

Financial Review

■ Financial Results for the fiscal year ended March 31, 2016 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2016 include the results of 10 consolidated subsidiaries and 8 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2015 (for the fiscal year ended March 31, 2016).

• Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥6,633.1 billion from the previous fiscal year-end to ¥101,182.9 billion, and consolidated Total Net Assets decreased by ¥121.3 billion from the previous fiscal year-end to ¥7,186.7 billion.

On the assets side, Loans and Bills Discounted decreased by ¥2,015.9 billion to ¥18,022.1 billion, and Securities decreased by ¥1,417.5 billion to ¥58,306.3 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits increased by ¥5,349.2 billion to ¥58,823.3 billion, and Debentures decreased by ¥430.7 billion to ¥3,122.0 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥324.9 billion, down ¥189.6 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥271.2 billion, down ¥140.0 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 18.94%, Consolidated Tier 1 Capital Ratio 18.99%, and Consolidated Total Capital Ratio 25.07% as of March 31, 2016.

Key Management Indicators (Consolidated)

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

	2012/3	2013/3	2014/3	2015/3	2016/3	2016/3
Total Income	¥ 952.6	¥ 995.5	¥ 1,086.9	¥ 1,360.0	¥ 1,287.9	\$ 11,428
Total Expenses	878.4	893.6	899.8	847.0	964.4	8,557
Profit Attributable to Owners of Parent (Note 2)	70.5	119.8	155.7	411.3	271.2	2,407
Total Comprehensive Income	600.4	949.7	251.3	1,403.0	(98.1)	(870)
Total Net Assets	4,838.9	5,767.2	5,976.5	7,308.1	7,186.7	63,769
Total Assets	72,262.8	81,496.8	83,143.6	94,549.7	101,182.9	897,807
Capital Adequacy Ratio (BIS) (Note 3)						
Common Equity Tier 1 Capital Ratio (%)	/	16.01	17.43	17.17	18.94	18.94
Tier 1 Capital Ratio (%)	/	16.13	17.56	17.24	18.99	18.99
Total Capital Ratio (%)	24.67	23.56	25.24	24.19	25.07	25.07

Notes: 1. U.S. dollars have been converted at the rate of ¥112.70 to U.S. \$1, the effective rate of exchange at March 31, 2016.

2. Effective from the beginning of fiscal year 2015, the Bank has adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21, issued on September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013) and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, issued on September 13, 2013). In applying these revised accounting standards, "Net Income" was changed to "Profit Attributable to Owners of Parent."

3. 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, 2012.

■ Financial Results for the fiscal year ended March 31, 2016 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year increased by ¥6,511.6 billion to ¥100,130.0 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥98.1 billion to ¥7,133.6 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥17,915.8 billion, and Securities was ¥58,329.7 billion.

On the liabilities side, Deposits amounted to ¥58,838.5 billion, and Debentures was ¥3,133.0 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2016 totaled to ¥348.8 billion, down ¥109.5 billion from the previous fiscal year.

The total credit costs were ¥19.3 billion in net earnings 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 ¥19.7 billion, up ¥19.5 billion from the previous fiscal year, and the expenses of provisions and impairments for price-decline of securities and other reasons improved by ¥2.9 billion to ¥1.1 billion in net earnings from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥322.1 billion in Ordinary Profits, down ¥182.1 billion and ¥271.5 billion in Net Income, down ¥132.9 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥225.7 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 19.02%, Tier 1 Capital Ratio 19.07%, and Total Capital Ratio 25.29% as of March 31, 2016.

Key Management Indicators (Non-consolidated)

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

	2012/3	2013/3	2014/3	2015/3	2016/3	2016/3
Total Income	¥ 934.9	¥ 972.9	¥ 1,062.3	¥ 1,340.4	¥ 1,274.7	\$ 11,310
Total Expenses	870.6	885.6	890.3	837.8	953.9	8,464
Net Income	61.6	106.8	143.1	404.5	271.5	2,409
Paid-in Capital	3,425.9	3,425.9	3,425.9	3,425.9	3,480.4	30,882
Total Net Assets	4,820.4	5,734.9	5,921.9	7,231.8	7,133.6	63,297
Total Assets	71,719.1	80,861.0	82,356.2	93,618.4	100,130.0	888,465
Deposits	43,563.1	47,456.4	49,731.1	53,486.1	58,838.5	522,081
Debentures	5,125.6	4,619.2	4,037.5	3,564.3	3,133.0	27,800
Loans and Bills Discounted	14,655.7	16,127.6	17,295.0	19,935.7	17,915.8	158,969
Securities	45,655.4	50,072.3	52,901.4	59,738.5	58,329.7	517,566
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	/	15.98	17.43	17.18	19.02	19.02
Tier 1 Capital Ratio (%)	/	16.10	17.56	17.25	19.07	19.07
Total Capital Ratio (%)	24.83	23.77	25.47	24.36	25.29	25.29

Notes: 1. U.S. dollars have been converted at the rate of ¥112.70 to U.S. \$1, the effective rate of exchange at March 31, 2016.

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, 2012.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 15,057,960	¥ 7,297,692	\$133,611
Call Loans and Bills Bought (Note 32)	139,877	569,902	1,241
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	2,049,052	78,804	18,181
Monetary Claims Bought (Notes 32 and 33)	244,023	226,605	2,165
Trading Assets (Notes 3, 32 and 33)	14,284	10,099	126
Money Held in Trust (Notes 9, 32 and 34)	4,922,923	4,507,849	43,681
Securities (Notes 4, 9, 21, 32 and 33)	58,306,391	59,723,905	517,359
Loans and Bills Discounted (Notes 5, 9, 20 and 32)	18,022,160	20,038,143	159,912
Foreign Exchange Assets (Note 6)	237,332	202,946	2,105
Other Assets (Notes 7, 9 and 32)	1,037,001	881,872	9,201
Tangible Fixed Assets (Note 8)	108,304	110,386	960
Intangible Fixed Assets (Note 8)	20,362	20,947	180
Net Defined Benefit Asset (Note 17)	27,969	32,559	248
Deferred Tax Assets (Note 18)	1,999	2,014	17
Customers' Liabilities for Acceptances and Guarantees (Note 19)	1,087,130	936,504	9,646
Reserve for Possible Loan Losses (Note 32)	(93,854)	(118,132)	(832)
Reserve for Possible Investment Losses	—	(2,213)	—
Total Assets	¥101,182,920	¥94,549,729	\$897,807
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 32)	¥ 58,823,374	¥53,474,106	\$521,946
Negotiable Certificates of Deposit (Note 32)	3,598,338	3,674,664	31,928
Debentures (Notes 11 and 32)	3,122,077	3,552,811	27,702
Bonds (Note 12)	50,000	50,000	443
Call Money and Bills Sold (Notes 9 and 32)	4,276	475,000	37
Payables under Repurchase Agreements (Notes 9 and 32)	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions (Note 9)	903,887	74,682	8,020
Trading Liabilities (Notes 13 and 32)	8,476	6,717	75
Borrowed Money (Notes 9, 14 and 32)	3,090,120	2,441,513	27,418
Foreign Exchange Liabilities (Note 15)	17	35	0
Short-term Entrusted Funds (Note 32)	1,397,731	2,612,780	12,402
Other Liabilities (Notes 16 and 32)	2,645,958	1,348,589	23,477
Reserve for Bonus Payments	7,711	7,326	68
Net Defined Benefit Liability (Note 17)	39,756	16,349	352
Reserve for Directors' Retirement Benefits	1,179	1,064	10
Reserve for Agriculture, Fishery and Forestry Industry Subsidiaries	12,684	—	112
Deferred Tax Liabilities (Note 18)	705,928	852,175	6,263
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	82
Acceptances and Guarantees (Note 19)	1,087,130	936,504	9,646
Total Liabilities	93,996,130	87,241,595	834,038
Net Assets			
Paid-in Capital (Note 22)	3,480,488	3,425,909	30,882
Capital Surplus	25,020	25,020	222
Retained Earnings	1,770,832	1,576,096	15,712
Treasury Preferred Stock	(150)	(150)	(1)
Total Owners' Equity	5,276,191	5,026,876	46,816
Net Unrealized Gains on Other Securities	2,118,533	2,339,436	18,797
Net Deferred Losses on Hedging Instruments	(231,632)	(104,793)	(2,055)
Revaluation Reserve for Land	16,020	16,984	142
Foreign Currency Transaction Adjustments	(48)	23	(0)
Remeasurements of Defined Benefit Plans (Note 17)	(246)	22,311	(2)
Total Accumulated Other Comprehensive Income	1,902,626	2,273,963	16,882
Non-controlling Interests	7,972	7,294	70
Total Net Assets	7,186,790	7,308,134	63,769
Total Liabilities and Net Assets	¥101,182,920	¥94,549,729	\$897,807

