November 22, 2012

Financial Statements for the First Half of Fiscal 2012

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 : Shinichiro Nakano, General Manager of Financial Planning & Control Division

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

1. Consolidated Financial Results for the First Half of Fiscal 2012 (for the period ended September 30, 2012)

(1) Consolidated Results of Operations

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

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2012	556,056	(10.0)	143,997	(9.0)	131,000	5.7
1H Fiscal 2011	617,803	6.9	158,306	52.0	123,940	49.3

(Note) Comprehensive Income for 1H Fiscal 2012 218,740 millions of Yen 26. 7% for 1H Fiscal 2011 172,651 millions of Yen (37. 0%)

(2) Consolidated Financial Conditions

*Consolidated BIS Capital Adequacy Ratio as of September 30, 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	%	%
1H Fiscal 2012	74,065,440	5,036,313	6.8	27.09
Fiscal 2011	72,262,884	4,838,957	6.7	24.67

(Ref) Net Assets － Minority Interests for 1H Fiscal 2012 5,030,197 millions of Yen for Fiscal 2011 4,832,971 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).

2. Notes

(1) Changes in Significant Subsidiaries during the Period
(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

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

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

(Note) As changes during the period correspond to changes in accounting policies which are difficult to distinguish from changes in accounting estimates, "Changes in Accounting Policies due to revisions of Accounting Standards" and "Changes in Accounting Estimates" are presented with "Yes". For more information, please refer to "Standards of Accounting Method (4) Depreciation" on page 13.

3. Non-consolidated Financial Results for the First Half of Fiscal 2012 (for the period ended September 30, 2012)

(1) Non-consolidated Results of Operations

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

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2012	545,439	(11.2)	139,473	(13.4)	126,871	2.1
1H Fiscal 2011	614,566	7.7	161,003	54.9	124,282	49.0

(2) Non-consolidated Financial Conditions

*Non-Consolidated BIS Capital Adequacy Ratio as of September 30, 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	%	%
1H Fiscal 2012	73,493,710	5,013,889	6.8	27.36
Fiscal 2011	71,719,196	4,820,430	6.7	24.83

(Ref) Net Assets for 1H Fiscal 2012 5,013,889 millions of Yen for Fiscal 2011 4,820,430 millions of Yen

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

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

<u>Note on the implementation status of the Semi-annual Audit Procedure</u>

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

Qualitative Information

Qualitative information related to the Financial Results for the First Half of Fiscal 2012

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

In the First Half of Fiscal 2012, while there have been growing concerns over the European debt crisis and skeptical views towards the growth of global economies such as China's, the additional quantitative easing was carried out in Japan, the United States and Europe, which lead to decrease of the long-term interest rates mainly in the Unites States and the further appreciation of yen.

Under such earning environments, the Bank has been managing operations to secure steady accumulation of interest income and the non-consolidated interest income of the Bank totaled to ¥106.4 billion, down ¥52.3 billion on a year-over-year basis.

The results of total credit cost were ¥12.3 billion in net earnings mainly from the reversal of the reserve due to the decrease of credit risk assets.

As for the net results of securities investments, net gains on sales increased by ¥34.5 billion to ¥26.3 billion on a year-over-year basis, and the expenses of provisions and impairments for price-decline of securities and other reasons decreased by ¥24.3 billion to ¥13.8 billion on a year-over-year basis.

As a result, with all of the factors mentioned above, the Bank recorded ¥139.4 billion in Ordinary Profits, down ¥21.5 billion on a year-over-year basis and ¥126.8 billion in Net Income, up ¥2.5 billion on a year-over-year basis. The Bank's net operating profits stood at ¥67.6 billion.

(2) Qualitative information related to the Non-consolidated Financial Conditions

Total Assets of the Bank at the end of the period increased by ¥1,774.5 billion to ¥73,493.7 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥193.4 billion to ¥5,013.8 billion from the previous fiscal year-end.

As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the first half of the fiscal year increased by ¥1,582.1 billion to ¥16,237.8 billion from the previous fiscal year-end; Securities at the end of the first half of the fiscal year decreased by ¥842.1 billion to ¥44,813.2 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the first half of the fiscal year decreased by ¥190.5 billion to ¥43,372.6 billion and Debentures at the end of the first half of the fiscal year decreased by ¥267.3 billion to ¥4,858.3 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 first half of the fiscal year increased by ¥1,802.5 billion to ¥74,065.4 billion from the previous fiscal year-end. Consolidated Ordinary Profits for the period were ¥143.9 billion, down ¥14.3 billion on a year-over-year basis and consolidated Net Income for the period was ¥131.0 billion, up ¥7.0 billion on a year-over-year basis.

