

Financial Information

CONTENTS

59	Financial Review
60	Consolidated Financial Statements
65	Notes to the Consolidated Financial Statements
99	Report of Independent Accountants

Financial Review

SUMMARY OF CONSOLIDATED RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

In fiscal 2004 (ended March 31, 2005), the Bank's consolidated results encompassed nine consolidated subsidiaries (four less than in the previous fiscal year) and three equity-method affiliates (unchanged).

Below is a summary of the Bank's consolidated results for fiscal 2004.

Principle Balance Sheet Items

Total assets at the end of the fiscal year were at ¥61,978 billion (US\$577 billion), up ¥145 billion from the previous fiscal year.

On the procurement side, deposits amounted to ¥40,879 billion (US\$380 billion), down ¥220 billion, and reflecting the procurement of funds from customers and the markets as well as funding trends at the JA and Shinnoren levels. Also, the balance of debentures totaled ¥4,704 billion (US\$43 billion), down ¥509 billion year to year.

In investing activities, the loan balance fell ¥2,097 billion from the previous fiscal year to ¥15,692 billion (US\$146 billion), while the balance of investment securities rose ¥3,916 billion to ¥37,425 billion (US\$348 billion).

Principle Income Statement Items

Interest and dividend income rose ¥104 billion to ¥937 billion (US\$8,733 million), mainly because of a higher average balance of investment securities. Other income fell ¥69 billion to ¥239 billion (US\$2,232 million). As a result, total income fell ¥35 billion to ¥1,176 billion (US\$10,965 million). On the other hand, total expenses rose ¥28 billion to ¥981 billion (US\$9,151 million), reflecting the early adoption of impairment accounting which resulted in an impairment loss (extraordinary loss) of ¥29 billion (US\$275 million). In consequence, net income decreased ¥4 billion from the previous fiscal year to ¥139 billion (US\$1,304 million).

Capital Adequacy Ratio

The Bank's consolidated capital adequacy ratio calculated according to BIS standards was 12.15% as of March 31, 2005.

Fiscal years ended March 31	Billions of Yen					Millions of U.S. Dollars	
	2000	2001	2002	2003	2004	2004	
Total Income	¥ 1,743	¥ 1,619	¥ 1,463	¥ 1,141	¥ 1,176	\$ 10,965	
Total Expenses	1,602	1,528	1,367	953	981	9,151	
Net Income	117	70	65	144	139	1,304	
Total shareholders' Equity	2,219	1,881	1,767	2,523	2,901	27,042	
Total Assets	60,176	57,579	61,265	61,833	61,978	577,620	

The Norinchukin Bank and Subsidiaries

Consolidated Balance Sheets
As of March 31, 2005 and 2004

As of March 31	Millions of Yen		Millions of
	2005	2004	U.S. Dollars (Note 1)
Assets			2005
Cash and Due from Banks (Note 31)	¥ 2,385,245	¥ 3,686,052	\$ 22,230
Call Loans and Bills Purchased	429,463	421,310	4,002
Receivables under Resale Agreements	-	59,784	-
Collateral Deposited under Securities Borrowed	19,321	327,486	180
Commercial Paper and Other Debt Purchased	837,847	654,839	7,808
Trading Assets (Note 3)	383,701	516,108	3,576
Money Held in Trust	4,154,667	3,840,206	38,720
Securities (Note 4)	37,425,281	33,509,192	348,791
Loans and Bills Discounted (Note 5)	15,692,220	17,789,413	146,246
Foreign Exchange Assets (Note 6)	8,828	15,618	82
Other Assets (Note 7)	588,069	928,589	5,481
Premises and Equipment (Note 8)	173,641	209,297	1,618
Deferred Debenture Discounts	180	229	2
Deferred Tax Assets (Note 17)	3,377	3,525	32
Customers' Liabilities for Acceptances and Guarantees (Note 18)	195,576	239,850	1,823
Reserve for Possible Loan Losses	(318,809)	(368,487)	(2,971)
Total Assets	¥ 61,978,612	¥ 61,833,018	\$ 577,620
Liabilities, Minority Interests and Shareholders' Equity			
Liabilities			
Deposits (Note 10)	¥ 40,879,067	¥ 41,099,473	\$ 380,979
Debentures (Note 11)	4,704,361	5,213,816	43,843
Call Money and Bills Sold	3,892,447	3,560,548	36,276
Payables under Repurchase Agreements	3,869,804	3,671,423	36,065
Collateral Received under Securities Loaned	2,135,835	2,109,476	19,905
Trading Liabilities (Note 12)	52,230	67,860	487
Borrowings (Note 13)	888,638	905,363	8,282
Foreign Exchange Liabilities (Note 14)	56	328	1
Other Liabilities (Note 15)	2,186,707	2,306,599	20,379
Reserve for Bonus Payments	4,769	4,430	45
Reserve for Retirement Benefits (Note 16)	8,935	9,363	83
Deferred Tax Liabilities (Note 17)	228,426	81,911	2,129
Deferred Tax Liabilities Relating to Land Revaluation	24,906	34,091	232
Acceptances and Guarantees (Note 18)	195,576	239,850	1,823
Total Liabilities	59,071,763	59,304,539	550,529
Minority Interests			
Minority Interests	5,300	4,581	49
Shareholders' Equity			
Paid-in Capital (Note 21)	1,224,999	1,224,999	11,417
Capital Surplus	25,020	25,020	233
Retained Earnings	833,818	723,322	7,771
Land Revaluation Reserve	55,050	75,350	513
Net Unrealized Gains on Securities, net of taxes	762,659	476,101	7,108
Foreign Currency Translation Adjustments	-	(897)	-
Total Shareholders' Equity	2,901,548	2,523,897	27,042
Total Liabilities, Minority Interests and Shareholders' Equity	¥ 61,978,612	¥ 61,833,018	\$ 577,620

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, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2005	2004	2005
Income			
Interest and Dividend Income:			
Interest on Loans and Bills Discounted	¥ 120,714	¥ 135,996	\$ 1,125
Interest on and Dividends from Securities	772,320	649,312	7,198
Other Interest Income (Note 22)	44,032	47,276	410
Fees and Commissions	24,929	25,337	232
Trading Revenue (Note 23)	495	2,413	5
Other Operating Income (Note 24)	75,877	130,411	707
Other Income (Note 25)	138,153	150,627	1,288
Total Income	<u>1,176,524</u>	<u>1,141,375</u>	<u>10,965</u>
Expenses			
Interest Expenses:			
Interest on Deposits	96,199	63,014	897
Interest on Debentures	31,342	41,095	292
Interest on Borrowings	7,257	6,638	68
Other Interest Expenses (Note 26)	542,055	475,879	5,052
Fees and Commissions	10,117	8,980	94
Trading Losses (Note 27)	165	332	2
Other Operating Expenses (Note 28)	85,341	142,851	795
General and Administrative Expenses	114,495	123,695	1,067
Other Expenses (Note 29)	94,849	91,130	884
Total Expenses	<u>981,825</u>	<u>953,616</u>	<u>9,151</u>
Income before Income Taxes and Minority Interests	194,698	187,758	1,814
Income Taxes:			
Current	46,271	47,766	431
Deferred	7,749	(5,187)	72
Minority Interests in Net Income	724	553	7
Net Income	<u>¥ 139,951</u>	<u>¥ 144,626</u>	<u>\$ 1,304</u>
			U.S. Dollars (Note 1)
	2005	2004	2005
Net Income per Share	¥ 64.81	¥ 67.14	\$ 0.60

