May 23, 2013

Financial Statements for the 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 Fiscal 2012 (for the fiscal year ended March 31, 2013)

(1) Consolidated Results of Operations

(Percentage represents change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2012	993,463	4.8	102,702	35.8	119,866	70.0
Fiscal 2011	948,053	(12.4)	75,655	(27.8)	70,518	(45.6)

(Note) Comprehensive Income for Fiscal 2012 949,741 millions of Yen 58.2 % for Fiscal 2011 600,488 millions of Yen (97.7%)

	Net Assets Net Income Ratio	Total Assets Ordinary Profits Ratio	Ordinary Income Ordinary Profits Ratio
	%	%	%
Fiscal 2012	2.3	0.1	10.3
Fiscal 2011	1.6	0.1	8.0

(Ref) Equity in Earnings of Affiliates for Fiscal 2012 6,727 millions of Yen for Fiscal 2011 7,113 millions of Yen

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
Fiscal 2012	81,496,808	5,767,273	7.1
Fiscal 2011	72,262,884	4,838,957	6.7

(Ref) Net Assets - Minority Interests for Fiscal 2012 5,760,912 millions of Yen for Fiscal 2011 4,832,971 millions of Yen

(Note) Net Assets Ratio is computed by dividing (Net Assets － Minority Interests) by Total Assets.
Net Assets Ratio above is not the one calculated on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of management of the Norinchukin Bank).

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the fiscal year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal 2012	1,900,920	840,423	(21,377)	3,134,931
Fiscal 2011	472,528	(787,356)	(216,402)	414,965

2. Notes

(1) Changes in Significant Subsidiaries in the fiscal year

(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 in the fiscal year 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 of Fixed Assets" on page 13.

2. Non-consolidated Financial Results for the Fiscal 2012 (for the fiscal year ended March 31, 2013)

(1) Non-consolidated Results of Operations

(Percentage represents change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal 2012	970,896	4.0	88,122	28.8	106,839	73.3
Fiscal 2011	933,145	(12.9)	68,436	(41.7)	61,641	(57.3)

(2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
Fiscal 2012	80,861,096	5,734,984	7.1
Fiscal 2011	71,719,196	4,820,430	6.7

(Ref) Net Assets for Fiscal 2012 5,734,984 millions of Yen for Fiscal 2011 4,820,430 millions of Yen

(Note) Net Assets Ratio is computed by dividing Net Assets by Total Assets.
Net Assets Ratio above is not the one calculated on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of management of the Norinchukin Bank).

Note on the implementation status of Audit Procedure

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

Qualitative Information

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

With regard to the business environment throughout the fiscal year 2012; In the United States, the housing market is picking up and the moderate recovery is being seen in the US economy. In Europe the sovereign risk still remains under the fiscal austerities and economic recession even after concerns on Greece financial crisis and Euro collapse crisis once decreased. In China the economic growth slowed down due to the decreases in exports and domestic demands. The world economy was generally sluggish and the further quantitative easing was carried out in the United States, Europe and other countries, which led to decrease of the long-term interest rates. In Japan, on the other hand, the expectation of economic growth by Abe new government, and aggressive financial easing under the new administration of Bank of Japan, led to the depreciation of yen and hike of stock prices towards the end of the fiscal year 2012.

Under such earning environments, The Norinchukin Bank ("the Bank") has been managing operations to secure steady accumulation of interest income and the non-consolidated interest income of the Bank totaled to ¥94.3 billion, up ¥31.2 billion from the previous fiscal year.
The results of total credit cost were ¥13.4 billion in net losses, up ¥20.4 billion from the previous fiscal year, mainly from decrease of the reversal of the reserve.
As for the results of securities investments, net losses on sales decreased by ¥1.6 billion to ¥12.4 billion from the previous fiscal year, and the net gains of provisions and impairments for price-decline of securities and other reasons increased by ¥18.5 billion to ¥0.1 billion from the previous fiscal year.
As a result, with all of the factors mentioned above, the Bank recorded ¥88.1 billion in Ordinary Profits, up ¥19.6 billion and ¥106.8 billion in Net Income, up ¥45.1 billion from the previous fiscal year, respectively. The Bank's net operating losses stood at ¥43.7 billion.

2 Qualitative information relating to the Non-consolidated Financial Conditions

Total Assets of the Bank at the end of the fiscal year increased by ¥9,141.9 billion to ¥80,861.0 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥914.5 billion to ¥5,734.9 billion from the previous fiscal year-end.
As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the fiscal year increased by ¥1,471.9 billion to ¥16,127.6 billion from the previous fiscal year-end. Securities at the end of the fiscal year increased by ¥4,416.9 billion to ¥50,072.3 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the fiscal year increased by ¥3,893.2 billion to ¥47,456.4 billion, and Debentures at the end of the fiscal year decreased by ¥506.4 billion to ¥4,619.2 billion from the previous fiscal year-end, respectively.

The Bank's shares in the consolidated financial statements are extremely high.
Consolidated Total Assets at the end of the fiscal year increased by ¥9,233.9 billion to ¥81,496.8 billion from the previous fiscal year-end. Consolidated Ordinary Profits were ¥102.7 billion, up ¥27.0 billion from the previous fiscal year and consolidated Net Income was ¥119.8 billion, up ¥49.3 billion from the previous fiscal year.

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

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

1 The Bank's management policies

The Bank has developed its new Medium-Term Management Plan for the three years from FY2013 through FY2015.

In the Medium-Term Management Plan, the Bank employs the following slogan, "Challenge for a New Stage." Under this slogan, while we will make further efforts for enhanced profitability and organizational strength, we will proactively work on various efforts. Such efforts include development of the agricultural, fisheries and forestry industries, which are expected to become Japan's growth industries, sustainable development of local communities, which includes the reconstruction of the disaster-affected areas, and strengthening of the cooperative banking business (JA Bank and JF Marine Bank), which includes development of human resources. We will strive to become "Leading Bank that Supports the Agricultural, Fisheries and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities."

