

# Financial Review

## ■ Financial Results for the fiscal year ended March 31, 2015 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2015 include the results of 10 consolidated subsidiaries and 6 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2014.

### • Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥11,406.0 billion from the previous fiscal year-end to ¥94,549.7 billion, and consolidated Total Net Assets increased by ¥1,331.6 billion from the previous fiscal year-end to ¥7,308.1 billion.

On the assets side, Loans and Bills Discounted increased by ¥2,642.8 billion to ¥20,038.1 billion, and Securities increased by ¥6,840.6 billion to ¥59,723.9 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥3,756.8 billion to ¥53,474.1 billion, and Debentures decreased by ¥472.2 billion to ¥3,552.8 billion from the previous fiscal year-end, respectively.

### • Income

Consolidated Ordinary Profits\* were ¥514.5 billion, up ¥324.2 billion from the previous fiscal year, and consolidated Net Income was ¥411.3 billion, up ¥255.5 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 17.17%, Consolidated Tier 1 Capital Ratio 17.24%, and Consolidated Total Capital Ratio 24.19% as of March 31, 2015.

## Key Management Indicators (Consolidated)

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

	2011/3	2012/3	2013/3	2014/3	2015/3	2015/3
Total Income	¥ 1,111.4	¥ 952.6	¥ 995.5	¥ 1,086.9	¥ 1,360.0	\$ 11,322
Total Expenses	986.7	878.4	893.6	899.8	847.0	7,051
Net Income	129.5	70.5	119.8	155.7	411.3	3,424
Total Comprehensive Income	303.7	600.4	949.7	251.3	1,403.0	11,680
Total Net Assets	4,259.8	4,838.9	5,767.2	5,976.5	7,308.1	60,840
Total Assets	69,833.8	72,262.8	81,496.8	83,143.6	94,549.7	787,127
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	16.01	17.43	17.17	17.17
Tier 1 Capital Ratio (%)	/	/	16.13	17.56	17.24	17.24
Total Capital Ratio (%)	22.67	24.67	23.56	25.24	24.19	24.19

Notes: 1. U.S. dollars have been converted at the rate of ¥120.12 to U.S. \$1, the effective rate of exchange at March 31, 2015.

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 for the fiscal year ended March 31, 2013 and earlier.

## ■ Financial Results for the fiscal year ended March 31, 2015 (Non-consolidated)

### • Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥11,262.1 billion to ¥93,618.4 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥1,309.8 billion to ¥7,231.8 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥19,935.7 billion, and Securities was ¥59,738.5 billion.

On the liabilities side, Deposits amounted to ¥53,486.1 billion, and Debentures was ¥3,564.3 billion.

### • Income

Interest income of the Bank for the fiscal year ended March 31, 2015 totaled to ¥458.4 billion, up ¥186.7 billion from the previous fiscal year.

The total credit costs were ¥51.1 billion in net earnings, improved ¥51.2 billion from the previous fiscal year, mainly from the reversal of reserves due to the improvement of our customers' corporate performances.

As for securities investments, net gains/losses on sales were net gains of ¥0.2 billion, up ¥42.6 billion from the previous fiscal year, and the expenses of provisions and impairments for price-decline of securities and other reasons increased by ¥3.0 billion to ¥1.8 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥504.3 billion in Ordinary Profits, up ¥329.1 billion and ¥404.5 billion in Net Income, up ¥261.3 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥317.4 billion.

### • Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 17.18%, Tier 1 Capital Ratio 17.25%, and Total Capital Ratio 24.36% as of March 31, 2015.

### Key Management Indicators (Non-consolidated)

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

	2011/3	2012/3	2013/3	2014/3	2015/3	2015/3
Total Income	¥ 1,101.7	¥ 934.9	¥ 972.9	¥ 1,062.3	¥ 1,340.4	\$ 11,159
Total Expenses	963.3	870.6	885.6	890.3	837.8	6,975
Net Income	144.3	61.6	106.8	143.1	404.5	3,367
Paid-in Capital	3,425.9	3,425.9	3,425.9	3,425.9	3,425.9	28,520
Total Net Assets	4,250.4	4,820.4	5,734.9	5,921.9	7,231.8	60,204
Total Assets	69,551.9	71,719.1	80,861.0	82,356.2	93,618.4	779,374
Deposits	40,957.0	43,563.1	47,456.4	49,731.1	53,486.1	445,272
Debentures	5,421.6	5,125.6	4,619.2	4,037.5	3,564.3	29,672
Loans and Bills Discounted	14,002.3	14,655.7	16,127.6	17,295.0	19,935.7	165,965
Securities	43,070.0	45,655.4	50,072.3	52,901.4	59,738.5	497,324
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	/	15.98	17.43	17.18	17.18
Tier 1 Capital Ratio (%)	/	/	16.10	17.56	17.25	17.25
Total Capital Ratio (%)	22.76	24.83	23.77	25.47	24.36	24.36

Notes: 1. U.S. dollars have been converted at the rate of ¥120.12 to U.S. \$1, the effective rate of exchange at March 31, 2015.

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 for the fiscal year ended March 31, 2013 and earlier.

# Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries  
As of March 31, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Assets</b>			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 7,297,692	¥ 5,981,536	\$ 60,753
Call Loans and Bills Bought (Note 32)	569,902	619,386	4,744
Receivables under Resale Agreements	29,842	—	248
Receivables under Securities Borrowing Transactions	78,804	5,614	656
Monetary Claims Bought (Notes 32 and 33)	226,605	174,256	1,886
Trading Assets (Notes 3, 32 and 33)	10,099	14,055	84
Money Held in Trust (Notes 9, 32 and 34)	4,507,849	4,650,704	37,527
Securities (Notes 4, 9, 21, 32 and 33)	59,723,905	52,883,256	497,202
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	20,038,143	17,395,323	166,817
Foreign Exchange Assets (Note 6)	202,946	134,353	1,689
Other Assets (Notes 7, 9 and 32)	881,872	498,890	7,341
Tangible Fixed Assets (Note 8)	110,386	110,358	918
Intangible Fixed Assets (Note 8)	20,947	25,126	174
Net Defined Benefit Asset (Note 17)	32,559	15,171	271
Deferred Tax Assets (Note 18)	2,014	2,069	16
Customers' Liabilities for Acceptances and Guarantees (Note 19)	936,504	806,697	7,796
Reserve for Possible Loan Losses (Note 32)	(118,132)	(170,718)	(983)
Reserve for Possible Investment Losses	(2,213)	(2,407)	(18)
<b>Total Assets</b>	<b>¥94,549,729</b>	<b>¥83,143,675</b>	<b>\$787,127</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 10 and 32)	¥53,474,106	¥49,717,247	\$445,172
Negotiable Certificates of Deposit (Note 32)	3,674,664	2,848,086	30,591
Debentures (Notes 11 and 32)	3,552,811	4,025,067	29,577
Bonds (Note 12)	50,000	50,000	416
Call Money and Bills Sold (Notes 9 and 32)	475,000	492,493	3,954
Payables under Repurchase Agreements (Notes 9 and 32)	17,707,639	12,582,675	147,416
Payables under Securities Lending Transactions (Note 9)	74,682	132,945	621
Trading Liabilities (Notes 13 and 32)	6,717	6,994	55
Borrowed Money (Notes 9, 14 and 32)	2,441,513	2,278,623	20,325
Foreign Exchange Liabilities (Note 15)	35	4	0
Short-term Entrusted Funds (Note 32)	2,612,780	2,950,795	21,751
Other Liabilities (Notes 16 and 32)	1,348,589	775,982	11,227
Reserve for Bonus Payments	7,326	6,830	60
Net Defined Benefit Liability (Note 17)	16,349	14,589	136
Reserve for Directors' Retirement Benefits	1,064	1,096	8
Deferred Tax Liabilities (Note 18)	852,175	467,297	7,094
Deferred Tax Liabilities for Land Revaluation	9,633	9,729	80
Acceptances and Guarantees (Note 19)	936,504	806,697	7,796
<b>Total Liabilities</b>	<b>87,241,595</b>	<b>77,167,156</b>	<b>726,287</b>
<b>Net Assets</b>			
Paid-in Capital (Note 22)	3,425,909	3,425,909	28,520
Capital Surplus	25,020	25,020	208
Retained Earnings	1,576,096	1,236,359	13,121
Treasury Preferred Stock	(150)	(150)	(1)
<b>Total Owners' Equity</b>	<b>5,026,876</b>	<b>4,687,139</b>	<b>41,848</b>
Net Unrealized Gains on Other Securities	2,339,436	1,302,399	19,475
Net Deferred Losses on Hedging Instruments	(104,793)	(45,419)	(872)
Revaluation Reserve for Land	16,984	16,606	141
Foreign Currency Transaction Adjustments	23	(6)	0
Remeasurements of Defined Benefit Plans (Note 17)	22,311	8,867	185
<b>Total Accumulated Other Comprehensive Income</b>	<b>2,273,963</b>	<b>1,282,448</b>	<b>18,930</b>
Minority Interests	7,294	6,930	60
<b>Total Net Assets</b>	<b>7,308,134</b>	<b>5,976,519</b>	<b>60,840</b>
<b>Total Liabilities and Net Assets</b>	<b>¥94,549,729</b>	<b>¥83,143,675</b>	<b>\$787,127</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, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Income</b>			
Interest Income:	<b>¥1,029,543</b>	¥ 803,254	<b>\$ 8,570</b>
Interest on Loans and Bills Discounted	<b>67,356</b>	70,463	<b>560</b>
Interest and Dividends on Securities	<b>943,873</b>	715,366	<b>7,857</b>
Interest on Call Loans and Bills Bought	<b>916</b>	885	<b>7</b>
Interest on Receivables under Resale Agreements	<b>50</b>	34	<b>0</b>
Interest on Receivables under Securities			
Borrowing Transactions	<b>160</b>	91	<b>1</b>
Interest on Due from Banks	<b>12,579</b>	10,125	<b>104</b>
Other Interest Income	<b>4,606</b>	6,287	<b>38</b>
Fees and Commissions	<b>25,348</b>	22,264	<b>211</b>
Trading Income (Note 23)	<b>134</b>	147	<b>1</b>
Other Operating Income (Note 24)	<b>71,000</b>	110,007	<b>591</b>
Other Income (Note 25)	<b>233,996</b>	151,308	<b>1,948</b>
Total Income	<b>1,360,024</b>	1,086,983	<b>11,322</b>
<b>Expenses</b>			
Interest Expenses:	<b>603,454</b>	566,646	<b>5,023</b>
Interest on Deposits	<b>29,711</b>	30,911	<b>247</b>
Interest on Negotiable Certificates of Deposit	<b>7,012</b>	6,990	<b>58</b>
Interest on Debentures	<b>18,744</b>	30,517	<b>156</b>
Interest on Borrowed Money	<b>79,292</b>	79,774	<b>660</b>
Interest on Call Money and Bills Sold	<b>414</b>	396	<b>3</b>
Interest on Payables under Repurchase Agreements	<b>17,973</b>	13,100	<b>149</b>
Interest on Payables under Securities			
Lending Transactions	<b>54</b>	17	<b>0</b>
Interest on Bonds	<b>1,194</b>	1,169	<b>9</b>
Other Interest Expenses	<b>449,057</b>	403,767	<b>3,738</b>
Fees and Commissions	<b>15,067</b>	13,810	<b>125</b>
Trading Expenses (Note 26)	<b>—</b>	355	<b>—</b>
Other Operating Expenses (Note 27)	<b>87,450</b>	147,128	<b>728</b>
General and Administrative Expenses	<b>129,424</b>	128,276	<b>1,077</b>
Other Expenses (Note 28)	<b>11,684</b>	43,644	<b>97</b>
Total Expenses	<b>847,081</b>	899,861	<b>7,051</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>512,942</b>	187,121	<b>4,270</b>
Income Taxes — Current	<b>94,446</b>	2,205	<b>786</b>
Income Taxes — Deferred	<b>6,551</b>	28,616	<b>54</b>
Total Income Taxes	<b>100,998</b>	30,821	<b>840</b>
<b>Income before Minority Interests</b>	<b>411,944</b>	156,300	<b>3,429</b>
Minority Interests in Net Income	<b>643</b>	572	<b>5</b>
<b>Net Income</b>	<b>¥ 411,301</b>	¥ 155,727	<b>\$ 3,424</b>

