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The Norinchukin Bank and Subsidiaries

Consolidated Balance Sheets As of March 31, 2007 and 2006

As of March 31	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2007	2006	2007
Assets			
Cash and Due from Banks (Notes 29 and 31)	¥ 866,303	¥ 1,328,936	\$ 7,341
Call Loans and Bills Bought	835,715	1,051,567	7,082
Receivables under Resale Agreements	-	601,187	-
Receivables under Securities Borrowing Transactions	563,282	875,332	4,774
Monetary Claims Bought (Note 31)	828,790	755,291	7,024
Trading Assets (Notes 3,9 and 31)	52,550	69,309	445
Money Held in Trust (Note 32)	7,797,745	7,551,691	66,083
Securities (Notes 4,9,21 and 31)	43,730,249	45,586,152	370,595
Loans and Bills Discounted (Notes 5,9 and 20)	12,854,680	11,963,996	108,938
Foreign Exchange Assets (Note 6)	3,176	20,129	27
Other Assets (Notes 7 and 9)	543,988	739,471	4,610
Tangible Fixed Assets (Note 8)	155,601	159,755	1,319
Intangible Fixed Assets	7,953	15,570	67
Deferred Debenture Discounts	-	132	-
Deferred Tax Assets (Note 18)	2,626	2,780	22
Customers' Liabilities for Acceptances and Guarantees (Note 19)	242,446	229,484	2,055
Reserve for Possible Loan Losses	(204,380)	(229,748)	(1,732)
Reserve for Possible Investment Losses	(38,628)	-	(327)
Total Assets	¥ 68,242,099	¥ 70,721,040	\$ 578,323
Liabilities and Net Assets			
Liabilities			
Deposits (Note 10)	¥ 41,243,492	¥ 40,475,329	\$ 349,521
Negotiable Certificates of Deposit	2,375,026	1,012,220	20,127
Debentures (Note 11)	4,471,156	4,787,514	37,891
Bonds (Note 12)	357,097	-	3,026
Call Money and Bills Sold (Note 9)	1,068,632	5,043,340	9,056
Payables under Repurchase Agreements (Note 9)	7,438,847	7,599,379	63,041
Payables under Securities Lending Transactions (Note 9)	1,345,025	3,559,998	11,399
Trading Liabilities (Note 13)	19,662	32,888	167
Borrowed Money (Note 14)	1,131,532	1,101,537	9,589
Foreign Exchange Liabilities (Note 15)	0	0	0
Short-term Entrusted Funds	2,868,967	1,582,927	24,313
Other Liabilities (Note 16)	489,920	813,505	4,152
Reserve for Bonus Payments	5,031	5,052	43
Reserve for Employees' Retirement Benefits (Note 17)	1,849	7,983	16
Deferred Tax Liabilities (Note 18)	712,110	517,027	6,035
Deferred Tax Liabilities for Land Revaluation	25,411	25,647	215
Acceptances and Guarantees (Note 19)	242,446	229,484	2,055
Total Liabilities	63,796,211	66,793,836	540,646
Net Assets			
Paid-in Capital (Note 22)	1,484,017	1,465,017	12,576
Capital Surplus	25,020	25,020	212
Retained Earnings	1,249,484	1,057,616	10,589
Total Owner's Equity	2,758,523	2,547,655	23,377
Net Unrealized Gains on Other Securities, net of taxes	1,658,980	1,366,583	14,059
Net Deferred Losses on Hedging Instruments, net of taxes	(24,762)	(41,024)	(210)
Revaluation Reserve for Land, net of taxes	47,451	47,974	402
Foreign Currency Transaction Adjustments	0	-	0
Total Valuation and Translation Adjustments	1,681,669	1,373,533	14,251
Minority Interests	5,696	6,015	49
Total Net Assets	4,445,888	3,927,203	37,677
Total Liabilities and Net Assets	¥ 68,242,099	¥ 70,721,040	\$ 578,323

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

The Norinchukin Bank and Subsidiaries

Consolidated Statements of Operations For the fiscal years ended March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2007	2006	2007
Income			
Interest Income:	¥ 2,053,869	¥ 1,406,295	\$ 17,406
Interest on Loans and Bills Discounted	128,914	109,422	1,093
Interest and Dividends on Securities	1,863,028	1,240,014	15,788
Interest on Call Loans and Bills Bought	5,300	1,403	45
Interest on Receivables under Resale Agreements	3,993	72	34
Interest on Receivables under Securities Borrowing Transactions	755	19	6
Interest on Due from Banks	34,034	41,539	289
Other Interest Income	17,841	13,822	151
Fees and Commissions	24,928	24,551	211
Trading Income (Note 23)	223	427	2
Other Operating Income (Note 24)	95,098	116,538	806
Other Income (Note 25)	465,843	263,392	3,948
Total Income	¥ 2,639,963	¥ 1,811,205	\$ 22,373
Expenses			
Interest Expenses:	1,791,742	1,200,977	15,184
Interest on Deposits	326,342	176,563	2,765
Interest on Negotiable Certificates of Deposit	95,262	15,172	807
Interest on Debentures	32,108	25,884	272
Interest on Borrowings	14,362	7,876	122
Interest on Call Money and Bills Sold	3,293	1,505	28
Interest on Payables under Repurchase Agreements	401,178	194,025	3,400
Interest on Payables under Securities Lending Transactions	4,209	244	36
Interest on Bonds	8,293	-	70
Other Interest Expenses	906,691	779,703	7,684
Fees and Commissions	12,083	10,082	102
Trading Expenses (Note 26)	313	280	3
Other Operating Expenses (Note 27)	273,630	100,791	2,319
General and Administrative Expenses	111,015	116,367	941
Other Expenses (Note 28)	62,038	16,519	526
Total Expenses	2,250,823	1,445,018	19,075
Income before Income Taxes and Minority Interests	389,140	366,187	3,298
Income Taxes			
Current	75,361	63,636	639
Deferred	56,349	32,653	477
Minority Interests in Net Income	591	520	5
Net Income	¥ 256,837	¥ 269,376	\$ 2,177

	Yen		U.S. Dollars (Note 1)
	2007	2006	2007
Net Income per Share	¥ 55.37	¥ 94.21	\$ 0.47

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

The Norinchukin Bank and Subsidiaries

Consolidated Statements of Capital Surplus and Retained Earnings
For the fiscal years ended March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars (Note 1)	
	2007	2006	2007	
Capital Surplus				
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$	212
Balance at the end of the Fiscal Year	¥ 25,020	¥ 25,020	\$	212
Retained Earnings				
Balance at the Beginning of the Fiscal Year	1,057,616	833,818		8,963
Additions:				
Net Income for the Fiscal Year	256,837	269,376		2,177
Transfer from Revaluation Reserve for Land, net of taxes	522	4,362		4
Deductions:				
Dividends	65,492	49,940		555
Balance at the end of the Fiscal Year	¥ 1,249,484	¥ 1,057,616	\$	10,589

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

The Norinchukin Bank and Subsidiaries

Consolidated Statements of Cash Flows For the fiscal years ended March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2007	2006	2007
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 389,140	¥ 366,187	\$ 3,298
Depreciation	18,961	19,574	161
Losses on Impairment of Fixed Assets	172	1,596	1
Amortization of Goodwill	(14)	385	(0)
Equity in Earnings of Affiliates	(819)	(198)	(7)
Net Decrease in Reserve for Possible Loan Losses	(24,925)	(89,060)	(211)
Net Increase in Reserve for Possible Investment Losses	38,628	-	327
Net Increase in Reserve for Bonus Payments	68	282	1
Net Decrease in Reserve for Employees' Retirement Benefits	(5,928)	(951)	(50)
Interest Income	(2,053,869)	(1,406,295)	(17,406)
Interest Expenses	1,791,782	1,200,977	15,185
Losses on Securities	130,445	349	1,105
Gains on Money Held in Trust	(83,598)	(60,091)	(708)
Foreign Exchange Gains	(738,457)	(1,867,918)	(6,258)
Losses (Gains) on Disposals of Fixed Assets	1,188	(2,547)	10
Losses on Stocks of Subsidiaries through a Merger (Impact on the Scope of Consolidation)	878	-	7
Net Decrease in Trading Assets	16,759	314,392	142
Net Decrease in Trading Liabilities	(13,225)	(19,341)	(112)
Net (Increase)Decrease in Loans and Bills Discounted	(886,842)	3,728,223	(7,516)
Net Increase in Deposits	768,101	19,261	6,509
Net Increase in Negotiable Certificates of Deposit	1,362,805	589,221	11,549
Net (Decrease) Increase in Debentures	(316,357)	83,152	(2,681)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	32,774	(0)	278
Net Decrease in Interest-bearing Due from Banks	117,683	1,039,887	997
Net Decrease (Increase) in Call Loans and Bills Bought and Other	743,540	(1,140,734)	6,301
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	312,050	(856,011)	2,644
Net (Decrease) Increase in Call Money and Bills Sold and Other	(4,135,239)	4,880,467	(35,044)
Net Increase (Decrease) in Short-term Entrusted Funds	1,286,039	(26,364)	10,899
Net (Decrease) Increase in Payables under Securities Lending Transactions	(2,214,972)	1,424,162	(18,771)
Net Decrease (Increase) in Foreign Exchanges Assets	16,953	(11,301)	144
Net Increase (Decrease) in Foreign Exchanges Liabilities	0	(55)	0
Interest Received	1,992,445	1,379,403	16,885
Interest Paid	(1,740,349)	(1,168,880)	(14,749)
Other, Net	(125,542)	10,926	(1,063)
Subtotal	(3,319,725)	8,408,695	(28,133)
Income Taxes Paid	(82,058)	(46,983)	(695)
Net Cash (Used in) Provided by Operating Activities	¥ (3,401,783)	¥ 8,361,712	\$ (28,829)

