

Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2015	March 31 2015	September 30 2015
Assets			
Cash and Due from Banks (Notes 12, 14 and 15)	¥13,419,037	¥ 7,297,692	\$111,871
Call Loans and Bills Bought (Note 14)	531,542	569,902	4,431
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	3,997	78,804	33
Monetary Claims Bought (Notes 14 and 15)	240,170	226,605	2,002
Trading Assets (Note 14)	8,111	10,099	67
Money Held in Trust (Notes 5, 14 and 16)	4,032,974	4,507,849	33,622
Securities (Notes 3, 5, 10, 14 and 15)	60,051,746	59,723,905	500,639
Loans and Bills Discounted (Notes 4, 5, 9 and 14)	19,116,471	20,038,143	159,370
Foreign Exchange Assets	175,656	202,946	1,464
Other Assets (Notes 5 and 14)	907,551	881,872	7,566
Tangible Fixed Assets (Note 13)	108,755	110,386	906
Intangible Fixed Assets	19,970	20,947	166
Net Defined Benefit Asset	32,774	32,559	273
Deferred Tax Assets	2,055	2,014	17
Customers' Liabilities for Acceptances and Guarantees	1,009,824	936,504	8,418
Reserve for Possible Loan Losses (Note 14)	(112,747)	(118,132)	(939)
Reserve for Possible Investment Losses	(1,426)	(2,213)	(11)
Total Assets	¥99,546,465	¥94,549,729	\$829,899
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 6 and 14)	¥54,813,370	¥53,474,106	\$456,968
Negotiable Certificates of Deposit (Note 14)	4,042,252	3,674,664	33,699
Debentures (Note 14)	3,363,431	3,552,811	28,040
Bonds (Note 7)	50,000	50,000	416
Call Money and Bills Sold (Notes 5 and 14)	448,598	475,000	3,739
Payables under Repurchase Agreements (Notes 5 and 14)	20,723,250	17,707,639	172,765
Payables under Securities Lending Transactions (Note 5)	4,069	74,682	33
Trading Liabilities (Note 14)	6,879	6,717	57
Borrowed Money (Notes 5, 8 and 14)	2,534,790	2,441,513	21,132
Foreign Exchange Liabilities	2	35	0
Short-term Entrusted Funds (Note 14)	3,440,017	2,612,780	28,678
Other Liabilities (Note 14)	1,422,900	1,348,589	11,862
Reserve for Bonus Payments	7,371	7,326	61
Net Defined Benefit Liability	16,099	16,349	134
Reserve for Directors' Retirement Benefits	1,023	1,064	8
Deferred Tax Liabilities	652,967	852,175	5,443
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	77
Acceptances and Guarantees	1,009,824	936,504	8,418
Total Liabilities	92,546,113	87,241,595	771,539
Net Assets			
Paid-in Capital (Note 11)	3,471,460	3,425,909	28,940
Capital Surplus	25,020	25,020	208
Retained Earnings	1,714,830	1,576,096	14,296
Treasury Preferred Stock	(150)	(150)	(1)
Total Owners' Equity	5,211,161	5,026,876	43,444
Net Unrealized Gains on Other Securities	1,869,383	2,339,436	15,584
Net Deferred Losses on Hedging Instruments	(123,741)	(104,793)	(1,031)
Revaluation Reserve for Land	16,020	16,984	133
Foreign Currency Transaction Adjustments	24	23	0
Remeasurements of Defined Benefit Plans	20,015	22,311	166
Total Accumulated Other Comprehensive Income	1,781,703	2,273,963	14,853
Non-controlling Interests	7,486	7,294	62
Total Net Assets	7,000,351	7,308,134	58,360
Total Liabilities and Net Assets	¥99,546,465	¥94,549,729	\$829,899

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(1) Consolidated Statement of Operations

For the six months ended September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
Income			
Interest Income:	¥584,320	¥523,947	\$4,871
Interest on Loans and Bills Discounted	32,361	34,044	269
Interest and Dividends on Securities	543,467	480,398	4,530
Fees and Commissions	13,032	11,170	108
Trading Income	109	196	0
Other Operating Income	36,061	43,745	300
Other Income	73,369	119,704	611
Total Income	706,892	698,764	5,893
Expenses			
Interest Expenses:	338,331	289,870	2,820
Interest on Deposits	17,015	14,632	141
Fees and Commissions	7,366	6,807	61
Trading Expenses	128	—	1
Other Operating Expenses	23,579	62,696	196
General and Administrative Expenses	66,226	62,569	552
Other Expenses	9,023	2,885	75
Total Expenses	444,655	424,830	3,707
Income before Income Taxes and Non-controlling Interests	262,237	273,934	2,186
Income Taxes — Current	57,904	47,291	482
Income Taxes — Deferred	(11,414)	13,753	(95)
Total Income Taxes	46,489	61,045	387
Income before Non-controlling Interests	215,747	212,889	1,798
Non-controlling Interests in Net Income	467	272	3
Net Income	¥215,280	¥212,616	\$1,794
		Yen	U.S. Dollars (Note 1)
	2015	2014	2015
Net Income per Share	¥50.56	¥49.94	\$0.42

