 to 10-2	100.00%	44.47%	558%	164	163	1
Sovereign Exposure	0.00%	45.96%	0%	23,557	22,813	744
1-1 to 4	0.00%	45.96%	0%	23,557	22,813	744
5 to 7	7.78%	45.00%	221%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.96%	0%	23,557	22,813	744
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Bank Exposure	0.04%	23.19%	10%	16,263	7,423	8,840
1-1 to 4	0.03%	23.16%	9%	16,237	7,403	8,833
5 to 7	2.52%	45.00%	156%	17	11	5
8-1 to 8-2	7.07%	23.71%	130%	7	7	0
Subtotal	0.04%	23.18%	10%	16,263	7,423	8,840
8-3 to 10-2	100.00%	45.00%	562%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.34%	90.00%	173%	67	67	—
1-1 to 4	0.18%	90.00%	163%	63	63	—
5 to 7	2.04%	90.00%	304%	3	3	—
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.34%	90.00%	173%	67	67	—
8-3 to 10-2	—	—	—	—	—	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

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

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

b. Retail Exposure

For the Six Months Ended September 30, 2008

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	3.08%	48.35%	87.36%	80.96%	71%	726	495	230
Not default Not delinquent	0.43%	48.32%	/	/	39%	692	461	230
Not default Delinquent	24.15%	49.50%	/	/	436%	19	19	0
Not default Subtotal	1.09%	48.35%	/	/	50%	712	481	230
Default	100.00%	/	87.36%	80.96%	1,092%	14	14	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	7.99%	64.10%	80.82%	73.54%	138%	47	39	8
Not default Not delinquent	1.16%	64.17%	/	/	72%	43	35	7
Not default Delinquent	24.73%	61.78%	/	/	338%	1	1	0
Not default Subtotal	1.84%	64.10%	/	/	79%	44	37	7
Default	100.00%	/	80.82%	73.54%	1,010%	2	2	0
Total	3.39%	49.28%	86.25%	79.70%	75%	774	535	238
Not default Not delinquent	0.47%	49.25%	/	/	41%	735	497	237
Not default Delinquent	24.18%	50.26%	/	/	430%	21	20	0
Not default Subtotal	1.14%	49.28%	/	/	52%	756	518	238
Default	100.00%	/	86.25%	79.70%	1,078%	17	17	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.
2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.
3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
5. As of September 30, 2008, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2007

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.01%	40.80%	77.46%	71.65%	67%	396	396	0
Not default Not delinquent	0.37%	40.82%	/	/	27%	368	368	0
Not default Delinquent	21.04%	40.49%	/	/	334%	16	16	0
Not default Subtotal	1.27%	40.80%	/	/	41%	385	385	0
Default	100.00%	/	77.46%	71.65%	968%	11	11	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	6.16%	43.41%	52.27%	48.70%	79%	70	66	4
Not default Not delinquent	1.41%	43.33%	/	/	48%	64	60	4
Not default Delinquent	17.45%	45.13%	/	/	191%	3	3	0
Not default Subtotal	2.15%	43.41%	/	/	55%	67	63	4
Default	100.00%	/	52.27%	48.70%	653%	2	2	0
Total	4.34%	41.19%	72.21%	66.87%	69%	467	462	4
Not default Not delinquent	0.52%	41.19%	/	/	31%	433	429	4
Not default Delinquent	20.48%	41.21%	/	/	311%	19	19	0
Not default Subtotal	1.40%	41.19%	/	/	43%	453	448	4
Default	100.00%	/	72.21%	66.87%	903%	13	13	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	As of September 30, 2008	As of September 30, 2007	Increase/(decrease)
Corporate exposure	**8**	4	**4**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	—	**—**
Retail exposure secured by residential properties	**0**	0	**0**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**(0)**

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of September 30, 2008		As of September 30, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**23**	**8**	14	4
Sovereign exposure	**0**	**—**	0	—
Bank exposure	**0**	**—**	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	—
Retail exposure secured by residential properties	**0**	**0**	0	0
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**0**	**0**	0	0

(Billions of yen)

Type of exposure	As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	29	7	27	18
Sovereign exposure	1	—	1	—
Bank exposure	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	0	0
Retail exposure secured by residential properties	1	0	—	—
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ended March 31, 2007).

2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

3. Estimated losses of each year are amount of expected losses. For the first-half period, an amount equivalent to half of the expected losses for the full term is employed.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For the first half of fiscal 2008, the actual loss amount increased year-on-year due to an increase in losses arising from defaults by corporate borrowers.

