

# Financial Review

## ■ Financial Results for the fiscal year ended March 31, 2013 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2013 include the results of 9 consolidated subsidiaries and 5 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2012.

### • Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥9,233.9 billion from the previous fiscal year-end to ¥81,496.8 billion, and consolidated Total Net Assets increased by ¥928.3 billion from the previous fiscal year-end to ¥5,767.2 billion.

On the assets side, Loans and Bills Discounted increased by ¥1,486.3 billion to ¥16,224.5 billion, and Securities increased by ¥4,419.3 billion to ¥50,045.7 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥3,892.4 billion to ¥47,442.8 billion, and Debentures decreased by ¥510.9 billion to ¥4,606.9 billion from the previous fiscal year-end, respectively.

### • Income

Consolidated Ordinary Profits\* were ¥102.7 billion, up ¥27.0 billion from the previous fiscal year, and consolidated Net Income was ¥119.8 billion, up ¥49.3 billion from the previous fiscal year.

\* Ordinary Profits represent Ordinary Income less Ordinary Expenses. Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.

### • Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Consolidated Common Equity Tier 1 Capital Ratio 16.01%, Consolidated Tier 1 Capital Ratio 16.13%, and Consolidated Total Capital Ratio 23.56% as of March 31, 2013.

## Key Management Indicators (Consolidated)

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	2009/3	2010/3	2011/3	2012/3	2013/3	2013/3
Total Income	¥ 1,438.0	¥ 1,270.5	¥ 1,111.4	¥ 952.6	¥ 995.5	\$ 10,580
Total Expenses	2,048.1	1,194.8	986.7	878.4	893.6	9,497
Net Income (Loss)	(572.1)	33.0	129.5	70.5	119.8	1,274
Total Comprehensive Income	/	/	303.7	600.4	949.7	10,093
Total Net Assets	2,492.7	3,956.0	4,259.8	4,838.9	5,767.2	61,289
Total Assets	62,593.9	68,676.7	69,833.8	72,262.8	81,496.8	866,066
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	/	16.01	16.01
Tier 1 Capital Ratio (%)	/	/	/	/	16.13	16.13
Total Capital Ratio (%)	15.56	19.21	22.67	24.67	23.56	23.56

Notes: 1. U.S. dollars have been converted at the rate of ¥94.10 to U.S. \$1, the effective rate of exchange at March 31, 2013.

2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006. The Basel II standard was applied in calculating the Consolidated Capital Adequacy Ratios prior to the fiscal year ended March 31, 2013.

## ■ Financial Results for the fiscal year ended March 31, 2013 (Non-consolidated)

### • Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥9,141.9 billion to ¥80,861.0 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥914.5 billion to ¥5,734.9 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥16,127.6 billion, and Securities was ¥50,072.3 billion.

On the liabilities side, Deposits amounted to ¥47,456.4 billion, and Debentures was ¥4,619.2 billion.

### • Income

Interest income of the Bank for the fiscal year ended March 31, 2013 totaled to ¥94.3 billion, up ¥31.2 billion from the previous fiscal year.

The results of total credit cost were ¥13.4 billion in net losses, up ¥20.4 billion from the previous fiscal year, mainly from decrease of the reversal of the reserve.

As for the results of securities investments, net losses on sales decreased by ¥1.6 billion to ¥12.4 billion from the previous fiscal year, and the net gains of provisions and impairments for price-decline of securities and other reasons increased by ¥18.5 billion to ¥0.1 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥88.1 billion in Ordinary Profits, up ¥19.6 billion and ¥106.8 billion in Net Income, up ¥45.1 billion from the previous fiscal year, respectively. The Bank's net operating losses stood at ¥43.7 billion.

### • Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 15.98%, Tier 1 Capital Ratio 16.10%, and Total Capital Ratio 23.77% as of March 31, 2013.

### Key Management Indicators (Non-consolidated)

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	2009/3	2010/3	2011/3	2012/3	2013/3	2013/3
Total Income	¥ 1,426.7	¥ 1,259.4	¥ 1,101.7	¥ 934.9	¥ 972.9	\$ 10,340
Total Expenses	2,030.7	1,189.0	963.3	870.6	885.6	9,412
Net Income (Loss)	(565.7)	29.5	144.3	61.6	106.8	1,135
Paid-in Capital	3,421.3	3,425.9	3,425.9	3,425.9	3,425.9	36,407
Total Net Assets	2,472.3	3,931.6	4,250.4	4,820.4	5,734.9	60,946
Total Assets	62,499.2	68,470.3	69,551.9	71,719.1	80,861.0	859,310
Deposits	37,501.5	39,108.7	40,957.0	43,563.1	47,456.4	504,319
Debentures	5,255.0	5,611.7	5,421.6	5,125.6	4,619.2	49,088
Loans and Bills Discounted	10,947.8	13,038.0	14,002.3	14,655.7	16,127.6	171,389
Securities	39,558.8	44,013.7	43,070.0	45,655.4	50,072.3	532,118
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	/	/	15.98	15.98
Tier 1 Capital Ratio (%)	/	/	/	/	16.10	16.10
Total Capital Ratio (%)	15.65	19.26	22.76	24.83	23.77	23.77

Notes: 1. U.S. dollars have been converted at the rate of ¥94.10 to U.S. \$1, the effective rate of exchange at March 31, 2013.

2. The calculation of the Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006. The Basel II standard was applied in calculating the Capital Adequacy Ratios prior to the fiscal year ended March 31, 2013.

# Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries  
As of March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Assets</b>			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 4,419,087	¥ 1,687,337	\$ 46,962
Call Loans and Bills Bought (Note 32)	1,527,128	832,440	16,229
Receivables under Resale Agreements	—	44,987	—
Receivables under Securities Borrowing Transactions	—	492,481	—
Monetary Claims Bought (Notes 32 and 33)	179,373	222,980	1,906
Trading Assets (Notes 3, 32 and 33)	36,602	32,658	389
Money Held in Trust (Notes 9, 32 and 34)	6,892,281	7,027,597	73,244
Securities (Notes 4, 9, 21, 32 and 33)	50,045,795	45,626,464	531,836
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	16,224,595	14,738,276	172,419
Foreign Exchange Assets (Note 6)	268,750	44,797	2,856
Other Assets (Notes 7, 9 and 32)	1,251,733	971,610	13,302
Tangible Fixed Assets (Note 8)	109,541	119,055	1,164
Intangible Fixed Assets (Note 8)	33,424	43,563	355
Deferred Tax Assets (Note 18)	2,119	2,121	22
Customers' Liabilities for Acceptances and Guarantees (Note 19)	688,399	618,301	7,316
Reserve for Possible Loan Losses (Note 32)	(175,959)	(229,414)	(1,870)
Reserve for Possible Investment Losses	(6,065)	(12,374)	(64)
<b>Total Assets</b>	<b>¥81,496,808</b>	<b>¥72,262,884</b>	<b>\$866,066</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 10 and 32)	¥47,442,849	¥43,550,349	\$504,175
Negotiable Certificates of Deposit (Note 32)	2,397,290	1,882,426	25,476
Debentures (Notes 11 and 32)	4,606,940	5,117,872	48,958
Bonds (Note 12)	50,000	50,000	531
Call Money and Bills Sold (Notes 9 and 32)	452,214	524,922	4,806
Payables under Repurchase Agreements (Notes 9 and 32)	12,349,745	7,800,406	131,241
Payables under Securities Lending Transactions (Note 9)	6,129	10,654	65
Trading Liabilities (Notes 13 and 32)	10,139	10,595	108
Borrowed Money (Notes 9, 14 and 32)	1,779,106	1,814,807	18,906
Foreign Exchange Liabilities (Note 15)	78	10	1
Short-term Entrusted Funds (Note 32)	4,235,124	4,351,710	45,006
Other Liabilities (Notes 16 and 32)	1,286,866	1,571,006	13,675
Reserve for Bonus Payments	6,747	6,474	72
Reserve for Employees' Retirement Benefits (Note 17)	11,414	6,188	121
Reserve for Directors' Retirement Benefits	1,032	1,018	11
Deferred Tax Liabilities (Note 18)	395,295	94,249	4,201
Deferred Tax Liabilities for Land Revaluation	10,158	12,932	108
Acceptances and Guarantees (Note 19)	688,399	618,301	7,316
<b>Total Liabilities</b>	<b>75,729,534</b>	<b>67,423,926</b>	<b>804,777</b>
<b>Net Assets</b>			
Paid-in Capital (Note 22)	3,425,909	3,425,909	36,407
Capital Surplus	25,020	25,020	266
Retained Earnings	1,130,521	1,024,914	12,014
Treasury Preferred Stock	(150)	(150)	(2)
<b>Total Owners' Equity</b>	<b>4,581,301</b>	<b>4,475,694</b>	<b>48,685</b>
Net Unrealized Gains on Other Securities	1,267,652	373,302	13,471
Net Deferred Losses on Hedging Instruments	(105,743)	(40,825)	(1,124)
Revaluation Reserve for Land	17,723	24,841	189
Foreign Currency Transaction Adjustments	(20)	(40)	(0)
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,179,611</b>	<b>357,277</b>	<b>12,536</b>
Minority Interests	6,361	5,985	68
<b>Total Net Assets</b>	<b>5,767,273</b>	<b>4,838,957</b>	<b>61,289</b>
<b>Total Liabilities and Net Assets</b>	<b>¥81,496,808</b>	<b>¥72,262,884</b>	<b>\$866,066</b>

