

Consolidated Balance Sheets (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2010 and 2009, and March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2010	2009	2010	2010
Assets				
Cash and Due from Banks (Notes 12, 14 and 15)	¥ 1,020,547	¥ 1,443,361	¥2,195,337	\$ 12,178
Call Loans and Bills Bought (Note 14)	1,078,211	1,535,386	1,336,137	12,867
Receivables under Securities Borrowing Transactions	427,377	821,491	—	5,100
Monetary Claims Bought (Notes 14 and 15)	398,049	581,443	490,182	4,750
Trading Assets (Note 14)	24,046	14,723	13,054	287
Money Held in Trust (Notes 4, 5, 14 and 16)	7,999,279	7,283,539	6,556,615	95,457
Securities (Notes 3, 5, 10, 14 and 15)	46,045,009	43,164,884	43,994,790	549,463
Loans and Bills Discounted (Notes 4, 5, 9 and 14)	12,470,978	11,876,853	13,097,635	148,818
Foreign Exchange Assets	51,352	48,560	12,925	613
Other Assets (Notes 5 and 14)	703,031	1,026,506	384,535	8,389
Tangible Fixed Assets (Note 13)	140,159	147,673	143,169	1,673
Intangible Fixed Assets	53,812	49,845	54,310	642
Deferred Tax Assets	117,681	244,349	204,530	1,404
Customers' Liabilities for Acceptances and Guarantees	529,608	460,324	502,932	6,320
Reserve for Possible Loan Losses (Note 14)	(286,151)	(299,469)	(303,340)	(3,415)
Reserve for Possible Investment Losses	(9,663)	—	(6,094)	(115)
Total Assets	¥70,763,330	¥68,399,475	¥68,676,723	\$844,431
Liabilities and Net Assets				
Liabilities				
Deposits (Notes 6 and 14)	¥39,558,573	¥38,208,547	¥39,101,635	\$472,059
Negotiable Certificates of Deposit (Note 14)	672,377	558,269	702,799	8,024
Debentures (Note 14)	5,569,759	5,437,668	5,605,767	66,465
Bonds (Note 7)	250,165	274,954	265,806	2,985
Call Money and Bills Sold (Notes 5 and 14)	583,638	684,000	948,151	6,965
Payables under Repurchase Agreements (Notes 5 and 14)	8,533,702	8,748,175	9,667,031	101,834
Payables under Securities Lending Transactions (Note 5)	479,182	154,075	98,543	5,718
Trading Liabilities (Note 14)	15,738	12,500	12,576	188
Borrowed Money (Notes 5, 8 and 14)	1,805,407	3,509,307	2,043,307	21,544
Foreign Exchange Liabilities	0	6	1	0
Short-term Entrusted Funds (Note 14)	5,457,886	4,777,871	4,277,171	65,130
Other Liabilities (Note 14)	3,050,533	2,006,485	1,469,168	36,403
Reserve for Bonus Payments	4,465	4,645	4,519	53
Reserve for Employees' Retirement Benefits	2,777	840	1,783	33
Reserve for Directors' Retirement Benefits	854	862	994	10
Deferred Tax Liabilities for Land Revaluation	18,434	18,701	18,439	220
Acceptances and Guarantees	529,608	460,324	502,932	6,320
Total Liabilities	66,533,108	64,857,236	64,720,631	793,951
Net Assets				
Paid-in Capital (Note 11)	3,425,909	3,425,909	3,425,909	40,882
Capital Surplus	25,020	25,020	25,020	299
Retained Earnings	920,446	863,861	837,448	10,984
Treasury Preferred Stock	(150)	(150)	(150)	(2)
Total Owners' Equity	4,371,226	4,314,641	4,288,228	52,163
Net Unrealized Losses on Other Securities, net of taxes	(205,048)	(869,581)	(406,850)	(2,447)
Net Deferred Gains on Hedging Instruments, net of taxes	26,300	58,895	36,923	314
Revaluation Reserve for Land, net of taxes	31,957	32,547	31,968	381
Foreign Currency Transaction Adjustments	(38)	(30)	(26)	(0)
Total Valuation and Translation Adjustments	(146,828)	(778,169)	(337,984)	(1,752)
Minority Interests	5,823	5,766	5,847	69
Total Net Assets	4,230,221	3,542,239	3,956,092	50,480
Total Liabilities and Net Assets	¥70,763,330	¥68,399,475	¥68,676,723	\$844,431

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, 2010 and 2009, and the fiscal year ended March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	
	2010	2009	2010	2010
Income				
Interest Income:	¥364,030	¥383,245	¥ 719,196	\$4,344
Interest on Loans and Bills Discounted	46,428	53,035	102,854	554
Interest and Dividends on Securities	302,999	310,641	566,640	3,616
Fees and Commissions	9,879	8,056	16,964	118
Trading Income	274	99	106	3
Other Operating Income	79,257	176,974	247,406	946
Other Income	137,778	173,597	286,886	1,644
Total Income	591,220	741,972	1,270,560	7,055
Expenses				
Interest Expenses:	281,637	355,740	648,014	3,361
Interest on Deposits	29,839	70,065	110,857	356
Fees and Commissions	5,294	6,863	10,745	63
Trading Expenses	31	719	776	0
Other Operating Expenses	96,010	84,280	173,725	1,146
General and Administrative Expenses	54,203	60,064	114,880	647
Other Expenses	37,192	123,250	246,754	444
Total Expenses	474,370	630,918	1,194,895	5,661
Income before Income Taxes and Minority Interests	116,849	111,053	75,664	1,394
Income Taxes — Current	34,148	18,374	6,477	407
Income Taxes — Deferred	(288)	32,575	36,000	(3)
Total Income Taxes	33,859	50,950	42,478	404
Income before Minority Interests	82,989	60,103	33,186	990
Minority Interests in Net Income	3	24	98	0
Net Income	¥ 82,986	¥ 60,078	¥ 33,087	\$ 990

	Yen		U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30
	2010	2009	2010
Net Income per Share	¥19.49	¥14.11	\$0.23