	Yen		U.S. Dollars (Note 1)
	2015	2014	2015
Net Income per Share	<b>¥84.40</b>	¥26.91	<b>\$0.70</b>

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, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Income before Minority Interests</b>	¥ 411,944	¥156,300	\$ 3,429
<b>Other Comprehensive Income</b> (Note 29)	991,139	95,093	8,251
Net Unrealized Gains (Losses) on Other Securities	1,035,947	34,560	8,624
Net Deferred Gains (Losses) on Hedging Instruments	(59,431)	60,208	(494)
Revaluation Reserve for Land	(17)	0	(0)
Foreign Currency Transaction Adjustments	29	14	0
Remeasurements of Defined Benefit Plans	13,348	—	111
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	1,263	309	10
<b>Total Comprehensive Income</b>	¥1,403,084	¥251,394	\$11,680
Attributable to:			
Owners of the Parent	1,402,420	250,815	11,675
Minority Interests	664	579	5

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, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$ 208
Balance at the End of the Fiscal Year	25,020	25,020	208
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	1,236,359	1,130,521	10,292
Cumulative Effects of Changes in Accounting Policies	(4,455)	—	(37)
Restated Balance	1,231,904	1,130,521	10,255
Additions:			
Net Income for the Fiscal Year	411,301	155,727	3,424
Transfer from Revaluation Reserve for Land	—	1,117	—
Deductions:			
Dividends	66,712	51,006	555
Transfer from Revaluation Reserve for Land	395	—	3
Balance at the End of the Fiscal Year	¥1,576,096	¥1,236,359	\$13,121

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, 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes and Minority Interests	¥ 512,942	¥ 187,121	\$ 4,270
Depreciation	20,713	20,089	172
Losses on Impairment of Fixed Assets	1,305	2,570	10
Gains on Negative Goodwill Incurred	(56)	—	(0)
Equity in Losses (Earnings) of Affiliates	(9,936)	(8,602)	(82)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(52,586)	(5,240)	(437)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(194)	(3,658)	(1)
Net Increase (Decrease) in Reserve for Bonus Payments	496	82	4
Net Decrease (Increase) in Net Defined Benefit Asset	(2,571)	—	(21)
Net Increase (Decrease) in Net Defined Benefit Liability	1,834	379	15
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(32)	63	(0)
Interest Income	(1,029,543)	(803,254)	(8,570)
Interest Expenses	603,454	566,646	5,023
Losses (Gains) on Securities	26,496	231,071	220
Losses (Gains) on Money Held in Trust	(6,943)	(19,097)	(57)
Foreign Exchange Losses (Gains)	(3,922,992)	(3,913,985)	(32,658)
Losses (Gains) on Disposal of Fixed Assets	390	673	3
Net Decrease (Increase) in Trading Assets	3,989	22,546	33
Net Increase (Decrease) in Trading Liabilities	(311)	(3,145)	(2)
Net Decrease (Increase) in Loans and Bills Discounted	(2,642,804)	(1,148,281)	(22,001)
Net Increase (Decrease) in Deposits	3,757,139	870,090	31,278
Net Increase (Decrease) in Negotiable Certificates of Deposit	826,577	450,795	6,881
Net Increase (Decrease) in Debentures	(472,256)	(581,872)	(3,931)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	162,890	499,516	1,356
Net Decrease (Increase) in Interest-bearing Due from Banks	218,359	(29,798)	1,817
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(32,838)	912,021	(273)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(73,190)	(5,614)	(609)
Net Increase (Decrease) in Call Money and Bills Sold and Other	5,107,471	273,208	42,519
Net Increase (Decrease) in Short-term Entrusted Funds	(338,014)	(1,284,329)	(2,813)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(58,263)	126,816	(485)
Net Decrease (Increase) in Foreign Exchange Assets	(68,592)	134,396	(571)
Net Increase (Decrease) in Foreign Exchange Liabilities	31	(73)	0
Interest Received	1,118,690	846,722	9,313
Interest Paid	(602,514)	(569,860)	(5,015)
Other, Net	(139,675)	315,291	(1,162)
Subtotal	2,909,465	(2,916,708)	24,221
Income Taxes Paid	(9,770)	(3,154)	(81)
Net Cash Provided by (Used in) Operating Activities	2,899,695	(2,919,862)	24,139

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(9,547,640)	(11,719,415)	(79,484)
Proceeds from Sales of Securities	1,706,930	3,969,239	14,210
Proceeds from Redemption of Securities	5,927,819	8,444,537	49,349
Increase in Money Held in Trust	(1,200,166)	(137,486)	(9,991)
Decrease in Money Held in Trust	1,826,545	2,581,624	15,206
Purchases of Tangible Fixed Assets	(8,303)	(10,055)	(69)
Purchases of Intangible Fixed Assets	(6,207)	(7,150)	(51)
Proceeds from Sales of Tangible Fixed Assets	2,797	255	23
Proceeds from Sales of Intangible Fixed Assets	7	—	0
Purchases of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	(80)	—	(0)
Proceeds from Business Transfer	—	1,381,999	—
Net Cash Provided by (Used in) Investing Activities	(1,298,297)	4,503,549	(10,808)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from Issuance of Subordinated Borrowed Money	—	1,387,791	—
Repayments of Subordinated Borrowed Money	—	(1,387,791)	—
Dividends Paid	(66,712)	(51,006)	(555)
Dividends Paid to Minority Shareholders	(164)	(9)	(1)
Net Cash Provided by (Used in) Financing Activities	(66,877)	(51,015)	(556)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,534,520</b>	<b>1,532,670</b>	<b>12,774</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>4,667,602</b>	<b>3,134,931</b>	<b>38,857</b>
<b>Cash and Cash Equivalents at the End of the Fiscal Year</b> (Note 30)	<b>¥ 6,202,122</b>	<b>¥ 4,667,602</b>	<b>\$ 51,632</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.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥120.12=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2015, 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 and U.S. dollars figures disclosed in the consolidated financial statements are expressed in millions of yen and millions of U.S. dollars, 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, 2015 and 2014 were 10 and 9, respectively, out of which 10 and 9 were consolidated.