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

# Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries  
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Income</b>			
Interest Income:	¥637,775	¥597,750	\$ 6,778
Interest on Loans and Bills Discounted	78,828	85,943	838
Interest and Dividends on Securities	539,766	495,889	5,736
Interest on Call Loans and Bills Bought	1,486	1,668	16
Interest on Receivables under Resale Agreements	10	7	0
Interest on Receivables under Securities			
Borrowing Transactions	508	540	5
Interest on Due from Banks	4,766	5,393	51
Other Interest Income	12,407	8,307	132
Fees and Commissions	21,120	18,397	225
Trading Income (Note 23)	485	753	5
Other Operating Income (Note 24)	115,659	86,637	1,229
Other Income (Note 25)	220,506	249,108	2,343
Total Income	995,547	952,648	10,580
<b>Expenses</b>			
Interest Expenses:	589,742	587,554	6,267
Interest on Deposits	34,557	41,704	367
Interest on Negotiable Certificates of Deposit	7,128	3,680	76
Interest on Debentures	45,233	59,125	481
Interest on Borrowed Money	80,517	80,284	855
Interest on Call Money and Bills Sold	346	453	4
Interest on Payables under Repurchase Agreements	15,530	15,233	165
Interest on Payables under Securities Lending			
Transactions	3	8	0
Interest on Bonds	1,260	5,678	13
Other Interest Expenses	405,165	381,385	4,306
Fees and Commissions	13,178	11,648	140
Trading Expenses (Note 26)	224	—	3
Other Operating Expenses (Note 27)	132,835	96,164	1,412
General and Administrative Expenses	123,924	118,917	1,317
Other Expenses (Note 28)	33,710	64,162	358
Total Expenses	893,616	878,447	9,497
<b>Income before Income Taxes and Minority Interests</b>	<b>101,931</b>	<b>74,200</b>	<b>1,083</b>
Income Taxes — Current	1,299	2,085	14
Income Taxes — Deferred	(19,612)	1,549	(209)
Total Income Taxes	(18,313)	3,634	(195)
<b>Income before Minority Interests</b>	<b>120,244</b>	<b>70,566</b>	<b>1,278</b>
Minority Interests in Net Income	378	48	4
<b>Net Income</b>	<b>¥119,866</b>	<b>¥ 70,518</b>	<b>\$ 1,274</b>
		Yen	U.S. Dollars (Note 1)
	2013	2012	2013
Net Income per Share	¥22.17	¥14.54	\$0.24

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

## (2) Consolidated Statement of Comprehensive Income

The Norinchukin Bank and Subsidiaries  
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Income before Minority Interests</b>	<b>¥120,244</b>	¥ 70,566	<b>\$ 1,278</b>
<b>Other Comprehensive Income</b>	<b>829,496</b>	529,922	<b>8,815</b>
Net Unrealized Gains on Other Securities (Note 29)	<b>894,047</b>	595,754	<b>9,501</b>
Net Deferred Losses on Hedging Instruments (Note 29)	<b>(64,859)</b>	(67,551)	<b>(689)</b>
Revaluation Reserve for Land (Note 29)	—	1,609	—
Foreign Currency Transaction Adjustments (Note 29)	<b>20</b>	(1)	<b>0</b>
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	<b>288</b>	110	<b>3</b>
<b>Total Comprehensive Income</b>	<b>¥949,741</b>	¥600,488	<b>\$10,093</b>
Attributable to:			
Owners of the Parent	<b>949,318</b>	600,430	<b>10,088</b>
Minority Interests	<b>423</b>	58	<b>5</b>

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

## Consolidated Statement of Capital Surplus and Retained Earnings

The Norinchukin Bank and Subsidiaries  
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ <b>25,020</b>	¥ 25,020	<b>\$ 266</b>
Balance at the End of the Fiscal Year	<b>25,020</b>	25,020	<b>266</b>
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	<b>1,024,914</b>	972,337	<b>10,892</b>
Additions:			
Net Income for the Fiscal Year	<b>119,866</b>	70,518	<b>1,274</b>
Transfer from Revaluation Reserve for Land	<b>7,118</b>	3,434	<b>75</b>
Deductions:			
Dividends	<b>21,377</b>	21,375	<b>227</b>
Balance at the End of the Fiscal Year	<b>¥1,130,521</b>	¥1,024,914	<b>\$12,014</b>

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

# Consolidated Statement of Cash Flows

The Norinchukin Bank and Subsidiaries  
For the fiscal year ended March 31, 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes and Minority Interests	¥ 101,931	¥ 74,200	\$ 1,083
Depreciation	19,997	19,999	212
Losses on Impairment of Fixed Assets	1,493	4,588	16
Gains on Negative Goodwill Incurred	(19)	(2,729)	(0)
Equity in Earnings of Affiliates	(6,727)	(7,113)	(71)
Net Decrease in Reserve for Possible Loan Losses	(53,455)	(39,892)	(568)
Net Decrease in Reserve for Possible Investment Losses	(6,309)	(57)	(67)
Net Increase in Reserve for Bonus Payments	272	1,837	3
Net Increase in Reserve for Employees' Retirement Benefits	5,226	2,288	56
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	14	(32)	0
Interest Income	(637,775)	(597,750)	(6,778)
Interest Expenses	589,742	587,554	6,267
Losses on Securities	153,526	48,044	1,632
Losses (Gains) on Money Held in Trust	(10,946)	3,428	(116)
Foreign Exchange Losses (Gains)	(4,527,579)	314,547	(48,115)
Gains on Disposals of Fixed Assets	(702)	(404)	(7)
Net Increase in Trading Assets	(3,944)	(13,280)	(42)
Net Decrease in Trading Liabilities	(455)	(1,129)	(5)
Net Increase in Loans and Bills Discounted	(1,486,184)	(627,455)	(15,794)
Net Increase in Deposits	3,892,385	1,681,174	41,364
Net Increase in Negotiable Certificates of Deposit	514,864	1,114,307	5,471
Net Decrease in Debentures	(510,931)	(298,488)	(5,430)
Net Decrease in Borrowed Money (Excluding Subordinated Borrowed Money)	(35,700)	(51,200)	(379)
Net Increase in Interest-bearing Due from Banks	(11,764)	(380,356)	(125)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(602,382)	494,066	(6,402)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	492,481	(259,787)	5,234
Net Increase (Decrease) in Call Money and Bills Sold and Other	4,476,630	(671,401)	47,573
Net Decrease in Short-term Entrusted Funds	(116,586)	(45,569)	(1,239)
Net Decrease in Payables under Securities Lending Transactions	(4,525)	(822,575)	(48)
Net Decrease (Increase) in Foreign Exchange Assets	(223,953)	264,949	(2,380)
Net Increase in Foreign Exchange Liabilities	67	10	1
Interest Received	653,552	626,006	6,945
Interest Paid	(592,544)	(597,543)	(6,297)
Other, Net	(170,998)	(343,774)	(1,817)
Subtotal	1,898,703	476,462	20,177
Income Taxes Refund (Paid)	2,217	(3,933)	24
Net Cash Provided by Operating Activities	1,900,920	472,528	20,201

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(30,200,852)	(30,101,719)	(320,944)
Proceeds from Sales of Securities	1,786,024	833,008	18,980
Proceeds from Redemption of Securities	28,593,913	27,220,017	303,867
Increase in Money Held in Trust	(666,090)	(1,042,889)	(7,078)
Decrease in Money Held in Trust	1,324,776	1,410,795	14,078
Purchases of Tangible Fixed Assets	(5,559)	(2,552)	(59)
Purchases of Intangible Fixed Assets	(2,027)	(2,543)	(22)
Proceeds from Sales of Tangible Fixed Assets	10,267	5,038	109
Purchases of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	—	(1,832)	—
Purchases of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	(28)	(286)	(0)
Proceeds from Business Transfer	—	895,606	—
Net Cash Provided by (Used in) Investing Activities	840,423	(787,356)	8,931
<b>Cash Flows from Financing Activities:</b>			
Payments for Redemption of Subordinated Bonds	—	(195,026)	—
Dividends Paid	(21,377)	(21,375)	(227)
Net Cash Used in Financing Activities	(21,377)	(216,402)	(227)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,719,966</b>	<b>(531,230)</b>	<b>28,905</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>414,965</b>	<b>946,195</b>	<b>4,410</b>
<b>Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)</b>	<b>¥ 3,134,931</b>	<b>¥ 414,965</b>	<b>\$ 33,315</b>

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

# Notes to the Consolidated Financial Statements

The Norinchukin Bank and Subsidiaries

## 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 Financial Reporting 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 ¥94.10=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2013, 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

### (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 numbers of subsidiaries as of March 31, 2013 and 2012 were 10 and 9, respectively, out of which 9 and 9 were consolidated, respectively.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The date of the fiscal year-end of all consolidated subsidiaries is March 31.

Agricultural, Forestry, and Fishery Cooperative Investment Co., Ltd. which was newly established in the fiscal year ended March 31, 2013 was neither consolidated nor accounted for by the equity method since it was not material to the consolidated financial statements.

#### 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 numbers of affiliates as of March 31, 2013 and 2012 were 6 and 6, respectively, out of which 5 and 5 were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliates accounted for by the equity method are as follows:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

## (2) Transactions for Trading Purposes

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

Gains and losses arising from transactions for trading purposes are recorded in Trading Income and Trading Expenses on the consolidated statement of operations.

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

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

## (3) Financial Instruments

### a. Securities

Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method.

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

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

Securities included in Money Held in Trust are valued using the same methods described in (2) and (3) a. above.

