

Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2020	March 31 2020	September 30 2020
Assets			
Cash and Due from Banks (Notes 12, 14 and 15)	¥ 19,378,455	¥ 19,505,050	\$ 183,143
Call Loans and Bills Bought (Note 14)	792,324	54,330	7,488
Receivables under Resale Agreements	—	13,048	—
Monetary Claims Bought (Notes 14 and 15)	224,734	301,081	2,123
Trading Assets (Note 14)	7,144	7,862	67
Money Held in Trust (Notes 5, 10, 14 and 16)	10,230,150	5,996,681	96,684
Securities (Notes 3, 5, 9, 10, 14 and 15)	50,149,236	54,533,258	473,955
Loans and Bills Discounted (Notes 4, 5, 8 and 14)	21,097,016	20,058,825	199,385
Foreign Exchange Assets	469,841	209,889	4,440
Other Assets (Notes 5 and 14)	2,015,929	2,500,911	19,052
Tangible Fixed Assets (Note 13)	112,619	123,562	1,064
Intangible Fixed Assets	59,102	53,100	558
Net Defined Benefit Asset	58,637	58,213	554
Deferred Tax Assets	3,184	2,952	30
Customers' Liabilities for Acceptances and Guarantees	2,248,244	2,115,202	21,247
Reserve for Possible Loan Losses (Note 14)	(100,002)	(51,587)	(945)
Reserve for Possible Investment Losses	(143)	(372)	(1)
Total Assets	¥106,746,476	¥105,482,009	\$1,008,850
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 6 and 14)	¥ 65,397,009	¥ 65,639,097	\$ 618,060
Negotiable Certificates of Deposit (Note 14)	1,762,846	2,406,965	16,660
Debentures (Note 14)	528,021	784,446	4,990
Payables under Repurchase Agreements (Notes 5 and 14)	17,514,200	15,726,573	165,525
Trading Liabilities (Note 14)	7,137	8,102	67
Borrowed Money (Notes 5, 7 and 14)	4,639,810	5,413,844	43,850
Foreign Exchange Liabilities	1	0	0
Short-term Entrusted Funds (Note 14)	1,889,751	792,594	17,859
Other Liabilities (Note 14)	4,077,141	4,824,601	38,532
Reserve for Bonus Payments	7,656	7,490	72
Net Defined Benefit Liability	38,550	38,841	364
Reserve for Directors' Retirement Benefits	1,323	1,425	12
Deferred Tax Liabilities	593,022	452,542	5,604
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	81
Acceptances and Guarantees	2,248,244	2,115,202	21,247
Total Liabilities	98,713,326	98,220,336	932,930
Net Assets			
Paid-in Capital (Note 11)	4,040,198	4,040,198	38,183
Capital Surplus	24,993	24,993	236
Retained Earnings	2,003,865	2,013,599	18,938
Total Owners' Equity	6,069,057	6,078,792	57,358
Net Unrealized Gains on Other Securities	2,466,332	1,701,619	23,309
Net Deferred Losses on Hedging Instruments	(532,878)	(550,151)	(5,036)
Revaluation Reserve for Land	14,312	14,312	135
Foreign Currency Transaction Adjustments	(154)	(153)	(1)
Remeasurements of Defined Benefit Plans	5,472	6,118	51
Total Accumulated Other Comprehensive Income	1,953,084	1,171,744	18,458
Non-controlling Interests	11,008	11,136	104
Total Net Assets	8,033,150	7,261,673	75,920
Total Liabilities and Net Assets	¥106,746,476	¥105,482,009	\$1,008,850

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Income			
Interest Income:	¥ 431,003	¥643,796	\$ 4,073
Interest on Loans and Bills Discounted	50,967	62,933	481
Interest and Dividends on Securities	371,889	565,683	3,514
Fees and Commissions	15,341	16,701	144
Trading Income	323	85	3
Other Operating Income	39,287	75,130	371
Other Income	106,313	96,899	1,004
Total Income	592,268	832,612	5,597
Expenses			
Interest Expenses:	342,366	622,894	3,235
Interest on Deposits	20,219	69,025	191
Fees and Commissions	9,385	9,077	88
Trading Expenses	1	78	0
Other Operating Expenses	28,911	27,411	273
General and Administrative Expenses	70,733	77,981	668
Other Expenses	54,142	7,619	511
Total Expenses	505,540	745,063	4,777
Income before Income Taxes	86,728	87,548	819
Income Taxes — Current	180,183	17,643	1,702
Income Taxes — Deferred	(159,504)	1,001	(1,507)
Total Income Taxes	20,678	18,645	195
Profit	66,049	68,903	624
Profit Attributable to Non-controlling Interests	543	735	5
Profit Attributable to Owners of Parent	¥ 65,506	¥ 68,168	\$ 619

	Yen		U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Profit Attributable to Owners of Parent per Share	¥15.38	¥16.01	\$0.14

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

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Profit	¥ 66,049	¥ 68,903	\$ 624
Other Comprehensive Income	781,353	329,018	7,384
Net Unrealized Gains (Losses) on Other Securities	763,692	520,493	7,217
Net Deferred Gains (Losses) on Hedging Instruments	17,272	(189,968)	163
Foreign Currency Transaction Adjustments	19	(3)	0
Remeasurements of Defined Benefit Plans	(672)	(1,363)	(6)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	1,042	(139)	9
Total Comprehensive Income	¥847,403	¥ 397,922	\$ 8,008
Attributable to:			
Owners of Parent	846,846	397,184	8,003
Non-controlling Interests	557	737	5