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, 2010 and 2009, and the fiscal year ended March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	2010
	2010	2009	2010	2010
Capital Surplus				
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	¥ 25,020	\$ 299
Balance at the End of the Period	25,020	25,020	25,020	299
Retained Earnings				
Balance at the Beginning of the Fiscal Year	837,448	803,522	803,522	9,994
Additions:				
Net Income	82,986	60,078	33,087	990
Transfer from Revaluation Reserve for Land, net of taxes	11	260	838	0
Balance at the End of the Period	¥920,446	¥863,861	¥837,448	\$10,984

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, 2010 and 2009, and the fiscal year ended March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2010	2009	2010	2010
Cash Flows from Operating Activities:				
Income before Income Taxes and Minority Interests	¥ 116,849	¥ 111,053	¥ 75,664	\$ 1,394
Depreciation	6,756	4,555	10,031	81
Losses on Impairment of Fixed Assets	144	773	2,570	2
Equity in Losses (Earnings) of Affiliates	(2,348)	2,916	48,202	(28)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(17,188)	98,124	101,995	(205)
Net Increase in Reserve for Possible Investment Losses	3,569	—	6,094	43
Net Increase (Decrease) in Reserve for Bonus Payments	(54)	37	(88)	(1)
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	993	(80)	862	12
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(139)	23	155	(2)
Interest Income	(364,030)	(383,245)	(719,196)	(4,344)
Interest Expenses	281,637	355,740	648,014	3,361
Gains on Securities	(12,748)	(88,562)	(72,021)	(152)
Losses (Gains) on Money Held in Trust	(19,373)	(61,107)	6,195	(231)
Foreign Exchange Losses	2,653,942	1,957,405	1,490,696	31,670
Losses on Disposals of Fixed Assets	175	70	691	2
Net Decrease (Increase) in Trading Assets	(10,992)	10,119	11,787	(131)
Net Increase (Decrease) in Trading Liabilities	3,162	(1,225)	(1,149)	38
Net Decrease (Increase) in Loans and Bills Discounted	626,657	(854,161)	(2,074,942)	7,478
Net Increase in Deposits	456,938	715,728	1,608,816	5,453
Net Increase (Decrease) in Negotiable Certificates of Deposit	(30,421)	237,019	381,549	(363)
Net Increase (Decrease) in Debentures	(36,007)	185,603	353,701	(430)
Net Decrease in Borrowed Money (Excluding Subordinated Borrowed Money)	(237,900)	(2,148,200)	(3,614,200)	(2,839)
Net Decrease in Interest-bearing Due from Banks	277,212	745,460	719,856	3,308
Net Decrease (Increase) in Call Loans and Bills Bought and Other	353,022	(314,998)	(36,320)	4,213
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	(427,377)	(681,069)	140,422	(5,100)
Net Increase (Decrease) in Call Money and Bills Sold and Other	(1,497,842)	4,315,312	5,498,320	(17,874)
Net Increase in Short-term Entrusted Funds	1,180,715	700,416	199,716	14,090
Net Increase (Decrease) in Payables under Securities Lending Transactions	380,639	(376,201)	(431,733)	4,542
Net Decrease (Increase) in Foreign Exchanges Assets	(38,427)	33,142	68,777	(459)
Net Decrease in Foreign Exchanges Liabilities	(0)	(45)	(50)	(0)
Interest Received	430,766	383,918	732,242	5,140
Interest Paid	(156,495)	(243,325)	(691,449)	(1,868)
Other, Net	(416,372)	(363,390)	101,562	(4,969)
Subtotal	3,505,463	4,341,809	4,566,777	41,831
Income Taxes Refund (Paid)	(3,593)	2,710	(678)	(43)
Net Cash Provided by Operating Activities	3,501,869	4,344,519	4,566,098	41,788

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	
	2010	2009	2010	2010
Cash Flows from Investing Activities:				
Purchases of Securities	(24,441,948)	(18,603,630)	(34,389,377)	(291,670)
Proceeds from Sales of Securities	1,414,182	3,025,910	3,291,245	16,876
Proceeds from Redemption of Securities	19,128,004	11,710,254	26,992,585	228,258
Increase in Money Held in Trust	(960,718)	(1,902,689)	(2,309,489)	(11,465)
Decrease in Money Held in Trust	464,049	838,997	1,996,677	5,538
Purchases of Tangible Fixed Assets	(799)	(579)	(3,044)	(10)
Purchases of Intangible Fixed Assets	(2,191)	(12,096)	(18,631)	(26)
Proceeds from Sales of Tangible Fixed Assets	—	103	995	—
Proceeds from Sales of Intangible Fixed Assets	—	38	38	—
Net Cash Used in Investing Activities	(4,399,420)	(4,943,692)	(4,439,001)	(52,499)
Cash Flows from Financing Activities:				
Proceeds from Issuance of Subordinated Borrowed Money	—	9,950	9,950	—
Proceeds from Issuance of Stock	—	4,539	4,539	—
Dividends Paid to Minority Interests	(9)	(9)	(9)	(0)
Net Cash Provided by (Used in) Financing Activities	(9)	14,479	14,479	(0)
Net Increase (Decrease) in Cash and Cash Equivalents	(897,560)	(584,692)	141,576	(10,711)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	1,029,012	887,436	887,436	12,280
Cash and Cash Equivalents at the End of the Period (Note 12)	¥ 131,452	¥ 302,743	¥ 1,029,012	\$ 1,569

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

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 Financial Reporting 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 ¥83.80=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2010, 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

(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, 2010 and 2009 was 8 and 8, all of which were consolidated, respectively.

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.

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, 2010 and 2009 was 7 and 6, 6 and 5 of which were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years. However, immaterial goodwill and negative goodwill are charged or credited to income in the year of acquisition. The major affiliate accounted for by the equity method is as follows:

Mitsubishi UFJ NICOS Co., Ltd.

JA MITSUI LEASING, LTD.

(2) Transactions for Trading Purposes

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

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

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

Trading Income and Trading Expenses include interest received and paid in the 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 (straight-line method), as determined by the moving average method. Investments in affiliates that are not accounted for by 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 which are extremely difficult to determine the 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. Securities included in Money Held in Trust are valued using the same methods described above.

b. Derivatives

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

c. Hedge Accounting

(a) Hedge of Interest Rate Risk

The Bank applies the 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 sheet 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 Expenses 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 under the macro hedges, before deducting the tax effect, as of September 30, 2010 and 2009 were ¥358 million (\$4 million) and ¥3,116 million, respectively.