The Norinchukin Bank and Subsidiaries

Consolidated Statements of Cash Flows, continued
For the fiscal years ended March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2007	2006	2007
Cash Flows from Investing Activities:			
Purchases of Securities	¥ (12,010,610)	¥ (13,642,925)	\$ (101,785)
Proceeds from Sales of Securities	8,963,869	4,350,801	75,965
Proceeds from Redemption of Securities	5,836,332	3,341,382	49,460
Increase in Money Held in Trust	(3,397,816)	(4,905,132)	(28,795)
Decrease in Money Held in Trust	3,366,793	2,073,390	28,532
Purchases of Tangible Fixed Assets	(4,746)	(8,473)	(40)
Purchases of Intangible Fixed Assets	(4,583)	(852)	(39)
Proceeds from Sales of Tangible Fixed Assets	719	10,962	6
Proceeds from Sales of Intangible Fixed Assets	0	0	0
Purchases of Stocks of Subsidiaries	(24)	(191)	(0)
(No Impact on the Scope of Consolidation)			
Decrease in Stocks of Subsidiaries through a Merger	(1,943)	-	(16)
(Impact on the Scope of Consolidation)			
Net Cash Provided by (Used in) Investing Activities	<u>¥ 2,747,991</u>	<u>¥ (8,781,037)</u>	<u>\$ 23,288</u>
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	¥ -	¥ 212,900	\$ -
Proceeds from Issuance of Subordinated Bonds	357,097	-	3,026
Proceeds from Issuance of Stock	19,000	240,017	161
Dividends Paid	(65,492)	(49,940)	(555)
Dividends Paid to Minority Interests	(28)	(9)	(0)
Net Cash Provided by Financing Activities	<u>¥ 310,577</u>	<u>¥ 402,967</u>	<u>\$ 2,632</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	¥ 0	¥ -	\$ 0
Net Decrease in Cash and Cash Equivalents	(343,215)	(16,357)	(2,909)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	677,476	693,833	5,741
Cash and Cash Equivalents at the End of the Fiscal Year (Note 29)	<u>¥ 334,260</u>	<u>¥ 677,476</u>	<u>\$ 2,833</u>

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

The Norinchukin Bank and Subsidiaries

Notes to the Consolidated Financial Statements

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in accordance with the provisions set forth in The Norinchukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements filed with the Ministry of Agriculture, Forestry and Fisheries of Japan have been reclassified for the convenience of readers.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥118.00=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2007, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen figures disclosed in the consolidated financial statements are expressed in millions of yen and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the annual report.

2. Summary of Significant Accounting Policies

Accounting Changes

Inflation-indexed bonds whose principal is guaranteed were previously measured at fair value, and not at amortized cost. The Unrealized Gains or Losses (after deducting tax effects) were recorded directly in Stockholders’ Equity. However due to the announcement of “Accounting for Other Compound Financial Instruments (Compound Financial Instruments Other than Those with Option to Increase Paid-in Capital)” (The Accounting Standards Board of Japan Guidance No. 12 issued on March 30, 2006), the Bank applied this standard effective the fiscal year 2006 and valued the bond at fair value, with the Unrealized Gains or Losses (after deducting tax effects) credited directly in Net Assets. The cost is calculated at amortized cost assuming the book value at the beginning of the fiscal year as the new acquisition cost. Due to this change in accounting standards, Net Unrealized Gains on Other Securities, net of taxes, has decreased by ¥27,323 million (\$232 million), Deferred Tax Liabilities has decreased by ¥12,362 million (\$105 million), and Income before Income Taxes and Minority Interests has increased by ¥39,685 million (\$336 million) compared to those using the previous standard.

According to the revision to the appendix form of the “The Norinchukin Bank Law Enforcement Regulations” (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) by the “Ordinance to Amend Part of The Norinchukin Bank Law Enforcement Regulations” (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries Ordinance No.7, April 28, 2006) effective from the fiscal year which ended on and after March 31, 2007, presentation of some financial statements line items has been changed. “Net Assets”, which used to be “Shareholders’ Equity”, now includes Owner’s Equity, Valuation and Translation Adjustments, and Minority Interests as sub-classifications. Deferred gains and losses of hedging instruments, which used to be recorded as “Other Assets” (or “Other Liabilities”), is recorded as Net Deferred Losses on Hedging Instruments (the differences arising from offsetting Gains/Losses) , net of taxes, directly in Net Assets. Minority Interests, which used to be presented between “Liabilities” and “Shareholders’ Equity”, is included in “Net Assets”.

The amount corresponding to “Shareholders’ Equity” under the previous presentation is ¥4,464,954 million (\$37,839 million) as of March 31, 2007.

The amount of Guaranteed Obligations for Corporate Bonds acquired through private offering (as in Article 2-3 Securities and Exchange Law) among those classified as Corporate Bonds in the "Securities" was ¥26,530 million (\$225 million).

Acceptance and Guarantee and Customer's Liabilities for Acceptance and Guarantee" relating to corresponding Guaranteed Obligations are netted in order to comply with the revision of the appendix form of the "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) by the "Ordinance to Amend Part of The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries Ordinance No.3, May 22, 2007) effective from the fiscal year which began on or after April 1, 2006.

(1) Principles of Consolidation

Scope of Consolidation

Subsidiaries

Subsidiaries are, in general, the companies in which the Bank 1) holds, directly and/or indirectly, more than 50% of the voting shares; 2) holds, directly and/or indirectly, 40% or more of the voting shares and, at the same time, exercises effective control over the decision-making body by directing business policy and deciding on financial and operating policies; or 3) holds more than 50% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, has effective control over the decision-making body, unless evidence exists which shows that the Bank does not have such control.

The number of subsidiaries as of March 31, 2007 was nine, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

Norinchukin Finance (Cayman) Limited was newly established during the fiscal year ended March 31, 2007 and was included in the scope of consolidation. Kyodo Credit Service Co., Ltd. was excluded from the scope of consolidation since it was dissolved and merged with Mitsubishi UFJ NICOS Co., Ltd. (formerly called UFJ NICOS Co., Ltd.).

All subsidiaries' fiscal year-ends are March 31.

Affiliates

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

The number of affiliates as of March 31, 2007 was five, four of which were accounted for under the equity method, while the remaining immaterial affiliate is carried at cost. The major affiliate accounted for under the equity method is as follows:

Kyodo Leasing Co., Ltd.

Any difference between the fair value of net assets acquired and acquisition cost is charged or credited to income in the year of acquisition.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the differences between markets, interest rates or foreign exchange rates. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheets on a trade date basis.

Gains and losses arising from transactions for trading purposes are recorded on a trade date basis.

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

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

(3) Financial Instruments

(a) Securities

Held-to-maturity debt securities are valued at amortized cost, as determined by the moving average method. Other securities that have a market price are valued at the market price prevailing at the end of the fiscal year (the cost of securities sold is determined by the moving average method). Other securities without a market price are valued at cost as determined by the moving average method or are valued at amortized cost. Investments in affiliates that are not accounted for under the equity method are valued at cost, as determined by the moving average method. Securities included in Money Held in Trust are valued using the same methods described above.