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

Consolidated Statement of Capital Surplus and Retained Earnings (Unaudited)

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 236
Balance at the End of the Period	24,993	24,993	236
Retained Earnings			
Balance at the Beginning of the Fiscal Year	2,013,599	2,021,435	19,030
Additions:			
Profit Attributable to Owners of Parent	65,506	68,168	619
Deductions:			
Dividends	75,241	99,870	711
Balance at the End of the Period	¥2,003,865	¥1,989,733	\$18,938

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

Consolidated Statement of Cash Flows (Unaudited)

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 86,728	¥ 87,548	\$ 819
Depreciation	11,558	9,613	109
Equity in Losses (Earnings) of Affiliates	(2,224)	(2,560)	(21)
Net Increase (Decrease) in Reserve for Possible Loan Losses	48,432	572	457
Net Increase (Decrease) in Reserve for Possible Investment Losses	(229)	(24)	(2)
Net Increase (Decrease) in Reserve for Bonus Payments	166	(13)	1
Net Decrease (Increase) in Net Defined Benefit Asset	(424)	(326)	(4)
Net Increase (Decrease) in Net Defined Benefit Liability	(290)	(410)	(2)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(102)	(5)	(0)
Interest Income	(431,003)	(643,796)	(4,073)
Interest Expenses	342,366	622,894	3,235
Losses (Gains) on Securities	(20,977)	(68,282)	(198)
Losses (Gains) on Money Held in Trust	(20,080)	(30,007)	(189)
Foreign Exchange Losses (Gains)	156,473	1,415,961	1,478
Losses (Gains) on Disposal of Fixed Assets	183	(1,522)	1
Net Decrease (Increase) in Trading Assets	718	1,422	6
Net Increase (Decrease) in Trading Liabilities	(965)	1,913	(9)
Net Decrease (Increase) in Loans and Bills Discounted	(1,016,977)	(590,123)	(9,611)
Net Increase (Decrease) in Deposits	(242,087)	(681,251)	(2,287)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(644,119)	1,840,884	(6,087)
Net Increase (Decrease) in Debentures	(256,424)	(246,446)	(2,423)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(795,744)	134,022	(7,520)
Net Decrease (Increase) in Interest-bearing Due from Banks	648,678	324,562	6,130
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(648,595)	(537,708)	(6,129)
Net Increase (Decrease) in Call Money and Bills Sold and Other	1,787,627	506,072	16,894
Net Increase (Decrease) in Short-term Entrusted Funds	1,097,157	1,118,220	10,369
Net Decrease (Increase) in Foreign Exchange Assets	(259,951)	100,678	(2,456)
Net Increase (Decrease) in Foreign Exchange Liabilities	0	(32)	0
Interest Received	476,873	640,991	4,506
Interest Paid	(216,597)	(451,747)	(2,047)
Other, Net	176,554	(524,981)	1,668
Subtotal	276,721	3,026,117	2,615
Income Taxes (Paid) Refunded	(19,022)	5,009	(179)
Net Cash Provided by (Used in) Operating Activities	257,699	3,031,127	2,435

Consolidated Statement of Cash Flows (Unaudited), continued

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2020

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2020	2019	2020
Cash Flows from Investing Activities:			
Purchases of Securities	(6,276,898)	(4,994,147)	(59,322)
Proceeds from Sales of Securities	1,105,738	941,690	10,450
Proceeds from Redemption of Securities	5,072,229	3,518,033	47,937
Increase in Money Held in Trust	(448)	(443,887)	(4)
Decrease in Money Held in Trust	443,475	1,096,902	4,191
Purchases of Tangible Fixed Assets	(572)	(327)	(5)
Purchases of Intangible Fixed Assets	(3,418)	(7,543)	(32)
Proceeds from Sales of Tangible Fixed Assets	—	2,384	—
Net Cash Provided by (Used in) Investing Activities	340,105	113,105	3,214
Cash Flows from Financing Activities:			
Dividends Paid	(75,241)	(99,870)	(711)
Dividends Paid to Non-controlling Shareholders	(685)	(638)	(6)
Net Cash Provided by (Used in) Financing Activities	(75,926)	(100,508)	(717)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(223)	(553)	(2)
Net Increase (Decrease) in Cash and Cash Equivalents	521,655	3,043,169	4,930
Cash and Cash Equivalents at the Beginning of the Fiscal Year	18,491,970	18,330,229	174,765
Cash and Cash Equivalents at the End of the Period (Note 12)	¥19,013,625	¥21,373,399	\$179,695

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

Notes to the Consolidated Financial Statements (Unaudited)

The Norinchukin Bank and Subsidiaries

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International 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 ¥105.81=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2020, 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, 2020 was 18, 17 of which were consolidated and the remaining subsidiary was unconsolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The major unconsolidated subsidiary is as follows:

NORINCHUKIN INNOVATION FUND L.P.