Actual loss amounts during the first-half period of fiscal 2008 (April to September 2008) remained at levels generally below the estimated losses at the beginning of the reporting period.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Specialized Lending exposure subject to supervisory slotting criteria	**856**	975
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**685**	841
Risk weight of 50%	**109**	81
Risk weight of 70%	**344**	511
Risk weight of 90%	**178**	181
Risk weight of 115%	**1**	15
Risk weight of 250%	**13**	9
Risk weight of 0% (default)	**37**	42
High-Volatility Commercial Real Estate (HVCRE)	**171**	133
Risk weight of 70%	**106**	1
Risk weight of 95%	**3**	20
Risk weight of 120%	**10**	70
Risk weight of 140%	**41**	10
Risk weight of 250%	**10**	30
Risk weight of 0% (default)	**—**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**83**	83
Risk weight of 300%	**—**	—
Risk weight of 400%	**83**	83

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**54**	**—**	396	—
Risk weight of 0%	**15**	**—**	16	—
Risk weight of 10%	**—**	**—**	1	—
Risk weight of 20%	**17**	**—**	33	—
Risk weight of 35%	**—**	**—**	173	—
Risk weight of 50%	**1**	**1**	3	—
Risk weight of 75%	**—**	**—**	95	—
Risk weight of 100%	**18**	**—**	69	—
Risk weight of 150%	**—**	**—**	0	—
Amount deducted from capital	**—**	**—**	—	—
Others	**0**	**—**	1	—

Notes: 1. Others are including risk weight to measure credit risk asset by look-through approach and the assets which are more than 150% risk weight.
2. For exposure computed by the Standardized Approach, the Bank does not refer to external ratings in applying risk weight in any case.

4. Items for Methods of Credit Risk Mitigation Techniques (Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**4,286**	7,984
Eligible financial collateral	**4,161**	7,606
Corporate exposure	**599**	765
Sovereign exposure	**238**	—
Bank exposure	**3,324**	6,840
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, credit derivatives	**124**	378
Corporate exposure	**124**	345
Sovereign exposure	**0**	33
Bank exposure	**—**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.

2. Exposure subject to treatment as credit risk exposure is not included.

5. Items for Counterparty Credit Risk in Derivative Transactions (Consolidated)

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2008	As of September 30, 2007
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**807**	215
Total gross add-ons	(B)	**498**	282
Gross credit exposure	(C) = (A)+(B)	**1,305**	498
Including, foreign exchange related		**1,231**	447
Including, interest rate related		**61**	42
Including, equity related		**3**	3
Including, credit derivatives		**9**	5
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**42**	236
Reduction in credit exposure due to netting contracts	(E) = (C)−(D)	**1,263**	261
Amount of collateral		**—**	0
Including eligible financial collateral		**—**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**1,263**	261

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**99**	96
Including credit default swaps	**99**	96
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

6. Items for Securitization Exposure (Consolidated)

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Total amount of underlying assets	**—**	—
Amounts of securitization exposure	**—**	—
Increase in capital due to securitization transactions	**—**	—
Deducted from capital	**—**	—
Amounts of securitized exposure	**—**	—
Gains (losses) on sales of securitization transactions	**—**	—

As of September 30, 2008, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of September 30, 2008	
	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**6,825**	**25**
Individuals		
Asset-Backed Securities (ABS)	**2,880**	**0**
Residential Mortgage-Backed Securities (RMBS)	**755**	**2**
Real estate		
Commercial Mortgage-Backed Securities (CMBS)	**672**	**—**
Corporates		
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**2,441**	**2**
Collateralized Loan Obligations (CLO)	**1,996**	**—**
Asset-Backed Securities CDOs (ABS-CDO)	**343**	**2**
Collateralized Bond Obligations (CBO)	**102**	**—**
Others	**75**	**19**

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	Deductions from capital
Amount of securitization exposure	4,877	32
Corporates	2,066	15
Individuals	1,691	0
Real estate	988	2
Other	130	13

Note: "Deduction from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

6. Items for Securitization Exposure (Consolidated)

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Amount of exposure	**Regulatory required capital**	**Amount of exposure**	**Regulatory required capital**
Amount of securitization exposure	**6,825**	**114**	4,877	116
Risk weight: 20% or less	**6,314**	**50**	4,147	40
Risk weight: exceeding 20% to 50% or less	**217**	**6**	338	9
Risk weight: exceeding 50% to 100% or less	**209**	**14**	304	21
Risk weight: exceeding 100% to 250% or less	**39**	**7**	51	10
Risk weight: exceeding 250% to less than 1,250%	**19**	**10**	2	1
Deductions from capital	**25**	**25**	32	32