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.

Newly established Norinchukin Value Investments Co., Ltd. was consolidated from the fiscal year 2014.

#### 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, 2015 and 2014 were 7 and 6, respectively, out of which 6 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.

Newly established Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries was included in the scope of application of the equity method from the fiscal year 2014.

## (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.

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.

**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**

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.

**(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 ¥15,265 million (\$127 million) and ¥14,994 million for the fiscal years ended March 31, 2015 and 2014, 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 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.

**(13) Accounting Method for Retirement Benefits**

In calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to the period up to the end of this fiscal year.

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 has arisen.

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 has arisen.

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby the retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

**(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 the Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by the 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.

**(Changes in accounting policies)**

Adoption of "Accounting Standard for Retirement Benefits" and related guidance

Effective from the beginning of the fiscal year 2014, the Bank has adopted the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No.26, issued on May 17, 2012, hereinafter, the "Accounting Standard for Retirement Benefits") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, March 26, 2015, hereinafter, the "Guidance on Retirement Benefits") with respect to the provisions set forth in Paragraph 35 of the Accounting Standard for Retirement Benefits and in Paragraph 67 of the Guidance on Retirement Benefits. As a result, the methods for calculating retirement benefit obligations and service costs have been revised in the following respects: The method for attributing expected retirement benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the methods for determining the discount rate has been changed from a method using the discount rate based on approximate number of years of the average remaining service period of employees to a method using the single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and amount of expected retirement benefits every such period.

According to the transitional treatment provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of changing the method for calculating retirement benefit obligations and service costs was recognized by adjusting retained earnings at the beginning of the fiscal year 2014.

The impacts of these changes on the financial results of the period and the financial conditions are immaterial.

### 3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Trading Securities	¥ 2,572	¥ 6,082	\$21
Derivatives of Securities Related to Trading Transactions	62	—	0
Trading-related Financial Derivatives	7,464	7,973	62
<b>Total</b>	<b>¥10,099</b>	<b>¥14,055</b>	<b>\$84</b>

### 4. Securities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Japanese Government Bonds	¥13,788,827	¥14,069,731	\$114,792
Municipal Government Bonds	765	2,143	6
Corporate Bonds	25,487	34,908	212
Stocks	841,832	646,833	7,008
Other	45,066,992	38,129,639	375,183
Foreign Bonds	33,883,117	28,158,257	282,077
Foreign Stocks	60,977	63,663	507
Investment Trusts	10,452,485	9,298,891	87,017
Other	670,411	608,827	5,581
<b>Total</b>	<b>¥59,723,905</b>	<b>¥52,883,256</b>	<b>\$497,202</b>

The maturity profile of securities is as follows:

As of March 31, 2015	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	¥ 703,334	¥ 4,385,263	¥ 7,397,304	¥1,329,178	¥ —
Japanese Government Bonds	696,447	4,378,635	7,390,607	1,323,136	—
Municipal Government Bonds	342	308	95	18	—
Corporate Bonds	6,544	6,318	6,601	6,022	—
Stocks	—	—	—	—	841,832
Other	2,338,880	22,763,600	6,760,522	3,725,754	9,478,233
Foreign Bonds	2,179,558	22,497,855	6,548,411	2,657,292	—
Foreign Stocks	—	—	—	—	60,977
Investment Trusts	74,577	11,791	24,265	1,038,007	9,303,844
Other	84,745	253,954	187,845	30,454	113,411
<b>Total</b>	<b>¥3,042,215</b>	<b>¥27,148,863</b>	<b>¥14,157,827</b>	<b>¥5,054,932</b>	<b>¥10,320,065</b>

As of March 31, 2014	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	¥1,181,219	¥ 3,984,232	¥ 8,388,652	¥ 552,679	¥ —
Japanese Government Bonds	1,171,428	3,971,377	8,381,497	545,428	—
Municipal Government Bonds	341	958	818	23	—
Corporate Bonds	9,449	11,895	6,336	7,227	—
Stocks	—	—	—	—	646,833
Other	2,841,480	16,507,552	7,606,052	2,710,119	8,464,434
Foreign Bonds	2,743,337	16,197,087	7,413,199	1,804,633	—
Foreign Stocks	—	—	—	—	63,663
Investment Trusts	25,422	60,276	11,391	880,681	8,321,120
Other	72,720	250,188	181,461	24,804	79,651
<b>Total</b>	<b>¥4,022,700</b>	<b>¥20,491,784</b>	<b>¥15,994,705</b>	<b>¥3,262,798</b>	<b>¥9,111,267</b>

As of March 31, 2015	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	\$ 5,855	\$ 36,507	\$ 61,582	\$11,065	\$ —
Japanese Government Bonds	5,797	36,452	61,526	11,015	—
Municipal Government Bonds	2	2	0	0	—
Corporate Bonds	54	52	54	50	—
Stocks	—	—	—	—	7,008
Other	19,471	189,507	56,281	31,016	78,906
Foreign Bonds	18,144	187,294	54,515	22,121	—
Foreign Stocks	—	—	—	—	507
Investment Trusts	620	98	202	8,641	77,454
Other	705	2,114	1,563	253	944
<b>Total</b>	<b>\$25,326</b>	<b>\$226,014</b>	<b>\$117,864</b>	<b>\$42,082</b>	<b>\$85,914</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
	2015	2014	2015
Loans on Deeds	¥18,390,562	¥15,766,595	\$153,101
Loans on Bills	375,573	285,793	3,126
Overdrafts	1,268,775	1,338,333	10,562
Bills Discounted	3,231	4,601	26
<b>Total</b>	<b>¥20,038,143</b>	<b>¥17,395,323</b>	<b>\$166,817</b>

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Loans to Borrowers under Bankruptcy Proceedings	¥ 383	¥ 742	\$ 3
Delinquent Loans	121,170	159,850	1,008
Loans Past Due for Three Months or More	55	40	0
Restructured Loans	33,793	39,919	281
<b>Total</b>	<b>¥155,402</b>	<b>¥200,553</b>	<b>\$1,293</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
	2015	2014	2015
Due from Foreign Banks	¥202,946	¥134,353	\$1,689
<b>Total</b>	<b>¥202,946</b>	<b>¥134,353</b>	<b>\$1,689</b>

## 7. Other Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Prepaid Expenses	¥ 1,231	¥ 698	\$ 10
Accrued Income	195,572	183,136	1,628
Derivatives other than for Trading	148,798	94,795	1,238
Cash Collateral Paid for Financial Instruments	469,946	158,793	3,912
Other	66,322	61,466	552
<b>Total</b>	<b>¥881,872</b>	<b>¥498,890</b>	<b>\$7,341</b>

## 8. Tangible Fixed Assets and Intangible Fixed Assets

### Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Buildings	¥ 43,729	¥ 40,652	\$364
Land	50,827	51,498	423
Lease Assets	11,450	10,915	95
Construction in Progress	20	754	0
Other	4,358	6,537	36
Total Net Book Value	110,386	110,358	918
Accumulated Depreciation Deducted	¥ 95,997	¥103,081	\$799

### Intangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Software	¥12,505	¥20,163	\$104
Lease Assets	3,519	1,967	29
Other	4,922	2,995	40
<b>Total</b>	<b>¥20,947</b>	<b>¥25,126</b>	<b>\$174</b>

## 9. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Securities	¥20,456,510	¥15,437,441	\$170,300
Loans and Bills Discounted	12,215,467	9,523,941	101,693

Liabilities secured by the above assets are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Call Money and Bills Sold	¥ 475,000	¥ 475,000	\$ 3,954
Payables under Repurchase Agreements	17,707,639	12,582,675	147,416
Payables under Securities Lending Transactions	74,682	53,582	621
Borrowed Money	850,070	691,058	7,076

In addition, as of March 31, 2015 and 2014, Securities (including transactions of Money Held in Trust) of ¥7,181,415 million (\$59,785 million) and ¥6,936,194 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2015 and 2014, initial margins of futures markets of ¥1,105 million (\$9 million) and ¥894 million, respectively, cash collateral paid for financial instruments of ¥469,946 million (\$3,912 million) and ¥158,793 million, respectively, and guarantee deposits of ¥17,032 million (\$141 million) and ¥14,515 million, respectively, were included in Other Assets.

