May 22, 2012

Financial Statements for the 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 Fiscal 2011 (for the fiscal year ended March 31, 2012)

(1) Consolidated Results of Operations

(Percentage represents change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2011	948,053	(12.4)	75,655	(27.8)	70,518	(45.6)
Fiscal 2010	1,081,805	(14.7)	104,718	36.7	129,586	291.6

(Note) Comprehensive Income for Fiscal 2011 600,488 millions of Yen 97.7 % for Fiscal 2010 303,754 millions of Yen (79.2%)

	Net Assets Net Income Ratio	Total Assets Ordinary Profits Ratio	Ordinary Income Ordinary Profits Ratio
	%	%	%
Fiscal 2011	1.6	0.1	8.0
Fiscal 2010	3.2	0.2	9.7

(Ref) Equity in Earnings of Affiliates for Fiscal 2011 7,113 millions of Yen for Fiscal 2010 (12,875) millions of Yen

(2) Consolidated Financial Conditions

*Consolidated BIS Capital Adequacy Ratio as of March 31, 2012 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	%	%
Fiscal 2011	72,262,884	4,838,957	6.7	24.67
Fiscal 2010	69,833,882	4,259,837	6.1	22.67

(Ref) Net Assets - Minority Interests for Fiscal 2011 4,832,971 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 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).

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the fiscal year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal 2011	472,528	(787,356)	(216,402)	414,965
Fiscal 2010	2,675,240	(2,758,047)	(9)	946,195

(4) Changes in Significant Subsidiaries in the fiscal year
(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

(5) 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

2. Non-consolidated Financial Results for the Fiscal 2011 (for the fiscal year ended March 31, 2012)

(1) Non-consolidated Results of Operations

(Percentage represents change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2011	933,145	(12.9)	68,436	(41.7)	61,641	(57.3)
Fiscal 2010	1,071,069	(14.8)	117,306	63.7	144,303	388.2

(2) Non-consolidated Financial Conditions

*Non-Consolidated BIS Capital Adequacy Ratio as of March 31, 2012 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	%	%
Fiscal 2011	71,719,196	4,820,430	6.7	24.83
Fiscal 2010	69,551,969	4,250,415	6.1	22.76

(Ref) Net Assets for Fiscal 2011 4,820,430 millions of Yen for Fiscal 2010 4,250,415 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing Net Assets by 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 Audit Procedure

This report is out of the scope of the external auditor's audit procedure. The procedure of the audit which is implemented on a voluntary basis on the consolidated financial statements for the period and the procedure of the audit which is implemented pursuant to The Norinchukin Bank Law on the non-consolidated financial statements for the period were completed as of the disclosure date.

Qualitative Information

1 Qualitative information related to the Non-consolidated Results of Operations

Unpredictability increased in the earnings environment during fiscal year 2011 due to aggravated Euro debt crisis and heightened concerns over the global economy, which accelerated "flight to quality".
Under such earning environments, the Bank continued conservative management of operations to secure steady accumulation of interest income and the non-consolidated interest income of the Bank totaled to ¥63.1 billion, down ¥90.9 billion from the previous fiscal year.
The results of total credit cost were ¥6.9 billion in net earnings mainly from the reversal of the reserve due to the decrease of credit risk assets.
As for the results of securities investments, loss on securities sales decreased by ¥74.5 billion to ¥10.8 billion from the previous fiscal year, and the expenses of provisions and impairments for price-decline of securities and other reasons decreased by ¥16.5 billion to ¥18.4 billion from the previous fiscal year.
As a result, with all of the factors mentioned above, the Bank recorded ¥68.4 billion in Ordinary Profits, down ¥48.8 billion from the previous fiscal year and ¥61.6 billion in Net Income, down ¥82.6 billion from the previous fiscal year respectively. The Bank's net operating losses stood at ¥57.7 billion.

2 Qualitative information related to the Non-consolidated Financial Conditions

Total Assets of the Bank at the end of the fiscal year increased by ¥2,167.2 billion to ¥71,719.1 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥570.0 billion to ¥4,820.4 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 fiscal year increased by ¥653.3 billion to ¥14,655.7 billion from the previous fiscal year-end. Securities at the end of the fiscal year increased by ¥2,585.3 billion to ¥45,655.4 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the fiscal year increased by ¥2,606.1 billion to ¥43,563.1 billion from the previous fiscal year-end, and Debentures at the end of the fiscal year decreased by ¥296.0 billion to ¥5,125.6 billion from the previous fiscal year-end respectively.

The Bank's shares in the consolidated financial statements are extremely high.
Consolidated Total Assets at the end of the fiscal year increased by ¥2,429.0 billion to ¥72,262.8 billion from the previous fiscal year-end. Consolidated Ordinary Profits were ¥75.6 billion, down ¥29.0 billion from the previous fiscal year and consolidated Net Income was ¥70.5 billion, down ¥59.0 billion from the previous fiscal year.

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

Capital Adequacy Ratio

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

(Amounts less than 100 million yen and digits after decimal point presented are rounded down)

	Fiscal 2011 (preliminary)	Fiscal 2010	Change
BIS Capital Adequacy Ratio (%)	24.83	22.76	2.07
Tier I Ratio (%)	18.22	16.80	1.42
Total capital	60,024	55,982	4,042
Total tier I capital	44,054	41,336	2,718
Total capital requirements	19,332	19,675	(342)
Risk Adjusted Assets	241,658	245,938	(4,280)

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

(Amounts less than 100 million yen and digits after decimal point presented are rounded down)

	Fiscal 2011 (preliminary)	Fiscal 2010	Change
BIS Capital Adequacy Ratio (%)	24.67	22.67	2.00
Tier I Ratio (%)	18.25	16.85	1.40
Total capital	59,793	55,705	4,088
Total tier I capital	44,227	41,411	2,815
Total capital requirements	19,384	19,650	(266)
Risk Adjusted Assets	242,307	245,633	(3,326)

The Bank's management policies and current issues to be addressed

1 The Bank's Management Policies

We, the Norinchukin Bank ("the Bank"), believe it is in our best interest to make continuous efforts toward achieving our goals: providing "stable return of profits to its members" and effectively serving the "role as the central organization for cooperatives as well as financial institution for farmers, fishermen, and foresters". Furthermore, we will assist reconstruction efforts following the Great East Japan Earthquake.

While we seek for understanding and support from our members and other stakeholders through our activities, we intend to establish a presence as a credible financial institution in the global markets by encouraging "growth of the agricultural, fisheries, and forestry industries and of its members' business" and developing "effective investment financing strategies on a global scale".

2 Current Issues to be Addressed

Our primary focus will be centered on the following agendas:

(1) Post-Disaster Recovery and Reconstruction Support Projects

As the central organization for cooperatives as well as financial institution for agricultural, fisheries, and forestry industries, the Bank will offer, based on the Reconstruction Support Program, various services in light of the needs of the disaster-stricken areas as well as providing guidance and support to affected JA, JF and organizations for their management reconstruction while maintaining the Program.

(2) Role as the Central Organization for Cooperatives as well as Financial Institution for Agricultural, Fisheries, and Forestry Industries

While providing appropriate financial and business support as the main bank for agricultural, fisheries, and forestry industries, we will take part in launching various projects, as the entire agricultural, fisheries, and forestry cooperative system, to promote further growth of the industries. These projects will be made possible by the collaboration and role-sharing among JA, JF, JForest, related federations, and the Bank.

(3) Financial and Risk Management Policies

Placing stable return of profits to its members as "Top Management Priority", the Bank will aim at maintaining and improving profitability of the entire agricultural, fisheries, and forestry cooperative system by diversifying investments and extensively capitalizing on profit-making opportunities under appropriate risk management. Against the difficult environment, we will strive to strengthen our financial position and achieve profit targets by maintaining its high capital adequacy ratio.

List of Group Companies

（As of March 31, 2012）

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
Eiraku Co., Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo, Japan	Building Management & Facility Management	August 6, 1956	¥197 million 99.85
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo, Japan	Mortgage Loans & Housing Loan Guarantee	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
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

(Note1) Due to the sale of its shares in June, 2011, Private Equity Fund Research and Investments Co., Ltd. was excluded from the affiliates.

(Note2) Eiraku Co., Ltd. changed its name to Norinchukin Facilities Co., Ltd. on April 1, 2012.

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 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 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.

3 The Fiscal Year of Consolidated Subsidiaries

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

Closing date: March 31, 2012 Number of subsidiaries: 9

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

4 Amortization of the Goodwill

Goodwill is charged to income when incurred, if deemed immaterial.