(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)

	First Half of Fiscal 2012 (preliminary)	Fiscal 2011	Change
BIS Capital Adequacy Ratio (%)	27.36	24.83	2.53
Tier I Ratio (%)	19.92	18.22	1.70
Total Capital	62,489	60,024	2,465
Total Tier I Capital	45,492	44,054	1,438
Total Capital Requirements	18,267	19,332	(1,065)
Risk Weighted Assets	228,339	241,658	(13,319)

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

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

	First Half of Fiscal 2012 (preliminary)	Fiscal 2011	Change
BIS Capital Adequacy Ratio (%)	27.09	24.67	2.42
Tier I Ratio (%)	19.88	18.25	1.63
Total Capital	62,275	59,793	2,481
Total Tier I Capital	45,706	44,227	1,478
Total Capital Requirements	18,387	19,384	(996)
Risk Weighted Assets	229,848	242,307	(12,458)

List of Group Companies

(As of September 30, 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 Provider on behalf of The Norinchukin Bank	August 18, 1998	¥100 million 100.00
Norinchukin Facilities Co.,Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo, Japan	Building Management & Facility Management	August 6, 1956	¥197 million 100.00
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	¥3,420 million 50.91
Ant Capital Partners Co., Ltd.	2-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Private Equity Investments & Fund Management	October 23, 2000	¥3,086 million 38.00
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	¥500 million 37.96
JA MITSUI LEASING, LTD.	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo, Japan	Leasing Business	April 1, 2008	¥32,000 million 28.48
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Investment Consultation to the Agricultural Companies	October 24, 2002	¥4,070 million 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo, Japan	Credit Card Business	June 7, 1951	¥109,312 million 15.01
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Building Maintenance	April 1, 1993	¥10 million 27.00
Norinchukin Finance (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Issuances of Subordinated Bonds, Lending of Subordinated Loans	August 30, 2006	US $50,000 100.00

Consolidated Financial Statements

Principles of Consolidated Financial Statements

1 Scope of Consolidation

(1) Consolidated subsidiaries — 9 companies

Names of principal companies:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

(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.

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 Accumulated Other Comprehensive Income for the period.

3 The First Half of the Fiscal Year of Consolidated Subsidiaries

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

Closing date: September 30, 2012 — Number of subsidiaries: 9

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2011 (As of March 31, 2012)	First Half of Fiscal 2012 (As of September 30, 2012)
(Assets)		
Loans and Bills Discounted	14,738,276	16,321,436
Foreign Exchange Assets	44,797	127,877
Securities	45,626,464	44,783,327
Money Held in Trust	7,027,597	6,589,040
Trading Assets	32,658	45,943
Monetary Claims Bought	222,980	188,566
Call Loans and Bills Bought	832,440	1,012,542
Receivables under Resale Agreements	44,987	–
Receivables under Securities Borrowing Transactions	492,481	2,496,722
Cash and Due from Banks	1,687,337	1,408,973
Other Assets	971,610	474,737
Tangible Fixed Assets	119,055	117,936
Intangible Fixed Assets	43,563	38,050
Deferred Tax Assets	2,121	2,217
Customers' Liabilities for Acceptances and Guarantees	618,301	643,667
Reserve for Possible Loan Losses	(229,414)	(174,554)
Reserve for Possible Investment Losses	(12,374)	(11,047)
Total Assets	72,262,884	74,065,440
(Liabilities)		
Deposits	43,550,349	43,361,961
Negotiable Certificates of Deposit	1,882,426	2,028,618
Debentures	5,117,872	4,846,589
Bonds	50,000	50,000
Trading Liabilities	10,595	10,686
Borrowed Money	1,814,807	1,699,907
Call Money and Bills Sold	524,922	553,101
Payables under Repurchase Agreements	7,800,406	7,640,730
Payables under Securities Lending Transactions	10,654	13,868
Foreign Exchange Liabilities	10	16
Short-term Entrusted Funds	4,351,710	6,163,289
Other Liabilities	1,571,006	1,850,719
Reserve for Bonus Payments	6,474	6,622
Reserve for Employees' Retirement Benefits	6,188	8,749
Reserve for Directors' Retirement Benefits	1,018	878
Deferred Tax Liabilities	94,249	137,551
Deferred Tax Liabilities for Land Revaluation	12,932	12,165
Acceptances and Guarantees	618,301	643,667
Total Liabilities	67,423,926	69,029,126
(Net Assets)		
Paid-in Capital	3,425,909	3,425,909
Capital Surplus	25,020	25,020
Retained Earnings	1,024,914	1,136,444
Treasury Preferred Stock	(150)	(150)
Total Owners' Equity	4,475,694	4,587,224
Net Unrealized Gains on Other Securities, net of taxes	373,302	513,303
Net Deferred Losses on Hedging Instruments, net of taxes	(40,825)	(93,217)
Revaluation Reserve for Land, net of taxes	24,841	22,935
Foreign Currency Transaction Adjustments	(40)	(48)
Total Accumulated Other Comprehensive Income	357,277	442,973
Minority Interests	5,985	6,116
Total Net Assets	4,838,957	5,036,313
Total Liabilities and Net Assets	72,262,884	74,065,440