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Income			
Interest Income:	¥1,034,824	¥1,029,543	\$ 9,182
Interest on Loans and Bills Discounted	64,736	67,356	574
Interest and Dividends on Securities	949,746	943,873	8,427
Interest on Call Loans and Bills Bought	514	916	4
Interest on Receivables under Resale Agreements	1	50	0
Interest on Receivables under Securities Borrowing Transactions	71	160	0
Interest on Due from Banks	18,081	12,579	160
Other Interest Income	1,672	4,606	14
Fees and Commissions	26,106	25,348	231
Trading Income (Note 23)	268	134	2
Other Operating Income (Note 24)	89,833	71,000	797
Other Income (Note 25)	136,952	233,996	1,215
Total Income	1,287,985	1,360,024	11,428
Expenses			
Interest Expenses:	715,922	603,454	6,352
Interest on Deposits	37,144	29,711	329
Interest on Negotiable Certificates of Deposit	12,010	7,012	106
Interest on Debentures	13,452	18,744	119
Interest on Borrowed Money	80,080	79,292	710
Interest on Call Money and Bills Sold	514	414	4
Interest on Payables under Repurchase Agreements	45,154	17,973	400
Interest on Payables under Securities Lending Transactions	746	54	6
Interest on Bonds	1,106	1,194	9
Other Interest Expenses	525,712	449,057	4,664
Fees and Commissions	15,511	15,067	137
Trading Expenses (Note 26)	201	—	1
Other Operating Expenses (Note 27)	56,500	87,450	501
General and Administrative Expenses	162,563	129,424	1,442
Other Expenses (Note 28)	13,755	11,684	122
Total Expenses	964,455	847,081	8,557
Income before Income Taxes	323,530	512,942	2,870
Income Taxes — Current	58,139	94,446	515
Income Taxes — Deferred	(6,846)	6,551	(60)
Total Income Taxes	51,292	100,998	455
Profit	272,237	411,944	2,415
Profit Attributable to Non-controlling Interests	955	643	8
Profit Attributable to Owners of Parent	¥ 271,281	¥ 411,301	\$ 2,407
		Yen	U.S. Dollars (Note 1)
	2016	2015	2016
Profit Attributable to Owners of Parent per Share	¥53.66	¥84.40	\$0.47

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Profit	¥ 272,237	¥ 411,944	\$ 2,415
Other Comprehensive Income	(370,395)	991,139	(3,286)
Net Unrealized Gains (Losses) on Other Securities (Note 29)	(220,006)	1,035,947	(1,952)
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	(126,791)	(59,431)	(1,125)
Revaluation Reserve for Land (Note 29)	—	(17)	—
Foreign Currency Transaction Adjustments (Note 29)	(12)	29	(0)
Remeasurements of Defined Benefit Plans (Note 29)	(21,917)	13,348	(194)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	(1,668)	1,263	(14)
Total Comprehensive Income	¥ (98,158)	¥1,403,084	\$ (870)
Attributable to:			
Owners of the Parent	(99,090)	1,402,420	(879)
Non-controlling Interests	932	664	8

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	\$ 222
Balance at the End of the Fiscal Year	25,020	25,020	222
Retained Earnings			
Balance at the Beginning of the Fiscal Year	1,576,096	1,236,359	13,984
Cumulative Effects of Changes in Accounting Policies	—	(4,455)	—
Restated Balance	1,576,096	1,231,904	13,984
Additions:			
Profit Attributable to Owners of Parent	271,281	411,301	2,407
Transfer from Revaluation Reserve for Land	964	—	8
Deductions:			
Dividends	77,510	66,712	687
Transfer from Revaluation Reserve for Land	—	395	—
Balance at the End of the Fiscal Year	¥1,770,832	¥1,576,096	\$15,712

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 323,530	¥ 512,942	\$ 2,870
Depreciation	18,090	20,713	160
Losses on Impairment of Fixed Assets	111	1,305	0
Gains on Negative Goodwill Incurred	—	(56)	—
Equity in Losses (Earnings) of Affiliates	(533)	(9,936)	(4)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(24,277)	(52,586)	(215)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(2,213)	(194)	(19)
Net Increase (Decrease) in Reserve for Bonus Payments	384	496	3
Net Decrease (Increase) in Net Defined Benefit Asset	7,272	(2,571)	64
Net Increase (Decrease) in Net Defined Benefit Liability	2,094	1,834	18
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	115	(32)	1
Net Increase (Decrease) in Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684	—	112
Interest Income	(1,034,824)	(1,029,543)	(9,182)
Interest Expenses	715,922	603,454	6,352
Losses (Gains) on Securities	(25,706)	26,496	(228)
Losses (Gains) on Money Held in Trust	2,414	(6,943)	21
Foreign Exchange Losses (Gains)	2,337,985	(3,922,992)	20,745
Losses (Gains) on Disposal of Fixed Assets	1,308	390	11
Net Decrease (Increase) in Trading Assets	(4,184)	3,989	(37)
Net Increase (Decrease) in Trading Liabilities	1,759	(311)	15
Net Decrease (Increase) in Loans and Bills Discounted	2,016,870	(2,642,804)	17,895
Net Increase (Decrease) in Deposits	5,349,160	3,757,139	47,463
Net Increase (Decrease) in Negotiable Certificates of Deposit	(76,325)	826,577	(677)
Net Increase (Decrease) in Debentures	(430,734)	(472,256)	(3,821)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	621,317	162,890	5,513
Net Decrease (Increase) in Interest-bearing Due from Banks	(338,770)	218,359	(3,005)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	442,442	(32,838)	3,925
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(1,970,248)	(73,190)	(17,482)
Net Increase (Decrease) in Call Money and Bills Sold and Other	309,855	5,107,471	2,749
Net Increase (Decrease) in Short-term Entrusted Funds	(1,215,049)	(338,014)	(10,781)
Net Increase (Decrease) in Payables under Securities Lending Transactions	829,205	(58,263)	7,357
Net Decrease (Increase) in Foreign Exchange Assets	(34,386)	(68,592)	(305)
Net Increase (Decrease) in Foreign Exchange Liabilities	(17)	31	(0)
Interest Received	1,138,861	1,118,690	10,105
Interest Paid	(704,503)	(602,514)	(6,251)
Other, Net	(238,798)	(139,675)	(2,118)
Subtotal	8,030,812	2,909,465	71,258
Income Taxes Paid	(99,411)	(9,770)	(882)
Net Cash Provided by (Used in) Operating Activities	7,931,401	2,899,695	70,376