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, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars (Note 1)	
	2005	2004	2005	
Capital Surplus				
Balance at the Beginning of the Year	¥ 25,020	¥ 25,020	\$	233
Balance at the End of the Year	¥ 25,020	¥ 25,020	\$	233
Retained Earnings				
Balance at the Beginning of the Year	¥ 723,322	¥ 608,766	\$	6,741
Additions:				
Net Income for the Year	139,951	144,626		1,304
Transfer from Land Revaluation Reserve	20,270	2,988		189
Deductions:				
Dividends	48,212	33,059		449
Change due to exclusion of subsidiaries from consolidation	1,513	-		14
Balance at the End of the Year	¥ 833,818	¥ 723,322	\$	7,771

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, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2005	2004	2005
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 194,698	¥ 187,758	\$ 1,814
Depreciation of Premises and Equipment	6,491	6,659	60
Losses on Impairment of Fixed Assets	29,488	-	275
Share of Earnings of Affiliates	(641)	(364)	(6)
Net (Decrease) Increase in Reserve for Possible Loan Losses	(49,677)	6,472	(463)
Net Increase in Reserve for Bonus Payments	346	255	3
Net Decrease in Reserve under Special Laws	-	(5)	-
Net (Decrease) Increase in Reserve for Retirement Benefits	(428)	1,221	(4)
Interest and Divided Income	(937,067)	(832,584)	(8,733)
Interest Expenses	676,854	586,627	6,308
Losses on Securities	111,377	113,428	1,038
Gains on Money Held in Trust	(20,214)	(6,546)	(188)
Foreign Exchange (Gains) Losses	(427,161)	1,544,237	(3,981)
Losses on Sales of Premises and Equipment	1,451	3,591	14
Net Decrease in Trading Assets	106,031	1,404,345	988
Net Decrease in Trading Liabilities	(15,630)	(381,199)	(146)
Net Decrease in Loans and Bills Discounted	2,106,860	1,389,751	19,635
Net (Decrease) Increase in Deposits	(518,901)	613,742	(4,836)
Net Increase in Negotiable Certificates of Deposit	106,112	67,518	989
Net Decrease in Debentures	(509,454)	(576,966)	(4,748)
Net (Decrease) Increase in Borrowings (Excluding Subordinated Borrowings)	(43)	22,590	(0)
Net Decrease in Interest-bearing Due from Banks	1,415,894	746,983	13,196
Net Increase in Call Loans and Bills Purchased and Other	(191,163)	(21,191)	(1,782)
Net Decrease in Collateral Deposited under Securities Borrowed	308,165	639,027	2,872
Net Increase (Decrease) in Call Money and Bills Sold and Other	851,382	(1,364,399)	7,935
Net (Decrease) Increase in Short-term Entrusted Fund	(143,238)	242,931	(1,335)
Net Increase in Collateral Received under Securities Loaned	26,358	1,157,418	246
Net Decrease in Foreign Exchanges Assets	6,790	5,680	63
Net Decrease in Foreign Exchanges Liabilities	(272)	(7,464)	(3)
Interest Received	980,868	908,447	9,141
Interest Paid	(667,043)	(642,955)	(6,217)
Other, Net	353,030	(295,447)	3,290
Subtotal	3,801,263	5,519,564	35,425
Income Taxes	(48,292)	(24,373)	(450)
Net Cash Provided by Operating Activities	¥ 3,752,971	¥ 5,495,190	\$ 34,975

The Norinchukin Bank and Subsidiaries

Consolidated Statements of Cash Flows, continued
For the fiscal years ended March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2005	2004	2005
Cash Flows from Investing Activities:			
Purchases of Securities	¥ (11,395,880)	¥ (13,581,463)	\$ (106,206)
Proceeds from Sales of Securities	5,034,461	5,819,471	46,919
Proceeds from Redemption of Securities	3,159,833	2,205,297	29,449
Increase in Money Held in Trust	(1,684,658)	(1,417,820)	(15,700)
Decrease in Money Held in Trust	1,410,722	1,428,015	13,148
Purchases of Premises and Equipment	(6,181)	(37,291)	(58)
Proceeds from Sales of Premises and Equipment	2,467	33,301	23
Purchases of Stocks of Subsidiaries (effecting changes in the scope of consolidation)	-	(214)	-
Net Cash Used in Investing Activities	<u>¥ (3,479,235)</u>	<u>¥ (5,550,704)</u>	<u>\$ (32,425)</u>
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowings	¥ -	¥ 183,500	\$ -
Dividends Paid	(48,212)	(33,059)	(449)
Dividends Paid to Minority Interests	(9)	(4)	(0)
Net Cash (Used in) Provided by Financing Activities	<u>¥ (48,222)</u>	<u>¥ 150,435</u>	<u>\$ (449)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	¥ 0	¥ (222)	\$ 0
Net Increase in Cash and Cash Equivalents	225,514	94,699	2,101
Cash and Cash Equivalents at the Beginning of the Year	468,565	373,865	4,367
Net Decrease in Cash and Cash Equivalents due to exclusion of subsidiaries from consolidation	(246)	-	(2)
Cash and Cash Equivalents at the End of the Year	<u>¥ 693,833</u>	<u>¥ 468,565</u>	<u>\$ 6,466</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 ¥107.30=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2005, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen 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

(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, 2005 was nine, all of which were consolidated. During the fiscal

year ended March 31, 2005, Zaikei Kyodo Center Co., Ltd. and Norinchukin Business Service Co., Ltd. were excluded from the scope of consolidation due to their merger into Norinchukin Career Service Co., Ltd. (Norinchukin Career Service Co., Ltd. renamed itself Norinchukin Business Support Co., Ltd.)

Norinchukin Securities Co., Ltd. and Norinchukin International plc. were also excluded from the scope of consolidation during the fiscal year ended March 31, 2005 due to the completion of its liquidation and it being in the process of liquidation, respectively. The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Norinchukin Business Support Co., Ltd.

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, 2005 was four, three 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.

All subsidiaries' fiscal year-ends are March 31.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking to capture 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 items 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 Revenue and Trading Losses include interest received and paid during the fiscal year, gains or losses resulting from any change in the value of securities and monetary claims between the end of the previous fiscal year and the end of this fiscal year, and gains or losses resulting from any change in the value of derivatives between the end of the previous fiscal year and the end of this fiscal year, assuming they were settled at the end of the 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 attributable 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. The value of Money Held in Trust is calculated by valuing the underlying securities held using the same methods employed to value trading assets and securities described above.

The net unrealized gain or loss on other securities and other money held in trust is reported separately in Shareholders' Equity, on a net-of-tax basis.

(b) Derivatives

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

(c) Hedge Accounting

①Hedge of Interest Rate Risk

The Bank applies the deferred method of hedge accounting to manage interest rate risk arising on 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 for each identified group of hedged items, such as loans and deposits, and the corresponding group of hedging instruments, such as interest rate swaps with the same maturity bucket. Hedge effectiveness of a cash flow hedge is assessed based on the correlation between the interest rate risk factor of the hedged items and that of the hedging instruments.

Deferred Hedge Gains/Losses were recorded in the consolidated balance sheets as a result of applying a macro hedging methodology based on "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), 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/Losses are amortized into Interest Income or Interest Expenses 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 as of March 31, 2005 were ¥71,944 million (\$670 million) and ¥2,060 million (\$19 million), respectively.

②Hedge of Foreign Exchange Rate Risk

The Bank applies the deferred method of hedge accounting 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 checking 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, as comprehensive hedging methodologies, are applied for hedging foreign exchange rate risk arising on 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) spot and forward liabilities that exceed the acquisition costs of the foreign currency securities designated as hedged items exist on a foreign currency basis.