### b. Derivatives

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

### c. Hedge Accounting

#### (a) Hedge of Interest Rate Risk

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

**(b) Hedge of Foreign Exchange Rate Risk**

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

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

**(c) Internal Derivative Transactions**

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

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

**(4) Tangible Fixed Assets (other than Lease Assets)****a. Depreciation**

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

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

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

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

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

Due to the enacted revision of “Corporation Tax Act,” the Bank and its consolidated domestic subsidiaries apply the revised depreciation method exclusively to the Tangible Fixed Assets acquired on or after April 1, 2012 from the fiscal year ended March 31, 2013. The impacts of the change on the financial results of the period are immaterial.

**b. 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 from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

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) Intangible Fixed Assets (other than Lease Assets)**

Depreciation of Intangible Fixed Assets is calculated using the straight-line method.

The costs of software developed or obtained for internal use are capitalized and amortized over an estimated useful life of 5 years.

**(6) Lease Assets****a. Depreciation**

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

**b. Accounting for Finance Leases**

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting method as for operating leases. Rental expenses and lease expenses under operating leases are charged to income when incurred.

**(7) Debentures**

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

**(8) Foreign Currency Translation**

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

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

**(9) Reserve for Possible Loan Losses**

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

a. Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposals of collateral or the execution of guarantees.

With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥30,840 million (\$328 million) and ¥63,829 million for the fiscal years ended March 31, 2013 and 2012, respectively.

b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

c. 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, 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. 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. Specific reserve for loans to certain countries with financial difficulties is provided based on the expected amount of losses taking into account the political, economic and other conditions in each country.

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

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

#### **(10) Reserve for Possible Investment Losses**

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

#### **(11) Reserve for Bonus Payments**

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

#### **(12) Reserve for Employees' Retirement Benefits**

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

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

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

Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the reserve is provided at the amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

#### **(13) Reserve for Directors' Retirement Benefits**

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

#### **(14) Consumption Taxes**

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

#### **(15) Scope of "Cash and Cash Equivalents" in the Consolidated Statement of Cash Flows**

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

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

#### **(16) Net Income per Share**

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

The total dividends for lower dividend rate stocks and preferred stocks and the total special dividends are deducted from the numerator, the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator, respectively, in the calculation of Net Income per Share.

### 3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Trading Securities	¥25,821	¥21,425	\$275
Derivatives of Trading Securities	7	1	0
Derivatives of Securities Related to Trading Transactions	20	—	0
Trading-related Financial Derivatives	10,752	11,231	114
<b>Total</b>	<b>¥36,602</b>	<b>¥32,658</b>	<b>\$389</b>

### 4. Securities

As of March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Japanese Government Bonds	¥13,562,941	¥17,541,008	\$144,133
Municipal Government Bonds	2,039	1,874	22
Corporate Bonds	76,229	97,844	810
Stocks	587,925	504,161	6,248
Other	35,816,659	27,481,576	380,623
Foreign Bonds	24,775,862	17,698,881	263,293
Foreign Stocks	49,810	48,101	529
Investment Trusts	10,450,778	9,160,667	111,060
Other	540,208	573,924	5,741
<b>Total</b>	<b>¥50,045,795</b>	<b>¥45,626,464</b>	<b>\$531,836</b>

The maturity profile of securities is as follows:

As of March 31, 2013	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥ 910,866	¥ 1,876,364	¥10,111,935	¥ 742,044	¥ —
Japanese Government Bonds	867,238	1,855,031	10,107,571	733,100	—
Municipal Government Bonds	59	1,165	784	29	—
Corporate Bonds	43,568	20,166	3,579	8,914	—
Stocks	—	—	—	—	587,925
Other	3,965,420	12,103,546	7,789,617	2,225,605	9,732,469
Foreign Bonds	3,878,364	11,810,138	7,613,213	1,474,145	—
Foreign Stocks	—	—	—	—	49,810
Investment Trusts	25,409	50,491	1,273	731,339	9,642,265
Other	61,647	242,916	175,129	20,121	40,393
<b>Total</b>	<b>¥4,876,287</b>	<b>¥13,979,910</b>	<b>¥17,901,553</b>	<b>¥2,967,650</b>	<b>¥10,320,394</b>

As of March 31, 2012	Millions of Yen				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	¥ 7,013,684	¥ 539,573	¥ 9,343,698	¥ 743,770	¥ —
Japanese Government Bonds	6,985,821	478,626	9,342,968	733,592	—
Municipal Government Bonds	58	1,052	730	33	—
Corporate Bonds	27,804	59,894	—	10,144	—
Stocks	—	—	—	—	504,161
Other	3,207,981	11,317,099	2,792,113	1,538,646	8,625,735
Foreign Bonds	3,163,529	10,989,124	2,535,514	1,010,712	—
Foreign Stocks	—	—	—	—	48,101
Investment Trusts	25,514	81,336	950	507,488	8,545,377
Other	18,936	246,638	255,649	20,444	32,255
<b>Total</b>	<b>¥10,221,665</b>	<b>¥11,856,673</b>	<b>¥12,135,812</b>	<b>¥2,282,417</b>	<b>¥9,129,896</b>

As of March 31, 2013	Millions of U.S. Dollars				
	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years to 10 Years	Over 10 Years	With no maturity date
Bonds	\$ 9,680	\$ 19,940	\$107,459	\$ 7,886	\$ —
Japanese Government Bonds	9,216	19,713	107,413	7,791	—
Municipal Government Bonds	1	13	8	0	—
Corporate Bonds	463	214	38	95	—
Stocks	—	—	—	—	6,248
Other	42,140	128,625	82,780	23,652	103,426
Foreign Bonds	41,215	125,506	80,906	15,666	—
Foreign Stocks	—	—	—	—	529
Investment Trusts	270	537	13	7,772	102,468
Other	655	2,582	1,861	214	429
<b>Total</b>	<b>\$51,820</b>	<b>\$148,565</b>	<b>\$190,239</b>	<b>\$31,538</b>	<b>\$109,674</b>

Notes: 1. The above amount is based on the consolidated balance sheet amount at the end of the fiscal year.  
2. Investment Trusts include Japanese trusts and foreign trusts.

## 5. Loans and Bills Discounted

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Loans on Deeds	¥14,677,599	¥13,156,036	\$155,979
Loans on Bills	240,721	232,534	2,558
Overdrafts	1,300,864	1,344,308	13,824
Bills Discounted	5,410	5,397	58
<b>Total</b>	<b>¥16,224,595</b>	<b>¥14,738,276</b>	<b>\$172,419</b>

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Loans to Borrowers under Bankruptcy Proceedings	¥ 799	¥ 1,102	\$ 8
Delinquent Loans	166,237	197,354	1,767
Loans Past Due for Three Months or More	172	42	2
Restructured Loans	61,211	71,496	650
<b>Total</b>	<b>¥228,420</b>	<b>¥269,995</b>	<b>\$2,427</b>

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

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

(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
	2013	2012	2013
Due from Foreign Banks	¥268,750	¥44,797	\$2,856
<b>Total</b>	<b>¥268,750</b>	<b>¥44,797</b>	<b>\$2,856</b>

## 7. Other Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Prepaid Expenses	¥ 659	¥ 645	\$ 7
Accrued Income	157,405	104,711	1,673
Derivatives other than for Trading	106,871	40,073	1,136
Cash Collateral Paid for Financial Instruments	778,131	759,895	8,269
Other	208,666	66,285	2,217
<b>Total</b>	<b>¥1,251,733</b>	<b>¥971,610</b>	<b>\$13,302</b>

## 8. Tangible Fixed Assets and Intangible Fixed Assets

### Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Buildings	¥ 35,275	¥ 35,396	\$ 375
Land	52,899	63,104	562
Lease Assets	12,903	13,158	137
Construction in Progress	1,958	604	21
Other	6,504	6,792	69
<b>Total Net Book Value</b>	<b>109,541</b>	<b>119,055</b>	<b>1,164</b>
<b>Accumulated Depreciation Deducted</b>	<b>¥107,797</b>	<b>¥104,608</b>	<b>\$1,146</b>

### Intangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Software	¥27,628	¥38,284	\$294
Lease Assets	2,495	3,234	26
Other	3,299	2,043	35
<b>Total</b>	<b>¥33,424</b>	<b>¥ 43,563</b>	<b>\$355</b>

## 9. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Securities	¥14,067,246	¥10,617,645	\$149,493
Loans and Bills Discounted	8,596,567	7,821,553	91,356

Liabilities secured by the above assets are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Call Money and Bills Sold	¥ 425,000	¥ 455,000	\$ 4,516
Payables under Repurchase Agreements	12,349,745	7,755,429	131,241
Payables under Securities Lending Transactions	4,567	4,633	49
Borrowed Money	229,923	283,800	2,443

In addition, as of March 31, 2013 and 2012, Securities (including transactions of Money Held in Trust) of ¥8,249,498 million (\$87,667 million) and ¥7,217,404 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2013 and 2012, initial margins of futures markets of ¥2,075 million (\$22 million) and ¥1,949 million, respectively, cash collateral paid for financial instruments of ¥778,131 million (\$8,269 million) and ¥759,895 million, respectively, and guarantee deposits of ¥9,231 million (\$98 million) and ¥6,033 million, respectively, were included in Other Assets.