(b) 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 rate risks associated with securities denominated in foreign currencies (other than debt securities), provided that (1) the securities denominated in foreign currencies are identified as hedged items in advance, and (2) foreign currency amounts of spot and forward liabilities exceeds those of the acquisition costs of the foreign currency securities designated as hedged items.

(c) Internal Derivative Transactions

Internal derivative transactions between trading accounts and banking accounts or inter-division transactions, which are designated as hedges, are not eliminated. The related gains and losses are recognized in the consolidated statements of operations or are deferred in the consolidated balance sheet in accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions, that are designated as hedging instruments, are traded in a non discretionary manner and are appropriately and ultimately covered by third party transactions, which are conducted in accordance with the standards stipulated in the JICPA Industry Audit Committee Report No. 24 and No. 25.

For certain other assets or liabilities, the Bank applies the deferral method or the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps. Under the deferral method, the recognition of income or expenses associated with a hedging instrument is deferred to the period when the income or expense arising from the hedged item is recognized.

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 (other than Lease Assets)

a. Depreciation

Depreciation of Tangible Fixed Assets of the Bank is calculated using the declining-balance method. However, depreciation on buildings acquired on or after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method, and the applicable share of estimated annual depreciation cost for the period is recorded based on the following range of useful lives.

Buildings:	15 years to 50 years
Others:	5 years to 15 years

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

b. Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revalued on March 31, 1998. Unrealized gains arising 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 sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

The land prices used for the revaluation were reasonably calculated based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

(5) Intangible Fixed Assets (other than Lease Assets)

Depreciation of Intangible Fixed Assets is calculated using the straight-line method.

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

(6) Lease Assets

a. Depreciation

Depreciation of lease assets in Tangible Fixed Assets and Intangible Fixed Assets which are finance leases where the ownership of assets is not transferred to the lessees is calculated using the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

b. 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 method as for operating leases. Rental expenses and leases expenses under operating leases are charged to income when incurred.

(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 ¥65,581 million (\$783 million) and ¥68,432 million for the period ended September 30, 2010 and 2009, respectively.
- b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- c. Reserve for loans to debtors with restructured loans (see Note 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, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.
- d. Reserve for loans other than those indicated above, is provided primarily at the amount calculated using the default rates which the Bank has calculated based on actual defaults experienced in the past.
- e. Specific reserve for loans to certain countries with financial difficulties is provided based on the expected amount of losses taking into account the political, economic and other conditions in each country.

All claims are assessed by the Business Units based on the Bank’s internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from the Business Units, audits these self-assessments. Reserves described above are determined based on the results of these self-assessments.

Reserve for Possible Loan Losses for receivables of the Bank's consolidated subsidiaries is provided at the amount determined as necessary using the past default ratio. Reserve for Possible Loan Losses for problem receivables of the Bank's consolidated subsidiaries is provided by taking into account their recoverability and an estimate of uncollectible amount.

(9) Reserve for Possible Investment Losses

Reserve for Possible Investment Losses represents an amount determined to be necessary to cover the estimated loss from the investments, taking into account the financial condition and other factors of the issuer of the securities.

(10) Reserve for Bonus Payments

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

(11) Reserve for 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 prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

Unrecognized prior service cost is amortized over a certain period (10 years) within the employees' average remaining service period using the straight-line method beginning in the fiscal year which the difference had been incurred.

Unrecognized actuarial differences are amortized over a certain period (10 years) within the employees' average remaining service period using the declining-balance method beginning in the fiscal year after the difference had been incurred.

Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the amount that would be payable at the point in which an employment contract of an eligible employee is terminated. Other alternative measures may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

(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 for the period 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 banks in Cash and Due from Banks of the consolidated balance sheets.

Non-interest bearing due from banks includes due from Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by Bank of Japan.

(16) Net Income per Share

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

The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income per Share.

3. Securities

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Japanese Government Bonds	¥17,316,878	¥14,935,483	\$206,645
Municipal Government Bonds	1,187	760	14
Corporate Bonds	165,878	294,874	1,980
Stocks	488,625	577,917	5,831
Other	28,072,439	27,355,848	334,993
Foreign Bonds	18,944,814	19,799,453	226,072
Foreign Stocks	56,480	63,800	674
Investment Trusts	8,365,325	6,770,104	99,825
Other	705,819	722,489	8,422
Total	¥46,045,009	¥43,164,884	\$549,463

4. Loans and Bills Discounted

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Loans on Deeds	¥11,030,461	¥10,241,196	\$131,628
Loans on Bills	121,321	125,359	1,448
Overdrafts	1,314,120	1,503,435	15,682
Bills Discounted	5,075	6,862	60
Total	¥12,470,978	¥11,876,853	\$148,818

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Loans to Borrowers under Bankruptcy Proceedings	¥ 6,382	¥ 10,926	\$ 76
Delinquent Loans	229,012	178,569	2,733
Loans Past Due for Three Months or More	183	315	2
Restructured Loans	83,365	68,445	995
Total	¥318,943	¥258,256	\$3,806

(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 interests are deferred in order to support the borrowers' rehabilitation.

In addition, as of September 30, 2010 and 2009, Money Held in Trust includes delinquent loans of ¥— and ¥41,527 million, respectively.

(3) Loans past due for three months or more are loans whose principal or interest is past-due for three months or more, other than loans to borrowers under bankruptcy proceedings and delinquent loans.

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

5. Assets Pledged

Assets pledged as collateral comprise the following:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Securities	¥13,424,160	¥12,255,895	\$160,193
Loans and Bills Discounted	6,779,127	—	80,897

Liabilities related to the above pledged assets are as follows:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Call Money and Bills Sold	¥ 405,000	¥ 455,000	\$ 4,833
Payables under Repurchase Agreements	8,533,702	8,748,175	101,834
Payables under Securities Lending Transactions	458,269	120,772	5,469
Borrowed Money	274,400	1,983,300	3,274

In addition, as of September 30, 2010 and 2009, Securities (including transactions of Money Held in Trust) of ¥9,175,078 million (\$109,488 million) and ¥9,833,683 million, respectively, and Loans and Bills Discounted of ¥— and ¥6,061,419 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2010 and 2009, initial margins of futures transactions of ¥1,654 million (\$20 million) and ¥1,554 million, cash collateral under financial derivatives transactions of ¥2,737 million (\$33 million) and ¥—, and guarantee deposits of ¥5,769 million (\$69 million) and ¥5,525 million were included in Other Assets, respectively.

