November 18, 2011

Financial Statements for the First Half of Fiscal 2011

Name： **The Norinchukin Bank**
（URL http://www.nochubank.or.jp/ ）
Name of the President: Yoshio Kono, President & Chief Executive Officer
The Person Responsible for Inquiries： Noritsugu Sato, General Manager of Financial Planning & Control Division

(Note) Amounts less than one million Yen are rounded down.

1. Consolidated Financial Results for the First Half of Fiscal 2011 (for the period ended September 30, 2011)

(1) Consolidated Results of Operations

(Percentage represents change from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2011	617,803	6.9	158,306	52.0	123,940	49.3
1H Fiscal 2010	578,123	(22.0)	104,142	(6.3)	82,986	38.1

(Note) Comprehensive Income for 1H Fiscal 2011 172,651 millions of Yen(37.0%) for 1H Fiscal 2010 274,138 millions of Yen(―%)

(2) Consolidated Financial Conditions

*Consolidated BIS Capital Adequacy Ratio as of September 30, 2011 is preliminary.

	Total Assets	Total Net Assets	Net Assets Ratio (Note 1)	Consolidated BIS Capital Adequacy Ratio (Note 2)
	Millions of Yen	Millions of Yen	%	%
1H Fiscal 2011	70,050,452	4,411,711	6.3	26.20
Fiscal 2010	69,833,882	4,259,837	6.1	22.67

(Ref) Net Assets － Minority Interests for 1H Fiscal 2011 4,405,626 millions of Yen for Fiscal 2010 4,253,917 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing (Net Assets － Minority Interests) by the Total Assets.

(Note 2) The calculation of the Norinchukin Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank).

2. Others

(1) Changes in Significant Subsidiaries during the Period

(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

① Changes in Accounting Policies due to revisions of Accounting Standards : None
② Changes in Accounting Policies other than ① above : None
③ Changes in Accounting Estimates : None
④ Restatements : None

3. Non-consolidated Financial Results for the First Half of Fiscal 2011 (for the period ended September 30, 2011)

(1) Non-consolidated Results of Operations

(Percentage represents change from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2011	614,566	7.7	161,003	54.9	124,282	49.0
1H Fiscal 2010	570,448	(22.3)	103,925	(7.3)	83,425	34.8

(2) Non-consolidated Financial Conditions

*Non-Consolidated BIS Capital Adequacy Ratio as of September 30, 2011 is preliminary.

	Total Assets	Total Net Assets	Net Assets Ratio (Note 1)	Non-Consolidated BIS Capital Adequacy Ratio (Note 2)
	Millions of Yen	Millions of Yen	%	%
1H Fiscal 2011	69,543,607	4,402,635	6.3	26.38
Fiscal 2010	69,551,969	4,250,415	6.1	22.76

(Ref) Net Assets for 1H Fiscal 2011 4,402,635 millions of Yen for Fiscal 2010 4,250,415 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing the Net Assets by the Total Assets.

(Note 2) The calculation of the Norinchukin Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank).

Note on the implementation status of the Semi-annual Audit Procedure

This report is out of the scope of the external auditor's semi-annual audit procedure. The procedure of the semi-annual audit which is implemented on a voluntary basis on the consolidated and non-consolidated financial statements for the period was completed as of the disclosure date.

Qualitative Information

1 The Qualitative Information on the Financial Results for the First Half of Fiscal 2011

(1) The qualitative information on the Bank's financial results of operations for the first half of the fiscal year 2011

The business environments during the period have been volatile with many uncertainties due to the events such as the Greece's financial crisis, U.S. debt ceiling crisis and the prospect of global economic slowdown. Especially after July, the long-term interest rates in U.S. and Europe started falling, and the global stock prices plunged. In the foreign exchange market, the yen continued to rise as a result of the market sentiment to avoid more risky assets. The yen ultimately hit the record high since the end of the Second World War, in late August.

Despite harsh earnings environment, the Bank has accumulated interest income steadily under the conservative financial management, and interest income of the Bank summed up to ¥158.8 billion, up ¥54.2 billion on a year-over-year basis. With respect to credit cost, ¥25.7 billion in profit was recorded due to the reversal of reserve, since fewer assets were required to be covered by the reserve. As for the net results on securities business, net losses on sales decreased by ¥34.6 billion to ¥8.1 billion on a year-over-year basis while the impairment expenses against declining prices of the holding securities decreased by ¥30.0 billion to ¥38.2 billion on a year-over-year basis.

As a result, with all of the factors mentioned above, the Bank recorded ¥161.0 billion in Ordinary Profits, up ¥57.0 billion on a year-over-year basis and ¥124.2 billion in Net Income, up ¥40.8 billion on a year-over-year basis. The Bank's net operating profits stood at ¥85.8 billion.

(2) The qualitative information on the Bank's financial conditions at the end of the first half of the fiscal year 2011

Total Assets of the Bank at the end of the period decreased by ¥8.3 billion to ¥69,543.6 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥152.2 billion to ¥4,402.6 billion from the previous fiscal year-end.

As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the first half of the fiscal year increased by ¥758.1 billion to ¥14,760.5 billion from the previous fiscal year-end; Securities at the end of the first half of the fiscal year decreased by ¥3,530.1 billion to ¥39,539.8 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the first half of the fiscal year increased by ¥849.7 billion to ¥41,806.7 billion and Debentures at the end of the first half of the fiscal year decreased by ¥174.9 billion to ¥5,246.6 billion from the previous fiscal year-end, respectively.

The Bank's non-consolidated shares in the consolidated financial statements are extremely high. Consolidated Total Assets at the end of the first half of the fiscal year increased by ¥216.5 billion to ¥70,050.4 billion from the previous fiscal year-end. Consolidated Ordinary Profits for the period were ¥158.3 billion, up ¥54.1 billion on a year-over-year basis and consolidated Net Income for the period was ¥123.9 billion, up ¥40.9 billion on a year-over-year basis.

(Note) All the amounts shown in this document are rounded down.