## 10. Deposits

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Time Deposits	¥39,866,477	¥36,683,500	\$423,661
Deposits at Notice	88,937	84,318	945
Ordinary Deposits	1,025,390	1,065,109	10,897
Current Deposits	74,493	131,389	792
Other Deposits	6,387,549	5,586,032	67,880
<b>Total</b>	<b>¥47,442,849</b>	<b>¥43,550,349</b>	<b>\$504,175</b>

## 11. Debentures

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
One-year Discount Debentures	¥ —	¥ —	\$ —
Long-term Coupon Debentures	4,606,940	5,117,872	48,958
<b>Total</b>	<b>¥4,606,940</b>	<b>¥5,117,872</b>	<b>\$48,958</b>

## 12. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$531 million) and ¥50,000 million as of March 31, 2013 and 2012, respectively.

## 13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Derivatives of Trading Securities	¥ 31	¥ —	\$ 0
Derivatives of Securities Related to Trading Transactions	32	13	1
Trading-related Financial Derivatives	10,075	10,581	107
<b>Total</b>	<b>¥10,139</b>	<b>¥10,595</b>	<b>\$108</b>

## 14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million (\$15,792 million) and ¥1,486,007 million as of March 31, 2013 and 2012, respectively.

## 15. Foreign Exchange Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Foreign Bills Payable	¥78	¥10	\$1
<b>Total</b>	<b>¥78</b>	<b>¥10</b>	<b>\$1</b>

## 16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Accrued Expenses	¥ 50,041	¥ 52,829	\$ 532
Income Taxes Payable	952	796	10
Unearned Income	1,037	1,159	11
Derivatives other than for Trading	705,609	698,326	7,498
Accounts Payable for Securities Purchased	434,098	715,536	4,613
Other	95,127	102,358	1,011
<b>Total</b>	<b>¥1,286,866</b>	<b>¥1,571,006</b>	<b>\$13,675</b>

## 17. Retirement Benefit Plans

The Bank and its consolidated subsidiaries fund a defined benefit pension plan and, in addition, have 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, 2013 and 2012, are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Projected Benefit Obligations	¥(104,880)	¥(103,363)	\$(1,115)
Plan Assets	84,399	67,647	897
Unfunded Retirement Benefit Obligations	(20,480)	(35,715)	(218)
Unrecognized Actuarial Differences	8,056	28,359	86
Unrecognized Prior Service Cost	1,009	1,168	11
Net Amounts Reported in the Consolidated Balance Sheets	(11,414)	(6,188)	(121)
Prepaid Pension Cost	—	—	—
Reserve for Employees' Retirement Benefits	¥ (11,414)	¥ (6,188)	\$ (121)

*Note: Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees voluntarily terminate the employment and certain other alternative measures may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.*

Assumptions used in the above calculation are as follows:

As of or for the fiscal years ended March 31	2013	2012
Discount Rate	1.2%	1.2%
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 years	10 years
Amortization of Unrecognized Prior Service Cost	10 years	10 years

## 18. Accounting for Income Taxes

Components of deferred tax assets and liabilities are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
<b>Deferred Tax Assets:</b>			
Reserve for Possible Loan Losses	¥ 34,933	¥ 50,770	\$ 371
Write-off of Loans	1,935	9,528	21
Losses on Revaluation of Securities	72,532	95,451	771
Reserve for Employees' Retirement Benefits	10,642	8,988	113
Depreciation Expense	384	478	4
Net Operating Losses Carried Forward	26,532	6,851	282
Unrealized Losses on Other Securities	16	14	0
Deferred Losses on Hedging Instruments	48,581	22,983	516
Unrealized Losses on Reclassification	25,987	42,394	276
Other	66,452	64,853	706
Subtotal	288,000	302,313	3,060
Valuation Allowance	(136,087)	(165,867)	(1,446)
Total Deferred Tax Assets	151,912	136,445	1,614

**Deferred Tax Liabilities:**

Gains from Contribution of Securities to Employee Retirement Benefit Trust	(4,959)	(4,959)	(53)
Unrealized Gains on Other Securities	(458,417)	(126,443)	(4,872)
Deferred Gains on Hedging Instruments	(8,115)	(7,392)	(86)
Unrealized Gains on Reclassification	(40,744)	(46,379)	(433)
Other	(32,852)	(43,398)	(349)
Total Deferred Tax Liabilities	(545,088)	(228,573)	(5,793)
Net Deferred Tax Liabilities	¥(393,176)	¥ (92,128)	\$(4,179)

## 19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Letters of Credit	¥ 106	¥ 174	\$ 1
Guarantees	688,293	618,126	7,315
Total	¥688,399	¥618,301	\$7,316

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under Acceptances and Guarantees. As 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 the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥2,648,354 million (\$28,144 million) and ¥2,658,983 million as of March 31, 2013 and 2012, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥1,829,389 million (\$19,441 million) and ¥1,843,793 million as of March 31, 2013 and 2012, 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 overall financial conditions, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

## 21. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥136,070 million (\$1,446 million) and ¥129,823 million as of March 31, 2013 and 2012, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged of ¥1,560 million (\$17 million) and ¥50,151 million as of March 31, 2013 and 2012, respectively, and securities held without re-pledge of ¥825,839 million (\$8,776 million) and ¥1,361,956 million as of March 31, 2013 and 2012, respectively. No such securities are re-loaned to the third parties.

## 22. Paid-in Capital

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Common Stock	¥3,400,909	¥3,400,909	\$36,141
Preferred Stock	24,999	24,999	266
Total	¥3,425,909	¥3,425,909	\$36,407

The Common Stock account includes lower dividend rate stock with a total par value of ¥2,975,192 million (\$31,617 million) and ¥2,975,192 million as of March 31, 2013 and 2012, respectively.

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.
	2013	2012	Dollars 2013
Income from Trading Securities and Derivatives	¥416	¥590	\$ 4
Income from Securities and Derivatives Related to Trading Transactions	—	9	—
Income from Trading-related Financial Derivatives	69	154	1
<b>Total</b>	<b>¥485</b>	<b>¥753</b>	<b>\$ 5</b>

**24. Other Operating Income**

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Gains on Sales of Bonds	¥ 54,002	¥24,919	\$ 574
Gains on Redemption of Bonds	16,365	16,557	174
Other	45,292	45,160	481
<b>Total</b>	<b>¥115,659</b>	<b>¥86,637</b>	<b>\$1,229</b>

**25. Other Income**

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Gains on Sales of Stocks and Other Securities	¥ 11,126	¥ 14,318	\$ 118
Gains on Money Held in Trust	191,264	211,387	2,033
Equity in Earnings of Affiliates	6,727	7,113	71
Gains on Disposals of Fixed Assets	2,065	1,865	22
Recoveries of Written-off Claims	1,086	2,962	12
Reversal of Reserve for Possible Loan Losses	—	6,787	—
Gains on Negative Goodwill Incurred	19	2,729	0
Other	8,217	1,943	87
<b>Total</b>	<b>¥220,506</b>	<b>¥249,108</b>	<b>\$2,343</b>

**26. Trading Expenses**

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Expenses on Securities and Derivatives Related to Trading Transactions	¥224	¥ —	\$3
<b>Total</b>	<b>¥224</b>	<b>¥ —</b>	<b>\$3</b>

**27. Other Operating Expenses**

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2013	2012	Dollars 2013
Amortization of Debenture Issuance Costs	¥ 442	¥ 466	\$ 5
Losses on Foreign Exchange Transactions	12,745	4,486	136
Losses on Sales of Bonds	73,316	28,908	779
Losses on Redemption of Bonds	107	136	1
Losses on Revaluation of Bonds	872	1,969	9
Losses on Derivatives other than for Trading or Hedging	5,381	12,992	57
Other	39,970	47,203	425
<b>Total</b>	<b>¥132,835</b>	<b>¥96,164</b>	<b>\$1,412</b>

## 28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Write-off of Loans	¥ 9,112	¥ 1,783	\$ 97
Provision of Reserve for Possible Loan Losses	3,240	—	34
Losses on Sales of Stocks and Other Securities	4,293	21,179	46
Losses on Revaluation of Stocks and Other Securities	1,280	15,243	14
Losses on Money Held in Trust	1,386	11,794	15
Losses on Disposals of Fixed Assets	1,362	1,461	14
Other	13,033	12,699	138
<b>Total</b>	<b>¥33,710</b>	<b>¥64,162</b>	<b>\$358</b>

## 29. Other Comprehensive Income

Reclassification adjustments and income tax effects on the Other Comprehensive Income are as follows:

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
<b>Net Unrealized Gains on Other Securities:</b>			
Gains arising during the fiscal year	¥1,212,074	¥740,113	\$12,881
Reclassification adjustments to profit or loss	24,735	107,189	263
Amounts before income tax effects	1,236,809	847,303	13,144
Income tax effects	(342,761)	(251,548)	(3,643)
<b>Total</b>	<b>894,047</b>	<b>595,754</b>	<b>9,501</b>
<b>Net Deferred Losses on Hedging Instruments:</b>			
Losses arising during the fiscal year	(199,680)	(177,707)	(2,122)
Reclassification adjustments to profit or loss	109,945	82,443	1,169
Amounts before income tax effects	(89,735)	(95,263)	(953)
Income tax effects	24,875	27,711	264
<b>Total</b>	<b>(64,859)</b>	<b>(67,551)</b>	<b>(689)</b>
<b>Revaluation Reserve for Land:</b>			
Gains (Losses) arising during the fiscal year	—	—	—
Reclassification adjustments to profit or loss	—	—	—
Amounts before income tax effects	—	—	—
Income tax effects	—	1,609	—
<b>Total</b>	<b>—</b>	<b>1,609</b>	<b>—</b>
<b>Foreign Currency Transaction Adjustments:</b>			
Gains (Losses) arising during the fiscal year	20	(1)	0
Reclassification Adjustments to profit or loss	—	—	—
Amounts before income tax effects	20	(1)	0
Income tax effects	—	—	—
<b>Total</b>	<b>20</b>	<b>(1)</b>	<b>0</b>
<b>Share of Other Comprehensive Income of Affiliates accounted for by the equity method:</b>			
Gains (Losses) during the fiscal year	269	(31)	3
Reclassification Adjustments to profit or loss	19	142	0
<b>Total</b>	<b>288</b>	<b>110</b>	<b>3</b>
<b>Total Other Comprehensive Income</b>	<b>¥ 829,496</b>	<b>¥529,922</b>	<b>\$ 8,815</b>