2 Current issues to be addressed

Our primary focus will be centered on the following agendas:

（１） Proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry sectors, food production/consumption, and revitalization of local communities

- Continued efforts to reconstruct the disaster-affected areas centering on the agricultural, fisheries and forestry industries
- Strengthening the ability to cater to leaders who support sustainable development of the agricultural, fisheries and forestry industries
- Efforts to strengthen the profitability of the agricultural, fisheries and forestry industries
- New efforts to revitalize local communities centering on the agricultural, fisheries and forestry industries
- Strengthening partnership with corporate clients which contribute to the development of the agricultural, fisheries industries and the cooperative banking business

（２） Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business

- Planning and deployment of measures that contribute to reconstruction and expansion of the user base
- Development of additional frameworks for enhancement of business management framework and management base
- Development and management of business infrastructures that support implementing business strategies
- Strengthening initiatives for development of cooperative banking-related human resources who can put business strategies into practice
- Initiatives for strengthening partnership among national-level union and federations
- Consideration of the future direction as regional financial institutions

（3） Strengthening of profitability through appropriate risk management

- Ensuring a solid profit base through flexible and strategic asset allocation management and stable funding
- Pursuing new investment opportunities for increased profitability
- Continued efforts to strengthen corporate sales
- Implementation of risk management contributing to enhanced competitiveness

（4） Strengthening of organizational strengths through strategic use and enhancement of management resources

- Putting emphasis on cultivating “human resources” who will play a key role at the Bank and the cooperative system
- Adequate financial management taking into account market environment
- Appropriate allocation of management resources
- Improvement of business infrastructures for the operations of the Bank and the cooperative system
- Strengthening of compliance and business management frameworks for the Bank and the cooperative banking system

List of Group Companies

(As of March 31, 2013)

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
Norinchukin Facilities Co., Ltd.	16-8, Sotokanda 1-chome, Chiyoda-ku, Tokyo, Japan	Building Management & Facility Management	August 6, 1956	¥197 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
Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Fund (LP) Management	February 15, 2013	¥125 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
Kyodo Seminar Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Training	May 25, 1981	¥20 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 91.68
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 39.61
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

(Note) Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd. was newly established.

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 1 company

Name of the company:

Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.

The subsidiary was not consolidated since the impact of the subsidiary on the consolidated financial statements was not material in terms of Total Assets, Ordinary Income, Net Income, Retained Earnings and Accumulated Other Comprehensive Income.

2 Application of the Equity Method

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

Names of principal companies:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

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

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

Name of the company:

Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd.

(3) 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 unconsolidated subsidiary and 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.

3 The Fiscal Year of Consolidated Subsidiaries

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

Closing date: March 31, 2013 Number of subsidiaries: 9

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

4 Amortization of the Goodwill

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

5 Appropriations of Retained Earnings

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

Consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2011 (As of March 31, 2012)	Fiscal 2012 (As of March 31, 2013)
(Assets)		
Loans and Bills Discounted	14,738,276	16,224,595
Foreign Exchange Assets	44,797	268,750
Securities	45,626,464	50,045,795
Money Held in Trust	7,027,597	6,892,281
Trading Assets	32,658	36,602
Monetary Claims Bought	222,980	179,373
Call Loans and Bills Bought	832,440	1,527,128
Receivables under Resale Agreements	44,987	–
Receivables under Securities Borrowing Transactions	492,481	–
Cash and Due from Banks	1,687,337	4,419,087
Other Assets	971,610	1,251,733
Tangible Fixed Assets	119,055	109,541
Buildings	35,396	35,275
Land	63,104	52,899
Lease Assets	13,158	12,903
Construction in Progress	604	1,958
Other Tangible Fixed Assets	6,792	6,504
Intangible Fixed Assets	43,563	33,424
Software	38,284	27,628
Lease Assets	3,234	2,495
Other Intangible Fixed Assets	2,043	3,299
Deferred Tax Assets	2,121	2,119
Customers' Liabilities for Acceptances and Guarantees	618,301	688,399
Reserve for Possible Loan Losses	(229,414)	(175,959)
Reserve for Possible Investment Losses	(12,374)	(6,065)
Total Assets	72,262,884	81,496,808
(Liabilities)		
Deposits	43,550,349	47,442,849
Negotiable Certificates of Deposit	1,882,426	2,397,290
Debentures	5,117,872	4,606,940
Bonds	50,000	50,000
Trading Liabilities	10,595	10,139
Borrowed Money	1,814,807	1,779,106
Call Money and Bills Sold	524,922	452,214
Payables under Repurchase Agreements	7,800,406	12,349,745
Payables under Securities Lending Transactions	10,654	6,129
Foreign Exchange Liabilities	10	78
Short-term Entrusted Funds	4,351,710	4,235,124
Other Liabilities	1,571,006	1,286,866
Reserve for Bonus Payments	6,474	6,747
Reserve for Employees' Retirement Benefits	6,188	11,414
Reserve for Directors' Retirement Benefits	1,018	1,032
Deferred Tax Liabilities	94,249	395,295
Deferred Tax Liabilities for Land Revaluation	12,932	10,158
Acceptances and Guarantees	618,301	688,399
Total Liabilities	67,423,926	75,729,534
(Net Assets)		
Paid-in Capital	3,425,909	3,425,909
Capital Surplus	25,020	25,020
Retained Earnings	1,024,914	1,130,521
Treasury Preferred Stock	(150)	(150)
Total Owners' Equity	4,475,694	4,581,301
Net Unrealized Gains on Other Securities, net of taxes	373,302	1,267,652
Net Deferred Losses on Hedging Instruments, net of taxes	(40,825)	(105,743)
Revaluation Reserve for Land, net of taxes	24,841	17,723
Foreign Currency Transaction Adjustments	(40)	(20)
Total Accumulated Other Comprehensive Income	357,277	1,179,611
Minority Interests	5,985	6,361
Total Net Assets	4,838,957	5,767,273
Total Liabilities and Net Assets	72,262,884	81,496,808

Consolidated Statements of Operations and Comprehensive Income

(1)Consolidated Statements of Operations

(Millions of Yen)

	Fiscal 2011 (Year ended March 31, 2012)	Fiscal 2012 (Year ended March 31, 2013)
Ordinary Income	**948,053**	**993,463**
Interest Income	597,750	637,775
Interest on Loans and Bills Discounted	85,943	78,828
Interest and Dividends on Securities	495,889	539,766
Interest on Call Loans and Bills Bought	1,668	1,486
Interest on Receivables under Resale Agreements	7	10
Interest on Receivables under Securities Borrowing Transactions	540	508
Interest on Due from Banks	5,393	4,766
Other Interest Income	8,307	12,407
Fees and Commissions	18,397	21,120
Trading Income	753	485
Other Operating Income	86,637	115,659
Other Ordinary Income	244,513	218,421
Reversal of Reserve for Possible Loan Losses	6,787	–
Recoveries of Written-off Claims	2,962	1,086
Other Ordinary Income	234,763	217,335
Ordinary Expenses	**872,397**	**890,760**
Interest Expenses	587,554	589,742
Interest on Deposits	41,704	34,557
Interest on Negotiable Certificates of Deposit	3,680	7,128
Interest on Debentures	59,125	45,233
Interest on Borrowed Money	80,284	80,517
Interest on Call Money and Bills Sold	453	346
Interest on Payables under Repurchase Agreements	15,233	15,530
Interest on Payables under Securities Lending Transactions	8	3
Interest on Bonds	5,678	1,260
Other Interest Expenses	381,385	405,165
Fees and Commissions	11,648	13,178
Trading Expenses	–	224
Other Operating Expenses	96,164	132,835
General and Administrative Expenses	118,917	123,924
Other Ordinary Expenses	58,112	30,854
Provision of Reserve for Possible Loan Losses	–	3,240
Other Ordinary Expenses	58,112	27,614
Ordinary Profits	**75,655**	**102,702**
Extraordinary Profits	**4,595**	**2,084**
Gains on Disposal of Fixed Assets	1,865	2,065
Gains on Negative Goodwill Incurred	2,729	19
Extraordinary Losses	**6,049**	**2,855**
Losses on Disposal of Fixed Assets	1,461	1,362
Losses on Impairment of Fixed Assets	4,588	1,493
Income before Income Taxes and Minority Interests	**74,200**	**101,931**
Income Taxes - Current	**2,085**	**1,299**
Income Taxes - Deferred	**1,549**	**(19,612)**
Total Income Taxes	**3,634**	**(18,313)**
Income before Minority Interests	**70,566**	**120,244**
Minority Interests in Net Income	**48**	**378**
Net Income	**70,518**	**119,866**