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited), continued

(2) Consolidated Statement of Comprehensive Income

For the six months ended September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
Profit	¥ 215,747	¥212,889	\$ 1,798
Other Comprehensive Income	(491,316)	310,908	(4,096)
Net Unrealized Gains (Losses) on Other Securities	(470,057)	335,095	(3,918)
Net Deferred Gains (Losses) on Hedging Instruments	(18,954)	(23,506)	(158)
Revaluation Reserve for Land	—	(17)	—
Foreign Currency Transaction Adjustments	(0)	11	(0)
Remeasurements of Defined Benefit Plans	(2,290)	(929)	(19)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(14)	255	(0)
Total Comprehensive Income	¥(275,568)	¥523,797	\$(2,297)
Attributable to:			
Owners of the Parent	(276,014)	523,515	(2,301)
Non-controlling Interests	446	282	3

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

Consolidated Statement of Capital Surplus and Retained Earnings (Unaudited)

For the six months ended September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$ 208
Balance at the End of the Period	25,020	25,020	208
Retained Earnings			
Balance at the Beginning of the Fiscal Year	1,576,096	1,236,359	13,139
Cumulative Effects of Changes in Accounting Policies	—	(4,455)	—
Restated Balance	1,576,096	1,231,904	13,139
Additions:			
Net Income	215,280	212,616	1,794
Transfer from Revaluation Reserve for Land	964	183	8
Deductions:			
Dividends	77,510	66,712	646
Balance at the End of the Period	¥1,714,830	¥1,377,991	\$14,296

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

Consolidated Statement of Cash Flows (Unaudited)

For the six months ended September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
Cash Flows from Operating Activities:			
Income before Income Taxes and Non-controlling Interests	¥ 262,237	¥ 273,934	\$ 2,186
Depreciation	9,290	10,242	77
Losses on Impairment of Fixed Assets	113	167	0
Equity in Losses (Earnings) of Affiliates	(5,271)	(4,988)	(43)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(5,385)	(17,545)	(44)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(787)	(66)	(6)
Net Increase (Decrease) in Reserve for Bonus Payments	44	109	0
Net Decrease (Increase) in Net Defined Benefit Asset	(214)	(229)	(1)
Net Increase (Decrease) in Net Defined Benefit Liability	(249)	(489)	(2)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(41)	(186)	(0)
Interest Income	(584,320)	(523,947)	(4,871)
Interest Expenses	338,331	289,870	2,820
Losses (Gains) on Securities	(32,576)	(301)	(271)
Losses (Gains) on Money Held in Trust	(16,066)	(38,147)	(133)
Foreign Exchange Losses (Gains)	(233,962)	(1,589,498)	(1,950)
Losses (Gains) on Disposal of Fixed Assets	1,032	156	8
Net Decrease (Increase) in Trading Assets	1,988	5,891	16
Net Increase (Decrease) in Trading Liabilities	162	210	1
Net Decrease (Increase) in Loans and Bills Discounted	922,558	(1,635,412)	7,691
Net Increase (Decrease) in Deposits	1,339,157	1,769,535	11,164
Net Increase (Decrease) in Negotiable Certificates of Deposit	367,587	549,554	3,064
Net Increase (Decrease) in Debentures	(189,380)	(225,941)	(1,578)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	70,501	18,761	587
Net Decrease (Increase) in Interest-bearing Due from Banks	(242,849)	42,650	(2,024)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	54,644	(115,965)	455
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	74,807	(215,899)	623
Net Increase (Decrease) in Call Money and Bills Sold and Other	2,989,209	3,236,720	24,920
Net Increase (Decrease) in Short-term Entrusted Funds	827,236	647,208	6,896
Net Increase (Decrease) in Payables under Securities Lending Transactions	(70,612)	83,451	(588)
Net Decrease (Increase) in Foreign Exchange Assets	27,289	(17,118)	227
Net Increase (Decrease) in Foreign Exchange Liabilities	(32)	36	(0)
Interest Received	590,460	549,790	4,922
Interest Paid	(177,137)	(143,269)	(1,476)
Other, Net	(82,924)	(15,941)	(691)
Subtotal	6,234,842	2,933,341	51,978
Income Taxes Paid	(91,034)	(2,437)	(758)
Net Cash Provided by (Used in) Operating Activities	6,143,808	2,930,904	51,219