## 30. Cash Flows

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Cash and Due from Banks	¥4,419,087	¥1,687,337	\$46,962
Less: Interest-bearing Due from Banks	(1,284,155)	(1,272,371)	(13,647)
<b>Cash and Cash Equivalents at the End of the Fiscal Year</b>	<b>¥3,134,931</b>	<b>¥ 414,965</b>	<b>\$33,315</b>

## 31. Segment Information

Fiscal year ended March 31, 2013

### (1) Segment Information

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

### (2) Related Information

#### a. Information about Services

Millions of Yen				
Fiscal year ended March 31, 2013	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥81,724	¥817,923	¥93,815	¥993,463

  

Millions of U.S. Dollars				
Fiscal year ended March 31, 2013	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$869	\$8,692	\$997	\$10,558

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.

#### b. Information about Geographic Areas

##### (a) Ordinary Income

Millions of Yen					
Fiscal year ended March 31, 2013	Japan	Americas	Europe	Others	Total
Ordinary Income from External Customers	¥966,021	¥4,240	¥9,207	¥13,994	¥993,463

  

Millions of U.S. Dollars					
Fiscal year ended March 31, 2013	Japan	Americas	Europe	Others	Total
Ordinary Income from External Customers	\$10,266	\$45	\$98	\$149	\$10,558

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.  
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.  
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

##### (b) Tangible Fixed Assets

Millions of Yen					
As of March 31, 2013	Japan	Americas	Europe	Others	Total
Tangible Fixed Assets	¥108,966	¥297	¥175	¥101	¥109,541

  

Millions of U.S. Dollars					
As of March 31, 2013	Japan	Americas	Europe	Others	Total
Tangible Fixed Assets	\$1,158	\$3	\$2	\$1	\$1,164

#### c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2013	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥101,486	—

  

Millions of U.S. Dollars			
Fiscal year ended March 31, 2013	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,078	—

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.

**(3) Information about Impairment Loss of Fixed Assets in Reportable Segments**

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

**(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments**

None

**(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments**

Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

**Fiscal year ended March 31, 2012****(1) Segment Information**

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

**(2) Related Information****a. Information about Services**

Fiscal year ended March 31, 2012	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥98,069	¥770,466	¥79,517	¥948,053

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.

**b. Information about Geographic Areas****(a) Ordinary Income**

Fiscal year ended March 31, 2012	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥924,745	¥4,128	¥8,640	¥10,539	¥948,053

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.  
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.  
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

**(b) Tangible Fixed Assets**

As of March 31, 2012	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥118,494	¥292	¥170	¥98	¥119,055

**c. Information about Major Customers**

Fiscal year ended March 31, 2012	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥107,761	—

Notes: 1. Ordinary Income represents Total Income less certain special income.  
2. Ordinary Income is shown in place of Sales for non-financial companies.

**(3) Information about Impairment Loss of Fixed Assets in Reportable Segments**

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

**(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments**

None

**(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments**

Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

**32. Financial Instruments****(1) Particulars of Financial Instruments****a. Policy on Financial Instruments**

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

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

**b. Contents and Risk of Financial Instruments**

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

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

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

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

Ref: Summary of Significant Accounting Policies (3) Financial Instruments c. Hedge Accounting for hedge item and hedge instruments related to hedge accounting, hedge policy and hedge effectiveness

**c. Risk Management for Financial Instruments****(a) Integrated Risk Management**

The Bank has established its "Basic Policies for Risk Management," which specifies a core risk management framework that quantifies and manages the Bank's risk comprehensively in comparison with its capital, the Bank's financial strength. To implement integrated risk management, the Bank has established the Integrated Risk Management Committee. The Committee also ensures that the total amount of risk undertaken is kept within the Bank's financial strength. The Bank has also established a number of committees which are categorized according to the type of risk they handle, e.g. the Market Portfolio Management Committee (market risk, liquidity risk),

the Credit Portfolio Management Committee (credit risk), and other, to enable the top management to discuss risk management policies, including planned risk-taking. The framework also requires the integrated risk management situation to be regularly reported to the Board of Directors.

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

#### (b) Credit Risk Management

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

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

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

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

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

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

#### (c) Market Risk Management

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

The Bank adopts the variance-covariance method to measure the VaR of the trading securities within Trading Assets and certain interest-related, bond-related or other derivative transactions within Derivative Instruments, which are accounted for as trading operations. The market risk (the estimate of the potential loss) of the Bank's trading operations as of March 31, 2013 and 2012 summed up

to ¥39 million (\$0 million) and ¥24 million respectively in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

The Bank also performs a back-testing to compare the model-measured VaR with the actual profits and losses. From the back tests for the fiscal years ended March 31, 2013 and 2012 actual results, the Bank had only one exception for each fiscal year where the actual loss exceeded VaR and concludes that the adopted measurement method provides a sufficient accuracy of the market risk measurement. VaR, however, is designed to measure the market risk under the certain occurrence probability hypothesis based on the statistical calculation of the historical market movements. Therefore, VaR may not cover the risks in extremely volatile market conditions.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank and its consolidated subsidiaries from the banking operations totaled ¥2,326,126 million (\$24,720 million) and ¥2,278,254 million as of March 31, 2013 and 2012, respectively, under the historical simulation method with holding period of 1 year, a 99.5% confidence interval, and the observation period from fiscal year 1995 to recent day. Since the Bank adopts mid- to long-term investment policies, as to the impact of the short-term market volatilities, the variance-covariance method VaR and others are separately calculated while market risks are basically measured by using the historical simulation method VaR as mentioned above.

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

#### (d) Liquidity Risk Management

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

#### **d. Supplementary Explanations for the Fair Value of Financial Instruments and Other Items**

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

**(2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items**

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of March 31, 2013 and 2012 are as follows:

Unlisted stocks and other financial instruments, the fair value of which is extremely difficult to determine, are excluded from the table below. (ref. Note 2)

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
<b>As of March 31, 2013</b>						
(1) Cash and Due from Banks	¥ 4,419,087	¥ 4,419,087	¥ —	\$ 46,962	\$ 46,962	\$ —
(2) Call Loans and Bills Bought	1,527,128	1,527,128	—	16,229	16,229	—
(3) Monetary Claims Bought (*1)	178,228	178,299	71	1,894	1,895	1
(4) Trading Assets (*2)						
Trading Securities	25,821	25,821	—	275	275	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	27,217	27,217	—	289	289	—
Other Money Held in Trust	6,863,763	6,874,350	10,586	72,941	73,053	112
(6) Securities						
Held-to-Maturity Debt Securities	17,561,519	17,905,289	343,770	186,626	190,279	3,653
Other Securities	31,980,621	31,980,621	—	339,858	339,858	—
(7) Loans and Bills Discounted	16,224,595			172,419		
Reserve for Possible Loan Losses (*1)	(167,706)			(1,783)		
	16,056,888	16,107,868	50,979	170,636	171,178	542
<b>Total Assets</b>	<b>¥78,640,276</b>	<b>¥79,045,683</b>	<b>¥405,407</b>	<b>\$835,710</b>	<b>\$840,018</b>	<b>\$4,308</b>
(1) Deposits	¥47,442,849	¥47,442,902	¥ 53	\$504,175	\$504,175	\$ 0
(2) Negotiable Certificates of Deposit	2,397,290	2,397,290	—	25,476	25,476	—
(3) Debentures	4,606,940	4,645,856	38,915	48,958	49,372	414
(4) Call Money and Bills Sold	452,214	452,214	—	4,806	4,806	—
(5) Payables under Repurchase Agreements	12,349,745	12,349,745	—	131,241	131,241	—
(6) Borrowed Money	1,779,106	1,779,106	—	18,906	18,906	—
(7) Short-term Entrusted Funds	4,235,124	4,235,124	—	45,006	45,006	—
<b>Total Liabilities</b>	<b>¥73,263,272</b>	<b>¥73,302,240</b>	<b>¥ 38,968</b>	<b>\$778,568</b>	<b>\$778,982</b>	<b>\$ 414</b>
<b>Derivative Instruments (*3)</b>						
Transactions not Accounted for as Hedge						
Transactions	¥ 176	¥ 176	¥ —	\$ 2	\$ 2	\$ —
Transactions Accounted for as Hedge						
Transactions	(599,256)	(599,256)	—	(6,368)	(6,368)	—
<b>Total Derivative Instruments</b>	<b>¥ (599,080)</b>	<b>¥ (599,080)</b>	<b>¥ —</b>	<b>\$ (6,366)</b>	<b>\$ (6,366)</b>	<b>\$ —</b>

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

2. Derivative Instruments are excluded from Trading Assets.

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

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

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

2. Derivative Instruments are excluded from Trading Assets.

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

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

### Assets

#### (1) Cash and Due from Banks

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

#### (2) Call Loans and Bills Bought

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

#### (3) Monetary Claims Bought

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

**(4) Trading Assets**

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

**(5) Money Held in Trust**

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (6) and (7) below.

