

Financial Review

■ Financial Results for the fiscal year ended March 31, 2022 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2022 include the results of 21 consolidated subsidiaries and 6 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the fiscal year 2021 (for the fiscal year ended March 31, 2022).

• Balance of Assets and Liabilities

Consolidated Total Assets decreased by ¥1,509.4 billion from the previous fiscal year-end to ¥106,138.3 billion, and consolidated Total Net Assets decreased by ¥660.8 billion from the previous fiscal year-end to ¥7,294.6 billion.

On the assets side, Loans and Bills Discounted increased by ¥1,239.3 billion to ¥23,341.8 billion, and Securities decreased by ¥1,345.2 billion to ¥46,748.5 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits decreased by ¥1,642.2 billion to ¥64,009.8 billion, and Debentures increased by ¥4.8 billion to ¥360.2 billion from the previous fiscal year-end, respectively.

• Income

Consolidated Ordinary Profits* were ¥238.5 billion, down ¥71.4 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥184.6 billion, down ¥23.5 billion from the previous fiscal year.

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

• Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Consolidated Common Equity Tier 1 Capital Ratio 17.87%, Consolidated Tier 1 Capital Ratio 21.22%, and Consolidated Total Capital Ratio 21.23% as of March 31, 2022.

Key Management Indicators (Consolidated)

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

	2018/3	2019/3	2020/3	2021/3	2022/3	2022/3
Total Income	¥ 1,464.4	¥ 1,732.1	¥ 1,546.3	¥ 1,358.8	¥ 1,268.6	\$ 10,366
Total Expenses	1,280.5	1,607.8	1,422.3	1,065.2	1,005.0	8,212
Profit Attributable to Owners of Parent	147.6	103.5	92.0	208.2	184.6	1,508
Total Comprehensive Income	(192.9)	238.5	(111.1)	769.8	(551.6)	(4,507)
Total Net Assets	6,746.0	7,473.2	7,261.6	7,955.5	7,294.6	59,606
Total Assets	104,927.7	105,953.9	105,482.0	107,647.8	106,138.3	867,285
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.02	16.59	19.49	19.86	17.87	17.87
Tier 1 Capital Ratio (%)	19.02	19.65	23.02	23.19	21.22	21.22
Total Capital Ratio (%)	23.50	19.65	23.02	23.19	21.23	21.23

Notes: 1. U.S. dollars have been converted at the rate of ¥122.38 to U.S. \$1, the effective rate of exchange at March 31, 2022.

2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

■ Financial Results for the fiscal year ended March 31, 2022 (Non-consolidated)

• Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year decreased by ¥1,871.7 billion to ¥103,366.3 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥681.4 billion to ¥7,144.5 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥22,955.4 billion, and Securities was ¥47,057.2 billion. On the liabilities side, Deposits amounted to ¥64,019.8 billion, and Debentures was ¥363.7 billion.

• Income

Interest income of the Bank for the fiscal year ended March 31, 2022 totaled to ¥242.9 billion, down ¥21.1 billion from the previous fiscal year.

The total credit costs were ¥17.6 billion in net losses mainly due to the specific provision of reserve for possible loan losses and others.

As for securities investments, net gains/losses on sales were net losses of ¥65.4 billion, down ¥18.8 billion from the previous fiscal year and the expenses of

provisions and impairments for price-decline of securities and other reasons decreased by ¥10.7 billion to ¥2.6 billion from the previous fiscal year.

As a result, with all of the factors mentioned above, the Bank recorded ¥219.0 billion in Ordinary Profits, down ¥90.5 billion and ¥172.6 billion in Net Income, down ¥39.3 billion from the previous fiscal year, respectively. The Bank's net operating losses stood at ¥94.2 billion.

The Bank invests in securities utilizing Money Held in Trust on a large scale. Therefore, the Bank's net operating profits including gains/losses on Money Held in Trust-related transactions, which are substantially the same as investment in securities stood at ¥111.8 billion.

• Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 17.85%, Tier 1 Capital Ratio 21.27%, and Total Capital Ratio 21.27% as of March 31, 2022.

Key Management Indicators (Non-consolidated)

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

	2018/3	2019/3	2020/3	2021/3	2022/3	2022/3
Total Income	¥ 1,425.7	¥ 1,709.1	¥ 1,520.9	¥ 1,337.1	¥ 1,239.1	\$ 10,125
Total Expenses	1,268.4	1,591.9	1,403.1	1,043.9	994.7	8,128
Net Income	129.9	100.6	89.4	212.0	172.6	1,411
Paid-in Capital	3,480.4	4,040.1	4,040.1	4,040.1	4,040.1	33,013
Total Net Assets	6,654.0	7,381.8	7,174.8	7,826.0	7,144.5	58,380
Total Assets	103,417.6	104,176.8	103,403.5	105,238.1	103,366.3	844,634
Deposits	65,823.8	66,821.5	65,656.0	65,675.4	64,019.8	523,123
Debentures	1,774.4	1,262.2	791.4	361.4	363.7	2,972
Loans and Bills Discounted	11,742.6	18,438.0	19,828.8	21,824.0	22,955.4	187,575
Securities	52,332.7	55,751.1	54,694.3	48,491.4	47,057.2	384,517
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	19.20	16.73	19.56	19.84	17.85	17.85
Tier 1 Capital Ratio (%)	19.23	19.86	23.15	23.22	21.27	21.27
Total Capital Ratio (%)	23.78	19.86	23.15	23.23	21.27	21.27

Notes: 1. U.S. dollars have been converted at the rate of ¥122.38 to U.S. \$1, the effective rate of exchange at March 31, 2022.

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.

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
Assets			
Cash and Due from Banks (Notes 30, 32 and 33)	¥ 18,140,525	¥ 20,066,967	\$148,231
Call Loans and Bills Bought (Note 32)	—	60,890	—
Receivables under Resale Agreements	366	548,061	2
Monetary Claims Bought (Notes 32 and 33)	387,819	302,918	3,168
Trading Assets (Notes 3, 32 and 33)	2,466	7,310	20
Money Held in Trust (Notes 10, 32 and 34)	10,867,985	10,638,598	88,805
Securities (Notes 4, 6, 10, 21, 32 and 33)	46,748,553	48,093,847	381,995
Loans and Bills Discounted (Notes 5, 6, 10, 20 and 32)	23,341,865	22,102,545	190,732
Foreign Exchange Assets (Notes 6 and 7)	375,980	290,017	3,072
Other Assets (Notes 6, 8, 10 and 32)	3,178,992	2,885,756	25,976
Tangible Fixed Assets (Note 9)	151,442	165,914	1,237
Intangible Fixed Assets (Note 9)	52,174	57,724	426
Net Defined Benefit Asset (Note 17)	119,913	112,151	979
Deferred Tax Assets (Note 18)	4,315	3,771	35
Customers' Liabilities for Acceptances and Guarantees (Notes 6 and 19)	2,915,891	2,446,587	23,826
Reserve for Possible Loan Losses (Note 32)	(149,942)	(134,983)	(1,225)
Reserve for Possible Investment Losses	—	(270)	—
Total Assets	¥106,138,351	¥107,647,809	\$867,285
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 11 and 32)	¥ 64,009,893	¥ 65,652,162	\$523,042
Negotiable Certificates of Deposit (Note 32)	2,140,966	3,100,259	17,494
Debentures (Notes 12 and 32)	360,280	355,479	2,943
Payables under Repurchase Agreements (Notes 10 and 32)	19,327,671	17,073,926	157,931
Trading Liabilities (Notes 13 and 32)	1,692	5,137	13
Borrowed Money (Notes 10, 14 and 32)	4,924,931	5,092,464	40,242
Foreign Exchange Liabilities (Note 15)	—	0	—
Short-term Entrusted Funds (Note 32)	684,692	877,743	5,594
Other Liabilities (Notes 16 and 32)	4,150,052	4,543,028	33,911
Reserve for Bonus Payments	7,554	7,552	61
Net Defined Benefit Liability (Note 17)	21,742	29,486	177
Reserve for Directors' Retirement Benefits	1,043	1,459	8
Deferred Tax Liabilities (Note 18)	295,753	498,333	2,416
Deferred Tax Liabilities for Land Revaluation	1,499	8,607	12
Acceptances and Guarantees (Note 19)	2,915,891	2,446,587	23,826
Total Liabilities	98,843,664	99,692,228	807,678
Net Assets			
Paid-in Capital (Note 22)	4,040,198	4,040,198	33,013
Capital Surplus	23,399	24,993	191
Retained Earnings	2,236,608	2,146,592	18,275
Total Owners' Equity	6,300,206	6,211,784	51,480
Net Unrealized Gains on Other Securities	758,987	1,948,587	6,201
Net Deferred Gains (Losses) on Hedging Instruments	177,259	(280,135)	1,448
Revaluation Reserve for Land	5,970	14,312	48
Foreign Currency Transaction Adjustments	517	(16)	4
Remeasurements of Defined Benefit Plans (Note 17)	41,753	49,260	341
Total Accumulated Other Comprehensive Income	984,488	1,732,008	8,044
Non-controlling Interests	9,992	11,787	81
Total Net Assets	7,294,687	7,955,581	59,606
Total Liabilities and Net Assets	¥106,138,351	¥107,647,809	\$867,285

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
Profit	¥ 185,275	¥209,526	\$ 1,513
Other Comprehensive Income	(736,929)	560,307	(6,021)
Net Unrealized Gains (Losses) on Other Securities (Note 29)	(1,188,833)	244,792	(9,714)
Net Deferred Gains (Losses) on Hedging Instruments (Note 29)	457,347	270,026	3,737
Revaluation Reserve for Land (Note 29)	2,247	—	18
Foreign Currency Transaction Adjustments (Note 29)	440	121	3
Remeasurements of Defined Benefit Plans (Note 29)	(7,623)	42,960	(62)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method (Note 29)	(506)	2,406	(4)
Total Comprehensive Income	¥ (551,654)	¥769,833	\$(4,507)
Attributable to:			
Owners of Parent	(552,280)	768,497	(4,512)
Non-controlling Interests	626	1,336	5

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

Consolidated Statement of Capital Surplus and Retained Earnings

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 204
Additions:	—	—	—
Deductions:			
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests	1,594	—	13
Balance at the End of the Fiscal Year	23,399	24,993	191
Retained Earnings			
Balance at the Beginning of the Fiscal Year	2,146,592	2,013,599	17,540
Additions:			
Profit Attributable to Owners of Parent	184,650	208,233	1,508
Reversal of Revaluation Reserve for Land	10,589	—	86
Deductions:			
Dividends	105,223	75,241	859
Balance at the End of the Fiscal Year	¥2,236,608	¥2,146,592	\$18,275