(2)Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal 2011 (Year ended March 31, 2012)	Fiscal 2012 (Year ended March 31, 2013)
Income before Minority Interests	**70,566**	**120,244**
Other Comprehensive Income	**529,922**	**829,496**
Net Unrealized Gains (Losses) on Other Securities, net of taxes	595,754	894,047
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(67,551)	(64,859)
Revaluation Reserve for Land, net of taxes	1,609	−
Foreign Currency Transaction Adjustments	(1)	20
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	110	288
Total Comprehensive Income	**600,488**	**949,741**
Attributable to:		
Owners of the Parent	600,430	949,318
Minority Interests	58	423

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

	Fiscal 2011 (Year ended March 31, 2012)	Fiscal 2012 (Year ended March 31, 2013)
(Capital Surplus)		
Balance at the Beginning of the Fiscal Year	25,020	25,020
Additions:	−	−
Deductions:	−	−
Balance at the End of the Fiscal Year	25,020	25,020
(Retained Earnings)		
Balance at the Beginning of the Fiscal Year	972,337	1,024,914
Additions:	73,952	126,984
Net Income for the Fiscal Year	70,518	119,866
Transfer from Revaluation Reserve for Land, net of taxes	3,434	7,118
Deductions:	21,375	21,377
Dividends	21,375	21,377
Balance at the End of the Fiscal Year	1,024,914	1,130,521

Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal 2011 (Year ended March 31, 2012)	Fiscal 2012 (Year ended March 31, 2013)
Ⅰ Cash Flows from Operating Activities:		
Income before Income Taxes and Minority Interests	74,200	101,931
Depreciation	19,999	19,997
Losses on Impairment of Fixed Assets	4,588	1,493
Gains on Negative Goodwill Incurred	(2,729)	(19)
Equity in Losses (Earnings) of Affiliates	(7,113)	(6,727)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(39,892)	(53,455)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(57)	(6,309)
Net Increase (Decrease) in Reserve for Bonus Payments	1,837	272
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	2,288	5,226
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(32)	14
Interest Income	(597,750)	(637,775)
Interest Expenses	587,554	589,742
Losses (Gains) on Securities	48,044	153,526
Losses (Gains) on Money Held in Trust	3,428	(10,946)
Foreign Exchange Losses (Gains)	314,547	(4,527,579)
Losses (Gains) on Disposal of Fixed Assets	(404)	(702)
Net Decrease (Increase) in Trading Assets	(13,280)	(3,944)
Net Increase (Decrease) in Trading Liabilities	(1,129)	(455)
Net Decrease (Increase) in Loans and Bills Discounted	(627,455)	(1,486,184)
Net Increase (Decrease) in Deposits	1,681,174	3,892,385
Net Increase (Decrease) in Negotiable Certificates of Deposit	1,114,307	514,864
Net Increase (Decrease) in Debentures	(298,488)	(510,931)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(51,200)	(35,700)
Net Decrease (Increase) in Interest-bearing Due from Banks	(380,356)	(11,764)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	494,066	(602,382)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(259,787)	492,481
Net Increase (Decrease) in Call Money and Bills Sold and Other	(671,401)	4,476,630
Net Increase (Decrease) in Short-term Entrusted Funds	(45,569)	(116,586)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(822,575)	(4,525)
Net Decrease (Increase) in Foreign Exchange Assets	264,949	(223,953)
Net Increase (Decrease) in Foreign Exchange Liabilities	10	67
Interest Received	626,006	653,552
Interest Paid	(597,543)	(592,544)
Other, Net	(343,774)	(170,998)
Subtotal	476,462	1,898,703
Income Taxes Refund (Paid)	(3,933)	2,217
Net Cash Provided by Operating Activities	**472,528**	**1,900,920**
Ⅱ Cash Flows from Investing Activities:		
Purchases of Securities	(30,101,719)	(30,200,852)
Proceeds from Sales of Securities	833,008	1,786,024
Proceeds from Redemption of Securities	27,220,017	28,593,913
Increase in Money Held in Trust	(1,042,889)	(666,090)
Decrease in Money Held in Trust	1,410,795	1,324,776
Purchases of Tangible Fixed Assets	(2,552)	(5,559)
Purchases of Intangible Fixed Assets	(2,543)	(2,027)
Proceeds from Sales of Tangible Fixed Assets	5,038	10,267
Purchase of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	(1,832)	–
Purchase of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	(286)	(28)
Proceeds from Business Transfer	895,606	–
Net Cash Provided by (Used in) Investing Activities	**(787,356)**	**840,423**
Ⅲ Cash Flows from Financing Activities:		
Payments for Redemption of Subordinated Bonds	(195,026)	–
Dividends Paid	(21,375)	(21,377)
Net Cash Used in Financing Activities	**(216,402)**	**(21,377)**
Ⅳ Net Increase (Decrease) in Cash and Cash Equivalents	**(531,230)**	**2,719,966**
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 Fiscal Year	**414,965**	**3,134,931**

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 period.

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

(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 unconsolidated subsidiaries and 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.

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

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

Depreciation of Tangible Fixed Assets of the consolidated subsidiaries is primarily calculated using the declining-balance method over their estimated economic useful lives.
(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 fiscal year ended March 31, 2013. 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 ¥30,840 million for the fiscal year ended March 31, 2013.

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

(6) Reserve for Possible Investment Losses

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

(7) Reserve for Bonus Payments

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

(8) Reserve for Employees' Retirement Benefits

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

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

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

Some of the Bank's consolidated subsidiaries adopt the simplified method 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 fiscal year.

(10) Foreign Currency Translation

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

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

(11) Accounting for Finance Leases

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

(12) Hedge Accounting

a. Hedge of Interest Rate Risk

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

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.

(Notes to Consolidated Balance Sheet)

1. Investments in Affiliates ¥102,978 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥136,070million as of March 31, 2013.

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 ¥1,560 million and securities held without re-pledge of ¥825,839 million as of March 31, 2013, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥799million and delinquent loans of ¥166,237 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 Order for Enforcement of the Corporation Tax Act (Cabinet Order 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 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 ¥172 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 ¥61,211 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 ¥228,420 million.