6. Deposits

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Time Deposits	¥33,918,735	¥32,628,209	\$404,758
Deposits at Notice	77,666	38,528	927
Ordinary Deposits	721,177	1,159,640	8,606
Current Deposits	110,470	105,781	1,318
Other Deposits	4,730,522	4,276,388	56,450
Total	¥39,558,573	¥38,208,547	\$472,059

7. Bonds

Bonds were subordinated bonds of ¥250,165 million (\$2,985 million) and ¥274,954 million as of September 30, 2010 and 2009, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million (\$17,733 million) and ¥1,486,007 million as of September 30, 2010 and 2009, 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 ¥2,973,718 million (\$35,486 million) and ¥2,500,772 million as of September 30, 2010 and 2009, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, was ¥2,127,988 million (\$25,394 million) and ¥1,571,288 million as of September 30, 2010 and 2009, 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

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥147,074 million (\$1,755 million) and ¥— as of September 30, 2010 and 2009, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥21,974 million (\$262 million) and ¥35,226 million as of September 30, 2010 and 2009, respectively, and securities held without re-pledge of ¥1,548,726 million (\$18,481 million) and ¥1,722,062 million as of September 30, 2010 and 2009, respectively.

11. Paid-in Capital

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Common Stock	¥3,400,909	¥3,400,909	\$40,584
Preferred Stock	24,999	24,999	298
Total	¥3,425,909	¥3,425,909	\$40,882

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥2,975,192 million (\$35,503 million) and ¥2,975,192 million as of September 30, 2010 and 2009, 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:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Cash and Due from Banks	¥1,020,547	¥1,443,361	\$12,178
Less: Interest-bearing Due from Banks	(889,095)	(1,140,617)	(10,609)
Cash and Cash Equivalents at the End of the Period	¥ 131,452	¥ 302,743	\$ 1,569

13. Segment Information

For the Six Months Ended September 30, 2010

(1) Segment Information

Segment Information is not shown in this statement, since the banking business is the only reportable segment.

(Additional information)

The Bank and its consolidated subsidiaries have adopted the standard of “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) from the period ended September 30, 2010.

(2) Related Information

a. Information about Services

Millions of Yen				
Six Months ended September 30, 2010	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥53,686	¥471,791	¥52,646	¥578,123

Millions of U.S. Dollars				
Six Months ended September 30, 2010	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$641	\$5,630	\$628	\$6,899

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

b. Information about Geographic Areas

(a) Ordinary Income

Millions of Yen					
Six Months ended September 30, 2010	Japan	Americas	Europe	Others	Total
	¥565,965	¥1,303	¥4,085	¥6,769	¥578,123

Millions of U.S. Dollars					
Six Months ended September 30, 2010	Japan	Americas	Europe	Others	Total
	\$6,754	\$15	\$49	\$81	\$6,899

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

(b) Tangible Fixed Asset

Millions of Yen					
As of September 30, 2010	Japan	Americas	Europe	Others	Total
	¥139,517	¥368	¥184	¥88	¥140,159

Millions of U.S. Dollars					
As of September 30, 2010	Japan	Americas	Europe	Others	Total
	\$1,665	\$5	\$2	\$1	\$1,673

c. Information about Major Customers

Six Months ended September 30, 2010	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥61,763	—

Six Months ended September 30, 2010	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$737	—

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

(3) Information about Impairment Loss of Fixed Assets in Reportable Segments

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in this statement, since the banking business is the only reportable segment.

For the Six Months Ended September 30, 2009**(1) 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.

(2) Segment Information by Geographic Areas

Six Months ended September 30, 2009	Millions of Yen						
	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Ordinary Income							
(1) Ordinary Income from External Customers	¥714,332	¥ 2,145	¥11,892	¥12,747	¥741,118	¥ —	¥741,118
(2) Inter-segment Ordinary Income	22,965	31,764	29,405	22,439	106,574	(106,574)	—
Total	737,298	33,909	41,297	35,186	847,693	(106,574)	741,118
Ordinary Expenses	640,251	21,368	39,873	35,055	736,549	(106,574)	629,974
Ordinary Profits	¥ 97,047	¥12,540	¥ 1,424	¥ 131	¥111,143	¥ —	¥111,143

Notes: 1. Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.
2. Ordinary Profits represent Ordinary Income less Ordinary Expenses.
3. The Bank reports Ordinary Income and Ordinary Profits that corresponds to Sales and Operating Profits for non-financial companies, for the Bank's head office, branches and its 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.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom and Asia includes the Republic of Singapore.

(3) Ordinary Income from International Operations

Six Months ended September 30, 2009	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
	¥527,719	¥741,118	71.2%

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income from International Operations is shown in place of Overseas Sales for non-financial companies.
3. Ordinary Income from International Operations comprises of 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. Financial Instruments

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of September 30, 2010 are as follows:

Unlisted stocks and other financial instruments, the fair value of which is extremely difficult to determine, are excluded from the table below. (ref. Note 2)