5 Appropriations of Retained Earnings

The Consolidated Statement of Capital Surplus and Retained Earnings was presented based on the appropriation of retained earnings resolved in the consolidated financial year.

Consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2010 (As of March 31, 2011)	Fiscal 2011 (As of March 31, 2012)
(Assets)		
Loans and Bills Discounted	14,082,755	14,738,276
Foreign Exchange Assets	309,746	44,797
Securities	43,041,795	45,626,464
Money Held in Trust	7,751,802	7,027,597
Trading Assets	19,377	32,658
Monetary Claims Bought	292,406	222,980
Call Loans and Bills Bought	1,300,000	832,440
Receivables under Resale Agreements	-	44,987
Receivables under Securities Borrowing Transactions	232,694	492,481
Cash and Due from Banks	1,837,633	1,687,337
Other Assets	371,593	971,610
Tangible Fixed Assets	130,908	119,055
Buildings	40,491	35,396
Land	67,442	63,104
Lease Assets	14,430	13,158
Construction in Progress	201	604
Other Tangible Fixed Assets	8,343	6,792
Intangible Fixed Assets	52,905	43,563
Software	48,296	38,284
Lease Assets	3,697	3,234
Other Intangible Fixed Assets	911	2,043
Deferred Tax Assets	134,602	2,121
Customers' Liabilities for Acceptances and Guarantees	557,304	618,301
Reserve for Possible Loan Losses	(269,211)	(229,414)
Reserve for Possible Investment Losses	(12,432)	(12,374)
Total Assets	69,833,882	72,262,884
(Liabilities)		
Deposits	40,949,373	43,550,349
Negotiable Certificates of Deposit	768,118	1,882,426
Debentures	5,416,360	5,117,872
Bonds	254,366	50,000
Trading Liabilities	11,724	10,595
Borrowed Money	1,866,007	1,814,807
Call Money and Bills Sold	473,664	524,922
Payables under Repurchase Agreements	8,523,065	7,800,406
Payables under Securities Lending Transactions	833,229	10,654
Foreign Exchange Liabilities	0	10
Short-term Entrusted Funds	4,397,280	4,351,710
Other Liabilities	1,498,346	1,571,006
Reserve for Bonus Payments	4,417	6,474
Reserve for Employees' Retirement Benefits	3,754	6,188
Reserve for Directors' Retirement Benefits	989	1,018
Deferred Tax Liabilities	-	94,249
Deferred Tax Liabilities for Land Revaluation	16,041	12,932
Acceptances and Guarantees	557,304	618,301
Total Liabilities	65,574,044	67,423,926
(Net Assets)		
Paid-in Capital	3,425,909	3,425,909
Capital Surplus	25,020	25,020
Retained Earnings	972,337	1,024,914
Treasury Preferred Stock	(150)	(150)
Total Owners' Equity	4,423,117	4,475,694
Net Unrealized Gains (Losses) on Other Securities, net of taxes	(222,611)	373,302
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	26,783	(40,825)
Revaluation Reserve for Land, net of taxes	26,666	24,841
Foreign Currency Transaction Adjustments	(39)	(40)
Total Accumulated Other Comprehensive Income	(169,200)	357,277
Minority Interests	5,920	5,985
Total Net Assets	4,259,837	4,838,957
Total Liabilities and Net Assets	69,833,882	72,262,884

Consolidated Statements of Operations and Comprehensive Income

(1)Consolidated Statements of Operations

(Millions of Yen)

	Fiscal 2010 (Year ended March 31, 2011)	Fiscal 2011 (Year ended March 31, 2012)
Ordinary Income	**1,081,805**	**948,053**
Interest Income	665,029	597,750
Interest on Loans and Bills Discounted	90,130	85,943
Interest and Dividends on Securities	562,327	495,889
Interest on Call Loans and Bills Bought	2,440	1,668
Interest on Receivables under Resale Agreements	104	7
Interest on Receivables under Securities Borrowing Transactions	927	540
Interest on Due from Banks	2,480	5,393
Other Interest Income	6,618	8,307
Fees and Commissions	19,185	18,397
Trading Income	194	753
Other Operating Income	164,692	86,637
Other Ordinary Income	232,704	244,513
Reversal of Reserve for Possible Loan Losses	-	6,787
Recoveries of Written-off Claims	-	2,962
Other Ordinary Income	232,704	234,763
Ordinary Expenses	**977,087**	**872,397**
Interest Expenses	557,731	587,554
Interest on Deposits	53,362	41,704
Interest on Negotiable Certificates of Deposit	2,567	3,680
Interest on Debentures	67,643	59,125
Interest on Borrowed Money	81,890	80,284
Interest on Call Money and Bills Sold	522	453
Interest on Payables under Repurchase Agreements	22,616	15,233
Interest on Payables under Securities Lending Transactions	156	8
Interest on Bonds	11,099	5,678
Other Interest Expenses	317,871	381,385
Fees and Commissions	10,544	11,648
Trading Expenses	160	-
Other Operating Expenses	247,483	96,164
General and Administrative Expenses	110,063	118,917
Other Ordinary Expenses	51,104	58,112
Other Ordinary Expenses	51,104	58,112
Ordinary Profits	**104,718**	**75,655**
Extraordinary Profits	**29,633**	**4,595**
Gains on Disposal of Fixed Assets	2,484	1,865
Gains on Negative Goodwill Incurred	-	2,729
Reversal of Reserve for Possible Loan Losses	25,615	-
Recoveries of Written-off Claims	1,533	-
Extraordinary Losses	**9,694**	**6,049**
Losses on Disposal of Fixed Assets	523	1,461
Losses on Impairment of Fixed Assets	9,170	4,588
Income before Income Taxes and Minority Interests	**124,657**	**74,200**
Income Taxes - Current	**1,146**	**2,085**
Income Taxes - Deferred	**(6,168)**	**1,549**
Total Income Taxes	**(5,022)**	**3,634**
Income before Minority Interests	**129,679**	**70,566**
Minority Interests in Net Income	**92**	**48**
Net Income	**129,586**	**70,518**

(2)Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal 2010 (Year ended March 31, 2011)	Fiscal 2011 (Year ended March 31, 2012)
Income before Minority Interests	**129,679**	**70,566**
Other Comprehensive Income	**174,074**	**529,922**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	184,585	595,754
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(10,149)	(67,551)
Revaluation Reserve for Land, net of taxes	-	1,609
Foreign Currency Transaction Adjustments	(13)	(1)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(347)	110
Total Comprehensive Income	**303,754**	**600,488**
Attributable to:		
Owners of the Parent	303,672	600,430
Minority Interests	81	58

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

	Fiscal 2010 (Year ended March 31, 2011)	Fiscal 2011 (Year ended March 31, 2012)
(Capital Surplus)		
Balance at the Beginning of the Fiscal Year	**25,020**	**25,020**
Additions:	**-**	**-**
Deductions:	**-**	**-**
Balance at the End of the Fiscal Year	**25,020**	**25,020**
(Retained Earnings)		
Balance at the Beginning of the Fiscal Year	**837,448**	**972,337**
Additions:	**134,889**	**73,952**
Net Income for the Fiscal Year	129,586	70,518
Transfer from Revaluation Reserve for Land, net of taxes	5,302	3,434
Deductions:	**-**	**21,375**
Dividends	-	21,375
Balance at the End of the Fiscal Year	**972,337**	**1,024,914**

Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal 2010 (Year ended March 31, 2011)	Fiscal 2011 (Year ended March 31, 2012)
Ⅰ Cash Flows from Operating Activities:		
Income before Income Taxes and Minority Interests	124,657	74,200
Depreciation	14,714	19,999
Losses on Impairment of Fixed Assets	9,170	4,588
Gains on Negative Goodwill Incurred	-	(2,729)
Equity in Losses (Earnings) of Affiliates	12,875	(7,113)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(34,128)	(39,892)
Net Increase (Decrease) in Reserve for Possible Investment Losses	6,338	(57)
Net Increase (Decrease) in Reserve for Bonus Payments	(102)	1,837
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	1,970	2,288
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(4)	(32)
Interest Income	(665,029)	(597,750)
Interest Expenses	557,731	587,554
Losses (Gains) on Securities	(17,538)	48,044
Losses (Gains) on Money Held in Trust	(1,265)	3,428
Foreign Exchange Losses (Gains)	2,764,234	314,547
Losses (Gains) on Disposal of Fixed Assets	(1,960)	(404)
Net Decrease (Increase) in Trading Assets	(6,322)	(13,280)
Net Increase (Decrease) in Trading Liabilities	(851)	(1,129)
Net Decrease (Increase) in Loans and Bills Discounted	(985,120)	(627,455)
Net Increase (Decrease) in Deposits	1,847,737	1,681,174
Net Increase (Decrease) in Negotiable Certificates of Deposit	65,318	1,114,307
Net Increase (Decrease) in Debentures	(189,406)	(298,488)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(177,300)	(51,200)
Net Decrease (Increase) in Interest-bearing Due from Banks	274,831	(380,356)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	240,982	494,066
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(232,694)	(259,787)
Net Increase (Decrease) in Call Money and Bills Sold and Other	(1,618,453)	(671,401)
Net Increase (Decrease) in Short-term Entrusted Funds	120,109	(45,569)
Net Increase (Decrease) in Payables under Securities Lending Transactions	734,686	(822,575)
Net Decrease (Increase) in Foreign Exchange Assets	(296,821)	264,949
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	10
Interest Received	744,141	626,006
Interest Paid	(580,049)	(597,543)
Other, Net	(30,860)	(343,774)
Subtotal	2,681,590	476,462
Income Taxes Paid	(6,350)	(3,933)
Net Cash Provided by Operating Activities	**2,675,240**	**472,528**
Ⅱ Cash Flows from Investing Activities:		
Purchases of Securities	(40,115,753)	(30,101,719)
Proceeds from Sales of Securities	3,871,282	833,008
Proceeds from Redemption of Securities	34,725,684	27,220,017
Increase in Money Held in Trust	(2,127,571)	(1,042,889)
Decrease in Money Held in Trust	896,001	1,410,795
Purchases of Tangible Fixed Assets	(8,339)	(2,552)
Purchases of Intangible Fixed Assets	(4,953)	(2,543)
Proceeds from Sales of Tangible Fixed Assets	5,601	5,038
Purchase of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	-	(1,832)
Purchase of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	-	(286)
Proceeds from Business Transfer	-	895,606
Net Cash Used in Investing Activities	**(2,758,047)**	**(787,356)**
Ⅲ Cash Flows from Financing Activities:		
Payments for Redempiton of Subordinated Bonds	-	(195,026)
Dividends Paid	-	(21,375)
Dividends Paid to Minority Shareholders	(9)	-
Net Cash Used in Financing Activities	**(9)**	**(216,402)**
Ⅳ Net Increase (Decrease) in Cash and Cash Equivalents	**(82,816)**	**(531,230)**
Ⅴ Cash and Cash Equivalents at the Beginning of the Fiscal Year	**1,029,012**	**946,195**
Ⅵ Cash and Cash Equivalents at the End of the Fiscal Year	**946,195**	**414,965**

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 fiscal year. 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 fiscal year, 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 fiscal year, 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.

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

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

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

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 ¥63,829 million for the fiscal year ended March 31, 2012.

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.

(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 fiscal year.

(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 fiscal year, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

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

(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.

There were no unamortized balance of deferred hedge losses and gains under the macro hedges, before deducting the tax effect, as of March 31, 2012 .

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.

(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)* for accounting changes and corrections of prior period errors 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" are aggregated and presented in "Other Ordinary Income" from the fiscal year 2011. No retroactive adoption, however, was made for the previous fiscal year.

(Notes to Consolidated Balance Sheet)

1. Investments in Affiliates ¥96,702 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥129,823million as of March 31, 2012.

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 ¥50,151 million and securities held without re-pledge of ¥1,361,956 million as of March 31, 2012, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥1,102 million and delinquent loans of ¥197,354 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 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 ¥42 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 ¥71,496 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 ¥269,995 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 ¥5,397 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥7,821,553 million
Securities	¥10,617,645 million

Liabilities related to the above pledged assets are as follows:

Borrowed Money	¥283,800 million
Call Money	¥455,000 million
Payables under Repurchase Agreements	¥7,755,429 million
Payables under Securities Lending Transactions	¥4,633 million

In addition, Securities (including transactions of Money Held in Trust) of ¥7,217,404 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Initial margins of futures transactions of ¥1,949 million, cash collateral under financial derivative transactions of ¥759,895 million and guarantee deposits of ¥6,033 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 ¥2,658,983 million as of March 31, 2012. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, was ¥1,843,793 million as of March 31, 2012.

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 ¥104,608 million

12. Accumulated Amount of Tax Basis Adjustments Deducted from Tangible Fixed Assets ¥6,179 million

13. 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.

14. Bonds include subordinated bonds of ¥50,000 million.

15. 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 ¥4,807 million.

16. Total Monetary Credits to Directors, Supervisory Committee and the Auditors of the Bank ¥ 124million

17. In addition to the fixed assets recorded on the consolidated balance sheet, some computers, network system equipments, and automobiles are being used under finance leases where the ownership of assets is not transferred to the lessee.

18. Projected pension benefit obligations, etc. as of March 31, 2012 are analyzed as follows:

Projected Benefit Obligations	¥(103,363) million
Plan Assets (in fair value)	¥67,647 million
(Unfunded) Overfunded Retirement Benefit Obligations	¥(35,715) million
Unrecognized Actuarial Differences	¥28,359 million
Unrecognized Prior Service Cost	¥1,168 million
Net Amounts Reported in the Consolidated Balance Sheet	¥(6,188) million
Prepaid Pension Costs	¥— million
Reserve for Employees' Retirement Benefits	¥(6,188) million

(Notes to Consolidated Statement of Operations)

1. Other Ordinary Expenses include losses on sales of stocks and other securities of ¥21,201 million and losses on revaluation of stocks and other securities of ¥15,243 million.

2. The following Losses on Impairment of Fixed Assets were recognized in the fiscal year.

(Millions of Yen)

Purpose of Use	Type	Area	Impairment Losses
Operating assets	Land and Buildings	Tokyo, others	4,520
Idle assets	Land and Buildings	Akita prf	29

As for operating assets, the Bank aggregates the head office and all branches as one unit, taking into consideration mutually complementary relationship of the cash flows. Idle assets (including assets held for sale) were assessed individually by asset.

For the operating assets and idle assets held for sale upon closure of branches, the Bank reduced the book values to their recoverable amounts and recognized the relevant losses as Losses on Impairment of Fixed Assets, which were included in Extraordinary Losses in the fiscal year.

The recoverable amounts are the net realizable value, which is calculated based on the appraisal value and other.

For the consolidated subsidiaries, assets of each individual subsidiary are grouped as one unit. Consolidated subsidiaries record impairment losses of ¥39 millions on fixed assets.

(Note to Consolidated Statement of Comprehensive Income)

Reclassification adjustments and income tax effects on the Other Comprehensive Income for the fiscal year ended March 31, 2012

Net Unrealized Gains (Losses) on Other Securities, net of taxes:	
Gains (Losses) arising during the fiscal year	¥740, 113million
Reclassification adjustments to profit or loss	¥107,189million
Amounts before income tax effects	¥847,303million
Income tax effects	¥(251,548)million
Total	¥595,754million
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes:	
Gains (Losses) arising during the fiscal year	¥(177,707)million
Reclassification adjustments to profit or loss	¥82,443million
Amounts before income tax effects	¥(95,263)million
Income tax effects	¥27,711million
Total	¥(67,551)million
Revaluation Reserve for Land, net of taxes:	
Gains (Losses) arising during the fiscal year	¥－million
Reclassification adjustments to profit or loss	¥－million
Amounts before income tax effects	¥－million
Income tax effects	¥1,609million
Total	¥1,609million
Foreign Currency Transaction Adjustments:	
Gains (Losses) arising during the fiscal year	¥(1)million
Reclassification Adjustments to profit or loss	¥－million
Amounts before income tax effects	¥(1)million
Income tax effects	¥－million

Total	¥(1)million
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:	
Gains (Losses) during the fiscal year	¥(31)million
Reclassification Adjustments to profit or loss	¥142million
Total	¥110million
Total Other Comprehensive Income	¥529,922million

(Notes to Consolidated Statement of Cash Flows)

1. The reconciliation of Cash and Due from Banks in the consolidated balance sheet to "Cash and Cash Equivalents" at the end of the fiscal year is as follows:

Cash and Due from Banks	¥ 1,687,337 million
Less: Interest-bearing Due from Banks	¥(1,272,371)million
Cash and Cash Equivalents at the end of the fiscal year	¥414,965 million

2. The major assets and liabilities increased due to the business transfer

The major assets which increased due to the business transfer from Gunma Prefectural Credit Federations of Agricultural Cooperatives were Loans and Bills Discounted of ¥28,066 million and the major liabilities which increased were Deposits of ¥923,591 million.