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

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥5,410 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥8,596,567 million
Securities	¥14,067,246 million

Liabilities secured by the above assets are as follows:

Borrowed Money	¥229,923 million
Call Money	¥425,000 million
Payables under Repurchase Agreements	¥12,349,745 million
Payables under Securities Lending Transactions	¥4,567 million

In addition, Securities (including transactions of Money Held in Trust) of ¥8,249,498 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Initial Margins of Futures Markets of ¥2,075 million, Cash Collateral Paid for Financial Instruments of ¥778,131 million and guarantee deposits of ¥9,231 million were included in Other Assets.

9. Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements was ¥2,648,354 million as of March 31, 2013. The amount of undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, was ¥1,829,389 million as of March 31, 2013.

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 ¥107,797 million

12. Accumulated Amount of Tax Basis Adjustments Deducted from Tangible Fixed Assets ¥5,312 million

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

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

15. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥4,160 million.

16. Total Monetary Credits to Directors, Supervisory Committee and the Auditors of the Bank ¥114 million

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

18. Projected pension benefit obligations, etc. as of March 31, 2013 are analyzed as follows:

Projected Benefit Obligations	¥(104,880) million
Plan Assets (in fair value)	¥84,399 million
(Unfunded) Overfunded Retirement Benefit Obligations	¥(20,480) million
Unrecognized Actuarial Differences	¥8,056 million
Unrecognized Prior Service Cost	¥1,009 million
Net Amounts Reported in the Consolidated Balance Sheet	¥(11,414) million
Prepaid Pension Costs	¥－ million
Reserve for Employees' Retirement Benefits	¥(11,414) million

(Notes to Consolidated Statement of Operations)

1. Other Ordinary Income includes gains on Money Held in Trust of ¥191,264 million.

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

(Millions of Yen)

Purpose of Use	Type	Area	Impairment Losses
Operating assets	Land and Buildings	Tokyo, others	1,468
Idle assets	Land and Buildings	Akita prf	25

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

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

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

For the consolidated subsidiaries, assets of each individual subsidiary are grouped as one unit.

(Note to Consolidated Statement of Comprehensive Income)

Reclassification adjustments and income tax effects on the Other Comprehensive Income for the fiscal year ended March 31, 2013

Net Unrealized Gains (Losses) on Other Securities, net of taxes:	
Gains (Losses) arising during the fiscal year	¥1,212,074million
Reclassification adjustments to profit or loss	¥24,735million
Amounts before income tax effects	¥1,236,809million
Income tax effects	¥(342,761)million
Total	¥894,047million
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes:	
Gains (Losses) arising during the fiscal year	¥(199,680)million
Reclassification adjustments to profit or loss	¥109,945million
Amounts before income tax effects	¥(89,735)million
Income tax effects	¥24,875million
Total	¥(64,859)million
Foreign Currency Transaction Adjustments:	
Gains (Losses) arising during the fiscal year	¥20million
Reclassification Adjustments to profit or loss	¥—million
Amounts before income tax effects	¥20million
Income tax effects	¥—million
Total	¥20million
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:	
Gains (Losses) during the fiscal year	¥269million
Reclassification Adjustments to profit or loss	¥19million
Total	¥288million
Total Other Comprehensive Income	¥829,496million

(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 fiscal year is as follows:

Cash and Due from Banks	¥4,419,087 million
Less: Interest-bearing Due from Banks	¥(1,284,155)million
Cash and Cash Equivalents at the end of the fiscal year	¥ 3,134,931 million

(Financial Instruments)

1. Particulars of Financial Instruments

(1) Policy on Financial Instruments

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

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

(2) Contents and Risk of Financial Instruments

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

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

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

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

Ref: Standards of Accounting Method (12) Hedge Accounting for hedge item and hedge instruments related to hedge accounting, hedge policy and hedge effectiveness

(3) Risk Management for Financial Instruments

a. Integrated Risk Management

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

The Bank's consolidated subsidiaries have managed to align each risk management framework in accordance with the Bank's "Management and Operation Policy for Group Companies," taking account of the Bank's "Basic Policies for Risk

Management" as well as the nature of its own business activities and the risk profile.

b. Credit Risk Management

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

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

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

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

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

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

c. Market Risk Management

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

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2013, the end of fiscal 2012, summed up to ¥39 million in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back test for the fiscal year 2012 actual results, the Bank had only one exception where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank and its consolidated subsidiaries from the banking operations totaled ¥2,326,126 million as of March 31, 2013, the end of fiscal 2012, under the historical simulation method with holding period of 1 year, a 99.50% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid-to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured by using the historical simulation method VaR as mentioned above.

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

d. Liquidity Risk Management

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

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

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

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

"Consolidated Balance Sheet Amount," "Fair Value" and "Difference" as of March 31, 2013 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	16,224,595		
Reserve for Possible Loan Losses(※1)	(167,706)		
	16,056,888	16,107,868	50,979
(2) Securities			
Held-to-Maturity Debt Securities	17,561,519	17,905,289	343,770
Other Securities	31,980,621	31,980,621	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purposes	27,217	27,217	—
Other Money Held in Trust	6,863,763	6,874,350	10,586
(4) Trading Assets(※2)			
Trading Securities	25,821	25,821	—
(5) Monetary Claims Bought(※1)	178,228	178,299	71
(6) Call Loans and Bills Bought	1,527,128	1,527,128	—
(7) Cash and Due from Banks	4,419,087	4,419,087	—
Total Assets	78,640,276	79,045,683	405,407
(1) Deposits	47,442,849	47,442,902	53
(2) Negotiable Certificates of Deposit	2,397,290	2,397,290	—
(3) Debentures	4,606,940	4,645,856	38,915
(4) Borrowed Money	1,779,106	1,779,106	—
(5) Call Money and Bills Sold	452,214	452,214	—
(6) Payables under Repurchase Agreements	12,349,745	12,349,745	—
(7) Short-term Entrusted Funds	4,235,124	4,235,124	—
Total Liabilities	73,263,272	73,302,240	38,968
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	176	176	—
Transactions Accounted for as Hedge Transactions	(599,256)	(599,256)	—
Total Derivative Instruments	(599,080)	(599,080)	—

(※) 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 maturities, interest rates and other terms.

(2) Securities

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

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

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

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

(3) Money Held in Trust

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

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

(4) Trading Assets

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

(5) Monetary Claims Bought

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

(6) Call Loans and Bills Bought

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

(7) Cash and Due from Banks

For Due from Banks without stated maturity, fair value approximates the carrying value. For Due from Banks with stated maturity, as the contractual terms are short-term (1 year or less), fair value approximates the carrying value. Concerning negotiable certificates of deposit, fair value is determined based on reasonably estimated amounts at the end of the fiscal year. The reasonably estimated amounts of negotiable certificates of deposit are calculated according to the Discounted Cash Flow method. The price-determining variable is the over-the-counter rate, 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 hedged 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" in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes the transactions of the table below.

(Millions of Yen)

Instruments	Consolidated Balance Sheet Amount
Unlisted Stocks and Others(※1)(※2)	233,374
Bonds (※2)	8,292
Investments in Partnership and Others (※3)	261,986
Total	503,654

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

2 The amount of revaluation losses for the fiscal year was ¥132 million on Unlisted Stocks and Others and ¥872 million on Bonds.