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Items for Market Risk (Consolidated)

Computation of the Market Risk Amount Using the Internal Models Approach

■ VaR

(Millions of yen)

	For the six months ended September 30, 2008	For the six months ended September 30, 2007
Base date of computation	**2008. 9. 30**	2007. 9. 28
VaR (For the most recent 60 business days)		
Base date of computation	**415**	112
Maximum	**446**	313
Minimum	**97**	100
Average	**206**	172

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2008	For the six months ended September 30, 2007
For the portion computed with the internal models approach (B)+(E)	(A)	**618**	585
Value at Risk (MAX (C, D))	(B)	**618**	585
Amount on base date of computation	(C)	**415**	112
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**618**	585
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.4
(Times exceeding VaR in back testing)	(G)	**3**	5

Note: With regard to validation of the Bank's internal model, the amount of risk calculated by the model is compared with the volatilities in actual profit and loss on a daily basis (known as back testing). When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain level, the Bank scrutinizes the relevant model factors and revises the model if necessary.

8. Items for Equity Exposure (Consolidated)

(Includes items such as shares, excludes items in a trading account)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**672**	**672**	1,114	1,114
Exposure to publicly traded equity	**493**	**493**	976	976
Exposure to privately held equity	**179**	**179**	138	138

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year consolidated balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	For the six months ended September 30, 2008			For the six months ended September 30, 2007		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**31**	**37**	**0**	19	0	25

Note: Amounts reflect relevant figures posted in the half-year consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2008	As of September 30, 2007
Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations	**136**	324

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.

Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

8. Items for Equity Exposure (Consolidated)

Amount Included in Supplementary Capital (Tier II) Under Stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1

(Billions of yen)

Item	As of September 30, 2008	As of September 30, 2007
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1	**—**	145

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1) classified under other securities at market value, minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of September 30, 2008 Amounts on the balance sheets	As of September 30, 2007 Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**459**	630
Corporate	**444**	613
Bank	**9**	12
Sovereign	**5**	3

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Exposure	**(For reference) Weighted-average risk weight**	**Exposure**	**(For reference) Weighted-average risk weight**
Look-through approach	**15,637**	**57%**	17,339	65%
Majority approach	**795**	**332%**	1,041	354%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,798**	**199%**	4,039	186%
Others (simple approach)	**336**	**537%**	538	500%
Total	**18,567**	**86%**	22,959	103%

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows; It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)

6. The items "(For reference) Weighted-average risk weight" is computed as follows: calculating the total risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

10. Items for Interest-Rate Risk (Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Interest-rate risk	**1,066**	1,463
Yen interest-rate risk	**(8)**	15
U.S. dollar interest-rate risk	**1,039**	1,275
Euro interest-rate risk	**26**	159
Interest-rate risk in other currencies	**9**	13

Notes: 1. In the banking book, the Bank's internal rule applies one year holding period and five year historical observation period as criteria for interest-rate risk volatility measurements. The Bank calculates the declines in economic value on a monthly basis by taking the first and 99th percentile risk measure.

2. Interest-rate risk in consolidated subsidiaries is limited in view of the size of their assets, so the interest-rate risk volume for the Bank on a non-consolidated basis is shown here.

3. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

1. Capital Structure (Non-Consolidated)

(1) CAPITAL ADEQUACY RATIO (NON-CONSOLIDATED)

Non-Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2008 and 2007, was computed according to Basel II.