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2010						
(1) Cash and Due from Banks	¥ 1,020,547	¥ 1,020,547	¥ —	\$ 12,178	\$ 12,178	\$ —
(2) Call Loans and Bills Bought	1,078,211	1,078,211	—	12,867	12,867	—
(3) Monetary Claims Bought (*1)	347,164	347,218	54	4,143	4,143	0
(4) Trading Assets (*2)						
Trading Securities	7,807	7,807	—	93	93	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purpose	6,641	6,641	—	79	79	—
Other Money Held in Trust	7,985,654	8,004,381	18,726	95,294	95,518	224
(6) Securities						
Held-to-Maturity Debt Securities	14,836,898	15,216,749	379,851	177,051	181,584	4,533
Other Securities	30,519,673	30,519,673	—	364,197	364,197	—
(7) Loans and Bills Discounted	12,470,978			148,818		
Reserve for Possible Loan Losses (*1)	(217,279)			(2,592)		
	12,253,698	12,317,184	63,485	146,226	146,983	757
Total Assets	¥68,056,297	¥68,518,414	¥462,117	\$812,128	\$817,642	\$5,514
(1) Deposits	¥39,558,573	¥39,558,679	¥ 105	\$472,059	\$472,060	\$ 1
(2) Negotiable Certificates of Deposit	672,377	672,377	—	8,024	8,024	—
(3) Debentures	5,569,759	5,672,360	102,600	66,465	67,689	1,224
(4) Call Money and Bills Sold	583,638	583,638	—	6,965	6,965	—
(5) Payables under Repurchase Agreements	8,533,702	8,533,702	—	101,834	101,834	—
(6) Borrowed Money	1,805,407	1,805,407	—	21,544	21,544	—
(7) Short-term Entrusted Funds	5,457,886	5,457,886	—	65,130	65,130	—
Total Liabilities	¥62,181,345	¥62,284,052	¥102,706	\$742,021	\$743,246	\$1,225
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ 1,387	¥ 1,387	¥ —	\$ 17	\$ 17	\$ —
Transactions Accounted for as Hedge						
Transactions	236,329	236,329	—	2,820	2,820	—
Total Derivative Instruments	¥ 237,716	¥ 237,716	¥ —	\$ 2,837	\$ 2,837	\$ —

(*1) Monetary Claims Bought, Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Monetary Claims Bought and Money Held in Trust are presented by net on the consolidated balance sheet as the reserve amounts are immaterial.

2. Derivative Instruments are excluded from Trading Assets.

3. Derivative Instruments within Trading Assets, Trading Liabilities, Other Assets and Other Liabilities are shown by net position. Receivables and payables which arise from Derivative Instruments are shown on a net basis.

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

Assets

(1) Cash and Due from Banks

For Due from Banks without stated maturity, fair value approximates the carrying value. For Due from Banks with stated maturity, as the contractual terms are short-term (1 Year or Less), fair value approximates the carrying value. Concerning negotiable certificates of deposit, fair value is determined based on reasonably estimated amounts at the end of the period. The reasonably estimated amounts of negotiable certificates of deposit are calculated according to the Discounted Cash Flow method. The price-determining variable is the over-the-counter rate.

(2) Call Loans and Bills Bought

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

(3) Monetary Claims Bought

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

(4) Trading Assets

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

(5) Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (6) and (7) below.

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in section 16. Fair Value of Money Held in Trust.

(6) Securities

Regarding the valuation of stocks, fair value is based on the closing price at the exchange. With respect to investment trusts, fair value is based on the net asset value (“NAV”) published or the quoted prices provided by brokers or venders. As for bonds, fair value is based on the quoted market price if available, reasonably estimated amounts (using the Discounted Cash Flow method and other methods of valuation), or the quoted prices provided by brokers or venders.

As for corporate bonds issued through private offerings, the fair value is based on reasonably estimated amounts which are calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates and other variables. The estimates for the valuations of some securitized products are calculated according to the prices calculated by the Discounted Cash Flow method, using variables such as default rates, recovery rates, pre-payment rates, discount rates and other variables, or the quoted prices provided by brokers or venders, or both.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for investments for “Partnership” and “Limited Partnership” (“Investments in Partnership and Others”), fair value is based on the share of NAV which is valued assets of “Partnership” or “Limited Partnership,” if available.

Relevant notes about the fair value of securities of each classification are described in section 15. Fair Value of Securities.

(7) Loans and Bills Discounted

The carrying value of Loans and Bills Discounted with floating rates approximates the fair value since they are repriced reflecting market interest fluctuations within a short period, unless the creditworthiness of the debtors has been revised. Accordingly, the carrying value is deemed to be the fair value. As for Loans and Bills Discounted with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates, and other variables. As for mortgages, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates, recovery rates, pre-payment rates and other variables.

As for Loans and Bills Discounted to doubtful debtors and others, the reserves for those assets are provided by the amount not expected to be recovered based on the present value of expected future cash flows or the recovery amount of collateral and guarantee. Accordingly, the carrying values net of the reserve approximate the fair value.

As for Loans and Bills Discounted without stated maturity for which credit is extended up to the value of the collateral assets, the carrying value is deemed to approximate the fair value, taking into account expected maturity, interest rates and other terms.

Liabilities

(1) Deposits

With respect to demand deposits, the payment amounts required on the consolidated balance sheet date (the carrying value) are estimated at fair value. Time deposits are calculated according to the Discounted Cash Flow method, and these discount rates are the currently-applied deposit rates. Some contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(2) Negotiable Certificates of Deposit

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

(3) Debentures

As for Debentures, fair value is based on the quoted market price if available, or calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied if a similar debenture was issued.

(4) Call Money and Bills Sold, (5) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds

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

(6) Borrowed Money

The carrying value of Borrowed Money with floating rates approximates the fair value since it is repriced reflecting market interest rate fluctuations within a short period (1 Year or Less), unless the creditworthiness of the Bank and its consolidated subsidiaries has changed. Accordingly, the carrying value is deemed to be the fair value. Some contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

Derivative Instruments

Derivative instruments include interest rate-related derivative instruments (interest rate swaps and others) and currency-related derivative instruments (currency swaps and others). The fair value is based on the closing price at the exchange, a discounted net present value model, an option pricing model or other models as appropriate.

The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items.

Relevant notes regarding the fair value of derivative Instruments are described in section 17. Fair Value of Derivative Instruments.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:

“Assets (6) Other Securities” of fair value of financial instruments exclude the transactions of the table below.

As of September 30, 2010	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks (*1) (*2)	¥182,469	\$2,178
Bonds (*3)	151,704	1,810
Investments in Partnership and Others (*4)	350,903	4,187
Total	¥685,077	\$8,175

(*1) 1. Unlisted Stocks are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items,” since they have no market prices and their fair value is extremely difficult to determine.

2. The amount of revaluation losses for Unlisted Stocks was ¥37 million (\$0 million).

3. Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.” With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥51,048 million (\$609 million) in accordance with the Bank’s internal rules.

4. Out of Investments in Partnership and Others, certain “Partnership” or “Limited Partnership” whose fair value is extremely difficult to determine are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.”