The net unrealized gains or losses on other securities and other money held in trust are reported separately in Net Assets, on a net-of-tax basis.

(b) Derivatives

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

(c) Hedge Accounting

① Hedge of Interest Rate Risk

The Bank applies the deferred method of hedge accounting to the hedge transactions to manage interest rate risk associate 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 buckets. Hedge effectiveness of a cash flow hedge is assessed based on the correlation of the interest rate risk indicators of the hedged items and that of the hedging instruments.

Deferred Hedge Gains or Losses were recorded in the consolidated balance sheets as a result of applying the hedge accounting methodology described in “Tentative Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used derivatives to manage the overall interest rate risk arising on various financial assets and liabilities, such as loans and deposits. Such Deferred Hedge Gains or Losses are amortized into Interest Income or Interest Expense over 7 years, the average remaining maturity, as calculated, based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balance of Deferred Hedge Losses and Deferred Hedge Gains under a macro hedging methodology, before deducting the tax effect, as of March 31, 2007 were ¥32,080 million (\$271 million) and ¥562 million (\$5 million), respectively.

② Hedge of Foreign Exchange Rate Risk

The Bank applies the deferred method of hedge accounting to the hedges to manage foreign exchange rate risk arising on 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 on the hedged items.

The fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange 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 do not exceed those of the acquisition costs of the foreign currency securities designated as hedged items exist.

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 consolidated statements of operations or are deferred in the consolidated balance sheets 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 on the hedged item is recognized.

The Bank's consolidated subsidiaries do not adopt hedge accounting.

(4) Tangible Fixed Assets

① Depreciation

Depreciation of Tangible fixed assets of the Bank is calculated using the declining-balance method. However, depreciation on buildings acquired on and after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method.

The useful lives of Tangible fixed assets are as follows:

Buildings: 15~50 years

Equipment: 4~15 years

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

② Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revalued on March 31, 1998. Unrealized gains arising on revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheets. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

The land prices used for the revaluation were reasonably calculated based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

(5) Software

The costs of computer software developed or obtained for internal use are capitalized and amortized using the straight-line method over an estimated useful life of 5 years.

(6) Debentures

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

(7) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, and financial statements 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.

(8) Reserve for Possible Loan Losses

The Reserve for Possible Loan Losses of the Bank is computed as follows:

- a. The Reserve for loans to debtors who are legally or substantially in 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. With respect to loans to borrowers who are legally or substantially in bankruptcy that are secured with 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 ¥67,123 million (\$568 million) and ¥72,709 million for the fiscal years ended March 31, 2007 and 2006, respectively.
- b. The reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt, is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- c. The reserve for loans to debtors with “Restructured Loans” (see Note 5) 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, the 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.
- d. The 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.
- e. The specific reserve for loans to countries with financial problems 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. The reserves described above are determined based on the results of these self -assessments.

The 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. The reserve for possible loan losses for problem receivables of the Bank’s consolidated subsidiaries is provided by taking into account their recoverability and an estimate of uncollectible amount.

(9) Reserve for Possible Investment Losses

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

(10) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated payment of employees’ bonuses attributable each fiscal year.

(11) Reserve for Employees’ Retirement Benefits

The Reserve for Employees’ Retirement Benefits, which is provided for the payment of employees’ retirement benefits, is recorded based on the estimated present value of projected benefit obligations in excess of the fair value of the plan assets taking into account adjustments for unrecognized prior year service costs and unrecognized actuarial differences at the end of the fiscal year.

Unrecognized actuarial differences are amortized over a certain period of time (10 years) using the declining-balance method from the fiscal year after the fiscal year the difference had incurred.

(12) Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessee accounted for by the same accounting method as for operating leases. Rental expenses and leases expenses under operating leases are charged to income when incurred.

(13) Consumption Taxes

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

(14) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

“Cash and Cash Equivalents” in consolidated statements of cash flows represent cash and non-interest bearing due from bank in “Cash and Due from Banks” of consolidated balance sheets.

(15) Net Income per Share

Net Income per Share is computed based upon the weighted average number of shares outstanding during the fiscal year.

The total dividend for Lower Dividend Rate Stock and Preferred Stock is deducted from the numerator and the aggregate number of these stocks is deducted from the denominator in the calculation of net income per share.

3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Trading Securities	¥ 31,084	¥ 14,210	\$ 263
Derivatives of Trading Securities	-	9	-
Derivatives of Securities Related to Trading Transactions	66	10	1
Trading-related Financial Derivatives	20,398	34,080	173
Other Trading Account Assets	999	20,998	8
Total	¥ 52,550	¥ 69,309	\$ 445

4. Securities

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Japanese Government Bonds	¥ 11,870,135	¥ 13,879,074	\$ 100,594
Municipal Government Bonds	64,454	107,083	546
Corporate Bonds	486,773	623,409	4,125
Stocks	1,038,442	1,195,909	8,800
Other	30,270,443	29,780,675	256,530
Foreign Bonds	14,995,316	14,171,011	127,079
Foreign Stocks	21,439	9,265	182
Other	15,253,687	15,600,398	129,269
Total	¥ 43,730,249	¥ 45,586,152	\$ 370,595

The maturity profile of securities is as follows:

As of March 31, 2007	Millions of Yen				
	1 Year or Less	Over 1 Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10 Years	with no maturity date
Bonds	¥ 320,783	¥ 2,261,747	¥ 2,659,112	¥ 7,179,719	¥ -
Japanese Government Bonds	230,722	1,991,134	2,487,363	7,160,914	-
Municipal Government Bonds	51,345	10,271	2,153	683	-
Corporate Bonds	38,715	260,341	169,594	18,121	-
Stocks	-	-	-	-	1,038,442
Other	115,867	3,556,261	6,570,125	4,753,096	15,275,092
Foreign Bonds	115,867	3,556,226	6,570,125	4,753,096	-
Foreign Stocks	-	-	-	-	21,439
Other	-	34	-	-	15,253,653
Total	¥ 436,651	¥ 5,818,009	¥ 9,229,237	¥ 11,932,815	¥ 16,313,535

As of March 31, 2006	Millions of Yen				
	1 Year or Less	Over 1 Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10 Years	with no maturity date
Bonds	¥ 1,200,869	¥ 3,715,264	¥ 3,666,468	¥ 6,026,964	¥ -
Japanese Government Bonds	1,099,886	3,384,632	3,379,432	6,015,122	-
Municipal Government Bonds	34,747	69,500	2,073	762	-
Corporate Bonds	66,235	261,131	284,962	11,080	-
Stocks	-	-	-	-	1,195,909
Other	240,975	2,982,925	6,209,742	4,737,406	15,609,624
Foreign Bonds	240,975	2,982,886	6,209,742	4,737,406	-
Foreign Stocks	-	-	-	-	9,265
Other	-	39	-	-	15,600,358
Total	¥ 1,441,845	¥ 6,698,189	¥ 9,876,211	¥ 10,764,371	¥ 16,805,533

	Millions of U.S. Dollars				
	1 Year or Less	Over 1Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10Years	with no maturity date
As of March 31, 2007					
Bonds	\$ 2,718	\$ 19,167	\$ 22,535	\$ 60,845	\$ -
Japanese Government Bonds	1,955	16,874	21,080	60,686	-
Municipal Government Bonds	435	87	18	6	-
Corporate Bonds	328	2,206	1,437	153	-
Stocks	-	-	-	-	8,800
Other	982	30,138	55,679	40,281	129,450
Foreign Bonds	982	30,138	55,679	40,281	-
Foreign Stocks	-	-	-	-	182
Other	-	0	-	-	129,268
Total	\$ 3,700	\$ 49,305	\$ 78,214	\$ 101,126	\$ 138,250

5. Loans and Bills Discounted

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2007	2006	2007
Loans on Deeds	¥ 10,727,937	¥ 9,811,923	\$ 90,915
Loans on Bills	203,150	206,710	1,722
Overdrafts	1,902,939	1,919,881	16,126
Bills Discounted	20,652	25,481	175
Total	¥ 12,854,680	¥ 11,963,996	\$ 108,938

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2007	2006	2007
Loans to Borrowers under Bankruptcy Proceedings	¥ 7,375	¥ 13,313	\$ 62
Delinquent Loans	165,464	169,518	1,402
Loans Past Due for Three Months or More	904	1,477	8
Restructured Loans	116,594	120,847	988
Total	¥ 290,338	¥ 305,158	\$ 2,460

- (1) “Loans to Borrowers under Bankruptcy Proceedings” are loans whose interests accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as “Nonaccrual Loans”) since the loans are determined to be uncollectible considering they have been past due for a certain period of time and other reasons, and meet the definition stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No.97, 1965).
- (2) “Delinquent Loans” are also Nonaccrual Loans other than loans to borrowers under bankruptcy proceedings or loans whereby interest payments are deferred in order to support the borrowers’ rehabilitation.
- (3) “Loans Past Due for Three Months or More” are loans whose principal or interest is past-due for three months or more, other than “Loans to Borrowers under Bankruptcy Proceedings” and “Delinquent Loans.”
- (4) “Restructured Loans” are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferral of payments of interest or principal, waiving principal repayments, etc., in order to support the borrowers’ rehabilitation and facilitate the collection of the loan.