Consolidated Statement of Cash Flows (Unaudited), continued

For the six months ended September 30, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
Cash Flows from Investing Activities:			
Purchases of Securities	(3,704,003)	(4,442,625)	(30,879)
Proceeds from Sales of Securities	111,710	1,136,109	931
Proceeds from Redemption of Securities	2,888,870	3,718,359	24,083
Increase in Money Held in Trust	(19,159)	(24,580)	(159)
Decrease in Money Held in Trust	472,907	390,083	3,942
Purchases of Tangible Fixed Assets	(2,614)	(3,399)	(21)
Purchases of Intangible Fixed Assets	(3,253)	(5,150)	(27)
Proceeds from Sales of Tangible Fixed Assets	443	2,327	3
Proceeds from Sales of Intangible Fixed Assets	—	7	—
Payments for Transfer of Business	(780)	—	(6)
Net Cash Provided by (Used in) Investing Activities	(255,880)	771,131	(2,133)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	22,775	—	189
Proceeds from Issuance of Stock	45,551	—	379
Dividends Paid	(77,510)	(66,712)	(646)
Dividends Paid to Non-controlling Shareholders	(253)	(164)	(2)
Net Cash Provided by (Used in) Financing Activities	(9,438)	(66,877)	(78)
Net Increase (Decrease) in Cash and Cash Equivalents	5,878,489	3,635,157	49,007
Cash and Cash Equivalents at the Beginning of the Fiscal Year	6,202,122	4,667,602	51,705
Cash and Cash Equivalents at the End of the Period (Note 12)	¥12,080,612	¥ 8,302,759	\$100,713

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

Notes to the Consolidated Financial Statements (Unaudited)

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 ¥119.95=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2015, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen and U.S. dollars figures disclosed in the consolidated financial statements are expressed in millions of yen and millions of U.S. dollars, and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the 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, 2015 was 10, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The 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, 2015 was 9, out of which 8 were accounted for by the equity method, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliates accounted for by the equity method are as follows:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

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

(2) Transactions for Trading Purposes

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

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

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

Trading Income and Trading Expenses include interest received and paid in the 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. In principle, other securities are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities which are extremely difficult to determine the fair value are valued at cost determined by the moving average method.

Net Unrealized Gains or Losses on Other Securities are reported separately in Net Assets.

Securities included in Money Held in Trust are valued using the same methods described in (2) and (3) a. above.

b. Derivatives

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

c. Hedge Accounting

(a) Hedge of Interest Rate Risk

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

(b) Hedge of Foreign Exchange Rate Risk

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

The deferral method or the fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange rate risks associated with securities denominated in foreign currencies (other than debt securities), provided that (1) the securities denominated in foreign currencies are identified as hedged items in advance, and (2) foreign currency amounts of spot and forward liabilities exceeds those of the acquisition costs of the foreign currency securities designated as hedged items.

(c) Internal Derivative Transactions

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

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

(4) Tangible Fixed Assets (other than Lease Assets)**a. Depreciation**

Depreciation of Tangible Fixed Assets of the Bank is calculated using the declining-balance method. However, depreciation on buildings acquired on or after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method, 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 from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land and included in Net Assets on the consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

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

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

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

The costs of software developed or obtained for internal use are capitalized and amortized over an estimated useful life of 5 years.

(6) Lease Assets

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

(7) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the end of the period.

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 end of the period.

(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 disposals of collateral or the execution of guarantees.

With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥16,932 million (\$141 million) and ¥15,265 million for the period ended September 30, 2015 and the fiscal year ended March 31, 2015, respectively.

b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposals 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 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.

(12) Accounting Method for Retirement Benefits

In calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to the end of the period.

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

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

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby the retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired at the 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 reversal from or transfer to Reserve for Tax Basis Adjustments of Fixed Assets by the disposal of Retained Earnings is made at the end of the fiscal year.

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

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

Non-interest bearing due from banks includes due from the Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by the 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 stocks and preferred stocks is deducted from the denominator in the calculation of Net Income per Share.

(Changes in Accounting Policies)

Adoption of "Accounting Standard for Business Combinations"

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

In applying these revised accounting standards, the accounting method was changed to record differences arising from changes in ownership interest in subsidiaries over which the Bank continues to control as Capital Surplus, and acquisition-related costs are recognized as expenses for the fiscal year in which incurred. Regarding a business combination occurring after the beginning of the first half of fiscal year 2015, provisional amounts were retrospectively adjusted to reflect completion of the accounting for a business combination in the consolidated financial statements of the fiscal year in which the business combination occurred. In addition, the definition of Net Income was changed to include "Profit Attributable to Non-controlling Interest" and "Minority Interests" was renamed "Non-controlling Interests". To reflect these changes in presentation, the consolidated financial statements and consolidated financial statements in the previous fiscal year have been reclassified.

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

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

3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Japanese Government Bonds	¥13,278,242	¥13,788,827	\$110,698
Municipal Government Bonds	243	765	2
Corporate Bonds	53,891	25,487	449
Stocks	825,950	841,832	6,885
Other	45,893,417	45,066,992	382,604
Foreign Bonds	35,171,228	33,883,117	293,215
Foreign Stocks	47,616	60,977	396
Investment Trusts	10,002,003	10,452,485	83,384
Other	672,569	670,411	5,607
Total	¥60,051,746	¥59,723,905	\$500,639

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Loans on Deeds	¥17,578,813	¥18,390,562	\$146,551
Loans on Bills	395,217	375,573	3,294
Overdrafts	1,139,787	1,268,775	9,502
Bills Discounted	2,653	3,231	22
Total	¥19,116,471	¥20,038,143	\$159,370

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Loans to Borrowers under Bankruptcy Proceedings	¥ 423	¥ 383	\$ 3
Delinquent Loans	119,300	121,170	994
Loans Past Due for Three Months or More	165	55	1
Restructured Loans	16,771	33,793	139
Total	¥136,660	¥155,402	\$1,139

(1) Loans to borrowers under bankruptcy proceedings are loans (excluding the parts written-off for possible loan losses) stipulated in Article 96-1-3, 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No.97, 1965) on which interest is placed on a no-accrual status (hereinafter referred to as "Non-accrual Loans") since the loan principals and/or their pertaining interests are determined to be uncollectible considering the period of time past due and other reasons.