## 10. Deposits

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
As of March 31			
Time Deposits	¥47,334,747	¥43,553,676	\$394,062
Deposits at Notice	54,721	72,543	455
Ordinary Deposits	1,119,783	1,123,655	9,322
Current Deposits	85,283	80,186	709
Other Deposits	4,879,569	4,887,186	40,622
Total	¥53,474,106	¥49,717,247	\$445,172

## 11. Debentures

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
As of March 31			
Long-term Coupon Debentures	¥3,552,811	¥4,025,067	\$29,577
Total	¥3,552,811	¥4,025,067	\$29,577

## 12. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$416 million) and ¥50,000 million as of March 31, 2015 and 2014, respectively.

## 13. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
As of March 31			
Derivatives of Securities Related to Trading Transactions	¥ 5	¥ —	\$ 0
Trading-related Financial Derivatives	6,711	6,994	55
Total	¥6,717	¥6,994	\$55

## 14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million (\$12,371million) and ¥1,486,007 million as of March 31, 2015 and 2014, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities. Above subordinated borrowing includes ¥1,387,791 million (\$11,553 million) and ¥1,387,791 million qualifying Tier 2 capital stipulated 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.

## 15. Foreign Exchange Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
As of March 31			
Foreign Bills Payable	¥35	¥4	\$0
Total	¥35	¥4	\$0



## 16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Accrued Expenses	¥ 48,529	¥ 47,056	\$ 404
Income Taxes Payable	81,312	1,617	676
Unearned Income	840	901	6
Derivatives other than for Trading	591,896	320,896	4,927
Accounts Payable for Securities Purchased	506,160	327,669	4,213
Other	119,849	77,841	997
<b>Total</b>	<b>¥1,348,589</b>	<b>¥775,982</b>	<b>\$11,227</b>

## 17. Retirement Benefit Plans

### (1) Outline of the adopted Retirement Benefit Plans

The Bank has a point based plan on which points are granted according to years of employees' service etc. The Bank has a defined benefit pension plan (funded) and, in addition, has a lump-sum payment pension plan (originally unfunded, but establishing a retirement benefit trust makes this plan funded). On the defined benefit pension plan, a lump-sum payment or pension is granted based on employees' salary and length of service. On the lump-sum payment pension plan, a lump-sum payment is granted based on employees' salary and length of service. Additional retirement benefits are paid to employees in certain cases.

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

### (2) Defined Benefit Plan

a. The changes in the retirement benefit obligations for the years ended March 31, 2015 and 2014, except for the plans accounted for by the simplified method, are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Balance at the Beginning of the Fiscal Year	¥103,305	¥102,864	\$860
Cumulative Effects of Changes in Accounting Policies	6,159	—	51
Restated Retirement Benefit Obligations	109,465	102,864	911
Service Cost	2,981	2,968	24
Interest Cost	1,313	1,234	10
Actuarial Differences	569	(471)	4
Retirement Benefit Paid	(3,525)	(3,290)	(29)
Other	871	—	7
<b>Balance at the End of the Fiscal Year</b>	<b>¥111,675</b>	<b>¥103,305</b>	<b>\$929</b>

b. The changes in plan assets for the years ended March 31, 2015 and 2014, except for the plans accounted for by the simplified method, are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Balance at the Beginning of the Fiscal Year	¥105,206	¥ 83,714	\$ 875
Expected Return on Plan Assets	1,721	1,517	14
Actuarial Differences	21,618	19,152	179
Contributions by the Bank	2,045	2,612	17
Retirement Benefit Paid	(1,902)	(1,790)	(15)
Other	597	—	4
<b>Balance at the End of the Fiscal Year</b>	<b>¥129,287</b>	<b>¥105,206</b>	<b>\$1,076</b>

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2015 and 2014 are as follows:

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Balance at the Beginning of the Fiscal Year	¥1,318	¥1,330	\$10
Retirement Benefit Expense	458	451	3
Retirement Benefit Paid	(148)	(197)	(1)
Contributions to the Plans	(225)	(266)	(1)
Balance at the End of the Fiscal Year	¥1,402	¥1,318	\$11

d. The following table sets forth the funded status of the plans and the amounts recognized in the Consolidated Balance Sheet as of March 31, 2015 and 2014 for the Bank's and the consolidated subsidiaries' defined benefit plans:

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Funded Retirement Benefit Obligations	¥114,456	¥ 105,964	\$ 952
Plan Assets at Fair Value	(131,152)	(106,985)	(1,091)
	(16,696)	(1,020)	(138)
Unfunded Retirement Benefit Obligations	486	437	4
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	(16,210)	(582)	(134)
Net Defined Benefit Liability	16,349	14,589	136
Net Defined Benefit Asset	32,559	15,171	271
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥(16,210)	¥ (582)	\$ (134)

Note: The above table includes the plans accounted for by the simplified method.

e. The components of retirement benefit expense are as follows:

For the fiscal year ended March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Service Cost	¥ 2,981	¥ 2,968	\$ 24
Interest Cost	1,313	1,234	10
Expected Return on Plan Assets	(1,721)	(1,517)	(14)
Amortization of Actuarial Differences	(2,724)	1,659	(22)
Amortization of Prior Service Cost	159	159	1
Retirement Benefit Expense by the Simplified Method	458	451	3
Other	871	609	7
Retirement Benefit Expense on Defined Benefit Plan	¥ 1,338	¥ 5,565	\$ 11

**f. Effect of Remeasurements of Defined Benefit Plans on Consolidated Statement of Comprehensive Income**

The components of Remeasurements of Defined Benefit Plans recognized on the Consolidated Statement of Comprehensive Income (before tax effect) are as follows:

	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
For the fiscal year ended March 31			
Prior Service Cost	¥ 159	¥ —	\$ 1
Actuarial Differences	18,324	—	152
Total	¥18,484	¥ —	\$153

**g. Effect of Remeasurements of Defined Benefit Plans on Consolidated Balance Sheet**

The components of Remeasurements of Defined Benefit Plans recognized on the Consolidated Balance Sheet (before tax effect) are as follows:

	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
As of March 31			
Unrecognized Prior Service Cost	¥ (690)	¥ (849)	\$ (5)
Unrecognized Actuarial Differences	31,551	13,226	262
Total	¥30,861	¥12,377	\$256

**h. Particulars of Plan Assets**

(a) The fair value of Plan Assets, by major category, as a percentage of total Plan Assets are as follows:

As of March 31	2015	2014
Bonds	15%	17%
Stocks	73%	69%
Insurance Assets (General Account)	11%	12%
Other	1%	2%
Total	100%	100%

(b) Method for estimating the expected rates of return on Plan Assets

The expected rates of return on Plan Assets have been estimated based on the current and anticipated allocation to each asset class and the current and expected long-term returns on assets held in each category of Plan Assets.

**i. The assumptions used in accounting for the above plan**

The major assumptions used in accounting for the above plan are as follows:

As of or for the fiscal years ended March 31	2015	2014
Discount Rate	1.2%	1.2%
Expected Rates of Increase in Salary	1.1 – 4.6%	1.1 – 4.6%
Expected Rates of Return on Plan Assets	0 – 3.0%	0 – 3.0%

## 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.
	2015	2014	Dollars 2015
<b>Deferred Tax Assets:</b>			
Reserve for Possible Loan Losses	¥ 28,273	¥ 35,457	\$ 235
Write-off of Loans	196	1,693	1
Losses on Revaluation of Securities	52,497	59,023	437
Net Defined Benefit Liability	11,790	10,954	98
Depreciation Expense	125	488	1
Net Operating Losses Carried Forward	19	5,117	0
Unrealized Losses on Other Securities	7	14	0
Deferred Losses on Hedging Instruments	55,698	28,748	463
Unrealized Losses on Reclassification	16,258	20,115	135
Other	69,934	70,556	582
Subtotal	234,802	232,169	1,954
Valuation Allowance	(111,289)	(129,222)	(926)
<b>Total Deferred Tax Assets</b>	<b>123,513</b>	<b>102,946</b>	<b>1,028</b>
<b>Deferred Tax Liabilities:</b>			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	(13,532)	(8,387)	(112)
Unrealized Gains on Other Securities	(874,587)	(474,693)	(7,280)
Deferred Gains on Hedging Instruments	(15,429)	(11,350)	(128)
Unrealized Gains on Reclassification	(29,269)	(34,961)	(243)
Other	(40,856)	(38,782)	(340)
<b>Total Deferred Tax Liabilities</b>	<b>(973,674)</b>	<b>(568,175)</b>	<b>(8,105)</b>
<b>Net Deferred Tax Liabilities</b>	<b>¥(850,161)</b>	<b>¥(465,228)</b>	<b>\$(7,077)</b>