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Investing Activities:			
Purchases of Securities	(8,153,090)	(9,547,640)	(72,343)
Proceeds from Sales of Securities	1,512,704	1,706,930	13,422
Proceeds from Redemption of Securities	5,438,102	5,927,819	48,252
Increase in Money Held in Trust	(65,618)	(1,200,166)	(582)
Decrease in Money Held in Trust	765,810	1,826,545	6,795
Purchases of Tangible Fixed Assets	(5,450)	(8,303)	(48)
Purchases of Intangible Fixed Assets	(7,305)	(6,207)	(64)
Proceeds from Sales of Tangible Fixed Assets	1,613	2,797	14
Proceeds from Sales of Intangible Fixed Assets	—	7	—
Purchase of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	—	(80)	—
Payments for Transfer of Business	(780)	—	(6)
Net Cash Provided by (Used in) Investing Activities	(514,014)	(1,298,297)	(4,560)
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	27,689	—	245
Repayment of Subordinated Borrowed Money	(400)	—	(3)
Proceeds from Issuance of Stock	54,579	—	484
Dividends Paid	(77,510)	(66,712)	(687)
Dividends Paid to Non-controlling Interests	(253)	(164)	(2)
Net Cash Provided by (Used in) Financing Activities	4,103	(66,877)	36
Net Increase (Decrease) in Cash and Cash Equivalents	7,421,489	1,534,520	65,851
Cash and Cash Equivalents at the Beginning of the Fiscal Year	6,202,122	4,667,602	55,032
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	¥13,623,612	¥ 6,202,122	\$120,883

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 ¥112.70=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2016, 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, 2016 and 2015 were 10, all of which 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.

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, 2016 and 2015 were 9 and 7, respectively, out of which 8 and 6 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 “JAML MRC Holding, Inc.” and “Gulf Japan Food Fund GP” were included in the scope of application of the equity method from the fiscal year 2015.

(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, issued on February 13, 2002). 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,

issued on July 29, 2002). 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 ¥16,354 million (\$145 million) and ¥15,265 million for the fiscal years ended March 31, 2016 and 2015, 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. No Reserve for Possible Investment Losses is recorded as of March 31, 2016.

(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) Reserve for Agriculture, Fishery and Forestry Industry Subsidies

From the fiscal year ended March 31, 2016, Reserve for Agriculture, Fishery and Forestry Industry Subsidies is provided at the amount determined to be necessary to cover the estimated subsidies likely to be granted under "Support Program for Increasing Agricultural Income and Revitalizing Local Communities."

(14) 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.

An amount determined to be necessary to cover the future outflow for Mutual Aid Association for Agricultural, Forestry and Fishery Organization Personnel is recorded since the loss can be reasonably estimated from fiscal year 2015.

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.

(15) Consumption Taxes

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

(16) Scope of "Cash and Cash Equivalents" in the Consolidated Statement of Cash Flows

"Cash and Cash Equivalents" in the consolidated statements of cash flows represents cash, non-interest bearing due from banks and due from the Bank of Japan in Cash and Due from Bank on the consolidated balance sheet.

(17) Profit Attributable to Owners of Parent per Share

Profit Attributable to Owners of Parent 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 Profit Attributable to Owners of Parent per Share.

(Changes in Accounting Policies)**Adoption of "Accounting Standard for Business Combinations"**

Effective from the beginning of fiscal year 2015, the Bank has adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21, issued on September 13, 2013, hereinafter, the "Accounting Standard for Business Combinations"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013, hereinafter, the "Accounting Standard for Consolidation") and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, issued on September 13, 2013, hereinafter, the "Accounting Standard for Business Divestitures").

In applying these revised accounting standards, the accounting method was changed to record differences arising from changes in ownership interest in subsidiaries over which the Bank continues to control as Capital Surplus, and acquisition-related costs are recognized as expenses for the fiscal year in which incurred. Regarding a business combination occurring on or after the beginning of

fiscal year 2015, provisional amounts were retrospectively adjusted to reflect completion of the accounting for a business combination in the consolidated financial statements of the fiscal year in which the business combination occurred. In addition, the definition of Net Income was changed to include “Profit Attributable to Non-controlling Interest” and “Minority Interests” was renamed “Non-controlling Interests.” To reflect these changes in presentation, the consolidated financial statements in the previous fiscal year have been reclassified.

Concerning the application of the Accounting Standard for Business Combinations and others, based on the provisional treatment set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, in Paragraph 44-5 (4) of the Accounting Standard for Consolidation and in Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, these changes are effective from the beginning of fiscal year 2015.

These changes have no impact on the consolidated financial statements for fiscal year 2015 except for the changes in presentation.

3. Trading Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Trading Securities	¥ 5,077	¥ 2,572	\$ 45
Derivatives of Trading Securities	7	—	0
Derivatives of Securities Related to Trading Transactions	5	62	0
Trading-related Financial Derivatives	9,193	7,464	81
Total	¥14,284	¥10,099	\$126

4. Securities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Japanese Government Bonds	¥13,478,527	¥13,788,827	\$119,596
Municipal Government Bonds	213	765	1
Corporate Bonds	85,777	25,487	761
Stocks	814,635	841,832	7,228
Other	43,927,238	45,066,992	389,771
Foreign Bonds	31,793,817	33,883,117	282,110
Foreign Stocks	30,527	60,977	270
Investment Trusts	11,459,197	10,452,485	101,678
Other	643,695	670,411	5,711
Total	¥58,306,391	¥59,723,905	\$517,359

The maturity profile of securities is as follows:

As of March 31, 2016	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	¥ 243,307	¥ 7,810,936	¥3,888,961	¥1,621,311	¥ —
Japanese Government Bonds	242,742	7,805,682	3,878,851	1,551,251	—
Municipal Government Bonds	62	109	26	13	—
Corporate Bonds	502	5,144	10,083	70,047	—
Stocks	—	—	—	—	814,635
Other	2,346,692	24,130,863	3,724,230	3,609,336	10,116,114
Foreign Bonds	2,260,110	23,215,678	3,441,260	2,876,767	—
Foreign Stocks	—	—	—	—	30,527
Investment Trusts	10,462	754,029	25,461	721,792	9,947,452
Other	76,119	161,156	257,508	10,776	138,134
Total	¥2,589,999	¥31,941,800	¥7,613,192	¥5,230,648	¥10,930,749

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
Total	¥3,042,215	¥27,148,863	¥14,157,827	¥5,054,932	¥10,320,065

As of March 31, 2016	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	\$ 2,158	\$ 69,307	\$34,507	\$14,386	\$ —
Japanese Government Bonds	2,153	69,260	34,417	13,764	—
Municipal Government Bonds	0	0	0	0	—
Corporate Bonds	4	45	89	621	—
Stocks	—	—	—	—	7,228
Other	20,822	214,115	33,045	32,026	89,761
Foreign Bonds	20,054	205,995	30,534	25,525	—
Foreign Stocks	—	—	—	—	270
Investment Trusts	92	6,690	225	6,404	88,264
Other	675	1,429	2,284	95	1,225
Total	\$22,981	\$283,423	\$67,552	\$46,412	\$96,989

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
	2016	2015	2016
Loans on Deeds	¥16,513,251	¥18,390,562	\$146,523
Loans on Bills	359,252	375,573	3,187
Overdrafts	1,146,950	1,268,775	10,177
Bills Discounted	2,705	3,231	24
Total	¥18,022,160	¥20,038,143	\$159,912

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Loans to Borrowers under Bankruptcy Proceedings	¥ 478	¥ 383	\$ 4
Delinquent Loans	105,003	121,170	931
Loans Past Due for Three Months or More	45	55	0
Restructured Loans	21,643	33,793	192
Total	¥127,171	¥155,402	\$1,128