6. Foreign Exchange Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2007	2006	2007
Foreign Bills Bought	¥ -	¥ 0	\$ -
Due from Foreign Banks	3,176	20,129	27
Total	¥ 3,176	¥ 20,129	\$ 27

7. Other Assets

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Prepaid Expenses	¥ 3,360	¥ 3,119	\$ 29
Accrued Income	244,852	236,478	2,075
Financial Derivatives	107,284	71,497	909
Other	188,491	428,376	1,597
Total	¥ 543,988	¥ 739,471	\$ 4,610

8. Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Land	¥ 97,009	¥ 98,081	\$ 822
Buildings	50,691	52,129	430
Equipment	7,156	9,545	61
Other	743	-	6
Total Net Book Value	155,601	159,755	1,319
Accumulated Depreciation Deducted	¥ 96,404	¥ 98,340	\$ 817

9. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Trading Assets	¥ -	¥ 20,998	\$ -
Securities	8,843,827	10,829,493	74,948

Liabilities related to the above pledged assets are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Call Money and Bills Sold	¥ 470,000	¥ 100,000	\$ 3,983
Payables under Repurchase Agreements	7,438,847	7,599,379	63,041
Payables under Securities Lending Transactions	1,000,840	3,309,451	8,482

In addition, as of March 31, 2007 and 2006, Securities totaling ¥4,056,291 million (\$34,375 million) and ¥4,797,733 million, respectively, and Loans and Bills Discounted totaling ¥5,945,709 million (\$50,387 million) and ¥5,029,930 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures markets.

As of March 31, 2007 and 2006, guarantee deposits totaling ¥5,568 million (\$47 million) and ¥5,454 million, initial margins of futures markets totaling ¥1,885 million (\$16 million) and ¥1,146 million, and collateral pledged for derivative transactions totaling ¥14,863 million (\$126 million) and ¥244,251 million were included in Other Assets, respectively.

10. Deposits

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Time Deposits	¥ 33,744,510	¥ 33,571,399	\$ 285,970
Deposits at Notice	27,702	49,832	235
Ordinary Deposits	1,366,694	1,539,338	11,582
Current Deposits	105,800	111,837	897
Other Deposits	5,998,784	5,202,921	50,837
Total	¥ 41,243,492	¥ 40,475,329	\$ 349,521

11. Debentures

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	2007
One-year Discount Debentures	¥ -	¥ 419,594	\$ -	-
Long-term Coupon Debentures	4,471,156	4,367,919		37,891
Total	¥ 4,471,156	¥ 4,787,514	\$	37,891

12. Bonds

Bonds include subordinated bonds of ¥357,097 million (\$3,026 million) as of March 31, 2007.

13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	2007
Derivatives of Trading Securities	¥ -	¥ -	\$ -	-
Derivatives of Securities Related to Trading Transactions	94	7		1
Trading-related Financial Derivatives	19,568	32,881		166
Total	¥ 19,662	¥ 32,888	\$	167

14. Borrowed Money

Borrowed Money include subordinated loans of ¥1,101,532 million (\$9,335 million) and ¥1,101,532 million as of March 31, 2007 and 2006, respectively.

15. Foreign Exchange Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	2007
Foreign Bills Sold	¥ -	¥ -	\$ -	-
Foreign Bills Payable	0	0		0
Due to Foreign Banks	-	-		-
Total	¥ 0	¥ 0	\$	0

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	2007
Accrued Expenses	145,422	94,036	\$	1,232
Income Taxes Payable	58,091	64,577		493
Unearned Income	2,860	2,804		24
Derivatives Other Than for Trading	139,920	508,774		1,186
Other	143,625	143,313		1,217
Total	¥ 489,920	¥ 813,505	\$	4,152

17. Retirement Benefit Plans

The Bank funds a defined benefit pension plan and, in addition, has a lump-sum payment pension plan. Additional retirement benefits are paid to employees in certain cases. To fund the lump-sum payment pension plan, the Bank has established a retirement benefit trust.

The reserve for retirement benefits as of March 31, 2007 and 2006, are analyzed as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars 2007
Projected Benefit Obligations	¥ (80,270)	¥ (79,010)	\$ (680)
Plan Assets	102,437	103,205	868
Unfunded Retirement Benefit Obligations	22,166	24,195	188
Unrecognized Actuarial Differences	(21,427)	(30,352)	(182)
Net Amounts Reported in the Balance Sheets	739	(6,157)	6
Prepaid Pension Cost	2,588	1,826	22
Reserve for Employees' Retirement Benefits	¥ (1,849)	¥ (7,983)	\$ (16)

Note: Certain consolidated subsidiaries adopt the simplified method to calculate projected benefit obligations.

Assumptions used in the above calculation are as follows:

	2007	2006
Discount Rate	2.0%	2.0%
Expected Rate of Return on Plan Assets	3.0%	3.0%
Method of Attributing the Projected Benefits to Periods of Service	Straight-line Basis	Straight-line Basis
Amortization of Unrecognized Actuarial Differences	10 year	10 year

18. Accounting for Income Taxes

The major components of Deferred Tax Assets and Deferred Tax Liabilities as of March 31, 2007 and 2006, are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars 2007
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 49,201	¥ 58,538	\$ 417
Write-off of Loans	9,068	10,983	77
Losses on Revaluation of Securities	19,914	8,289	169
Reserve for Employees' Retirement Benefits	6,816	8,612	58
Depreciation Expense	1,213	1,293	10
Unrealized Losses on Other Securities	-	0	-
Net Deferred Gains on Hedging Instruments	11,170	-	94
Other	33,159	27,531	281
Subtotal	130,543	115,247	1,106
Valuation Allowance	(44,827)	(22,313)	(380)
Total Deferred Tax Assets	85,716	92,934	726
Deferred Tax Liabilities:			
Gain from Contribution of Securities to Employee Retirement Benefit Trust	(5,577)	(5,577)	(47)
Unrealized Gains on Other Securities	(749,392)	(618,131)	(6,351)
Other	(40,230)	(2,032)	(341)
Total Deferred Tax Liabilities	(795,200)	(625,741)	(6,739)
Net Deferred Tax Liabilities	¥ (709,483)	¥ (532,807)	\$ (6,013)

19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars 2007
Acceptance of Bills of Exchange	¥ -	¥ -	\$ -
Letters of Credit	27,048	26,661	229
Guarantees	215,397	202,822	1,826
Total	¥ 242,446	¥ 229,484	\$ 2,055

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under Acceptances and Guarantees. A contra account, Customers' Liabilities for Acceptances and Guarantees, is classified as an asset

representing the Bank's right of indemnity from customers.

20. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a 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 is ¥3,057,746 million (\$25,913 million) and ¥4,400,460 million as of March 31, 2007 and 2006, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥1,949,931 million (\$16,525 million) and ¥2,062,019 million as of March 31, 2007 and 2006, respectively.

The amount of undrawn commitments does not necessarily affect the future cash flow of the Bank and its consolidated subsidiaries because the majority of such agreements are terminated without being exercised. Most of these agreements have provisions which stipulate that the Bank and its consolidated subsidiaries may not extend the loan or may decrease the commitment when there are certain changes in the financial condition of the borrower, 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.

21. Securities Loaned

Securities Loaned under unsecured lending agreements (Saiken Taishaku Torihiki) totaling nothing and ¥53,035 million as of March 31, 2007 and 2006, respectively, are included in Japanese Government Bonds and Other in Securities.