As of September 30

Items			Millions of yen		Millions of U.S. dollars
			2008	2007	**2008**
Tier I capital	Capital stock		**2,016,033**	1,484,017	**19,469**
	Included as non-cumulative, perpetual preferred stock		**24,999**	24,999	**241**
	Deposit for subscription to preferred stock		**—**	—	**—**
	Capital surplus		**25,020**	25,020	**241**
	Earned surplus		**1,363,857**	1,304,905	**13,171**
	Amount corresponding to the decrease in capital due to merger of subsidiaries		**—**	—	**—**
	Treasury stock		**—**	—	**—**
	Deposit for subscription to treasury stock		**—**	—	**—**
	Unrealized loss on other securities		**(1,083,515)**	—	**(10,463)**
	Foreign currency transaction adjustment		**(11)**	(2)	**(0)**
	Stock acquisition rights		**—**	—	**—**
	Amount corresponding to operating rights		**—**	—	**—**
	Goodwill and others		**—**	—	**—**
	Amount corresponding to the increase in capital due to securitization transactions		**—**	—	**—**
	Amount equivalent to 50% expected losses in excess of qualifying allowance		**64,733**	82,362	**625**
	Subtotal	(A)	**2,256,650**	2,731,579	**21,792**
	Including preferred securities with interest rate step-up clause		**—**	—	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	—	**—**
Tier II capital	45% of unrealized gains on other securities		—	848,789	**—**
	45% of unrealized gains on land		**23,904**	24,653	**230**
	General reserve for possible loan losses		**29**	11	**0**
	Qualifying subordinated debt		**1,283,932**	1,466,520	**12,399**
	Included as perpetual subordinated bonds and loans		**963,700**	579,900	**9,306**
	Included as dated subordinated bonds, loans, and preferred stock		**320,232**	886,620	**3,092**
	Subtotal		**1,307,866**	2,339,975	**12,630**
	Tier II capital included as qualifying capital	(B)	**1,307,866**	2,339,975	**12,630**
Tier III capital	Short-term subordinated debt		**—**	—	**—**
	Including amount added to capital	(C)	**—**	—	**—**
Deductions	Deductions	(D)	**326,033**	359,845	**3,148**
Total Capital	(A)+(B)+(C)-(D)	(E)	**3,238,483**	4,711,709	**31,274**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**26,166,254**	33,276,675	**252,691**
	Including on-balance sheet		**24,378,399**	30,949,327	**235,426**
	Including off-balance sheet		**1,787,854**	2,327,347	**17,265**
	Assets equivalent to market risk	(G)	**1,403,568**	3,292,086	**13,554**
	(For reference: actual market risk volume)	(H)	**112,285**	263,366	**1,084**
	Amount corresponding to operational risk (J)/8%	(I)	**1,024,690**	932,154	**9,895**
	(For reference: amount corresponding to operational risk)	(J)	**81,975**	74,572	**791**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**28,594,513**	37,500,915	**276,142**
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) x 100%			**11.32%**	12.56%	**11.32%**
Tier I ratio = (A)/(K) x 100%			**7.89%**	7.28%	**7.89%**
Non-Consolidated required capital			**2,287,561**	3,000,073	**22,091**

1. Capital Structure (Non-Consolidated)

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Yang ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC is not required to express its opinion on the Bank's capital adequacy.

3. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.

4. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) holdings of instruments issued for raising capital, issued by affiliated corporations conducting financial service businesses, (3) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (4) expected losses on equity exposure, and (5) securitization exposure subject to deduction from capital (Notification Regarding Capital Adequacy, Article 20).

5. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

2. Items for Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Regulatory Required Capital

(Billions of yen)

Items	As of September 30, 2008		As of September 30, 2007	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**71,217**	**2,434**	80,961	3,061
Exposure subject to Internal Ratings-Based Approach	**71,203**	**2,433**	80,953	3,060
Corporate exposure (excluding Specialized Lending)	**6,703**	**433**	7,723	390
Corporate exposure (Specialized Lending)	**856**	**81**	695	75
Sovereign exposure	**19,192**	**2**	23,557	0
Bank exposure	**13,735**	**111**	16,263	125
Retail exposure	**5**	**1**	4	0
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**5**	**1**	4	0
Securitization exposure	**6,821**	**114**	4,877	116
Equity portfolios	**724**	**94**	1,173	169
Equity portfolios subject to PD/LGD approaches	**140**	**20**	85	13
Equity portfolios subject to simple risk-weighted method	**83**	**28**	82	28
Equities under the internal models approach	**17**	**4**	337	70
Grandfathered equity exposure	**483**	**40**	667	56
Exposure subject to risk-weighted asset calculation for investment fund	**22,317**	**1,539**	26,324	2,166
Other debt purchased	**71**	**2**	109	3
Other exposures	**774**	**53**	222	12
Exposure subject to Standardized Approach	**14**	**1**	8	0
Overdrafts	**0**	**0**	0	0
Prepaid expenses	**6**	**0**	4	0
Suspense payments	**7**	**0**	3	0
Other	**—**	**—**	0	0
Amount of regulatory required capital for market risk	**/**	**112**	/	263
Standardized Approach	**/**	**111**	/	262
Interest rate risk category	**/**	**—**	/	0
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**111**	/	262
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**81**	/	74
Offsets on consolidation	**/**	**2,628**	/	3,399

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grand fathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

4. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy, Article 282).