(Financial Instruments)

1. Particulars of Financial Instruments

(1) Policy on Financial Instruments

The Bank is a financial institution which takes as its foundation the Japanese agricultural, forestry, and fisheries industry cooperatives. The Bank mainly raises procurement funds from its cooperative members' deposits (mainly 1 year), issuance of debentures (term 5 years), various financial markets, and invests these funds mainly in loans and securities. The Bank oversees the management of its securities based on the fundamental concept "globally diversified investment." In terms of geographical area, the Bank invests in Japan, the United States, Europe, and other regions. The Bank classifies its assets as bonds, equities, credit assets, and alternative investments, depending on the investment allocation. The Bank possesses various financial assets and liabilities, and its integrated risk management framework is conducted in concert with its financial management framework (asset and liability management ("ALM"), market portfolio management, credit portfolio management and others). In addition, these include derivative instruments. It is also important to note that in the management of foreign currency assets, the Bank takes steps to limit the foreign exchange rate risk in most of these investments by employing various tools, such as cross-currency swaps.

Some of the Bank's consolidated subsidiaries conduct banking business, mortgage loan business and other business.

(2) Contents and Risk of Financial Instruments

The main financial assets of the Bank and its consolidated subsidiaries consist of Loans and Bills Discounted, Securities and Money Held in Trust.

Loans and Bills Discounted are exposed to credit risk. Securities and Money Held in Trust mainly consist of bonds, equities, credit and alternative assets, which are held for held-to-maturity, available for sale, and trading purpose.

These securities are exposed to the market risk arising from interest rates, currency exchange rates and price fluctuation s, as well as the credit risk and liquidity risk.

The main financial liabilities of the Bank consist of Deposits from members, Debentures, Borrowed Money, Call Money and Payables under Repurchase Agreements. These financial liabilities are exposed to market risk arising from interest rates and currency exchange rates. Procurement fund from the financial markets is exposed to liquidity risk arising from market crashes and other forms of liquidity risk.

Derivative instruments include the transactions accounted for as hedge transactions, as part of our ALM. A portion of interest-related derivative instruments and currency-related derivative instruments are not accounted for as hedge transactions, and are exposed to the market risk arising from interest rates and currency exchange rates.

Ref: Significant Accounting Policies (12) Hedge Accounting for hedge item and hedge instruments related to hedge accounting, hedge policy and hedge effectiveness

(3) Risk Management for Financial Instruments

a. Integrated Risk Management

The Bank has established its "Basic Policies for Risk Management", which specifies a core risk management framework that quantifies and manages the Bank's risk comprehensively in comparison with its capital, the Bank's financial strength. To implement integrated risk management, the Bank has established the Integrated Risk Management Committee. The Committee also ensures that the total amount of risk undertaken is kept within the Bank's financial strength. The Bank has also established a number of committees which are categorized according to the type of risk they handle, e.g. the Market Portfolio Management Committee (market risk, liquidity risk), the Credit Portfolio Management Committee (credit risk), and Other, to enable the top management to discuss risk management policies, including planned risk-taking. The framework also requires the integrated risk management situation to be regularly reported to the Board of Directors.

The Bank's consolidated subsidiaries have managed to align each risk management framework in accordance with the Bank's "Management and Operation Policy for Group Companies", taking account of the Bank's "Basic Policies for Risk Management" as well as the nature of its own business activities and the risk profile.

b. Credit Risk Management

The Bank has established its "Policies and Procedures for Credit Risk Management" and other rules for credit risk, and manages to align the credit risk management framework with the Bank's internal rating, credit risk analysis, credit ceiling, credit management and others.

As for the credit risk assets, which consist of loans and various products for the item, area and business, the Bank comprehensively manages credit risk on an entire credit portfolio basis as well as individual credit basis for whole credit risk assets.

The Bank's credit risk management framework is comprised of several committees (Including the Integrated Risk Management Committee, the Credit Portfolio Management Committee and other committees), which determine the credit risk management framework as well as credit investment policy. Front sections execute loan transactions and credit investments in accordance with the credit policy and within the credit limits approved by the committees. Middle sections, which are segregated from the front sections, monitor changes in the credit risk portfolio and report them to the committees. Those reports are used for upgrading the risk management framework and for future credit investment planning.

The Bank performs specialized analysis for all outstanding credit according to borrower type, such as cooperatives, corporates, public entities, financial institutions, overseas borrowers and securitized products.

The Internal Audit Division periodically oversees and audits credit risk management, and reports to the Board of Directors.

To mitigate credit over-concentration risk, the Bank has established credit ceiling systems. Total credit exposure for each ceiling category is monitored on a regular basis and controlled to avoid any over-concentration on credit exposure.

c. Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and align its market risk management framework with other relevant frameworks, policies and procedures. Specifically, the risk balance of the market portfolio is managed by analyzing and understanding market portfolio conditions based on the degree of market risk measured by the middle sections, including the amount of aggregate risk, risk indicators such as Value at Risk (VaR) and Basis Point Value, and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook for economic and financial conditions supported by research into macro-economic factors and the financial markets, simulations of earnings, unrealized gains and losses of the portfolio and the capital adequacy ratio. In principle, market risk measurements cover all financial assets and liabilities in the Bank's portfolio and make use of the Internal Model for the calculation of VaR. Through the investment execution process, the Bank ensures the segregation of duties among divisions in charge for decisions (planning) on allocation policy, execution of individual transactions, and monitoring of risk positions. The Market Portfolio Management Committee sets market portfolio allocation policy, the front sections execute the transactions in accordance with allocation policy, and the middle sections conduct monitoring. From a risk management perspective, the front sections executing trades for the trading accounts are explicitly separated from the front sections executing trades for the banking accounts. Targets for profits, and position and loss limits are revised semi-annually. Progress in achieving profit targets within approved limits is monitored on a daily basis. When positions or losses exceed approved limits, the middle sections alert the front sections to take appropriate action, which includes preparing corrective measures, reducing trading volumes, or suspending trading altogether.

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2012, the end of fiscal 2011, summed up to ¥24 million in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back test for the fiscal year 2011 actual results, the Bank had only one exception where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank and its consolidated subsidiaries from the banking operations totaled ¥2,278,254 million as of March 31, 2012, the end of fiscal 2011, under the historical simulation method with holding period of 1 year, a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts midto long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured using the historical simulation method VaR as mentioned above.

The Bank also performs a back testing to compare the model-measured VaR with the actual profits and losses. VaR, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover risks in extremely volatile market conditions.

d. Liquidity Risk Management

The Bank manages liquidity risk in accordance with its "Policies and Procedures for Liquidity Risk Management". Considering the profiles of the Bank's ALM together with the relatively less liquid assets that it holds, the Bank takes initiatives to diversify and enhance the varieties of funding instruments, placing an emphasis on the stability of cash flows. Cash flow management is conducted on an aggregate basis by the head office, for each currency, funding instrument and funding operation center. The cash flow management plan is approved by the Market Portfolio Management Committee.

(4) Supplementary Explanations for the Fair Value of Financial Instruments and Other Items

The fair value of financial instruments is based on the quoted market price or a reasonably estimated amount, if the quoted market price is not available. As the reasonably estimated amounts are calculated based on certain assumptions, these estimates could be significantly affected by different assumptions.

2. Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Consolidated Balance Sheet Amount", "Fair Value" and "Difference" as of March 31, 2012 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	14,738,276		
Reserve for Possible Loan Losses(※1)	(175,093)		
	14,563,183	14,606,572	43,389
(2) Securities			
Held-to-Maturity Debt Securities	15,819,186	16,150,261	331,074
Other Securities	29,201,854	29,201,854	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	25,546	25,546	—
Other Money Held in Trust	6,999,992	7,013,133	13,140
(4) Trading Assets(※2)			
Trading Securities	21,425	21,425	—
(5) Monetary Claims Bought(※1)	221,643	221,657	14
(6) Call Loans and Bills Bought	832,440	832,440	—
(7) Cash and Due from Banks	1,687,337	1,687,337	—
Total Assets	69,372,610	69,760,229	387,618
(1) Deposits	43,550,349	43,550,422	72
(2) Negotiable Certificates of Deposit	1,882,426	1,882,426	—
(3) Debentures	5,117,872	5,170,488	52,616
(4) Borrowed Money	1,814,807	1,814,807	—
(5) Call Money and Bills Sold	524,922	524,922	—
(6) Payables under Repurchase Agreements	7,800,406	7,800,406	—
(7) Short-term Entrusted Funds	4,351,710	4,351,710	—
Total Liabilities	65,042,494	65,095,183	52,688
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	1,562	1,562	—
Transactions Accounted for as Hedge Transactions	(660,160)	(660,160)	—
Total Derivative Instruments	(658,598)	(658,598)	—

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

(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 and Others(※1)(※2)	224,684
Bonds(※2) (※3)	96,295
Investments in Partnership and Others (※4)	281,265
Total	602,245

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

2 The amount of revaluation losses for the fiscal year was ¥524 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 ¥42,499 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".

(Note 3) The redemption schedule of money claims and securities with stated maturities after the consolidated balance sheet date is as follows:

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Loans and Bills Discounted(※1)	11,378,860	2,304,301	363,465	300,449	93,928	98,719
Securities						
Held-to-Maturity Debt Securities	2,159,050	2,987,946	2,120,237	2,358,936	5,779,668	480,794
Other Securities held that have Maturity	8,096,709	4,925,885	1,694,201	867,925	2,904,769	1,473,886
Monetary Claims Bought	13,661	7,703	16,357	—	4,000	184,724
Call Loans and Bills Bought	832,440	—	—	—	—	—
Due from Banks(※2)	1,550,737	—	—	—	—	—
Total	24,031,459	10,225,836	4,194,261	3,527,311	8,782,366	2,238,124

(※) 1 Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥198,551 million within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

2 Demand deposits within Due from Banks are included in the entry for "1 Year or Less".

(Note 4) The redemption schedule of Borrowed Money and other Interest-bearing liabilities after the consolidated balance sheet date is as follows:

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits(※1)	43,516,029	30,701	3,619	—	—	—
Negotiable Certificates of Deposit	1,882,426	—	—	—	—	—
Debentures	1,280,873	2,166,794	1,670,198	5	—	—
Borrowed Money (※2)	328,800	—	—	—	—	1,486,007
Call Money and Bills Sold	524,922	—	—	—	—	—
Payables under Repurchase Agreements	7,800,406	—	—	—	—	—
Short-term Entrusted Funds	4,351,710	—	—	—	—	—
Total	59,685,168	2,197,495	1,673,817	5	—	1,486,007

(※) 1 Demand deposits within Deposits are included in the entry for "1Year or Less".

2 Permanent subordination borrowing within Borrowed Money are included in the entry for "Over 10 Years".

(Securities)

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

1. Trading Securities (as of March 31, 2012)

(Millions of Yen)

	Unrealized Gain Recognized as Income
Trading Securities	20

2. Held-to-Maturity Debt Securities (as of March 31, 2012)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	7,572,633	7,794,668	222,035
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	6,824,875	6,955,238	130,362
	Sub total	14,397,509	14,749,907	352,398
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,435,547	1,414,237	(21,310)
	Sub total	1,435,547	1,414,237	(21,310)
Total		15,833,056	16,164,144	331,088

3. Other Securities (as of March 31, 2012)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	253,885	169,963	83,922
	Bonds	3,771,111	3,713,486	57,624
	Japanese Government Bonds	3,760,604	3,703,059	57,544
	Municipal Government Bonds	1,682	1,635	46
	Corporate Bonds	8,824	8,790	33
	Other	14,635,563	14,002,992	632,571
	Sub total	18,660,561	17,886,442	774,118
Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	77,631	90,341	(12,709)
	Bonds	6,296,826	6,298,518	(1,692)
	Japanese Government Bonds	6,207,771	6,208,411	(640)
	Municipal Government Bonds	191	192	(0)
	Corporate Bonds	88,863	89,914	(1,051)
	Other	4,388,636	4,938,986	(550,349)
	Sub total	10,763,095	11,327,846	(564,751)
Total		29,423,656	29,214,289	209,367

4. Held-to-Maturity Debt Securities Sold during the fiscal year ended March 31, 2012

The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities.

5. Other Securities Sold during the fiscal year ended March 31, 2012

(Millions of Yen)

	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	26,313	3,847	21,198
Bonds	203,351	3,506	—
Japanese Government Bonds	203,351	3,506	—
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	569,589	29,740	23,851
Total	799,254	37,094	45,050

6. 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 fiscal year ended March 31, 2012 ("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 fiscal year was ¥18,906 million (including ¥1,655 million on Stocks, ¥1,066 million on Bonds (Corporate Bonds) and ¥16,185 million on Other).

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

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

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

(Money Held in Trust)

1. Money Held in Trust for Trading Purpose (as of March 31, 2012)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purpose	25,546	557

2. Held-to-Maturity Money Held in Trust (as of March 31, 2012)

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

3. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of March 31, 2012)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	7,002,051	6,721,400	280,650	287,011	6,361

(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 fiscal year was ¥428.80 (Minority Interests, the residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks, the total dividends on Lower Dividend Rate Stocks and Preferred Stocks, and the total Special Dividends 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 ¥14.54 (The total dividends for Lower Dividend Rate Stocks and Preferred Stocks and the total Special Dividends are deducted from the numerator, the aggregate number of Lower Dividend

Rate Stock and Preferred Stock is deducted from the denominator respectively in the calculation of Net Income per Share.)

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2010 (As of March 31, 2011)	Fiscal 2011 (As of March 31, 2012)
(Assets)		
Loans and Bills Discounted	**14,002,397**	**14,655,723**
Loans on Deeds	12,401,951	12,984,583
Loans on Bills	143,204	232,534
Overdrafts	1,451,653	1,433,208
Bills Discounted	5,587	5,397
Foreign Exchange Assets	**309,746**	**44,797**
Due from Foreign Banks	309,746	44,797
Securities	**43,070,056**	**45,655,404**
Japanese Government Bonds	15,252,138	17,521,653
Municipal Government Bonds	1,489	1,874
Corporate Bonds	104,505	97,844
Stocks	553,288	555,362
Other Securities	27,158,633	27,478,669
Money Held in Trust	**7,751,046**	**7,026,907**
Trading Assets	**19,377**	**32,658**
Trading Securities	7,206	21,425
Derivatives of Trading Securities	-	1
Trading-related Financial Derivatives	12,170	11,231
Monetary Claims Bought	**292,406**	**222,980**
Call Loans	**1,300,000**	**832,440**
Receivables under Resale Agreements	**-**	**44,987**
Receivables under Securities Borrowing Transactions	**232,694**	**492,481**
Cash and Due from Banks	**1,828,040**	**1,672,889**
Cash	103,715	136,592
Due from Banks	1,724,325	1,536,296
Other Assets	**367,682**	**968,159**
Domestic Exchange Settlement Account, Debit	26	126
Prepaid Expenses	602	367
Accrued Income	117,881	103,051
Initial Margins of Future Markets	1,631	1,949
Valuation Margins of Future Markets	14	22
Derivatives Other Than for Trading	49,256	40,073
Cash Collateral under Financial Derivative Transactions	953	759,895
Others	197,316	62,673
Tangible Fixed Assets	**128,783**	**116,866**
Buildings	39,563	34,513
Land	66,622	62,150
Lease Assets	14,354	13,074
Construction in Progress	201	602
Other Tangible Fixed Assets	8,041	6,525
Intangible Fixed Assets	**51,612**	**42,133**
Software	47,292	37,353
Lease Assets	3,692	3,231
Other Intangible Fixed Assets	627	1,548
Deferred Tax Assets	**132,456**	-
Customers' Liabilities for Acceptances and Guarantees	**336,442**	**140,502**
Reserve for Possible Loan Losses	**(261,701)**	**(221,671)**
Reserve for Possible Investment Losses	**(9,072)**	**(8,065)**
Total Assets	**69,551,969**	**71,719,196**

(Millions of Yen)