2 Outline of material matters regarding the going concern assumption

None

Capital Adequacy Ratio

○ Non-Consolidated BIS Capital Adequacy Ratio (100 Millions of Yen)

(Amounts less than 100 million yen are rounded down)

	First Half of Fiscal 2011 (preliminary)	Fiscal 2010	Change
BIS Capital Adequacy Ratio (%)	26.38	22.76	3.62
Tier I Ratio (%)	20.15	16.80	3.35
Total Capital	57,239	55,982	1,257
Total Tier I Capital	43,731	41,336	2,395
Total Capital Requirements	17,355	19,675	(2,319)
Risk Weighted Assets	216,943	245,938	(28,995)

○ Consolidated BIS Capital Adequacy Ratio (100 Millions of Yen)

(Amounts less than 100 million yen are rounded down)

	First Half of Fiscal 2011 (preliminary)	Fiscal 2010	Change
BIS Capital Adequacy Ratio (%)	26.20	22.67	3.52
Tier I Ratio (%)	20.15	16.85	3.29
Total Capital	56,988	55,705	1,283
Total Tier I Capital	43,821	41,411	2,409
Total Capital Requirements	17,397	19,650	(2,253)
Risk Weighted Assets	217,467	245,633	(28,166)

List of Group Companies

(As of September 30, 2011)

Company Name	Address	Nature of Business	Date of Establishment	Capital Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Trust & Banking	August 17, 1995	¥20,000 million 100.00
Kyodo Seminar Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Training	May 25, 1981	¥20 million 100.00
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Research	March 25, 1986	¥300 million 100.00
Nochu Business Support Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Various Operations, Talent Provider on behalf of The Norinchukin Bank	August 18, 1998	¥100 million 100.00
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo, Japan	Mortgage Loans	August 10, 1979	¥10,500 million 91.52
Nochu Information System Co., Ltd.	5-3, Musashino 3-chome, Akishima-City, Tokyo, Japan	System Development & Maintenance	May 29, 1981	¥100 million 90.00
Eiraku Co., Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo, Japan	Building Management & Facility Management	August 6, 1956	¥197 million 87.97
Norinchukin Zenkyoren Asset Management Co., Ltd.	7-9 Hirakawacho 2-chome, Chiyoda-ku, Tokyo, Japan	Asset Management & Investment Advice	September 28, 1993	¥1,920 million 50.91
Ant Capital Partners Co., Ltd.	2-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Private Equity Investments & Fund Management	October 23, 2000	¥3,086 million 38.00
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	¥500 million 37.96
JA MITSUI LEASING, LTD.	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo, Japan	Leasing Business	April 1, 2008	¥32,000 million 28.48
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Investment Consultation to the Agricultural Companies	October 24, 2002	¥4,070 million 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo, Japan	Credit Card Business	June 7, 1951	¥109,312 million 15.01
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Building Maintenance	April 1, 1993	¥10 million 27.00
Norinchukin Finance (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Issuances of Subordinated Bonds, Lending of Subordinated Loans	August 30, 2006	US $50,000 100.00

Consolidated Financial Statements

Principles of Consolidated Financial Statements

1 Scope of Consolidation

(1) Consolidated subsidiaries 9 companies

Names of principal companies:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

Eiraku Co., Ltd. was consolidated from the first half of the fiscal year 2011 due to the acquisition of its shares.

(2) Unconsolidated subsidiaries 0 companies

2 Application of the Equity Method

(1) Affiliates which were accounted for by the equity method 5 companies

Names of principal companies:

Mitsubishi UFJ NICOS Co., Ltd.

JA MITSUI LEASING, LTD.

Private Equity Fund Research and Investments Co., Ltd. is no longer accounted for by the equity method from the first half of the fiscal year 2011 due to the sale of its shares.

Goodwill is amortized using the straight-line method over 20 years.

(2) Affiliates which were not accounted for by the equity method 1 company

Name of the company:

Daiichi Life Norinchukin Building Management Co., Ltd.

The equity method was not applied to the affiliate, since the impact of the affiliate on the consolidated financial statements was not material in terms of Net Income, Retained Earnings and Net Deferred Gains on Hedging Instruments, net of taxes for the period.

3 The First Half of the Fiscal Year of Consolidated Subsidiaries

(1) The number of consolidated subsidiaries and their closing date of the first half of the fiscal year are as follows:

Closing date: September 30, 2011 Number of subsidiaries: 9

(2) Consolidated subsidiaries were consolidated based on their financial statements as of their respective closing dates.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	First Half of Fiscal 2010 (As of September 30, 2010)	First Half of Fiscal 2011 (As of September 30, 2011)	Fiscal 2010 (As of March 31, 2011)
(Assets)			
Loans and Bills Discounted	12,470,978	14,834,284	14,082,755
Foreign Exchange Assets	51,352	42,973	309,746
Securities	46,045,009	39,518,969	43,041,795
Money Held in Trust	7,999,279	6,990,285	7,751,802
Trading Assets	24,046	33,030	19,377
Monetary Claims Bought	398,049	247,271	292,406
Call Loans and Bills Bought	1,078,211	936,027	1,300,000
Receivables under Resale Agreements	-	58,091	-
Receivables under Securities Borrowing Transactions	427,377	2,236,569	232,694
Cash and Due from Banks	1,020,547	4,033,673	1,837,633
Other Assets	703,031	520,480	371,593
Tangible Fixed Assets	140,159	127,756	130,908
Intangible Fixed Assets	53,812	48,015	52,905
Deferred Tax Assets	117,681	94,613	134,602
Customers' Liabilities for Acceptances and Guarantees	529,608	587,907	557,304
Reserve for Possible Loan Losses	(286,151)	(244,926)	(269,211)
Reserve for Possible Investment Losses	(9,663)	(14,572)	(12,432)
Total Assets	70,763,330	70,050,452	69,833,882
(Liabilities)			
Deposits	39,558,573	41,797,133	40,949,373
Negotiable Certificates of Deposit	672,377	1,163,932	768,118
Debentures	5,569,759	5,240,885	5,416,360
Bonds	250,165	49,999	254,366
Trading Liabilities	15,738	12,415	11,724
Borrowed Money	1,805,407	1,718,007	1,866,007
Call Money and Bills Sold	583,638	580,427	473,664
Payables under Repurchase Agreements	8,533,702	6,797,951	8,523,065
Payables under Securities Lending Transactions	479,182	6,062	833,229
Foreign Exchange Liabilities	0	0	0
Short-term Entrusted Funds	5,457,886	5,551,883	4,397,280
Other Liabilities	3,050,533	2,104,209	1,498,346
Reserve for Bonus Payments	4,465	6,439	4,417
Reserve for Employees' Retirement Benefits	2,777	4,753	3,754
Reserve for Directors' Retirement Benefits	854	872	989
Deferred Tax Liabilities for Land Revaluation	18,434	15,858	16,041
Acceptances and Guarantees	529,608	587,907	557,304
Total Liabilities	66,533,108	65,638,740	65,574,044
(Net Assets)			
Paid-in Capital	3,425,909	3,425,909	3,425,909
Capital Surplus	25,020	25,020	25,020
Retained Earnings	920,446	1,075,306	972,337
Treasury Preferred Stock	(150)	(150)	(150)
Total Owners' Equity	4,371,226	4,526,086	4,423,117
Net Unrealized Losses on Other Securities, net of taxes	(205,048)	(113,751)	(222,611)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	26,300	(32,922)	26,783
Revaluation Reserve for Land, net of taxes	31,957	26,262	26,666
Foreign Currency Transaction Adjustments	(38)	(48)	(39)
Total Accumulated Other Comprehensive Income	(146,828)	(120,459)	(169,200)
Minority Interests	5,823	6,084	5,920
Total Net Assets	4,230,221	4,411,711	4,259,837
Total Liabilities and Net Assets	70,763,330	70,050,452	69,833,882