Consolidated Statements of Operations and Comprehensive Income

(1)Consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	First Half of Fiscal 2012 (Six Months ended September 30, 2012)
Ordinary Income	**617,803**	**556,056**
Interest Income	413,929	371,678
Interest on Loans and Bills Discounted	43,652	39,754
Interest and Dividends on Securities	363,938	326,618
Fees and Commissions	8,223	11,027
Trading Income	460	250
Other Operating Income	46,409	55,945
Other Ordinary Income	148,779	117,155
Ordinary Expenses	**459,496**	**412,058**
Interest Expenses	281,365	289,580
Interest on Deposits	21,041	16,859
Fees and Commissions	5,339	6,077
Trading Expenses	174	247
Other Operating Expenses	62,956	34,827
General and Administrative Expenses	60,287	64,949
Other Ordinary Expenses	49,373	16,376
Ordinary Profits	**158,306**	**143,997**
Extraordinary Profits	**2,688**	**1,230**
Extraordinary Losses	**291**	**175**
Income before Income Taxes and Minority Interests	**160,703**	**145,053**
Income Taxes - Current	**24,690**	**7,470**
Income Taxes - Deferred	**12,487**	**6,426**
Total Income Taxes	**37,178**	**13,896**
Income before Minority Interests	**123,525**	**131,156**
Minority Interests in Net Income (Loss)	**(414)**	**155**
Net Income	**123,940**	**131,000**

(2)Consolidated Statements of Comprehensive Income

(Millions of Yen)

	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	First Half of Fiscal 2012 (Six Months ended September 30, 2012)
Income before Minority Interests	**123,525**	**131,156**
Other Comprehensive Income	**49,126**	**87,584**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	108,948	140,261
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(59,657)	(52,324)
Foreign Currency Transaction Adjustments	(9)	(7)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(155)	(343)
Total Comprehensive Income	**172,651**	**218,740**
Attributable to:		
Owners of the Parent	173,085	218,603
Minority Interests	(433)	137

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	First Half of Fiscal 2012 (Six Months ended September 30, 2012)
(Capital Surplus)		
Balance at the Beginning of the Fiscal Year	**25,020**	**25,020**
Additions:	–	–
Deductions:	–	–
Balance at the End of the Period	**25,020**	**25,020**
(Retained Earnings)		
Balance at the Beginning of the Fiscal Year	**972,337**	**1,024,914**
Additions:	**124,344**	**132,906**
Net Income	123,940	131,000
Transfer from Revaluation Reserve for Land, net of taxes	403	1,905
Deductions:	**21,375**	**21,377**
Dividends	21,375	21,377
Balance at the End of the Period	**1,075,306**	**1,136,444**

Consolidated Statements of Cash Flows

(Millions of Yen)