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

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 263,540	¥ 293,613	\$ 2,153
Depreciation	23,159	24,150	189
Losses on Impairment of Fixed Assets	—	16,047	—
Equity in Losses (Earnings) of Affiliates	(5,932)	(3,008)	(48)
Net Increase (Decrease) in Reserve for Possible Loan Losses	14,616	83,455	119
Net Increase (Decrease) in Reserve for Possible Investment Losses	(270)	(101)	(2)
Net Increase (Decrease) in Reserve for Bonus Payments	2	61	0
Net Decrease (Increase) in Net Defined Benefit Asset	(7,762)	(53,937)	(63)
Net Increase (Decrease) in Net Defined Benefit Liability	(7,743)	(9,354)	(63)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(416)	34	(3)
Interest Income	(715,757)	(847,539)	(5,848)
Interest Expenses	514,517	631,003	4,204
Losses (Gains) on Securities	140,051	29,472	1,144
Losses (Gains) on Money Held in Trust	10,479	(94,234)	85
Foreign Exchange Losses (Gains)	(3,230,110)	(1,619,658)	(26,394)
Losses (Gains) on Disposal of Fixed Assets	(24,969)	340	(204)
Net Decrease (Increase) in Trading Assets	4,843	552	39
Net Increase (Decrease) in Trading Liabilities	(3,445)	(2,965)	(28)
Net Decrease (Increase) in Loans and Bills Discounted	(1,200,828)	(2,003,467)	(9,812)
Net Increase (Decrease) in Deposits	(1,642,269)	13,064	(13,419)
Net Increase (Decrease) in Negotiable Certificates of Deposit	(959,293)	693,293	(7,838)
Net Increase (Decrease) in Debentures	4,801	(428,967)	39
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(189,053)	(364,898)	(1,544)
Net Decrease (Increase) in Interest-bearing Due from Banks	(89,033)	68,890	(727)
Net Decrease (Increase) in Call Loans and Bills Bought and Other	524,588	(543,180)	4,286
Net Increase (Decrease) in Call Money and Bills Sold and Other	2,253,744	1,347,353	18,415
Net Increase (Decrease) in Short-term Entrusted Funds	(193,050)	85,149	(1,577)
Net Decrease (Increase) in Foreign Exchange Assets	(85,963)	(80,127)	(702)
Net Increase (Decrease) in Foreign Exchange Liabilities	(0)	(0)	(0)
Interest Received	659,205	871,473	5,386
Interest Paid	(512,767)	(664,663)	(4,189)
Other, Net	528,903	53,762	4,321
Subtotal	(3,926,213)	(2,504,385)	(32,082)
Income Taxes Paid	(243,760)	(38,051)	(1,991)
Net Cash Provided by (Used in) Operating Activities	(4,169,973)	(2,542,436)	(34,073)

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2022	2021	2022
Cash Flows from Investing Activities:			
Purchases of Securities	(14,541,719)	(11,727,989)	(118,824)
Proceeds from Sales of Securities	7,221,548	4,661,573	59,009
Proceeds from Redemption of Securities	9,734,315	10,050,713	79,541
Increase in Money Held in Trust	(1,194,665)	(537,046)	(9,761)
Decrease in Money Held in Trust	1,005,215	883,393	8,213
Purchases of Tangible Fixed Assets	(4,012)	(75,581)	(32)
Purchases of Intangible Fixed Assets	(9,067)	(9,151)	(74)
Proceeds from Sales of Tangible Fixed Assets	41,200	—	336
Net Cash Provided by (Used in) Investing Activities	2,252,814	3,245,911	18,408
Cash Flows from Financing Activities:			
Repayments of Subordinated Borrowed Money	(923)	—	(7)
Proceeds from Share Issuance to Non-controlling Interests	60	—	0
Purchase of Treasury Shares of Subsidiaries	(3,605)	—	(29)
Dividends Paid	(105,223)	(75,241)	(859)
Dividends Paid to Non-controlling Interests	(470)	(685)	(3)
Net Cash Provided by (Used in) Financing Activities	(110,162)	(75,926)	(900)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,699	2,274	38
Net Increase (Decrease) in Cash and Cash Equivalents	(2,022,621)	629,823	(16,527)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	19,121,793	18,491,970	156,249
Cash and Cash Equivalents at the End of the Fiscal Year (Note 30)	¥ 17,099,172	¥ 19,121,793	\$ 139,721

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 Act 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 ¥122.38=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2022, 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 number of subsidiaries as of March 31, 2021 was 18, 17 of which were consolidated and the remaining subsidiary was unconsolidated. The number of subsidiaries as of March 31, 2022 was 22, 21 of which were consolidated and the remaining subsidiary was unconsolidated.

The major consolidated subsidiaries are as follows:

- The Norinchukin Trust & Banking Co., Ltd.
- Kyodo Housing Loan Co., Ltd.
- Norinchukin Bank Europe N.V.

Newly established “Norinchukin Capital Co., Ltd.” and other three companies were consolidated from the fiscal year ended March 31, 2022.

The major unconsolidated subsidiary is as follows:

- NORINCHUKIN INNOVATION FUND L.P.

The unconsolidated subsidiary was excluded from the scope of consolidation, since its impact on the consolidated financial statements was not so material as to hinder a rational judgement of the financial position and results of operations in terms of Total Assets, Ordinary Income, Net Income, Retained Earnings and Accumulated Other Comprehensive Income.

The dates of the fiscal year-end of all consolidated subsidiaries are as follows:

- Closing date: December 31, 2021 Number of subsidiaries: 9
- Closing date: March 31, 2022 Number of subsidiaries: 12

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective closing dates and the date of the consolidated financial statements.

Affiliates

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

The numbers of affiliates as of March 31, 2022 and 2021 were 6 and 7, respectively, all of which were accounted for by the equity method. 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 affiliate accounted for by the equity method is as follows:

JA MITSUI LEASING, LTD.

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries was excluded from the scope of application of the equity method since it was liquidated during the fiscal year.

(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.

Derivatives are measured at fair value based on net assets or liabilities after offsetting financial assets and financial liabilities with respect to specific market risk or specific credit risk.

(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.

Other securities are valued at fair value (the cost of securities sold is calculated by the moving average method). Stocks and others which are no market prices ("Stocks and others with no market prices") 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.

The fair value of Derivatives is calculated based on net assets or liabilities after offsetting financial assets and financial liabilities with respect to specific market risk or specific credit risk.

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 Committee Practical Guideline No. 24, issued on March 17, 2022). 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 Committee Practical Guideline No. 25, issued on October 8, 2020). 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 Committee Practical Guideline 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.

(d) Hedges Applied to “the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR”

As for Hedges mentioned above, all of hedges under “the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (The Accounting Standards Board of Japan (ASBJ) the PITF No. 40 for Practical Solution, issued on March 17, 2022) are applied to the specific treatments designated by the PITF. Hedges applied to the PITF are as follows.

I Hedge Methods: The Deferral Method or The Accrual Method specifically permitted for certain interest rate swap

Hedge Instruments: Interest rate swaps

Hedged Items: Loans and Bill Discounted, Securities (Bonds) and others

Type of Hedge Transactions: Offsetting market movements

II Hedge Method: The Deferral Method

Hedge Instrument: Interest rate swaps

Hedged Items: Payables under Repurchase Agreements and others

Type of Hedge Transactions: Fixing cash flows

III Hedge Method: The Deferral Method

Hedge Instrument: Currency swaps

Hedged Items: Financial monetary assets and liabilities denominated in foreign currencies and others

Type of Hedge Transactions: Offsetting market movements

(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 buildings and accompanying facilities) and buildings and accompanying facilities and structures acquired on or after April 1, 2016 are 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 revaluated on March 31, 1998. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land 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) 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.

(8) 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 bankrupt under the Bankruptcy Law, Special Liquidation under Company Law or other similar laws (“debtors in bankruptcy”) or debtors who are substantially bankrupt under those laws (“debtors in default”) 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 ¥10,286 million (\$84 million) and ¥9,911 million for the fiscal years ended March 31, 2022 and 2021, 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 (“debtors under requirement of control”) (see Note 6) and other debtors requiring close monitoring going forward (“other substandard debtors”) 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 primarily by the contractual interest rate before the terms of the loan were restructured.
- d. Reserve for loans to “debtors under requirement of control” other than those indicated above, the Bank principally estimates expected losses for the next 3 years. Whereas “other substandard debtors” and debtors who maintain favorable operating conditions and who have no particular financial difficulties (“standard”), the Bank estimates expected losses for the next year. The expected losses are calculated by long-term averages of the historical loan-loss ratios based on past 1-or 3-year loan-loss experience and further adjusted for the risks identified based on future forecasts. Specifically, the reserve for possible loans losses is recorded, taking into account the current position in economic cycles and the likelihood of each scenario in light of future outlook, by referring to historical loan losses, based on the macroeconomic indicators (Japan’s GDP growth rate) which are highly correlated to historical records of loan losses and the Bank’s outlook for economic fluctuations. The future forecasts are approved by directors after consultation with a committee composed of management (the Risk Management Committee).
- 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.

(9) 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. There were no Reserve for Possible Investment Losses recorded as of March 31, 2022.

(10) Reserve for Bonus Payments

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

(11) Reserve for Directors’ Retirement Benefits

Reserve for Directors’ Retirement Benefits for the payments of retirement benefits for directors (including Executive Officers) and corporate auditors is recognized as the required amount accrued at the end of the period.

(12) Accounting Method for Retirement Benefits

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

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

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

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

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

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

(14) 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.

(15) Accounting Principles and Procedures When Related Accounting Standards Are Not Clear

Profit and losses on cancellation of Investment Trust are accounted in "Interest and Dividends on Securities" on Profit and Loss Statement. **(Additional Information)**

The Bank has applied "Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 Accounting Standard, issued on March 31, 2020) and has newly disclosed accounting rules and procedures which are not clearly mentioned to related accounting standards and others.

(16) Significant Accounting Estimates

Items for which the amount was recorded in the consolidated financial statements for this fiscal year due to accounting estimates and which may have a significant impact on the consolidated financial statements for the following consolidated fiscal year are as follows:

a. Reserve for Possible Loan Losses

(a). Reserve for Possible Loan Losses on the consolidated financial statements were ¥149,942 million (\$1,225 million) and ¥134,983 million for the fiscal year ended March 31, 2022 and 2021, respectively.