Consolidated Statements of Operations and Comprehensive Income

(1)Consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	Fiscal 2010 (Year ended March 31, 2011)
Ordinary Income	**578,123**	**617,803**	**1,081,805**
Interest Income	364,030	413,929	665,029
Interest on Loans and Bills Discounted	46,428	43,652	90,130
Interest and Dividends on Securities	302,999	363,938	562,327
Fees and Commissions	9,879	8,223	19,185
Trading Income	274	460	194
Other Operating Income	79,257	46,409	164,692
Other Ordinary Income	124,682	148,779	232,704
Ordinary Expenses	**473,981**	**459,496**	**977,087**
Interest Expenses	281,637	281,365	557,731
Interest on Deposits	29,839	21,041	53,362
Fees and Commissions	5,294	5,339	10,544
Trading Expenses	31	174	160
Other Operating Expenses	96,010	62,956	247,483
General and Administrative Expenses	54,203	60,287	110,063
Other Ordinary Expenses	36,803	49,373	51,104
Ordinary Profits	**104,142**	**158,306**	**104,718**
Extraordinary Profits	**13,096**	**2,688**	**29,633**
Extraordinary Losses	**388**	**291**	**9,694**
Income before Income Taxes and Minority Interests	**116,849**	**160,703**	**124,657**
Income Taxes - Current	**34,148**	**24,690**	**1,146**
Income Taxes - Deferred	**(288)**	**12,487**	**(6,168)**
Total Income Taxes	**33,859**	**37,178**	**(5,022)**
Income before Minority Interests	**82,989**	**123,525**	**129,679**
Minority Interests in Net Income (Loss)	**3**	**(414)**	**92**
Net Income	**82,986**	**123,940**	**129,586**

(2)Consolidated Statements of Comprehensive Income

(Millions of Yen)

	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	Fiscal 2010 (Year ended March 31, 2011)
Income before Minority Interests	**82,989**	**123,525**	**129,679**
Other Comprehensive Income	**191,148**	**49,126**	**174,074**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	202,273	108,948	184,585
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(10,494)	(59,657)	(10,149)
Foreign Currency Transaction Adjustments	(12)	(9)	(13)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(617)	(155)	(347)
Total Comprehensive Income	**274,138**	**172,651**	**303,754**
Attributable to:			
Owners of the Parent	274,153	173,085	303,672
Minority Interests	(14)	(433)	81

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	Fiscal 2010 (Year ended March 31, 2011)
(Capital Surplus)			
Balance at the Beginning of the Fiscal Year	**25,020**	**25,020**	**25,020**
Additions:	**-**	**-**	**-**
Deductions:	**-**	**-**	**-**
Balance at the End of the Period	**25,020**	**25,020**	**25,020**
(Retained Earnings)			
Balance at the Beginning of the Fiscal Year	**837,448**	**972,337**	**837,448**
Additions:	**82,997**	**124,344**	**134,889**
Net Income	82,986	123,940	129,586
Transfer from Revaluation Reserve for Land, net of taxes	11	403	5,302
Deductions:	**-**	**21,375**	**-**
Dividends	-	21,375	-
Balance at the End of the Period	**920,446**	**1,075,306**	**972,337**

Consolidated Statements of Cash Flows

(Millions of Yen)

	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	Fiscal 2010 (Year ended March 31, 2011)
Ⅰ Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	116,849	160,703	124,657
Depreciation	6,756	9,847	14,714
Losses on Impairment of Fixed Assets	144	23	9,170
Gains on Negative Goodwill Incurred	-	(2,424)	-
Equity in Losses (Earnings) of Affiliates	(2,348)	(4,122)	12,875
Net Increase (Decrease) in Reserve for Possible Loan Losses	(17,188)	(24,380)	(34,128)
Net Increase (Decrease) in Reserve for Possible Investment Losses	3,569	2,140	6,338
Net Increase (Decrease) in Reserve for Bonus Payments	(54)	1,802	(102)
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	993	853	1,970
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(139)	(177)	(4)
Interest Income	(364,030)	(413,929)	(665,029)
Interest Expenses	281,637	281,365	557,731
Losses (Gains) on Securities	(12,748)	(51,056)	(17,538)
Losses (Gains) on Money Held in Trust	(19,373)	(16,776)	(1,265)
Foreign Exchange Losses (Gains)	2,653,942	2,108,874	2,764,234
Losses (Gains) on Disposals of Fixed Assets	175	4	(1,960)
Net Decrease (Increase) in Trading Assets	(10,992)	(13,653)	(6,322)
Net Increase (Decrease) in Trading Liabilities	3,162	690	(851)
Net Decrease (Increase) in Loans and Bills Discounted	626,657	(751,529)	(985,120)
Net Increase (Decrease) in Deposits	456,938	851,549	1,847,737
Net Increase (Decrease) in Negotiable Certificates of Deposit	(30,421)	395,814	65,318
Net Increase (Decrease) in Debentures	(36,007)	(175,475)	(189,406)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(237,900)	(148,000)	(177,300)
Net Decrease (Increase) in Interest-bearing Due from Banks	277,212	(255,245)	274,831
Net Decrease (Increase) in Call Loans and Bills Bought and Other	353,022	353,513	240,982
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(427,377)	(2,003,875)	(232,694)
Net Increase (Decrease) in Call Money and Bills Sold and Other	(1,497,842)	(1,618,351)	(1,618,453)
Net Increase (Decrease) in Short-term Entrusted Funds	1,180,715	1,154,603	120,109
Net Increase (Decrease) in Payables under Securities Lending Transactions	380,639	(827,166)	734,686
Net Decrease (Increase) in Foreign Exchange Assets	(38,427)	266,773	(296,821)
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	0	(0)
Interest Received	430,766	448,788	744,141
Interest Paid	(156,495)	(148,116)	(580,049)
Other, Net	(416,372)	(374,763)	(30,860)
Subtotal	3,505,463	(791,699)	2,681,590
Income Taxes Paid	(3,593)	(461)	(6,350)
Net Cash Provided by (Used in) Operating Activities	**3,501,869**	**(792,161)**	**2,675,240**
Ⅱ Cash Flows from Investing Activities:			
Purchases of Securities	(24,441,948)	(10,903,193)	(40,115,753)
Proceeds from Sales of Securities	1,414,182	639,880	3,871,282
Proceeds from Redemption of Securities	19,128,004	12,870,625	34,725,684
Increase in Money Held in Trust	(960,718)	(545,595)	(2,127,571)
Decrease in Money Held in Trust	464,049	876,845	896,001
Purchases of Tangible Fixed Assets	(799)	(663)	(8,339)
Purchases of Intangible Fixed Assets	(2,191)	(1,062)	(4,953)
Proceeds from Sales of Tangible Fixed Assets	-	602	5,601
Purchase of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	-	(1,832)	-
Net Cash Provided by (Used) in Investing Activities	**(4,399,420)**	**2,935,605**	**(2,758,047)**
Ⅲ Cash Flows from Financing Activities:			
Payments for Redempiton of Subordinated Bonds	-	(181,850)	-
Dividends Paid	-	(21,375)	-
Dividends Paid to Minority Shareholders	(9)	-	(9)
Net Cash Used in Financing Activities	**(9)**	**(203,226)**	**(9)**
Ⅳ Net Increase (Decrease) in Cash and Cash Equivalents	**(897,560)**	**1,940,217**	**(82,816)**
Ⅴ Cash and Cash Equivalents at the Beginning of the Fiscal Year	**1,029,012**	**946,195**	**1,029,012**
Ⅵ Cash and Cash Equivalents at the End of the Period	**131,452**	**2,886,413**	**946,195**