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

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

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Loans and Bills Discounted(※1)	12,921,383	1,678,007	812,087	340,108	212,873	92,401
Securities						
Held-to-Maturity Debt Securities	1,096,118	3,266,995	4,365,132	2,877,376	5,431,451	543,787
Other Securities held that have Maturity	3,768,692	2,723,035	3,439,974	3,185,138	5,774,515	1,990,910
Monetary Claims Bought	1,569	7,124	8,783	—	3,648	159,364
Call Loans and Bills Bought	1,527,128	—	—	—	—	—
Due from Banks(※2)	4,310,632	—	—	—	—	—
Total	23,625,524	7,675,162	8,625,977	6,402,622	11,422,488	2,786,463

(※) 1 Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥167,733 million within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

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

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

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits(※1)	47,436,168	5,469	1,211	—	—	—
Negotiable Certificates of Deposit	2,397,290	—	—	—	—	—
Debentures	1,219,799	1,778,656	1,608,479	5	—	—
Borrowed Money(※2)	288,805	3,763	529	—	—	1,486,007
Call Money and Bills Sold	452,214	—	—	—	—	—
Payables under Repurchase Agreements	12,349,745	—	—	—	—	—
Short-term Entrusted Funds	4,235,124	—	—	—	—	—
Total	68,379,149	1,787,890	1,610,220	5	—	1,486,007

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

2 Subordinated borrowings within Borrowed Money are included in the entry for "Over 10 Years."

(Securities)

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

1. Trading Securities (as of March 31, 2013)

(Millions of Yen)

	Unrealized Gain Recognized as Income
Trading Securities	159

2. Held-to-Maturity Debt Securities (as of March 31, 2013)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	7,560,076	7,686,649	126,573
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	8,945,379	9,167,364	221,984
	Sub total	16,505,456	16,854,014	348,557
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,087,942	1,083,219	(4,723)
	Sub total	1,087,942	1,083,219	(4,723)
Total		17,593,399	17,937,233	343,834

3. Other Securities (as of March 31, 2013)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	366,616	209,505	157,111
	Bonds	6,021,255	5,834,786	186,468
	Japanese Government Bonds	6,002,865	5,817,522	185,342
	Municipal Government Bonds	2,039	1,969	70
	Corporate Bonds	16,350	15,295	1,055
	Other	21,886,327	20,656,964	1,229,363
	Sub total	28,274,199	26,701,256	1,572,943
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	42,379	50,891	(8,512)
	Bonds	59,878	60,463	(585)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	59,878	60,463	(585)
	Other	3,790,104	3,984,491	(194,386)
	Sub total	3,892,362	4,095,846	(203,483)
Total		32,166,562	30,797,102	1,369,459

4. Held-to-Maturity Debt Securities Sold during the fiscal year ended March 31, 2013
The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities.

5. Other Securities Sold during the fiscal year ended March 31, 2013

(Millions of Yen)

	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	1,057	502	49
Bonds	613,584	8,071	2,330
Japanese Government Bonds	613,584	8,071	2,330
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	1,324,541	48,579	70,455
Total	1,939,183	57,154	72,835

6. 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 fiscal year ended March 31, 2013 ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2013 was ¥1,821 million including ¥1,148 million on Stocks and ¥673 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. Money Held in Trust for Trading Purposes (as of March 31, 2013)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	27,217	1,816

2. Held-to-Maturity Money Held in Trust (as of March 31, 2013)

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

3. Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held-to-maturity) (as of March 31, 2013)

(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	6,865,063	6,546,492	318,571	321,877	3,306

(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 fiscal year was ¥640.09 (Minority Interests, the residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks, the total dividends on Lower Dividend Rate Stocks and Preferred Stocks, and the total Special Dividends are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥22.17 (The total dividends for Lower Dividend Rate Stocks and Preferred Stocks and the total Special Dividends are deducted from the numerator, the aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator respectively in the calculation of Net Income per Share.)

(Subsequent Events)

Business Transfer

In accordance with the approval made at the extraordinary Council of Delegates on March 22, 2013, the Bank concluded the contract with Chiba Prefectural Credit Federations of Agricultural Cooperatives to take over a portion of the banking business as of April 3, 2013.

(1) The Objectives of the Business Transfer

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

(2) The Name of the Transferor

Chiba Prefectural Credit Federations of Agricultural Cooperatives

(The Shinnoren of Chiba Prefecture)

(3) The Description of the Business to be Transferred

A portion of the banking business

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

The details and amounts of the assets and liabilities to be transferred remain undefined at this moment.

(5) The Date of Transfer

July 16, 2013

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Yen)

	Fiscal 2011 (As of March 31, 2012)	Fiscal 2012 (As of March 31, 2013)
(Assets)		
Loans and Bills Discounted	**14,655,723**	**16,127,677**
Loans on Deeds	12,984,583	14,510,581
Loans on Bills	232,534	240,721
Overdrafts	1,433,208	1,370,964
Bills Discounted	5,397	5,410
Foreign Exchange Assets	**44,797**	**268,750**
Due from Foreign Banks	44,797	268,750
Securities	**45,655,404**	**50,072,352**
Japanese Government Bonds	17,521,653	13,545,158
Municipal Government Bonds	1,874	2,039
Corporate Bonds	97,844	76,229
Stocks	555,362	633,129
Other Securities	27,478,669	35,815,795
Money Held in Trust	**7,026,907**	**6,891,232**
Trading Assets	**32,658**	**36,602**
Trading Securities	21,425	25,821
Derivatives of Trading Securities	1	7
Derivatives of Securities Related to Trading Transactions	−	20
Trading-related Financial Derivatives	11,231	10,752
Monetary Claims Bought	**222,980**	**179,373**
Call Loans	**832,440**	**1,527,128**
Receivables under Resale Agreements	**44,987**	−
Receivables under Securities Borrowing Transactions	**492,481**	−
Cash and Due from Banks	**1,672,889**	**4,403,890**
Cash	136,592	108,450
Due from Banks	1,536,296	4,295,439
Other Assets	**968,159**	**1,248,265**
Domestic Exchange Settlement Account, Debit	126	81
Prepaid Expenses	367	430
Accrued Income	103,051	155,535
Initial Margins of Futures Markets	1,949	2,075
Valuation Margins of Futures Markets	22	7
Derivatives other than for Trading	40,073	106,871
Cash Collateral Paid for Financial Instruments	759,895	778,131
Others	62,673	205,132
Tangible Fixed Assets	**116,866**	**107,435**
Buildings	34,513	34,456
Land	62,150	51,947
Lease Assets	13,074	12,832
Construction in Progress	602	1,958
Other Tangible Fixed Assets	6,525	6,240
Intangible Fixed Assets	**42,133**	**32,187**
Software	37,353	26,707
Lease Assets	3,231	2,494
Other Intangible Fixed Assets	1,548	2,985
Customers' Liabilities for Acceptances and Guarantees	**140,502**	**142,169**
Reserve for Possible Loan Losses	**(221,671)**	**(170,847)**
Reserve for Possible Investment Losses	**(8,065)**	**(5,120)**
Total Assets	**71,719,196**	**80,861,096**