(b). Information relating the content of significant accounting estimates for identified items

I. Calculation methods

The Bank's Reserve for Possible Loan Losses is calculated based on the determination of the debtor classification ("standard," "other substandard debtors," "debtors under requirement of control," "doubtful," "debtors in default," "debtors in bankruptcy") based on each debtor's future debt repayment capacity through asset assessments, as well as a certain calculation method according to debtor classification, as stated in (8) Reserve for Possible Loan Losses.

In calculating Reserve for Possible Loan Losses, the Bank reflects the risks identified based on future forecasts in order to maintain stable lending to other institutions regardless of economic fluctuations.

II. Key assumptions

The debtor's future forecasts including its expected business performance are the key assumptions in determining the debtor classification.

In forecasting the future when calculating Reserve for Possible Loan Losses of "standard," "substandard" ("other substandard debtors" and "debtors under requirement of control"), the likelihood of each scenario based upon current position in economic cycles and an outlook for future is a key assumption.

The Bank estimates the current position in the economic cycles as a period of recovery in the fiscal year. As for the future outlook, the main scenario is the continuation of a moderate economic recovery, given that the strict restrictions on economic activities for COVID-19 has been avoided and the risk of infections has been reduced due to the progress of COVID-19 vaccine booster shots. In addition, the assumptions partially reflect the economic recession scenario, mainly due to the materialization of geopolitical risks (the situation in Ukraine) and the spread of infectious diseases by new COVID variants.

III. Impact on the consolidated financial statements for the following fiscal year

Changes in the assumptions used in the estimates due to changes in the performance of debtors and in economic conditions, such as COVID-19 infection status and geopolitical risks (the situation in Ukraine), could have a significant impact on Reserve for Possible Loan Losses in the following fiscal year.

b. Fair Value of Foreign Bonds for which the Bank cannot Obtain Quoted Market Prices

(a). Amounts accounted on consolidated financial statements are as follows.

As of March 31, 2022	Millions of Yen		Millions of U.S. Dollars	
	Consolidated	Fair Value	Consolidated	Fair Value
	Balance Sheet Amount		Balance Sheet Amount	
Items				
Foreign Bonds				
Other securities	¥ 93,474	¥ 93,474	\$ 763	\$ 763
Held-to-Maturity Debt Securities	5,915,115	5,897,089	48,334	48,186
Total	¥6,008,589	¥5,990,564	\$49,097	\$48,950

As of March 31, 2021	Millions of Yen	
	Consolidated	Fair Value
	Balance Sheet Amount	
Items		
Foreign Bonds		
Other securities	¥ 256,444	¥ 256,444
Held-to-Maturity Debt Securities	8,203,610	8,222,262
Total	¥8,460,055	¥8,478,706

(b). Information relating the content of significant accounting estimates for identified items

I. Calculation methods

As for fair value of foreign bonds for which the Bank cannot obtain quoted market prices, the prices of the bonds are evaluated by using the valuation obtained from the third parties such as information vendors or by calculating the value of the bonds based on the Bank's own estimates. In both of the cases, Income approach (the valuation method that shows current market expectation for future cash flows as discounted present value) are adopted. As for calculating the fair value, the Bank has adopted the valuation model which reflects the nature, characteristics, and risks of each financial instrument and has mainly used observable inputs. Additionally, the Bank uses inputs such as default rates, recovery rates, prepayment rates and discount rates, to calculate the fair value.

Where the Bank adopts the valuation obtained from the third party, it verifies the validity of the valuation with appropriate methods such as confirmation of valuation models and inputs, comparison with the fair values for similar financial instruments.

II. Key Assumptions

In terms of verifying the validity of valuation obtained from the third party and calculating the fair value based on the Bank's estimates, key assumptions are default rates, recovery rates, prepayment rates and discount rates according to characteristics in asset classes. As for calculating discount rates, the Bank has considered benchmark interest rates and transactions for similar financial instruments.

III. Impact on the consolidated financial statements in the following fiscal year

If the assumption used in the Bank's estimates due to the fluctuation in financial economic environment changes, the change could have a significant impact on the fair values in the following fiscal year.

(17) Other Information**(Change in Accounting Policies)****(Adoption of Accounting Standard for Revenue Recognition and Others)**

The Bank and its consolidated subsidiaries have adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on 31st March 2020) and others at the beginning of the fiscal year and recognize revenue when promised goods or services are transferred to customers, in an amount that reflects the consideration to which the Bank and its consolidated subsidiaries expect to be entitled in exchange for those goods or services.

Upon the adoption of the accounting standard, the Bank and its consolidated subsidiaries elected the transition method described by proviso to Article 84 of the accounting standard, and have recognized a cumulative effect in case where the Bank and its consolidated subsidiaries would have retrospectively elected the new accounting policy, which was adjusted to retained earnings at the beginning of the fiscal year, and have adopted the new accounting policy to the beginning balance of retained earnings in the fiscal year.

As a result, the impact on the consolidated financial statements was immaterial.

3. Trading Assets

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Trading Securities	¥ 4	¥2,016	\$ 0
Derivatives of Securities Related to Trading Transactions	—	39	—
Trading-related Financial Derivatives	2,462	5,254	20
Total	¥2,466	¥7,310	\$20

4. Securities

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Japanese Government Bonds	¥ 7,992,279	¥10,112,251	\$ 65,307
Municipal Government Bonds	158,369	153,990	1,294
Corporate Bonds	1,178,570	1,303,319	9,630
Stocks	821,668	906,672	6,714
Other	36,597,665	35,617,614	299,049
Foreign Bonds	28,067,892	27,820,107	229,350
Foreign Stocks	39,298	34,571	321
Investment Trusts	7,351,359	6,931,963	60,069
Other	1,139,114	830,971	9,308
Total	¥46,748,553	¥48,093,847	\$381,995

The maturity profile of securities is as follows:

	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
As of March 31, 2022					
Bonds	¥1,421,147	¥1,088,251	¥ 2,826,943	¥3,992,877	¥ —
Japanese Government Bonds	1,205,151	464,418	2,704,399	3,618,310	—
Municipal Government Bonds	9,005	49,631	14,589	85,142	—
Corporate Bonds	206,990	574,202	107,953	289,423	—
Stocks	—	—	—	—	821,668
Other	536,433	7,275,889	19,125,684	3,493,573	6,166,084
Foreign Bonds	415,069	6,697,358	18,242,457	2,713,006	—
Foreign Stocks	—	—	—	—	39,298
Investment Trusts	82,661	268,771	405,380	724,299	5,870,246
Other	38,702	309,758	477,847	56,267	256,539
Total	¥1,957,581	¥8,364,140	¥21,952,628	¥7,486,450	¥6,987,752

As of March 31, 2021	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	¥2,904,335	¥2,295,517	¥ 3,030,679	¥3,339,027	¥ —
Japanese Government Bonds	2,626,255	1,613,817	2,875,175	2,997,003	—
Municipal Government Bonds	5	45,844	20,558	87,582	—
Corporate Bonds	278,075	635,856	134,946	254,441	—
Stocks	—	—	—	—	906,672
Other	489,876	3,287,726	21,352,244	4,606,334	5,881,432
Foreign Bonds	462,176	2,678,648	20,766,543	3,912,739	—
Foreign Stocks	—	—	—	—	34,571
Investment Trusts	3,524	372,964	243,527	652,431	5,659,515
Other	24,175	236,112	342,172	41,163	187,346
Total	¥3,394,212	¥5,583,244	¥24,382,924	¥7,945,362	¥6,788,104

As of March 31, 2022	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	\$11,612	\$ 8,892	\$ 23,099	\$32,626	\$ —
Japanese Government Bonds	9,847	3,794	22,098	29,566	—
Municipal Government Bonds	73	405	119	695	—
Corporate Bonds	1,691	4,691	882	2,364	—
Stocks	—	—	—	—	6,714
Other	4,383	59,453	156,281	28,546	50,384
Foreign Bonds	3,391	54,725	149,064	22,168	—
Foreign Stocks	—	—	—	—	321
Investment Trusts	675	2,196	3,312	5,918	47,967
Other	316	2,531	3,904	459	2,096
Total	\$15,995	\$68,345	\$179,380	\$61,173	\$57,098

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
	2022	2021	2022
Loans on Deeds	¥21,695,831	¥19,953,948	\$177,282
Loans on Bills	401,960	286,386	3,284
Overdrafts	1,242,269	1,860,952	10,150
Bills Discounted	1,803	1,257	14
Total	¥23,341,865	¥22,102,545	\$190,732

6. Non Performing Loans Based on the Norinchukin Bank Act and the Financial Reconstruction Law

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Bankrupt and Quasi-Bankrupt Assets	¥ 1,846	¥ 2,597	\$ 15
Doubtful Assets	83,523	73,386	682
Loans Past Due for Three Months or More	573	271	4
Restructured Loans	27,849	29,133	227
Total	¥113,793	¥105,387	\$929

Notes: 1. These assets consist of those included in the accounts of bonds included in "Securities" (its principal's redemption and interest payments are guaranteed, in whole or in part, and the corporate bonds issue is limited to a private placement of the securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), "Loans", "Foreign Exchanges Assets", accrued interest income and suspense payment in "Other assets" and "Customers' Liabilities for Acceptances and Guarantees" on the consolidated balance sheet, and securities in the notes (Limited to those under a loan for use or lending agreement.) that are in case of loan.

2. Bankrupt and Quasi-Bankrupt Assets are credits against debtors in bankruptcy due to the commencement of bankruptcy proceedings, the commencement of corporate reorganization proceedings, and the petition of rehabilitation proceedings, as well as credits of a similar nature.

3. Doubtful Assets are credits that the debtor is not yet in a state of bankruptcy, but its financial position and business performance have deteriorated, and it is highly probable that principal's collection and interest on credits in accordance with the terms of the contract will not be received. These credits do not fall under the category of Bankrupt and Quasi-Bankrupt Assets.

4. Loans Past Due for Three Months or More are loans on which payments of principal and/or interest have not been made for a period of three months or more since the next day following the first due date, and which are not included in Bankrupt and Quasi-Bankrupt Assets, or Doubtful Assets.

5. 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 loans, and which are not included in Bankrupt and Quasi-Bankrupt Assets, Doubtful Assets or Loans Past Due for Three Months or More.

(Changes in Presentation Methods)

As "Order Partially Revising Order on Credit Business Conducted by Japan Fisheries Cooperative, etc." (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No. 1, January 24, 2020) including the partial revision of "Ordinance for Enforcement of The Norinchukin Bank Act" (Cabinet Office and Ministry of Agriculture, Forestry and Fisheries Ordinance No. 16 of 2001) was enforced on March 31, 2022, the classification of Non Performing Loans based on the Norinchukin Bank Act is presented in accordance with the classifications of loans based on Financial Reconstruction Law.