③ Internal Derivative Transactions

Internal derivative transactions between trading purpose accounts and other 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 accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions, that are designated as hedging instruments, are conducted in a non discretionary manner and are appropriately covered by third party transactions, which are conducted in accordance with the standards articulated by 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, as specifically allowed for certain interest rate swaps. Under the deferral method, the recognition of income or expenses arising on a hedging instrument is deferred to the period when the income or expenses arising on the hedged item are recognized.

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

(4) Premises and Equipment

① Depreciation

Depreciation of premises and equipment of the Bank is calculated using the reducing-balance method (however, depreciation on buildings acquired after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method).

The useful lives of premises and equipment are as follows:

Buildings: 15~50 years

Equipment: 4~15 years

Depreciation of premises and equipment of the consolidated subsidiaries is calculated using primarily the reducing-balance method over the estimated economic useful lives of the premises and equipment.

② Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for

business purposes has been revalued as of March 31, 1998. The unrealized gain arising on the revaluation, net of deferred tax, was disclosed as Land Revaluation Reserve and included in Shareholders' Equity on the consolidated balance sheets. The related deferred tax liability is included in Liabilities as Deferred Tax Liabilities Relating to Land Revaluation.

The land price used for the revaluation was determined based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

The difference (unrealized loss) between the book value of land, after the revaluation undertaken in accordance with Article 10 of the Law Concerning the Revaluation of Land, and the fair value was ¥256 million (\$2 million) and ¥31,123 million as of March 31, 2005 and March 31, 2004, respectively.

③ Accounting Standard for Impairment of Fixed Assets

On August 9, 2002, the Business Accounting Council of Japan issued the new Japanese accounting standard for impairment of fixed assets, "The Opinion concerning the Establishment of Accounting Standards for Impairment of Fixed Assets". In addition, on October 31, 2003, the Accounting Standards Board of Japan issued "Implementation Guidance for Accounting Standards for Impairment of Fixed Assets" (Financial Accounting Standards Implementation Guidance No. 6). This standard shall be effective for fiscal years beginning April 1, 2005. However, earlier adoption is permitted for fiscal years beginning April 1, 2004 and for fiscal years ending between March 31, 2004 and March 30, 2005.

Therefore, the Bank and its consolidated subsidiaries have implemented early adoption of this standard during the fiscal year ended March 31, 2005. As a result, Income before Income Taxes and Minority Interests decreased by ¥29,488 million (\$275 million) as compared with the amount that would have been recorded if the standard had not been adopted.

All fixed assets are stated at cost less accumulated impairment losses.

(5) Software

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

(6) Debentures

Debenture expenses are charged to income as incurred.

(7) Foreign Currency Translation

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

Assets/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 that are legally or substantially bankrupt is provided based on the remaining

amount 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 amount of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. The amount of such direct write-offs was ¥55,936 million (\$521 million) and ¥42,763 million for the fiscal year ended March 31, 2005 and 2004, respectively.

- b. The reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt, is provided based on the amount necessary, taking into account the overall solvency assessment of the debtor and 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 that have “Restructured Loans” (see Note 5(3)), and whose loans exceed a certain specific amount, is provided based on the Discounted Cash Flows Method if the future cash flows of the principal and interest can be reasonably estimated. Under the Discounted Cash Flows Method, the reserve is recognized 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 based on the default rate 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 upon the results of these audits.

The Reserve for Possible Loan Losses determined by the Bank’s consolidated subsidiaries is computed primarily in the same manner employed by the Bank.

(9) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated payment of bonuses attributable to employees in relation to the current fiscal year.

(10) Reserve for Retirement Benefits

The Reserve for Retirement Benefits, which is provided for the payment of employees’ retirement benefits, represents 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.

Any change in plan benefits that impacts the benefit plan is charged to income in the year of change. Any actuarial differences are amortized over 10 years beginning one fiscal year after the year when the difference is identified.

(11) Accounting for Finance Leases

Accounting for finance leases where the ownership of assets is not transferred to the lessee is consistent with the same accounting principles as for operating leases. Rental expenses under operating leases are charged to

income.

(12) Consumption Taxes

Consumption tax and local consumption tax incurred by the Bank and its consolidated subsidiaries are excluded from transaction amounts.

(13) Income Taxes

The income taxes of the Bank comprise corporate income taxes, local inhabitant taxes and enterprise taxes. Deferred income taxes are provided for in respect of temporary differences between the tax and accounting basis of recording assets and liabilities in the financial statements.

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

In the consolidated statements of cash flows, Cash and Cash Equivalents comprise cash and non-interest-bearing due from banks, included in Cash and Due from Banks on the 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. Dollars	
	2005	2004	2005	2005
Trading Securities	¥ 21,916	¥ 91,107	\$ 204	
Derivatives of Trading Securities	-	97	-	
Derivatives of Securities Related to Trading Transactions	57	-	1	
Trading-related Financial Derivatives	52,863	68,132	493	
Other Trading Assets	308,864	356,771	2,878	
Total	¥ 383,701	¥ 516,108	\$ 3,576	

4. Securities

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Japanese Government Bonds	¥ 12,889,388	¥ 14,574,559	\$ 120,124	\$ 120,124
Municipal Government Bonds	198,696	290,269	1,852	1,852
Corporate Bonds	711,377	793,728	6,630	6,630
Stocks	623,829	520,510	5,814	5,814
Other	23,001,989	17,330,125	214,371	214,371
Total	¥ 37,425,281	¥ 33,509,192	\$ 348,791	\$ 348,791

The maturity profile of other securities with stated maturities and held-to-maturity debt securities is as follows:

As of March 31, 2005	Millions of Yen			
	1 Year or Less	Over 1 Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10 Years
Bonds	¥ 268,204	¥ 3,797,717	¥ 4,092,347	¥ 5,622,898
Japanese Government Bonds	57,278	3,383,389	3,868,640	5,561,786
Municipal Government Bonds	79,424	113,804	4,631	835
Corporate Bonds	131,501	300,523	219,076	60,276
Other	381,978	2,381,735	4,351,480	4,664,923
Total	¥ 650,182	¥ 6,179,453	¥ 8,443,828	¥ 10,287,822

As of March 31, 2004	Millions of Yen			
	1 Year or Less	Over 1 Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10 Years
Bonds	¥ 661,779	¥ 4,986,745	¥ 5,957,164	¥ 4,052,867
Japanese Government Bonds	417,632	4,405,220	5,762,479	3,989,226
Municipal Government Bonds	70,635	212,369	6,385	879
Corporate Bonds	173,511	369,154	188,300	62,762
Other	588,295	1,854,951	4,818,549	2,751,849
Total	¥ 1,250,075	¥ 6,841,697	¥ 10,775,713	¥ 6,804,717

	Millions of U.S. Dollars			
	1 Year or Less	Over 1Year ~ 5 Years	Over 5 Years ~ 10 Years	Over 10 Years
As of March 31, 2005				
Bonds	\$ 2,499	\$ 35,393	\$ 38,139	\$ 52,404
Japanese Government Bonds	534	31,532	36,054	51,834
Municipal Government Bonds	740	1,060	43	8
Corporate Bonds	1,225	2,801	2,042	562
Other	3,560	22,197	40,554	43,475
Total	\$ 6,059	\$ 57,590	\$ 78,693	\$ 95,879

5. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	2005
As of March 31			
Loans on Deeds	¥ 13,169,684	¥ 14,787,741	\$ 122,737
Promissory Notes	241,819	348,504	2,254
Overdrafts	2,249,876	2,613,947	20,968
Bills Discounted	30,839	39,220	287
Total	¥ 15,692,220	¥ 17,789,413	\$ 146,246