(Millions of Yen)

	Fiscal 2011 (As of March 31, 2012)	Fiscal 2012 (As of March 31, 2013)
(Liabilities)		
Deposits	**43,563,186**	**47,456,419**
Time Deposits	36,684,700	39,871,077
Deposits at Notice	84,318	88,937
Ordinary Deposits	1,073,185	1,029,832
Current Deposits	134,811	78,863
Other Deposits	5,586,170	6,387,707
Negotiable Certificates of Deposit	**1,882,426**	**2,397,290**
Debentures	**5,125,655**	**4,619,200**
Debentures Issued	5,125,655	4,619,200
Trading Liabilities	**10,595**	**10,139**
Derivatives of Trading Securities	−	31
Derivatives of Securities Related to Trading Transactions	13	32
Trading-related Financial Derivatives	10,581	10,075
Borrowed Money	**1,819,807**	**1,772,106**
Borrowings	1,819,807	1,772,106
Call Money	**524,922**	**452,214**
Payables under Repurchase Agreements	**7,800,406**	**12,349,745**
Payables under Securities Lending Transactions	**10,654**	**6,129**
Foreign Exchange Liabilities	**10**	**78**
Foreign Bills Payable	10	78
Short-term Entrusted Funds	**4,351,710**	**4,235,124**
Other Liabilities	**1,550,927**	**1,263,850**
Domestic Exchange Settlement Account, Credit	123	93
Accrued Expenses	54,622	51,504
Income Taxes Payable	99	97
Unearned Income	1,098	991
Employees' Deposits	8,135	8,341
Derivatives other than for Trading	698,326	705,609
Cash Collateral Received for Financial Instruments	359	1,010
Lease Liabilities	17,456	15,585
Others	770,705	480,617
Reserve for Bonus Payments	**5,129**	**5,382**
Reserve for Retirement Benefits	**4,945**	**10,084**
Reserve for Directors' Retirement Benefits	**704**	**722**
Deferred Tax Liabilities	**94,249**	**395,295**
Deferred Tax Liabilities for Land Revaluation	**12,932**	**10,158**
Acceptances and Guarantees	**140,502**	**142,169**
Total Liabilities	**66,898,765**	**75,126,111**
(Net Assets)		
Paid-in Capital	**3,425,909**	**3,425,909**
Common Stock	3,400,909	3,400,909
(including Lower Dividend Rate Stock)	2,975,192	2,975,192
Preferred Stock	24,999	24,999
Capital Surplus	**25,020**	**25,020**
Capital Surplus Reserve	24,999	24,999
Other Capital Surplus	20	20
Reserve for Revaluation	20	20
Retained Earnings	**1,011,806**	**1,104,386**
Legal Reserves	468,166	481,266
Voluntary Reserves	543,640	623,120
Special Reserves	36,100	49,200
General Reserves	379,403	394,403
Reserves for Tax Basis Adjustments of Fixed Assets	7,968	8,015
Others	7	7
Unappropriated Retained Earnings	120,161	171,494
Net Income	61,641	106,839
Total Owners' Equity	**4,462,736**	**4,555,316**
Net Unrealized Gains on Other Securities, net of taxes	**373,612**	**1,267,564**
Net Deferred Losses on Hedging Instruments, net of taxes	**(40,760)**	**(105,620)**
Revaluation Reserve for Land, net of taxes	**24,841**	**17,723**
Total Valuation and Translation Adjustments	**357,693**	**1,179,667**
Total Net Assets	**4,820,430**	**5,734,984**
Total Liabilities and Net Assets	**71,719,196**	**80,861,096**

Non-consolidated Statements of Operations

(Millions of Yen)

	Fiscal 2011 (Year ended March 31, 2012)	Fiscal 2012 (Year ended March 31, 2013)
Ordinary Income	933,145	970,896
Interest Income	594,671	634,759
Interest on Loans and Bills Discounted	81,856	74,967
Interest and Dividends on Securities	496,906	540,622
Interest on Call Loans	1,668	1,486
Interest on Receivables under Resale Agreements	7	10
Interest on Receivables under Securities Borrowing Transactions	540	508
Interest on Due from Banks	5,384	4,756
Other Interest Income	8,307	12,407
Fees and Commissions	12,693	13,543
Exchange Fees	1,344	1,351
Other Commissions Receivable	11,348	12,191
Trading Income	753	485
Income from Trading Securities and Derivatives	590	416
Income from Securities and Derivatives Related to Trading Transactions	9	−
Income from Trading-related Financial Derivatives	154	69
Other Operating Income	84,785	113,702
Gains on Sales of Bonds	24,909	53,984
Gains on Redemption of Bonds	16,557	16,365
Other Operating Income	43,318	43,352
Other Ordinary Income	240,241	208,404
Reversal of Reserve for Possible Loan Losses	8,746	−
Recoveries from Written-off Claims	2,899	1,063
Gains on Sales of Stocks and Other Securities	14,328	11,121
Gains on Money Held in Trust	211,377	191,255
Others	2,888	4,963
Ordinary Expenses	864,709	882,774
Interest Expenses	587,538	589,693
Interest on Deposits	41,706	34,559
Interest on Negotiable Certificates of Deposit	3,680	7,128
Interest on Debentures	59,183	45,294
Interest on Borrowed Money	85,891	81,671
Interest on Call Money	453	346
Interest on Payables under Repurchase Agreements	15,233	15,530
Interest on Payables under Securities Lending Transactions	8	3
Interest on Interest Rate Swap	61,826	86,454
Other Interest Expenses	319,553	318,705
Fees and Commissions	11,082	11,605
Exchange Fees	464	523
Other Commissions	10,617	11,082
Trading Expenses	−	224
Expenses on Securities and Derivatives Related to Trading Transactions	−	224
Other Operating Expenses	95,947	132,795
Amortization of Debenture Issuance Costs	466	442
Losses on Foreign Exchange Transactions	4,474	12,724
Losses on Sales of Bonds	28,908	73,303
Losses on Redemption of Bonds	136	103
Losses on Revaluation of Bonds	1,969	872
Expenses on Financial Derivatives	12,992	5,381
Other Operating Expenses	46,999	39,968
General and Administrative Expenses	112,054	116,565
Other Ordinary Expenses	58,086	31,888
Provision of Reserve for Possible Loan Losses	−	4,371
Write-off of Loans	1,779	9,096
Losses on Sales of Stocks and Other Securities	21,201	4,293
Losses on Revaluation of Stocks and Other Securities	15,243	1,280
Losses on Money Held in Trust	11,794	1,386
Others	8,067	11,458
Ordinary Profits	68,436	88,122
Extraordinary Profits	1,788	2,065
Gains on Disposal of Fixed Assets	1,788	2,065
Extraordinary Losses	5,988	2,849
Losses on Disposal of Fixed Assets	1,439	1,356
Losses on Impairment of Fixed Assets	4,549	1,493
Income before Income Taxes	64,236	87,337
Income Taxes - Current	1,203	94
Income Taxes - Deferred	1,391	(19,595)
Total Income Taxes	2,594	(19,501)
Net Income	61,641	106,839
Unappropriated Retained Earnings Brought Forward	55,085	57,536
Transfer from Land Revaluation Reserve	3,434	7,118
Unappropriated Retained Earnings at the End of the Year	120,161	171,494

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 period.