3. Items for Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For the Six Months Ended September 30, 2008

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,597	9,515	119	6,115	27,348	209
Asia except Japan	59	37	2	968	1,067	—
Europe	93	1,631	450	3,706	5,882	0
The Americas	282	4,672	199	3,597	8,751	—
Other areas	26	19	1	10	57	—
Total	12,059	15,876	773	14,397	43,107	210

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	573	125	0	0	699	14	—
Pulp and paper	210	34	0	0	244	3	—
Chemicals	537	102	0	0	639	11	—
Other manufacturing	902	130	0	0	1,034	16	0
Total for manufacturing	2,224	392	1	0	2,618	46	0
Agriculture, forestry and fishing	122	0	0	0	122	36	1
Construction	163	12	0	0	175	6	0
Utility	182	57	0	0	240	—	—
Information/telecommunications, transportation	765	136	2	0	903	5	—
Wholesaling, retailing	1,861	70	0	0	1,933	26	0
Services	1,387	64	0	1	1,454	35	3
Finance and insurance	1,485	4,496	769	12,873	19,625	3	0
Other non-manufacturing	3,866	10,645	0	1,522	16,034	48	0
Total for non-manufacturing	9,834	15,484	772	14,397	40,489	163	5
Total	12,059	15,876	773	14,397	43,107	210	6

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**8,406**	**286**	**198**	**10,754**	**19,646**
Over 1 year to 3 years	**1,571**	**1,617**	**571**	**0**	**3,760**
Over 3 years to 5 years	**1,188**	**2,695**	**0**	**57**	**3,941**
Over 5 years to 7 years	**488**	**1,190**	**0**	**4**	**1,684**
Over 7 years	**377**	**9,461**	**2**	**734**	**10,575**
No term to maturity	**26**	**625**	**0**	**2,847**	**3,498**
Total	**12,059**	**15,876**	**773**	**14,397**	**43,107**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2008.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥14.0 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For the Six Months Ended September 30, 2007

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	15,622	10,985	33	4,109	30,750	224
Asia except Japan	67	23	2	1,079	1,172	—
Europe	122	3,534	163	5,045	8,865	—
The Americas	302	7,427	58	3,077	10,866	—
Other areas	40	13	3	0	57	—
Total	16,155	21,984	260	13,311	51,712	224

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	605	146	0	0	752	10	—
Pulp and paper	219	45	0	0	265	4	—
Chemicals	541	174	0	0	716	11	—
Other manufacturing	1,047	188	1	0	1,236	7	2
Total for manufacturing	2,413	555	1	0	2,970	33	2
Agriculture, forestry and fishing	119	0	—	0	119	37	0
Construction	180	15	0	0	196	0	—
Utility	158	62	0	0	221	—	—
Information/telecommunications, transportation	805	162	2	0	970	12	—
Wholesaling, retailing	1,916	94	0	0	2,012	37	0
Services	1,473	67	0	1	1,543	56	—
Finance and insurance	1,816	6,385	255	12,359	20,816	5	—
Other non-manufacturing	7,270	14,639	0	950	22,861	40	—
Total for non-manufacturing	13,742	21,429	258	13,311	48,741	190	0
Total	16,155	21,984	260	13,311	51,712	224	3

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	12,089	1,082	170	11,775	25,118
Over 1 year to 3 years	1,716	2,175	83	0	3,975
Over 3 years to 5 years	1,500	3,505	1	51	5,058
Over 5 years to 7 years	409	2,776	0	10	3,197
Over 7 years	407	11,363	4	719	12,494
No term to maturity	31	1,081	0	755	1,868
Total	16,155	21,984	260	13,311	51,712

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2007.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥8.6 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVES FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2008	As of September 30, 2007	Increase/(decrease)
General reserve for possible loan losses	**46**	31	**15**
Specific reserve for possible loan losses	**77**	91	**(14)**
Japan	**76**	91	**(15)**
Asia except Japan	**—**	—	**—**
Europe	**0**	—	**0**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	0	**(0)**
Total	**123**	123	**0**

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of September 30, 2008	As of September 30, 2007	Increase/(decrease)
General reserve for possible loan losses	**46**	31	**15**
Specific reserve for possible loan losses	**77**	91	**(14)**
Manufacturing:	**10**	9	**0**
Food products	**7**	5	**1**
Pulp and paper	**1**	1	**(0)**
Chemicals	**—**	—	**—**
Other manufacturing	**2**	2	**(0)**
Non-manufacturing	**66**	82	**(15)**
Agriculture, forestry and fishing	**17**	16	**1**
Construction	**1**	0	**1**
Utility	**—**	—	**—**
Information/telecommunications, transportation	**2**	9	**(6)**
Wholesaling, retailing	**19**	16	**2**
Services	**7**	20	**(12)**
Finance and insurance	**1**	1	**(0)**
Other non-manufacturing	**15**	17	**(2)**
Others	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	0	**(0)**
Total	**123**	123	**0**