	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	First Half of Fiscal 2012 (Six Months ended September 30, 2012)
Ⅰ Cash Flows from Operating Activities:		
Income before Income Taxes and Minority Interests	160,703	145,053
Depreciation	9,847	9,921
Losses on Impairment of Fixed Assets	23	25
Gains on Negative Goodwill Incurred	(2,424)	(4)
Equity in Losses(Earnings) of Affiliates	(4,122)	(2,566)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(24,380)	(54,860)
Net Increase (Decrease) in Reserve for Possible Investment Losses	2,140	(1,327)
Net Increase (Decrease) in Reserve for Bonus Payments	1,802	147
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	853	2,561
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(177)	(139)
Interest Income	(413,929)	(371,678)
Interest Expenses	281,365	289,580
Losses (Gains) on Securities	(51,056)	(56,323)
Losses (Gains) on Money Held in Trust	(16,776)	(14,742)
Foreign Exchange Losses (Gains)	2,108,874	1,574,783
Losses (Gains) on Disposals of Fixed Assets	4	(1,077)
Net Decrease (Increase) in Trading Assets	(13,653)	(13,285)
Net Increase (Decrease) in Trading Liabilities	690	91
Net Decrease (Increase) in Loans and Bills Discounted	(751,529)	(1,583,159)
Net Increase (Decrease) in Deposits	851,549	(188,388)
Net Increase (Decrease) in Negotiable Certificates of Deposit	395,814	146,192
Net Increase (Decrease) in Debentures	(175,475)	(271,282)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(148,000)	(114,900)
Net Decrease (Increase) in Interest-bearing Due from Banks	(255,245)	431,040
Net Decrease (Increase) in Call Loans and Bills Bought and Other	353,513	(98,597)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(2,003,875)	(2,004,240)
Net Increase (Decrease) in Call Money and Bills Sold and Other	(1,618,351)	(131,496)
Net Increase (Decrease) in Short-term Entrusted Funds	1,154,603	1,811,578
Net Increase (Decrease) in Payables under Securities Lending Transactions	(827,166)	3,214
Net Decrease (Increase) in Foreign Exchange Assets	266,773	(83,080)
Net Increase (Decrease) in Foreign Exchange Liabilities	0	5
Interest Received	448,788	399,895
Interest Paid	(148,116)	(151,551)
Other, Net	(374,763)	(105,095)
Subtotal	(791,699)	(433,704)
Income Taxes Refund (Paid)	(461)	3,369
Net Cash Used in Operating Activities	**(792,161)**	**(430,334)**
Ⅱ Cash Flows from Investing Activities:		
Purchases of Securities	(10,903,193)	(17,239,707)
Proceeds from Sales of Securities	639,880	356,979
Proceeds from Redemption of Securities	12,870,625	17,154,274
Increase in Money Held in Trust	(545,595)	(348,512)
Decrease in Money Held in Trust	876,845	681,817
Purchases of Tangible Fixed Assets	(663)	(3,462)
Purchases of Intangible Fixed Assets	(1,062)	(858)
Proceeds from Sales of Tangible Fixed Assets	602	3,854
Purchase of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	−	(3)
Purchase of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	(1,832)	−
Net Cash Provided by Investing Activities	**2,935,605**	**604,381**
Ⅲ Cash Flows from Financing Activities:		
Payments for Redempiton of Subordinated Bonds	(181,850)	−
Dividends Paid	(21,375)	(21,377)
Net Cash Used in Financing Activities	**(203,226)**	**(21,377)**
Ⅳ Net Increase in Cash and Cash Equivalents	**1,940,217**	**152,670**
Ⅴ Cash and Cash Equivalents at the Beginning of the Fiscal Year	**946,195**	**414,965**
Ⅵ Cash and Cash Equivalents at the End of the Period	**2,886,413**	**567,635**

Notes to Consolidated Financial Statements

Amounts less than one million yen are rounded down.

Standards of Accounting Method

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

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

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

Trading Income and Trading Expenses include interest received and paid in the period, gains or losses resulting from any change in the fair value of securities and monetary claims from the end of the previous fiscal year and gains or losses of derivatives resulting from any change in the fair value, which is determined assuming they were settled at the end of the period, from the end of the previous fiscal year.

(2) Securities

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

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

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

(3) Derivatives

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

(4) Depreciation

a. Tangible Fixed Assets (other than Lease Assets)

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

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

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

(Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates)

Due to the enacted revision of "Corporation Tax Act", the Bank and its consolidated domestic subsidiaries apply the revised depreciation method exclusively to the Tangible Fixed Assets acquired on or after April 1, 2012 from the First Half of Fiscal 2012. The impacts of the change on the financial results of the period are immaterial.

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 ¥44,301 million at the end of the period.

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

(6) Reserve for Possible Investment Losses

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

(7) Reserve for Bonus Payments

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

(8) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that 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 whereby the reserve is provided at the amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

(9) Reserve for Directors' Retirement Benefits

Reserve for Directors' Retirement Benefits for the payments of retirement benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the period.

(10) Foreign Currency Translation

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

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

(11) Accounting for Finance Leases

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

(12) Hedge Accounting

a. Hedge of Interest Rate Risk

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

b. Hedge of Foreign Exchange Rate Risk

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

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

c. Internal Derivative Transactions

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

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

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

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

(14) Consumption Taxes

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

(15) Accounting for Income Taxes

Income Taxes-Current and Income Taxes-Deferred for the period are calculated based upon assumption that reversal from or transfer to Reserve for Tax Basis Adjustments of Fixed Assets by the disposal of Retained Earnings is made at the end of the fiscal year.

(Notes to Consolidated Balance Sheet)

1. Investments in Affiliates ¥97,934 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥120,588 million as of September 30, 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 of ¥10,020 million and securities held without re-pledge of ¥3,464,144 million as of September 30, 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 ¥1,063 million and delinquent loans of ¥165,895 million.

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

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

4. Loans and Bills Discounted include those past due for three months or more of ¥80 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 ¥61,995 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 ¥229,035 million.