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

The dates of the first half of fiscal year of consolidated subsidiaries are as follows:

Closing date: June 30, 2020 Number of subsidiaries: 5

Closing date: September 30, 2020 Number of subsidiaries: 12

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

Affiliates

Affiliates are, in general, the companies, other than subsidiaries, in which the Bank 1) holds, directly and/or indirectly, 20% or more of the voting shares; 2) holds, directly and/or indirectly, 15% or more of the voting shares and also is able to influence the decision-making body through sharing of personnel, provision of finance and technology, and other relationships; or 3) holds more than 20% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, is able to influence the decision-making body in a material degree, unless evidence exists which shows that the Bank does not have such influence.

The number of affiliates as of September 30, 2020 was 7, all of which were accounted for by the equity method. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliate accounted for by the equity method is as follows:

JA MITSUI LEASING, LTD.

(2) Transactions for Trading Purposes

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

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

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

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

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.

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

Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets.

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

b. Derivatives

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

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

c. Hedge Accounting

(a) Hedge of Interest Rate Risk

The Bank applies the deferral method of hedge accounting to the hedge transactions to manage interest rate risk associated with various financial assets and liabilities, which is described in “Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks,” issued by the Japanese Institute of Certified Public Accountants (“JICPA”), (JICPA Industry Audit Committee Report No. 24, issued on February 13, 2002). 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, issued on July 29, 2002). 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 buildings and accompanying facilities) and buildings and accompanying facilities and structures acquired on or after April 1, 2016 are calculated using the straight-line method. The 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 bankrupt under the Bankruptcy Law, Special Liquidation under Company Law or other similar laws (“debtors in bankruptcy”) or debtors who are substantially bankrupt under those laws (“debtors in default”) is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposals of collateral or the execution of guarantees.

With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥10,029 million (\$94 million) and ¥9,827 million for the period ended September 30, 2020 and the fiscal year ended March 31, 2020, respectively.

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

c. Reserve for loans to debtors with restructured loans (see Note 4) and other debtors requiring close monitoring going forward is provided based on the Discounted Cash Flow method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the Discounted Cash Flow method, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted primarily by the contractual interest rate before the terms of the loan were restructured.

d. As for reserve for loans other than those indicated above, the Bank principally estimates expected losses for the next 1 year or the expected losses for the next 3 years. The expected losses are calculated by long-term averages of the historical loan-loss ratios based on past 1-or 3-year loan-loss experience and further adjusted for the risks identified by future forecasts.

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

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

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

(9) Reserve for Possible Investment Losses

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

(10) Reserve for Bonus Payments

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

(11) Reserve for Directors’ Retirement Benefits

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

(12) Accounting Method for Retirement Benefits

In calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to the 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 statements of cash flows represents cash, non-interest bearing due from banks and due from the Bank of Japan in Cash and Due from Banks on the consolidated balance sheet.

(16) Profit Attributable to Owners of Parent per Share

Profit Attributable to Owners of Parent per Share is computed based upon the weighted average number of shares outstanding during the period.

The aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator in the calculation of Profit Attributable to Owners of Parent per Share.

(17) Other Information

(Change in Accounting Estimates)

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

The Bank has changed the methodology of estimating Reserve for Possible Loan Losses since this consolidated accounting period because the Bank has been able to reasonably make an estimate which reflects the risks more properly on Reserve for Possible Loan Losses before the risks identified by future forecasts are actually recognized as loan losses.

Not only considering possibility of each scenario based upon current situation in economic cycle and an outlook for future through macroeconomic indicators highly correlated to historical records of loan losses and the Bank's outlook for economic fluctuation but referring to the historical records of loan losses, the Bank accounts Reserve for Possible Loan Losses.

According to the change in accounting estimates, Reserve for Possible Loan Losses in the consolidated accounting period increased by ¥35,773 million (\$338 million), and both Ordinary Profits and Income before Income Taxes in the consolidated accounting period decreased by ¥35,773 million (\$338 million).

Considering the outlook including the effect of COVID-19, the Bank sets the main scenario that the economic activity would be gradually recovering in and after the latter of 2020. Although the Bank's assumptions for Reserve for Possible Loan Losses are the best estimates at the moment, the assumptions would be still remain uncertain.

Due to this uncertainty, Reserve for Possible Loan Losses from the third quarter of the consolidated fiscal year 2020 could vary depending on the situation on COVID-19.

3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Japanese Government Bonds	¥11,774,698	¥11,180,408	\$111,281
Municipal Government Bonds	196,560	166,838	1,857
Corporate Bonds	1,428,817	1,473,066	13,503
Stocks	763,289	711,596	7,213
Other	35,985,870	41,001,347	340,098
Foreign Bonds	28,165,192	28,018,545	266,186
Foreign Stocks	27,119	25,423	256
Investment Trusts	7,078,951	12,254,043	66,902
Other	714,607	703,334	6,753
Total	¥50,149,236	¥54,533,258	\$473,955

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Loans on Deeds	¥18,973,748	¥18,430,802	\$179,319
Loans on Bills	284,994	382,495	2,693
Overdrafts	1,836,923	1,243,600	17,360
Bills Discounted	1,350	1,926	12
Total	¥21,097,016	¥20,058,825	\$199,385

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Loans to Borrowers under Bankruptcy Proceedings	¥ 1,390	¥ 277	\$ 13
Delinquent Loans	26,001	23,991	245
Loans Past Due for Three Months or More	5,919	242	55
Restructured Loans	21,140	15,935	199
Total	¥54,451	¥40,446	\$514

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

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

(3) Loans Past Due for Three Months or More are loans whose principal or interest is past-due for three months or more, other than Loans to Borrowers under Bankruptcy Proceedings and Delinquent Loans.