## 19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2015	2014	Dollars 2015
Guarantees	¥936,504	¥806,697	\$7,796
<b>Total</b>	<b>¥936,504</b>	<b>¥806,697</b>	<b>\$7,796</b>

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 ¥2,893,278 million (\$24,086 million) and ¥2,617,333 million as of March 31, 2015 and 2014, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥1,970,605 million (\$16,405 million) and ¥1,808,799 million as of March 31, 2015 and 2014, 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 ¥163,462 million (\$1,360 million) and ¥244,511 million as of March 31, 2015 and 2014, 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 ¥30,069 million (\$250 million) and ¥79,007 million as of March 31, 2015 and 2014, respectively, and securities held without re-pledge of ¥788,494 million (\$6,564 million) and ¥777,765 million as of March 31, 2015 and 2014, 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
	2015	2014	2015
Common Stock	¥3,400,909	¥3,400,909	\$28,312
Preferred Stock	24,999	24,999	208
Total	¥3,425,909	¥3,425,909	\$28,520

The Common Stock account includes lower dividend rate stock with a total par value of ¥2,975,192 million (\$24,768 million) and ¥2,975,192 million as of March 31, 2015 and 2014, 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. Dollars
	2015	2014	2015
Income from Trading Securities and Derivatives	¥ 68	¥ —	\$0
Income from Securities and Derivatives Related to Trading Transactions	11	—	0
Income from Trading-related Financial Derivatives	54	147	0
Total	¥134	¥147	\$1

## 24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Gains on Sales of Bonds	¥21,769	¥ 53,344	\$181
Gains on Redemption of Bonds	1,499	10,719	12
Gains on Derivatives other than for Trading or Hedging	70	—	0
Other	47,662	45,943	396
Total	¥71,000	¥110,007	\$591

## 25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Gains on Sales of Stocks and Other Securities	¥ 19,245	¥ 2,612	\$ 160
Gains on Money Held in Trust	150,447	131,221	1,252
Equity in Earnings of Affiliates	9,936	8,602	82
Gains on Disposals of Fixed Assets	72	—	0
Recoveries of Written-off Claims	302	784	2
Reversal of Reserve for Possible Loan Losses	51,362	875	427
Gains on Negative Goodwill Incurred	56	—	0
Other	2,573	7,212	21
<b>Total</b>	<b>¥233,996</b>	<b>¥151,308</b>	<b>\$1,948</b>

## 26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Expenses on Trading Securities and Derivatives	¥ —	¥322	\$ —
Expenses on Securities and Derivatives Related to Trading Transactions	—	33	—
<b>Total</b>	<b>¥ —</b>	<b>¥355</b>	<b>\$ —</b>

## 27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Amortization of Debenture Issuance Costs	¥ 287	¥ 371	\$ 2
Losses on Foreign Exchange Transactions	5,419	6,159	45
Losses on Sales of Bonds	40,733	92,534	339
Losses on Redemption of Bonds	0	0	0
Losses on Revaluation of Bonds	62	8	0
Losses on Derivatives other than for Trading or Hedging	—	8,609	—
Other	40,947	39,443	340
<b>Total</b>	<b>¥87,450</b>	<b>¥147,128</b>	<b>\$728</b>

## 28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Write-off of Loans	¥ 100	¥ 25	\$ 0
Losses on Sales of Stocks and Other Securities	12	5,770	0
Losses on Revaluation of Stocks and Other Securities	1,874	710	15
Losses on Money Held in Trust	242	5,379	2
Losses on Disposals of Fixed Assets	462	673	3
Other	8,991	31,084	74
<b>Total</b>	<b>¥11,684</b>	<b>¥43,644</b>	<b>\$97</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.
	2015	2014	Dollars 2015
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥1,444,495	¥(24,998)	\$12,025
Reclassification adjustments to profit or loss	(10,838)	76,070	(90)
Amounts before income tax effects	1,433,656	51,072	11,935
Income tax effects	(397,709)	(16,512)	(3,310)
Total	1,035,947	34,560	8,624
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	(224,296)	(38,444)	(1,867)
Reclassification adjustments to profit or loss	141,996	121,720	1,182
Amounts before income tax effects	(82,300)	83,275	(685)
Income tax effects	22,869	(23,067)	190
Total	(59,431)	60,208	(494)
Revaluation Reserve for Land:			
Gains (Losses) arising during the fiscal year	—	—	—
Reclassification adjustments to profit or loss	—	—	—
Amounts before income tax effects	—	—	—
Income tax effects	(17)	0	(0)
Total	(17)	0	(0)
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	29	14	0
Reclassification Adjustments to profit or loss	—	—	—
Amounts before income tax effects	29	14	0
Income tax effects	—	—	—
Total	29	14	0
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	21,049	—	175
Reclassification adjustments to profit or loss	(2,565)	—	(21)
Amounts before income tax effects	18,484	—	153
Income tax effects	(5,135)	—	(42)
Total	13,348	—	111
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	1,272	77	10
Reclassification Adjustments to profit or loss	(8)	232	(0)
Total	1,263	309	10
Total Other Comprehensive Income	¥ 991,139	¥ 95,093	\$ 8,251

## 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.
	2015	2014	Dollars 2015
Cash and Due from Banks	¥ 7,297,692	¥ 5,981,536	\$60,753
Less: Interest-bearing Due from Banks	(1,095,569)	(1,313,933)	(9,120)
Cash and Cash Equivalents at the End of the Fiscal Year	¥ 6,202,122	¥ 4,667,602	\$51,632

## 31. Segment Information

Fiscal year ended March 31, 2015

### (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, 2015	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥117,233	¥1,148,799	¥93,861	¥1,359,895

  

Millions of U.S. Dollars				
Fiscal year ended March 31, 2015	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from Third-parties	\$975	\$9,563	\$781	\$11,321

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, 2015	Japan	Americas	Europe	Others	Total
	¥1,329,288	¥8,495	¥8,548	¥13,563	¥1,359,895

  

Millions of U.S. Dollars					
Fiscal year ended March 31, 2015	Japan	Americas	Europe	Others	Total
	\$11,066	\$70	\$71	\$112	\$11,321

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, 2015	Japan	Americas	Europe	Others	Total
	¥109,477	¥375	¥202	¥331	¥110,386

  

Millions of U.S. Dollars					
As of March 31, 2015	Japan	Americas	Europe	Others	Total
	\$911	\$3	\$1	\$2	\$918

#### c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2015	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥207,535	—

  

Millions of U.S. Dollars			
Fiscal year ended March 31, 2015	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,727	—

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, 2014****(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, 2014	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥71,827	¥922,329	¥92,826	¥1,086,983

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, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥1,059,105	¥6,488	¥7,955	¥13,434	¥1,086,983

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, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥109,492	¥299	¥210	¥356	¥110,358

**c. Information about Major Customers**

Fiscal year ended March 31, 2014	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥130,643	—

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**

None

**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 hedged items and hedging instruments related to hedge accounting, hedge policy and hedge effectiveness

### c. Risk Management for Financial Instruments

#### (a) Integrated Risk Management

The Bank, under its “Basic Policies for Risk Management,” focuses on comprehensive risk management, where risks it faces in conducting business are identified and managed taking into account their respective natures, and its overall risk measured using quantitative methods is managed 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. Specifically, 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.

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, 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 the allocation policy, and the middle sections conduct monitoring.

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. 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.

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, 2015 and 2014 summed up to ¥22 million (\$0 million) and ¥8 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.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,422,196 million (\$20,164 million) and ¥2,125,508 million as of March 31, 2015 and 2014, 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. From the back-testing for the fiscal years ended March 31, 2015 and 2014 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. The Bank measures losses under various scenarios (stress test) to complement the said limits and weakness of the model.