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

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥4,738 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥8,444,079 million
Securities	¥10,402,474 million

Liabilities secured by the above assets are as follows:

Borrowed Money	¥168,900 million
Call Money	¥425,000 million
Payables under Repurchase Agreements	¥7,640,730 million
Payables under Securities Lending Transactions	¥3,821 million

In addition, Securities (including transactions of Money Held in Trust) of ¥6,722,310 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Initial margins of futures transactions of ¥1,764 million, cash collateral under financial instruments and others of ¥109,228 million and guarantee deposits of ¥6,702 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 ¥3,039,194 million as of September 30, 2012. The amount of undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, was ¥1,923,523 million as of September 30, 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 ¥106,253 million

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

13. Bonds are subordinated bonds of ¥50,000 million.

14. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥4,315 million.

(Note to Consolidated Statement of Operations)

1. Other Ordinary Income include reversal of Reserve for Possible Loan Losses of ¥13,578 million and gains on Money Held in Trust of ¥89,339 million.

2. Other Ordinary Expenses include losses on revaluation of stocks and other securities of ¥10,615 million.

(Notes to Consolidated Statement of Cash Flows)

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

Cash and Due from Banks	¥1,408,973 million
Less: Interest-bearing Due from Banks	¥(841,338)million
Cash and Cash Equivalents at the end of the period	¥ 567,635 million

(Financial Instruments)

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Consolidated Balance Sheet Amount", "Fair Value" and "Difference" as of September 30, 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	16,321,436		
Reserve for Possible Loan Losses(※1)	(158,836)		
	16,162,599	16,206,275	43,676
(2) Securities			
Held-to-Maturity Debt Securities	15,602,151	15,968,785	366,634
Other Securities	28,662,961	28,662,961	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	24,982	24,982	—
Other Money Held in Trust	6,562,432	6,573,626	11,193
(4) Trading Assets(※2)			
Trading Securities	34,731	34,731	—
(5) Monetary Claims Bought(※1)	187,245	187,281	36
(6) Call Loans and Bills Bought	1,012,542	1,012,542	—
(7) Cash and Due from Banks	1,408,973	1,408,973	—
Total Assets	69,658,619	70,080,159	421,540
(1) Deposits	43,361,961	43,361,970	9
(2) Negotiable Certificates of Deposit	2,028,618	2,028,618	—
(3) Debentures	4,846,589	4,892,449	45,859
(4) Borrowed Money	1,699,907	1,699,907	—
(5) Call Money and Bills Sold	553,101	553,101	—
(6) Payables under Repurchase Agreements	7,640,730	7,640,730	—
(7) Short-term Entrusted Funds	6,163,289	6,163,289	—
Total Liabilities	66,294,198	66,340,067	45,869
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	(1,808)	(1,808)	—
Transactions Accounted for as Hedge Transactions	18,843	18,843	—
Total Derivative Instruments	17,035	17,035	—

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

2 Derivative Instruments are excluded from Trading Assets.

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

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

Assets

(1) Loans and Bills Discounted

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

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

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

(2) Securities

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

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

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

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

Relevant notes about the fair value of securities of each classification are described in following "Securities".

(3) Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (1) and (2) above.

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

(4) Trading Assets

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

(5) Monetary Claims Bought

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

(6) Call Loans and Bills Bought

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

(7) Cash and Due from Banks

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

Liabilities

(1) Deposits

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

(2) Negotiable Certificates of Deposit

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

(3) Debentures

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

(4) 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)	223,288
Bonds(※3)	35,749
Investments in Partnership and Others (※4)	259,174
Total	518,213

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

2 The amount of revaluation losses for the period was ¥3,107 million on Unlisted Stocks and Others.

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 ¥6,555 million in accordance with the Bank's internal rules.

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

(Securities)

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

1. Held-to-Maturity Debt Securities (as of September 30, 2012)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	7,565,354	7,786,741	221,386
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	6,334,660	6,492,149	157,488
	Sub total	13,900,015	14,278,890	378,875
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,715,686	1,703,480	(12,205)
	Sub total	1,715,686	1,703,480	(12,205)
Total		15,615,702	15,982,371	366,669

2. Other Securities (as of September 30, 2012)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	192,627	129,213	63,413
	Bonds	6,144,907	6,035,564	109,342
	Japanese Government Bonds	6,127,179	6,018,048	109,131
	Municipal Government Bonds	1,896	1,836	60
	Corporate Bonds	15,831	15,680	150
	Other	15,556,326	14,746,266	810,059
	Sub total	21,893,860	20,911,045	982,815
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	99,184	123,421	(24,237)
	Bonds	2,926,616	2,927,410	(794)
	Japanese Government Bonds	2,857,770	2,857,913	(142)
	Municipal Government Bonds	34	34	(0)
	Corporate Bonds	68,810	69,462	(651)
	Other	3,945,849	4,544,644	(598,795)
	Sub total	6,971,650	7,595,476	(623,826)
Total		28,865,511	28,506,521	358,989

3. Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the period ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥11,337 million including ¥7,507 million on Stocks and ¥3,829 million on Other.