Securities Borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and Securities Purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out totaling ¥343,336 million (\$2,910 million) and ¥249,463 million as of March 31, 2007 and 2006, respectively, and securities held without repledge totaling ¥1,104,163 million (\$9,357 million) and ¥2,215,193 million as of March 31, 2007 and 2006, respectively. No securities were re-loaned as of March 31, 2007 and 2006.

22. Paid-in Capital

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	
Common Stock	¥ 1,459,017	¥ 1,440,017	\$	12,364
Preferred Stock	24,999	24,999		212
Total	¥ 1,484,017	¥ 1,465,017	\$	12,576

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,033,300 million (\$8,757 million).

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

23. Trading Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2007	2006	2007	
Income from Trading Securities and Derivatives	¥ 194	¥ -	\$	2
Income from Securities and Derivatives Related to Trading Transactions	-	-		-
Income from Trading-related Financial Derivatives	-	331		-
Other	28	96		0
Total	¥ 223	¥ 427	\$	2

24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Gains on Sales of Bonds	¥ 21,207	¥ 46,497	\$ 180
Gains on Redemption of Bonds	415	402	3
Gains on Financial Derivatives	21,255	26,809	180
Other	52,219	42,828	443
Total	¥ 95,098	¥ 116,538	\$ 806

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Gains on Sales of Stocks and Other Securities	¥ 32,490	¥ 10,526	\$ 275
Gains on Money Held in Trust	411,616	198,982	3,488
Equity in Earnings of Affiliates	819	198	7
Gains on Disposals of Fixed Assets	76	3,473	1
Recoveries of Written-off Claims	5,661	4,676	48
Transfer from Reserve for Possible Loan Losses	12,764	42,422	108
Other	2,413	3,112	20
Total	¥ 465,843	¥ 263,392	\$ 3,948

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Expenses on Trading Securities and Derivatives	¥ -	¥ 162	\$ -
Expenses on Securities and Derivatives Related to Trading Transactions	3	118	0
Expenses on Trading-related Financial Derivatives	309	-	3
Total	¥ 313	¥ 280	\$ 3

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Amortization of Debenture Issuance Costs	¥ 553	¥ 521	\$ 5
Losses on Foreign Exchange Transactions	-	2,412	-
Losses on Sales of Bonds	225,407	51,563	1,910
Losses on Redemption of Bonds	-	0	-
Other	47,669	46,294	404
Total	¥ 273,630	¥ 100,791	\$ 2,319

28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Write-off of Loans	¥ 2,203	¥ 1,373	\$ 19
Losses on Sales of Stocks and Other Securities	8,866	54	75
Losses on Revaluation of Stocks and Other Securities	523	646	4
Losses on Money Held in Trust	4,947	7,513	42
Losses on Disposals of Fixed Assets	1,261	926	11
Transfer to Reserve for Possible Investment Losses	38,628	-	327
Losses on Stock of Subsidiaries Through a Merger	878	-	7
Other	4,729	6,004	40
Total	¥ 62,038	¥ 16,519	\$ 526

29. Cash Flows

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

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Cash and Due from Banks	¥ 866,303	¥ 1,328,936	\$ 7,341
Less: Interest-bearing Due from Banks	(532,042)	(651,460)	(4,508)
Cash and Cash Equivalents at the End of the Fiscal Year	¥ 334,260	¥ 677,476	\$ 2,833

30. Segment Information

(a) Segment Information by Type of Businesses

Segment Information by Type of Businesses is not shown in this statement, since the business segments, other than the banking businesses, are immaterial.

(b) Segment Information by Geographic Areas

Fiscal year ended March 31, 2007	Millions of Yen						Elimination and Corporate Assets	Consolidated
	Japan	The Americas	Europe	Asia	Total			
I .Ordinary Income	¥	¥	¥	¥	¥	¥	¥	¥
(1)Ordinary Income from Third-parties	2,543,252	32,620	25,158	20,418	2,621,450	-	2,621,450	
(2)Inter-segment Ordinary Income	27,781	418,613	214,266	173,318	833,980	(833,980)	-	
Total	2,571,033	451,234	239,425	193,737	3,455,430	(833,980)	2,621,450	
Ordinary Expenses	2,210,645	440,603	237,098	193,839	3,082,188	(833,980)	2,248,207	
Ordinary Profits(Losses)	¥ 360,388	¥ 10,630	¥ 2,326	¥ (102)	¥ 373,242	¥ -	¥ 373,242	
II .Total Assets	¥ 73,240,523	¥ 8,245,865	¥ 5,059,130	¥ 3,820,960	¥ 90,366,480	¥ (22,124,380)	¥ 68,242,099	

Fiscal year ended March 31, 2006	Millions of Yen						Elimination and Corporate Assets	Consolidated
	Japan	The Americas	Europe	Asia	Total			
I .Ordinary Income	¥	¥	¥	¥	¥	¥	¥	
(1)Ordinary Income from Third-parties	1,689,900	22,740	32,439	15,062	1,760,142	-	1,760,142	
(2)Inter-segment Ordinary Income	17,939	152,946	189,616	152,410	512,912	(512,912)	-	
Total	1,707,839	175,686	222,055	167,473	2,273,054	(512,912)	1,760,142	
Ordinary Expenses	1,401,527	167,189	219,593	167,067	1,955,377	(512,912)	1,442,465	
Ordinary Profits	¥ 306,312	¥ 8,496	¥ 2,462	¥ 405	¥ 317,677	¥ -	¥ 317,677	
II .Total Assets	¥ 76,503,151	¥ 6,642,232	¥ 5,861,540	¥ 4,217,715	¥ 93,224,640	¥ (22,503,600)	¥ 70,721,040	

Fiscal year ended March 31, 2007	Millions of U.S. Dollars						Elimination and Corporate Assets	Consolidated
	Japan	The Americas	Europe	Asia	Total			
I .Ordinary Income	\$	\$	\$	\$	\$	\$	\$	
(1)Ordinary Income from Third-parties	21,553	276	213	173	22,215	-	22,215	
(2)Inter-segment Ordinary Income	235	3,548	1,816	1,469	7,068	(7,068)	-	
Total	21,788	3,824	2,029	1,642	29,283	(7,068)	22,215	
Ordinary Expenses	18,734	3,734	2,009	1,643	26,120	(7,068)	19,052	
Ordinary Profits(Losses)	\$ 3,054	\$ 90	\$ 20	\$ (1)	\$ 3,163	\$ -	\$ 3,163	
II .Total Assets	\$ 620,683	\$ 69,880	\$ 42,874	\$ 32,381	\$ 765,818	\$ (187,495)	\$ 578,323	

Note: 1.The Bank reports “Ordinary Income” and “Ordinary Profits” that corresponds to Sales and Operating Profit for non-financial companies, for the Bank’s head office, branches and the consolidated subsidiaries according to the classification of geographic areas. The geographic classification is effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.

Note: 2.“The Americas” includes the United States of America and Cayman Islands. “Europe” includes the United Kingdom and “Asia” includes the Republic of Singapore.

Note: 3.According to the change in accounting standards for inflation-indexed bonds whose principal is guaranteed, Ordinary Income and Ordinary Profits both has increased ¥39,685 million(\$336 million) for Japan.

(c) Ordinary Income from International Operations

Fiscal years ended March 31	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income	
			Millions of Yen	Percentage
2007	¥1,971,761	¥2,621,450		75.2%
2006	¥1,372,462	¥1,760,142		77.9%
Millions of U.S. Dollars				
2007	\$16,710	\$22,216		75.2%

Note: 1. "Ordinary Income from International Operations" is shown in place of Overseas Sales for non-financial companies.

Note: 2. "Ordinary Income from International Operations" comprises foreign currency transactions, yen-denominated trade bills, yen-denominated transactions with non-Japanese residents, transactions in the offshore market in Japan, transactions by overseas branches of the parent and transactions by overseas consolidated subsidiaries (excluding Inter-segment Ordinary Income between consolidated entities). The composition of this substantial volume of transactions is not broken down by counter-party. Therefore, segment information by Geographic areas has not been presented.

31. Fair Value of Securities**For the Fiscal Year Ended March 31, 2007****Trading Securities**

As of March 31, 2007	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Gain Recognized as Income	Carrying Value	Unrealized Gain Recognized as Income
Trading Securities	¥32,084	¥86	\$272	\$1

Note: The above analysis of Trading Securities includes "Trading Securities", "Short-term Corporate Bonds" disclosed as "Trading Assets" in the consolidated balance sheet.