#### (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 at the head office in collaboration with relevant branches, and various limits for each currency, funding instrument and funding base are established by the Risk Management Committee. The cash flow management plan, which sets out specific cash flow policy, 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, 2015 and 2014 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, 2015</b>						
(1) Cash and Due from Banks	¥ 7,297,692	¥ 7,297,692	¥ —	\$ 60,753	\$ 60,753	\$ —
(2) Call Loans and Bills Bought	569,902	569,902	—	4,744	4,744	—
(3) Monetary Claims Bought	226,605	226,788	182	1,886	1,888	1
(4) Trading Assets (*2)						
Trading Securities	2,572	2,572	—	21	21	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	6,812	6,812	—	56	56	—
Other Money Held in Trust	4,500,650	4,510,023	9,372	37,467	37,545	78
(6) Securities						
Held-to-Maturity Debt Securities	18,004,075	18,195,275	191,200	149,884	151,475	1,591
Other Securities	41,163,771	41,163,771	—	342,688	342,688	—
(7) Loans and Bills Discounted	20,038,143			166,817		
Reserve for Possible Loan Losses (*1)	(114,891)			(956)		
	<b>19,923,251</b>	<b>19,956,340</b>	<b>33,089</b>	<b>165,861</b>	<b>166,136</b>	<b>275</b>
<b>Total Assets</b>	<b>¥91,695,334</b>	<b>¥91,929,179</b>	<b>¥233,845</b>	<b>\$763,364</b>	<b>\$765,311</b>	<b>\$1,946</b>
(1) Deposits	¥53,474,106	¥53,474,112	¥ 5	\$445,172	445,172	\$ 0
(2) Negotiable Certificates of Deposit	3,674,664	3,674,664	—	30,591	30,591	—
(3) Debentures	3,552,811	3,563,767	10,956	29,577	29,668	91
(4) Call Money and Bills Sold	475,000	475,000	—	3,954	3,954	—
(5) Payables under Repurchase Agreements	17,707,639	17,707,639	—	147,416	147,416	—
(6) Borrowed Money	2,441,513	2,441,513	—	20,325	20,325	—
(7) Short-term Entrusted Funds	2,612,780	2,612,780	—	21,751	21,751	—
<b>Total Liabilities</b>	<b>¥83,938,516</b>	<b>¥83,949,478</b>	<b>¥ 10,962</b>	<b>\$698,788</b>	<b>\$698,880</b>	<b>\$ 91</b>
<b>Derivative Instruments (*3)</b>						
Transactions not Accounted for as Hedge Transactions	¥ (4,025)	¥ (4,025)	¥ —	\$ (33)	\$ (33)	\$ —
Transactions Accounted for as Hedge Transactions	(439,249)	(439,249)	—	(3,656)	(3,656)	—
<b>Total Derivative Instruments</b>	<b>¥ (443,275)</b>	<b>¥ (443,275)</b>	<b>¥ —</b>	<b>\$ (3,690)</b>	<b>\$ (3,690)</b>	<b>\$ —</b>

(\*1) 1. Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Money Held in Trust is 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, 2014	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 5,981,536	¥ 5,981,536	¥ —
(2) Call Loans and Bills Bought	619,386	619,386	—
(3) Monetary Claims Bought	174,256	174,380	124
(4) Trading Assets (*2)			
Trading Securities	6,082	6,082	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	7,063	7,063	—
Other Money Held in Trust	4,642,669	4,653,058	10,388
(6) Securities			
Held-to-Maturity Debt Securities	18,085,098	18,387,283	302,185
Other Securities	34,256,380	34,256,380	—
(7) Loans and Bills Discounted	17,395,323		
Reserve for Possible Loan Losses (*1)	(164,986)		
	17,230,337	17,281,422	51,085
<b>Total Assets</b>	<b>¥81,002,810</b>	<b>¥81,366,594</b>	<b>¥363,784</b>
(1) Deposits	¥49,717,247	¥49,717,455	¥ 207
(2) Negotiable Certificates of Deposit	2,848,086	2,848,086	—
(3) Debentures	4,025,067	4,043,940	18,872
(4) Call Money and Bills Sold	492,493	492,493	—
(5) Payables under Repurchase Agreements	12,582,675	12,582,675	—
(6) Borrowed Money	2,278,623	2,278,623	—
(7) Short-term Entrusted Funds	2,950,795	2,950,795	—
<b>Total Liabilities</b>	<b>¥74,894,988</b>	<b>¥74,914,068</b>	<b>¥ 19,079</b>
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ 3,098	¥ 3,098	¥ —
Transactions Accounted for as Hedge			
Transactions	(229,207)	(229,207)	—
<b>Total Derivative Instruments</b>	<b>¥ (226,109)</b>	<b>¥ (226,109)</b>	<b>¥ —</b>

(\*1) 1. Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Money Held in Trust is 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. The carrying value of Time Deposits 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. As for Time Deposits with fixed rates, 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. As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied to a similar Borrowed Money. The fair value of the Borrowed Money with a short-term (1 year or less), 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 Consolidated Balance Sheet Amount of 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 these financial instruments.

<b>As of March 31, 2015</b>	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	<b>¥281,951</b>	<b>\$2,347</b>
Investments in Partnership and Others (*3)	<b>274,105</b>	<b>2,281</b>
<b>Total</b>	<b>¥556,057</b>	<b>\$4,629</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, 2015 was ¥1,874 million (\$15 million) on Unlisted Stocks and Others.

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.”



As of March 31, 2014	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥263,140
Investments in Partnership and Others (*3)	278,636
<b>Total</b>	<b>¥541,776</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, 2014 was ¥710 million on Unlisted Stocks and Others.  
 (\*3) Out of Investments in Partnership and Others, certain "Partnership" or "Limited Partnership" whose fair value is extremely difficult to determine are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items."

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

As of March 31, 2015	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
Due from Banks (*1)	¥ 7,172,300	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	569,902	—	—	—	—	—
Monetary Claims Bought	70,000	—	—	7,841	23,733	124,991
Securities						
Held-to-Maturity Debt Securities	1,430,775	5,227,347	3,560,214	5,116,867	1,084,090	1,589,693
Other Securities held that have Maturity	1,607,894	5,212,566	12,362,702	6,116,822	1,304,862	2,979,552
Loans and Bills Discounted (*2)	15,957,737	1,739,429	1,280,270	510,137	299,985	128,109
<b>Total</b>	<b>¥26,808,610</b>	<b>¥12,179,342</b>	<b>¥17,203,187</b>	<b>¥11,751,669</b>	<b>¥2,712,673</b>	<b>¥4,822,346</b>

As of March 31, 2015	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
Due from Banks (*1)	\$ 59,709	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	4,744	—	—	—	—	—
Monetary Claims Bought	582	—	—	65	197	1,040
Securities						
Held-to-Maturity Debt Securities	11,911	43,517	29,638	42,597	9,025	13,234
Other Securities held that have Maturity	13,385	43,394	102,919	50,922	10,862	24,804
Loans and Bills Discounted (*2)	132,848	14,480	10,658	4,246	2,497	1,066
<b>Total</b>	<b>\$223,181</b>	<b>\$101,393</b>	<b>\$143,216</b>	<b>\$97,832</b>	<b>\$22,583</b>	<b>\$40,146</b>

- (\*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 ¥122,472 million (\$1,019 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

As of March 31, 2014	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
Due from Banks (*1)	¥ 5,880,865	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	619,386	—	—	—	—	—
Monetary Claims Bought	719	8,783	—	2,011	10,300	152,604
Securities						
Held-to-Maturity Debt Securities	1,847,199	2,642,789	5,918,636	3,735,856	3,018,734	930,936
Other Securities held that have Maturity	2,176,511	2,896,820	8,705,278	6,775,571	1,998,972	1,988,997
Loans and Bills Discounted (*2)	13,702,026	1,731,816	1,044,291	432,233	229,014	93,981
<b>Total</b>	<b>¥24,226,708</b>	<b>¥7,280,209</b>	<b>¥15,668,206</b>	<b>¥10,945,673</b>	<b>¥5,257,021</b>	<b>¥3,166,520</b>

- (\*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 ¥161,958 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:

	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, 2015</b>						
Deposits (*1)	¥53,434,436	¥ 7,710	¥ 31,958	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,674,664	—	—	—	—	—
Debentures	832,064	1,604,264	1,116,480	2	—	—
Call Money and Bills Sold	475,000	—	—	—	—	—
Payables under Repurchase Agreements	17,707,639	—	—	—	—	—
Borrowed Money (*2)	368,041	382,048	204,731	686	1,387,791	98,216
Short-term Entrusted Funds	2,612,780	—	—	—	—	—
<b>Total</b>	<b>¥79,104,627</b>	<b>¥1,994,023</b>	<b>¥1,353,170</b>	<b>¥688</b>	<b>¥1,387,791</b>	<b>¥98,216</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, 2015</b>						
Deposits (*1)	\$444,842	\$ 64	\$ 266	\$ —	\$ —	\$ —
Negotiable Certificates of Deposit	30,591	—	—	—	—	—
Debentures	6,926	13,355	9,294	0	—	—
Call Money and Bills Sold	3,954	—	—	—	—	—
Payables under Repurchase Agreements	147,416	—	—	—	—	—
Borrowed Money (*2)	3,063	3,180	1,704	5	11,553	817
Short-term Entrusted Funds	21,751	—	—	—	—	—
<b>Total</b>	<b>\$658,546</b>	<b>\$16,600</b>	<b>\$11,265</b>	<b>\$ 5</b>	<b>\$11,553</b>	<b>\$817</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."