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

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

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

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2012)

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

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2012)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	6,564,058	6,276,304	287,753	310,205	22,451

(Note)

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

(Per share Information)

Net Assets per Share at the end of the period was ¥476.48 (Minority Interests and the residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥30.77 (The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income per Share.)

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2011 (As of March 31, 2012)	First Half of Fiscal 2012 (As of September 31, 2012)
(Assets)		
Loans and Bills Discounted	14,655,723	16,237,851
Foreign Exchange Assets	44,797	127,877
Securities	45,655,404	44,813,230
Money Held in Trust	7,026,907	6,588,129
Trading Assets	32,658	45,943
Monetary Claims Bought	222,980	188,566
Call Loans	832,440	1,012,542
Receivables under Resale Agreements	44,987	–
Receivables under Securities Borrowing Transactions	492,481	2,496,722
Cash and Due from Banks	1,672,889	1,395,673
Other Assets	968,159	472,212
Tangible Fixed Assets	116,866	115,762
Intangible Fixed Assets	42,133	36,652
Customers' Liabilities for Acceptances and Guarantees	140,502	138,570
Reserve for Possible Loan Losses	(221,671)	(168,543)
Reserve for Possible Investment Losses	(8,065)	(7,481)
Total Assets	71,719,196	73,493,710
(Liabilities)		
Deposits	43,563,186	43,372,637
Negotiable Certificates of Deposit	1,882,426	2,028,618
Debentures	5,125,655	4,858,349
Trading Liabilities	10,595	10,686
Borrowed Money	1,819,807	1,704,907
Call Money	524,922	553,101
Payables under Repurchase Agreements	7,800,406	7,640,730
Payables under Securities Lending Transactions	10,654	13,868
Foreign Exchange Liabilities	10	16
Short-term Entrusted Funds	4,351,710	6,163,289
Other Liabilities	1,550,927	1,832,053
Reserve for Bonus Payments	5,129	5,216
Reserve for Retirement Benefits	4,945	7,438
Reserve for Directors' Retirement Benefits	704	616
Deferred Tax Liabilities	94,249	137,551
Deferred Tax Liabilities for Land Revaluation	12,932	12,165
Acceptances and Guarantees	140,502	138,570
Total Liabilities	66,898,765	68,479,820
(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
Retained Earnings	1,011,806	1,119,206
Legal Reserves	468,166	481,266
Voluntary Reserves	543,640	637,940
Special Reserves	36,100	49,200
General Reserves	379,403	394,403
Reserve for Tax Basis Adjustments of Fixed Assets	7,968	8,015
Others	7	7
Unappropriated Retained Earnings	120,161	186,314
Total Owners' Equity	4,462,736	4,570,136
Net Unrealized Gains on Other Securities, net of taxes	373,612	513,903
Net Deferred Losses on Hedging Instruments, net of taxes	(40,760)	(93,085)
Revaluation Reserve for Land, net of taxes	24,841	22,935
Total Valuation and Translation Adjustments	357,693	443,752
Total Net Assets	4,820,430	5,013,889
Total Liabilities and Net Assets	71,719,196	73,493,710

Non-consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2011 (Six Months ended September 30, 2011)	First Half of Fiscal 2012 (Six Months ended September 30, 2012)
Ordinary Income	**614,566**	**545,439**
Interest Income	412,796	370,657
Interest on Loans and Bills Discounted	41,580	37,817
Interest and Dividends on Securities	364,880	327,541
Fees and Commissions	6,074	6,228
Trading Income	460	250
Other Operating Income	45,562	55,029
Other Ordinary Income	149,671	113,273
Ordinary Expenses	**453,562**	**405,965**
Interest Expenses	281,371	289,550
Interest on Deposits	21,042	16,860
Fees and Commissions	5,500	5,365
Trading Expenses	174	247
Other Operating Expenses	62,766	34,821
General and Administrative Expenses	56,666	59,842
Other Ordinary Expenses	47,083	16,138
Ordinary Profits	**161,003**	**139,473**
Extraordinary Profits	**263**	**1,226**
Extraordinary Losses	**290**	**173**
Income before Income Taxes	**160,976**	**140,527**
Income Taxes - Current	**24,016**	**7,136**
Income Taxes - Deferred	**12,677**	**6,518**
Total Income Taxes	**36,694**	**13,655**
Net Income	**124,282**	**126,871**
Unappropriated Retained Earnings Brought Forward	**55,085**	**57,536**
Transfer from Land Revaluation Reserve	**403**	**1,905**
Unappropriated Retained Earnings	**179,771**	**186,314**

Notes to Non-Consolidated Financial Statements

Amounts less than one million yen are rounded down.