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

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.

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

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 fiscal year ended March 31, 2013. 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 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. Issuance Costs

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

6. Foreign Currency Translation

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

7. Reserves

(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 ¥29,717 million for the fiscal year ended March 31, 2013.

(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 fiscal year.

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

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

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

(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 fiscal year.

8. Accounting for Finance Leases

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

9. Hedge Accounting

(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.

10. Consumption Taxes

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

(Changes in Presentation of the Financial Statements)

As the addendum format of "Ordinance for Enforcement of The Norinchukin Bank Law" (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No.16 of 2001) was revised by "Order Partially Revising Ordinance for Enforcement of The Norinchukin Bank Law" (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No.4 , March 28, 2013), Cash Collateral Paid for Financial Instruments and Cash Collateral Received for Financial Instruments have been presented as separate line items in Other Assets and Other Liabilities, respectively, from the fiscal year ended March 31, 2013. In order to conform to the current fiscal year presentation, certain previous fiscal year amounts have been reclassified accordingly.

As a result, Cash Collateral under Financial Derivative Transactions of ¥759,895 million in Other Assets presented in the previous fiscal year balance sheet has been reclassified to Cash Collateral Paid for Financial Instruments, and Others of ¥771,064 million in Other Liabilities has been reclassified to Cash Collateral Received for Financial Instruments of ¥359 million and Others of ¥770,705 million.

(Notes to Non-consolidated Balance Sheet)

1. Investments in Subsidiaries and Affiliates ¥149,368 million

2. Other Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥136,070 million as of March 31, 2013.

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 ¥1,560 million and securities held without re-pledge of ¥825,839 million as of March 31, 2013, respectively. No such securities are re-loaned to the third parties.

3. Loans and Bills Discounted include loans to borrowers under bankruptcy proceedings of ¥509 million and delinquent loans of ¥160,118 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 Order for Enforcement of the Corporation Tax Act (Cabinet Order 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 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 ¥7 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 ¥59,927 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 ¥220,563 million.

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

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥5,410 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥8,596,567 million
Securities	¥14,067,246 million

Liabilities secured by the above assets are as follows:

Borrowed Money	¥229,923 million
Call Money	¥425,000 million
Payables under Repurchase Agreements	¥12,349,745 million
Payables under Securities Lending Transactions	¥4,567 million

In addition, Securities (including transactions of Money Held in Trust) of ¥8,231,715 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Guarantee deposits of ¥8,960 million were included in Others of Other Assets.

9. Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements was ¥2,889,754 million as of March 31, 2013. The amount of undrawn commitments, which the Bank could cancel at any time without cause, was ¥2,070,789 million as of March 31, 2013.

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 ¥105,619 million

12. Accumulated Losses on Impairment of Tangible Fixed Assets ¥17,408 million

13. Accumulated Amount of Tax Basis Adjustments Deducted from Tangible Fixed Assets ¥5,312 million

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

15. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥4,160 million.

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

17. Total Receivables Due from Subsidiaries and Affiliates ¥212,776 million

18. Total Payable Due to Subsidiaries and Affiliates ¥99,593 million

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

(Notes to Non-consolidated Statements of Operations)

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

(Millions of Yen)

	Total Income	Total Expenses
Interest Income／Expenses	2,068	1,300
Fees and Commissions	296	1,701
Other Operating and Other Ordinary Income／Expenses	376	23,354
Other	—	—

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

(Millions of Yen)

Purpose of Use	Type	Area	Impairment Losses
Operating assets	Land and Buildings	Tokyo, others	1,468
Idle assets	Land and Buildings	Akita prf	25

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

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

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

(Financial Instruments)

1. Particulars of Financial Instruments

(1) Policy on Financial Instruments

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

(2) Contents and Risk of Financial Instruments

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

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

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

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

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

(3) Risk Management for Financial Instruments

a. Integrated Risk Management

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

b. Credit Risk Management

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

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

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

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

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

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

c. Market Risk Management

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

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2013, the end of fiscal 2012, summed up to ¥39 million in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back test for the fiscal year 2012 actual results, the Bank had only one exception where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,324,739 million as of March 31, 2013, the end of fiscal 2012, under the historical simulation method with holding period of 1 year , a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid- to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured by using the historical simulation method VaR as mentioned above.

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

d. Liquidity Risk Management

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

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

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

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

"Non-consolidated Balance Sheet Amount," "Fair Value" and "Difference" as of March 31, 2013 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	16,127,677		
Reserve for Possible Loan Losses(※1)	(164,489)		
	15,963,187	15,998,112	34,925
(2) Securities			
Held-to-Maturity Debt Securities	17,559,517	17,903,281	343,763
Other Securities	31,963,970	31,963,970	-
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purposes	27,217	27,217	-
Other Money Held in Trust	6,862,717	6,873,301	10,583
(4) Trading Assets(※2)			
Trading Securities	25,821	25,821	-
(5) Monetary Claims Bought(※1)	178,228	178,299	71
(6) Call Loans	1,527,128	1,527,128	-
(7) Cash and Due from Banks	4,403,890	4,403,890	-
Total Assets	78,511,678	78,901,022	389,343
(1) Deposits	47,456,419	47,456,472	53
(2) Negotiable Certificates of Deposit	2,397,290	2,397,290	-
(3) Debentures	4,619,200	4,658,212	39,011
(4) Borrowed Money	1,772,106	1,772,106	-
(5) Call Money	452,214	452,214	-
(6) Payables under Repurchase Agreements	12,349,745	12,349,745	-
(7) Short-term Entrusted Funds	4,235,124	4,235,124	-
Total Liabilities	73,282,102	73,321,167	39,065
Derivative Instruments (※3)			
Transactions not Accounted for as Hedge Transactions	176	176	-
Transactions Accounted for as Hedge Transactions	(599,256)	(599,256)	-
Total Derivative Instruments	(599,080)	(599,080)	-

(※) 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 maturities, interest rates and other terms.