7. Foreign Exchange Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Due from Foreign Banks	¥375,980	¥290,017	\$3,072
Total	¥375,980	¥290,017	\$3,072

8. Other Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Prepaid Expenses	¥ 1,775	¥ 1,718	\$ 14
Accrued Income	135,294	125,775	1,105
Derivatives other than for Trading	343,244	61,325	2,804
Cash Collateral Paid for Financial Instruments	1,511,691	1,424,768	12,352
Other	1,186,986	1,272,166	9,699
Total	¥3,178,992	¥2,885,756	\$25,976

9. Tangible Fixed Assets and Intangible Fixed Assets

Tangible Fixed Assets

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Buildings	¥ 31,596	¥ 36,641	\$ 258
Land	74,919	97,707	612
Lease Assets	18,242	19,436	149
Construction in Progress	5,250	1,187	42
Other	21,434	10,941	175
Total Net Book Value	151,442	165,914	1,237
Accumulated Depreciation Deducted	¥103,647	¥116,002	\$ 846

Intangible Fixed Assets

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Software	¥31,300	¥38,636	\$255
Lease Assets	8,896	10,863	72
Other	11,977	8,224	97
Total	¥52,174	¥57,724	\$426

10. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Securities	¥20,029,042	¥18,501,625	\$163,662
Loans and Bills Discounted	2,728,873	2,151,881	22,298

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Payables under Repurchase Agreements	¥19,007,856	¥17,073,926	\$155,318
Borrowed Money	2,264,378	2,606,580	18,502

In addition, as of March 31, 2022 and 2021, Securities (including transactions of Money Held in Trust) of ¥11,357,736 million (\$92,807 million) and ¥9,568,323 million, respectively, and Foreign Exchange Assets (including transactions of Money Held in Trust) of ¥3,434 million (\$28 million) and ¥— million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2022 and 2021, initial margins of futures markets of ¥87,622 million (\$715 million) and ¥20,493 million, respectively, cash collateral paid for financial instruments of ¥1,511,691 million (\$12,352 million) and ¥1,424,768 million, respectively, other cash collateral paid of ¥811,029 million (\$6,627 million) and ¥1,059,337 million, respectively, and guarantee deposits of ¥8,103 million (\$66 million) and ¥8,119 million, respectively, were included in Other Assets.

11. Deposits

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Time Deposits	¥55,692,535	¥56,792,010	\$455,078
Deposits at Notice	10,629	12,650	86
Ordinary Deposits	3,291,796	3,798,523	26,898
Current Deposits	96,632	98,339	789
Other Deposits	4,918,299	4,950,639	40,188
Total	¥64,009,893	¥65,652,162	\$523,042

12. Debentures

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Long-term Coupon Debentures	¥360,280	¥355,479	\$2,943
Total	¥360,280	¥355,479	\$2,943

13. Trading Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Derivatives of Securities Related to Trading Transactions	¥ —	¥ 26	\$—
Trading-related Financial Derivatives	1,692	5,111	13
Total	¥1,692	¥5,137	\$13

14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,316,972 million (\$10,761 million) and ¥1,317,895 million as of March 31, 2022 and 2021, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

15. Foreign Exchange Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Foreign Bills Payable	¥—	¥0	\$—
Total	¥—	¥0	\$—

16. Other Liabilities

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Accrued Expenses	¥ 37,868	¥ 36,032	\$ 309
Income Taxes Payable	6,251	218,956	51
Unearned Income	2,130	5,096	17
Derivatives other than for Trading	1,379,646	1,262,630	11,273
Accounts Payable for Securities Purchased	2,557,398	2,914,976	20,897
Other	166,757	105,305	1,362
Total	¥4,150,052	¥4,542,997	\$33,911

17. Retirement Benefit Plans

(1) Outline of the Adopted Retirement Benefit Plans

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

Some of the Bank's consolidated subsidiaries adopt lump-sum payment pension plans, defined benefit pension plans and defined contribution pension plans.

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, 2022 and 2021, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥142,749	¥139,685	\$1,166
Service Cost	4,437	4,386	36
Interest Cost	430	421	3
Actuarial Differences	1,949	3,452	15
Retirement Benefit Paid	(4,999)	(5,196)	(40)
Balance at the End of the Fiscal Year	¥144,567	¥142,749	\$1,181

b. The changes in plan assets for the years ended March 31, 2022 and 2021, except for the plans accounted for by the simplified method, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥226,562	¥160,248	\$1,851
Expected Return on Plan Assets	2,448	2,044	20
Actuarial Differences	5,503	64,770	44
Contributions by the Bank	11,963	2,035	97
Retirement Benefit Paid	(2,523)	(2,536)	(20)
Balance at the End of the Fiscal Year	¥243,954	¥226,562	\$1,993

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2022 and 2021 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Balance at the Beginning of the Fiscal Year	¥1,148	¥1,190	\$ 9
Retirement Benefit Expense	376	295	3
Retirement Benefit Paid	(250)	(290)	(2)
Contributions to the Plans	(57)	(45)	(0)
Balance at the End of the Fiscal Year	¥1,216	¥1,148	\$ 9

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, 2022 and 2021 for the Bank's and the consolidated subsidiaries' defined benefit plans:

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
As of March 31			
Funded Retirement Benefit Obligations	¥ 145,610	¥ 143,782	\$ 1,189
Plan Assets at Fair Value	(244,645)	(227,275)	(1,999)
	(99,035)	(83,492)	(809)
Unfunded Retirement Benefit Obligations	865	827	7
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	(98,170)	(82,664)	(802)
Net Defined Benefit Liability	21,742	29,486	177
Net Defined Benefit Asset	119,913	112,151	979
Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet	¥ (98,170)	¥ (82,664)	\$ (802)

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

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

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Service Cost	¥ 4,437	¥ 4,386	\$ 36
Interest Cost	430	421	3
Expected Return on Plan Assets	(2,448)	(2,044)	(20)
Amortization of Actuarial Differences	(14,107)	(1,857)	(115)
Amortization of Prior Service Cost	—	—	—
Retirement Benefit Expense by the Simplified Method	376	295	3
Other	980	795	8
Retirement Benefit Expense on Defined Benefit Plan	¥(10,331)	¥ 1,997	\$ (84)

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
	2022	2021	2022
Prior Service Cost	¥ —	¥ —	\$ —
Actuarial Differences	(10,552)	59,460	(86)
Total	¥(10,552)	¥59,460	\$(86)

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
	2022	2021	2022
Unrecognized Prior Service Cost	¥ —	¥ —	\$ —
Unrecognized Actuarial Differences	57,922	68,475	473
Total	¥57,922	¥68,475	\$473

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	2022	2021
Bonds	14%	13%
Stocks	79%	80%
Insurance Assets (General Account)	6%	6%
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	2022	2021
Discount Rate	0.3%	0.3%
Expected Rates of Increase in Salary	2.0–3.9%	2.0–3.6%
Expected Rates of Return on Plan Assets	0–3.0%	0–3.0%

(3) Defined Contribution Pension Plans

Contributions by the Bank's consolidated subsidiaries to the defined contribution pension plans were ¥35 million (\$0 million) for the year ended March 31, 2022.

There were no consolidated subsidiaries which adopted the defined contribution pension plans as of March 31, 2021.

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.
	2022	2021	Dollars 2022
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥ 22,675	¥ 18,588	\$ 185
Write-off of Loans	1,011	1,069	8
Losses on Revaluation of Securities	17,202	17,450	140
Net Defined Benefit Liability	854	5,730	6
Depreciation Expense	470	485	3
Net Operating Losses Carried Forward	1,457	1,371	11
Unrealized Losses on Other Securities	7	27	0
Deferred Losses on Hedging Instruments	60,212	142,856	492
Unrealized Losses on Reclassification	2,547	2,531	20
Conversion of Investment Form of Securities	91,466	120,944	747
Other	112,619	115,658	920
Subtotal	310,526	426,716	2,537
Valuation Allowance	(91,616)	(72,585)	(748)
Total Deferred Tax Assets	218,909	354,130	1,788
Deferred Tax Liabilities:			
Gains from Contribution of Securities to Employee			
Retirement Benefit Trust	(4,968)	(4,968)	(40)
Net Defined Benefit Asset	(18,001)	(19,001)	(147)
Unrealized Gains on Other Securities	(287,359)	(740,446)	(2,348)
Deferred Gains on Hedging Instruments	(128,154)	(35,138)	(1,047)
Unrealized Gains on Reclassification	(170)	(1,116)	(1)
Conversion of Investment Form of Securities	(194)	(180)	(1)
Other	(71,499)	(47,839)	(584)
Total Deferred Tax Liabilities	(510,348)	(848,692)	(4,170)
Net Deferred Tax Liabilities	¥(291,438)	¥(494,561)	\$(2,381)

19. Acceptances and Guarantees

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Guarantees	¥2,915,891	¥2,446,587	\$23,826
Total	¥2,915,891	¥2,446,587	\$23,826

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 ¥4,651,462 million (\$38,008 million) and ¥4,158,145 million as of March 31, 2022 and 2021, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,674,153 million (\$21,851 million) and ¥2,678,644 million as of March 31, 2022 and 2021, 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 and its consolidated subsidiaries periodically check 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 ¥452,360 million (\$3,696 million) and ¥454,450 million as of March 31, 2022 and 2021, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements and others, which can be sold or re-pledged by the Bank, include securities re-pledge of ¥1,572,038 million (\$12,845 million) and ¥1,558,253 million as of March 31, 2022 and 2021, respectively, and include securities held without re-pledge of ¥26,050 million (\$212 million) and ¥457,271 million as of March 31, 2022 and 2021, 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.
	2022	2021	Dollars 2022
Common Stock	¥4,015,198	¥4,015,198	\$32,809
Preferred Stock	24,999	24,999	204
Total	¥4,040,198	¥4,040,198	\$33,013

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$29,330 million) and ¥3,589,481 million as of March 31, 2022 and 2021, 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.
	2022	2021	Dollars 2022
Income from Trading Securities and Derivatives	¥ 11	¥ —	\$0
Income from Securities and Derivatives Related to Trading Transactions	47	50	0
Income from Trading-related Financial Derivatives	45	463	0
Total	¥104	¥513	\$0