Note: Even if debtors' loans past due for six months or more, in case that they are not identified as doubtful debtors or below based on their debt repayment statuses, the prospect of their capacity to eliminate liabilities in excess of assets as well as their business revitalization plan, their loans are included in this scope.

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

5. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Securities	¥20,509,236	¥19,035,378	\$193,830
Loans and Bills Discounted	1,588,949	1,254,816	15,017

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Payables under Repurchase Agreements	¥17,514,200	¥15,726,573	\$165,525
Borrowed Money	2,241,953	3,193,998	21,188

In addition, as of September 30, 2020 and March 31, 2020, Securities (including transactions of Money Held in Trust) of ¥9,420,001 million (\$89,027 million) and ¥10,006,531 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2020 and March 31, 2020, initial margins of futures markets of ¥32,759 million (\$309 million) and ¥31,692 million, respectively, cash collateral paid for financial instruments of ¥928,183 million (\$8,772 million) and ¥1,243,372 million, respectively, other cash collateral paid of ¥617,936 million (\$5,840 million) and ¥509,993 million, respectively, and guarantee deposits of ¥8,051 million (\$76 million) and ¥8,106 million, respectively, were included in Other Assets.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Time Deposits	¥56,489,403	¥56,953,166	\$533,875
Deposits at Notice	12,724	12,658	120
Ordinary Deposits	4,171,274	3,565,850	39,422
Current Deposits	93,825	91,101	886
Other Deposits	4,629,782	5,016,320	43,755
Total	¥65,397,009	¥65,639,097	\$618,060

7. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,317,895 million (\$12,455 million) and ¥1,317,895 million as of September 30, 2020 and March 31, 2020, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

8. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥4,203,181 million (\$39,723 million) and ¥3,776,487 million as of September 30, 2020 and March 31, 2020, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,544,792 million (\$24,050 million) and ¥2,490,912 million as of September 30, 2020 and March 31, 2020, respectively.

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

9. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥709,148 million (\$6,702 million) and ¥746,703 million as of September 30, 2020 and March 31, 2020, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements and others, which can be sold or re-pledged by the Bank, include securities re-pledged of ¥992,789 million (\$9,382 million) and ¥818,296 million as of September 30, 2020 and March 31, 2020, respectively, and include securities held without re-pledge of ¥469,101 million (\$4,433 million) and ¥445,176 million as of September 30, 2020 and March 31, 2020, respectively. No such securities are re-loaned to the third parties.

10. Conversion of Investment Form for a Part of Securities

In order that the Bank more actively takes part in investment activities as a part of the enhancement of the Bank's asset management capability, the Bank has converted a part of Securities (¥4,723,899 million, \$44,645 million) into Money Held in Trust in this period.

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

11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2020	As of March 31, 2020	As of September 30, 2020
Common Stock	¥4,015,198	¥4,015,198	\$37,947
Preferred Stock	24,999	24,999	236
Total	¥4,040,198	¥4,040,198	\$38,183

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$33,923 million) and ¥3,589,481 million as of September 30, 2020 and March 31, 2020, respectively.

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

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
	2020	2019	2020
As of September 30			
Cash and Due from Banks	¥19,378,455	¥21,659,549	\$183,143
Less: Interest-bearing Due from Banks	(364,829)	(286,149)	(3,447)
Cash and Cash Equivalents at the End of the Period	¥19,013,625	¥21,373,399	\$179,695

13. Segment Information

For the Six Months Ended September 30, 2020

(1) Segment Information

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

(2) Related Information

a. Information about Services

	Millions of Yen			Total
	Loan Business	Securities Investment Business	Others	
Six Months ended September 30, 2020				
Ordinary Income from External Customers	¥51,871	¥488,669	¥51,728	¥592,268

Six Months ended September 30, 2020	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$490	\$4,618	\$488	\$5,597

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, 2020	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥573,043	¥10,102	¥2,149	¥6,973	¥592,268

Six Months ended September 30, 2020	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$5,415	\$95	\$20	\$65	\$5,597

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, 2020	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥111,341	¥201	¥773	¥303	¥112,619

As of September 30, 2020	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,052	\$1	\$7	\$2	\$1,064

c. Information about Major Customers

Six Months ended September 30, 2020	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥78,457	—

Six Months ended September 30, 2020	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$741	—

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

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

None

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

None

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

None

For the Six Months Ended September 30, 2019

(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, 2019	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥65,375	¥706,981	¥58,458	¥830,815

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, 2019	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥798,626	¥18,920	¥2,765	¥10,503	¥830,815

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, 2019	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥113,040	¥230	¥738	¥369	¥114,379

c. Information about Major Customers

Six Months ended September 30, 2019	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥107,881	—

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

Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

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

None

14. Financial Instruments

(1) Disclosures Regarding the Fair Value of Financial Instruments and Other Items

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

Investments in Partnership and others are out of scope from the disclosure of the fair value measurement due to being applied to transitional measure of Article 27 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 4th July 2019), and the consolidated balance sheet amount of the financial instrument is ¥710,579 million (\$6,715 million) and ¥699,756 million as of September 30, 2020 and March 31, 2020 respectively.