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	2005
As of March 31			
Loans to Borrowers under Bankruptcy Proceedings	¥ 2,093	¥ 4,455	\$ 20
Loans with Principal or Interest Payments More Than Six Months in Arrears	247,373	360,880	2,305
Loans with Principal or Interest Payments More Than Three Months in Arrears	2,141	2,500	20
Restructured Loans	239,058	283,100	2,228
Total	¥ 490,666	¥ 650,936	\$ 4,573

- (1) The Bank does not accrue interest on "Loans to Borrowers under Bankruptcy Proceedings" and "Loans with Principal or Interest Payments More Than Six Months in Arrears".
- (2) "Loans with Principal or Interest Payments More Than Three Months in Arrears" are loans which are past-due by 3 months or more other than "Loans to Borrowers under Bankruptcy Proceedings" and "Loans with Principal or Interest Payments More Than Six Months in Arrears".
- (3) "Restructured Loans" are loans whereby, in order to support the borrowers' rehabilitation and facilitate the collection of the loan, the terms of the loans are restructured in favor of the borrowers by reducing the interest rate, suspending payments of interest or principal, waiving principal repayments, etc.

6. Foreign Exchange Assets

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	
As of March 31				
Foreign Bills Purchased	¥ 123	¥ 1,563	\$	1
Foreign Bills Receivable	5,979	10,374		56
Due from Foreign Banks	2,725	3,680		25
Total	¥ 8,828	¥ 15,618	\$	82

7. Other Assets

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	
As of March 31				
Prepaid Expenses	¥ 1,419	¥ 926	\$	13
Accrued Income	180,525	186,089		1,682
Financial Derivatives	125,918	437,327		1,174
Deferred Hedge Losses	84,716	120,170		790
Other	195,489	184,075		1,822
Total	¥ 588,069	¥ 928,589	\$	5,481

8. Premises and Equipment

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	
As of March 31				
Land	¥ 106,061	¥ 138,672	\$	988
Buildings	56,191	57,812		524
Equipment	5,626	6,126		52
Other	5,762	6,686		54
Total Net Book Value	¥ 173,641	¥ 209,297	\$	1,618
Accumulated Depreciation Deducted	¥ 98,690	¥ 97,461	\$	920

9. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	
As of March 31				
Trading Assets	¥ 38,996	¥ 13,798	\$	363
Securities	5,692,788	5,331,583		53,055

Liabilities related to the above pledged assets are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Call Money and Bills Sold	¥ -	¥ 80,000	\$ -	\$ -
Payables under Repurchase Agreements	3,869,804	3,650,342	36,065	36,065
Collateral Received under Securities Loaned	1,884,339	1,562,048	17,561	17,561

In addition, as of March 31, 2005 and 2004, Securities totaling ¥2,700,860 million (\$25,171 million) and ¥3,099,465 million, respectively, and Loans and Bills Discounted totaling ¥7,332,995 million (\$68,341 million) and ¥8,532,164 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as variation margin for futures transactions. Securities totaling ¥213,292 million (\$1,988 million) and ¥346,807 million as of March 31, 2005 and 2004, respectively, were pledged as collateral for third party borrowings by financial institutions.

10. Deposits

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Time Deposits	¥ 34,257,608	¥ 34,024,582	\$ 319,270	\$ 319,270
Notice Deposits	61,837	93,333	576	576
Ordinary Deposits	1,772,306	1,642,591	16,517	16,517
Current Deposits	98,734	120,809	920	920
Negotiable Certificates of Deposit	422,999	316,886	3,942	3,942
Other Deposits	4,265,581	4,901,270	39,754	39,754
Total	¥ 40,879,067	¥ 41,099,473	\$ 380,979	\$ 380,979

11. Debentures

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
One-year Discount Debentures	¥ 534,260	¥ 657,339	\$ 4,979	\$ 4,979
Long-term Coupon Debentures	4,170,101	4,556,477	38,864	38,864
Total	¥ 4,704,361	¥ 5,213,816	\$ 43,843	\$ 43,843

12. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
As of March 31				
Derivatives of Trading Securities	¥ 282	¥ 1	\$ 3	
Securities Oversold Related to Trading Transactions	-	8	-	
Derivatives of Securities Related to Trading Transactions	22	-	0	
Trading-related Financial Derivatives	51,925	67,850	484	
Total	¥ 52,230	¥ 67,860	\$ 487	

13. Borrowings

Borrowings include subordinated loans of ¥888,632 million (\$8,282 million) as of March 31, 2005 and 2004.

14. Foreign Exchange Liabilities

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
As of March 31				
Foreign Bills Sold	¥ 0	¥ 1	\$ 0	
Foreign Bills Payable	33	15	1	
Due to Foreign Banks	21	311	0	
Total	¥ 56	¥ 328	\$ 1	

15. Other Liabilities

	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
As of March 31				
Short-term Entrusted Funds	1,609,292	1,752,530	14,998	
Accrued Expenses	60,239	50,420	561	
Income Taxes Payable	48,179	50,329	449	
Unearned Income	3,272	3,787	31	
Financial Derivatives	244,105	79,630	2,275	
Deferred Hedge Gains	52,406	25,280	488	
Other	169,212	344,620	1,577	
Total	¥ 2,186,707	¥ 2,306,599	\$ 20,379	

16. Retirement Benefit Plans

The Bank is funding 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, 2005 and 2004, are analyzed as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Projected Benefit Obligations	¥ (76,152)	¥ (76,472)	\$ (710)	
Plan Assets	65,125	58,264	607	
Unfunded Retirement Benefit Obligations	(11,026)	(18,207)	(103)	
Unrecognized Transition Amount	-	-	-	
Unrecognized Prior Service Cost	-	-	-	
Unrecognized Actuarial Differences	2,870	8,843	27	
Net Amounts Reported in the Balance Sheets	(8,155)	(9,363)	(76)	
Prepaid Pension Cost	779	-	7	
Reserve for Retirement Benefits	¥ (8,935)	¥ (9,363)	\$ (83)	

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

Assumptions used in the above calculation are as follows:

	2005	2004
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 Prior Service Cost	Year incurred	Year incurred
Amortization of Transition Amount	Year incurred	Year incurred
Amortization of Unrecognized Actuarial Differences	10 years	10 years

17. Accounting for Income Taxes

The major components of Deferred Tax Assets and Deferred Tax Liabilities as of March 31, 2005 and 2004, are as follows:

As of March 31	Millions of Yen		Millions of
	2005	2004	U.S. Dollars
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 82,450	¥ 95,878	\$ 768
Write-off of Loans	12,609	7,202	118
Losses on Revaluation of Securities	6,020	9,934	56
Reserve for Retirement Benefits	9,171	9,370	86
Depreciation of Premises and Equipment	1,648	1,716	16
Net Unrealized Losses on Securities	24	19	0
Loss Carryforwards	-	1	-
Others	33,724	31,689	314
Subtotal	145,650	155,813	1,358
Valuation Allowance	(18,664)	(12,217)	(174)
Total Deferred Tax Assets	126,985	143,595	1,184
Deferred Tax Liabilities:			
Gain from Contribution of Securities to Employee Retirement Benefit Trust	(5,577)	(5,577)	(52)
Net Unrealized Gains on Securities	(345,025)	(215,347)	(3,216)
Others	(1,433)	(1,057)	(13)
Total Deferred Tax Liabilities	(352,035)	(221,982)	(3,281)
Net Deferred Tax Liabilities	¥ (225,049)	¥ (78,386)	\$ (2,097)

18. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of
	2005	2004	U.S. Dollars
Acceptance of Bills of Exchange	¥ 0	¥ 210	\$ 0
Letters of Credit	26,404	26,878	246
Guarantees	169,170	212,760	1,577
Total	¥ 195,576	¥ 239,850	\$ 1,823

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.