Notes to Consolidated Financial Statements

Amounts less than one million yen are rounded down.

(Significant Accounting Policies)

1. Standards of Accounting Method

(1) Trading Assets / Liabilities and Trading Income / Expenses

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

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

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.

(2) Securities

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

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

b. Securities included in Money Held in Trust are valued using the same methods described in (1) and (2) a. above.

(3) Derivatives

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

(4) Depreciation

a. Tangible Fixed Assets (other than Lease Assets)

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. 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.

c. 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.

(5) Reserve for Possible Loan Losses

Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. 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.

Reserve for loans to debtors with restructured loans (see Note 5. to Consolidated Balance Sheet below) 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.

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. 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.

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 ¥43,614 million at the end of the period.

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.

Some of the Bank's consolidated subsidiaries take into account the effects of the Great East Japan Earthquake in the self-assessment as long as the reasonable judgments of the debtors' status can be possibly made. The reasonably estimated amounts of the effects are reflected in the financial statements.

(6) 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.

(7) Reserve for Bonus Payments

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

(8) Reserve for Employees' Retirement Benefits

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

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

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

Some of the Bank's consolidated subsidiaries adopt the simplified method. Other alternative measures may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

(9) 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.

(10) Foreign Currency Translation

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

Assets and liabilities of the consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen using the respective exchange rates in effect at the balance sheet date.

(11) Accounting for Finance Leases

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

(12) Hedge Accounting

a. Hedge of Interest Rate Risk

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

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

The unamortized balance of deferred hedge losses under the macro hedges, before deducting the tax effect, as of September 30, 2011 was ¥43 million

b. Hedge of Foreign Exchange Rate Risk

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

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

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

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

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

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

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

(14) Consumption Taxes

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

(15) 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.

(Additional Information)

The Bank and its consolidated subsidiaries adopted *the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009*) and *the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009)* to accounting changes and corrections of prior period errors which were made after the beginning of the fiscal year 2011.

Pursuant to *Practical Guidelines on Accounting Standards for Financial Instruments (JICPA Accounting Practice Committee Statement No.14)*, "Reversal of Reserve for Possible Loan Losses" and "Recoveries from Written-off Claims" were aggregated and presented in "Other Ordinary Income" from the first half of the fiscal year 2011.

(Notes to Consolidated Balance Sheet)

1. Investments in Affiliates ¥93,608 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥123,364 million as of September 30, 2011.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥67,825 million and securities held without re-pledge of ¥3,426,287 million as of September 30, 2011, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥2,868 million and delinquent loans of ¥228,099 million.

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

Delinquent loans are also non-accrual loans but other than those loans to borrowers under bankruptcy proceedings or loans whereby payments of interests are deferred in order to support the borrowers' rehabilitation.

4. Loans and Bills Discounted include those past due for three months or more of ¥333 million.
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.

5. Loans and Bills Discounted include restructured loans of ¥48,149 million.
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, except for the loans pertaining to 3 and 4 above.

6. The total amount of loans to borrowers under bankruptcy proceedings, delinquent loans, loans past-due for three months or more and restructured loans was ¥279,450 million.
The amounts of loans indicated in 3. to 6. above are amounts before deducting the reserves for possible loan losses.

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥4,458 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥7,920,405 million
Securities	¥9,605,060 million

Liabilities related to the above pledged assets are as follows:

Borrowed Money	¥187,000 million
Call Money	¥455,000 million
Payables under Repurchase Agreements	¥6,741,463 million
Payables under Securities Lending Transactions	¥824 million

In addition, Securities (including transactions of Money Held in Trust) of ¥7,405,561 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.
Initial margins of futures transactions of ¥1,154 million, cash collateral under financial derivative transactions of ¥8,908 million and guarantee deposits of ¥6,226 million were included in Other Assets.

9. 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 amount of undrawn commitments in relation to such agreements was ¥2,770,779 million as of September 30, 2011. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, was ¥1,924,665 million as of September 30, 2011.
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. In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revaluated. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

Date of Revaluation	March 31, 1998
Revaluation Method	Reasonably calculated in accordance with the Appraisal methods stipulated in Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land (No.119 effective as of March 31, 1998)

11. Accumulated Depreciation Deducted from Tangible Fixed Assets ¥106,000 million

12. Borrowed Money includes subordinated borrowings of ¥1,486,007 million which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

13. Bonds include subordinated bonds of ¥49,999 million.

14. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥9,122 million.