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of September 30, 2020 and March 31, 2020 are as follows:

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2020						
Monetary Claims Bought	¥ 224,734	¥ 224,846	¥ 112	\$ 2,123	\$ 2,125	\$ 1
Trading Assets (*2)						
Trading Securities	—	—	—	—	—	—
Money Held in Trust (*1)						
Other Money Held in Trust	10,229,895	10,234,721	4,825	96,681	96,727	45
Securities						
Held-to-Maturity Debt Securities	14,388,990	14,406,671	17,681	135,988	136,156	167
Other Securities	34,918,872	34,918,872	—	330,014	330,014	—
Loans and Bills Discounted	21,097,016			199,385		
Reserve for Possible Loan Losses (*1)	(94,036)			(888)		
	21,002,979	21,062,614	59,634	198,497	199,060	563
Total Assets	¥80,765,473	¥80,847,727	¥82,254	\$763,306	\$764,083	\$777
Deposits	¥65,397,009	¥65,397,081	¥ 71	\$618,060	\$618,061	\$ 0
Debentures	528,021	528,288	266	4,990	4,992	2
Borrowed Money	4,639,810	4,639,810	—	43,850	43,850	—
Total Liabilities	¥70,564,841	¥70,565,180	¥ 338	\$666,901	\$666,904	\$ 3
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ (1,522)	¥ (1,522)	¥ —	\$ (14)	\$ (14)	\$ —
Transactions Accounted for as Hedge						
Transactions	(693,314)	(693,314)	—	(6,552)	(6,552)	—
Total Derivative Instruments	¥ (694,836)	¥ (694,836)	¥ —	\$ (6,566)	\$ (6,566)	\$ —

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

2. Derivative Instruments are excluded from Trading Assets.

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

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

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

2. Derivative Instruments are excluded from Trading Assets.

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

(Note 1) The following tables list Consolidated Balance Sheet Amount of Stocks and others with no market prices as of September 30, 2020 and March 31, 2020:

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

As of September 30, 2020	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks (*1)	¥126,766	\$1,198
Others (*2)	2,984	28
Total	¥129,751	\$1,226

(*1) 1. The amount of revaluation losses for the period was ¥312 million (\$2 million) on Unlisted Stocks.

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

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

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

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

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

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

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

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

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

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

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

As of September 30, 2020	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 1,003	¥ 726	\$ —	\$ 9	\$ 6
Trading Assets						
Trading Securities	—	—	—	—	—	—
Money Held in Trust						
Other Money Held in Trust	8,359,384	1,801,429	2,297	79,003	17,025	21
Securities						
Other Securities						
Stocks	651,857	—	—	6,160	—	—
Bonds	7,665,546	1,623,915	—	72,446	15,347	—
Japanese Government Bonds	7,665,546	—	—	72,446	—	—
Municipal Government Bonds	—	196,560	—	—	1,857	—
Corporate Bonds	—	1,427,354	—	—	13,489	—
Other	15,548,452	9,367,219	61,881	146,946	88,528	584
Foreign Bonds	15,127,414	2,734,694	24,707	142,967	25,845	233
Foreign Stocks	11,784	—	—	111	—	—
Investment Trust	409,253	6,632,524	37,174	3,867	62,683	351
Total Assets	¥32,225,241	¥12,793,567	¥64,905	\$304,557	\$120,910	\$613
Derivative Instruments						
Related to Currencies	¥ —	¥ 42,043	¥ —	\$ —	\$ 397	\$ —
Related to Interest Rates	—	(736,880)	—	—	(6,964)	—
Related to Bonds	—	—	—	—	—	—
Total Derivative Instruments	¥ —	¥ (694,836)	¥ —	\$ —	\$ (6,566)	\$ —

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

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

As of September 30, 2020	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥—	¥ 194,221	¥ 28,894	\$—	\$ 1,835	\$ 273
Money Held in Trust						
Other Money Held in Trust	—	705	70,904	—	6	670
Securities						
Held-to-Maturity Debt Securities						
Japanese Government Bonds	—	4,139,115	—	—	39,118	—
Corporate Bonds	—	1,471	—	—	13	—
Foreign Bonds	—	10,134,671	131,413	—	95,781	1,241
Loans and Bills Discounted	—	—	21,062,614	—	—	199,060
Total Assets	¥—	¥14,470,186	¥21,293,827	\$—	\$136,756	\$201,245
Deposits	¥—	¥65,397,081	¥ —	\$—	\$618,061	\$ —
Debentures	—	528,288	—	—	4,992	—
Borrowed Money	—	4,639,810	—	—	43,850	—
Total Liabilities	¥—	¥70,565,180	¥ —	\$—	\$666,904	\$ —

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

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

Assets

Monetary Claims Bought

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

Trading Assets

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

Money Held in Trust

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

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

Securities

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

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

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

Loans and Bills Discounted

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

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

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

Liabilities

Deposits

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

Debentures

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

Borrowed Money

The fair value of Borrowed Money with floating rates approximates the book value since it is repriced reflecting market interest rate fluctuations within a short period (1 year or less), unless the creditworthiness of the Bank and its consolidated subsidiaries has changed significantly. Accordingly, the book value is deemed to be the fair value. Therefore, Borrowed Money with floating rate is classified into Level 2 of the fair value hierarchy.