19. 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 ¥4,615,830 million (\$43,018 million) and ¥4,768,318 million as of March 31, 2005 and 2004, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥2,343,345 million (\$21,839 million) and ¥2,436,895 million as of March 31, 2005 and 2004, 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 its internal rules and acts to secure loans as necessary.

20. Securities Loaned

Securities Loaned under unsecured lending agreements (Saiken Taishaku Torihiki) totaling ¥59,989 million (\$559 million) and ¥169,431 million as of March 31, 2005 and 2004, respectively, are included in Japanese Government Bonds and Other in Securities.

Securities Borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and Securities Received under resale agreements and cash-collateralized borrowing agreements, which can be sold or repledged by the Bank, include securities repledged out totaling ¥250,704 million (\$2,336 million) and ¥556,832 million as of March 31, 2005 and 2004, respectively, and securities held totaling ¥925,354 million (\$8,624 million) and ¥1,200,677 million as of March 31, 2005 and 2004, respectively. No securities were re-loaned as of March 31, 2005 and 2004.

21. Paid-in Capital

As of March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Common Stock	¥ 1,200,000	¥ 1,200,000	\$ 11,184	
Preferred Stock	24,999	24,999	233	
Total	¥ 1,224,999	¥ 1,224,999	\$ 11,417	

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,000,000 million (\$9,320 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.

22. Other Interest Income

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2005
Call Loans and Bills Purchased	¥ 1,182	¥ 1,560	\$	11
Receivables under Resale Agreements	62	4,443		1
Collateral Deposited under Securities Borrowed	62	197		1
Cash and Due from Banks	33,958	33,297		316
Other	8,766	7,777		81
Total	¥ 44,032	¥ 47,276	\$	410

23. Trading Revenue

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2005
Revenue from Trading Securities and Derivatives	¥ 191	¥ 386	\$	2
Revenue from Securities and Derivatives Related to Trading Transactions	194	-		2
Revenue from Trading-related Financial Derivatives	-	1,104		-
Other Trading Revenue	109	922		1
Total	¥ 495	¥ 2,413	\$	5

24. Other Operating Income

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2005
Gains on Foreign Exchange Transactions	¥ -	¥ 3,827	\$	-
Gains on Sales of Bonds	32,857	91,759		306
Gains on Redemption of Bonds	1,260	45		12
Gains on Financial Derivatives	6,772	8,411		63
Other	34,987	26,367		326
Total	¥ 75,877	¥ 130,411	\$	707

25. Other Income

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Gains on Sales of Stocks and Other Securities	¥ 3,406	¥ 22,657	\$ 32	
Gains on Money Held in Trust	109,799	110,729	1,023	
Share of Earnings of Affiliates	641	364	6	
Gains on Sales of Premises and Equipment	31	101	0	
Recoveries of Claims Written-off	1,139	354	11	
Other	23,135	16,420	216	
Total	¥ 138,153	¥ 150,627	\$ 1,288	

Note: Other includes gains on Transfer from Reserve for Possible Loan Losses of ¥10,723 million (\$100 million) for the fiscal year ended March 31, 2005.

26. Other Interest Expenses

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Call Money and Bills Sold	¥ 1,553	¥ 1,337	\$ 15	
Payables under Repurchase Agreements	75,108	54,445	700	
Collateral Received under Securities Loaned	231	375	2	
Other	465,161	419,721	4,335	
Total	¥ 542,055	¥ 475,879	\$ 5,052	

27. Trading Losses

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2004
Losses on Securities and Derivatives Related to Trading Transactions	¥ -	¥ 332	\$ -	
Losses on Trading-related Financial Derivatives	165	-	2	
Total	¥ 165	¥ 332	\$ 2	

28. Other Operating Expenses

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2005
Amortization of Debenture Issuance Costs	¥ 334	¥ 389	\$ 3	
Losses on Foreign Exchange Transactions	192	-		2
Losses on Sales of Bonds	42,582	102,396		397
Losses on Redemption of Bonds	94	19		1
Losses on Revaluation of Bonds	-	2,388		-
Other Operating Expenses	42,137	37,656		392
Total	¥ 85,341	¥ 142,851	\$ 795	

29. Other Expenses

Fiscal year ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2005	2004	2005	2005
Transfer to Reserve for Possible Loan Losses	¥ -	¥ 37,641	\$ -	
Write-off of Loans	1,010	6,186		9
Losses on Sales of Stocks and Other Securities	145	3,284		1
Losses on Revaluation of Stocks and Other Securities	717	3,242		7
Losses on Money Held in Trust	11,955	4,080		112
Losses on Disposals of Premises and Equipment	1,483	3,692		14
Other	79,537	33,001		741
Total	¥ 94,849	¥ 91,130	\$ 884	

Note: Other includes losses on impairment of fixed assets of ¥29,488 million (\$275 million) for the fiscal year ended March 31, 2005.

30. Losses on Impairment of Fixed Assets

The following losses on impairment of fixed assets are recognized during the fiscal year ended March 31, 2005 and they are included in Other Expenses.

Use	Classification	Millions of Yen	Millions of U.S. Dollars
Business Premises and Equipment	Land and Building, etc.	¥ 24,661	\$ 230
Idle Premises and Equipment	Land and Building, etc.	4,827	45

The Bank grouped its business premises and equipment by the unit of 'head office', 'domestic branches' and 'overseas branches', for which revenue and expenditures are periodically identified. Such grouping was performed by considering the relationship of cash flows between branches and unique functional characteristics of each unit, and idle premises and equipment are considered individually by asset. Training institutes and recreation facilities, which generate no cash flows, are grouped as facilities for common use.

The book value of business premises and equipment is written down to the recoverable amount if the total amount of undiscounted future cash flow generated from an asset group is less than the book value, after land

revaluation. The book value of idle premises and equipment is also written down to the recoverable amount.

The recoverable amount, which is used in the calculation of impairment losses for the fiscal year ended March 31, 2005, is the net realizable value. The net realizable value is calculated based on the appraisal value, etc.

As to consolidated subsidiaries, assets of each individual subsidiary are grouped as a unit and no impairment losses were recognized by any of such asset groups during the fiscal year ended March 31, 2005.

31. 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. Dollars	
	2005	2004	2005	2004
Cash and Due from Banks	¥ 2,385,245	¥ 3,686,052	\$ 22,230	
Less: Interest-bearing Due from Banks	(1,691,411)	(3,217,486)	(15,764)	
Cash and Cash Equivalents at the End of the Year	¥ 693,833	¥ 468,565	\$ 6,466	

32. Segment Information

(a) Segment Information by Type of Business

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

(b) Segment Information by Location

Fiscal year ended March 31, 2005	Millions of Yen						Elimination and Corporate Assets	Consolidated
	Japan	The Americas	Europe	Asia	Total			
I. Ordinary Income								
(1) Ordinary Income from Third-parties	¥ 1,114,591	¥ 9,925	¥ 24,056	¥ 15,958	¥ 1,164,532	¥ -	¥ 1,164,532	
(2) Inter-segment Ordinary Income	18,465	40,921	109,961	74,120	243,468	(243,468)	-	
Total	1,133,057	50,846	134,017	90,079	1,408,000	(243,468)	1,164,532	
Ordinary Expenses	928,455	46,964	131,321	87,128	1,193,869	(243,468)	950,401	
Ordinary Profit	¥ 204,602	¥ 3,882	¥ 2,695	¥ 2,950	¥ 214,130	¥ -	¥ 214,130	
II. Assets	¥ 67,285,727	¥ 2,752,416	¥ 5,429,024	¥ 3,646,503	¥ 79,113,671	¥ (17,135,058)	¥ 61,978,612	