24. Other Operating Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Gains on Sales of Bonds	¥ 39,427	¥19,366	\$322
Gains on Redemption of Bonds	0	4	0
Gains on Derivatives other than for Trading or Hedging	9,352	9,009	76
Other	51,325	51,081	419
Total	¥100,106	¥79,462	\$817

25. Other Income

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Gains on Sales of Stocks and Other Securities	¥134,557	¥ 33,035	\$1,099
Gains on Money Held in Trust	253,754	352,813	2,073
Equity in Earnings of Affiliates	5,932	3,008	48
Gains on Disposal of Fixed Assets	26,333	—	215
Recoveries of Written-off Claims	395	202	3
Other	2,728	10,928	22
Total	¥423,701	¥399,989	\$3,462

26. Trading Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Expenses on Trading Securities and Derivatives	¥—	¥18	\$—
Total	¥—	¥18	\$—

27. Other Operating Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Amortization of Debenture Issuance Costs	¥ 933	¥ 23	\$ 7
Losses on Foreign Exchange Transactions	9,435	1,438	77
Losses on Sales of Bonds	238,675	98,691	1,950
Losses on Redemption of Bonds	5	16	0
Losses on Revaluation of Bonds	595	12,113	4
Other	44,748	44,847	365
Total	¥294,393	¥157,130	\$2,405

28. Other Expenses

Fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Write-off of Loans	¥ 30	¥ 137	\$ 0
Provision of Reserve for Possible Loan Losses	17,151	84,317	140
Losses on Sales of Stocks and Other Securities	99	282	0
Losses on Revaluation of Stocks and Other Securities	2,332	1,339	19
Losses on Money Held in Trust	4,774	4,747	39
Losses on Disposal of Fixed Assets	1,363	340	11
Losses on Impairment of Fixed Assets	—	16,047	—
Other	9,031	1,002	73
Total	¥34,784	¥108,214	\$284

Note: The following Losses on Impairment of Fixed Assets were recognized in the fiscal year ended March 31, 2021.

Purpose of Use	Type	Area	Impairment Losses
			Millions of Yen
Operating assets	Buildings	Tokyo	¥16,047

As for operating assets, the Bank aggregates the head office and all branches as one unit, taking into consideration mutually complementary relationship of the cash flows. Idle assets (including assets held for sale) were assessed individually by asset.

For the operating assets to be sold due to decision to relocate the data center, the Bank reduced the book values to their recoverable amounts and recognized the relevant losses as Losses on Impairment of Fixed Assets in the fiscal year ended March 31, 2021. The recoverable amounts are the net realizable value, which is calculated based on the appraisal value excluding estimated disposal costs.

For the consolidated subsidiaries, assets of each individual subsidiary are grouped as one unit. There is no Losses on Impairment of Fixed Assets for these asset groups in the fiscal year ended March 31, 2021.

29. Other Comprehensive Income

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

Fiscal years ended March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Net Unrealized Gains (Losses) on Other Securities:			
Gains (Losses) arising during the fiscal year	¥(1,641,061)	¥ 532,807	\$(13,409)
Reclassification adjustments to profit or loss	(1,801)	(195,905)	(14)
Amounts before tax effects	(1,642,863)	336,902	(13,424)
Tax effects	454,029	(92,109)	3,709
Total	(1,188,833)	244,792	(9,714)
Net Deferred Gains (Losses) on Hedging Instruments:			
Gains (Losses) arising during the fiscal year	365,121	56,736	2,983
Reclassification adjustments to profit or loss	267,886	317,003	2,188
Amounts before tax effects	633,007	373,739	5,172
Tax effects	(175,659)	(103,712)	(1,435)
Total	457,347	270,026	3,737
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	2,247	—	18
Total	2,247	—	18
Foreign Currency Transaction Adjustments:			
Gains (Losses) arising during the fiscal year	440	121	3
Reclassification adjustments to profit or loss	—	—	—
Amounts before tax effects	440	121	3
Tax effects	—	—	—
Total	440	121	3
Remeasurements of Defined Benefit Plans:			
Gains (Losses) arising during the fiscal year	3,554	61,318	29
Reclassification adjustments to profit or loss	(14,107)	(1,857)	(115)
Amounts before tax effects	(10,552)	59,460	(86)
Tax effects	2,928	(16,500)	23
Total	(7,623)	42,960	(62)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method:			
Gains (Losses) during the fiscal year	(562)	2,366	(4)
Reclassification adjustments to profit or loss	56	39	0
Total	(506)	2,406	(4)
Total Other Comprehensive Income	¥ (736,929)	¥ 560,307	\$ (6,021)

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.
	2022	2021	Dollars 2022
Cash and Due from Banks	¥18,140,525	¥20,066,967	\$148,231
Less: Interest-bearing Due from Banks	(1,041,353)	(945,174)	(8,509)
Cash and Cash Equivalents at the End of the Fiscal Year	¥17,099,172	¥19,121,793	\$139,721

31. Segment Information

Fiscal year ended March 31, 2022

(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, 2022	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥99,904	¥1,043,414	¥98,980	¥1,242,300

Millions of U.S. Dollars				
Fiscal year ended March 31, 2022	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$816	\$8,526	\$808	\$10,151

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, 2022	Japan	Americas	Europe	Others	Total
	¥1,199,876	¥24,874	¥3,025	¥14,522	¥1,242,300

Millions of U.S. Dollars					
Fiscal year ended March 31, 2022	Japan	Americas	Europe	Others	Total
	\$9,804	\$203	\$24	\$118	\$10,151

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, 2022	Japan	Americas	Europe	Others	Total
	¥149,555	¥209	¥1,140	¥536	¥151,442

Millions of U.S. Dollars					
As of March 31, 2022	Japan	Americas	Europe	Others	Total
	\$1,222	\$1	\$9	\$4	\$1,237

c. Information about Major Customers

Millions of Yen			
Fiscal year ended March 31, 2022	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥207,019	—

Millions of U.S. Dollars			
Fiscal year ended March 31, 2022	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,691	—

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

None

(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, 2021**(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, 2021	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥99,177	¥1,146,767	¥112,918	¥1,358,863

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, 2021	Millions of Yen				Total
	Japan	Americas	Europe	Others	
	¥1,321,134	¥19,422	¥4,314	¥13,991	¥1,358,863

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, 2021	Millions of Yen				Total
	Japan	Americas	Europe	Others	
	¥164,565	¥195	¥833	¥320	¥165,914

c. Information about Major Customers

Fiscal year ended March 31, 2021	Millions of Yen		
	Name of Customer	Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥166,869	—

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

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

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

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

None

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

None

32. Financial Instruments

(1) Particulars of Financial Instruments

a. Policy on Financial Instruments

The Bank is a financial institution which takes as its foundation the Japanese agricultural, forestry and fisheries industry cooperatives. The Bank mainly raises procurement funds from its cooperative members' deposits (mainly 1 year) and 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 businesses.

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 Bills Sold 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 difficulties of securing necessary funds in certain cases such as market crashes.

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 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 Portfolio Management Committee (market risk, credit risk, liquidity risk), the Credit Committee, the Food and Agri Finance Committee (credit risk), and other committees, 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) Market Risk Management

The Bank has established its "Policies and Procedures for Market Risk Management" and other rules for market risk, and aligns 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 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 interest rate risk sensitivity, 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, 2022 and 2021 summed up to ¥2 million (\$0 million) and ¥11 million, respectively, in total under the variance-covariance method with the holding period of one business day, a 99% confidence interval, and the observation period of 1,000 business days.

In order to measure the VaR of the financial assets and liabilities from the banking operations (the operations other than trading operations), the Bank adopts the historical simulation method. The market risk (the estimate of the potential net loss) of the Bank from the banking operations totaled ¥2,782,851 million (\$22,739 million) and ¥2,755,437 million as of March 31, 2022 and 2021, 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, 2022 and 2021 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.

(c) 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 Risk Management Committee, the 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.

(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 indicators 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 Portfolio Management Committee.

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

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

Stocks and others with no market prices are excluded from the table below (ref. Note 1). In addition to this, Bills Bought, Cash and Due from Banks, Negotiable Certificates of Deposit, Payables under Repurchase Agreements, and Short-term Entrusted Funds, are omitted because these instruments are settled in a short period and then their fair values would approximate their carrying values.

Investments in Partnership and others are out of scope from the disclosure of the fair value measurement due to being applied to transitional measure of Article 27 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 4th July 2019), and the consolidated balance sheet amount of the financial instrument is ¥1,134,388 million (\$9,269 million) and ¥827,012 million as of March 31, 2022 and 2021, respectively.

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of March 31, 2022 and 2021 are as follows:

	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, 2022						
Monetary Claims Bought	¥ 387,819	¥ 388,122	¥ 303	\$ 3,168	\$ 3,171	\$ 2
Trading Assets (*2)						
Trading Securities	4	4	—	0	0	—
Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	4,669	4,669	—	38	38	—
Other Money Held in Trust	10,862,875	10,864,506	1,631	88,763	88,776	13
Securities						
Held-to-Maturity Debt Securities	8,734,596	8,700,508	(34,088)	71,372	71,094	(278)
Other Securities	36,687,132	36,687,132	—	299,780	299,780	—
Loans and Bills Discounted	23,341,865			190,732		
Reserve for Possible Loan Losses (*1)	(143,402)			(1,171)		
	23,198,462	23,197,090	(1,372)	189,560	189,549	(11)
Total Assets	¥79,875,560	¥79,842,034	¥(33,525)	\$652,684	\$652,410	\$(273)
Deposits	¥64,009,893	¥64,009,925	¥ 32	\$523,042	\$523,042	\$ 0
Debentures	360,280	349,198	(11,082)	2,943	2,853	(90)
Borrowed Money	4,924,931	4,924,931	—	40,242	40,242	—
Total Liabilities	¥69,295,104	¥69,284,055	¥(11,049)	\$566,228	\$566,138	\$ (90)
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge Transactions	¥ 154	¥ 154	¥ —	\$ 1	\$ 1	\$ —
Transactions Accounted for as Hedge Transactions	(1,035,786)	(1,035,786)	—	(8,463)	(8,463)	—
Total Derivative Instruments	¥(1,035,631)	¥(1,035,631)	¥ —	\$ (8,462)	\$ (8,462)	\$ —

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

2. Derivative Instruments are excluded from Trading Assets.

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

As of March 31, 2021	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
Monetary Claims Bought	¥ 302,918	¥ 302,983	¥ 65
Trading Assets (*2)			
Trading Securities	2,016	2,016	—
Money Held in Trust (*1)			
Other Money Held in Trust	10,638,362	10,643,016	4,653
Securities			
Held-to-Maturity Debt Securities	12,786,165	12,843,398	57,232
Other Securities	34,300,147	34,300,147	—
Loans and Bills Discounted	22,102,545		
Reserve for Possible Loan Losses (*1)	(128,885)		
	21,973,659	22,016,167	42,507
Total Assets	¥80,003,269	¥80,107,729	¥104,459
Deposits	¥65,652,162	¥65,652,219	¥ 56
Debentures	355,479	355,756	277
Borrowed Money	5,092,464	5,092,464	—
Total Liabilities	¥71,100,105	¥71,100,440	¥ 334
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ (2,133)	¥ (2,133)	¥ —
Transactions Accounted for as Hedge			
Transactions	(1,199,014)	(1,199,014)	—
Total Derivative Instruments	¥(1,201,148)	¥(1,201,148)	¥ —

(*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) The following tables list Consolidated Balance Sheet Amount of Stocks and others with no market prices as of March 31, 2022 and as of March 31, 2021, respectively:

“Other Securities” in “Disclosures Regarding the Fair Value of Financial Instruments and Other Items” excludes these financial instruments.