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

Derivative Instruments

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

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

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

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

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

As of September 30, 2020

None

As of March 31, 2020

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

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

	Millions of Yen				Millions of U.S. Dollars			
	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net amount of Purchase, Sale, Issuance and Settlement	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net amount of Purchase, Sale, Issuance and Settlement
		Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)			Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	
As of September 30, 2020								
Monetary Claims Bought	¥ 777	¥—	¥ 0	¥ (51)	\$ 7	\$—	\$ 0	\$ (0)
Money Held in Trust								
Other Money Held in Trust	2,215	—	(305)	386	20	—	(2)	3
Securities								
Other Securities								
Bonds	1,409	—	91	(126)	13	—	0	(1)
Corporate Bonds	1,409	—	91	(126)	13	—	0	(1)
Other	63,978	—	2,975	(5,072)	604	—	28	(47)
Foreign Bonds	24,189	—	25	492	228	—	0	4
Investment Trust	39,789	—	2,950	(5,565)	376	—	27	(52)
Total Assets	¥68,382	¥—	¥2,762	¥(4,863)	\$646	\$—	\$26	\$(45)

	Millions of Yen				Millions of U.S. Dollars			
	Transfers to Fair Value of Level 3	Transfers from Fair Value of Level 3 (*2)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the period for Financial Assets and Financial Liabilities held at the end of the period	Transfers to Fair Value of Level 3	Transfers from Fair Value of Level 3 (*2)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the period for Financial Assets and Financial Liabilities held at the end of the period
As of September 30, 2020								
Monetary Claims Bought	¥—	¥ —	¥ 726	¥—	\$—	\$ —	\$ 6	\$—
Money Held in Trust								
Other Money Held in Trust	—	—	2,297	—	—	—	21	—
Securities								
Other Securities								
Bonds	—	(1,375)	—	—	—	(12)	—	—
Corporate Bonds	—	(1,375)	—	—	—	(12)	—	—
Other	—	—	61,881	—	—	—	584	—
Foreign Bonds	—	—	24,707	—	—	—	233	—
Investment Trust	—	—	37,174	—	—	—	351	—
Total Assets	¥—	¥(1,375)	¥64,905	¥—	\$—	\$(12)	\$613	\$—

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

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

Explanation of Market Value Evaluation Process

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

Moreover, as for fair value measurement, the Bank adopts pricing models which the most properly reflect on types, characteristics, and risks for individual financial instrument. Where market values obtained from independent pricing vendors are used, the Bank verifies the

validity of the vendors' market values by means of appropriate approaches such as assessment of pricing models and inputs which the vendors adopt, comparison with fair values of similar financial instruments and others.

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

As of September 30, 2020

None

As of March 31, 2020

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

15. Fair Value of Securities

Held-to-Maturity Debt Securities

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2020							
	Japanese Government Bonds	¥ 4,109,152	¥ 4,139,115	¥ 29,962	\$ 38,835	\$ 39,118	\$ 283
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Corporate Bonds	1,462	1,471	9	13	13	0
	Other	3,572,753	3,603,076	30,322	33,765	34,052	286
	Foreign Bonds	3,491,939	3,522,090	30,150	33,001	33,286	284
	Other	80,814	80,986	172	763	765	1
	Subtotal	7,683,368	7,743,664	60,295	72,614	73,184	569
	Japanese Government Bonds	—	—	—	—	—	—
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Corporate Bonds	—	—	—	—	—	—
	Other	6,928,625	6,886,124	(42,501)	65,481	65,080	(401)
	Foreign Bonds	6,786,435	6,743,994	(42,441)	64,137	63,736	(401)
	Other	142,189	142,129	(59)	1,343	1,343	(0)
	Subtotal	6,928,625	6,886,124	(42,501)	65,481	65,080	(401)
	Total	¥14,611,994	¥14,629,788	¥ 17,793	\$138,096	\$138,264	\$ 168

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

		Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
As of March 31, 2020				
	Japanese Government			
	Bonds	¥ 4,825,376	¥ 4,853,251	¥ 27,874
	Municipal Government			
Transactions for	Bonds	—	—	—
Fair Value exceeding	Corporate Bonds	1,818	1,831	12
Consolidated Balance	Other	1,490,455	1,505,572	15,117
Sheet Amount	Foreign Bonds	1,400,484	1,415,427	14,942
	Other	89,970	90,145	174
	Subtotal	6,317,650	6,360,655	43,005
	Japanese Government			
	Bonds	—	—	—
	Municipal Government			
Transactions for	Bonds	—	—	—
Fair Value not exceeding	Corporate Bonds	—	—	—
Consolidated Balance	Other	9,775,685	9,335,350	(440,334)
Sheet Amount	Foreign Bonds	9,565,352	9,125,206	(440,145)
	Other	210,333	210,144	(188)
	Subtotal	9,775,685	9,335,350	(440,334)
	Total	¥16,093,335	¥15,696,005	¥(397,329)