Fiscal year ended March 31, 2004	Millions of Yen						Elimination and Corporate Assets	Consolidated
	Japan	The Americas	Europe	Asia	Total			
I. Ordinary Income								
(1) Ordinary Income from Third-parties	¥ 1,077,626	¥ 7,289	¥ 30,927	¥ 20,884	¥ 1,136,727	¥ -	¥ 1,136,727	
(2) Inter-segment Ordinary Income	21,482	22,288	99,285	83,350	226,405	(226,405)	-	
Total	1,099,108	29,577	130,212	104,234	1,363,133	(226,405)	1,136,727	
Ordinary Expenses	922,887	23,076	129,419	100,254	1,175,637	(226,447)	949,190	
Ordinary Profit	¥ 176,221	¥ 6,500	¥ 793	¥ 3,979	¥ 187,495	¥ 41	¥ 187,537	
II. Assets	¥ 67,658,370	¥ 2,442,145	¥ 6,024,140	¥ 4,596,470	¥ 80,721,126	¥ (18,888,108)	¥ 61,833,018	

Fiscal year ended March 31, 2005	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	\$ 10,388	\$ 92	\$ 224	\$ 149	\$ 10,853	\$ -	\$ 10,853	
(2) Inter-segment Ordinary Income	172	381	1,025	691	2,269	(2,269)	-	
Total	10,560	473	1,249	840	13,122	(2,269)	10,853	
Ordinary Expenses	8,653	438	1,223	812	11,126	(2,269)	8,857	
Ordinary Profit	\$ 1,907	\$ 35	\$ 26	\$ 28	\$ 1,996	\$ -	\$ 1,996	
II. Assets	\$ 627,080	\$ 25,652	\$ 50,597	\$ 33,984	\$ 737,313	\$ (159,693)	\$ 577,620	

Notes: 1. Ordinary Income represents Total Income less certain special income.

Notes: 2. Ordinary Expenses represents Total Expenses less certain special expenses.

Notes: 3. The Bank reported "Ordinary Income" and "Ordinary Profit" 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 country or region. The geographic classification was effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.

Notes: 4. "The Americas" includes the United States. "Europe" includes the United Kingdom and "Asia" includes Singapore.

Notes: 5. As mentioned in Note 2. Summary of Significant Accounting Policies, (4) Premises and Equipment, ③ Accounting Standard for Impairment of Fixed Assets, the Bank and its consolidated subsidiaries adopted the accounting standard for impairment of fixed assets effective for the fiscal year ended March 31, 2005. As a result, Assets of "Japan" decreased by ¥29,488 million (\$275 million), however, there was no impact on Ordinary Profit of each segment as compared with the amount that would have been recorded if the accounting standard had not been adopted during the fiscal year ended March 31, 2005.

(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
2005	¥	862,623	¥	1,164,532	74.0%
2004	¥	843,931	¥	1,136,727	74.2%
	Millions of U.S. Dollars				Percentage
2005	\$	8,039	\$	10,853	74.0%

Notes: 1. Ordinary Income represents Total Income less certain special income.

Notes: 2. Ordinary Expenses represents Total Expenses less certain special expenses.

Notes: 3. "Ordinary Income from International Operations" is shown in place of Overseas Sales for non-financial companies.

Notes: 4. "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 counterparty. Therefore, segment information by country and region has not been presented.

33. Fair Value of Securities

For the Fiscal Year Ended March 31, 2005

Trading Securities

	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Loss Recognized as expenses	Carrying Value	Unrealized Loss Recognized as expenses
March 31, 2005				
Trading Securities	¥330,780	¥(44)	\$3,083	\$(0)

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

	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Gain		
			Gain	Loss	
March 31, 2005					
Japanese Government Bonds	¥18,293	¥18,378	¥84	¥84	¥ -
Total	¥18,293	¥18,378	¥84	¥84	¥ -

	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Gain		
			Gain	Loss	
March 31, 2005					
Japanese Government Bonds	\$170	\$171	\$1	\$1	\$ -
Total	\$170	\$171	\$1	\$1	\$ -

Note: Fair value is based on fair prices at the end of the fiscal year ended March 31, 2005.

Other Securities held at Fair Value

	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Gain	Loss	
March 31, 2005					
Stocks	¥ 304,460	¥ 488,302	¥ 183,842	¥ 185,677	¥ 1,834
Bonds	13,376,022	13,723,191	347,168	347,506	338
Japanese Government Bonds	12,536,164	12,871,094	334,930	334,983	53
Municipal Government Bonds	196,006	198,696	2,689	2,878	189
Corporate Bonds	643,851	653,399	9,548	9,644	95
Other	22,429,454	22,945,022	515,568	760,072	244,503
Total	¥ 36,109,937	¥ 37,156,516	¥ 1,046,579	¥ 1,293,255	¥ 246,676

	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Gain	Loss	
March 31, 2005					
Stocks	\$ 2,837	\$ 4,550	\$ 1,713	\$ 1,730	\$ 17
Bonds	124,660	127,896	3,236	3,239	3
Japanese Government Bonds	116,833	119,955	3,122	3,122	0
Municipal Government Bonds	1,827	1,852	25	27	2
Corporate Bonds	6,000	6,089	89	90	1
Other	209,035	213,840	4,805	7,084	2,279
Total	\$ 336,532	\$ 346,286	\$ 9,754	\$ 12,053	\$ 2,299

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 "Commercial Paper and Other Debt Purchased" 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, 2005.

Other Securities Sold during the Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
March 31, 2005						
Other Securities	¥5,020,198	¥35,470	¥42,809	\$46,787	\$331	\$399

Carrying Value of Securities without a Fair Value

March 31, 2005	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks (excluding Over-the-counter Stocks)	¥ 135,527	\$ 1,263
Foreign Securities	12,374	115
Other	113,808	1,061

For the Fiscal Year Ended March 31, 2004
Trading Securities

March 31, 2004	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Loss Recognized as expenses	Carrying Value	Unrealized Loss Recognized as expenses
Trading Securities	¥447,879	¥(246)	\$4,237	\$(2)

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

March 31, 2004	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Gain		
			Gain	Loss	
Japanese Government Bonds	¥15,421	¥15,446	¥24	¥52	¥27
Total	¥15,421	¥15,446	¥24	¥52	¥27

March 31, 2004	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Gain		
			Gain	Loss	
Japanese Government Bonds	\$146	\$146	\$0	\$0	\$0
Total	\$146	\$146	\$0	\$0	\$0

Note: Fair value is based on fair prices at the end of the fiscal year ended March 31, 2004.

Other Securities held at Fair Value

March 31, 2004	Millions of Yen					
	Acquisition Cost	Carrying Value	Net Unrealized Gain			
			Gain	Loss		
Stocks	¥ 305,041	¥ 470,248	¥ 165,207	¥ 167,153	¥ 1,946	
Bonds	15,524,587	15,610,730	86,143	157,389	71,245	
Japanese Government Bonds	14,488,242	14,559,137	70,895	140,113	69,217	
Municipal Government Bonds	284,985	290,269	5,284	5,759	475	
Corporate Bonds	751,359	761,323	9,963	11,515	1,552	
Other	16,831,585	17,193,572	361,987	757,439	395,451	
Total	¥ 32,661,213	¥ 33,274,551	¥ 613,337	¥ 1,081,982	¥ 468,644	

March 31, 2004	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			Gain	Loss	
Stocks	\$ 2,886	\$ 4,449	\$ 1,563	\$ 1,581	\$ 18
Bonds	146,874	147,689	815	1,489	674
Japanese Government Bonds	137,070	137,741	671	1,326	655
Municipal Government Bonds	2,696	2,746	50	54	4
Corporate Bonds	7,108	7,202	94	109	15
Other	159,239	162,664	3,425	7,166	3,741
Total	\$ 308,999	\$ 314,802	\$ 5,803	\$ 10,236	\$ 4,433

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 "Commercial Paper and Other Debt Purchased" 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, 2004.