	Fiscal 2010 (As of March 31, 2011)	Fiscal 2011 (As of March 31, 2012)
(Liabilities)		
Deposits	**40,957,047**	**43,563,186**
Time Deposits	34,496,948	36,684,700
Deposits at Notice	52,668	84,318
Ordinary Deposits	994,401	1,073,185
Current Deposits	106,958	134,811
Other Deposits	5,306,071	5,586,170
Negotiable Certificates of Deposit	**768,118**	**1,882,426**
Debentures	**5,421,664**	**5,125,655**
Debentures Issued	5,421,664	5,125,655
Trading Liabilities	**11,724**	**10,595**
Derivatives of Trading Securities	12	-
Derivatives of Securities Related to Trading Transactions	0	13
Trading-related Financial Derivatives	11,710	10,581
Borrowed Money	**2,075,605**	**1,819,807**
Borrowings	2,075,605	1,819,807
Call Money	**473,664**	**524,922**
Payables under Repurchase Agreements	**8,523,065**	**7,800,406**
Payables under Securities Lending Transactions	**833,229**	**10,654**
Foreign Exchange Liabilities	**0**	**10**
Foreign Bills Payable	0	10
Short-term Entrusted Funds	**4,397,280**	**4,351,710**
Other Liabilities	**1,480,545**	**1,550,927**
Domestic Exchange Settlement Account, Credit	132	123
Accrued Expenses	66,573	54,622
Income Taxes Payable	92	99
Unearned Income	1,286	1,098
Employees' Deposits	7,982	8,135
Derivatives Other Than for Trading	193,667	698,326
Lease Liabilities	19,535	17,456
Others	1,191,275	771,064
Reserve for Bonus Payments	**3,597**	**5,129**
Reserve for Retirement Benefits	**2,776**	**4,945**
Reserve for Directors' Retirement Benefits	**748**	**704**
Deferred Tax Liabilities	-	**94,249**
Deferred Tax Liabilities for Land Revaluation	**16,041**	**12,932**
Acceptances and Guarantees	**336,442**	**140,502**
Total Liabilities	**65,301,553**	**66,898,765**
(Net Assets)		
Paid-in Capital	**3,425,909**	**3,425,909**
Common Stock	3,400,909	3,400,909
(including Lower Dividend Rate Stock)	2,975,192	2,975,192
Preferred Stock	24,999	24,999
Capital Surplus	**25,020**	**25,020**
Capital Surplus Reserve	24,999	24,999
Other Capital Surplus	20	20
Reserve for Revaluation	20	20
Retained Earnings	**968,106**	**1,011,806**
Legal Reserves	438,166	468,166
Voluntary Reserves	529,940	543,640
Special Reserves	6,100	36,100
General Reserves	349,403	379,403
Reserves for Tax Basis Adjustments of Fixed Assets	6,426	7,968
Others	7	7
Unappropriated Retained Earnings	168,003	120,161
Net Income	144,303	61,641
Total Owners' Equity	**4,419,036**	**4,462,736**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	**(222,078)**	**373,612**
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	**26,790**	**(40,760)**
Revaluation Reserve for Land, net of taxes	**26,666**	**24,841**
Total Valuation and Translation Adjustments	**(168,620)**	**357,693**
Total Net Assets	**4,250,415**	**4,820,430**
Total Liabilities and Net Assets	**69,551,969**	**71,719,196**

Non-consolidated Statements of Operations

(Millions of Yen)

	Fiscal 2010 (Year ended March 31, 2011)	Fiscal 2011 (Year ended March 31, 2012)
Ordinary Income	**1,071,069**	**933,145**
Interest Income	660,629	594,671
Interest on Loans and Bills Discounted	85,855	81,856
Interest and Dividends on Securities	562,214	496,906
Interest on Call Loans	2,440	1,668
Interest on Receivables under Resale Agreements	104	7
Interest on Receivables under Securities Borrowing Transactions	927	540
Interest on Due from Banks	2,469	5,384
Interest on Interest Rate Swap	3,269	-
Other Interest Income	3,348	8,307
Fees and Commissions	14,780	12,693
Exchange Fees	1,007	1,344
Other Commissions Receivable	13,773	11,348
Trading Income	194	753
Income from Trading Securities and Derivatives	-	590
Income from Securities and Derivatives Related to Trading Transactions	-	9
Income from Trading-related Financial Derivatives	194	154
Other Operating Income	162,768	84,785
Gains on Sales of Bonds	69,902	24,909
Gains on Redemption of Bonds	28,499	16,557
Gains on Financial Derivatives	21,276	-
Other Operating Income	43,090	43,318
Other Ordinary Income	232,695	240,241
Reversal of Reserve for Possible Loan Losses	-	8,746
Recoveries from Written-off Claims	-	2,899
Gains on Sales of Stocks and Other Securities	23,639	14,328
Gains on Money Held in Trust	205,097	211,377
Others	3,958	2,888
Ordinary Expenses	**953,762**	**864,709**
Interest Expenses	557,758	587,538
Interest on Deposits	53,365	41,706
Interest on Negotiable Certificates of Deposit	2,567	3,680
Interest on Debentures	67,706	59,183
Interest on Borrowed Money	92,957	85,891
Interest on Call Money	522	453
Interest on Payables under Repurchase Agreements	22,616	15,233
Interest on Payables under Securities Lending Transactions	156	8
Interest on Interest Rate Swap	-	61,826
Other Interest Expenses	317,865	319,553
Fees and Commissions	10,442	11,082
Exchange Fees	526	464
Other Commissions	9,916	10,617
Trading Expenses	160	-
Expenses on Trading Securities and Derivatives	65	-
Expenses on Securities and Derivatives Related to Trading Transactions	94	-
Other Operating Expenses	247,519	95,947
Amortization of Debenture Issuance Costs	471	466
Losses on Foreign Exchange Transactions	696	4,474
Losses on Sales of Bonds	178,810	28,908
Losses on Redemption of Bonds	4,593	136
Losses on Revaluation of Bonds	10,390	1,969
Expeses on Financial Derivatives	-	12,992
Other Operating Expenses	52,557	46,999
General and Administrative Expenses	102,992	112,054
Other Ordinary Expenses	34,889	58,086
Transfer to Reserve for Possible Investment Losses	2,960	-
Write-off of Loans	1,886	1,779
Losses on Sales of Stocks and Other Securities	120	21,201
Losses on Revaluation of Stocks and Other Securities	11,163	15,243
Losses on Money Held in Trust	6,001	11,794
Others	12,757	8,067
Ordinary Profits	**117,306**	**68,436**
Extraordinary Profits	**30,711**	**1,788**
Gains on Disposal of Fixed Assets	2,484	1,788
Reversal of Reserve for Possible Loan Losses	26,932	-
Recoveries from Written-off Claims	1,294	-
Extraordinary Losses	**9,570**	**5,988**
Losses on Disposal of Fixed Assets	494	1,439
Losses on Impairment of Fixed Assets	9,076	4,549
Income before Income Taxes	**138,448**	**64,236**
Income Taxes - Current	**322**	**1,203**
Income Taxes - Deferred	**(6,177)**	**1,391**
Total Income Taxes	**(5,855)**	**2,594**
Net Income	**144,303**	**61,641**
Unappropriated Retained Earnings Brought Forward	**18,397**	**55,085**
Transfer from Land Revaluation Reserve	**5,302**	**3,434**
Unappropriated Retained Earnings at the End of the Year	**168,003**	**120,161**

Notes to Non-Consolidated Financial Statements

Amounts less than one million yen are rounded down.

1. 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 fiscal year. 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 fiscal year, 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 fiscal year, 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. 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.

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.

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

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

b. 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.

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) Issuance Costs

All the debenture issuance costs are charged to income when incurred.

(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) Reserves

a. 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 ¥62,682 million for the fiscal year ended March 31, 2012.

b. 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.

c. Reserve for Bonus Payments

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

d. 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 fiscal year, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Others of 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.

e. 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 fiscal year.

(8) 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.

(9) 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 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.

There were no unamortized balance of deferred hedge losses and gains under the macro hedges, before deducting the tax effect, as of March 31, 2012.

b. Hedge of Foreign Exchange Rate Risk

The Bank applies the deferral method of hedge accounting to the hedge 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 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.

(10) Consumption Taxes

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

(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)* for accounting changes and corrections of prior period errors 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" are aggregated and presented in "Other Ordinary Income" from the fiscal year 2011. No retroactive adoption, however, was made for the previous fiscal year.

(Notes to Non-consolidated Balance Sheet)

1. Investments in Subsidiaries and Affiliates ¥149,090 million

2. Other Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥129,823 million as of March 31, 2012.

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 ¥50,151 million and securities held without re-pledge of ¥1,361,956 million as of March 31, 2012, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥872 million and delinquent loans of ¥187,310 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 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 ¥—.