15. Fair Value of Securities

For the Six Months Ended September 30, 2010

Held-to-Maturity Debt Securities

As of September 30, 2010	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 7,592,476	¥ 7,840,164	¥247,687
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	4,590,941	4,809,605	218,663
	Foreign Bonds	4,590,941	4,809,605	218,663
	Sub total	12,183,418	12,649,769	466,351
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	2,653,479	2,566,979	(86,500)
	Foreign Bonds	2,653,479	2,566,979	(86,500)
	Sub total	2,653,479	2,566,979	(86,500)
	Total	¥14,836,898	¥15,216,749	¥379,851

As of September 30, 2010	Type	Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	\$ 90,602	\$ 93,558	\$2,956
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	54,785	57,394	2,609
	Foreign Bonds	54,785	57,394	2,609
	Sub total	145,387	150,952	5,565
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	31,664	30,632	(1,032)
	Foreign Bonds	31,664	30,632	(1,032)
	Sub total	31,664	30,632	(1,032)
	Total	\$177,051	\$181,584	\$4,533

Other Securities

		Millions of Yen		
As of September 30, 2010	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 204,209	¥ 134,477	¥ 69,732
	Bonds	4,474,725	4,460,361	14,364
	Japanese Government Bonds	4,413,931	4,399,829	14,102
	Municipal Government Bonds	1,176	1,126	49
Transactions for	Corporate Bonds	59,617	59,405	211
Consolidated Balance Sheet Amount exceeded Acquisition Cost	Other	14,208,024	13,705,345	502,679
	Foreign Bonds	9,663,143	9,410,880	252,262
	Foreign Stocks	—	—	—
	Investment Trusts	4,469,972	4,220,953	249,018
	Other	74,909	73,511	1,397
	Sub total	18,886,960	18,300,184	586,776
	Stocks	132,762	149,536	(16,773)
	Bonds	5,416,522	5,418,859	(2,337)
	Japanese Government Bonds	5,310,470	5,310,930	(460)
	Municipal Government Bonds	11	11	(0)
Transactions for	Corporate Bonds	106,040	107,917	(1,877)
Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Other	6,461,141	7,407,823	(946,682)
	Foreign Bonds	1,885,765	2,087,169	(201,404)
	Foreign Stocks	25,663	29,476	(3,812)
	Investment Trusts	3,895,352	4,626,311	(730,958)
	Other	654,359	664,865	(10,506)
	Sub total	12,010,426	12,976,219	(965,793)
	Total	¥30,897,386	¥31,276,404	¥(379,017)

		Millions of U.S. Dollars		
As of September 30, 2010	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	\$ 2,437	\$ 1,605	\$ 832
	Bonds	53,397	53,226	171
	Japanese Government Bonds	52,672	52,504	168
	Municipal Government Bonds	14	13	1
Transactions for	Corporate Bonds	711	709	2
Consolidated Balance Sheet Amount exceeded Acquisition Cost	Other	169,547	163,548	5,999
	Foreign Bonds	115,312	112,302	3,010
	Foreign Stocks	—	—	—
	Investment Trusts	53,341	50,369	2,972
	Other	894	877	17
	Sub total	225,381	218,379	7,002
	Stocks	1,584	1,785	(201)
	Bonds	64,637	64,664	(27)
	Japanese Government Bonds	63,371	63,376	(5)
	Municipal Government Bonds	0	0	(0)
Transactions for	Corporate Bonds	1,266	1,288	(22)
Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Other	77,102	88,399	(11,297)
	Foreign Bonds	22,503	24,906	(2,403)
	Foreign Stocks	306	352	(46)
	Investment Trusts	46,484	55,207	(8,723)
	Other	7,809	7,934	(125)
	Sub total	143,323	154,848	(11,525)
	Total	\$368,704	\$373,227	\$ (4,523)

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought in the consolidated balance sheet.
2. Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Certain securities (other than trading purposes) which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the period (“revaluation loss”), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥68,188 million (\$814 million) (including ¥29,362 million (\$350 million) on Stocks, ¥19,590 million (\$234 million) on Foreign Bonds, ¥16,928 million (\$202 million) on Investment Trusts and ¥2,307 million (\$28 million) on Other).

The criteria for determining whether the securities’ fair value has “significantly deteriorated” are outlined as follows:

Securities whose fair values are equal to or less than 50% of their acquisition costs (and other)

Securities whose fair values remain in between 50% and 70% of their acquisition costs (and other) for a certain period

For the Six Months Ended September 30, 2009**Held-to-Maturity Debt Securities that have Fair Value**

As of September 30, 2009	Millions of Yen				
	Consolidated Balance Sheet Amount	Fair Value	Net	Net Unrealized Gain	
				Gross Gain	Gross Loss
Japanese Government Bonds	¥ 7,608,069	¥ 7,804,559	¥196,489	¥196,489	¥ —
Foreign Bonds	7,260,235	7,455,246	195,011	225,967	30,956
Total	¥14,868,305	¥15,259,806	¥391,501	¥422,457	¥30,956

Note: Fair value is based on reasonably estimated amounts, the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

(Additional information)

As for floating-rate Japanese government bonds which are rarely transacted in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

Other Securities that have Fair Value

As of September 30, 2009	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net	Net Unrealized Gain/Loss	
				Gross Gain	Gross Loss
Stocks	¥ 323,912	¥ 398,243	¥ 74,331	¥ 98,108	¥ 23,777
Bonds	7,491,352	7,489,895	(1,456)	794	2,251
Japanese Government Bonds	7,327,129	7,327,414	285	767	482
Municipal Government Bonds	199	200	0	0	0
Corporate Bonds	164,022	162,280	(1,742)	26	1,768
Other	20,273,243	19,254,538	(1,018,705)	217,994	1,236,699
Foreign Bonds	12,250,110	12,135,673	(114,436)	142,183	256,620
Foreign Stocks	33,273	31,915	(1,357)	420	1,778
Investment Trusts	7,670,762	6,770,104	(900,657)	75,131	975,789
Other	319,098	316,845	(2,252)	258	2,511
Total	¥28,088,508	¥27,142,677	¥ (945,830)	¥316,898	¥1,262,728

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 sheet.

2. Investment Trusts include Japanese trusts and foreign trusts.

3. 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. Some of foreign bonds, such as securitization products, are valued at reasonably estimated amounts at the end of the period.