As of March 31, 2022	Millions of Yen	Millions of U.S. Dollars
Stocks and others with no market prices	¥190,693	\$1,558

Note: The amount of revaluation losses for the fiscal year ended March 31, 2022 was ¥86 million (\$0 million) on Unlisted Stocks.

As of March 31, 2021	Millions of Yen
Stocks and others with no market prices	¥179,547

Note: The amount of revaluation losses for the fiscal year ended March 31, 2021 was ¥466 million on Unlisted Stocks.

(Note 2) The redemption schedule of money claims and securities with stated maturities after the consolidated balance sheet date is as follows:

As of March 31, 2022	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)	¥18,075,530	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary Claims Bought	2,382	—	7,302	50,020	53,771	273,204
Securities						
Held-to-Maturity Debt Securities	647,882	431,663	540,379	597,481	4,825,298	1,701,206
Japanese Government Bonds	387,500	16,000	—	—	—	500,000
Corporate Bonds	—	655	—	100,000	—	—
Foreign Bonds	260,382	415,007	540,379	497,481	4,825,298	1,201,206
Other Securities held that have Maturity	1,304,803	1,604,613	5,835,058	5,090,129	11,828,222	5,637,232
Japanese Government Bonds	813,690	446,600	—	—	2,714,900	3,202,200
Municipal Government Bonds	9,004	6,809	42,861	9,606	5,001	65,500
Corporate Bonds	206,986	429,253	144,719	3,000	5,000	239,383
Foreign Bonds	153,759	644,825	5,146,072	4,622,888	8,668,378	1,349,581
Investment Trust	82,661	8,904	259,867	104,110	301,270	724,299
Other	38,702	68,221	241,537	350,525	133,672	56,267
Loans and Bills Discounted (*2)	12,886,825	4,040,047	2,862,600	1,336,067	1,174,619	954,471
Total	¥32,917,425	¥6,076,324	¥9,245,340	¥7,073,699	¥17,881,912	¥8,566,114

As of March 31, 2022	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)	\$147,700	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary Claims Bought	19	—	59	408	439	2,232
Securities						
Held-to-Maturity Debt Securities	5,294	3,527	4,415	4,882	39,428	13,901
Japanese Government Bonds	3,166	130	—	—	—	4,085
Corporate Bonds	—	5	—	817	—	—
Foreign Bonds	2,127	3,391	4,415	4,065	39,428	9,815
Other Securities held that have Maturity	10,661	13,111	47,679	41,592	96,651	46,063
Japanese Government Bonds	6,648	3,649	—	—	22,184	26,166
Municipal Government Bonds	73	55	350	78	40	535
Corporate Bonds	1,691	3,507	1,182	24	40	1,956
Foreign Bonds	1,256	5,269	42,049	37,774	70,831	11,027
Investment Trust	675	72	2,123	850	2,461	5,918
Other	316	557	1,973	2,864	1,092	459
Loans and Bills Discounted (*2)	105,301	33,012	23,391	10,917	9,598	7,799
Total	\$268,977	\$49,651	\$75,546	\$57,801	\$146,117	\$69,996

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

2. Loans to debtors in bankruptcy, debtors in default, doubtful debtors and others of ¥81,233 million (\$663 million) for which the redemption amount cannot be estimated, and loans with no maturity of ¥6,000 million (\$49 million) within Loans and Bills Discounted, are excluded from the table above.

As of March 31, 2021	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)	¥20,032,567	¥ —	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Bought	60,890	—	—	—	—	—
Receivables under Resale Agreements	548,061	—	—	—	—	—
Monetary Claims Bought	2,685	—	3,365	46,757	78,638	171,238
Securities						
Held-to-Maturity Debt Securities	2,569,896	705,904	807,451	714,513	4,438,948	3,556,075
Japanese Government Bonds	2,238,500	403,500	—	—	—	500,000
Corporate Bonds	66	—	1,046	100,000	—	—
Foreign Bonds	331,330	302,404	806,404	614,513	4,438,948	3,056,075
Other Securities held that have Maturity	819,660	1,616,776	2,348,351	6,588,819	11,983,016	3,958,140
Japanese Government Bonds	383,500	747,900	446,600	—	2,854,900	2,395,000
Municipal Government Bonds	4	13,209	32,609	5,860	14,603	65,500
Corporate Bonds	277,945	424,355	210,153	27,000	8,000	197,680
Foreign Bonds	130,510	261,144	1,220,079	6,343,119	8,732,651	606,364
Investment Trust	3,524	128,816	244,148	10,477	233,050	652,431
Other	24,175	41,351	194,760	202,361	139,811	41,163
Loans and Bills Discounted (*2)	11,108,712	4,370,675	3,118,394	1,378,041	1,199,560	836,873
Total	¥35,142,475	¥6,693,356	¥6,277,562	¥8,728,131	¥17,700,164	¥8,522,327

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

2. Loans to debtors in bankruptcy, debtors in default, doubtful debtors and others of ¥70,287 million for which the redemption amount cannot be estimated, and loans with no maturity of ¥20,000 million within Loans and Bills Discounted, are excluded from the table above.

(Note 3) The redemption schedule of Borrowed Money and other interest-bearing liabilities after the consolidated balance sheet date is as follows:

As of March 31, 2022	Millions of Yen					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	¥63,595,549	¥ 354,183	¥ 60,159	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	2,140,966	—	—	—	—	—
Debentures	118,900	119,000	61,190	—	61,190	—
Payables under Repurchase Agreements	19,327,671	—	—	—	—	—
Borrowed Money (*2)	1,355,254	1,944,168	269,957	19,255	19,323	1,316,972
Short-term Entrusted Funds	684,692	—	—	—	—	—
Total	¥87,223,034	¥2,417,352	¥391,306	¥19,255	¥80,513	¥1,316,972

As of March 31, 2022	Millions of U.S. Dollars					
	1 Year or Less	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years
Deposits (*1)	\$519,656	\$ 2,894	\$ 491	\$ —	\$ —	\$ —
Negotiable Certificates of Deposit	17,494	—	—	—	—	—
Debentures	971	972	500	—	500	—
Payables under Repurchase Agreements	157,931	—	—	—	—	—
Borrowed Money (*2)	11,074	15,886	2,205	157	157	10,761
Short-term Entrusted Funds	5,594	—	—	—	—	—
Total	\$712,722	\$19,752	\$3,197	\$157	\$657	\$10,761

(*1) 1. Demand deposits within Deposits are included in "1 Year or Less."

2. Perpetual subordinated borrowings within Borrowed Money are included in "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, 2021						
Deposits (*1)	¥65,283,696	¥ 312,348	¥ 56,117	¥ —	¥ —	¥ —
Negotiable Certificates of Deposit	3,100,259	—	—	—	—	—
Debentures	118,979	236,500	—	—	—	—
Payables under Repurchase Agreements	17,073,926	—	—	—	—	—
Borrowed Money (*2)	1,008,049	1,300,218	1,419,198	19,619	27,484	1,317,895
Short-term Entrusted Funds	877,743	—	—	—	—	—
Total	¥87,462,653	¥1,849,067	¥1,475,315	¥19,619	¥27,484	¥1,317,895

(*1) 1. Demand deposits within Deposits are included in "1 Year or Less."

2. Perpetual subordinated borrowings within Borrowed Money are included in "Over 10 Years."

(3) Disclosures Regarding the Fair Value of Financial Instruments and Other Items by Level within the Fair Value Hierarchy

According to observability and significance of inputs used by calculating fair values, fair values for these financial instruments are classified into the following three-level hierarchy.

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than Level 1 prices that are either directly or indirectly observable for the financial instrument.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the instruments.

If multiple inputs which have a significant impact on market value calculation are used, a financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities whose fair values are equal to consolidated balance sheet amounts are as follows.

As of March 31, 2022	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 138,315	¥ 574	\$ —	\$ 1,130	\$ 4
Trading Assets						
Trading Securities	4	—	—	0	—	—
Money Held in Trust						
Money Held in Trust for Trading Purposes	—	4,669	—	—	38	—
Other Money Held in Trust	8,521,772	2,190,201	1,348	69,633	17,896	11
Securities						
Other Securities						
Stocks	654,352	—	—	5,346	—	—
Bonds	7,088,687	1,236,284	—	57,923	10,102	—
Japanese Government Bonds	7,088,687	—	—	57,923	—	—
Municipal Government Bonds	—	158,369	—	—	1,294	—
Corporate Bonds	—	1,077,914	—	—	8,807	—
Other	17,119,346	10,479,405	109,057	139,886	85,630	891
Foreign Bonds	16,708,551	3,541,145	87,848	136,530	28,935	717
Foreign Stocks	18,904	—	—	154	—	—
Investment Trust	391,890	6,938,260	21,209	3,202	56,694	173
Total Assets	¥33,384,162	¥14,048,876	¥110,980	\$272,791	\$114,797	\$906
Derivative Instruments						
Related to Currencies	¥ —	¥ (1,286,489)	¥ —	\$ —	\$ (10,512)	\$ —
Related to Interest Rates	—	250,857	—	—	2,049	—
Total Derivative Instruments	¥ —	¥ (1,035,631)	¥ —	\$ —	\$ (8,462)	\$ —

As of March 31, 2021	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 125,522	¥ 674
Trading Assets			
Trading Securities	2,016	—	—
Money Held in Trust			
Other Money Held in Trust	8,590,336	1,984,353	2,061
Securities			
Other Securities			
Stocks	744,327	—	—
Bonds	6,967,074	1,356,197	—
Japanese Government Bonds	6,967,074	—	—
Municipal Government Bonds	—	153,990	—
Corporate Bonds	—	1,202,206	—
Other	15,608,979	9,565,576	57,992
Foreign Bonds	15,138,986	3,115,927	25,317
Foreign Stocks	20,351	—	—
Investment Trust	449,640	6,449,648	32,674
Total Assets	¥31,912,734	¥13,031,648	¥60,728
Derivative Instruments			
Related to Currencies	¥ —	¥ (837,245)	¥ —
Related to Interest Rates	—	(363,915)	—
Related to Bonds	12	—	—
Total Derivative Instruments	¥ 12	¥(1,201,161)	¥ —

Financial assets and liabilities whose fair values are not equal to consolidated balance sheet amounts are as follows.