	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, 2014</b>						
Deposits (*1)	¥49,703,573	¥ 5,904	¥ 7,770	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,848,086	—	—	—	—	—
Debentures	946,746	1,665,682	1,412,633	4	—	—
Call Money and Bills Sold	492,493	—	—	—	—	—
Payables under Repurchase Agreements	12,582,675	—	—	—	—	—
Borrowed Money (*2)	369,410	383,232	34,167	5,804	1,387,791	98,216
Short-term Entrusted Funds	2,950,795	—	—	—	—	—
<b>Total</b>	<b>¥69,893,780</b>	<b>¥2,054,819</b>	<b>¥1,454,571</b>	<b>¥5,809</b>	<b>¥1,387,791</b>	<b>¥98,216</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

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
<b>As of March 31</b>			
Trading Securities	<b>¥10</b>	<b>¥2</b>	<b>\$0</b>

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

#### Held-to-Maturity Debt Securities

As of March 31, 2015	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 2,718,627	¥ 2,727,034	¥ 8,406	\$ 22,632	\$ 22,702	\$ 69
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Corporate Bonds	6,601	6,637	36	54	55	0
	Other	8,967,520	9,171,355	203,835	74,654	76,351	1,696
	Foreign Bonds	8,918,369	9,122,007	203,637	74,245	75,940	1,695
	Other	49,150	49,348	197	409	410	1
	Sub total	11,692,749	11,905,027	212,278	97,342	99,109	1,767
	Japanese Government Bonds	4,818,344	4,802,404	(15,940)	40,112	39,980	(132)
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Corporate Bonds	—	—	—	—	—	—
	Other	1,577,478	1,572,523	(4,954)	13,132	13,091	(41)
	Foreign Bonds	1,542,132	1,537,192	(4,939)	12,838	12,797	(41)
	Other	35,346	35,331	(14)	294	294	(0)
	Sub total	6,395,823	6,374,928	(20,895)	53,245	53,071	(173)
	Total	¥18,088,573	¥18,279,956	¥191,383	\$150,587	\$152,180	\$1,593

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		
		Consolidated	Fair Value	Difference
As of March 31, 2014	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 5,819,924	¥ 5,894,642	¥ 74,718
	Municipal Government Bonds	—	—	—
	Corporate Bonds	2,760	2,785	24
	Other	9,149,565	9,387,091	237,526
	Foreign Bonds	9,116,480	9,353,869	237,389
	Other	33,085	33,221	136
	Sub total	14,972,250	15,284,519	312,269
	Japanese Government Bonds	1,727,599	1,723,408	(4,190)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
Other	1,454,433	1,448,665	(5,768)	
Foreign Bonds	1,418,333	1,412,577	(5,755)	
Other	36,100	36,088	(12)	
Sub total	3,182,033	3,172,074	(9,959)	
Total		¥18,154,283	¥18,456,593	¥302,310

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			Millions of U.S. Dollars		
		Consolidated	Acquisition	Difference	Consolidated	Acquisition	Difference
As of March 31, 2015	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 678,521	¥ 272,267	¥ 406,253	\$ 5,648	\$ 2,266	\$ 3,382
	Bonds	6,250,201	6,020,350	229,850	52,032	50,119	1,913
	Japanese Government Bonds	6,241,731	6,011,917	229,814	51,962	50,049	1,913
	Municipal Government Bonds	661	645	16	5	5	0
	Corporate Bonds	7,808	7,787	20	65	64	0
	Other	32,866,847	30,627,960	2,238,886	273,616	254,978	18,638
	Foreign Bonds	23,036,337	21,992,457	1,043,879	191,777	183,087	8,690
	Foreign Stocks	38,688	20,802	17,885	322	173	148
	Investment Trusts	9,587,748	8,445,590	1,142,157	79,818	70,309	9,508
	Other	204,073	169,109	34,964	1,698	1,407	291
Sub total	39,795,570	36,920,579	2,874,990	331,298	307,364	23,934	
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	12,840	14,808	(1,967)	106	123	(16)
	Bonds	21,305	21,373	(67)	177	177	(0)
	Japanese Government Bonds	10,123	10,172	(49)	84	84	(0)
	Municipal Government Bonds	104	105	(0)	0	0	(0)
	Corporate Bonds	11,077	11,095	(17)	92	92	(0)
	Other	1,509,189	1,530,685	(21,495)	12,564	12,742	(178)
	Foreign Bonds	386,278	389,205	(2,927)	3,215	3,240	(24)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	755,545	772,888	(17,342)	6,289	6,434	(144)
	Other	367,365	368,591	(1,225)	3,058	3,068	(10)
Sub total	1,543,336	1,566,867	(23,531)	12,848	13,044	(195)	
Total	¥41,338,906	¥38,487,446	¥2,851,459	\$344,146	\$320,408	\$23,738	

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.

		Millions of Yen		
As of March 31, 2014	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 424,460	¥ 225,977	¥ 198,482
	Bonds	6,540,717	6,379,790	160,926
	Japanese Government Bonds	6,522,207	6,361,382	160,825
	Municipal Government Bonds	2,108	2,053	54
Transactions for Consolidated Balance Sheet Amount	Corporate Bonds	16,401	16,355	46
exceeding Acquisition Cost	Other	21,009,047	19,796,226	1,212,820
	Foreign Bonds	12,623,476	12,172,266	451,209
	Foreign Stocks	33,890	19,596	14,293
	Investment Trusts	8,181,780	7,452,084	729,695
	Other	169,900	152,278	17,621
	Sub total	27,974,225	26,401,994	1,572,230
	Stocks	33,100	36,481	(3,381)
	Bonds	15,781	15,817	(36)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	34	34	(0)
Transactions for Consolidated Balance Sheet Amount	Corporate Bonds	15,746	15,782	(36)
not exceeding Acquisition Cost	Other	6,374,358	6,461,575	(87,217)
	Foreign Bonds	4,999,968	5,070,482	(70,514)
	Foreign Stocks	—	—	—
	Investment Trusts	1,073,016	1,088,972	(15,956)
	Other	301,373	302,119	(746)
	Sub total	6,423,239	6,513,875	(90,635)
	Total	¥34,397,464	¥32,915,869	¥1,481,594

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, 2015 and 2014.

### Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2015	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	¥ 25,918	¥ 4,512	¥ 2	\$ 215	\$ 37	\$ 0
Bonds	4,622	51	0	38	0	0
Japanese Government Bonds	—	—	—	—	—	—
Municipal Government Bonds	1,213	37	0	10	0	0
Corporate Bonds	3,409	14	0	28	0	0
Other	1,690,431	29,376	40,733	14,072	244	339
Foreign Bonds	1,601,300	11,385	40,646	13,330	94	338
Foreign Stocks	18,042	7,017	—	150	58	—
Investment Trusts	17,684	4,553	31	147	37	0
Other	53,404	6,419	55	444	53	0
Total	¥1,720,972	¥33,939	¥40,736	\$14,327	\$282	\$339

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2014	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 6,435	¥ 2,583	¥ 15
Bonds	577,667	15,925	—
Japanese Government Bonds	577,667	15,925	—
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	3,237,860	35,054	97,253
Foreign Bonds	3,188,858	34,144	91,493
Foreign Stocks	1,745	28	4
Investment Trusts	44,891	17	5,755
Other	2,365	863	—
<b>Total</b>	<b>¥3,821,963</b>	<b>¥53,563</b>	<b>¥97,268</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, 2015 and 2014 (“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, 2015 was ¥64 million (\$0 million) including ¥62 million (\$0 million) on Foreign Bonds and ¥2 million (\$0 million) on Other.

The amount of revaluation loss for the fiscal year ended March 31, 2014 was ¥385 million including ¥8 million on Foreign Bonds and ¥377 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, 2015	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	¥6,812	¥ —	\$56	\$ —

As of March 31, 2014	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥7,063	¥562

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

As of March 31, 2015	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	¥4,501,036	¥4,173,759	¥327,277	¥327,553	¥276

As of March 31, 2015	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
Other Money Held in Trust	\$37,471	\$34,746	\$2,724	\$2,726	\$2

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."

As of March 31, 2014	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	¥4,643,640	¥4,386,491	¥257,149	¥257,850	¥700

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

As of March 31, 2015	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
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.	241,528	209,928	7,360	7,360	2,010	1,747	61	61
Rec.: Flt.-Pay.: Fix.	236,006	203,981	(6,595)	(6,595)	1,964	1,698	(54)	(54)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 764</b>	<b>¥ 764</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 6</b>	<b>\$ 6</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, 2014	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
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.	257,509	209,622	7,910	7,910
Rec.: Flt.-Pay.: Fix.	257,305	208,276	(6,918)	(6,918)
Rec.: Flt.-Pay.: Flt.	2,000	—	(0)	(0)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 991</b>	<b>¥ 991</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, 2015	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Forwards:								
Sold	531,609	5,897	(15,417)	(15,417)	4,425	49	(128)	(128)
Purchased	933,694	5,897	10,569	10,569	7,773	49	87	87
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (4,847)</b>	<b>¥ (4,847)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ (40)</b>	<b>\$ (40)</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.