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2008

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.31%	40.87%	81%	6,703	5,188	1,514
1-1 to 4	0.15%	39.73%	31%	5,153	3,759	1,394
5 to 7	1.78%	44.64%	113%	807	733	74
8-1 to 8-2	19.26%	44.68%	353%	588	545	42
Subtotal	2.07%	40.78%	70%	6,550	5,038	1,511
8-3 to 10-2	100.00%	44.45%	558%	152	150	2
Sovereign Exposure	0.01%	44.42%	0%	19,192	15,346	3,846
1-1 to 4	0.00%	44.42%	0%	19,179	15,332	3,846
5 to 7	7.78%	45.00%	257%	13	13	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.01%	44.42%	0%	19,192	15,346	3,846
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	31.71%	10%	13,735	8,076	5,658
1-1 to 4	0.04%	31.70%	10%	13,708	8,057	5,651
5 to 7	2.58%	45.00%	156%	18	11	6
8-1 to 8-2	7.07%	20.00%	100%	8	7	0
Subtotal	0.04%	31.71%	10%	13,735	8,076	5,658
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.16%	90.00%	182%	140	132	7
1-1 to 4	0.13%	90.00%	135%	118	118	—
5 to 7	4.42%	90.00%	412%	21	14	7
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.81%	90.00%	178%	139	132	7
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

For the Six Months Ended September 30, 2007

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	3.15%	40.41%	63%	7,723	5,609	2,114
1-1 to 4	0.15%	39.36%	29%	6,177	4,223	1,954
5 to 7	1.79%	44.71%	116%	1,126	997	128
8-1 to 8-2	19.26%	44.23%	347%	255	225	29
Subtotal	1.04%	40.32%	52%	7,558	5,446	2,112
8-3 to 10-2	100.00%	44.47%	558%	164	163	1
Sovereign Exposure	0.00%	45.96%	0%	23,557	22,813	744
1-1 to 4	0.00%	45.96%	0%	23,557	22,813	744
5 to 7	7.78%	45.00%	221%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.96%	0%	23,557	22,813	744
8-3 to 10-2	100.00%	45.00%	563%	0	0	—
Bank Exposure	0.04%	23.19%	10%	16,263	7,423	8,840
1-1 to 4	0.03%	23.16%	9%	16,237	7,403	8,833
5 to 7	2.52%	45.00%	156%	17	11	5
8-1 to 8-2	7.07%	23.71%	130%	7	7	0
Subtotal	0.04%	23.18%	10%	16,263	7,423	8,840
8-3 to 10-2	100.00%	45.00%	562%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.29%	90.00%	204%	85	85	—
1-1 to 4	0.16%	90.00%	198%	81	81	—
5 to 7	2.04%	90.00%	304%	3	3	—
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.29%	90.00%	204%	85	85	—
8-3 to 10-2	—	—	—	—	—	—

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to 8% of the total of the amount of risk-weighted assets and expected loss, divided by EAD.
3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

b. Retail Exposure

For the Six Months Ended September 30, 2008

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.72%	42.72%	83.52%	77.99%	79%	351	351	0
Not default Not delinquent	0.40%	42.74%	/	/	31%	324	324	0
Not default Delinquent	23.13%	42.28%	/	/	362%	14	14	0
Not default Subtotal	1.39%	42.72%	/	/	45%	339	339	0
Default	100.0%	/	83.52%	77.99%	1,044%	11	11	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	12.73%	62.86%	64.75%	59.91%	155%	16	11	5
Not default Not delinquent	1.56%	62.97%	/	/	69%	14	9	4
Not default Delinquent	21.60%	59.78%	/	/	291%	0	0	0
Not default Subtotal	2.28%	62.86%	/	/	77%	14	9	4
Default	100.00%	/	64.75%	59.91%	809%	1	1	0
Total	5.08%	43.57%	81.07%	75.63%	82%	368	363	5
Not default Not delinquent	0.45%	43.60%	/	/	32%	339	334	4
Not default Delinquent	23.08%	42.89%	/	/	359%	15	15	0
Not default Subtotal	1.42%	43.57%	/	/	46%	354	349	4
Default	100.00%	/	81.07%	75.63%	1,013%	13	13	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.
2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.
3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
5. As of September 30, 2008, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2007