4. 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 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 ¥38,883 million (including ¥154 million on Stocks and ¥38,729 million on Foreign Bonds).

The criteria for determining whether a securities’ fair value has “significantly deteriorated” are outlined as follows:

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

Securities whose fair values remain in between 50% and 70% of their acquisition costs for a certain period

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

As of September 30, 2009	Millions of Yen
Other Securities	
Unlisted Stocks	¥ 91,431
Municipal Government Bonds	559
Corporate Bonds	132,593
Foreign Bonds	403,545
Unlisted Foreign Stocks	31,884
Other	447,974

Securities Reclassified to Held-to-Maturity

As of September 30, 2009	Millions of Yen		
	Fair Value	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses) on Other Securities, net of taxes
Japanese Government Bonds	¥7,791,333	¥7,595,003	¥148,123
Foreign Bonds	6,426,884	6,234,789	(306,439)

Note: "Tentative Solution on Reclassification of Debt Securities" (ASBJ Practical Issue Task Force ("PITF") No. 26, December 5, 2008) was released on December 5, 2008. The Bank has adopted the PITF from the fiscal year ended March 31, 2009, and reclassified certain debt securities from "Other Securities" to "Held-to-Maturity Debt Securities."

Floating-rate Japanese government bonds that had been previously classified as "Other Securities" were reclassified to "Held-to-Maturity Debt Securities" at ¥7,605,555 million on December 30, 2008, and some of foreign bonds that had been previously classified as "Other Securities" were reclassified to "Held-to-Maturity Debt Securities" at ¥4,248,330 million and ¥2,143,399 million on January 30, 2009 and March 31, 2009, respectively. The Bank decided to make these reclassifications, taking into account unexpected significant changes which occurred in the market and have continued for an extended period, such as extreme small volume and number of transactions and significantly widening offer-bid spread. Under these market conditions, these securities are difficult to sell at their fair value.

16. Fair Value of Money Held in Trust**For the Six Months Ended September 30, 2010****Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held to maturity)**

As of September 30, 2010	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	¥7,992,637	¥7,823,125	¥169,512	¥196,903	¥27,390

As of September 30, 2010	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	\$95,378	\$93,355	\$2,023	\$2,350	\$327

Note: "Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost" and "Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost" of "Net Unrealized Gain/Loss" is gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount.

For the Six Months Ended September 30, 2009**Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held to maturity)**

As of September 30, 2009	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net	Net Unrealized Gain	
				Gross Gain	Gross Loss
Other Money Held in Trust	¥7,215,965	¥7,275,679	¥59,714	¥135,500	¥75,786

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.

17. Fair Value of Derivative Instruments

For the Six Months Ended September 30, 2010

(1) Derivative Instruments not accounted for as hedges

Regarding the derivative instruments which are not accounted for as hedge transactions, Contract Amount or Notional Amount, Fair Value and Unrealized Gain or Loss for each type of derivative transactions, respectively, at the end of the period, and Determination of fair value are as follows.

Contract Amount or Notional Amount does not show itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2010								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ 4,169	¥ —	¥ (3)	¥ (3)	\$ 50	\$ —	\$ (0)	\$ (0)
Purchased	19,774	—	11	11	236	—	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	456,330	361,256	16,198	16,198	5,445	4,311	193	193
Rec.: Flt.-Pay.: Fix.	433,569	345,379	(15,617)	(15,617)	5,174	4,121	(186)	(186)
Rec.: Flt.-Pay.: Flt.	51,800	23,500	13	13	618	280	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 603	¥ 603	\$ /	\$ /	\$ 7	\$ 7

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2010								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	384,292	3,212	11,218	11,218	4,586	38	134	134
Purchased	469,749	3,203	(12,011)	(12,011)	5,606	38	(143)	(143)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (792)	¥ (792)	\$ /	\$ /	\$ (9)	\$ (9)

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

2. Determination of fair value:

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

Stock-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2010								
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate	—	—	—	—	—	—	—	—
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	1,000	1,000	—	—	12	12	—	—
Total	¥ /	¥ /	¥ —	¥ —	\$ /	\$ /	\$ —	\$ —

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

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

Bond-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2010								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥ 9,971	¥—	¥ (81)	¥ (81)	\$ 119	\$—	\$ (1)	\$ (1)
Purchased	2,037	—	12	12	24	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	477,660	—	1,646	(367)	5,700	—	20	(4)
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥1,577	¥(435)	\$ /	\$ /	\$19	\$ (5)

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of September 30, 2010.

Credit Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2010								
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥ —	¥ —	¥—	¥—	\$ —	\$ —	\$—	\$—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	12,500	12,500	—	—	149	149	—	—
Total	¥ /	¥ /	¥—	¥—	\$ /	\$ /	\$—	\$—

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," these transactions are excluded from the consolidated balance sheet and consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.

2. Determination of fair value:

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

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

(2) Derivative Instruments accounted for as hedges

Regarding the derivative instruments which are accounted for as hedge transactions, Contract Amount or Notional Amount, and Fair Value for each type of derivative transactions, respectively, at the end of the period, and Determination of fair value are as follows.

Contract Amount or Notional Amount does not show itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

As of September 30, 2010			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedge Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferred Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures and Others	¥774,180	¥500,000	¥13,900	\$9,238	\$5,967	\$166
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities and Others	774,250	774,250	(5,705)	9,239	9,239	(68)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted and Others	58,857	53,773	Note 3	702	642	Note 3
Total			¥ /	¥ /	¥ 8,194	\$ /	\$ /	\$ 98

Notes: 1. Primarily, the Bank applies the deferred method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedge items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 14. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

Currency-Related Derivative Instruments

As of September 30, 2010			Millions of Yen			Millions of U.S. Dollars		
Method of Hedges	Type of Derivative Instruments	Hedge Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferred Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥8,875,528	¥1,837,813	¥154,924	\$105,913	\$21,931	\$1,849
	Forex Forward		5,211,450	—	73,210	62,189	—	873
Total			¥ /	¥ /	¥228,134	\$ /	\$ /	\$2,722

Notes: 1. Primarily, the Bank applies the deferred method of hedge accounting which is described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25).

2. Determination of fair value:

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

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of September 30, 2010.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2010.