(Significant Accounting Policies)

1. Trading Assets / Liabilities and Trading Income / Expenses

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

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

Trading Income and Trading Expenses include interest received and paid in the period, gains or losses resulting from any change in the fair value of securities and monetary claims from the end of the previous fiscal year and gains or losses of derivatives resulting from any change in the fair value, which is determined assuming they were settled at the end of the period, from the end of the previous fiscal year.

2. Securities

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

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

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

3. Derivatives

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

4. Depreciation

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

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

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

(Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates)
Due to the enacted revision of "Corporation Tax Act", the Bank applies the revised depreciation method exclusively to the Tangible Fixed Assets acquired on or after April 1, 2012 from the First Half of Fiscal 2012. The impacts of the change on the financial results of the period are immaterial.

(2) Intangible Fixed Assets (other than Lease Assets)
Depreciation of Intangible Fixed Assets of the Bank is calculated using the straight-line method. The costs of software developed or obtained for internal use are capitalized and amortized over an estimated useful life of 5 years.

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

5. Reserves
(1) Reserve for Possible Loan Losses
Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt(“doubtful debtors”), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

Reserve for loans to debtors with restructured loans (see Note 5. to Non-consolidated Balance Sheet below) is provided based on the Discounted Cash Flow method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the Discounted Cash Flow method, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

Reserve for loans other than those indicated above, is provided primarily at the amount calculated using the default rates which the Bank has calculated based on actual defaults experienced in the past. Specific reserve for loans to certain countries with financial difficulties is provided based on the expected amount of losses taking into account the political, economic and other conditions in each country.

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

With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥42,925 million at the end of the period.

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

(3) Reserve for Bonus Payments

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

(4) Reserve for Employees' Retirement Benefits

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

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

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

(5) Reserve for Directors' Retirement Benefits

Reserve for Directors' Retirement Benefits for the payments of retirement benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the period.

6. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the non-consolidated balance sheet date except for stocks of subsidiaries denominated in foreign currencies which are translated into Japanese yen using the respective exchange rates at the time of their acquisition.

7. Accounting for Finance Leases

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

8. Hedge Accounting

(1)Hedge of Interest Rate Risk

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

(2) Hedge of Foreign Exchange Rate Risk

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

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

(3) Internal Derivative Transactions

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

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

9. Consumption Taxes

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

10. Accounting for Income Taxes

Income Taxes-Current and Income Taxes-Deferred for the period are calculated based upon assumption that reversal from or transfer to Reserve for Tax Basis Adjustments of Fixed Assets by the disposal of Retained Earnings is made at the end of the fiscal year.

(Notes to Non-consolidated Balance Sheet)

1. Investments in Subsidiaries and Affiliates ¥149,093 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥120,588 million as of September 30, 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 of ¥10,020 million and securities held without re-pledge of ¥3,464,144 million as of

September 30, 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 ¥768 million and delinquent loans of ¥159,393 million.

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

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

4. Loans and Bills Discounted include those past-due for three months or more of ¥10 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 ¥60,127 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 ¥220,300 million.

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

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥4,738 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged	
Loans and Bills Discounted	¥8,444,079 million
Securities	¥10,402,474 million
Liabilities secured by the above assets are as follows:	
Borrowed Money	¥168,900 million
Call Money	¥425,000 million
Payables under Repurchase Agreements	¥7,640,730 million
Payables under Securities Lending Transactions	¥3,821 million

In addition, Securities (including transactions of Money Held in Trust) of ¥6,704,980 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Initial margins of futures transactions of ¥1,764 million, cash collateral under financial instruments and others of ¥109,228 million, and guarantee deposits of ¥6,429 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 ¥3,276,194 million as of September 30, 2012. The amount of undrawn commitments, which the Bank could cancel at any time without cause, was ¥2,160,523 million as of September 30, 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 ¥104,163 million

12. Borrowed Money includes subordinated borrowings of ¥1,536,007 million which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

13. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥4,315 million.

(Note to Non-consolidated Statement of Operations)

1. Other Ordinary Income include reversal of Reserve for Possible Loan Losses of ¥12,898 million and gains on Money Held in Trust of ¥89,334 million.

2. Other Ordinary Expenses include losses on revaluation of stocks and other securities of ¥10,615 million.

(Financial Instruments)