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in section 34. Fair Value of Money Held in Trust.

**(6) Securities**

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

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

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

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

Relevant notes about the fair value of securities of each classification are described in section 33. Fair Value of Securities.

**(7) Loans and Bills Discounted**

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

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

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

**Liabilities****(1) Deposits**

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

**(2) Negotiable Certificates of Deposit**

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

**(3) Debentures**

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

**(4) Call Money and Bills Sold, (5) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds**

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

**(6) Borrowed Money**

The carrying value of Borrowed Money with floating rates approximates the fair value since it is repriced reflecting market interest rate fluctuations within a short period (1 year or less), unless the creditworthiness of the Bank and its consolidated subsidiaries has changed. Accordingly, the carrying value is deemed to be the fair value. Some contractual terms are short-term (1 year or less), and the fair value approximates the carrying value.

**Derivative Instruments**

Derivative instruments include interest rate-related derivative instruments (interest rate swaps and others) and currency-related derivative instruments (currency swaps and others). The fair value is based on the closing price at the exchange, a discounted net present value model, an option pricing model or other models as appropriate.

The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items.

Relevant notes regarding the fair value of derivative instruments are described in section 35. Fair Value of Derivative Instruments.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:

“Assets (6) Other Securities” in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes the transactions of the table below.

<b>As of March 31, 2013</b>	Millions of U.S.	
	Millions of Yen	Dollars
Unlisted Stocks and Others (*1) (*2)	¥233,374	\$2,480
Bonds (*2)	8,292	88
Investments in Partnership and Others (*3)	261,986	2,784
<b>Total</b>	<b>¥503,654</b>	<b>\$5,352</b>

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

2. The amount of revaluation losses for the fiscal year ended March 31, 2013 was ¥132 million (\$1 million) on Unlisted Stocks and Others and ¥872 million (\$9 million) on Bonds.

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

<b>As of March 31, 2012</b>	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥224,684
Bonds (*3)	96,295
Investments in Partnership and Others (*4)	281,265
<b>Total</b>	<b>¥602,245</b>

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

2. The amount of revaluation losses for the fiscal year ended March 31, 2012 was ¥524 million on Unlisted Stocks.

3. Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.” With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥42,499 million, in accordance with the Bank’s internal rules.

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

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

	Millions of Yen					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
<b>As of March 31, 2013</b>						
Due from Banks (*1)	¥ 4,310,632	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	1,527,128	—	—	—	—	—
Monetary Claims Bought	1,569	7,124	8,783	—	3,648	159,364
Securities						
Held-to-Maturity Debt Securities	1,096,118	3,266,995	4,365,132	2,877,376	5,431,451	543,787
Other Securities held that have Maturity	3,768,692	2,723,035	3,439,974	3,185,138	5,774,515	1,990,910
Loans and Bills Discounted (*2)	12,921,383	1,678,007	812,087	340,108	212,873	92,401
<b>Total</b>	<b>¥23,625,524</b>	<b>¥7,675,162</b>	<b>¥8,625,977</b>	<b>¥6,402,622</b>	<b>¥11,422,488</b>	<b>¥2,786,463</b>

	Millions of U.S. Dollars					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
<b>As of March 31, 2013</b>						
Due from Banks (*1)	\$ 45,809	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	16,229	—	—	—	—	—
Monetary Claims Bought	17	76	93	—	39	1,694
Securities						
Held-to-Maturity Debt Securities	11,648	34,718	46,388	30,578	57,720	5,779
Other Securities held that have Maturity	40,050	28,938	36,557	33,849	61,366	21,157
Loans and Bills Discounted (*2)	137,315	17,832	8,630	3,614	2,262	982
<b>Total</b>	<b>\$251,068</b>	<b>\$81,564</b>	<b>\$91,668</b>	<b>\$68,041</b>	<b>\$121,387</b>	<b>\$29,612</b>

(\*1) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."

2. Debtors in bankruptcy, debtors in default, loans to doubtful debtors and others of ¥167,733 million (\$1,783 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

	Millions of Yen					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
<b>As of March 31, 2012</b>						
Due from Banks (*1)	¥ 1,550,737	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	832,440	—	—	—	—	—
Monetary Claims Bought	13,661	7,703	16,357	—	4,000	184,724
Securities						
Held-to-Maturity Debt Securities	2,159,050	2,987,946	2,120,237	2,358,936	5,779,668	480,794
Other Securities held that have Maturity	8,096,709	4,925,885	1,694,201	867,925	2,904,769	1,473,886
Loans and Bills Discounted (*2)	11,378,860	2,304,301	363,465	300,449	93,928	98,719
<b>Total</b>	<b>¥24,031,459</b>	<b>¥10,225,836</b>	<b>¥4,194,261</b>	<b>¥3,527,311</b>	<b>¥8,782,366</b>	<b>¥2,238,124</b>

(\*1) 1. Demand deposits within Due from Banks are included in the entry for "1 Year or Less."

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

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

As of March 31, 2013	Millions of Yen					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	¥47,436,168	¥ 5,469	¥ 1,211	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,397,290	—	—	—	—	—
Debentures	1,219,799	1,778,656	1,608,479	5	—	—
Call Money and Bills Sold	452,214	—	—	—	—	—
Payables under Repurchase Agreements	12,349,745	—	—	—	—	—
Borrowed Money (*2)	288,805	3,763	529	—	—	1,486,007
Short-term Entrusted Funds	4,235,124	—	—	—	—	—
<b>Total</b>	<b>¥68,379,149</b>	<b>¥1,787,890</b>	<b>¥1,610,220</b>	<b>¥ 5</b>	<b>¥ —</b>	<b>¥1,486,007</b>

As of March 31, 2013	Millions of U.S. Dollars					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	\$504,104	\$ 58	\$ 13	\$ —	\$ —	\$ —
Negotiable Certificates of Deposit	25,476	—	—	—	—	—
Debentures	12,963	18,902	17,093	0	—	—
Call Money and Bills Sold	4,806	—	—	—	—	—
Payables under Repurchase Agreements	131,241	—	—	—	—	—
Borrowed Money (*2)	3,069	40	6	—	—	15,792
Short-term Entrusted Funds	45,006	—	—	—	—	—
<b>Total</b>	<b>\$726,665</b>	<b>\$19,000</b>	<b>\$17,112</b>	<b>\$ 0</b>	<b>\$ —</b>	<b>\$15,792</b>

(\*1) 1. Demand deposits within Deposits are included in the entry for "1 Year or Less."  
2. Subordinated borrowings within Borrowed Money are included in the entry for "Over 10 Years."

As of March 31, 2012	Millions of Yen					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	¥43,516,029	¥ 30,701	¥ 3,619	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	1,882,426	—	—	—	—	—
Debentures	1,280,873	2,166,794	1,670,198	5	—	—
Call Money and Bills Sold	524,922	—	—	—	—	—
Payables under Repurchase Agreements	7,800,406	—	—	—	—	—
Borrowed Money (*2)	328,800	—	—	—	—	1,486,007
Short-term Entrusted Funds	4,351,710	—	—	—	—	—
<b>Total</b>	<b>¥59,685,168</b>	<b>¥2,197,495</b>	<b>¥1,673,817</b>	<b>¥ 5</b>	<b>¥ —</b>	<b>¥1,486,007</b>

(\*1) 1. Demand deposits within Deposits are included in the entry for "1 Year or Less."  
2. Subordinated borrowings within Borrowed Money are included in the entry for "Over 10 Years."

### 33. Fair Value of Securities

#### Trading Securities

As of March 31, 2013	Millions of Yen	Millions of U.S. Dollars
	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
Trading Securities	¥159	\$2

Note: The above analysis of Trading Securities includes Trading Securities disclosed as Trading Assets in the consolidated balance sheet.

As of March 31, 2012	Millions of Yen
	Unrealized Gain Recognized as Income
Trading Securities	¥20

Note: The above analysis of Trading Securities includes Trading Securities disclosed as Trading Assets in the consolidated balance sheet.

## Held-to-Maturity Debt Securities

		Millions of Yen		
As of March 31, 2013	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 7,560,076	¥ 7,686,649	¥126,573
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	8,945,379	9,167,364	221,984
Consolidated Balance Sheet Amount	Foreign Bonds	8,917,299	9,139,220	221,920
	Other	28,080	28,143	63
	Sub total	16,505,456	16,854,014	348,557
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	1,087,942	1,083,219	(4,723)
Consolidated Balance Sheet Amount	Foreign Bonds	1,084,142	1,079,419	(4,723)
	Other	3,800	3,800	—
	Sub total	1,087,942	1,083,219	(4,723)
	Total	¥17,593,399	¥17,937,233	¥343,834

		Millions of U.S. Dollars		
As of March 31, 2013	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	\$ 80,341	\$ 81,686	\$1,345
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	95,062	97,421	2,359
Consolidated Balance Sheet Amount	Foreign Bonds	94,764	97,122	2,358
	Other	298	299	1
	Sub total	175,403	179,107	3,704
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	11,562	11,512	(50)
Consolidated Balance Sheet Amount	Foreign Bonds	11,521	11,471	(50)
	Other	41	41	—
	Sub total	11,562	11,512	(50)
	Total	\$186,965	\$190,619	\$3,654