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

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

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

5. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Securities	¥23,055,628	¥20,456,510	\$192,210
Loans and Bills Discounted	10,515,447	12,215,467	87,665

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Call Money and Bills Sold	¥ 225,000	¥ 475,000	\$ 1,875
Payables under Repurchase Agreements	20,723,250	17,707,639	172,765
Payables under Securities Lending Transactions	4,069	74,682	33
Borrowed Money	916,855	850,070	7,643

In addition, as of September 30, 2015 and March 31, 2015, Securities (including transactions of Money Held in Trust) of ¥6,930,976 million (\$57,782 million) and ¥7,181,415 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2015 and March 31, 2015, initial margins of futures markets of ¥1,017 million (\$8 million) and ¥1,105 million, respectively, cash collateral paid for financial instruments of ¥271,501 million (\$2,263 million) and ¥469,946 million, respectively, and guarantee deposits of ¥16,729 million (\$139 million) and ¥17,032 million, respectively, were included in Other Assets.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Time Deposits	¥49,123,802	¥47,334,747	\$409,535
Deposits at Notice	54,633	54,721	455
Ordinary Deposits	990,241	1,119,783	8,255
Current Deposits	82,958	85,283	691
Other Deposits	4,561,734	4,879,569	38,030
Total	¥54,813,370	¥53,474,106	\$456,968

7. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$416 million) and ¥50,000 million as of September 30, 2015 and March 31, 2015, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,508,782 million (\$12,578 million) and ¥1,486,007 million as of September 30, 2015 and March 31, 2015, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities. Above subordinated borrowing includes ¥1,410,566 million (\$11,759 million) and ¥1,387,791 million qualifying Tier 2 capital stipulated in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

9. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥3,385,103 million (\$28,220 million) and ¥2,893,278 million as of September 30, 2015 and March 31, 2015, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,233,293 million (\$18,618 million) and ¥1,970,605 million as of September 30, 2015 and March 31, 2015, respectively.

The amount of undrawn commitments does not necessarily affect the future cash flow of the Bank and its consolidated subsidiaries because the majority of such agreements are terminated without being exercised. Most of these agreements have provisions which stipulate that the Bank and its consolidated subsidiaries may not extend the loan or may decrease the commitment when there are certain changes in the overall financial conditions, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

10. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥566,835 million (\$4,725 million) and ¥163,462 million as of September 30, 2015 and March 31, 2015, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged of ¥- million (\$- million) and ¥30,069 million as of September 30, 2015 and March 31, 2015, respectively, and securities held without re-pledge of ¥785,447 million (\$6,548 million) and ¥788,494 million as of September 30, 2015 and March 31, 2015, respectively. No such securities are re-loaned to the third parties.

11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2015	As of March 31, 2015	As of September 30, 2015
Common Stock	¥3,446,460	¥3,400,909	\$28,732
Preferred Stock	24,999	24,999	208
Total	¥3,471,460	¥3,425,909	\$28,940

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,020,743 million (\$25,183 million) and ¥2,975,192 million as of September 30, 2015 and March 31, 2015, respectively.

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

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
	2015	2014	2015
As of September 30			
Cash and Due from Banks	¥13,419,037	¥ 9,574,041	\$111,871
Less: Interest-bearing Due from Banks	(1,338,425)	(1,271,281)	(11,158)
Cash and Cash Equivalents at the End of the Period	¥12,080,612	¥ 8,302,759	\$100,713

13. Segment Information

For the Six Months Ended September 30, 2015

(1) Segment Information

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information

a. Information about Services

Six Months ended September 30, 2015	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥35,627	¥623,631	¥47,556	¥706,816

Six Months ended September 30, 2015	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$297	\$5,199	\$396	\$5,892

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

Six Months ended September 30, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥693,588	¥3,754	¥3,018	¥6,453	¥706,816

Six Months ended September 30, 2015	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$5,782	\$31	\$25	\$53	\$5,892

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

(b) Tangible Fixed Assets

As of September 30, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥107,812	¥349	¥297	¥296	¥108,755

As of September 30, 2015	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$898	\$2	\$2	\$2	\$906

c. Information about Major Customers

Six Months ended September 30, 2015	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥168,893	—

Six Months ended September 30, 2015	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,408	—