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

“Non-consolidated Balance Sheet Amount”, “Fair Value” and “Difference” as of September 30, 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	16,237,851		
Reserve for Possible Loan Losses(※1)	(155,245)		
	16,082,605	16,111,227	28,621
(2) Securities			
Held-to-Maturity Debt Securities	15,600,147	15,966,767	366,620
Other Securities	28,644,890	28,644,890	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	24,982	24,982	—
Other Money Held in Trust	6,561,524	6,572,714	11,190
(4) Trading Assets(※2)			
Trading Securities	34,731	34,731	—
(5) Monetary Claims Bought(※1)	187,245	187,281	36
(6) Call Loans	1,012,542	1,012,542	—
(7) Cash and Due from Banks	1,395,673	1,395,673	—
Total Assets	69,544,343	69,950,811	406,468
(1) Deposits	43,372,637	43,372,646	9
(2) Negotiable Certificates of Deposit	2,028,618	2,028,618	—
(3) Debentures	4,858,349	4,904,288	45,939
(4) Borrowed Money	1,704,907	1,704,907	—
(5) Call Money	553,101	553,101	—
(6) Payables under Repurchase Agreements	7,640,730	7,640,730	—
(7) Short-term Entrusted Funds	6,163,289	6,163,289	—
Total Liabilities	66,321,634	66,367,583	45,948
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	(1,808)	(1,808)	—
Transactions Accounted for as Hedge Transactions	18,843	18,843	—
Total Derivative Instruments	17,035	17,035	—

(※) 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 period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for investments for "Partnership" and "Limited Partnership" ("Investments in Partnership and Others"), fair value is based on the share of NAV which is valued assets of "Partnership" or "Limited Partnership", if available. Relevant notes about the fair value of securities of each classification are described in following "Securities".

(3) Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (1) and (2) above.

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

(4) Trading Assets

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

(5) Monetary Claims Bought

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

(6) Call Loans

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

(7) Cash and Due from Banks

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

Liabilities

(1) Deposits

With respect to demand deposits, the amounts payable on demand as of 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)	273,267
Bonds(※3)	35,749
Investments in Partnership and Others (※4)	259,174
Total	568,192

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

2 The amount of revaluation losses for the period was ¥3,107 million on Unlisted Stocks and Others.

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 ¥6,555 million, in accordance with the Bank's internal rules.

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

(Securities)

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

1. Held-to-Maturity Debt Securities (as of September 30, 2012)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Non-consolidated Balance Sheet Amount	Japanese Government Bonds	7,563,350	7,784,722	221,372
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	6,334,660	6,492,149	157,488
	Sub total	13,898,011	14,276,872	378,861
Transactions for Fair Value not exceeding Non-consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,715,686	1,703,480	(12,205)
	Sub total	1,715,686	1,703,480	(12,205)
Total		15,613,698	15,980,353	366,655

2. Stock of subsidiaries and Affiliates (as of September 30, 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	45,185
Stocks of Affiliates	103,908
Total	149,093

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

3. Other Securities (as of September 30, 2012)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Non-consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	192,627	129,203	63,423
	Bonds	6,129,580	6,020,404	109,176
	Japanese Government Bonds	6,111,853	6,002,887	108,965
	Municipal Government Bonds	1,896	1,836	60
	Corporate Bonds	15,831	15,680	150
	Other	15,554,211	14,744,157	810,054
	Sub total	21,876,419	20,893,764	982,654
Transactions for Non-consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	99,184	123,431	(24,247)
	Bonds	2,926,616	2,927,410	(794)
	Japanese Government Bonds	2,857,770	2,857,913	(142)
	Municipal Government Bonds	34	34	(0)
	Corporate Bonds	68,810	69,462	(651)
	Other	3,945,220	4,543,910	(598,690)
	Sub total	6,971,021	7,594,752	(623,731)
Total		28,847,440	28,488,517	358,923

4. Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the period ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥11,337 million including ¥7,507 million on Stocks, and ¥3,829 million on Other.

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

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

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

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2012)

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

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2012)

(Millions of Yen)

	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Non-consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Non-consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	6,563,146	6,275,392	287,753	310,205	22,451

(Note)

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

(Accounting for Income Taxes)

The major components of Deferred Tax Assets and Deferred Tax Liabilities as of September 30, 2012 were as follows:

Deferred Tax Assets	
Reserve for Possible Loan Losses	¥34,472 million
Write-off of Loans	3,502 million
Losses on Revaluation of Securities	90,155 million
Reserve for Employees' Retirement Benefits	9,422 million
Depreciation of Fixed Assets	420 million
Deferred Losses on Hedging Instruments	42,859 million
Unrealized Losses on Reclassification	28,516 million
Others	59,968 million
Subtotal	269,319 million
Valuation Allowance	(143,781) million
Total Deferred Tax Assets	¥125,537 million
Deferred Tax Liabilities	
Gain from Contribution of Securities to Employee Retirement Benefit Trust	¥(4,959) million
Net Unrealized Gains on Other Securities	(171,526) million
Deferred Gains on Hedging Instruments	(7,297) million
Unrealized Gains on Reclassification	(43,493) million
Others	(35,813) million
Total Deferred Tax Liabilities	(263,089) million
Net Deferred Tax Liabilities	¥(137,551) million

(Per share Information)

Net Assets per Share at the end of the period was ¥472.68 (The residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥29.80 (The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income per Share.)