(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
	2016	2015	2016
Due from Foreign Banks	¥237,332	¥202,946	\$2,105
Total	¥237,332	¥202,946	\$2,105

7. Other Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Prepaid Expenses	¥ 3,033	¥ 1,231	\$ 26
Accrued Income	190,175	195,572	1,687
Derivatives other than for Trading	502,223	148,798	4,456
Cash Collateral Paid for Financial Instruments	305,005	469,946	2,706
Other	36,563	66,322	324
Total	¥1,037,001	¥881,872	\$9,201

8. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Buildings	¥ 43,237	¥ 43,729	\$383
Land	50,499	50,827	448
Lease Assets	10,958	11,450	97
Construction in Progress	775	20	6
Other	2,833	4,358	25
Total Net Book Value	108,304	110,386	960
Accumulated Depreciation Deducted	¥ 97,239	¥ 95,997	\$863

Intangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Software	¥10,326	¥12,505	\$ 91
Lease Assets	3,304	3,519	29
Other	6,732	4,922	59
Total	¥20,362	¥20,947	\$180

9. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Securities	¥21,226,818	¥20,456,510	\$188,347
Loans and Bills Discounted	9,904,048	12,215,467	87,879

Liabilities secured by the above assets are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Call Money and Bills Sold	¥ —	¥ 475,000	\$ —
Payables under Repurchase Agreements	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions	890,858	74,682	7,904
Borrowed Money	1,472,638	850,070	13,066

In addition, as of March 31, 2016 and 2015, Securities (including transactions of Money Held in Trust) of ¥7,889,305 million (\$70,002 million) and ¥7,181,415 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2016 and 2015, initial margins of futures markets of ¥987 million (\$8 million) and ¥1,105 million, respectively, cash collateral paid for financial instruments of ¥305,005 million (\$2,706 million) and ¥469,946 million, respectively, and guarantee deposits of ¥16,076 million (\$142 million) and ¥17,032 million, respectively, were included in Other Assets.

10. Deposits

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Time Deposits	¥51,169,171	¥47,334,747	\$454,029
Deposits at Notice	40,207	54,721	356
Ordinary Deposits	2,940,952	1,119,783	26,095
Current Deposits	129,347	85,283	1,147
Other Deposits	4,543,695	4,879,569	40,316
Total	¥58,823,374	¥53,474,106	\$521,946

11. Debentures

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Long-term Coupon Debentures	¥3,122,077	¥3,552,811	\$27,702
Total	¥3,122,077	¥3,552,811	\$27,702

12. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$443 million) and ¥50,000 million as of March 31, 2016 and 2015, respectively.

13. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Derivatives of Securities Related to Trading Transactions	¥ 15	¥ 5	\$ 0
Trading-related Financial Derivatives	8,461	6,711	75
Total	¥8,476	¥6,717	\$75

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,513,296 million (\$13,427 million) and ¥1,486,007 million as of March 31, 2016 and 2015, 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 ¥1,415,480 million (\$12,559 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
	2016	2015	2016
As of March 31			
Foreign Bills Payable	¥17	¥35	\$0
Total	¥17	¥35	\$0

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Accrued Expenses	¥ 61,751	¥ 48,529	\$ 547
Income Taxes Payable	40,450	81,312	358
Unearned Income	785	840	6
Derivatives other than for Trading	456,097	591,896	4,047
Accounts Payable for Securities Purchased	1,695,774	506,160	15,046
Other	391,099	119,849	3,470
Total	¥2,645,958	¥1,348,589	\$23,477

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.

An amount determined to be necessary to cover the future outflow for Mutual Aid Association for Agricultural, Forestry and Fishery Organization Personnel is recorded since the loss can be reasonably estimated from fiscal year 2015.

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, 2016 and 2015, except for the plans accounted for by the simplified method, are as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Balance at the Beginning of the Fiscal Year	¥111,675	¥103,305	\$ 990
Cumulative Effects of Changes in Accounting Policies	—	6,159	—
Restated Retirement Benefit Obligations	111,675	109,465	990
Service Cost	10,005	2,981	88
Interest Cost	1,340	1,313	11
Actuarial Differences	20,552	569	182
Retirement Benefit Paid	(3,583)	(3,525)	(31)
Other	(2,194)	871	(19)
Balance at the End of the Fiscal Year	¥137,796	¥111,675	\$1,222

b. The changes in plan assets for the years ended March 31, 2016 and 2015, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Balance at the Beginning of the Fiscal Year	¥129,287	¥105,206	\$1,147
Expected Return on Plan Assets	1,994	1,721	17
Actuarial Differences	(3,441)	21,618	(30)
Contributions by the Bank	1,732	2,045	15
Retirement Benefit Paid	(1,984)	(1,902)	(17)
Others	—	597	—
Balance at the End of the Fiscal Year	¥127,587	¥129,287	\$1,132

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2016 and 2015 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Balance at the Beginning of the Fiscal Year	¥1,402	¥1,318	\$12
Retirement Benefit Expense	518	458	4
Retirement Benefit Paid	(184)	(148)	(1)
Contributions to the Plans	(158)	(225)	(1)
Balance at the End of the Fiscal Year	¥1,577	¥1,402	\$13

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, 2016 and 2015 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
As of March 31			
Funded Retirement Benefit Obligations	¥ 140,829	¥ 114,456	\$ 1,249
Plan Assets at Fair Value	(129,566)	(131,152)	(1,149)
	11,262	(16,696)	99
Unfunded Retirement Benefit Obligations	523	486	4
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	11,786	(16,210)	104
Net Defined Benefit Liability	39,756	16,349	352
Net Defined Benefit Asset	27,969	32,559	248
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ 11,786	¥ (16,210)	\$ 104

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

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

	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
For the fiscal years ended March 31			
Service Cost	¥10,005	¥ 2,981	\$ 88
Interest Cost	1,340	1,313	11
Expected Return on Plan Assets	(1,994)	(1,721)	(17)
Amortization of Actuarial Differences	(6,499)	(2,724)	(57)
Amortization of Prior Service Cost	159	159	1
Retirement Benefit Expense by the Simplified Method	518	458	4
Other	563	871	4
Retirement Benefit Expense on Defined Benefit Plan	¥ 4,093	¥ 1,338	\$ 36

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:

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Prior Service Cost	¥ 159	¥ 159	\$ 1
Actuarial Differences	(30,494)	18,324	(270)
Total	¥(30,335)	¥18,484	\$(269)

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:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Unrecognized Prior Service Cost	¥ (531)	¥ (690)	\$(4)
Unrecognized Actuarial Differences	1,057	31,551	9
Total	¥ 526	¥30,861	\$ 4

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	2016	2015
Bonds	16%	15%
Stocks	72%	73%
Insurance Assets (General Account)	11%	11%
Other	1%	1%
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	2016	2015
Discount Rate	0.3%	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. Dollars
	2016	2015	2016
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 21,921	¥ 28,273	\$ 194
Write-off of Loans	2,403	196	21
Losses on Revaluation of Securities	35,870	52,497	318
Net Defined Benefit Liability	11,423	11,790	101
Depreciation Expense	423	125	3
Net Operating Losses Carried Forward	18	19	0
Unrealized Losses on Other Securities	4	7	0
Deferred Losses on Hedging Instruments	108,755	55,698	964
Unrealized Losses on Reclassification	10,229	16,258	90
Other	68,144	69,934	604
Subtotal	259,194	234,802	2,299
Valuation Allowance	(87,432)	(111,289)	(775)
Total Deferred Tax Assets	171,762	123,513	1,524
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee Retirement Benefit Trust	(5,114)	(13,532)	(45)
Unrealized Gains on Other Securities	(791,679)	(874,587)	(7,024)
Deferred Gains on Hedging Instruments	(19,788)	(15,429)	(175)
Unrealized Gains on Reclassification	(23,553)	(29,269)	(208)
Other	(35,555)	(40,856)	(315)
Total Deferred Tax Liabilities	(875,691)	(973,674)	(7,770)
Net Deferred Tax Liabilities	¥(703,929)	¥(850,161)	\$(6,246)