(2) Securities

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

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

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

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

(3) Money Held in Trust

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

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

(4) Trading Assets

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

(5) Monetary Claims Bought

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

(6) Call Loans

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

(7) Cash and Due from Banks

For Due from Banks without stated maturity, fair value approximates the carrying value. For Due from Banks with stated maturity, as the contractual terms are short-term (1 year or less), fair value approximates the carrying value. Concerning negotiable certificates of deposit, fair value is determined based on reasonably estimated amounts at the end of the fiscal year. The reasonably estimated amounts of negotiable certificates of deposit are calculated according to the Discounted Cash Flow method. The price-determining variable is the over-the-counter rate, 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 hedged 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 Non-consolidated Balance Sheet Amount of financial instruments, the fair value of which is extremely difficult to determine: "Assets (2) Other Securities" in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes the transactions listed in the table below.

(Millions of Yen)

Instruments	Non-consolidated Balance Sheet Amount
Unlisted Stocks and Others(※1)(※2)	278,584
Bonds(※2)	8,292
Investments in Partnership and Others (※3)	261,986
Total	548,864

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

2 The amount of revaluation losses for the fiscal year was ¥132 million on Unlisted Stocks and Others and ¥872 million on Bonds.

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

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

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Loans and Bills Discounted(※1)	12,984,010	1,662,965	797,168	325,427	191,602	5,178
Securities						
Held-to-Maturity Debt Securities	1,094,118	3,266,995	4,365,132	2,877,376	5,431,451	543,787
Other Securities held that have Maturity	3,766,692	2,711,879	3,437,381	3,185,126	5,774,447	1,990,910
Monetary Claims Bought	1,569	7,124	8,783	—	3,648	159,364
Call Loans	1,527,128	—	—	—	—	—
Due from Banks(※2)	4,295,439	—	—	—	—	—
Total	23,668,958	7,648,964	8,608,466	6,387,929	11,401,149	2,699,240

(※) 1 Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥161,324 million within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

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

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

(Millions of Yen)

	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits(※1)	47,449,738	5,469	1,211	—	—	—
Negotiable Certificates of Deposit	2,397,290	—	—	—	—	—
Debentures	1,220,549	1,782,164	1,616,481	5	—	—
Borrowed Money(※2)	231,805	3,763	529	—	50,000	1,486,007
Call Money	452,214	—	—	—	—	—
Payables under Repurchase Agreements	12,349,745	—	—	—	—	—
Short-term Entrusted Funds	4,235,124	—	—	—	—	—
Total	68,336,469	1,791,397	1,618,222	5	50,000	1,486,007

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

2 Subordinated borrowings within Borrowed Money are included in the entry for "Over 10 Years."

(Securities)

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

1. Trading Securities (as of March 31, 2013)

(Millions of Yen)

	Unrealized Gain Recognized as Income
Trading Securities	159

2. Held-to-Maturity Debt Securities (as of March 31, 2013)

(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	7,558,074	7,684,641	126,566
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	8,945,379	9,167,364	221,984
	Sub total	16,503,454	16,852,005	348,550
Transactions for Fair Value not exceeding Non-consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,087,942	1,083,219	(4,723)
	Sub total	1,087,942	1,083,219	(4,723)
Total		17,591,397	17,935,224	343,827

3. Stock of subsidiaries and Affiliates (as of March 31, 2013)

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	45,210
Stocks of Affiliates	104,158
Total	149,368

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

4. Other Securities (as of March 31, 2013)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Non-consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	366,616	209,494	157,121
	Bonds	6,005,474	5,819,155	186,318
	Japanese Government Bonds	5,987,083	5,801,891	185,192
	Municipal Government Bonds	2,039	1,969	70
	Corporate Bonds	16,350	15,295	1,055
	Other	21,885,840	20,656,556	1,229,283
	Sub total	28,257,930	26,685,206	1,572,724
Transactions for Non-consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	42,379	50,899	(8,519)
	Bonds	59,878	60,463	(585)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	59,878	60,463	(585)
	Other	3,789,723	3,984,095	(194,372)
	Sub total	3,891,981	4,095,458	(203,477)
Total		32,149,911	30,780,664	1,369,247

5. Held-to-Maturity Debt Securities Sold during the fiscal year ended March 31, 2013

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

6. Other Securities Sold during the fiscal year ended March 31, 2013

(Millions of Yen)

	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	1,057	498	49
Bonds	613,584	8,071	2,330
Japanese Government Bonds	613,584	8,071	2,330
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	1,324,356	48,561	70,442
Total	1,938,998	57,132	72,822

7. 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 fiscal year ended March 31, 2013 ("revaluation loss"), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2013 was ¥1,821 million including ¥1,148 million on Stocks, and ¥673 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. Money Held in Trust for Trading Purposes (as of March 31, 2013)

(Millions of Yen)

	Non-consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	27,217	1,816

2. Held-to-Maturity Money Held in Trust (as of March 31, 2013)

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

3. Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held-to-maturity) (as of March 31, 2013)

(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	6,864,014	6,545,443	318,571	321,877	3,306

(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 March 31, 2013 were as follows:

Deferred Tax Assets	
Reserve for Possible Loan Losses	¥33,862 million
Write-off of Loans	1,935 million
Losses on Revaluation of Securities	72,532 million
Reserve for Employees' Retirement Benefits	10,226 million
Depreciation of Fixed Assets	345 million
Net Operating Losses Carried Forward	26,528 million
Deferred Losses on Hedging Instruments	48,581 million
Unrealized Losses on Reclassification	25,987 million
Others	65,784 million
Subtotal	285,785 million
Valuation Allowance	(136,087) million
Total Deferred Tax Assets	¥149,697 million
Deferred Tax Liabilities	
Gain from Contribution of Securities to Employee Retirement Benefit Trust	¥(4,959) million
Net Unrealized Gains on Other Securities	(458,321) million
Deferred Gains on Hedging Instruments	(8,115) million
Unrealized Gains on Reclassification	(40,744) million
Others	(32,852) million
Total Deferred Tax Liabilities	(544,993) million
Net Deferred Tax Liabilities	¥(395,295) million

(Per share Information)

Net Assets per Share at the end of the fiscal year was ¥634.05 (The residual assets for the holders of Lower Dividend Rate Stocks and Preferred Stocks, the total dividends on Lower Dividend Rate Stocks and Preferred Stocks, and the total Special Dividends are deducted from the numerator, and the aggregate number of Lower Dividend Rate Stocks and Preferred Stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Net Income per Share for the period was ¥19.11 (The total dividends for Lower Dividend Rate Stocks and Preferred Stocks and the total Special Dividends are deducted from the numerator, the aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator respectively in the calculation of Net Income per Share.)

(Subsequent Events)

Business Transfer

In accordance with the approval made at the extraordinary Council of Delegates meeting on March 22, 2013, the Bank concluded the contract with Chiba Prefectural Credit Federations of Agricultural Cooperatives to take over a portion of the banking business as of April 3, 2013.

(1) The Objectives of the Business Transfer

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

(2) The Name of the Transferor

Chiba Prefectural Credit Federations of Agricultural Cooperatives

(The Shinnoren of Chiba Prefecture)

(3) The Description of the Business to be Transferred

A portion of the banking business

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

The details and amounts of the assets and liabilities to be transferred remain undefined at this moment.

(5) The Date of Transfer

July 16, 2013