(Note to Consolidated Statement of Operations)
Other Ordinary Expenses include losses on sales of stocks and other securities of ¥20,576 million and losses on revaluation of stocks and other securities of ¥14,501 million.

(Notes to Consolidated Statement of Cash Flows)
The reconciliation of Cash and Due from Banks in the consolidated balance sheet to "Cash and Cash Equivalents" at the end of the period is as follows:

Cash and Due from Banks	¥ 4,033,673 million
Less: Interest-bearing Due from Banks	¥(1,147,260)million
Cash and Cash Equivalents at the end of the period	¥2,886,413 million

(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, 2011 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)

	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Loans and Bills Discounted	14,834,284		
Reserve for Possible Loan Losses(※1)	(188,868)		
	14,645,415	14,689,192	43,776
(2) Securities			
Held-to-Maturity Debt Securities	14,894,619	15,130,392	235,773
Other Securities	24,030,827	24,030,827	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	4,753	4,753	—
Other Money Held in Trust	6,981,349	6,996,903	15,553
(4) Trading Assets(※2)			
Trading Securities	20,031	20,031	—
(5) Monetary Claims Bought(※1)	245,666	245,670	4
(6) Call Loans and Bills Bought	936,027	936,027	—
(7) Cash and Due from Banks	4,033,673	4,033,673	—
Total Assets	65,792,365	66,087,473	295,108
(1) Deposits	41,797,133	41,797,179	45
(2) Negotiable Certificates of Deposit	1,163,932	1,163,932	—
(3) Debentures	5,240,885	5,304,273	63,387
(4) Borrowed Money	1,718,007	1,718,007	—
(5) Call Money and Bills Sold	580,427	580,427	—
(6) Payables under Repurchase Agreements	6,797,951	6,797,951	—
(7) Short-term Entrusted Funds	5,551,883	5,551,883	—
Total Liabilities	62,850,221	62,913,654	63,433
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	2,648	2,648	—
Transactions Accounted for as Hedge Transactions	279,791	279,791	—
Total Derivative Instruments	282,440	282,440	—

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

2 Derivative Instruments are excluded from Trading Assets.

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

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

Assets

(1) Loans and Bills Discounted

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

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

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

(2) 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 following "Securities".

(3) 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 (1) and (2) above.

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in following "Money Held in Trust".

(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) Monetary Claims Bought

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

(6) Call Loans and Bills Bought

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

(7) 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.

Liabilities

(1) Deposits

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

(2) Negotiable Certificates of Deposit

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

(3) Debentures

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

(4) Borrowed Money

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

(5) Call Money and Bills Sold, (6) 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.

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

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine. "Assets (2) Other Securities" of fair value of financial instruments exclude the transactions of the table below.

(Millions of Yen)

Instruments	Consolidated Balance Sheet Amount
Unlisted Stocks(※1)(※2)	195,334
Bonds(※3)	97,727
Investments in Partnership and Others (※4)	297,227
Total	590,289

(※) 1 Unlisted Stocks 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 ¥192 million on Unlisted Stocks.

3 Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items". With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥35,846 million in accordance with the Bank's internal rules.

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

(Securities)

Information relating to Securities is provided as below. The Securities include negotiable certificates of deposit in Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought.

1. Held-to-Maturity Debt Securities (as of September 30, 2011)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	7,579,412	7,782,402	202,990
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	4,054,722	4,150,711	95,988
	Sub total	11,634,135	11,933,114	298,979
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	3,261,156	3,197,952	(63,204)
	Sub total	3,261,156	3,197,952	(63,204)
Total		14,895,292	15,131,067	235,775

2. Other Securities (as of September 30, 2011)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	231,680	160,639	71,040
	Bonds	5,681,882	5,638,697	43,185
	Japanese Government Bonds	5,669,484	5,626,888	42,595
	Municipal Government Bonds	1,436	1,389	46
	Corporate Bonds	10,961	10,419	542
	Other	9,760,063	9,367,279	392,784
	Sub total	15,673,626	15,166,616	507,010
Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	84,609	101,400	(16,791)
	Bonds	1,626,180	1,627,850	(1,669)
	Japanese Government Bonds	1,535,203	1,535,318	(115)
	Municipal Government Bonds	184	185	(0)
	Corporate Bonds	90,791	92,345	(1,553)
	Other	6,904,127	7,808,480	(904,353)
	Sub total	8,614,918	9,537,732	(922,813)
Total		24,288,544	24,704,348	(415,803)

3. Securities Recognized for Revaluation Loss

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

The amount of revaluation loss for the period was ¥18,164 million (including ¥2,688 million on Stocks, ¥435 million on Bonds(Corporate Bonds) and ¥15,041 million on Other).

The criteria for determining whether the securities' fair value has "significantly deteriorated" are outlined as follows:

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

Securities whose fair values remain in the range of more than 50% and equal to or less than 70% of their acquisition costs (and other) for a certain period

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2011)

The Bank and its consolidated subsidiaries held no held-to-maturity money held in trust.

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2011)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	6,985,532	6,740,130	245,401	276,665	31,263

(Note)

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

(Per share Information)

Net Assets per Share at the end of the period was ¥331.67 (Minority Interests and the residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥29.11 (The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income per Share.)

(Subsequent Events)

Business Transfer

As approved by the ordinary Council of Delegates meeting on June 24, 2011, the Bank took over a portion of the banking business from Gunma Prefectural Credit Federations of Agricultural Cooperatives as of October 11, 2011.

(1)The Objectives of the Business Transfer

The business transfer aims at streamlining the prefectural level of the agricultural cooperative system and facilitating efficient and sound banking operations of JA Bank Gunma, which would meet the expectations and secure the trust of both cooperative members and other customers.