Held-to-maturity Debt Securities that have a Fair Value

As of March 31, 2007	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Loss		
			Net	Gain	Loss
Japanese Government Bonds	¥18,211	¥18,182	¥(28)	¥12	¥41
Total	¥18,211	¥18,182	¥(28)	¥12	¥41

As of March 31, 2007	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Loss		
			Net	Gain	Loss
Japanese Government Bonds	\$154	\$154	\$(0)	\$0	\$0
Total	\$154	\$154	\$(0)	\$0	\$0

Note: Fair value is based on market prices or other prices as appropriate at the end of the fiscal year ended March 31, 2007.

Other Securities held at Fair Value

As of March 31, 2007	Millions of Yen					
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss			
			Net	Gain	Loss	
Stocks	¥ 420,867	¥ 775,406	¥ 354,539	¥ 381,784	¥ 27,244	
Bonds	12,266,644	12,266,733	88	71,889	71,801	
Japanese Government Bonds	11,854,155	11,851,923	(2,231)	68,376	70,608	
Municipal Government Bonds	63,504	63,766	261	298	36	
Corporate Bonds	348,984	351,043	2,058	3,215	1,156	
Other	28,434,525	30,172,092	1,737,567	1,822,385	84,818	
Foreign Bonds	14,480,551	14,988,028	507,476	567,589	60,113	
Foreign Stocks	-	-	-	-	-	
Other	13,953,973	15,184,064	1,230,091	1,254,795	24,704	
Total	¥ 41,122,036	¥ 43,214,232	¥ 2,092,195	¥ 2,276,059	¥ 183,863	

As of March 31, 2007	Millions of U.S. Dollars					
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss			
			Net	Gain	Loss	
Stocks	\$ 3,566	\$ 6,571	\$ 3,005	\$ 3,236	231	
Bonds	103,955	103,955	(0)	608	608	
Japanese Government Bonds	100,459	100,440	(19)	579	598	
Municipal Government Bonds	538	540	2	2	0	
Corporate Bonds	2,958	2,975	17	27	10	
Other	240,971	255,696	14,725	15,444	719	
Foreign Bonds	122,717	127,017	4,300	4,810	510	
Foreign Stocks	-	-	-	-	-	
Other	118,254	128,679	10,425	10,634	209	
Total	\$ 348,492	\$ 366,222	\$ 17,730	\$ 19,288	1,558	

Note: 1. The above analysis of Other Securities held at Fair Value includes "Securities" and Negotiable Certificates of Deposit disclosed as "Cash and Due from Banks" in the consolidated balance sheets.

Note: 2. Carrying values of securities held on the consolidated balance sheets are stated based on the quoted market price at the end of the fiscal year ended March 31, 2007.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2007	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Other Securities	¥8,963,828	¥48,950	¥234,273	\$75,965	\$415	\$1,985

Carrying Value of Securities without a Fair Value

As of March 31, 2007	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥263,036	\$2,229
Foreign Bonds	¥7,288	\$62
Other	¥261,912	\$2,220

For the Fiscal Year Ended March 31, 2006

Trading Securities

As of March 31, 2006	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Losses Recognized as Expenses	Carrying Value	Unrealized Losses Recognized as Expenses
Trading Securities	¥35,208	¥(496)	\$300	\$(4)

Note: The above analysis of Trading Securities includes Trading Securities, , Negotiable Certificates of Deposit and Commercial Paper disclosed as “Trading Assets” in the consolidated balance sheet.

Held-to-maturity Debt Securities that have a Fair Value

As of March 31, 2006	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Loss		
			Net	Gain	Loss
Japanese Government Bonds	¥18,131	¥18,027	¥(103)	¥1	¥104
Total	¥18,131	¥18,027	¥(103)	¥1	¥104

As of March 31, 2006	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Loss		
			Net	Gain	Loss
Japanese Government Bonds	\$154	\$153	\$(1)	\$0	\$1
Total	\$154	\$153	\$(1)	\$0	\$1

Note: Fair value is based on market prices or other prices as appropriate at the end of the fiscal year ended March 31, 2006.

Other Securities held at Fair Value

As of March 31, 2006	Millions of Yen					
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss			
			Net	Gain	Loss	
Stocks	¥ 511,968	¥ 926,117	¥ 414,149	¥ 414,372	¥ 223	
Bonds	14,745,445	14,522,734	(222,711)	37,059	259,770	
Japanese Government Bonds	14,085,543	13,860,943	(224,600)	32,159	256,760	
Municipal Government Bonds	106,436	107,083	647	869	221	
Corporate Bonds	553,465	554,707	1,241	4,030	2,788	
Other	28,217,830	29,716,589	1,498,759	1,679,436	180,676	
Foreign Bonds	13,752,338	14,160,817	408,479	535,698	127,219	
Foreign Stocks	2	2	0	0	0	
Other	14,465,489	15,555,769	1,090,279	1,143,737	53,457	
Total	¥ 43,475,244	¥ 45,165,442	¥ 1,690,197	¥ 2,130,868	¥ 440,670	

As of March 31, 2006	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	\$ 4,361	\$ 7,889	\$ 3,528	\$ 3,530	2
Bonds	125,600	123,703	(1,897)	316	2,213
Japanese Government Bonds	119,979	118,066	(1,913)	274	2,187
Municipal Government Bonds	907	912	5	7	2
Corporate Bonds	4,714	4,725	11	35	24
Other	240,356	253,122	12,766	14,305	1,539
Foreign Bonds	117,141	120,620	3,479	4,563	1,084
Foreign Stocks	0	0	0	0	0
Other	123,215	132,502	9,287	9,742	455
Total	\$ 370,317	\$ 384,714	\$ 14,397	\$ 18,151	3,754

Note: 1. The above analysis of Other Securities held at Fair Value includes "Securities", Negotiable Certificates of Deposit disclosed as "Cash and Due from Banks", and Commercial Paper disclosed as "Monetary Claims Bought" in the consolidated balance sheet.

Note: 2. Carrying values of securities held on the consolidated balance sheet are stated based on the quoted market price at the end of the fiscal year ended March 31, 2006.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2006	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Other Securities	¥4,333,565	¥52,842	¥51,617	\$36,913	\$450	\$440

Carrying Value of Securities without a Fair Value

As of March 31, 2006	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥269,791	\$2,298
Foreign Bonds	¥10,193	\$87
Other	¥139,519	\$1,188

32. Fair Value of Money Held in Trust

For the Fiscal Year Ended March 31, 2007

Money Held in Trust for Trading Purpose

As of March 31, 2007	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Gain Recognized as Income	Carrying Value	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purpose	¥101,137	¥1,117	\$857	\$9

Other Money Held in Trust (Money Held in Trust other than that for trading purpose or held to maturity)

As of March 31, 2007	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Net	Gain	Loss
Other Money Held in Trust	¥7,380,708	¥7,696,608	¥315,899	¥330,115	¥14,216

As of March 31, 2007	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Net	Gain	Loss
Other Money Held in Trust	\$62,548	\$65,225	\$2,677	\$2,798	\$121

Note: Carrying values of Other Money Held in Trust presented on the consolidated balance sheet are based on the quoted market price of the underlying assets as at the end of the fiscal year ended March 31, 2007.

For the Fiscal Year Ended March 31, 2006

Money Held in Trust for Trading Purpose

As of March 31, 2006	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Loss Recognized as	Carrying Value	Unrealized Loss Recognized as
Money Held in Trust for Trading Purpose	¥102,120	¥(259)	\$870	\$(2)

Other Money Held in Trust (Money Held in Trust other than that for trading purpose or held to maturity)

As of March 31, 2006	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Loss		
			Net	Gain	Loss
Other Money Held in Trust	¥7,155,434	¥7,449,570	¥294,135	¥339,735	¥45,599

As of March 31, 2006	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Net	Gain	Loss
Other Money Held in Trust	\$60,949	\$63,455	\$2,506	\$2,894	\$388

Note: Carrying values of Other Money Held in Trust presented on the consolidated balance sheet are based on the quoted market price of the underlying assets as at the end of the fiscal year ended March 31, 2006.