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

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

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

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments

None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments

None

For the Six Months Ended September 30, 2014**(1) Segment Information**

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information**a. Information about Services**

Six Months ended September 30, 2014	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥51,282	¥602,438	¥45,043	¥698,764

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**

Six Months ended September 30, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥684,315	¥4,469	¥3,913	¥6,065	¥698,764

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

(b) Tangible Fixed Assets

As of September 30, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥108,395	¥307	¥210	¥348	¥109,261

c. Information about Major Customers

Six Months ended September 30, 2014	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥109,093	—

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

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

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

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments

None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments

None

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, 2015 and March 31, 2015 are as follows:

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

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2015						
(1) Cash and Due from Banks	¥13,419,037	¥13,419,037	¥ —	\$111,871	\$111,871	\$ —
(2) Call Loans and Bills Bought	531,542	531,542	—	4,431	4,431	—
(3) Monetary Claims Bought	240,170	240,397	226	2,002	2,004	1
(4) Trading Assets (*2)						
Trading Securities	516	516	—	4	4	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	6,399	6,399	—	53	53	—
Other Money Held in Trust	4,026,228	4,035,033	8,805	33,565	33,639	73
(6) Securities						
Held-to-Maturity Debt Securities	18,221,226	18,345,694	124,467	151,906	152,944	1,037
Other Securities	41,246,834	41,246,834	—	343,866	343,866	—
(7) Loans and Bills Discounted	19,116,471			159,370		
Reserve for Possible Loan Losses (*1)	(109,302)			(911)		
	19,007,169	19,031,060	23,891	158,459	158,658	199
Total Assets	¥96,699,124	¥96,856,516	¥157,391	\$806,161	\$807,474	\$1,312
(1) Deposits	¥54,813,370	¥54,813,378	¥ 7	\$456,968	\$456,968	\$ 0
(2) Negotiable Certificates of Deposit	4,042,252	4,042,252	—	33,699	33,699	—
(3) Debentures	3,363,431	3,372,618	9,186	28,040	28,116	76
(4) Call Money and Bills Sold	448,598	448,598	—	3,739	3,739	—
(5) Payables under Repurchase Agreements	20,723,250	20,723,250	—	172,765	172,765	—
(6) Borrowed Money	2,534,790	2,534,790	—	21,132	21,132	—
(7) Short-term Entrusted Funds	3,440,017	3,440,017	—	28,678	28,678	—
Total Liabilities	¥89,365,711	¥89,374,905	¥ 9,194	\$745,024	\$745,101	\$ 76
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ (7,897)	¥ (7,897)	¥ —	\$ (65)	\$ (65)	\$ —
Transactions Accounted for as Hedge						
Transactions	(21,844)	(21,844)	—	(182)	(182)	—
Total Derivative Instruments	¥ (29,742)	¥ (29,742)	¥ —	\$ (247)	\$ (247)	\$ —

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

2. Derivative Instruments are excluded from Trading Assets.

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

As of March 31, 2015	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 7,297,692	¥ 7,297,692	¥ —
(2) Call Loans and Bills Bought	569,902	569,902	—
(3) Monetary Claims Bought	226,605	226,788	182
(4) Trading Assets (*2)			
Trading Securities	2,572	2,572	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	6,812	6,812	—
Other Money Held in Trust	4,500,650	4,510,023	9,372
(6) Securities			
Held-to-Maturity Debt Securities	18,004,075	18,195,275	191,200
Other Securities	41,163,771	41,163,771	—
(7) Loans and Bills Discounted	20,038,143		
Reserve for Possible Loan Losses (*1)	(114,891)		
	19,923,251	19,956,340	33,089
Total Assets	¥91,695,334	¥91,929,179	¥233,845
(1) Deposits	¥53,474,106	¥53,474,112	¥ 5
(2) Negotiable Certificates of Deposit	3,674,664	3,674,664	—
(3) Debentures	3,552,811	3,563,767	10,956
(4) Call Money and Bills Sold	475,000	475,000	—
(5) Payables under Repurchase Agreements	17,707,639	17,707,639	—
(6) Borrowed Money	2,441,513	2,441,513	—
(7) Short-term Entrusted Funds	2,612,780	2,612,780	—
Total Liabilities	¥83,938,516	¥83,949,478	¥ 10,962
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ (4,025)	¥ (4,025)	¥ —
Transactions Accounted for as Hedge			
Transactions	(439,249)	(439,249)	—
Total Derivative Instruments	¥ (443,275)	¥ (443,275)	¥ —

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

2. Derivative Instruments are excluded from Trading Assets.

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

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

Assets

(1) Cash and Due from Banks

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

(2) 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 vendors.

(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 maturities, interest rates and other terms.

Liabilities**(1) Deposits**

With respect to demand deposits, the amounts payable on demand as of the consolidated balance sheet date (the carrying value) are estimated at fair value. 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. As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied to a similar Borrowed Money. The fair value of the Borrowed Money with a short-term (1 year or less), approximates the carrying value.