As of March 31, 2014	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
Forwards:				
Sold	519,911	2,109	(4,676)	(4,676)
Purchased	913,250	2,109	6,782	6,782
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥2,106</b>	<b>¥2,106</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

As of March 31, 2015	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate	—	—	—	—	—	—	—	—
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	<b>1,000</b>	—	—	—	<b>8</b>	—	—	—
<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 Osaka 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, 2014	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Equity Price Index Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Equity Price Index Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Equity Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Equity Price Index Swaps:				
Rec.: Stock Index	—	—	—	—
Pay.: Flt. Rate	—	—	—	—
Rec.: Flt. Rate	—	—	—	—
Pay.: Stock Index	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	1,000	1,000	—	—
<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 Osaka 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

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2014.

As of March 31, 2015	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
Exchange-traded Transactions								
Bond Futures:								
Sold	¥7,963	¥ —	¥ (5)	¥ (5)	\$66	\$ —	\$(0)	\$(0)
Purchased	3,189	—	62	62	26	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥57</b>	<b>¥57</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 Osaka 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, 2015 and 2014.

## Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2015.

As of March 31, 2014	Millions of Yen				
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	
	Total	Over 1 Year			
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, 2015

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥3,270,000	¥2,610,000	¥ 14,069	\$27,222	\$21,728	\$ 117
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	6,402,773	6,399,770	(199,078)	53,303	53,278	(1,657)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	186,553	185,800	Note 3	1,553	1,546	Note 3
<b>Total</b>			<b>¥ /</b>	<b>¥ /</b>	<b>¥(185,009)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$(1,540)</b>

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, 2014

Millions of Yen

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥3,180,000	¥2,820,000	¥ 15,776
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	4,259,483	4,240,447	(71,781)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	156,744	156,622	Note 3
Total			¥ /	¥ /	¥(56,005)

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, 2015

Millions of Yen

Millions of U.S. Dollars

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥12,016,866	¥5,177,113	¥(193,872)	\$100,040	\$53,527	\$(1,613)
	Forex Forward		7,171,211	—	(60,368)	59,700	—	(502)
Total			¥ /	¥ /	¥(254,240)	\$ /	\$ /	\$(2,116)

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, 2014

Millions of Yen

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥12,014,631	¥5,177,113	¥ (77,087)
	Forex Forward		6,493,100	—	(96,115)
Total			¥ /	¥ /	¥(173,202)

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, 2015 and 2014.

## Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2015 and 2014.

## 36. The Norinchukin Bank (Parent Company)

### (1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
<b>Assets</b>			
Cash and Due from Banks	¥ 7,278,611	¥ 5,967,497	\$ 60,594
Call Loans	569,902	619,386	4,744
Receivables under Resale Agreements	29,842	—	248
Receivables under Securities Borrowing Transactions	78,804	5,614	656
Monetary Claims Bought	226,605	174,256	1,886
Trading Assets	10,099	14,055	84
Money Held in Trust	4,506,018	4,649,907	37,512
Securities	59,738,559	52,901,442	497,324
Loans and Bills Discounted	19,935,726	17,295,089	165,965
Foreign Exchange Assets	202,946	134,353	1,689
Other Assets	877,757	495,370	7,307
Tangible Fixed Assets	108,474	108,316	903
Intangible Fixed Assets	19,443	23,900	161
Prepaid Pension Cost	1,698	—	14
Customers' Liabilities for Acceptances and Guarantees	151,587	137,056	1,261
Reserve for Possible Loan Losses	(114,920)	(167,110)	(956)
Reserve for Possible Investment Losses	(2,714)	(2,855)	(22)
<b>Total Assets</b>	<b>¥93,618,444</b>	<b>¥82,356,280</b>	<b>\$779,374</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥53,486,188	¥49,731,175	\$445,272
Negotiable Certificates of Deposit	3,674,664	2,848,086	30,591
Debentures	3,564,315	4,037,577	29,672
Call Money	475,000	492,493	3,954
Payables under Repurchase Agreements	17,707,639	12,582,675	147,416
Payables under Securities Lending Transactions	74,682	132,945	621
Trading Liabilities	6,717	6,994	55
Borrowed Money	2,436,513	2,272,623	20,283
Foreign Exchange Liabilities	35	4	0
Short-term Entrusted Funds	2,612,780	2,950,795	21,751
Other Liabilities	1,321,639	751,547	11,002
Reserve for Bonus Payments	5,917	5,457	49
Reserve for Retirement Benefits	14,947	10,476	124
Reserve for Directors' Retirement Benefits	766	803	6
Deferred Tax Liabilities	843,611	463,869	7,023
Deferred Tax Liabilities for Land Revaluation	9,633	9,729	80
Acceptances and Guarantees	151,587	137,056	1,261
<b>Total Liabilities</b>	<b>86,386,642</b>	<b>76,434,310</b>	<b>719,169</b>
<b>Net Assets</b>			
Paid-in Capital	3,425,909	3,425,909	28,520
Capital Surplus	25,020	25,020	208
Retained Earnings	1,530,683	1,197,694	12,742
<b>Total Owners' Equity</b>	<b>4,981,614</b>	<b>4,648,624</b>	<b>41,471</b>
Net Unrealized Gains on Other Securities, net of taxes	2,338,046	1,302,149	19,464
Net Deferred Losses on Hedging Instruments, net of taxes	(104,843)	(45,412)	(872)
Revaluation Reserve for Land, net of taxes	16,984	16,606	141
<b>Total Valuation and Translation Adjustments</b>	<b>2,250,187</b>	<b>1,273,344</b>	<b>18,732</b>
<b>Total Net Assets</b>	<b>7,231,802</b>	<b>5,921,969</b>	<b>60,204</b>
<b>Total Liabilities and Net Assets</b>	<b>¥93,618,444</b>	<b>¥82,356,280</b>	<b>\$779,374</b>

## (2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
<b>Income</b>			
Interest Income:	¥1,033,786	¥ 800,825	\$ 8,606
Interest on Loans and Bills Discounted	63,775	66,705	530
Interest and Dividends on Securities	951,706	716,705	7,922
Interest on Call Loans	916	885	7
Interest on Receivables under Resale Agreements	50	34	0
Interest on Receivables under Securities			
Borrowing Transactions	160	91	1
Interest on Due from Banks	12,570	10,115	104
Other Interest Income	4,606	6,287	38
Fees and Commissions	13,108	13,337	109
Trading Income	134	147	1
Other Operating Income	68,661	107,830	571
Other Income	224,791	140,175	1,871
<b>Total Income</b>	<b>1,340,482</b>	<b>1,062,315</b>	<b>11,159</b>
<b>Expenses</b>			
Interest Expenses:	603,382	566,599	5,023
Interest on Deposits	29,713	30,913	247
Interest on Negotiable Certificates of Deposit	7,012	6,990	58
Interest on Debentures	18,778	30,584	156
Interest on Borrowed Money	80,381	80,830	669
Interest on Call Money	414	396	3
Interest on Payables under Repurchase Agreements	17,973	13,100	149
Interest on Payables under Securities			
Lending Transactions	54	17	0
Other Interest Expenses	449,054	403,763	3,738
Fees and Commissions	12,786	11,925	106
Trading Expenses	—	355	—
Other Operating Expenses	87,387	147,111	727
General and Administrative Expenses	122,779	120,728	1,022
Other Expenses	11,518	43,616	95
<b>Total Expenses</b>	<b>837,854</b>	<b>890,335</b>	<b>6,975</b>
<b>Income before Income Taxes</b>	<b>502,627</b>	<b>171,979</b>	<b>4,184</b>
Income Taxes — Current	91,569	230	762
Income Taxes — Deferred	6,507	28,552	54
<b>Total Income Taxes</b>	<b>98,076</b>	<b>28,782</b>	<b>816</b>
<b>Net Income</b>	<b>¥ 404,551</b>	<b>¥ 143,197</b>	<b>\$ 3,367</b>

	Yen		U.S. Dollars
	2015	2014	2015
<b>Net Income per Share</b>	<b>¥82,82</b>	<b>¥23.96</b>	<b>\$0.68</b>

## 37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2015.

	Millions of Yen		Millions of U.S. Dollars
	2015	2014	2015
Cash Dividends			
Special Dividends	¥47,876		\$398
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	25,543		212
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	2,975		24
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115		9



Ernst & Young ShinNihon LLC  
 Hibiya Kokusai Bldg.  
 2-2-3 Uchisaiwai-cho, Chiyoda-ku  
 Tokyo, Japan 100-0011

Tel: +81 3 3503 1100  
 Fax: +81 3 3503 1197  
 www.shinnihon.or.jp

## 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, 2015, 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, 2015, 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 ShinNihon LLC*

June 24, 2015