As of March 31, 2022	Millions of Yen			Millions of U.S. Dollars		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 230,141	¥ 19,091	\$ —	\$ 1,880	\$ 155
Money Held in Trust						
Other Money Held in Trust	—	431	149,155	—	3	1,218
Securities						
Held-to-Maturity Debt Securities						
Japanese Government Bonds	478,816	408,095	—	3,912	3,334	—
Corporate Bonds	—	100,569	—	—	821	—
Foreign Bonds	—	7,569,081	143,946	—	61,849	1,176
Loans and Bills Discounted	—	—	23,197,090	—	—	189,549
Total Assets	¥478,816	¥ 8,308,319	¥23,509,283	\$3,912	\$ 67,889	\$192,100
Deposits	¥ —	¥64,009,925	¥ —	\$ —	\$523,042	\$ —
Debentures	—	349,198	—	—	2,853	—
Borrowed Money	—	4,924,931	—	—	40,242	—
Total Liabilities	¥ —	¥69,284,055	¥ —	\$ —	\$566,138	\$ —

As of March 31, 2021	Millions of Yen		
	Level 1	Level 2	Level 3
Monetary Claims Bought	¥ —	¥ 151,946	¥ 24,840
Money Held in Trust			
Other Money Held in Trust	—	381	65,883
Securities			
Held-to-Maturity Debt Securities			
Japanese Government Bonds	493,520	2,670,296	—
Corporate Bonds	—	101,157	—
Foreign Bonds	—	9,443,305	135,118
Loans and Bills Discounted	—	—	22,016,167
Total Assets	¥493,520	¥12,367,087	¥22,242,009
Deposits	¥ —	¥65,652,219	¥ —
Debentures	—	355,756	—
Borrowed Money	—	5,092,464	—
Total Liabilities	¥ —	¥71,100,440	¥ —

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

Assets

Monetary Claims Bought

Monetary Claims Bought are valued and classified according to the same methods described in “Loans and Bills Discounted” and “Securities” below.

Trading Assets

Trading Securities are valued and classified according to the same methods described in “Securities” below.

Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued and classified according to the same methods described in “Loans and Bills Discounted” and “Securities” 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.

Securities

When unadjusted quoted prices are available in an active market, such securities are classified into Level 1 of the fair value hierarchy. Examples of Level 1 securities include listed equities and government bonds.

When quoted prices are available but not traded actively, such securities are classified into Level 2 of the fair value hierarchy. Level 2 securities mainly include municipal bonds and corporate bonds. When quoted prices are not available, the Bank and its subsidiaries generally estimate fair values by using prices obtained from independent pricing vendors, or by using valuation technique such as Discount Cash Flow method. As for valuation, the Bank and its subsidiaries maximize the use of observable inputs. Inputs include default rates, recovery rates, prepayment rates and discount rates. Where significant inputs adopted to the fair value measurements for securities are unobservable, such securities are classified into Level 3 of the fair value hierarchy.

Additionally, in terms of the fair value hierarchy for Investment Trusts, the Bank does not apply the transitional measurement permitted by Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 4th July 2019). It discloses the detail and others of the fair value hierarchy for the instrument in each level. Concretely, in addition to the factors mentioned above, probability of redemption or sale at net asset value are reflected on classification of the fair value hierarchy for Investment Trusts. Net asset value for certain Investment Trusts is adjusted by liquidity discount and such Investment Trust is classified into Level 3 of the fair value hierarchy.

Loans and Bills Discounted

The fair value of Loans and Bills Discounted with floating rates approximates the book value since it is repriced reflecting market interest fluctuations within a short period, unless the creditworthiness of the debtors has changed significantly after execution. Accordingly, the book 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 main inputs include the default rates based on the current credit rating of the debtors, recovery rates, and other inputs. As for mortgages, the fair value is calculated according to the Discounted Cash Flow method. The main inputs include the default rates, recovery rates, prepayment rates and other inputs.

As for Loans and Bills Discounted to doubtful debtors and others, the fair value is calculated by the present value of expected future cash flows or the estimated recovery amount of collateral and guarantee.

With respect to Loans and Bills Discounted without stated maturity for which credit is extended up to the value of the collateral assets, the book value is deemed to approximate the fair value, taking into account expected maturities, interest rates and other terms. All of Loans and Bills Discounted are classified into Level 3 of the fair value hierarchy since significant inputs for the assets are unobservable.

Liabilities**Deposits**

With respect to demand deposits, the amounts payable on demand as of the consolidated balance sheet date (the book value) are estimated at fair value. The fair value of time deposits with floating rates approximates the book 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 significantly. Accordingly, the fair value is deemed to be the book value. As for time deposits with fixed rates, the fair value is calculated according to the Discounted Cash Flow method, and these discount rates are the currently-applied deposit rates determined as interest rates similar to the market basis. Some contractual terms are short-term (1 year or less), and the fair value approximates the book value. Accordingly, the fair value is deemed to be the book value. All of the calculated fair values for deposits are classified into Level 2 of the fair value hierarchy.

Debentures

As for Debentures, the fair value is based on the quoted market price if available, or calculated according to the Discounted Cash Flow method. The main input of this method is the rate which would be applied if a similar debenture was issued. Debentures are classified into Level 2 of the fair value hierarchy considering the market liquidity for those.

Borrowed Money

The fair value of Borrowed Money with floating rates approximates the book 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 significantly. Accordingly, the book value is deemed to be the fair value. Therefore, Borrowed Money with floating rate is classified into Level 2 of the fair value hierarchy.

As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The input of this method is the interest rate which would be applied to a similar borrowed money. Where unobservable inputs have a significant impact on the fair value for Borrowed Money with fixed rates, the instrument is classified into Level 3 of the fair value hierarchy. Where not, the instrument is classified into Level 2 of the fair value hierarchy. The fair value of the Borrowed Money within a year or less with fixed rates approximates the book value and then the fair value is deemed to be the book value. Such Borrowed Money is classified into Level 2 of the fair value hierarchy.

Derivative Instruments

When unadjusted quoted prices are available for Derivative instruments in an active market, such instruments are classified into Level 1 of the fair value hierarchy. Examples of these Derivative instruments include Bond Futures, Interest Rate Futures and others.

Where quoted market price is unavailable, the Bank estimates fair values for Derivative instruments by a net present value method, an option pricing model and other methods as appropriate. Main inputs used by valuation methods mentioned above are interest rates, foreign currency exchange rates, volatility and other variables. Further, the fair value for derivative instruments such as Swap and others is reflected on the price adjustment based on credit risk of counter parties and the Bank itself. Where unobservable inputs are not adopted or their impact is not significant on the fair value for Derivative instruments, such derivative instruments are classified into Level 2 of the fair value hierarchy. Derivatives that are evaluated using valuation techniques with significant unobservable inputs are classified into Level 3 of the fair value hierarchy.

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

(Note 2) The Fair value of Level 3 for financial instruments recorded at fair value on the consolidated balance sheet is as follows

Quantitative Information of Significant Unobservable Inputs about Level 3 Fair Value Measurements

As of March 31, 2022

None

As of March 31, 2021

None

Table of a Reconciliation from Balance at the Beginning of the Fiscal Year to Balance at the End of the Period, and Unrealized Gain/Loss recorded as Profit/Loss in the Period is as follows

	Millions of Yen				Millions of U.S. Dollars			
	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net Amount of Purchase, Sale, Issuance and Settlement	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net Amount of Purchase, Sale, Issuance and Settlement
		Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)			Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	
As of March 31, 2022								
Monetary Claims Bought	¥ 674	¥—	¥ (3)	¥ (97)	\$ 5	\$—	\$ (0)	\$ (0)
Money Held in Trust								
Other Money Held in Trust	2,061	—	(59)	(125)	16	—	(0)	(1)
Securities								
Other Securities								
Bonds	—	—	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—	—	—
Other	57,992	—	(2,823)	41,580	473	—	(23)	339
Foreign Bonds	25,317	—	(5,187)	55,409	206	—	(42)	452
Investment Trust	32,674	—	2,363	(13,829)	266	—	19	(113)
Total Assets	¥60,728	¥—	¥(2,886)	¥ 41,358	\$496	\$—	\$(23)	\$ 337

	Millions of Yen				Millions of U.S. Dollars							
	Transfers to Fair Value of Level 3 (*2)	Transfers from Fair Value of Level 3 (*3)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the Period for Financial Assets and Financial Liabilities held at the End of the Period	Transfers to Fair Value of Level 3 (*2)	Transfers from Fair Value of Level 3 (*3)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the Period for Financial Assets and Financial Liabilities held at the End of the Period				
As of March 31, 2022												
Monetary Claims Bought	¥ —	¥ —	¥ 574	¥—	\$ —	\$—	\$ 4	\$—				
Money Held in Trust												
Other Money Held in Trust	—	(528)	1,348	—	—	(4)	11	—				
Securities												
Other Securities												
Bonds	—	—	—	—	—	—	—	—				
Corporate Bonds	—	—	—	—	—	—	—	—				
Other	12,307	—	109,057	—	100	—	891	—				
Foreign Bonds	12,307	—	87,848	—	100	—	717	—				
Investment Trust	—	—	21,209	—	—	—	173	—				
Total Assets	¥12,307	¥(528)	¥110,980	¥—	\$100	\$(4)	\$906	\$—				

(*1) 1. "Recorded in Other Comprehensive Income" is included Net Unrealized Gains (Losses) on Other Securities in Other Comprehensive Income of Consolidated Statement of Comprehensive Income.

2. These are transfers from the fair value of Level 2 to that of Level 3. This is because observability of inputs has been lowered. This transfer is implemented at the end of the period.

3. These are transfers from the fair value of Level 3 to that of Level 2. This is primarily because credit spreads for similar financial instruments as observable inputs have become available. This transfer is implemented at the end of the period.