(2)The Name of the Assignor

Gunma Prefectural Credit Federations of Agricultural Cooperatives

(The Shinnoren of Gunma Prefecture)

(3)The Description of the Business to be Transferred

A portion of the banking business

(4)The Amounts of the Major Assets and Liabilities to be Transferred

Loans and Bills Discounted	¥ 28, 066 million
Deposits	¥923, 591 million

(5)The Date of Transfer
October 11, 2011

Gunma Prefectural Credit Federations of Agricultural Cooperatives withdrew its deposit of ¥939,310 million with the Bank, upon transfer. Therefore, the partial business transfer has only a minor impact on the Bank's consolidated financial statements.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Yen)

	First Half of Fiscal 2010 (As of September 30, 2010)	First Half of Fiscal 2011 (As of September 30, 2011)	Fiscal 2010 (As of March 31, 2011)
(Assets)			
Loans and Bills Discounted	**12,390,389**	**14,760,532**	**14,002,397**
Foreign Exchange Assets	**51,352**	**42,973**	**309,746**
Securities	**46,060,546**	**39,539,894**	**43,070,056**
Money Held in Trust	**7,998,132**	**6,989,292**	**7,751,046**
Trading Assets	**24,046**	**33,030**	**19,377**
Monetary Claims Bought	**398,049**	**247,271**	**292,406**
Call Loans	**1,078,211**	**936,027**	**1,300,000**
Receivables under Resale Agreements	**-**	**58,091**	**-**
Receivables under Securities Borrowing Transactions	**427,377**	**2,236,569**	**232,694**
Cash and Due from Banks	**1,011,422**	**4,020,551**	**1,828,040**
Other Assets	**699,887**	**517,094**	**367,682**
Tangible Fixed Assets	**138,195**	**125,190**	**128,783**
Intangible Fixed Assets	**52,617**	**46,608**	**51,612**
Deferred Tax Assets	**115,412**	**92,133**	**132,456**
Customers' Liabilities for Acceptances and Guarantees	**334,287**	**139,874**	**336,442**
Reserve for Possible Loan Losses	**(278,644)**	**(232,443)**	**(261,701)**
Reserve for Possible Investment Losses	**(6,199)**	**(9,084)**	**(9,072)**
Total Assets	**70,495,085**	**69,543,607**	**69,551,969**
(Liabilities)			
Deposits	**39,565,721**	**41,806,768**	**40,957,047**
Negotiable Certificates of Deposit	**672,377**	**1,163,932**	**768,118**
Debentures	**5,576,231**	**5,246,668**	**5,421,664**
Trading Liabilities	**15,738**	**12,415**	**11,724**
Borrowed Money	**2,010,822**	**1,723,007**	**2,075,605**
Call Money	**583,638**	**580,427**	**473,664**
Payables under Repurchase Agreements	**8,533,702**	**6,797,951**	**8,523,065**
Payables under Securities Lending Transactions	**479,182**	**6,062**	**833,229**
Foreign Exchange Liabilities	**0**	**0**	**0**
Short-term Entrusted Funds	**5,457,886**	**5,551,883**	**4,397,280**
Other Liabilities	**3,034,129**	**2,086,812**	**1,480,545**
Reserve for Bonus Payments	**3,587**	**5,152**	**3,597**
Reserve for Retirement Benefits	**1,846**	**3,557**	**2,776**
Reserve for Directors' Retirement Benefits	**660**	**597**	**748**
Deferred Tax Liabilities for Land Revaluation	**18,434**	**15,858**	**16,041**
Acceptances and Guarantees	**334,287**	**139,874**	**336,442**
Total Liabilities	**66,288,249**	**65,140,972**	**65,301,553**
(Net Assets)			
Paid-in Capital	**3,425,909**	**3,425,909**	**3,425,909**
Common Stock	3,400,909	3,400,909	3,400,909
(including Lower Dividend Rate Stock)	2,975,192	2,975,192	2,975,192
Preferred Stock	24,999	24,999	24,999
Capital Surplus	**25,020**	**25,020**	**25,020**
Capital Surplus Reserve	24,999	24,999	24,999
Other Capital Surplus	20	20	20
Retained Earnings	**901,936**	**1,071,416**	**968,106**
Legal Reserves	438,166	468,166	438,166
Voluntary Reserves	463,770	603,250	529,940
Special Reserves	6,100	36,100	6,100
General Reserves	349,403	379,403	349,403
Reserve for Tax Basis Adjustments of Fixed Assets	6,426	7,968	6,426
Others	7	7	7
Unappropriated Retained Earnings	101,833	179,771	168,003
Total Owners' Equity	**4,352,866**	**4,522,346**	**4,419,036**
Net Unrealized Losses on Other Securities, net of taxes	**(204,434)**	**(113,108)**	**(222,078)**
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	**26,445**	**(32,866)**	**26,790**
Revaluation Reserve for Land, net of taxes	**31,957**	**26,262**	**26,666**
Total Valuation and Translation Adjustments	**(146,031)**	**(119,711)**	**(168,620)**
Total Net Assets	**4,206,835**	**4,402,635**	**4,250,415**
Total Liabilities and Net Assets	**70,495,085**	**69,543,607**	**69,551,969**

Non-consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	Fiscal 2010 (Year ended March 31, 2011)
Ordinary Income	**570,448**	**614,566**	**1,071,069**
Interest Income	361,792	412,796	660,629
Interest on Loans and Bills Discounted	44,307	41,580	85,855
Interest and Dividends on Securities	302,890	364,880	562,214
Fees and Commissions	7,762	6,074	14,780
Trading Income	274	460	194
Other Operating Income	78,244	45,562	162,768
Other Ordinary Income	122,373	149,671	232,695
Ordinary Expenses	**466,522**	**453,562**	**953,762**
Interest Expenses	281,660	281,371	557,758
Interest on Deposits	29,841	21,042	53,365
Fees and Commissions	5,338	5,500	10,442
Trading Expenses	31	174	160
Other Operating Expenses	96,008	62,766	247,519
General and Administrative Expenses	50,612	56,666	102,992
Other Ordinary Expenses	32,870	47,083	34,889
Ordinary Profits	**103,925**	**161,003**	**117,306**
Extraordinary Profits	**13,047**	**263**	**30,711**
Extraordinary Losses	**222**	**290**	**9,570**
Income before Income Taxes	**116,750**	**160,976**	**138,448**
Income Taxes - Current	**33,464**	**24,016**	**322**
Income Taxes - Deferred	**(138)**	**12,677**	**(6,177)**
Total Income Taxes	**33,325**	**36,694**	**(5,855)**
Net Income	**83,425**	**124,282**	**144,303**
Unappropriated Retained Earnings Brought Forward	**18,397**	**55,085**	**18,397**
Transfer from Land Revaluation Reserve	**11**	**403**	**5,302**
Unappropriated Retained Earnings	**101,833**	**179,771**	**168,003**

Notes to Non-Consolidated Financial Statements

Amounts less than one million yen are rounded down.

(Significant Accounting Policies)

1. Trading Assets / Liabilities and Trading Income / Expenses

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 non-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 non-consolidated statements of operations.

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

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.