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

Other Securities

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
As of September 30, 2020							
	Stocks	¥ 614,751	¥ 217,715	¥ 397,036	\$ 5,809	\$ 2,057	\$ 3,752
	Bonds	6,992,852	6,781,642	211,209	66,088	64,092	1,996
	Japanese Government						
	Bonds	6,781,763	6,570,710	211,052	64,093	62,099	1,994
	Municipal Government						
Transactions for	Bonds	43,253	43,238	14	408	408	0
Consolidated Balance	Corporate Bonds	167,836	167,693	142	1,586	1,584	1
Sheet Amount	Other	22,231,479	20,153,420	2,078,058	210,107	190,468	19,639
exceeding Acquisition	Foreign Bonds	17,618,316	16,337,205	1,281,111	166,508	154,401	12,107
Cost	Foreign Stocks	11,784	7,349	4,435	111	69	41
	Investment Trusts	4,593,298	3,800,793	792,505	43,410	35,920	7,489
	Other	8,078	8,071	7	76	76	0
	Subtotal	29,839,083	27,152,778	2,686,305	282,006	256,618	25,388
	Stocks	37,105	45,705	(8,599)	350	431	(81)
	Bonds	2,296,608	2,319,627	(23,018)	21,705	21,922	(217)
	Japanese Government						
	Bonds	883,783	902,788	(19,005)	8,352	8,532	(179)
	Municipal Government						
Transactions for	Bonds	153,307	154,789	(1,481)	1,448	1,462	(14)
Consolidated Balance	Corporate Bonds	1,259,518	1,262,050	(2,531)	11,903	11,927	(23)
Sheet Amount not	Other	2,759,443	2,839,248	(79,804)	26,079	26,833	(754)
exceeding Acquisition	Foreign Bonds	268,500	271,776	(3,276)	2,537	2,568	(30)
Cost	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	2,485,652	2,562,181	(76,528)	23,491	24,214	(723)
	Other	5,290	5,290	(0)	49	49	(0)
	Subtotal	5,093,158	5,204,581	(111,422)	48,134	49,187	(1,053)
	Total	¥34,932,242	¥32,357,359	¥2,574,882	\$330,141	\$305,806	\$24,334

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, 2020	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 559,022	¥ 220,044	¥ 338,978
	Bonds	5,797,427	5,556,978	240,448
	Japanese Government Bonds	5,660,799	5,420,516	240,283
Transactions for Consolidated Balance Sheet Amount	Municipal Government Bonds	7,048	7,040	8
exceeding Acquisition Cost	Corporate Bonds	129,579	129,422	157
	Other	23,419,412	21,494,767	1,924,645
	Foreign Bonds	15,081,883	13,978,465	1,103,417
	Foreign Stocks	10,157	7,075	3,082
	Investment Trusts	8,320,070	7,501,932	818,138
	Other	7,301	7,294	7
	Subtotal	29,775,863	27,271,790	2,504,072
	Stocks	38,871	47,136	(8,264)
	Bonds	2,195,690	2,208,240	(12,549)
	Japanese Government Bonds	694,232	701,257	(7,024)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Municipal Government Bonds	159,789	161,817	(2,028)
	Corporate Bonds	1,341,668	1,345,165	(3,496)
	Other	5,910,227	6,227,786	(317,559)
	Foreign Bonds	1,970,825	2,045,422	(74,597)
	Foreign Stocks	—	—	—
	Investment Trusts	3,933,973	4,176,931	(242,957)
	Other	5,429	5,432	(3)
	Subtotal	8,144,790	8,483,164	(338,373)
	Total	¥37,920,653	¥35,754,954	¥2,165,698

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

2. Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and Stocks with no market prices and Investments in Partnership and others are revalued to their fair value, and the difference between the book value and the fair value is treated as a realized loss for the six months ended September 30, 2020 and the fiscal year ended March 31, 2020 (“revaluation loss”), if the fair value has significantly deteriorated from the book value unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the six months ended September 30, 2020 was ¥6,695 million (\$63 million), including ¥6,590 million (\$62 million) on Investment Trusts and ¥105 million (\$0 million) on Stocks.

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

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

Securities whose fair values are equal to or less than 50% of their book value

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

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, 2020					
Other Money Held in Trust	¥10,230,150	¥9,474,858	¥755,291	¥770,607	¥15,315

	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, 2020					
Other Money Held in Trust	\$96,684	\$89,545	\$7,138	\$7,282	\$144

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of March 31, 2020					
Other Money Held in Trust	¥5,996,681	¥5,900,065	¥96,615	¥137,261	¥40,646

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

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, 2020								
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.	295,806	278,360	7,006	7,006	2,795	2,630	66	66
Rec.: Flt.-Pay.: Fix.	212,043	194,597	(6,576)	(6,576)	2,004	1,839	(62)	(62)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 429	¥ 429	\$ /	\$ /	\$ 4	\$ 4

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

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2020				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	762,918	721,600	21,928	21,928
Rec.: Flt.-Pay.: Fix.	336,427	295,109	(23,247)	(23,247)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ (1,319)	¥ (1,319)

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

Currency-Related Derivative Instruments

	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, 2020								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	296,028	2,397	(1,342)	(1,342)	2,797	22	(12)	(12)
Purchased	1,128,672	2,401	(610)	(610)	10,666	22	(5)	(5)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥(1,952)	¥(1,952)	\$ /	\$ /	\$(18)	\$(18)

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

As of March 31, 2020	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
	—	—	—	—
Forwards:				
Sold	1,247,639	2,743	(6,317)	(6,317)
Purchased	2,427,802	2,629	14,604	14,604
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 8,287	¥ 8,287

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

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of September 30, 2020 and March 31, 2020.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2020 and March 31, 2020.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of September 30, 2020 and March 31, 2020.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2020 and March 31, 2020.