19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Guarantees	¥1,087,130	¥936,504	\$9,646
Total	¥1,087,130	¥936,504	\$9,646

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 ¥3,101,581 million (\$27,520 million) and ¥2,893,278 million as of March 31, 2016 and 2015, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,096,553 million (\$18,602 million) and ¥1,970,605 million as of March 31, 2016 and 2015, 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 ¥861,590 million (\$7,644 million) and ¥163,462 million as of March 31, 2016 and 2015, 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 ¥12,911 million (\$114 million) and ¥30,069 million as of March 31, 2016 and 2015, respectively, and securities held without re-pledge of ¥2,398,140 million (\$21,278 million) and ¥788,494 million as of March 31, 2016 and 2015, 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
	2016	2015	2016
Common Stock	¥3,455,488	¥3,400,909	\$30,660
Preferred Stock	24,999	24,999	221
Total	¥3,480,488	¥3,425,909	\$30,882

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,029,771 million (\$26,883 million) and ¥2,975,192 million as of March 31, 2016 and 2015, 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
	2016	2015	2016
Income from Trading Securities and Derivatives	¥185	¥ 68	\$ 1
Income from Securities and Derivatives Related to Trading Transactions	82	11	0
Income from Trading-related Financial Derivatives	—	54	—
Total	¥268	¥134	\$ 2

24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Foreign Exchange Transactions	¥ 6,814	¥ —	\$ 60
Gains on Sales of Bonds	34,223	21,769	303
Gains on Redemption of Bonds	1,026	1,499	9
Gains on Derivatives other than for Trading or Hedging	117	70	1
Other	47,651	47,662	422
Total	¥89,833	¥71,000	\$797

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Gains on Sales of Stocks and Other Securities	¥ 4,721	¥ 19,245	\$ 41
Gains on Money Held in Trust	103,672	150,447	919
Equity in Earnings of Affiliates	533	9,936	4
Gains on Disposal of Fixed Assets	76	72	0
Recoveries of Written-off Claims	276	302	2
Reversal of Reserve for Possible Loan Losses	22,135	51,362	196
Gains on Negative Goodwill Incurred	—	56	—
Other	5,535	2,573	49
Total	¥136,952	¥233,996	\$1,215

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Expenses on Trading-related Financial Derivatives	¥201	¥ —	\$1
Total	¥201	¥ —	\$1

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Amortization of Debenture Issuance Costs	¥ 252	¥ 287	\$ 2
Losses on Foreign Exchange Transactions	—	5,419	—
Losses on Sales of Bonds	17,665	40,733	156
Losses on Redemption of Bonds	2	0	0
Losses on Revaluation of Bonds	—	62	—
Losses on Derivatives other than for Trading or Hedging	—	—	—
Other	38,580	40,947	342
Total	¥56,500	¥87,450	\$501

28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Write-off of Loans	¥ 2,289	¥ 100	\$ 20
Losses on Sales of Stocks and Other Securities	1,518	12	13
Losses on Revaluation of Stocks and Other Securities	245	1,874	2
Losses on Money Held in Trust	389	242	3
Losses on Disposal of Fixed Assets	1,385	462	12
Other	7,926	8,991	70
Total	¥13,755	¥11,684	\$122

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.
	2016	2015	Dollars 2016
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥(289,394)	¥1,444,495	\$(2,567)
Reclassification adjustments to profit or loss	(13,252)	(10,838)	(117)
Amounts before income tax effects	(302,646)	1,433,656	(2,685)
Income tax effects	82,639	(397,709)	733
Total	(220,006)	1,035,947	(1,952)
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	(374,292)	(224,296)	(3,321)
Reclassification adjustments to profit or loss	198,802	141,996	1,763
Amounts before income tax effects	(175,490)	(82,300)	(1,557)
Income tax effects	48,698	22,869	432
Total	(126,791)	(59,431)	(1,125)
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)	—
Total	—	(17)	—
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	(12)	29	(0)
Reclassification adjustments to profit or loss	—	—	—
Amounts before income tax effects	(12)	29	(0)
Income tax effects	—	—	—
Total	(12)	29	(0)
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	(23,994)	21,049	(212)
Reclassification adjustments to profit or loss	(6,340)	(2,565)	(56)
Amounts before income tax effects	(30,335)	18,484	(269)
Income tax effects	8,417	(5,135)	74
Total	(21,917)	13,348	(194)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	(1,196)	1,272	(10)
Reclassification adjustments to profit or loss	(471)	(8)	(4)
Total	(1,668)	1,263	(14)
Total Other Comprehensive Income	¥(370,395)	¥ 991,139	\$(3,286)

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.
	2016	2015	Dollars 2016
Cash and Due from Banks	¥15,057,960	¥ 7,297,692	\$133,611
Less: Interest-bearing Due from Banks	(1,434,347)	(1,095,569)	(12,727)
Cash and Cash Equivalents at the End of the Fiscal Year	¥13,623,612	¥ 6,202,122	\$120,883

31. Segment Information

Fiscal year ended March 31, 2016

(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, 2016	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥87,174	¥1,094,273	¥106,460	¥1,287,909

Millions of U.S. Dollars				
Fiscal year ended March 31, 2016	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from Third-parties	\$773	\$9,709	\$944	\$11,427

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, 2016	Japan	Americas	Europe	Others	Total
	¥1,258,915	¥9,565	¥7,059	¥12,368	¥1,287,909

Millions of U.S. Dollars					
Fiscal year ended March 31, 2016	Japan	Americas	Europe	Others	Total
	\$11,170	\$84	\$62	\$109	\$11,427

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, 2016	Japan	Americas	Europe	Others	Total
	¥107,096	¥333	¥566	¥307	¥108,304

Millions of U.S. Dollars					
As of March 31, 2016	Japan	Americas	Europe	Others	Total
	\$950	\$2	\$5	\$2	\$960

c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2016	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥282,574	—

Millions of U.S. Dollars			
Fiscal year ended March 31, 2016	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$2,507	—

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

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**

Fiscal year ended March 31, 2015	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥117,233	¥1,148,799	¥93,861	¥1,359,895