Derivative Instruments

Derivative instruments include interest rate-related derivative instruments (interest rate swaps and others) and currency-related derivative instruments (currency swaps and others). The fair value is based on the closing price at the exchange, a discounted net present value model, an option pricing model or other models as appropriate. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items.

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

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

“Assets (6) Other Securities” in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes these financial instruments.

As of September 30, 2015	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥304,726	\$2,540
Investments in Partnership and Others (*3)	278,957	2,325
Total	¥583,684	\$4,866

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

2. The amount of revaluation losses for the period was ¥18 million (\$0 million) on Unlisted Stocks and Others.

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

As of March 31, 2015	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥281,951
Investments in Partnership and Others (*3)	274,105
Total	¥556,057

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

2. The amount of revaluation losses for the fiscal year ended March 31, 2015 was ¥1,874 million on Unlisted Stocks and Others.

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

15. Fair Value of Securities

Held-to-Maturity Debt Securities

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated	Fair Value	Difference	Consolidated	Fair Value	Difference
		Balance Sheet Amount			Balance Sheet Amount		
As of September 30, 2015							
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 4,062,917	¥ 4,075,800	¥ 12,882	\$ 33,871	\$ 33,979	\$ 107
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	6,147	6,199	52	51	51	0
	Other	7,422,745	7,569,275	146,529	61,881	63,103	1,221
	Foreign Bonds	7,360,119	7,506,387	146,267	61,359	62,579	1,219
	Other	62,625	62,887	262	522	524	2
	Sub total	11,491,810	11,651,275	159,464	95,805	97,134	1,329
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	3,468,779	3,456,770	(12,008)	28,918	28,818	(100)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—
	Other	3,356,399	3,333,637	(22,762)	27,981	27,791	(189)
	Foreign Bonds	3,323,262	3,300,536	(22,726)	27,705	27,515	(189)
	Other	33,136	33,100	(35)	276	275	(0)
	Sub total	6,825,178	6,790,408	(34,770)	56,900	56,610	(289)
Total	¥18,316,989	¥18,441,683	¥124,694	\$152,705	\$153,744	\$1,039	

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

	Type	Millions of Yen		
		Consolidated	Fair Value	Difference
		Balance Sheet Amount		
As of March 31, 2015				
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,718,627	¥ 2,727,034	¥ 8,406
	Municipal Government Bonds	—	—	—
	Corporate Bonds	6,601	6,637	36
	Other	8,967,520	9,171,355	203,835
	Foreign Bonds	8,918,369	9,122,007	203,637
	Other	49,150	49,348	197
	Sub total	11,692,749	11,905,027	212,278
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	4,818,344	4,802,404	(15,940)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,577,478	1,572,523	(4,954)
	Foreign Bonds	1,542,132	1,537,192	(4,939)
	Other	35,346	35,331	(14)
	Sub total	6,395,823	6,374,928	(20,895)
Total	¥18,088,573	¥18,279,956	¥191,383	

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

Other Securities

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated	Acquisition	Difference	Consolidated	Acquisition	Difference
		Balance Sheet	Cost		Balance Sheet	Cost	
As of September 30, 2015		Amount			Amount		
	Stocks	¥ 664,143	¥ 271,671	¥ 392,471	\$ 5,536	\$ 2,264	\$ 3,271
	Bonds	5,787,909	5,547,636	240,273	48,252	46,249	2,003
	Japanese Government						
	Bonds	5,746,545	5,506,305	240,239	47,907	45,905	2,002
	Municipal Government						
Transactions for	Bonds	243	230	12	2	1	0
Consolidated Balance	Corporate Bonds	41,120	41,100	20	342	342	0
Sheet Amount	Other	29,917,723	28,154,956	1,762,767	249,418	234,722	14,695
exceeding Acquisition	Foreign Bonds	23,100,579	22,182,399	918,179	192,585	184,930	7,654
Cost	Foreign Stocks	31,137	21,060	10,076	259	175	84
	Investment Trusts	6,505,454	5,716,386	789,067	54,234	47,656	6,578
	Other	280,552	235,109	45,443	2,338	1,960	378
	Sub total	36,369,776	33,974,264	2,395,512	303,207	283,236	19,970
	Stocks	11,539	14,072	(2,532)	96	117	(21)
	Bonds	6,623	6,628	(4)	55	55	(0)
	Japanese Government						
	Bonds	—	—	—	—	—	—
	Municipal Government						
Transactions for	Bonds	—	—	—	—	—	—
Consolidated Balance	Corporate Bonds	6,623	6,628	(4)	55	55	(0)
Sheet Amount not	Other	5,039,287	5,157,780	(118,492)	42,011	42,999	(987)
exceeding Acquisition	Foreign Bonds	1,387,266	1,398,472	(11,205)	11,565	11,658	(93)
Cost	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	3,358,568	3,464,535	(105,967)	27,999	28,883	(883)
	Other	293,452	294,772	(1,319)	2,446	2,457	(10)
	Sub total	5,057,451	5,178,481	(121,030)	42,162	43,171	(1,009)
	Total	¥41,427,228	¥39,152,745	¥2,274,482	\$345,370	\$326,408	\$18,961