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 ¥69,326 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 ¥257,509 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 ¥5,397 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥7,821,553 million
Securities	¥10,617,645 million

Liabilities related to the above pledged assets are as follows:

Borrowed Money	¥283,800 million
Call Money	¥455,000 million
Payables under Repurchase Agreements	¥7,755,429 million
Payables under Securities Lending Transactions	¥4,633 million

In addition, Securities (including transactions of Money Held in Trust) of ¥7,198,049 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Guarantee deposits of ¥5,756 million were included in Others of 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 ¥2,892,583 million as of March 31, 2012. The amount, which the Bank could cancel at any time without penalty, was ¥2,077,393 million as of March 31, 2012.

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 ¥102,599 million

12. Accumulated Losses on Impairment of Tangible Fixed Assets ¥24,840 million

13. Accumulated Amount of Tax Basis Adjustments Deducted from Tangible Fixed Assets ¥6,179 million

14. 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.

15. 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 ¥4,807 million.

16. In addition to the fixed assets recorded on the non-consolidated balance sheet, some computers, network system equipments, and automobiles are being used under finance leases where the ownership of assets is not transferred to the lessee.

17. Total Receivables Due from Subsidiaries and Affiliates ¥258,044 million

18. Total Payable Due to Subsidiaries and Affiliates ¥106,559 million

19. The Bank holds no surplus defined in Article 109-1 of the Norinchukin Bank Law.

(Notes to Non-consolidated Statements of Operations)

1. Income and Expenses related to the transactions with subsidiaries and affiliates

(Millions of Yen)

	Total Income	Total Expenses
Interest Income／Expenses	2,535	5,160
Fees and Commissions	393	1,830
Other Operating and Other Ordinary Income／Expenses	387	23,172
Other	―	―

2. The following Losses on Impairment of Fixed Assets were recognized in the fiscal year.

(Millions of Yen)

Purpose of Use	Type	Area	Impairment Losses
Operating assets	Land and Buildings	Tokyo, others	4,520
Idle assets	Land and Buildings	Akita prf	29

As for operating assets, the Bank aggregates the head office and all branches as one unit, taking into consideration mutually complementary relationship of the cash flows. Idle assets (including assets held for sale) were assessed individually by asset.

For the operating assets and idle assets held for sale upon closure of branches, the Bank reduced the book values to their recoverable amounts and recognized the relevant losses as Losses on Impairment of Fixed Assets, which were included in Extraordinary Losses in the fiscal year.

The recoverable amounts are the net realizable value, which is calculated based on the appraisal value and other.

(Financial Instruments)

1. Particulars of Financial Instruments

(1) Policy on Financial Instruments

The Bank is a financial institution which takes as its foundation the Japanese agricultural, forestry, and fisheries industry cooperatives. The Bank mainly raises procurement funds from its cooperative members' deposits (mainly 1 year), issuance of debentures (term 5 years), various financial markets, and invests these funds mainly in loans and securities. The Bank oversees the management of its securities based on the fundamental concept "globally diversified investment." In terms of geographical area, the Bank invests in Japan, the United States, Europe, and other regions. The Bank classifies its assets as bonds, equities, credit assets, and alternative investments, depending on the investment allocation. The Bank possesses various financial assets and liabilities, and its integrated risk management framework is conducted in concert with its financial management framework (asset and liability management ("ALM"), market portfolio management, credit portfolio management and others). In addition, these include derivative instruments. It is also important to note that in the management of foreign currency assets, the Bank takes steps to limit the foreign exchange rate risk in most of these investments by employing various tools, such as cross-currency swaps.

(2) Contents and Risk of Financial Instruments

The main financial assets of the Bank consist of Loans and Bills Discounted, Securities and Money Held in Trust.

Loans and Bills Discounted are exposed to credit risk. Securities and Money Held in Trust mainly consist of bonds, equities, credit and alternative assets, which are held for held-to maturity, available for sale, and trading purpose. These securities are exposed to the market risk arising from interest rates, currency exchange rates and price fluctuation s, as well as the credit risk and liquidity risk.

The main financial liabilities of the Bank consist of Deposits from members, Debentures, Borrowed Money, Call Money and Payables under Repurchase Agreements. These financial liabilities are exposed to market risk arising from interest rates and currency exchange rates. Procurement fund from the financial markets is exposed to liquidity risk arising from market crashes and other forms of liquidity risk.

Derivative instruments include the transactions accounted for as hedge transactions, as part of our ALM. A portion of interest-related derivative instruments and currency-related derivative instruments are not accounted for as hedge transactions, and are exposed to the market risk arising from interest rates and currency exchange rates.

Ref: Significant Accounting Policies (9) Hedge Accounting for hedge item and hedge instruments related to hedge accounting, hedge policy and hedge effectiveness

(3) Risk Management for Financial Instruments

a. Integrated Risk Management

The Bank has established its "Basic Policies for Risk Management", which specifies a core risk management framework that quantifies and manages the Bank's risk comprehensively in comparison with its capital, the Bank's financial strength. To implement integrated risk management, the Bank has established the Integrated Risk Management Committee. The Committee also ensures that the total amount of risk undertaken is kept within the Bank's financial strength. The Bank has also established a number of committees which are categorized according to the type of risk they handle, e.g. the Market Portfolio Management Committee (market risk, liquidity risk), the Credit Portfolio Management Committee (credit risk), and Other, to enable the top management to discuss risk management policies, including planned risk-taking. The framework also requires the integrated risk management situation to be regularly reported to the Board of Directors.

b. Credit Risk Management

The Bank has established its "Policies and Procedures for Credit Risk Management" and other rules for credit risk, and manages to align the credit risk management framework with the Bank's internal rating, credit risk analysis, credit ceiling, credit management and others.

As for the credit risk assets, which consist of loans and various products for the item, area and business, the Bank comprehensively manages credit risk on an entire credit portfolio basis as well as an individual credit basis for whole credit risk assets.

The Bank's credit risk management framework is comprised of several committees (Including the Integrated Risk Management Committee, the Credit Portfolio Management Committee and other committees), which determine the credit risk management framework as well as credit investment policy. Front sections execute loan transactions and credit investments in accordance with the credit policy and within the credit limits approved by the committees. Middle sections, which are segregated from the front sections, monitor changes in the credit risk portfolio and report them to the committees. Those reports are used for upgrading the risk management framework and for future credit investment planning.

The Bank performs specialized analysis for all outstanding credit according to borrower type, such as cooperatives, corporates, public entities, financial institutions, overseas borrowers and securitized products.

The Internal Audit Division periodically oversees and audits credit risk management, and reports to the Board of Directors.

To mitigate credit over-concentration risk, the Bank has established credit ceiling systems. Total credit exposure for each ceiling category is monitored on a regular basis and controlled to avoid any over-concentration on credit exposure.

c. Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and align its market risk management framework with other relevant frameworks, policies and procedures. Specifically, the risk balance of the market portfolio is managed by analyzing and understanding market portfolio conditions based on the degree of market risk measured by the middle sections, including the amount of aggregate risk, risk indicators such as Value at Risk (VaR) and Basis Point Value, and correlation among asset classes. The Bank also analyzes and takes into account its financial position, based on the outlook for economic and financial conditions supported by research into macro-economic factors and the financial markets, simulations of earnings, unrealized gains and losses of the portfolio and the capital adequacy ratio. In principle, market risk measurements cover all financial assets and liabilities in the Bank's portfolio and make use of the Internal Model for the calculation of VaR. Through the investment execution process, the Bank ensures the segregation of duties among divisions in charge for decisions (planning) on allocation policy, execution of individual transactions, and monitoring of risk positions. The Market Portfolio Management Committee sets market portfolio allocation policy, the front sections execute the transactions in accordance with allocation policy, and the middle sections conduct monitoring. From a risk management perspective, the front sections executing trades for the trading accounts are explicitly separated from the front sections executing trades for the banking accounts. Targets for profits, and position and loss limits are revised semi-annually. Progress in achieving profit targets within approved limits is monitored on a daily basis. When positions or losses exceed approved limits, the middle sections alert the front sections to take appropriate action, which includes preparing corrective measures, reducing trading volumes, or suspending trading altogether.

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2012, the end of fiscal 2011, summed up to ¥24 million in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back test for the fiscal year 2011 actual results, the Bank had only one exception where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,276,637 million as of March 31, 2012, the end of fiscal 2011, under the historical simulation method with holding period of 1 year , a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid- to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured using the historical simulation method VaR as mentioned above.