(2) Derivative Instruments accounted for as hedges

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

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

Interest Rate-Related Derivative Instruments

As of September 30, 2020

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	¥ 375,000	¥ 260,000	¥ 1,052	\$ 3,544	\$ 2,457	\$ 9
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,089,414	7,563,495	(738,362)	76,452	71,481	(6,978)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	362,974	272,715	Note 2	3,430	2,577	Note 2
Total			¥ /	¥ /	¥(737,309)	\$ /	\$ /	\$(6,968)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24, issued on February 13, 2002).

2. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the Loans and Bills Discounted and other items (ref: 14. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

As of March 31, 2020

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	¥ 455,000	¥ 320,000	¥ 1,393
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,927,696	7,950,963	(819,242)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	346,900	272,182	Note 2
Total			¥ /	¥ /	¥(817,849)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24, issued on February 13, 2002).

2. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the Loans and Bills Discounted and other items (ref: 14. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

Currency-Related Derivative Instruments

As of September 30, 2020

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 Securities and Others	¥15,042,027	¥8,107,889	¥27,647	\$142,160	\$76,626	\$261
	Forex Forward		3,404,724	—	16,348	32,177	—	154
Total			¥ /	¥ /	¥43,995	\$ /	\$ /	\$415

Note: Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25, issued on July 29, 2002).

As of March 31, 2020

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 Securities and Others	¥15,728,890	¥8,428,975	¥237,304
	Forex Forward		3,404,192	—	(38,273)
Total			¥ /	¥ /	¥199,031

Note: Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25, issued on July 29, 2002).

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of September 30, 2020 and March 31, 2020.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2020 and March 31, 2020.

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

	Millions of Yen		Millions of U.S. Dollars
	September 30	March 31	September 30
	2020	2020	2020
Assets			
Cash and Due from Banks	¥ 19,330,370	¥ 19,458,993	\$182,689
Call Loans	792,324	54,330	7,488
Receivables under Resale Agreements	—	13,048	—
Monetary Claims Bought	224,734	301,081	2,123
Trading Assets	7,144	7,862	67
Money Held in Trust	10,229,365	5,996,009	96,676
Securities	50,545,856	54,694,312	477,703
Loans and Bills Discounted	20,837,235	19,828,858	196,930
Foreign Exchange Assets	234,388	189,851	2,215
Other Assets	2,009,077	2,475,961	18,987
Tangible Fixed Assets	111,339	122,233	1,052
Intangible Fixed Assets	55,674	49,375	526
Prepaid Pension Cost	38,331	35,568	362
Customers' Liabilities for Acceptances and Guarantees	218,759	226,965	2,067
Reserve for Possible Loan Losses	(94,865)	(49,181)	(896)
Reserve for Possible Investment Losses	(1,730)	(1,734)	(16)
Total Assets	¥104,538,006	¥103,403,535	\$987,978
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 65,415,519	¥ 65,656,007	\$618,235
Negotiable Certificates of Deposit	1,762,846	2,406,965	16,660
Debentures	534,521	791,446	5,051
Payables under Repurchase Agreements	17,514,200	15,726,573	165,525
Trading Liabilities	7,137	8,102	67
Borrowed Money	4,583,309	5,357,344	43,316
Foreign Exchange Liabilities	1	0	0
Short-term Entrusted Funds	1,889,751	792,594	17,859
Other Liabilities	4,027,386	4,773,113	38,062
Reserve for Bonus Payments	5,995	5,877	56
Reserve for Retirement Benefits	24,264	23,124	229
Reserve for Directors' Retirement Benefits	887	925	8
Deferred Tax Liabilities	591,638	451,012	5,591
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	81
Acceptances and Guarantees	218,759	226,965	2,067
Total Liabilities	96,584,829	96,228,661	912,813
Net Assets			
Paid-in Capital	4,040,198	4,040,198	38,183
Capital Surplus	25,020	25,020	236
Retained Earnings	1,939,880	1,942,649	18,333
Total Owners' Equity	6,005,099	6,007,868	56,753
Net Unrealized Gains on Other Securities, net of taxes	2,463,921	1,700,265	23,286
Net Deferred Losses on Hedging Instruments, net of taxes	(530,156)	(547,571)	(5,010)
Revaluation Reserve for Land, net of taxes	14,312	14,312	135
Total Valuation and Translation Adjustments	1,948,077	1,167,005	18,411
Total Net Assets	7,953,176	7,174,874	75,164
Total Liabilities and Net Assets	¥104,538,006	¥103,403,535	\$987,978

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

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Income			
Interest Income:	¥ 436,553	¥646,309	\$ 4,125
Interest on Loans and Bills Discounted	44,423	58,148	419
Interest and Dividends on Securities	383,987	573,025	3,629
Fees and Commissions	7,798	8,815	73
Trading Income	323	85	3
Other Operating Income	36,732	72,801	347
Other Income	103,929	94,352	982
Total Income	585,337	822,364	5,531
Expenses			
Interest Expenses:	342,274	622,821	3,234
Interest on Deposits	20,219	69,025	191
Fees and Commissions	8,478	7,643	80
Trading Expenses	1	78	0
Other Operating Expenses	28,603	27,105	270
General and Administrative Expenses	63,078	71,365	596
Other Expenses	51,217	7,387	484
Total Expenses	493,653	736,401	4,665
Income before Income Taxes	91,683	85,963	866
Income Taxes — Current	178,645	16,229	1,688
Income Taxes — Deferred	(159,434)	1,011	(1,506)
Total Income Taxes	19,211	17,241	181
Net Income	¥ 72,471	¥ 68,721	\$ 684