2. Securities

(1) Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method. Stocks of subsidiaries (as defined in Article 56-2 of The Norinchukin Bank Law for rules on subsidiaries) are valued at cost determined by the moving average method. Other securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the non-consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities which are extremely difficult to determine the fair value are valued at cost determined by the moving average method or are valued at amortized cost.

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

(2) Securities included in Money Held in Trust are valued using the same methods described in 1. and 2.(1) above.

3. Derivatives

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

4. Depreciation

(1) Tangible Fixed Assets (other than Lease Assets)

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

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

Depreciation of Intangible Fixed Assets of the Bank 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.

(3) 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.

5. Reserves

(1) Reserve for Possible Loan Losses

Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. 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.

Reserve for loans to debtors with restructured loans (see Note 5. to Non-consolidated Balance Sheet below) 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.

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. 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.

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 ¥42,259 million at the end of the period.

(2) 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.

(3) Reserve for Bonus Payments

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

(4) Reserve for Employees' Retirement Benefits

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

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

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

(5) 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.

6. 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 non-consolidated balance sheet date except for stocks of subsidiaries denominated in foreign currencies which are translated into Japanese yen using the respective exchange rates at the time of their acquisition.

7. Accounting for Finance Leases

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

8. Hedge Accounting

(1)Hedge of Interest Rate Risk

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

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

The unamortized balance of deferred hedge losses under the macro hedges, before deducting the tax effect, as of September 30, 2011 was ¥43 million.

(2) Hedge of Foreign Exchange Rate Risk

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

The 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.

(3) Internal Derivative Transactions

Internal derivative transactions between trading accounts and banking accounts or inter-division transactions, which are designated as hedges, are not eliminated. The related gains and losses are recognized in the non-consolidated statements of operations or are deferred in the non-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.

9. Consumption Taxes

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

10. 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.

(Additional Information)

The Bank adopted *the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009*) and *the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009)* to accounting changes and corrections of prior period errors which were made after the beginning of the fiscal year 2011.

Pursuant to *Practical Guidelines on Accounting Standards for Financial Instruments (JICPA Accounting Practice Committee Statement No.14)*, "Reversal of Reserve for Possible Loan Losses" and "Recoveries from Written-off Claims" were aggregated and presented in "Other Ordinary Income" from the first half of the fiscal year 2011.

(Notes to Non-consolidated Balance Sheet)

1. Investments in Subsidiaries and Affiliates ¥148,804 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥123,364 million as of September 30, 2011.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥67,825 million and securities held without re-pledge of ¥3,426,287 million as of September 30, 2011, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥2,673 million and delinquent loans of ¥214,523 million.

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

Delinquent loans are also non-accrual loans but other than those loans to borrowers under bankruptcy proceedings or loans whereby payments of interests are deferred in order to support the borrowers' rehabilitation.

4. Loans and Bills Discounted include those past-due for three months or more of ¥188 million.

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.

5. Loans and Bills Discounted include restructured loans of ¥45,890 million.

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 , except for the loans pertaining to 3 and 4 above.

6. The total amount of loans to borrowers under bankruptcy proceedings, delinquent loans, loans past due for three months or more and restructured loans was ¥263,275 million.

The amounts of loans indicated in 3. to 6. above are amounts before deducting the reserves for possible loan losses.

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills

Discounted was ¥4,458 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥7,920,405 million
Securities	¥9,605,060 million

Liabilities related to the above pledged assets are as follows:

Borrowed Money	¥187,000 million
Call Money	¥455,000 million
Payables under Repurchase Agreements	¥6,741,463 million
Payables under Securities Lending Transactions	¥824 million

In addition, Securities (including transactions of Monetary Held in Trust) of ¥7,384,189 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Cash collateral under financial derivative transactions of ¥8,908 million and guarantee deposits of ¥5,944 million were included in Other Assets.

9. 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 amount of undrawn commitments in relation to such agreements was ¥2,991,079 million as of September 30, 2011. The amount, which the Bank could cancel at any time without penalty, was ¥2,144,965 million as of September 30, 2011.

The amount of undrawn commitments does not necessarily affect the future cash flow of the Bank because the majority of such agreements are terminated without being exercised. Most of these agreements have provisions which stipulate that the Bank 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 is 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. In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revaluated. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the non-consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

Date of Revaluation	March 31, 1998
Revaluation Method	Reasonably calculated in accordance with the Appraisal methods stipulated in Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land (No.119 effective as of March 31, 1998)

11. Accumulated Depreciation Deducted from Tangible Fixed Assets ¥103,557 million

12. Borrowed Money includes subordinated borrowings of ¥1,536,007 million which have a special agreement that

requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

13. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥9,122 million.

(Note to Non-consolidated Statement of Operations)

Other Ordinary Expenses include losses on sales of stocks and other securities of ¥20,576 million and losses on revaluation of stocks and other securities of ¥14,501 million.

(Financial Instruments)

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Non-consolidated Balance Sheet Amount", "Fair Value" and "Difference" as of September 30, 2011 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)

	Non-consolidated Balance Sheet Amount	Fair Value	Difference
(1) Loans and Bills Discounted	14,760,532		
Reserve for Possible Loan Losses(※1)	(181,565)		
	14,578,966	14,606,630	27,663
(2) Securities			
Held-to-Maturity Debt Securities	14,889,108	15,124,827	235,718
Other Securities	24,003,249	24,003,249	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	4,753	4,753	—
Other Money Held in Trust	6,980,361	6,995,910	15,549
(4) Trading Assets(※2)			
Trading Securities	20,031	20,031	—
(5) Monetary Claims Bought(※1)	245,666	245,670	4
(6) Call Loans	936,027	936,027	—
(7) Cash and Due from Banks	4,020,551	4,020,551	—
Total Assets	65,678,716	65,957,652	278,935
(1) Deposits	41,806,768	41,806,814	45
(2) Negotiable Certificates of Deposit	1,163,932	1,163,932	—
(3) Debentures	5,246,668	5,310,125	63,456
(4) Borrowed Money	1,723,007	1,723,007	—
(5) Call Money	580,427	580,427	—
(6) Payables under Repurchase Agreements	6,797,951	6,797,951	—
(7) Short-term Entrusted Funds	5,551,883	5,551,883	—
Total Liabilities	62,870,639	62,934,141	63,502
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	2,648	2,648	—
Transactions Accounted for as Hedge Transactions	279,791	279,791	—
Total Derivative Instruments	282,440	282,440	—

(※) 1 Loans and Bills Discounted, Money Held in Trust and Monetary Claims Bought are net of Reserve for Possible Loan Losses. Money Held in Trust and Monetary Claims Bought are presented by net on the non-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) 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 fluctuation s 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 Loans and Bills Discounted to doubtful debtors and others, the reserves for those assets are provided by the amount not expected to be recovered based on the present value of expected future cash flows or the recovery amount of collateral and guarantee. Accordingly, the carrying values net of the reserve approximate the fair value.