33. Fair Value of Derivative Instruments

For the Fiscal Year Ended March 31, 2007

Interest Rate-Related Derivative Instruments

As of March 31, 2007			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Exchange-traded Transactions	Interest Rate Sold	¥ 29,271	¥ -	¥ (14)	¥ (14)	
	Futures Purchased	8,418	-	(9)	(9)	
	Interest Rate Sold	-	-	-	-	
	Options Purchased	-	-	-	-	
Over-the-counter Transactions	Foward Rate Agreements Sold	-	-	-	-	
	Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.	1,367,158	1,067,074	4,418	4,418
		Rec.:Flt.-Pay.: Fix.	1,484,396	1,123,896	(4,021)	(4,021)
		Rec.:Flt.-Pay.: Flt.	-	-	-	-
Interest Rate Options	Sold	-	-	-	-	
Purchased	15,000	-	70	69		
Other	Sold	-	-	-	-	
Purchased	-	-	-	-		
Total		¥ / ¥	¥ / ¥	444 ¥	443	

As of March 31, 2007			Millions of U.S. Dollars				
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss	
				Over 1Year			
Exchange-traded Transactions	Interest Rate Futures	Sold	\$ 248	\$ -	\$ (0)	\$ (0)	
		Purchased	71	-	(0)	(0)	
	Interest Rate Options	Sold	-	-	-	-	
		Purchased	-	-	-	-	
Over-the-counter Transactions	Foward Rate Agreements	Sold	-	-	-	-	
		Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.		11,586	9,043	37	37
		Rec.:Flt.-Pay.: Fix.		12,580	9,525	(34)	(34)
		Rec.:Flt.-Pay.: Flt.		-	-	-	-
	Interest Rate Options	Sold		-	-	-	-
Purchased			127	-	1	1	
Other	Sold		-	-	-	-	
	Purchased		-	-	-	-	
Total			\$ /	\$ /	\$ 4	\$ 4	

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with “Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No. 24).

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo International Financial Futures Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

As of March 31, 2007			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		¥ 42,032	¥ -	¥ 485	¥ 485
	Forwards	Sold	989,124	6,294	(5,365)	(5,365)
		Purchased	1,068,618	6,294	7,204	7,204
Total			¥ /	¥ /	¥ 2,324	¥ 2,324

As of March 31, 2007			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		\$ 356	\$ -	\$ 4	\$ 4
	Forwards	Sold	8,382	53	(45)	(45)
		Purchased	9,056	53	61	61
Total			\$ /	\$ /	\$ 20	\$ 20

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with “Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheet.

Note: 2. Determination of fair value:

Fair value is determined based on the discounted net present value of currency-related derivative instruments.

Stock-Related Derivative Instruments

			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
			Over 1Year			
As of March 31, 2007						
Exchange-traded Transactions	Equity Price Index Futures	Sold	¥ -	¥ -	¥ -	¥ -
		Purchased	-	-	-	-
	Equity Price Index Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Equity Options	Sold	-	-	-	-
		Purchased	-	-	-	-
	Equity Price Index Swaps	Rec.:Stock Index	-	-	-	-
		Pay.:Flt. Rate	-	-	-	-
		Rec.:Flt. Rate	-	-	-	-
	Pay.:Stock Index	-	-	-	-	
Other	Sold	-	-	-	-	
	Purchased	1,000	1,000	-	-	
Total			¥ /	¥ /	¥ -	¥ -

			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
			Over 1Year			
As of March 31, 2007						
Exchange-traded Transactions	Equity Price Index Futures	Sold	\$ -	\$ -	\$ -	\$ -
		Purchased	-	-	-	-
	Equity Price Index Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Equity Options	Sold	-	-	-	-
		Purchased	-	-	-	-
	Equity Price Index Swaps	Rec.:Stock Index	-	-	-	-
		Pay.:Flt. Rate	-	-	-	-
		Rec.:Flt. Rate	-	-	-	-
	Pay.:Stock Index	-	-	-	-	
Other	Sold	-	-	-	-	
	Purchased	8	8	-	-	
Total			\$ /	\$ /	\$ -	\$ -

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Note: 3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
			Over 1Year			
As of March 31, 2007						
Exchange-traded Transactions	Bond Futures	Sold	¥ 56,024	¥ -	¥ (46)	¥ (46)
		Purchased	-	-	-	-
	Bond Futures Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			¥ /	¥ /	¥ (46)	¥ (46)

As of March 31, 2007			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1 Year		
Exchange-traded Transactions	Bond Futures	Sold	\$ 475	\$ -	\$ (0)	\$ (0)
		Purchased	-	-	-	-
	Bond Futures	Sold	-	-	-	-
	Options	Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			\$ /	\$ /	\$ (0)	\$ (0)

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments during the fiscal year ended March 31, 2007.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments during the fiscal year ended March 31, 2007.

For the Fiscal Year Ended March 31, 2006

Interest Rate-Related Derivative Instruments

As of March 31, 2006			Millions of Yen				
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss	
				Over 1 Year			
Exchange-traded Transactions	Interest Rate	Sold	¥ 2,512,648	¥ -	¥ 6,881	¥ 6,881	
	Futures	Purchased	2,268,319	-	(4,412)	(4,412)	
	Interest Rate	Sold	-	-	-	-	
	Options	Purchased	-	-	-	-	
Over-the-counter Transactions	Foward Rate	Sold	-	-	-	-	
	Agreements	Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.		2,118,348	1,678,819	(834)	(834)
		Rec.:Flt.-Pay.: Fix.		2,465,105	1,963,464	14,205	14,205
		Rec.:Flt.-Pay.: Flt.		-	-	-	-
	Interest Rate	Sold		-	-	-	-
Options		Purchased	25,000	15,000	371	367	
Other	Sold		10,000	-	-	3	
	Purchased		10,000	-	-	(1)	
Total			¥ /	¥ /	¥ 16,211	¥ 16,209	

As of March 31, 2006			Millions of U.S. Dollars				
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss	
			Over 1Year				
Exchange-traded Transactions	Interest Rate Futures	Sold	\$ 21,402	\$ -	\$ 59	\$ 59	
		Purchased	19,321	-	(38)	(38)	
	Interest Rate Options	Sold	-	-	-	-	
		Purchased	-	-	-	-	
Over-the-counter Transactions	Foward Rate Agreements	Sold	-	-	-	-	
		Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.		18,044	14,300	(7)	(7)
		Rec.:Flt.-Pay.: Fix.		20,997	16,725	121	121
		Rec.:Flt.-Pay.: Flt.		-	-	-	-
Interest Rate Options	Sold		-	-	-	-	
	Purchased		213	128	3	3	
Other	Sold		85	-	-	0	
	Purchased		85	-	-	(0)	
Total			\$ /	\$ /	\$ 138	\$ 138	

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with “Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No. 24).

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo International Financial Futures Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

As of March 31, 2006			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
			Over 1Year			
Over-the-counter Transactions	Currency Swaps		¥ 41,928	¥ 41,928	¥ 993	¥ 993
	Forwards	Sold	426,378	3,298	(19,965)	(19,965)
		Purchased	636,242	3,298	21,264	21,264
Total			¥ /	¥ /	¥ 2,292	¥ 2,292

As of March 31, 2006			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
			Over 1Year			
Over-the-counter Transactions	Currency Swaps		\$ 357	\$ 357	\$ 8	\$ 8
	Forwards	Sold	3,632	28	(170)	(170)
		Purchased	5,419	28	181	181
Total			\$ /	\$ /	\$ 19	\$ 19

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with “Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheet.

Note: 2. Determination of fair value:

Fair value is determined based on the discounted net present value of currency-related derivative instruments.

Stock-Related Derivative Instruments

As of March 31, 2006			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1 Year		
Exchange-traded Transactions	Equity Price Index Futures	Sold	¥ -	¥ -	¥ -	¥ -
		Purchased	-	-	-	-
	Equity Price Index Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Equity Options	Sold	-	-	-	-
		Purchased	-	-	-	-
	Equity Price Index Swaps	Rec.:Stock Index Pay.:Flt. Rate	-	-	-	-
		Rec.:Flt. Rate Pay.:Stock Index	-	-	-	-
Other	Sold	-	-	-	-	
	Purchased	1,000	1,000	-	-	
Total			¥ /	¥ /	¥ -	¥ -

As of March 31, 2006			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1 Year		
Exchange-traded Transactions	Equity Price Index Futures	Sold	\$ -	\$ -	\$ -	\$ -
		Purchased	-	-	-	-
	Equity Price Index Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Equity Options	Sold	-	-	-	-
		Purchased	-	-	-	-
	Equity Price Index Swaps	Rec.:Stock Index Pay.:Flt. Rate	-	-	-	-
		Rec.:Flt. Rate Pay.:Stock Index	-	-	-	-
Other	Sold	-	-	-	-	
	Purchased	9	9	-	-	
Total			\$ /	\$ /	\$ -	\$ -

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Note: 3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

As of March 31, 2006			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1 Year		
Exchange-traded Transactions	Bond Futures	Sold	¥ 59,242	¥ -	¥ 204	¥ 204
		Purchased	32,633	-	(188)	(188)
	Bond Futures Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			¥ /	¥ /	¥ 16	¥ 16

As of March 31, 2006			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Exchange-traded Transactions	Bond Futures	Sold	\$ 505	\$ -	\$ 2	\$ 2
		Purchased	278	-	(2)	(2)
	Bond Futures	Sold	-	-	-	-
	Options	Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			\$ /	\$ /	\$ 0	\$ 0

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Note: 2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments during the fiscal year ended March 31, 2006.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments during the fiscal year ended March 31, 2006.