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

		Millions of Yen		
As of March 31, 2012	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 7,572,633	¥ 7,794,668	¥222,035
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	6,824,875	6,955,238	130,362
Consolidated Balance Sheet Amount	Foreign Bonds	6,817,385	6,947,735	130,349
	Other	7,490	7,503	13
	Sub total	14,397,509	14,749,907	352,398
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	1,435,547	1,414,237	(21,310)
Consolidated Balance Sheet Amount	Foreign Bonds	1,429,167	1,407,857	(21,310)
	Other	6,379	6,379	—
	Sub total	1,435,547	1,414,237	(21,310)
	Total	¥15,833,056	¥16,164,144	¥331,088

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

## Other Securities

		Millions of Yen		
As of March 31, 2013	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 366,616	¥ 209,505	¥ 157,111
	Bonds	6,021,255	5,834,786	186,468
	Japanese Government Bonds	6,002,865	5,817,522	185,342
	Municipal Government Bonds	2,039	1,969	70
	Corporate Bonds	16,350	15,295	1,055
	Other	21,886,327	20,656,964	1,229,363
	Foreign Bonds	12,990,787	12,429,272	561,515
	Foreign Stocks	22,679	17,408	5,270
	Investment Trusts	8,760,651	8,107,544	653,107
	Other	112,209	102,739	9,469
		Sub total	28,274,199	26,701,256
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	42,379	50,891	(8,512)
	Bonds	59,878	60,463	(585)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	59,878	60,463	(585)
	Other	3,790,104	3,984,491	(194,386)
	Foreign Bonds	1,775,339	1,784,361	(9,022)
	Foreign Stocks	—	—	—
	Investment Trusts	1,662,812	1,846,278	(183,465)
	Other	351,953	353,850	(1,897)
		Sub total	3,892,362	4,095,846
	Total	¥32,166,562	¥30,797,102	¥1,369,459

		Millions of U.S. Dollars		
As of March 31, 2013	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	\$ 3,896	\$ 2,227	\$ 1,669
	Bonds	63,988	62,006	1,982
	Japanese Government Bonds	63,792	61,823	1,969
	Municipal Government Bonds	22	21	1
	Corporate Bonds	174	162	12
	Other	232,586	219,521	13,065
	Foreign Bonds	138,053	132,086	5,967
	Foreign Stocks	241	185	56
	Investment Trusts	93,099	86,158	6,941
	Other	1,193	1,092	101
		Sub total	300,470	283,754
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	450	541	(91)
	Bonds	636	643	(7)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	636	643	(7)
	Other	40,278	42,343	(2,065)
	Foreign Bonds	18,867	18,963	(96)
	Foreign Stocks	—	—	—
	Investment Trusts	17,671	19,620	(1,949)
	Other	3,740	3,760	(20)
		Sub total	41,364	43,527
	Total	\$341,834	\$327,281	\$14,553

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

2. Investment Trusts include Japanese trusts and foreign trusts.

As of March 31, 2012	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 253,885	¥ 169,963	¥ 83,922
	Bonds	3,771,111	3,713,486	57,624
	Japanese Government Bonds	3,760,604	3,703,059	57,544
	Municipal Government Bonds	1,682	1,635	46
	Corporate Bonds	8,824	8,790	33
	Other	14,635,563	14,002,992	632,571
	Foreign Bonds	8,209,604	7,932,534	277,069
	Foreign Stocks	9,492	8,954	537
	Investment Trusts	6,369,212	6,018,096	351,115
	Other	47,255	43,407	3,847
	Sub total	18,660,561	17,886,442	774,118
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	77,631	90,341	(12,709)
	Bonds	6,296,826	6,298,518	(1,692)
	Japanese Government Bonds	6,207,771	6,208,411	(640)
	Municipal Government Bonds	191	192	(0)
	Corporate Bonds	88,863	89,914	(1,051)
	Other	4,388,636	4,938,986	(550,349)
	Foreign Bonds	1,146,585	1,255,804	(109,219)
	Foreign Stocks	6,498	6,498	—
	Investment Trusts	2,771,525	3,208,307	(436,782)
	Other	464,027	468,376	(4,348)
	Sub total	10,763,095	11,327,846	(564,751)
	Total	¥29,423,656	¥29,214,289	¥209,367

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.  
2. Investment Trusts include Japanese trusts and foreign trusts.

### Held-to-Maturity Debt Securities Sold during the Fiscal Year

The Bank and its consolidated subsidiaries sold no held-to-maturity debt securities for the fiscal years ended March 31, 2013 and 2012.

### Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2013	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 1,057	¥ 502	¥ 49	\$ 11	\$ 5	\$ 0
Bonds	613,584	8,071	2,330	6,521	86	25
Japanese Government Bonds	613,584	8,071	2,330	6,521	86	25
Municipal Government Bonds	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—
Other	1,324,541	48,579	70,455	14,076	516	749
Foreign Bonds	1,196,438	37,938	53,466	12,715	403	568
Foreign Stocks	8,150	198	814	87	2	9
Investment Trusts	119,365	10,442	10,620	1,268	111	113
Other	587	—	5,553	6	—	59
Total	¥1,939,183	¥57,154	¥72,835	\$20,608	\$607	\$774

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2012	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 26,313	¥ 3,847	¥21,198
Bonds	203,351	3,506	—
Japanese Government Bonds	203,351	3,506	—
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	569,589	29,740	23,851
Foreign Bonds	531,022	17,464	23,848
Foreign Stocks	614	2	2
Investment Trusts	32,323	10,491	—
Other	5,629	1,782	—
<b>Total</b>	<b>¥799,254</b>	<b>¥37,094</b>	<b>¥45,050</b>

Note: Investment Trusts include Japanese trusts and foreign trusts.

### Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the fiscal years ended March 31, 2013 and 2012 (“revaluation loss”), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2013 was ¥1,821 million (\$19 million) including ¥1,148 million (\$12 million) on Stocks, ¥0 million (\$0 million) on Foreign Bonds and ¥673 million (\$7 million) on Other.

The amount of revaluation loss for the fiscal year ended March 31, 2012 was ¥18,906 million including ¥1,655 million on Stocks, ¥1,066 million on Bonds (Corporate Bonds), ¥903 million on Foreign Bonds, ¥13,063 million on Foreign Stocks and ¥2,217 million on Other.

The criteria for determining whether the securities’ fair value has “significantly deteriorated” are outlined as follows:

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

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

## 34. Fair Value of Money Held in Trust

### Money Held in Trust for Trading Purposes

As of March 31, 2013	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	<b>¥27,217</b>	<b>¥1,816</b>	<b>\$289</b>	<b>\$19</b>

As of March 31, 2012	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥25,546	¥557

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

As of March 31, 2013	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	<b>¥6,865,063</b>	<b>¥6,546,492</b>	<b>¥318,571</b>	<b>¥321,877</b>	<b>¥3,306</b>

	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
<b>As of March 31, 2013</b>					
Other Money Held in Trust	\$72,955	\$69,570	\$3,385	\$3,420	\$35

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
<b>As of March 31, 2012</b>					
Other Money Held in Trust	¥7,002,051	¥6,721,400	¥280,650	¥287,011	¥6,361

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

## 35. Fair Value of Derivative Instruments

### (1) Derivative Instruments not accounted for as hedges

Regarding the derivative instruments which are not accounted for as hedge transactions, Contract Amount or Notional Amount, Fair Value and Unrealized Gain or Loss for each type of derivative transactions, respectively, at the consolidated balance sheet date, and determination of fair value are as follows.

Contract Amount or Notional Amount does not show by itself market risk of derivative instruments.

### Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
<b>As of March 31, 2013</b>								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	6,992	6,992	1	1	74	74	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	284,878	222,969	10,670	10,670	3,027	2,369	113	113
Rec.: Flt.-Pay.: Fix.	294,809	223,678	(9,982)	(9,982)	3,133	2,377	(106)	(106)
Rec.: Flt.-Pay.: Flt.	11,000	2,000	4	4	117	21	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 694</b>	<b>¥ 694</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 7</b>	<b>\$ 7</b>

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial 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.

As of March 31, 2012	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	320,011	242,639	11,194	11,194
Rec.: Flt.-Pay.: Fix.	307,520	238,705	(10,542)	(10,542)
Rec.: Flt.-Pay.: Flt.	23,500	11,000	15	15
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 667</b>	<b>¥ 667</b>

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial 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, 2013	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	616,870	—	(18,322)	(18,322)	6,555	—	(195)	(195)
Purchased	968,130	—	17,842	17,842	10,288	—	190	190
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (480)</b>	<b>¥ (480)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ (5)</b>	<b>\$ (5)</b>

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

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2012				
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
Forwards:				
Sold	185,874	1,951	(1,682)	(1,682)
Purchased	249,756	1,951	2,588	2,588
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 906</b>	<b>¥ 906</b>

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

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

### Stock-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of March 31, 2013								
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	—	—	11	11	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ —</b>	<b>\$ —</b>

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

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.

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

As of March 31, 2012	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
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	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>

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

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.

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, 2013	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions								
Bond Futures:								
Sold	¥ 2,451	¥ —	¥(32)	¥(32)	\$ 26	\$ —	\$(0)	\$(0)
Purchased	18,567	—	(6)	(6)	197	—	(0)	(0)
Bond Futures Options:								
Sold	2,920	—	(4)	0	31	—	(0)	0
Purchased	2,900	—	7	3	31	—	0	0
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(36)</b>	<b>¥(35)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$(0)</b>	<b>\$(0)</b>

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

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.

As of March 31, 2012	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions				
Bond Futures:				
Sold	¥7,237	¥ —	¥(11)	¥(11)
Purchased	—	—	—	—
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(11)</b>	<b>¥(11)</b>

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

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 as of March 31, 2013 and 2012.