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

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

c. Information about Major Customers

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

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

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

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

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

None

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

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

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

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

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

b. Contents and Risk of Financial Instruments

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

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

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

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

Ref: Summary of Significant Accounting Policies (3) Financial Instruments c. Hedge Accounting for 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, 2016 and 2015 summed up to ¥25 million (\$0 million) and ¥22 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 ¥1,878,262 million (\$16,666 million) and ¥2,422,196 million as of March 31, 2016 and 2015, 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, 2016 and 2015 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, 2016 and 2015 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
As of March 31, 2016						
(1) Cash and Due from Banks	¥15,057,960	¥15,057,960	¥ —	\$133,611	\$133,611	\$ —
(2) Receivables under Securities Borrowing Transactions	2,049,052	2,049,052	—	18,181	18,181	—
(3) Call Loans and Bills Bought	139,877	139,877	—	1,241	1,241	—
(4) Monetary Claims Bought	244,023	244,751	727	2,165	2,171	6
(5) Trading Assets (*2) Trading Securities	5,077	5,077	—	45	45	—
(6) Money Held in Trust (*1) Money Held in Trust for Trading Purposes	269	269	—	2	2	—
Other Money Held in Trust	4,922,392	4,931,540	9,147	43,676	43,758	81
(7) Securities Held-to-Maturity Debt Securities	17,828,600	17,913,765	85,165	158,195	158,950	755
Other Securities	39,888,734	39,888,734	—	353,937	353,937	—
(8) Loans and Bills Discounted Reserve for Possible Loan Losses (*1)	18,022,160 (92,299)			159,912 (818)		
	17,929,861	17,957,229	27,367	159,093	159,336	242
Total Assets	¥98,065,850	¥98,188,258	¥122,408	\$870,149	\$871,235	\$1,086
(1) Deposits	¥58,823,374	¥58,823,431	¥ 57	\$521,946	\$521,947	\$ 0
(2) Negotiable Certificates of Deposit	3,598,338	3,598,338	—	31,928	31,928	—
(3) Debentures	3,122,077	3,137,162	15,085	27,702	27,836	133
(4) Call Money and Bills Sold	4,276	4,276	—	37	37	—
(5) Payables under Repurchase Agreements	18,488,218	18,488,218	—	164,048	164,048	—
(6) Borrowed Money	3,090,120	3,090,371	251	27,418	27,421	2
(7) Short-term Entrusted Funds	1,397,731	1,397,731	—	12,402	12,402	—
Total Liabilities	¥88,524,136	¥88,539,530	¥ 15,394	\$785,484	\$785,621	\$ 136
Derivative Instruments (*3) Transactions not Accounted for as Hedge Transactions	¥ (2,461)	¥ (2,461)	¥ —	\$ (21)	\$ (21)	\$ —
Transactions Accounted for as Hedge Transactions	48,841	48,841	—	433	433	—
Total Derivative Instruments	¥ 46,380	¥ 46,380	¥ —	\$ 411	\$ 411	\$ —

(*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, 2015	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 7,297,692	¥ 7,297,692	¥ —
(2) Receivables under Securities Borrowing Transactions	—	—	—
(3) Call Loans and Bills Bought	569,902	569,902	—
(4) Monetary Claims Bought	226,605	226,788	182
(5) Trading Assets (*2) Trading Securities	2,572	2,572	—
(6) Money Held in Trust (*1) Money Held in Trust for Trading Purposes	6,812	6,812	—
Other Money Held in Trust	4,500,650	4,510,023	9,372
(7) Securities Held-to-Maturity Debt Securities	18,004,075	18,195,275	191,200
Other Securities	41,163,771	41,163,771	—
(8) Loans and Bills Discounted Reserve for Possible Loan Losses (*1)	20,038,143 (114,891)		
	19,923,251	19,956,340	33,089
Total Assets	¥91,695,334	¥91,929,179	¥233,845
(1) Deposits	¥53,474,106	¥53,474,112	¥ 5
(2) Negotiable Certificates of Deposit	3,674,664	3,674,664	—
(3) Debentures	3,552,811	3,563,767	10,956
(4) Call Money and Bills Sold	475,000	475,000	—
(5) Payables under Repurchase Agreements	17,707,639	17,707,639	—
(6) Borrowed Money	2,441,513	2,441,513	—
(7) Short-term Entrusted Funds	2,612,780	2,612,780	—
Total Liabilities	¥83,938,516	¥83,949,478	¥ 10,962
Derivative Instruments (*3) Transactions not Accounted for as Hedge Transactions	¥ (4,025)	¥ (4,025)	¥ —
Transactions Accounted for as Hedge Transactions	(439,249)	(439,249)	—
Total Derivative Instruments	¥ (443,275)	¥ (443,275)	¥ —

(*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) Receivables under Securities Borrowing Transactions and (3) Call Loans and Bills Bought

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

(4) Monetary Claims Bought

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

(5) Trading Assets

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

(6) 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 (7) and (8) 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.

(7) 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.

(8) 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, and (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 (7) Other Securities” in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes these financial instruments.

As of March 31, 2016	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥323,319	\$2,868
Investments in Partnership and Others (*3)	265,737	2,357
Total	¥589,056	\$5,226

(*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, 2016 was ¥17 million (\$0 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, 2015	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥281,951
Investments in Partnership and Others (*3)	274,105
Total	¥556,057

(*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 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, 2016	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)	¥14,946,767	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	139,877	—	—	—	—	—
Receivables under Securities Borrowing Transactions	2,049,052	—	—	—	—	—
Monetary Claims Bought Securities	98,200	—	351	19,313	19,709	106,418
Held-to-Maturity Debt Securities	1,323,217	5,759,449	5,014,778	2,832,932	1,115,805	1,775,439
Other Securities held that have Maturity	1,253,851	8,677,462	11,504,978	2,422,933	992,844	2,826,022
Loans and Bills Discounted (*2)	13,417,511	1,803,344	1,469,876	621,924	439,355	164,464
Total	¥33,228,479	¥16,240,256	¥17,989,985	¥5,897,103	¥2,567,714	¥4,872,344

As of March 31, 2016	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)	\$132,624	\$ —	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Bought	1,241	—	—	—	—	—
Receivables under Securities Borrowing Transactions	18,181	—	—	—	—	—
Monetary Claims Bought Securities	871	—	3	171	174	944
Held-to-Maturity Debt Securities	11,741	51,104	44,496	25,136	9,900	15,753
Other Securities held that have Maturity	11,125	76,996	102,084	21,498	8,809	25,075
Loans and Bills Discounted (*2)	119,055	16,001	13,042	5,518	3,898	1,459
Total	\$294,840	\$144,101	\$159,627	\$52,325	\$22,783	\$43,232

(*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 ¥105,684 million (\$937 million) within Loans and Bills Discounted, for which the redemption date cannot be estimated, are excluded from the table above.

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	—	—	—	—	—
Receivables under Securities Borrowing Transactions	—	—	—	—	—	—
Monetary Claims Bought Securities	70,000	—	—	7,841	23,733	124,991
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
Total	¥26,808,610	¥12,179,342	¥17,203,187	¥11,751,669	¥2,712,673	¥4,822,346

(*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 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
As of March 31, 2016						
Deposits (*1)	¥58,660,194	¥ 143,140	¥ 20,039	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,598,338	—	—	—	—	—
Debentures	833,906	1,408,485	879,679	7	—	—
Call Money and Bills Sold	4,276	—	—	—	—	—
Payables under Repurchase Agreements	18,488,218	—	—	—	—	—
Borrowed Money (*2)	680,341	198,519	696,774	852	1,415,816	97,816
Short-term Entrusted Funds	1,397,731	—	—	—	—	—
Total	¥83,663,007	¥1,750,144	¥1,596,492	¥859	¥1,415,816	¥97,816

	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
As of March 31, 2016						
Deposits (*1)	\$520,498	\$ 1,270	\$ 177	\$—	\$ —	\$ —
Negotiable Certificates of Deposit	31,928	—	—	—	—	—
Debentures	7,399	12,497	7,805	0	—	—
Call Money and Bills Sold	37	—	—	—	—	—
Payables under Repurchase Agreements	164,048	—	—	—	—	—
Borrowed Money (*2)	6,036	1,761	6,182	7	12,562	867
Short-term Entrusted Funds	12,402	—	—	—	—	—
Total	\$742,351	\$15,529	\$14,165	\$ 7	\$12,562	\$867

(*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
As of March 31, 2015						
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	—	—	—	—	—
Total	¥79,104,627	¥1,994,023	¥1,353,170	¥688	¥1,387,791	¥98,216

(*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
	2016	2015	2016
	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income	Unrealized Gain Recognized as Income
As of March 31			
Trading Securities	¥15	¥10	\$0