Other Securities Sold during the Fiscal Year

March 31, 2004	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	¥5,467,634	¥113,465	¥105,599	\$51,728	\$1,073	\$999

Carrying Value of Securities without a Fair Value

March 31, 2004	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks (excluding Over-the-counter Stocks)	¥ 50,261	\$ 476
Foreign Securities	71,353	675
Other	106,693	1,009

34. Fair Value of Money Held in Trust

For the Fiscal Year Ended March 31, 2005

Money Held in Trust for Trading Purpose

March 31, 2005	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	¥37,485	¥154	\$349	\$1

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

March 31, 2005	Millions of Yen			
	Acquisition Cost	Carrying Value	Net Unrealized Gain	
			Gain	Loss
Other Money Held in Trust	¥4,056,168	¥4,117,181	¥61,013	¥92,647
				¥31,633

	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
				Gain	Loss
March 31, 2005					
Other Money Held in Trust	\$37,802	\$38,371	\$569	\$863	\$295

Note: Carrying values of Other Money Held in Trust disclosed 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, 2005.

For the Fiscal Year Ended March 31, 2004

Money Held in Trust for Trading Purpose

	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Loss Recognized as expenses	Carrying Value	Unrealized Loss Recognized as expenses
March 31, 2004				
Money Held in Trust for Trading Purpose	¥30,077	¥(18)	\$285	\$(0)

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

	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
				Gain	Loss
March 31, 2004					
Other Money Held in Trust	¥3,732,145	¥3,810,128	¥77,983	¥115,439	¥37,455

	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
				Gain	Loss
March 31, 2004					
Other Money Held in Trust	\$35,309	\$36,047	\$738	\$1,092	\$354

Note: Carrying values of Other Money Held in Trust disclosed 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, 2004.

35. Fair Value of Derivative Instruments

For the Fiscal Year Ended March 31, 2005

Interest Rate-Related Derivative Instruments

			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
March 31, 2005			Over 1 Year			
Exchange-traded Transactions	Interest Rate Futures	Sold	¥ 60,876	¥ -	¥ 101	¥ 101
		Purchased	79,605	-	(39)	(39)
	Interest Rate Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Forward Rate Agreements	Sold	-	-	-	-
		Purchased	-	-	-	-
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.	3,909,045	1,635,604	49,036	49,036
		Rec.:Flt.-Pay.: Fix.	2,340,839	1,674,509	(45,045)	(45,045)
		Rec.:Flt.-Pay.: Flt.	-	-	-	-
	Interest Rate Options	Sold	10,000	-	(211)	(211)
		Purchased	57,000	25,000	934	924
	Other	Sold	50,300	10,000	(0)	25
		Purchased	51,000	10,000	(1)	(14)
Total			¥ /	¥ /	¥ 4,774	¥ 4,777

			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
March 31, 2005			Over 1 Year			
Exchange-traded Transactions	Interest Rate Futures	Sold	\$ 567	\$ -	\$ 1	\$ 1
		Purchased	742	-	(0)	(0)
	Interest Rate Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Forward Rate Agreements	Sold	-	-	-	-
		Purchased	-	-	-	-
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.	36,431	15,243	457	457
		Rec.:Flt.-Pay.: Fix.	21,816	15,606	(420)	(420)
		Rec.:Flt.-Pay.: Flt.	-	-	-	-
	Interest Rate Options	Sold	93	-	(2)	(2)
		Purchased	531	233	9	9
	Other	Sold	469	93	(0)	0
		Purchased	475	93	(0)	(0)
Total			\$ /	\$ /	\$ 45	\$ 45

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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, option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

March 31, 2005			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		¥ 62,831	¥ 40,193	¥ (472)	¥ (472)
	Forwards	Sold	434,475	3,658	(6,385)	(6,385)
		Purchased	414,959	2,296	4,890	4,890
Total			¥ /	¥ /	¥ (1,967)	¥ (1,967)

March 31, 2005			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		\$ 586	\$ 375	\$ (4)	\$ (4)
	Forwards	Sold	4,049	34	(60)	(60)
		Purchased	3,867	21	46	46
Total			\$ /	\$ /	\$ (18)	\$ (18)

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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.

Note

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no stock-related derivative instruments during the fiscal year ended March 31, 2005.

Bond-Related Derivative Instruments

March 31, 2005			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Exchange-traded Transactions	Bond Futures	Sold	¥ 36,984	¥ -	¥ (228)	¥ (228)
		Purchased	1,182	-	(19)	(19)
	Bond Futures Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			¥ /	¥ /	¥ (247)	¥ (247)

			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
March 31, 2005						
Exchange-traded Transactions	Bond Futures	Sold	\$ 345	\$ -	\$ (2)	\$ (2)
		Purchased	11	-	(0)	(0)
	Bond Futures Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			\$ /	\$ /	\$ (2)	\$ (2)

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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, 2005.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments during the fiscal year ended March 31, 2005.

For the Fiscal Year Ended March 31, 2004

Interest Rate-Related Derivative Instruments

			Millions of Yen				
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss	
				Over 1Year			
March 31, 2004							
Exchange-traded Transactions	Interest Rate Futures	Sold	¥ 71,754	¥ -	¥ (12)	¥ (12)	
		Purchased	50,764	-	180	180	
	Interest Rate Options	Sold	-	-	-	-	
		Purchased	-	-	-	-	
Over-the-counter Transactions	Forward Rate Agreements	Sold	-	-	-	-	
		Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.:Flt.		10,524,756	3,668,002	98,139	98,139
		Rec.:Flt.-Pay.:Fix.		3,240,111	2,064,668	(84,956)	(84,956)
		Rec.:Flt.-Pay.:Flt.		20,000	-	20	20
	Interest Rate Options	Sold		15,000	10,000	(469)	(469)
Purchased			63,000	57,000	1,443	1,443	
Other	Sold		55,300	50,300	(12)	(12)	
	Purchased		56,000	51,000	7	7	
Total			¥ /	¥ /	¥ 14,340	¥ 14,340	

March 31, 2004			Millions of U.S. Dollars				
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss	
				Over 1Year			
Exchange-traded Transactions	Interest Rate Futures	Sold	\$ 679	\$ -	\$ (0)	\$ (0)	
		Purchased	480	-	2	2	
	Interest Rate Options	Sold	-	-	-	-	
		Purchased	-	-	-	-	
Over-the-counter Transactions	Forward Rate Agreements	Sold	-	-	-	-	
		Purchased	-	-	-	-	
	Interest Rate Swaps	Rec.:Fix.-Pay.: Flt.		99,572	34,702	928	928
		Rec.:Flt.-Pay.: Fix.		30,654	19,533	(804)	(804)
		Rec.:Flt.-Pay.: Flt.		189	-	0	0
	Interest Rate Options	Sold		142	95	(4)	(4)
Purchased			596	539	14	14	
Other	Sold		523	476	(0)	(0)	
	Purchased		530	482	0	0	
Total			\$ /	\$ /	\$ 136	\$ 136	

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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 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, option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

March 31, 2004			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		¥ 74,040	¥ 71,512	¥ 2,003	¥ 2,003
	Forwards	Sold	298,069	8	229	229
		Purchased	1,365,625	63	(2,203)	(2,203)
Total			¥ /	¥ /	¥ 28	¥ 28

March 31, 2004			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
				Over 1Year		
Over-the-counter Transactions	Currency Swaps		\$ 700	\$ 677	\$ 19	\$ 19
	Forwards	Sold	2,820	0	2	2
		Purchased	12,920	1	(21)	(21)
Total			\$ /	\$ /	\$ 0	\$ 0

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. The above analysis excludes derivative instruments accounted for as hedges (see Note 3 below).