For the Six Months Ended September 30, 2009

Interest Rate-Related Derivative Instruments

As of September 30, 2009	Millions of Yen		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Interest Rate Futures	¥ 51,379	¥ 4	¥ 4
Interest Rate Options	—	—	—
Over-the-counter Transactions:			
Forward Rate Agreements	—	—	—
Interest Rate Swaps	1,244,879	191	191
Interest Rate Options	—	—	—
Other	—	—	—
Total	¥ /	¥195	¥195

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

As of September 30, 2009	Millions of Yen		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Currency Futures	¥ —	¥ —	¥ —
Currency Options	—	—	—
Over-the-counter Transactions:			
Currency Swaps	—	—	—
Forwards	852,907	485	485
Currency Options	—	—	—
Other	—	—	—
Total	¥ /	¥485	¥485

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 sheet.

Stock-Related Derivative Instruments

As of September 30, 2009	Millions of Yen		
	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	—	—
Total	¥ /	¥—	¥—

Notes: 1. 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.

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

Bond-Related Derivative Instruments

As of September 30, 2009	Millions of Yen		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions:			
Bond Futures	¥7,891	¥(0)	¥(0)
Bond Futures Options	—	—	—
Over-the-counter Transactions:			
Bond Options	—	—	—
Other	—	—	—
Total	¥ /	¥(0)	¥(0)

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, 2009.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments as of September 30, 2009.

18. 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
	2010	2009	2010	2010
Assets				
Cash and Due from Banks	¥ 1,011,422	¥ 1,432,573	¥ 2,180,393	\$ 12,069
Call Loans	1,078,211	1,535,386	1,336,137	12,867
Receivables under Securities Borrowing Transactions	427,377	821,491	—	5,100
Monetary Claims Bought	398,049	581,443	490,182	4,750
Trading Assets	24,046	14,723	13,054	287
Money Held in Trust	7,998,132	7,282,229	6,555,624	95,443
Securities	46,060,546	43,184,997	44,013,720	549,648
Loans and Bills Discounted	12,390,389	11,803,719	13,038,081	147,857
Foreign Exchange Assets	51,352	48,560	12,925	613
Other Assets	699,887	1,021,395	381,057	8,352
Tangible Fixed Assets	138,195	145,852	141,131	1,649
Intangible Fixed Assets	52,617	48,892	53,191	628
Deferred Tax Assets	115,412	241,380	202,355	1,377
Customers' Liabilities for Acceptances and Guarantees	334,287	372,007	354,512	3,989
Reserve for Possible Loan Losses	(278,644)	(291,165)	(295,778)	(3,325)
Reserve for Possible Investment Losses	(6,199)	(144)	(6,199)	(74)
Total Assets	¥70,495,085	¥68,243,344	¥68,470,391	\$841,230
Liabilities and Net Assets				
Liabilities				
Deposits	¥39,565,721	¥38,214,641	¥39,108,744	\$472,144
Negotiable Certificates of Deposit	672,377	558,269	702,799	8,024
Debentures	5,576,231	5,441,135	5,611,743	66,542
Call Money	583,638	684,000	948,151	6,965
Payables under Repurchase Agreements	8,533,702	8,748,175	9,667,031	101,834
Payables under Securities Lending Transactions	479,182	154,075	98,543	5,718
Trading Liabilities	15,738	12,500	12,576	188
Borrowed Money	2,010,822	3,744,582	2,284,402	23,995
Foreign Exchange Liabilities	0	6	1	0
Short-term Entrusted Funds	5,457,886	4,777,871	4,277,171	65,130
Other Liabilities	3,034,129	1,989,940	1,449,309	36,207
Reserve for Bonus Payments	3,587	3,585	3,621	43
Reserve for Employees' Retirement Benefits	1,846	—	899	22
Reserve for Directors' Retirement Benefits	660	677	764	8
Deferred Tax Liabilities for Land Revaluation	18,434	18,701	18,439	220
Acceptances and Guarantees	334,287	372,007	354,512	3,989
Total Liabilities	66,288,249	64,720,169	64,538,714	791,029
Net Assets				
Paid-in Capital	3,425,909	3,425,909	3,425,909	40,882
Capital Surplus	25,020	25,020	25,020	299
Retained Earnings	901,936	850,235	818,500	10,763
Total Owners' Equity	4,352,866	4,301,165	4,269,430	51,944
Net Unrealized Losses on Other Securities, net of taxes	(204,434)	(869,460)	(406,661)	(2,440)
Net Deferred Gains on Hedging Instruments, net of taxes	26,445	58,922	36,940	316
Revaluation Reserve for Land, net of taxes	31,957	32,547	31,968	381
Total Valuation and Translation Adjustments	(146,031)	(777,990)	(337,752)	(1,743)
Total Net Assets	4,206,835	3,523,174	3,931,677	50,201
Total Liabilities and Net Assets	¥70,495,085	¥68,243,344	¥68,470,391	\$841,230

(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	
	2010	2009	2010	2010
Income				
Interest Income:	¥361,792	¥380,884	¥ 714,561	\$4,317
Interest on Loans and Bills Discounted	44,307	50,778	98,426	529
Interest and Dividends on Securities	302,890	310,542	566,443	3,614
Fees and Commissions	7,762	5,949	12,758	93
Trading Income	274	99	106	3
Other Operating Income	78,244	174,424	245,431	934
Other Income	135,420	173,594	286,543	1,616
Total Income	583,495	734,951	1,259,400	6,963
Expenses				
Interest Expenses:	281,660	355,681	647,953	3,361
Interest on Deposits	29,841	70,075	110,870	356
Fees and Commissions	5,338	5,974	11,546	64
Trading Expenses	31	719	776	0
Other Operating Expenses	96,008	84,272	173,669	1,146
General and Administrative Expenses	50,612	56,480	107,812	604
Other Expenses	33,092	119,846	247,250	395
Total Expenses	466,744	622,975	1,189,010	5,570
Income before Income Taxes	116,750	111,975	70,390	1,393
Income Taxes — Current	33,464	16,988	5,035	399
Income Taxes — Deferred	(138)	33,113	35,794	(2)
Total Income Taxes	33,325	50,101	40,829	397
Net Income	¥ 83,425	¥ 61,874	¥ 29,561	\$ 996