34. The Norinchukin Bank (Parent Company)

(a) Non-consolidated Balance Sheets

As of March 31	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Assets			
Cash and Due from Banks	¥ 864,474	¥ 1,286,457	\$ 7,326
Bills Bought	-	318,400	-
Call Loans	823,715	731,167	6,981
Receivables under Resale Agreements	-	601,187	-
Receivables under Securities Borrowing Transactions	563,282	875,332	4,774
Monetary Claims Bought	828,790	755,291	7,024
Trading Assets	52,550	69,309	445
Money Held in Trust	7,797,702	7,551,681	66,082
Securities	43,750,573	45,607,473	370,767
Loans and Bills Discounted	12,804,474	11,948,782	108,512
Foreign Exchange Assets	3,176	20,129	27
Other Assets	535,923	725,840	4,542
Tangible Fixed Assets	154,024	158,073	1,305
Intangible Fixed Assets	6,641	14,316	56
Deferred Tax Assets	-	132	-
Customers' Liabilities for Acceptances and Guarantees	542,436	229,288	4,597
Reserve for Possible Loan Losses	(201,908)	(226,493)	(1,711)
Reserve for Possible Investment Losses	(38,628)	-	(327)
Total Assets	¥ 68,487,228	¥ 70,666,370	\$ 580,400
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 41,253,617	¥ 40,483,426	\$ 349,607
Negotiable Certificates of Deposit	2,375,026	1,012,220	20,127
Debentures	4,471,357	4,787,716	37,893
Bills Sold	-	4,411,600	-
Call Money	1,068,632	631,740	9,056
Payables under Repurchase Agreements	7,438,847	7,599,379	63,041
Payables under Securities Lending Transactions	1,345,025	3,559,998	11,399
Trading Liabilities	19,662	32,888	167
Borrowed Money	1,459,295	1,101,532	12,367
Foreign Exchange Liabilities	0	0	0
Short-term Entrusted funds	2,868,967	1,582,927	24,313
Other Liabilities	478,953	773,117	4,059
Reserve for Bonus Payments	4,193	4,194	36
Reserve for Employees' Retirement Benefits	1,080	7,228	9
Deferred Tax Liabilities	711,696	516,690	6,031
Deferred Tax Liabilities for Land Revaluation	25,411	25,647	215
Acceptances and Guarantees	542,436	229,288	4,597
Total Liabilities	64,064,204	66,759,596	542,917
Net Assets			
Paid-in Capital	1,484,017	1,465,017	12,576
Capital Surplus	25,020	25,020	212
Retained Earnings	1,232,478	1,043,561	10,445
Total Owners' Equity	2,741,516	2,533,599	23,233
Net Unrealized Gains on Other Securities, net of taxes	1,658,745	1,366,224	14,057
Net Deferred Losses on Hedging Instruments, net of taxes	(24,689)	(41,024)	(209)
Revaluation Reserve for Land, net of taxes	47,451	47,974	402
Total Valuation and Translation Adjustments	1,681,507	1,373,174	14,250
Total Net Assets	4,423,024	3,906,774	37,483
Total Liabilities and Net Assets	¥ 68,487,228	¥ 70,666,370	\$ 580,400

(b) Non-consolidated Statements of Operations

	Millions of Yen		Millions of U.S.
	2007	2006	Dollars
Income			2007
Interest Income:	¥ 2,049,045	¥ 1,401,036	\$ 17,365
Interest on Loans and Bills Discounted	124,033	104,120	1,051
Interest and Dividends on Securities	1,863,103	1,240,061	15,789
Interest on Call Loans and Bills Bought	5,286	1,403	45
Interest on Receivables under Resale Agreements	3,993	72	34
Interest on Receivables under Securities Borrowing Transactions	755	19	6
Interest on Due from Banks	34,032	41,535	289
Other Interest Income	17,841	13,822	151
Fees and Commissions	16,931	15,578	143
Trading Income	223	427	2
Other Operating Income	93,138	114,792	789
Other Income	465,129	264,360	3,942
Total Income	¥ 2,624,468	¥ 1,796,195	\$ 22,241
Expenses			
Interest Expenses:	1,791,695	1,200,978	15,184
Interest on Deposits	326,357	176,566	2,766
Interest on Negotiable Certificates of Deposit	95,262	15,172	807
Interest on Debentures	32,110	25,884	272
Interest on Borrowings	22,599	7,875	192
Interest on Call Money and Bills Sold	3,292	1,505	28
Interest on Payables under Repurchase Agreements	401,178	194,025	3,400
Interest on Payables under Securities Lending Transactions	4,209	244	35
Other Interest Expenses	906,683	779,703	7,684
Fees and Commissions	14,205	10,458	120
Trading Expenses	313	280	3
Other Operating Expenses	272,038	100,732	2,305
General and Administrative Expenses	102,663	107,261	870
Other Expenses	60,460	15,547	512
Total Expenses	2,241,376	1,435,258	18,994
Income before Income Taxes	383,092	360,937	3,247
Income Taxes			
Current	73,090	61,099	619
Deferred	56,114	32,152	476
Net Income	¥ 253,886	¥ 267,685	\$ 2,152

	Yen		U.S. Dollars
	2007	2006	2007
Net Income per Share	¥ 54.68	¥ 93.60	\$ 0.46

35. Appropriation of Retained Earnings

The following dividends were approved at the shareholders' meeting held on June 26, 2007.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	¥ 44,051	\$ 373
Dividends on Common Stock (at the rate of 4% of the ¥ 100 face value, or ¥ 4.00 per share)	17,028	144
Dividends on Lower Dividend Rate Stock (at the rate of 1% of the ¥ 100 face value, or ¥ 1.00 per share)	20,477	174
Dividends on Preferred Stock (at the rate of 11% of the ¥ 100 face value, or ¥ 11.00 per share)	613	5

36. Subsequent Events

At the Supervisory Committee meeting on May 29, 2007, the Bank resolved that it would seek a capital increase by issuing totaling ¥527,661 million (\$4,472 million) in lower dividend rate stocks on March 25, 2008.

Simultaneously, the Bank resolved that it would seek a capital increase by borrowing totaling ¥399,400 million (\$3,385 million) in perpetual subordinated loans on March 10, 2008. The Bank plans to determine the condition of borrowing rate etc. at the board of directors meeting in December, 2007.

Also, the Bank resolved to undertake early redemption of previously issued non-perpetual subordinated loans for less than 5 years of remaining term totaling ¥521,632 million (\$4,421 million) by the end of fiscal year.

Report of Independent Auditors

The Board of Directors
The Norinchukin Bank

We have audited the accompanying consolidated balance sheet of The Norinchukin Bank (the "Bank") and consolidated subsidiaries as of March 31, 2007, and the related consolidated statements of operations, capital surplus, retained earnings and cash flows for the year then ended, all expressed in yen. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and consolidated subsidiaries at March 31, 2007, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2 to the consolidated financial statements, inflation-indexed bonds whose principal is guaranteed were previously measured at fair value, and not at amortized cost. The Unrealized Gains or Losses (after deducting tax effects) were recorded directly in Stockholders' Equity. However due to the announcement of "Accounting for Other Compound Financial Instruments (Compound Financial Instruments Other than Those with Option to Increase Paid-in Capital)" (The Accounting Standards Board of Japan Guidance No. 12 issued on March 30, 2006), the Bank applied this standard effective the fiscal year 2006 and valued the bond at fair value, with the Unrealized Gains or Losses (after deducting tax effects) credited directly in Net Assets. The cost is calculated at amortized cost assuming the book value at the beginning of the fiscal year as the new acquisition cost.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2007 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.


Ernst & Young ShinNihon

June 26, 2007