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, 2016	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
		Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 4,639,067	¥ 4,668,056	¥ 28,988	\$ 41,162
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	5,773	5,877	104	51	52	0
	Other	6,354,177	6,462,245	108,068	56,381	57,340	958
	Foreign Bonds	6,265,918	6,373,258	107,340	55,598	56,550	952
	Other	88,258	88,986	727	783	789	6
	Sub total	10,999,018	11,136,179	137,161	97,595	98,812	1,217
	Total	¥17,922,077	¥18,007,970	¥ 85,893	\$159,024	\$159,786	\$ 762

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, 2015	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,718,627	¥ 2,727,034	¥ 8,406
	Municipal Government Bonds	—	—	—
	Corporate Bonds	6,601	6,637	36
	Other	8,967,520	9,171,355	203,835
	Foreign Bonds	8,918,369	9,122,007	203,637
	Other	49,150	49,348	197
	Sub total	11,692,749	11,905,027	212,278
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	4,818,344	4,802,404	(15,940)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,577,478	1,572,523	(4,954)
	Foreign Bonds	1,542,132	1,537,192	(4,939)
	Other	35,346	35,331	(14)
	Sub total	6,395,823	6,374,928	(20,895)
	Total	¥18,088,573	¥18,279,956	¥191,383

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, 2016	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 656,880	¥ 270,813	¥ 386,066	\$ 5,828	\$ 2,402	\$ 3,425
	Bonds	5,989,380	5,577,211	412,169	53,144	49,487	3,657
	Japanese Government Bonds	5,952,106	5,540,021	412,085	52,813	49,157	3,656
	Municipal Government Bonds	213	201	12	1	1	0
	Corporate Bonds	37,060	36,988	71	328	328	0
	Other	30,768,219	28,863,009	1,905,210	273,009	256,104	16,905
	Foreign Bonds	21,248,609	20,301,993	946,616	188,541	180,141	8,399
	Foreign Stocks	15,434	7,556	7,878	136	67	69
	Investment Trusts	9,248,126	8,353,423	894,702	82,059	74,120	7,938
	Other	256,048	200,035	56,013	2,271	1,774	497
	Sub total	37,414,480	34,711,034	2,703,445	331,982	307,994	23,987
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	13,479	16,201	(2,722)	119	143	(24)
	Bonds	42,943	43,022	(79)	381	381	(0)
	Japanese Government Bonds	—	—	—	—	—	—
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	42,943	43,022	(79)	381	381	(0)
	Other	2,602,190	2,660,833	(58,643)	23,089	23,609	(520)
	Foreign Bonds	248,802	250,522	(1,719)	2,207	2,222	(15)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	2,047,119	2,100,221	(53,101)	18,164	18,635	(471)
	Other	306,267	310,089	(3,821)	2,717	2,751	(33)
	Sub total	2,658,612	2,720,057	(61,445)	23,590	24,135	(545)
	Total	¥40,073,092	¥37,431,092	¥2,642,000	\$355,573	\$332,130	\$23,442

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

2. Investment Trusts include Japanese trusts and foreign trusts.

As of March 31, 2015	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 678,521	¥ 272,267	¥ 406,253
	Bonds	6,250,201	6,020,350	229,850
	Japanese Government Bonds	6,241,731	6,011,917	229,814
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Municipal Government Bonds	661	645	16
	Corporate Bonds	7,808	7,787	20
	Other	32,866,847	30,627,960	2,238,886
	Foreign Bonds	23,036,337	21,992,457	1,043,879
	Foreign Stocks	38,688	20,802	17,885
	Investment Trusts	9,587,748	8,445,590	1,142,157
	Other	204,073	169,109	34,964
	Sub total	39,795,570	36,920,579	2,874,990
	Stocks	12,840	14,808	(1,967)
	Bonds	21,305	21,373	(67)
	Japanese Government Bonds	10,123	10,172	(49)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Municipal Government Bonds	104	105	(0)
	Corporate Bonds	11,077	11,095	(17)
	Other	1,509,189	1,530,685	(21,495)
	Foreign Bonds	386,278	389,205	(2,927)
	Foreign Stocks	—	—	—
	Investment Trusts	755,545	772,888	(17,342)
	Other	367,365	368,591	(1,225)
	Sub total	1,543,336	1,566,867	(23,531)
	Total	¥41,338,906	¥38,487,446	¥2,851,459

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, 2016 and 2015.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2016	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	¥ 6,202	¥ 2,593	¥ 19	\$ 55	\$ 23	\$ 0
Bonds	6,697	5	2	59	0	0
Japanese Government Bonds	—	—	—	—	—	—
Municipal Government Bonds	419	0	0	3	0	0
Corporate Bonds	6,277	5	1	55	0	0
Other	1,476,781	35,216	19,164	13,103	312	170
Foreign Bonds	1,375,545	16,842	2,910	12,205	149	25
Foreign Stocks	21,350	1,650	1,356	189	14	12
Investment Trusts	23,204	492	156	205	4	1
Other	56,681	16,230	14,741	502	144	130
Total	¥1,489,681	¥37,815	¥19,186	\$13,218	\$335	\$170

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2015	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 25,918	¥ 4,512	¥ 2
Bonds	4,622	51	0
Japanese Government Bonds	—	—	—
Municipal Government Bonds	1,213	37	0
Corporate Bonds	3,409	14	0
Other	1,690,431	29,376	40,733
Foreign Bonds	1,601,300	11,385	40,646
Foreign Stocks	18,042	7,017	—
Investment Trusts	17,684	4,553	31
Other	53,404	6,419	55
Total	¥1,720,972	¥33,939	¥40,736

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 year ended March 31, 2016 and 2015 (“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, 2016 was ¥227 million (\$2 million) including ¥227 million (\$2 million) on Stocks.

The amount of revaluation loss for the fiscal year ended March 31, 2015 was ¥64 million including ¥62 million on Foreign Bonds and ¥2 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

	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
As of March 31, 2016				
Money Held in Trust for Trading Purposes	¥269	¥ —	\$2	\$ —

	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
As of March 31, 2015		
Money Held in Trust for Trading Purposes	¥6,812	¥ —

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

	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
As of March 31, 2016					
Other Money Held in Trust	¥4,922,653	¥4,689,473	¥233,180	¥233,592	¥412

	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
As of March 31, 2016					
Other Money Held in Trust	\$43,679	\$41,610	\$2,069	\$2,072	\$3

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of March 31, 2015					
Other Money Held in Trust	¥4,501,036	¥4,173,759	¥327,277	¥327,553	¥276

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, 2016	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	¥ 41,849	¥ 41,849	¥ (24)	¥ (24)	\$ 371	\$ 371	\$ (0)	\$ (0)
Purchased	41,865	16,712	23	23	371	148	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	6,627,053	605,711	10,980	10,980	58,802	5,374	97	97
Rec.: Flt.-Pay.: Fix.	226,006	201,895	(8,392)	(8,392)	2,005	1,791	(74)	(74)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 2,588	¥ 2,588	\$ /	\$ /	\$ 22	\$ 22

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, 2015	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.	241,528	209,928	7,360	7,360
Rec.: Flt.-Pay.: Fix.	236,006	203,981	(6,595)	(6,595)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 764	¥ 764

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, 2016	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	779,780	5,086	7,185	7,185	6,919	45	63	63
Purchased	945,889	5,082	(12,233)	(12,233)	8,392	45	(108)	(108)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (5,048)	¥ (5,048)	\$ /	\$ /	\$ (44)	\$ (44)

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, 2015	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	531,609	5,897	(15,417)	(15,417)
Purchased	933,694	5,897	10,569	10,569
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ (4,847)	¥ (4,847)

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, 2016	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	¥496	—	—	—	4	—	—	—
Total	¥ /	¥ /	¥ —	¥ —	\$ /	\$ /	\$ —	\$ —

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. The amount of Derivative instruments as of March 31, 2016 was ¥496 million (\$4 million).