### Credit Derivative Instruments

As of March 31, 2013	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	12,500	12,500	—	—	133	133	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ —</b>	<b>\$ —</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

As of March 31, 2012	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Over-the-counter Transactions				
Credit Default Swaps:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	12,500	12,500	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

## (2) Derivative Instruments accounted for as hedges

Regarding the derivative instruments which are accounted for as hedge transactions, Contract Amount or Notional Amount, and Fair Value for each type of derivative transactions, respectively, at the consolidated balance sheet date, and determination of fair value are as follows.

Contract Amount or Notional Amount does not show by itself market risk of derivative instruments.

## Interest Rate-Related Derivative Instruments

As of March 31, 2013	Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
				Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,510,000	¥2,360,000	¥ 15,560	\$26,674	\$25,080	\$ 165	
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	3,803,049	3,234,685	(164,933)	40,415	34,375	(1,752)	
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	142,688	141,371	Note 3	1,516	1,502	Note 3	
Total			¥ /	¥ /	¥(149,373)	\$ /	\$ /	\$(1,587)	

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial 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.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

As of March 31, 2012		Millions of Yen			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥1,540,000	¥1,390,000	¥ 10,407
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	3,054,338	3,054,338	(69,306)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	135,428	134,360	Note 3
Total			¥ /	¥ /	¥(58,898)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial 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.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 32. Financial Instruments (2) Disclosures Regarding the Fair Value of Financial Instruments and Other Items).

## Currency-Related Derivative Instruments

As of March 31, 2013		Millions of Yen			Millions of U.S. Dollars			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥11,062,395	¥4,535,378	¥(219,988)	\$117,560	\$48,197	\$(2,338)
	Forex Forward		6,300,988	—	(229,895)	66,961	—	(2,443)
Total			¥ /	¥ /	¥(449,883)	\$ /	\$ /	\$(4,781)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

As of March 31, 2012		Millions of Yen			
Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥9,252,230	¥1,496,653	¥(418,920)
	Forex Forward		4,273,708	—	(182,341)
Total			¥ /	¥ /	¥(601,262)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

## Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2013 and 2012.

## Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2013 and 2012.

## 36. The Norinchukin Bank (Parent Company)

### (1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
<b>Assets</b>			
Cash and Due from Banks	¥ 4,403,890	¥ 1,672,889	\$ 46,800
Call Loans	1,527,128	832,440	16,229
Receivables under Resale Agreements	—	44,987	—
Receivables under Securities Borrowing Transactions	—	492,481	—
Monetary Claims Bought	179,373	222,980	1,906
Trading Assets	36,602	32,658	389
Money Held in Trust	6,891,232	7,026,907	73,233
Securities	50,072,352	45,655,404	532,118
Loans and Bills Discounted	16,127,677	14,655,723	171,389
Foreign Exchange Assets	268,750	44,797	2,856
Other Assets	1,248,265	968,159	13,265
Tangible Fixed Assets	107,435	116,866	1,142
Intangible Fixed Assets	32,187	42,133	342
Customers' Liabilities for Acceptances and Guarantees	142,169	140,502	1,511
Reserve for Possible Loan Losses	(170,847)	(221,671)	(1,816)
Reserve for Possible Investment Losses	(5,120)	(8,065)	(54)
<b>Total Assets</b>	<b>¥80,861,096</b>	<b>¥71,719,196</b>	<b>\$859,310</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥47,456,419	¥43,563,186	\$504,319
Negotiable Certificates of Deposit	2,397,290	1,882,426	25,476
Debentures	4,619,200	5,125,655	49,088
Call Money	452,214	524,922	4,806
Payables under Repurchase Agreements	12,349,745	7,800,406	131,241
Payables under Securities Lending Transactions	6,129	10,654	65
Trading Liabilities	10,139	10,595	108
Borrowed Money	1,772,106	1,819,807	18,832
Foreign Exchange Liabilities	78	10	1
Short-term Entrusted Funds	4,235,124	4,351,710	45,006
Other Liabilities	1,263,850	1,550,927	13,431
Reserve for Bonus Payments	5,382	5,129	57
Reserve for Retirement Benefits	10,084	4,945	107
Reserve for Directors' Retirement Benefits	722	704	7
Deferred Tax Liabilities	395,295	94,249	4,201
Deferred Tax Liabilities for Land Revaluation	10,158	12,932	108
Acceptances and Guarantees	142,169	140,502	1,511
<b>Total Liabilities</b>	<b>75,126,111</b>	<b>66,898,765</b>	<b>798,364</b>
<b>Net Assets</b>			
Paid-in Capital	3,425,909	3,425,909	36,407
Capital Surplus	25,020	25,020	266
Retained Earnings	1,104,386	1,011,806	11,736
<b>Total Owners' Equity</b>	<b>4,555,316</b>	<b>4,462,736</b>	<b>48,409</b>
Net Unrealized Gains on Other Securities, net of taxes	1,267,564	373,612	13,470
Net Deferred Losses on Hedging Instruments, net of taxes	(105,620)	(40,760)	(1,122)
Revaluation Reserve for Land, net of taxes	17,723	24,841	189
<b>Total Valuation and Translation Adjustments</b>	<b>1,179,667</b>	<b>357,693</b>	<b>12,537</b>
<b>Total Net Assets</b>	<b>5,734,984</b>	<b>4,820,430</b>	<b>60,946</b>
<b>Total Liabilities and Net Assets</b>	<b>¥80,861,096</b>	<b>¥71,719,196</b>	<b>\$859,310</b>

## (2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
<b>Income</b>			
Interest Income:	<b>¥634,759</b>	¥594,671	<b>\$ 6,746</b>
Interest on Loans and Bills Discounted	<b>74,967</b>	81,856	<b>797</b>
Interest and Dividends on Securities	<b>540,622</b>	496,906	<b>5,745</b>
Interest on Call Loans	<b>1,486</b>	1,668	<b>16</b>
Interest on Receivables under Resale Agreements	<b>10</b>	7	<b>0</b>
Interest on Receivables under Securities			
Borrowing Transactions	<b>508</b>	540	<b>5</b>
Interest on Due from Banks	<b>4,756</b>	5,384	<b>51</b>
Other Interest Income	<b>12,407</b>	8,307	<b>132</b>
Fees and Commissions	<b>13,543</b>	12,693	<b>144</b>
Trading Income	<b>485</b>	753	<b>5</b>
Other Operating Income	<b>113,702</b>	84,785	<b>1,208</b>
Other Income	<b>210,469</b>	242,029	<b>2,237</b>
<b>Total Income</b>	<b>972,961</b>	934,934	<b>10,340</b>
<b>Expenses</b>			
Interest Expenses:	<b>589,693</b>	587,538	<b>6,267</b>
Interest on Deposits	<b>34,559</b>	41,706	<b>367</b>
Interest on Negotiable Certificates of Deposit	<b>7,128</b>	3,680	<b>76</b>
Interest on Debentures	<b>45,294</b>	59,183	<b>481</b>
Interest on Borrowed Money	<b>81,671</b>	85,891	<b>868</b>
Interest on Call Money	<b>346</b>	453	<b>4</b>
Interest on Payables under Repurchase Agreements	<b>15,530</b>	15,233	<b>165</b>
Interest on Payables under Securities Lending			
Transactions	<b>3</b>	8	<b>0</b>
Other Interest Expenses	<b>405,159</b>	381,380	<b>4,306</b>
Fees and Commissions	<b>11,605</b>	11,082	<b>123</b>
Trading Expenses	<b>224</b>	—	<b>3</b>
Other Operating Expenses	<b>132,795</b>	95,947	<b>1,411</b>
General and Administrative Expenses	<b>116,565</b>	112,054	<b>1,239</b>
Other Expenses	<b>34,737</b>	64,075	<b>369</b>
<b>Total Expenses</b>	<b>885,623</b>	870,698	<b>9,412</b>
<b>Income before Income Taxes</b>	<b>87,337</b>	64,236	<b>928</b>
Income Taxes — Current	<b>94</b>	1,203	<b>1</b>
Income Taxes — Deferred	<b>(19,595)</b>	1,391	<b>(208)</b>
<b>Total Income Taxes</b>	<b>(19,501)</b>	2,594	<b>(207)</b>
<b>Net Income</b>	<b>¥106,839</b>	¥ 61,641	<b>\$ 1,135</b>

	Yen		U.S. Dollars
	2013	2012	2013
Net Income per Share	<b>¥19.11</b>	¥12.45	<b>\$0.20</b>

## 37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 26, 2013.

	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Cash Dividends			
Special Dividends	<b>¥ 21,483</b>		<b>\$228</b>
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	<b>25,543</b>		<b>271</b>
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	<b>2,975</b>		<b>32</b>
Dividends on Preferred Stock (at the rate of 18% of the ¥100 face value, or ¥18.00 per share)	<b>1,004</b>		<b>11</b>

## 38. Subsequent Events

### Business Transfer

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

#### (1) The Objectives of the Business Transfer

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

#### (2) The Name of the Transferor

Chiba Prefectural Credit Federations of Agricultural Cooperatives  
(The Shinnoren of Chiba Prefecture)

#### (3) The Description of the Business to be Transferred

A portion of the banking business

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

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

#### (5) The Date of Transfer

July 16, 2013



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## Independent Auditor's Report

The Board of Directors  
 The Norinchukin Bank

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of operations, comprehensive income, capital surplus and retained earnings, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *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 consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

### *Convenience Translation*

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

*Ernst & Young Shin Nihon LLC*

June 26, 2013