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

(2) 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 following "Securities".

(3) 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 (1) and (2) above.

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in following "Money Held in Trust".

(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) Monetary Claims Bought

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

(6) Call Loans

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

(7) 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.

Liabilities

(1) Deposits

With respect to demand deposits, the payment amounts required on the non-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) 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 has changed. Accordingly, the carrying value is deemed to be the fair value. Some contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

(5) Call Money, (6) 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.

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

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:
"Assets (2) Other Securities" of fair value of financial instruments exclude the transactions of the table below.

(Millions of Yen)

Instruments	Non-consolidated Balance Sheet Amount
Unlisted Stocks(※1)(※2)	249,349
Bonds(※3)	97,727
Investments in Partnership and Others (※4)	297,227
Total	644,304

(※) 1 Unlisted Stocks 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 ¥192 million on Unlisted Stocks.

3 Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items". With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥35,846 million, in accordance with the Bank's internal rules.

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

(Securities)

Information relating to Securities is provided as below. The Securities include negotiable certificates of deposit in Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought.

1. Held-to-Maturity Debt Securities (as of September 30, 2011)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Non-consolidated Balance Sheet Amount	Japanese Government Bonds	7,573,901	7,776,837	202,935
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	4,054,722	4,150,711	95,988
	Sub total	11,628,624	11,927,548	298,924

Transactions for Fair Value not exceeded Non-consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	3,261,156	3,197,952	(63,204)
	Sub total	3,261,156	3,197,952	(63,204)
Total		14,889,781	15,125,501	235,720

2. Stock of subsidiaries and Affiliates (as of September 30, 2011)

The Bank held no stock of subsidiaries and affiliates.

The following table lists stocks of subsidiaries and affiliates, the fair value of which is extremely difficult to determine :

(Millions of Yen)

	Non-consolidated Balance Sheet Amount
Stocks of Subsidiaries	44,895
Stocks of Affiliates	103,908
Total	148,804

Above transactions are excluded from "Stock of subsidiaries and Affiliates", since there are no market prices and their fair value is extremely difficult to determine.

3. Other Securities (as of September 30, 2011)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	231,384	160,586	70,797
	Bonds	5,667,022	5,623,976	43,045
	Japanese Government Bonds	5,654,624	5,612,168	42,456
	Municipal Government Bonds	1,436	1,389	46
	Corporate Bonds	10,961	10,419	542
	Other	9,757,981	9,365,210	392,770
	Sub total	15,656,388	15,149,774	506,613
Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	84,509	101,285	(16,776)
	Bonds	1,625,180	1,626,849	(1,668)
	Japanese Government Bonds	1,534,203	1,534,318	(114)
	Municipal Government Bonds	184	185	(0)
	Corporate Bonds	90,791	92,345	(1,553)
	Other	6,894,889	7,799,093	(904,203)
	Sub total	8,604,579	9,527,228	(922,648)
Total		24,260,967	24,677,002	(416,035)

4. Securities Recognized for Revaluation Loss

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

The amount of revaluation loss for the period was ¥18,164 million (including ¥2,688 million on Stocks, ¥435 million on Bonds (Corporate Bonds) and ¥15,041 million on Other).

The criteria for determining whether the securities' fair value has "significantly deteriorated" are outlined as follows:

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

Securities whose fair values remain in the range of more than 50% and equal to or less than 70% of their acquisition costs (and other) for a certain period

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2011)

The Bank held no held-to-maturity money held in trust.

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2011)

(Millions of Yen)

	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	6,984,539	6,739,137	245,401	276,665	31,263

(Note)

"Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost" and "Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost" are gross valuation of the difference between the acquisition cost and the non-consolidated balance sheet amount presented in "Difference".

(Accounting for Income Taxes)

The major components of Deferred Tax Assets and Deferred Tax Liabilities as of September 30, 2011 were as follows:

Deferred Tax Assets

Reserve for Possible Loan Losses	¥59,488 million
Write-off of Loans	3,429 million
Losses on Revaluation of Securities	123,027 million
Reserve for Employees' Retirement Benefits	8,974 million
Depreciation of Fixed Assets	540 million
Net Unrealized Losses on Other Securities	63,932 million
Deferred Losses on Hedging Instruments	24,313 million
Unrealized Losses on Reclassification	58,074 million
Others	72,002 million
Subtotal	413,784 million
Valuation Allowance	(190,942) million
Total Deferred Tax Assets	¥222,841 million

Deferred Tax Liabilities	
Gain from Contribution of Securities to Employee Retirement Benefit Trust	¥(5,577)million
Deferred Gains on Hedging Instruments	(9,443)million
Unrealized Gains on Reclassification	(55,315)million
Others	(60,372)million
Total Deferred Tax Liabilities	(130,708)million
Net Deferred Tax Assets	¥92,133 million

(Per share Information)

Net Assets per Share at the end of the period was ¥330.96 (The residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥29.19 (The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income per Share.)

(Subsequent Events)

Business Transfer

As approved by the ordinary Council of Delegates meeting on June 24, 2011, the Bank took over a portion of the banking business from Gunma Prefectural Credit Federations of Agricultural Cooperatives as of October 11, 2011.

(1)The Objectives of the Business Transfer

The business transfer aims at streamlining the prefectural level of the agricultural cooperative system and facilitating efficient and sound banking operations of JA Bank Gunma, which would meet the expectations and secure the trust of both cooperative members and other customers.

(2)The Name of the Assignor

Gunma Prefectural Credit Federations of Agricultural Cooperatives
(The Shinnoren of Gunma Prefecture)

(3)The Description of the Business to be Transferred

A portion of the banking business

(4)The Amounts of the Major Assets and Liabilities to be Transferred

Loans and Bills Discounted	¥ 28, 066 million
Deposits	¥923, 591 million

(5)The Date of Transfer

October 11, 2011

Gunma Prefectural Credit Federations of Agricultural Cooperatives withdrew its deposit of ¥939,310 million with the Bank, upon transfer. Therefore, the partial business transfer has only a minor impact on the Bank's non-consolidated financial statements.