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

		Millions of Yen		
As of March 31, 2015	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 678,521	¥ 272,267	¥ 406,253
	Bonds	6,250,201	6,020,350	229,850
	Japanese Government			
	Bonds	6,241,731	6,011,917	229,814
	Municipal Government			
	Bonds	661	645	16
	Corporate Bonds	7,808	7,787	20
	Other	32,866,847	30,627,960	2,238,886
	Foreign Bonds	23,036,337	21,992,457	1,043,879
	Foreign Stocks	38,688	20,802	17,885
	Investment Trusts	9,587,748	8,445,590	1,142,157
	Other	204,073	169,109	34,964
		Sub total	39,795,570	36,920,579
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	12,840	14,808	(1,967)
	Bonds	21,305	21,373	(67)
	Japanese Government			
	Bonds	10,123	10,172	(49)
	Municipal Government			
	Bonds	104	105	(0)
	Corporate Bonds	11,077	11,095	(17)
	Other	1,509,189	1,530,685	(21,495)
	Foreign Bonds	386,278	389,205	(2,927)
	Foreign Stocks	—	—	—
	Investment Trusts	755,545	772,888	(17,342)
	Other	367,365	368,591	(1,225)
		Sub total	1,543,336	1,566,867
	Total	¥41,338,906	¥38,487,446	¥2,851,459

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

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the six months ended September 30, 2015 and the fiscal year ended March 31, 2015 (“revaluation loss”), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the six months ended September 30, 2015 was nil.

The amount of revaluation loss for the fiscal year ended March 31, 2015 was ¥64 million including ¥62 million on Foreign Bonds and ¥2 million on Other.

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

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

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

16. Fair Value of Money Held in Trust

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2015					
Other Money Held in Trust	¥4,026,574	¥3,772,412	¥254,162	¥254,830	¥668

	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2015					
Other Money Held in Trust	\$33,568	\$31,449	\$2,118	\$2,124	\$5

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of March 31, 2015					
Other Money Held in Trust	¥4,501,036	¥4,173,759	¥327,277	¥327,553	¥276

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

17. Fair Value of Derivative Instruments

(1) Derivative Instruments not accounted for as hedges

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

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

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2015								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ 28,212	¥ 28,212	¥ (159)	¥ (159)	\$ 235	\$ 235	\$ (1)	\$ (1)
Purchased	28,240	28,240	144	144	235	235	1	1
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	6,236,533	6,219,210	2,969	2,969	51,992	51,848	24	24
Rec.: Flt.-Pay.: Fix.	241,564	223,654	(6,661)	(6,661)	2,013	1,864	(55)	(55)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (3,706)	¥ (3,706)	\$ /	\$ /	\$ (30)	\$ (30)

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.

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2015				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	241,528	209,928	7,360	7,360
Rec.: Flt.-Pay.: Fix.	236,006	203,981	(6,595)	(6,595)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 764	¥ 764

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

2. Determination of fair value:

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

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

Currency-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2015								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	904,031	13,935	7,030	7,030	7,536	116	58	58
Purchased	1,026,021	8,009	(11,247)	(11,247)	8,553	66	(93)	(93)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (4,217)	¥ (4,217)	\$ /	\$ /	\$ (35)	\$ (35)

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.

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

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

2. Determination of fair value:

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

Stock-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2015								
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	651	—	—	—	5	—	—	—
Total	¥ /	¥ /	¥ —	¥ —	\$ /	\$ /	\$ —	\$ —

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

2. Determination of fair value:

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

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

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

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2015				
Exchange-traded Transactions				
Equity Price Index Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Equity Price Index Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Equity Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Equity Price Index Swaps:				
Rec.: Stock Index	—	—	—	—
Pay.: Flt. Rate	—	—	—	—
Rec.: Flt. Rate	—	—	—	—
Pay.: Stock Index	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	1,000	—	—	—
Total	¥ /	¥ /	¥ —	¥ —

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

2. Determination of fair value:

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

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

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

Bond-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2015								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥4,125	¥ —	¥ (17)	¥ (17)	\$ 34	\$ —	\$ (0)	\$ (0)
Purchased	9,750	—	43	43	81	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 26	¥ 26	\$ /	\$ /	\$ 0	\$ 0

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

2. Determination of fair value:

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

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

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

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

2. Determination of fair value:

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

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

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of September 30, 2015 and March 31, 2015.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2015 and March 31, 2015.

(2) Derivative Instruments accounted for as hedges

Regarding the derivative instruments which are accounted for as hedge transactions, Contract Amount or Notional Amount, and Fair Value for each type of derivative transactions, respectively, at the consolidated balance sheet date, and determination of fair value are as follows.