The Bank also performs a back testing to compare the model-measured VaR with the actual profits and losses. VaR, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover risks in extremely volatile market conditions.

d. Liquidity Risk Management

The Bank manages liquidity risk in accordance with its "Policies and Procedures for Liquidity Risk Management". Considering the profiles of the Bank's ALM together with the relatively less liquid assets that it holds, the Bank takes initiatives to diversify and enhance the varieties of funding instruments, placing an emphasis on the stability of cash flows. Cash flow management is conducted on an aggregate basis by the head office, for each currency, funding instrument and funding operation center. The cash flow management plan is approved by the Market Portfolio Management Committee.

(4) Supplementary Explanations for the Fair Value of Financial Instruments and Other Items

The fair value of financial instruments is based on the quoted market price or a reasonably estimated amount, if the quoted market price is not available. As the reasonably estimated amounts are calculated based on certain assumptions, these estimates could be significantly affected by different assumptions.

2. Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Non-consolidated Balance Sheet Amount", "Fair Value" and "Difference" as of March 31, 2012 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	14,655,723		
Reserve for Possible Loan Losses(※1)	(169,804)		
	14,485,919	14,513,321	27,402
(2) Securities			
Held-to-Maturity Debt Securities	15,815,179	16,146,223	331,043
Other Securities	29,183,595	29,183,595	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	25,546	25,546	—
Other Money Held in Trust	6,999,306	7,012,442	13,136
(4) Trading Assets(※2)			
Trading Securities	21,425	21,425	—
(5) Monetary Claims Bought(※1)	221,643	221,657	14
(6) Call Loans	832,440	832,440	—
(7) Cash and Due from Banks	1,672,889	1,672,889	—
Total Assets	69,257,946	69,629,542	371,596
(1) Deposits	43,563,186	43,563,258	72
(2) Negotiable Certificates of Deposit	1,882,426	1,882,426	—
(3) Debentures	5,125,655	5,178,338	52,683
(4) Borrowed Money	1,819,807	1,819,807	—
(5) Call Money	524,922	524,922	—
(6) Payables under Repurchase Agreements	7,800,406	7,800,406	—
(7) Short-term Entrusted Funds	4,351,710	4,351,710	—
Total Liabilities	65,068,114	65,120,870	52,756
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	1,562	1,562	—
Transactions Accounted for as Hedge Transactions	(660,160)	(660,160)	—
Total Derivative Instruments	(658,598)	(658,598)	—

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

(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 and Others (※1)(※2)	275,891
Bonds(※3)	96,295
Investments in Partnership and Others (※4)	281,265
Total	653,452

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

2 The amount of revaluation losses for the fiscal year was ¥524 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 ¥42,499 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".

(Note 3) The redemption schedule of money claims and securities with stated maturities after the non-consolidated balance sheet date is as follows:

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Loans and Bills Discounted(※1)	11,465,170	2,289,085	348,214	285,443	72,058	7,472
Securities						
Held-to-Maturity Debt Securities	2,157,050	2,985,946	2,120,237	2,358,936	5,779,668	480,794
Other Securities held that have Maturity	8,094,709	4,918,811	1,686,131	867,925	2,904,759	1,473,886
Monetary Claims Bought	13,661	7,703	16,357	—	4,000	184,724
Call Loans	832,440	—	—	—	—	—
Due from Banks(※2)	1,536,296	—	—	—	—	—
Total	24,099,329	10,201,546	4,170,940	3,512,305	8,760,486	2,146,878

(※) 1 Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥188,279 million within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

2 Demand deposits within Due from Banks are included in the entry for "1 Year or Less".

(Note 4) The redemption schedule of Borrowed Money and other Interest-bearing liabilities after the non-consolidated balance sheet date is as follows:

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits(※1)	43,528,866	30,701	3,619	—	—	—
Negotiable Certificates of Deposit	1,882,426	—	—	—	—	—
Debentures	1,281,899	2,169,550	1,674,199	5	—	—
Borrowed Money (※2)	283,800	—	—	—	50,000	1,486,007
Call Money	524,922	—	—	—	—	—
Payables under Repurchase Agreements	7,800,406	—	—	—	—	—
Short-term Entrusted Funds	4,351,710	—	—	—	—	—
Total	59,654,031	2,200,251	1,677,818	5	50,000	1,486,007

(※) 1 Demand deposits within Deposits are included in the entry for "1 Year or Less".

2 Permanent subordination borrowing within Borrowed Money are included in the entry for "Over 10 Years".

(Securities)

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

1. Trading Securities (as of March 31, 2012)

(Millions of Yen)

	Unrealized Gain Recognized as Income
Trading Securities	20

2. Held-to-Maturity Debt Securities (as of March 31, 2012)

(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	7,568,626	7,790,630	222,004
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	6,824,875	6,955,238	130,362
	Sub total	14,393,501	14,745,868	352,366
Transactions for Fair Value not exceeded Non-consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,435,547	1,414,237	(21,310)
	Sub total	1,435,547	1,414,237	(21,310)
Total		15,829,049	16,160,105	331,056

3. Stock of subsidiaries and Affiliates (as of March 31, 2012)

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	45,181
Stocks of Affiliates	103,908
Total	149,090

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.

4. Other Securities (as of March 31, 2012)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	253,885	169,953	83,932
	Bonds	3,755,763	3,698,296	57,466
	Japanese Government Bonds	3,745,256	3,687,869	57,386
	Municipal Government Bonds	1,682	1,635	46
	Corporate Bonds	8,824	8,790	33
	Other	14,635,329	14,002,786	632,543
	Sub total	18,644,978	17,871,035	773,943
Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	77,631	90,352	(12,721)
	Bonds	6,296,826	6,298,518	(1,692)
	Japanese Government Bonds	6,207,771	6,208,411	(640)
	Municipal Government Bonds	191	192	(0)
	Corporate Bonds	88,863	89,914	(1,051)
	Other	4,385,960	4,936,222	(550,261)
	Sub total	10,760,418	11,325,093	(564,675)
Total		29,405,397	29,196,129	209,267

5. Held-to-Maturity Debt Securities Sold during the fiscal year ended March 31, 2012

The Bank sold no held-to-maturity debt securities.

6. Other Securities Sold during the fiscal year ended March 31, 2012

(Millions of Yen)

	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	26,225	3,834	21,198
Bonds	202,816	3,496	—
Japanese Government Bonds	202,816	3,496	—
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	569,589	29,740	23,851
Total	798,630	37,071	45,050

7. 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 fiscal year ended March 31, 2012 ("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 fiscal year was ¥18,906 million (including ¥1,655 million on Stocks, ¥1,066 million on Bonds (Corporate Bonds) and ¥16,185 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. Money Held in Trust for Trading Purpose (as of March 31, 2012)

(Millions of Yen)

	Non-consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purpose	25,546	557

2. Held-to-Maturity Money Held in Trust (as of March 31, 2012)

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

3. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of March 31, 2012)

(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	7,001,360	6,720,710	280,650	287,011	6,361

(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 March 31, 2012 were as follows:

Deferred Tax Assets	
Reserve for Possible Loan Losses	¥49,618 million
Write-off of Loans	¥9,528 million
Losses on Revaluation of Securities	¥95,451 million
Reserve for Employees' Retirement Benefits	¥8,600 million
Depreciation of Fixed Assets	¥439 million
Net Operating Losses Carried Forward	¥6,851 million
Deferred Losses on Hedging Instruments	¥22,983 million
Unrealized Losses on Reclassification	¥42,394 million
Others	¥64,249 million
Subtotal	¥300,116 million
Valuation Allowance	¥(165,867)million
Total Deferred Tax Assets	¥134,248 million
Deferred Tax Liabilities	
Gain from Contribution of Securities to Employee Retirement Benefit Trust	¥(4,959)million
Net Unrealized Gains on Other Securities	¥(126,368) million
Deferred Gains on Hedging Instruments	¥(7,392)million
Unrealized Gains on Reclassification	¥(46,379)million
Others	¥(43,398)million
Total Deferred Tax Liabilities	¥(228,498)million
Net Deferred Tax Assets	¥(94,249) million

(Per share Information)

Net Assets per Share at the end of the fiscal year was ¥425.87 (The residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks, the total dividends on Lower Dividend Rate Stocks and Preferred Stocks, and the total Special Dividends 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 ¥12.45 (The total dividends for Lower Dividend Rate Stocks and Preferred Stocks and the total Special Dividends are deducted from the numerator, the aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator respectively in the calculation of Net Income per Share.)