As of March 31, 2015	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	—	—	—
Total	¥ /	¥ /	¥ —	¥ —

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. The amount of Derivative instruments as of March 31, 2015 was ¥1,000 million.

Bond-Related Derivative Instruments

As of March 31, 2016	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	¥12,123	¥ —	¥ (7)	¥ (7)	\$107	\$ —	\$(0)	\$(0)
Purchased	828	—	5	5	7	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (1)	¥ (1)	\$ /	\$ /	\$(0)	\$(0)

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.

As of March 31, 2015	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥7,963	¥ —	¥ (5)	¥ (5)
Purchased	3,189	—	62	62
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥57	¥57

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges.

The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of March 31, 2016 and 2015.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2016 and 2015.

(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, 2016		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	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,720,000	¥1,920,000	¥ 22,963	\$24,134	\$17,036	\$ 203
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,058,945	6,968,785	(377,114)	62,634	61,834	\$(3,346)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	221,838	212,044	Note 3	1,968	1,881	Note 3
Total			¥ /	¥ /	¥(354,150)	\$ /	\$ /	\$(3,142)

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, issued on February 13, 2002).

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, 2015		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	¥3,270,000	¥2,610,000	¥ 14,069
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	6,402,773	6,399,770	(199,078)
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
Total			¥ /	¥ /	¥(185,009)

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, issued on February 13, 2002).

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, 2016		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	¥11,518,238	¥5,573,454	¥263,890	\$102,202	\$49,453	\$2,341
	Forex Forward		6,281,258	—	139,101	55,734	—	1,234
Total			¥ /	¥ /	¥402,992	\$ /	\$ /	\$3,575

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, issued on July 29, 2002).

2. Determination of fair value:

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

As of March 31, 2015		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	¥12,016,866	¥6,429,761	¥(193,872)
	Forex Forward		7,171,211	—	(60,368)
Total			¥ /	¥ /	¥(254,240)

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, issued on July 29, 2002).

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, 2016 and 2015.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2016 and 2015.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Assets			
Cash and Due from Banks	¥ 15,031,730	¥ 7,278,611	\$133,378
Call Loans	139,877	569,902	1,241
Receivables under Resale Agreements	—	29,842	—
Receivables under Securities Borrowing Transactions	2,049,052	78,804	18,181
Monetary Claims Bought	244,023	226,605	2,165
Trading Assets	14,284	10,099	126
Money Held in Trust	4,922,102	4,506,018	43,674
Securities	58,329,733	59,738,559	517,566
Loans and Bills Discounted	17,915,833	19,935,726	158,969
Foreign Exchange Assets	237,332	202,946	2,105
Other Assets	1,032,564	877,757	9,162
Tangible Fixed Assets	106,405	108,474	944
Intangible Fixed Assets	18,597	19,443	165
Prepaid Pension Cost	8,111	1,698	71
Customers' Liabilities for Acceptances and Guarantees	173,161	151,587	1,536
Reserve for Possible Loan Losses	(91,370)	(114,920)	(810)
Reserve for Possible Investment Losses	(1,344)	(2,714)	(11)
Total Assets	¥100,130,096	¥93,618,444	\$888,465
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 58,838,558	¥53,486,188	\$522,081
Negotiable Certificates of Deposit	3,598,338	3,674,664	31,928
Debentures	3,133,079	3,564,315	27,800
Call Money	4,276	475,000	37
Payables under Repurchase Agreements	18,488,218	17,707,639	164,048
Payables under Securities Lending Transactions	903,887	74,682	8,020
Trading Liabilities	8,476	6,717	75
Borrowed Money	3,085,120	2,436,513	27,374
Foreign Exchange Liabilities	17	35	0
Short-term Entrusted Funds	1,397,731	2,612,780	12,402
Other Liabilities	2,611,934	1,321,639	23,175
Reserve for Bonus Payments	6,227	5,917	55
Reserve for Retirement Benefits	18,846	14,947	167
Reserve for Directors' Retirement Benefits	850	766	7
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684	—	112
Deferred Tax Liabilities	705,782	843,611	6,262
Deferred Tax Liabilities for Land Revaluation	9,263	9,633	82
Acceptances and Guarantees	173,161	151,587	1,536
Total Liabilities	92,996,456	86,386,642	825,168
Net Assets			
Paid-in Capital	3,480,488	3,425,909	30,882
Capital Surplus	25,020	25,020	222
Retained Earnings	1,725,717	1,530,683	15,312
Total Owners' Equity	5,231,226	4,981,614	46,417
Net Unrealized Gains on Other Securities, net of taxes	2,118,027	2,338,046	18,793
Net Deferred Losses on Hedging Instruments, net of taxes	(231,634)	(104,843)	(2,055)
Revaluation Reserve for Land, net of taxes	16,020	16,984	142
Total Valuation and Translation Adjustments	1,902,413	2,250,187	16,880
Total Net Assets	7,133,639	7,231,802	63,297
Total Liabilities and Net Assets	¥100,130,096	¥93,618,444	\$888,465

(2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Income			
Interest Income:	¥1,036,962	¥1,033,786	\$ 9,201
Interest on Loans and Bills Discounted	61,332	63,775	544
Interest and Dividends on Securities	955,300	951,706	8,476
Interest on Call Loans	514	916	4
Interest on Receivables under Resale Agreements	1	50	0
Interest on Receivables under Securities Borrowing Transactions	71	160	0
Interest on Due from Banks	18,069	12,570	160
Other Interest Income	1,672	4,606	14
Fees and Commissions	13,351	13,108	118
Trading Income	268	134	2
Other Operating Income	87,698	68,661	778
Other Income	136,434	224,791	1,210
Total Income	1,274,715	1,340,482	11,310
Expenses			
Interest Expenses:	715,859	603,382	6,351
Interest on Deposits	37,146	29,713	329
Interest on Negotiable Certificates of Deposit	12,010	7,012	106
Interest on Debentures	13,495	18,778	119
Interest on Borrowed Money	81,081	80,381	719
Interest on Call Money	514	414	4
Interest on Payables under Repurchase Agreements	45,154	17,973	400
Interest on Payables under Securities Lending Transactions	746	54	6
Other Interest Expenses	525,710	449,054	4,664
Fees and Commissions	13,188	12,786	117
Trading Expenses	201	—	1
Other Operating Expenses	56,485	87,387	501
General and Administrative Expenses	154,593	122,779	1,371
Other Expenses	13,656	11,518	121
Total Expenses	953,985	837,854	8,464
Income before Income Taxes	320,729	502,627	2,845
Income Taxes — Current	56,011	91,569	496
Income Taxes — Deferred	(6,861)	6,507	(60)
Total Income Taxes	49,149	98,076	436
Net Income	¥ 271,580	¥ 404,551	\$ 2,409
		Yen	U.S. Dollars
	2016	2015	2016
Net Income per Share	¥53.72	¥82.82	\$0.47

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2016.

	Millions of Yen	Millions of U.S. Dollars
Cash Dividends		
Special Dividends	¥38,727	\$343
Dividends on Common Stock (at the rate of 6% of the ¥100 face value, or ¥6.00 per share)	25,543	226
Dividends on Lower Dividend Rate Stock (at the rate of 0.1% of the ¥100 face value, or ¥0.10 per share)	3,000	26
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115	9



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Independent Auditor's Report

The Board of Directors
 The Norinchukin Bank

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, 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, 2016, 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, 2016