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

Interest Rate-Related Derivative Instruments

As of September 30, 2015

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,980,000	¥2,490,000	¥ 15,062	\$24,843	\$20,758	\$ 125
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	6,897,242	6,855,259	(236,723)	57,500	57,150	(1,973)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	217,536	215,226	Note 3	1,813	1,794	Note 3
Total			¥ /	¥ /	¥(221,661)	\$ /	\$ /	\$(1,847)

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

2. Determination of fair value:

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

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

As of March 31, 2015

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

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

2. Determination of fair value:

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

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

Currency-Related Derivative Instruments

As of September 30, 2015

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated	¥12,113,732	¥7,547,637	¥140,871	\$100,989	\$62,923	\$1,174
	Forex Forward	Securities and Others	5,919,581	—	58,945	49,350	—	491
Total			¥ /	¥ /	¥199,816	\$ /	\$ /	\$1,665

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

2. Determination of fair value:

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

As of March 31, 2015

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

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

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, 2015 and March 31, 2015.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2015 and March 31, 2015.

18. The Norinchukin Bank (Parent Company)**(1) Non-consolidated Balance Sheet (Unaudited)**

	Millions of Yen		Millions of U.S. Dollars
	September 30 2015	March 31 2015	September 30 2015
Assets			
Cash and Due from Banks	¥13,400,649	¥ 7,278,611	\$111,718
Call Loans	531,542	569,902	4,431
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	3,997	78,804	33
Monetary Claims Bought	240,170	226,605	2,002
Trading Assets	8,111	10,099	67
Money Held in Trust	4,032,110	4,506,018	33,614
Securities	60,066,221	59,738,559	500,760
Loans and Bills Discounted	19,012,412	19,935,726	158,502
Foreign Exchange Assets	175,656	202,946	1,464
Other Assets	903,149	877,757	7,529
Tangible Fixed Assets	106,855	108,474	890
Intangible Fixed Assets	18,296	19,443	152
Prepaid Pension Cost	5,083	1,698	42
Customers' Liabilities for Acceptances and Guarantees	157,539	151,587	1,313
Reserve for Possible Loan Losses	(109,718)	(114,920)	(914)
Reserve for Possible Investment Losses	(1,937)	(2,714)	(16)
Total Assets	¥98,550,141	¥93,618,444	\$821,593
Liabilities and Net Assets			
Liabilities			
Deposits	¥54,824,399	¥53,486,188	\$457,060
Negotiable Certificates of Deposit	4,042,252	3,674,664	33,699
Debentures	3,374,433	3,564,315	28,132
Call Money	448,598	475,000	3,739
Payables under Repurchase Agreements	20,723,250	17,707,639	172,765
Payables under Securities Lending Transactions	4,069	74,682	33
Trading Liabilities	6,879	6,717	57
Borrowed Money	2,529,790	2,436,513	21,090
Foreign Exchange Liabilities	2	35	0
Short-term Entrusted Funds	3,440,017	2,612,780	28,678
Other Liabilities	1,398,438	1,321,639	11,658
Reserve for Bonus Payments	5,902	5,917	49
Reserve for Retirement Benefits	14,631	14,947	121
Reserve for Directors' Retirement Benefits	737	766	6
Deferred Tax Liabilities	645,283	843,611	5,379
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	77
Acceptances and Guarantees	157,539	151,587	1,313
Total Liabilities	91,625,489	86,386,642	763,864
Net Assets			
Paid-in Capital	3,471,460	3,425,909	28,940
Capital Surplus	25,020	25,020	208
Retained Earnings	1,667,909	1,530,683	13,905
Total Owners' Equity	5,164,390	4,981,614	43,054
Net Unrealized Gains on Other Securities, net of taxes	1,868,038	2,338,046	15,573
Net Deferred Losses on Hedging Instruments, net of taxes	(123,797)	(104,843)	(1,032)
Revaluation Reserve for Land, net of taxes	16,020	16,984	133
Total Valuation and Translation Adjustments	1,760,261	2,250,187	14,674
Total Net Assets	6,924,652	7,231,802	57,729
Total Liabilities and Net Assets	¥98,550,141	¥93,618,444	\$821,593

(2) Non-consolidated Statement of Operations (Unaudited)

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Income			
Interest Income:	¥588,174	¥529,998	\$4,903
Interest on Loans and Bills Discounted	30,637	32,229	255
Interest and Dividends on Securities	549,051	488,268	4,577
Fees and Commissions	6,611	6,155	55
Trading Income	109	196	0
Other Operating Income	35,001	42,681	291
Other Income	68,648	115,080	572
Total Income	698,545	694,111	5,823
Expenses			
Interest Expenses:	338,299	289,844	2,820
Interest on Deposits	17,016	14,633	141
Fees and Commissions	6,303	5,830	52
Trading Expenses	128	—	1
Other Operating Expenses	23,579	62,684	196
General and Administrative Expenses	62,046	58,640	517
Other Expenses	8,954	2,731	74
Total Expenses	439,311	419,731	3,662
Income before Income Taxes	259,234	274,380	2,161
Income Taxes — Current	56,860	46,411	474
Income Taxes — Deferred	(11,397)	13,756	(95)
Total Income Taxes	45,462	60,168	379
Net Income	¥213,771	¥214,212	\$1,782