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.01%	40.80%	77.46%	71.65%	67%	396	396	0
Not default Not delinquent	0.37%	40.82%	/	/	27%	368	368	0
Not default Delinquent	21.04%	40.49%	/	/	334%	16	16	0
Not default Subtotal	1.27%	40.80%	/	/	41%	385	385	0
Default	100.00%	/	77.46%	71.65%	968%	11	11	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	6.16%	43.41%	52.27%	48.70%	79%	70	66	4
Not default Not delinquent	1.41%	43.33%	/	/	48%	64	60	4
Not default Delinquent	17.45%	45.13%	/	/	191%	3	3	0
Not default Subtotal	2.15%	43.41%	/	/	55%	67	63	4
Default	100.00%	/	52.27%	48.70%	653%	2	2	0
Total	4.34%	41.19%	72.21%	66.87%	69%	467	462	4
Not default Not delinquent	0.52%	41.19%	/	/	31%	433	429	4
Not default Delinquent	20.48%	41.21%	/	/	311%	19	19	0
Not default Subtotal	1.40%	41.19%	/	/	43%	453	448	4
Default	100.00%	/	72.21%	66.87%	903%	13	13	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.

3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses on Exposure to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	**As of September 30, 2008**	As of September 30, 2007	**Increase/(decrease)**
Corporate exposure	**8**	4	**4**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	—	**—**
Retail exposure secured by residential properties	**—**	—	**—**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	**As of September 30, 2008**		As of September 30, 2007	
	Estimated losses	**Actual losses**	**Estimated losses**	**Actual losses**
Corporate exposure	**22**	**8**	14	4
Sovereign exposure	**0**	**—**	0	—
Bank exposure	**0**	**—**	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	—
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**0**	**0**	0	0

(Billions of yen)

Type of exposure	As of March 31, 2008		As of March 31, 2007	
	Estimated losses	**Actual losses**	**Estimated losses**	**Actual losses**
Corporate exposure	28	6	27	18
Sovereign exposure	1	—	1	—
Bank exposure	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	0	0
Retail exposure secured by residential properties	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ended March 31, 2007).

2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

3. Estimated losses of each year are amount of expected losses. For the first-half period, an amount equivalent to half of the expected losses for the full term is employed.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For the first half of fiscal 2008, the actual loss amount increased year-on-year due to an increase in losses arising from defaults by corporate borrowers.

Actual loss amounts during the first-half period of fiscal 2008 (April to September 2008) remained at levels generally below the estimated losses at the beginning of the reporting period.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Specialized Lending exposure subject to supervisory slotting criteria	**856**	975
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**685**	841
Risk weight of 50%	**109**	81
Risk weight of 70%	**344**	511
Risk weight of 90%	**178**	181
Risk weight of 115%	**1**	15
Risk weight of 250%	**13**	9
Risk weight of 0% (default)	**37**	42
High-Volatility Commercial Real Estate (HVCRE)	**171**	133
Risk weight of 70%	**106**	1
Risk weight of 95%	**3**	20
Risk weight of 120%	**10**	70
Risk weight of 140%	**41**	10
Risk weight of 250%	**10**	30
Risk weight of 0% (default)	**—**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).
2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.
3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.
4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**83**	83
Risk weight of 300%	**—**	—
Risk weight of 400%	**83**	83

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**14**	**—**	8	—
Risk weight of 0%	**—**	**—**	—	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**—**	**—**	—	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	—	—
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**14**	**—**	8	—
Risk weight of 150%	**—**	**—**	—	—
Risk weight of exceeding 150%	**—**	**—**	—	—
Amount deducted from capital	**—**	**—**	—	—

4. Items for Methods of Credit Risk Mitigation Techniques (Non-Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**4,286**	7,984
Eligible financial collateral	**4,161**	7,606
Corporate exposure	**599**	765
Sovereign exposure	**238**	—
Bank exposure	**3,324**	6,840
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, credit derivatives	**124**	378
Corporate exposure	**124**	345
Sovereign exposure	**0**	33
Bank exposure	**—**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.

2. Exposure subject to treatment as credit risk exposure is not included.

5. Items for Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2008	As of September 30, 2007
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**807**	215
Total gross add-ons	(B)	**498**	282
Gross credit exposure	(C) = (A)+(B)	**1,305**	497
Including, foreign exchange related		**1,231**	447
Including, interest rate related		**61**	42
Including, equity related		**3**	3
Including, credit derivatives		**9**	5
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**42**	236
Reduction in credit exposure due to netting contracts	(E) = (C)−(D)	**1,263**	261
Amount of collateral		**—**	0
Including eligible financial collateral		**—**	0
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**1,263**	261

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**99**	96
Including credit default swaps	**99**	96
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 21-2 and Article 21-3, the amount of credit risk assets not computed has not been included.