Note: 2. Determination of fair value:

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

Note: 3. Currency Swaps accounted for under the accrual method are excluded from the above analysis.

The Bank and its consolidated subsidiaries held no currency swaps which are accounted for under

the accrual method on the basis of the temporary treatment described in "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25), for the fiscal year ended March 31, 2003.

The above analysis excludes foreign exchange forward contracts and currency options, which are 1) revalued at the exchange rates prevailing at the end of the fiscal year and changes in fair value are included in the consolidated statement of operations, 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheet, or 3) designated to the monetary receivables or payables denominated in foreign currencies which are eliminated for consolidation purposes.

The above mentioned transactions related to currency derivatives are as follows:

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no stock-related derivative instruments during the fiscal year ended March 31, 2004.

Bond-Related Derivative Instruments

			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
March 31, 2004			Over 1Year			
Exchange-traded Transactions	Bond Futures	Sold	¥ 21,610	¥ -	¥ 130	¥ 130
		Purchased	2,995	-	(8)	(8)
	Bond Futures	Sold	-	-	-	-
	Options	Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			¥ /	¥ /	¥ 121	¥ 121

			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain /Loss
March 31, 2004			Over 1Year			
Exchange-traded Transactions	Bond Futures	Sold	\$ 204	\$ -	\$ 1	\$ 1
		Purchased	28	-	(0)	(0)
	Bond Futures	Sold	-	-	-	-
	Options	Purchased	-	-	-	-
Over-the-counter Transactions	Bond Options	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			\$ /	\$ /	\$ 1	\$ 1

Note: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement 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, 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, 2004.

Credit Derivative Instruments

			Millions of Yen			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain
				Over 1Year		
March 31, 2004						
Over-the-counter Transactions	Credit Default Swaps	Sold Purchased	¥ 111,000	¥ 107,500	¥ 3,474	¥ 3,474
	Other	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			¥ /	¥ /	¥ 3,474	¥ 3,474

			Millions of U.S. Dollars			
			Contract Amount or Notional Amount		Fair Value	Unrealized Gain
				Over 1Year		
March 31, 2004						
Over-the-counter Transactions	Credit Default Swaps	Sold Purchased	\$ 1,050	\$ 1,017	\$ 33	\$ 33
	Other	Sold	-	-	-	-
		Purchased	-	-	-	-
Total			\$ /	\$ /	\$ 33	\$ 33

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

Note: 2. Determination of fair value:

Fair value is determined based on prices of the underlying items and the terms of contracts of credit derivative transactions.

Note: 3. "Sold" means the underwriting of credit risk and "Purchase" means the transferring of credit risk.

36. The Norinchukin Bank (Parent Company)

(a) Non-consolidated Balance Sheets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2005	2004	2005
Assets			
Cash and Due from Banks	¥ 2,374,629	¥ 3,573,051	\$ 22,131
Call Loans and Bills Purchased	417,463	404,310	3,891
Collateral Deposited under Securities Borrowed	19,321	327,486	180
Commercial Paper and Other Debt Purchased	837,847	654,839	7,808
Trading Assets	383,701	489,733	3,576
Money Held in Trust	4,154,667	3,840,206	38,720
Securities	37,427,294	33,553,036	348,810
Loans and Bills Discounted	15,700,481	17,798,230	146,323
Foreign Exchange Assets	8,828	15,618	82
Other Assets	570,737	918,628	5,319
Premises and Equipment	171,167	206,080	1,595
Deferred Debenture Discounts	180	229	2
Customers' Liabilities for Acceptances and Guarantees	195,551	240,124	1,823
Reserve for Possible Loan Losses	(314,586)	(365,392)	(2,932)
Total Assets	¥ 61,947,285	¥ 61,656,184	\$ 577,328
Liabilities and Shareholders' Equity			
Liabilities			
Deposits	¥ 40,885,654	¥ 41,298,690	\$ 381,041
Debentures	4,704,414	5,216,869	43,844
Call Money and Bills Sold	3,892,447	3,560,548	36,276
Payables under Repurchase Agreements	3,869,804	3,350,321	36,065
Collateral Received under Securities Loaned	2,135,835	2,109,476	19,905
Trading Liabilities	52,230	67,860	487
Borrowings	888,632	888,675	8,282
Foreign Exchange Liabilities	56	328	1
Other Liabilities	2,168,489	2,285,535	20,210
Reserve for Bonus Payments	3,985	3,696	37
Reserve for Retirement Benefits	8,182	8,637	76
Deferred Tax Liabilities	228,007	81,122	2,125
Deferred Tax Liabilities Relating to Land Revaluation	24,906	34,091	232
Acceptances and Guarantees	195,551	240,124	1,822
Total Liabilities	59,058,199	59,145,979	550,403
Shareholders' Equity			
Paid-in Capital	1,224,999	1,224,999	11,417
Capital Surplus	25,020	25,020	233
Retained Earnings:			
Legal Reserve	237,366	208,366	2,212
Voluntary Reserves	388,120	323,101	3,617
Unappropriated Retained Earnings	195,968	177,436	1,826
Land Revaluation Reserve	55,050	75,350	513
Net Unrealized Gains on Securities, net of taxes	762,559	475,929	7,107
Total Shareholders' Equity	2,889,085	2,510,205	26,925
Total Liabilities and Shareholders' Equity	¥ 61,947,285	¥ 61,656,184	\$ 577,328

37. Appropriation of Retained Earnings

The following dividends were approved at the shareholders' meeting held on June 24, 2005.

	Millions of Yen		Millions of U.S. Dollars	
Cash Dividends:				
Special Dividends	¥	33,612	\$	313
Dividends on Common Stock (at the rate of 3% of the ¥ 100 face value, or ¥ 3.00 per share)		6,000		56
Dividends on Lower Dividend Rate Stock (at the rate of 1% of the ¥ 100 face value, or ¥ 1.00 per share)		10,000		93
Dividends on Preferred Stock (at the rate of 10% of the ¥ 100 face value, or ¥ 10.00 per share)		328		3

38. Subsequent Events

At the Supervisory Committee meeting on May 24, 2005, a resolution was passed for the Bank to issue additional shares of common stock on December 1, 2005, up to a maximum amount of ¥225.7 billion (\$2.1 billion), in order to increase capital.

Report of Independent Auditors

To the Board of Directors of
The Norinchukin Bank

We have audited the accompanying consolidated balance sheets of The Norinchukin Bank and its subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of operations, capital surplus and retained earnings, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Norinchukin Bank and its subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2(4)③, The Norinchukin Bank and its subsidiaries adopted the accounting standard for impairment of fixed assets effective for the fiscal year ended March 31, 2005.

As described in Note 38, at the Supervisory Committee meeting on May 24, 2005, a resolution was passed for The Norinchukin Bank to issue additional shares of common stock in order to increase capital.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.



ChuoAoyama PricewaterhouseCoopers

Tokyo, Japan

June 24, 2005