6. Items for Securitization Exposure (Non-Consolidated)

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Total amount of underlying assets	—	—
Amounts of securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Deducted from capital	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—

As of September 30, 2008, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of September 30, 2008	
	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**6,823**	**25**
Individuals		
Asset-Backed Securities (ABS)	**2,880**	**—**
Residential Mortgage-Backed Securities (RMBS)	**755**	**2**
Real estate		
Commercial Mortgage-Backed Securities (CMBS)	**670**	**—**
Corporates		
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**2,441**	**2**
Collateralized Loan Obligations (CLO)	**1,996**	**—**
Asset-Backed Securities CDOs (ABS-CDO)	**343**	**2**
Collateralized Bond Obligations (CBO)	**102**	**—**
Others	**75**	**19**

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	Deductions from capital
Amount of securitization exposure	4,877	32
Corporates	2,066	15
Individuals	1,691	0
Real estate	988	2
Other	130	13

Note: "Deduction from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

6. Items for Securitization Exposure (Non-Consolidated)

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Amount of exposure	Regulatory required capital	Amount of exposure	Regulatory required capital
Amount of securitization exposure	**6,823**	**114**	4,877	116
Risk weight: 20% or less	**6,314**	**50**	4,147	40
Risk weight: exceeding 20% to 50% or less	**215**	**6**	338	9
Risk weight: exceeding 50% to 100% or less	**209**	**14**	304	21
Risk weight: exceeding 100% to 250% or less	**39**	**7**	51	10
Risk weight: exceeding 250% to less than 1,250%	**19**	**10**	2	1
Deductions from capital	**25**	**25**	32	32

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Items for Market Risk (Non-Consolidated)

Computation of the Market Risk Amount Using the Internal Models Approach

■ VaR

(Millions of yen)

	For the six months ended September 30, 2008	For the six months ended September 30, 2007
Base date of computation	**2008. 9. 30**	2007. 9. 28
VaR (For the most recent 60 business days)		
Base date of computation	**415**	112
Maximum	**446**	313
Minimum	**97**	100
Average	**206**	172

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2008	For the six months ended September 30, 2007
For the portion computed with the internal models approach (B)+(E)	(A)	**618**	585
Value at Risk (MAX (C, D))	(B)	**618**	585
Amount on base date of computation	(C)	**415**	112
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**618**	585
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.4
(Times exceeding VaR in back testing)	(G)	**3**	5

8. Items for Equity Exposure (Non-Consolidated)

(Includes items such as shares, excludes items in a trading account)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**715**	**715**	1,170	1,170
Exposure to publicly traded equity	**493**	**493**	976	976
Exposure to privately held equity	**222**	**222**	194	194

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	For the six months ended September 30, 2008			For the six months ended September 30, 2007		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**31**	**37**	**0**	19	0	25

Note: Amounts reflect relevant figures posted in the half-year income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2008	As of September 30, 2007
Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations	**136**	324

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.

Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

8. Items for Equity Exposure (Non-Consolidated)

Amount Included in Supplementary Capital (Tier II) Under the Stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1

(Billions of yen)

Item	As of September 30, 2008	As of September 30, 2007
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1	**—**	145

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1) classified under other securities at market value, minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**483**	667
Corporate	**448**	631
Bank	**29**	32
Sovereign	**5**	3

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Non-Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of September 30, 2008		As of September 30, 2007	
	Exposure	**(For reference) Weighted-average risk weight**	**Exposure**	**(For reference) Weighted-average risk weight**
Look-through approach	**15,636**	**57%**	17,339	65%
Majority approach	**795**	**332%**	1,040	354%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,798**	**199%**	4,039	186%
Others (simple approach)	**335**	**537%**	538	500%
Total	**18,565**	**86%**	22,958	103%

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows; It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)

6. The items "(For reference) Weighted-average risk weight" is computed as follows: calculating the total risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

10. Items for Interest-Rate Risk (Non-Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of September 30, 2008	As of September 30, 2007
Interest-rate risk	**1,066**	1,463
Yen interest-rate risk	**(8)**	15
U.S. dollar interest-rate risk	**1,039**	1,275
Euro interest-rate risk	**26**	159
Interest-rate risk in other currencies	**9**	13

Note: Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

The Norinchukin Bank