	Millions of Yen			
	Balance at the Beginning of the Fiscal Year	Profit or Loss for the Current Period or Other Comprehensive Income		Net Amount of Purchase, Sale, Issuance and Settlement
		Recorded in Profit or Loss	Recorded in Other Comprehensive Income (*1)	
As of March 31, 2021				
Monetary Claims Bought	¥ 777	¥—	¥ (2)	¥ (101)
Money Held in Trust				
Other Money Held in Trust	2,215	—	(512)	358
Securities				
Other Securities				
Bonds	1,409	—	90	(252)
Corporate Bonds	1,409	—	90	(252)
Other	63,978	—	1,733	(7,720)
Foreign Bonds	24,189	—	(31)	1,159
Investment Trust	39,789	—	1,764	(8,879)
Total Assets	¥68,382	¥—	¥1,309	¥(7,714)

	Millions of Yen			
	Transfers to Fair Value of Level 3	Transfers from Fair Value of Level 3 (*2)	Balance at the End of the Period	Unrealized Gain/Loss recorded as Profit/Loss during the Period for Financial Assets and Financial Liabilities held at the End of the Period
As of March 31, 2021				
Monetary Claims Bought	¥—	¥ —	¥ 674	¥—
Money Held in Trust				
Other Money Held in Trust	—	—	2,061	—
Securities				
Other Securities				
Bonds	—	(1,247)	—	—
Corporate Bonds	—	(1,247)	—	—
Other	—	—	57,992	—
Foreign Bonds	—	—	25,317	—
Investment Trust	—	—	32,674	—
Total Assets	¥—	¥(1,247)	¥60,728	¥—

(*1) 1. "Recorded in Other Comprehensive Income" is included Net Unrealized Gains (Losses) on Other Securities in Other Comprehensive Income of Consolidated Statement of Comprehensive Income.

2. These are transfers from the fair value of Level 3 to that of Level 2. This is primarily because credit spreads for similar financial instruments as observable inputs have become available. This transfer is implemented at the end of the period.

Explanation of Market Value Evaluation Process

Supervisory Department for Fair Value Measurement in the Bank establishes guidelines and procedures for fair value and Fair Value Measurement Department calculates fair value in compliance with these guidelines and procedures. Assessment Department, which is independent from Fair Value Measurement Department verifies appropriateness of the calculation result of fair value, and the result of the verification is reported in the Risk Management Committee. Thus, the Bank confirms the appropriateness of guidelines and procedures for fair value measurement.

Moreover, as for fair value measurement, the Bank adopts pricing models which the most properly reflect on types, characteristics, and risks for individual financial instrument. Where market values obtained from independent pricing vendors are used, the Bank verifies the validity of the vendors' market values by means of appropriate approaches such as assessment of pricing models and inputs which the vendors adopt, comparison with fair values of similar financial instruments and others.

Explanation of an Impact on Fair Value in the Case of Changing Significant Unobservable Inputs

As of March 31, 2022

None

As of March 31, 2021

None

33. Fair Value of Securities

Trading Securities

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
	Unrealized Gains (Losses) included in the Income for the fiscal year	Unrealized Gains (Losses) included in the Income for the fiscal year	Unrealized Gains (Losses) included in the Income for the fiscal year
As of March 31			
Trading Securities	¥—	¥(6)	\$—

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, 2022	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	¥ 403,959	¥ 408,095	¥ 4,135	\$ 3,300
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	655	657	2	5	5	0
	Other	1,933,464	1,954,886	21,421	15,798	15,973	175
	Foreign Bonds	1,805,732	1,826,671	20,938	14,755	14,926	171
	Other	127,732	128,215	482	1,043	1,047	3
	Subtotal	2,338,079	2,363,639	25,559	19,105	19,313	208
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	499,633	478,816	(20,817)	4,082	3,912	(170)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	100,000	99,912	(88)	817	816	(0)
	Other	6,045,813	6,007,374	(38,439)	49,401	49,087	(314)
	Foreign Bonds	5,924,615	5,886,356	(38,259)	48,411	48,099	(312)
	Other	121,197	121,017	(179)	990	988	(1)
Subtotal	6,645,447	6,586,102	(59,344)	54,301	53,816	(484)	
Total	¥8,983,526	¥8,949,741	¥(33,785)	\$73,406	\$73,130	\$(276)	

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, 2021	Type	Balance Sheet Amount		
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 2,645,562	¥ 2,670,296	¥ 24,733
	Municipal Government Bonds	—	—	—
	Corporate Bonds	101,113	101,157	44
	Other	6,552,479	6,598,745	46,266
	Foreign Bonds	6,466,477	6,512,642	46,165
	Other	86,001	86,102	101
	Subtotal	9,299,155	9,370,199	71,044
	Japanese Government Bonds	499,613	493,520	(6,093)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
Other	3,164,118	3,156,465	(7,652)	
Foreign Bonds	3,073,398	3,065,781	(7,616)	
Other	90,719	90,684	(35)	
Subtotal	3,663,731	3,649,985	(13,745)	
Total		¥12,962,886	¥13,020,185	¥ 57,298

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, 2022	Type	Balance Sheet Amount	Cost		Balance Sheet Amount	Cost	
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 640,688	¥ 235,659	¥ 405,029	\$ 5,235	\$ 1,925	\$ 3,309
	Bonds	1,488,169	1,434,122	54,046	12,160	11,718	441
	Japanese Government Bonds	1,459,720	1,405,691	54,029	11,927	11,486	441
	Municipal Government Bonds	10,838	10,831	6	88	88	0
	Corporate Bonds	17,610	17,600	10	143	143	0
	Other	9,797,367	8,577,601	1,219,765	80,056	70,089	9,967
	Foreign Bonds	7,315,285	6,841,381	473,903	59,775	55,902	3,872
	Foreign Stocks	18,904	8,092	10,812	154	66	88
	Investment Trusts	2,346,384	1,612,482	733,902	19,172	13,176	5,996
	Other	116,792	115,645	1,146	954	944	9
Subtotal	11,926,225	10,247,383	1,678,841	97,452	83,734	13,718	
Stocks	13,663	16,819	(3,155)	111	137	(25)	
Bonds	6,836,801	7,003,297	(166,495)	55,865	57,225	(1,360)	
Japanese Government Bonds	5,628,966	5,787,028	(158,062)	45,995	47,287	(1,291)	
Municipal Government Bonds	147,530	150,086	(2,555)	1,205	1,226	(20)	
Corporate Bonds	1,060,304	1,066,181	(5,877)	8,664	8,712	(48)	
Other	18,062,793	18,762,709	(699,916)	147,595	153,315	(5,719)	
Foreign Bonds	13,022,258	13,602,592	(580,333)	106,408	111,150	(4,742)	
Foreign Stocks	—	—	—	—	—	—	
Investment Trusts	5,004,974	5,124,548	(119,573)	40,897	41,874	(977)	
Other	35,559	35,568	(8)	290	290	(0)	
Subtotal	24,913,258	25,782,825	(869,567)	203,572	210,678	(7,105)	
Total	¥36,839,483	¥36,030,209	¥ 809,274	\$301,025	\$294,412	\$ 6,612	

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

2. Investment Trusts include Japanese trusts and foreign trusts.

		Millions of Yen		
As of March 31, 2021	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 729,825	¥ 247,130	¥ 482,694
	Bonds	3,069,931	2,935,371	134,560
	Japanese Government Bonds	2,919,990	2,785,565	134,424
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Municipal Government Bonds	45,364	45,336	27
	Corporate Bonds	104,577	104,470	107
	Other	18,269,308	16,375,128	1,894,180
	Foreign Bonds	13,297,229	12,309,926	987,303
	Foreign Stocks	20,351	7,682	12,669
	Investment Trusts	4,818,888	3,924,913	893,974
	Other	132,839	132,605	233
	Subtotal	22,069,066	19,557,630	2,511,435
	Stocks	14,502	17,700	(3,198)
	Bonds	5,253,339	5,298,601	(45,261)
	Japanese Government Bonds	4,047,084	4,087,890	(40,805)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Municipal Government Bonds	108,626	110,229	(1,602)
	Corporate Bonds	1,097,628	1,100,482	(2,853)
	Other	7,101,613	7,476,432	(374,819)
	Foreign Bonds	4,983,002	5,205,465	(222,462)
	Foreign Stocks	—	—	—
	Investment Trusts	2,113,075	2,265,432	(152,356)
	Other	5,535	5,535	(0)
	Subtotal	12,369,455	12,792,735	(423,279)
	Total	¥34,438,521	¥32,350,365	¥2,088,156

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, 2022 and 2021.

Other Securities Sold during the Fiscal Year

Fiscal year ended March 31, 2022	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	¥ 42,029	¥ 27,422	¥ 99	\$ 343	\$ 224	\$ 0
Bonds	1,403,830	1,556	40,967	11,471	12	334
Japanese Government Bonds	1,403,830	1,556	40,967	11,471	12	334
Municipal Government Bonds	—	—	—	—	—	—
Corporate Bonds	—	—	—	—	—	—
Other	5,868,999	145,006	197,707	47,957	1,184	1,615
Foreign Bonds	5,668,410	29,740	197,641	46,318	243	1,614
Foreign Stocks	0	—	—	0	—	—
Investment Trusts	175,476	114,829	66	1,433	938	0
Other	25,112	436	—	205	3	—
Total	¥7,314,859	¥173,985	¥238,774	\$59,771	\$1,421	\$1,951

Note: Investment Trusts include Japanese trusts and foreign trusts.

Fiscal year ended March 31, 2021	Millions of Yen		
	Sales Proceeds	Gains on Sales	Losses on Sales
Stocks	¥ 11,761	¥ 6,574	¥ 23
Bonds	983,657	5,006	845
Japanese Government Bonds	983,657	5,006	845
Municipal Government Bonds	—	—	—
Corporate Bonds	—	—	—
Other	3,761,627	40,819	98,106
Foreign Bonds	3,656,949	14,151	97,831
Foreign Stocks	24	24	0
Investment Trusts	99,481	26,435	274
Other	5,172	208	—
Total	¥4,757,045	¥52,400	¥98,974

Note: Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes (except Stocks and others with no market prices and Investments in Partnership) are revalued to their fair value, and the difference between the book value and the fair value is treated as a realized loss for the fiscal years ended March 31, 2022 and 2021 (“revaluation loss”), if the fair value has significantly deteriorated from the book value unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the fiscal year ended March 31, 2022 was ¥2,840 million (\$23 million) including ¥2,245 million (\$18 million) on Stocks and ¥595 million (\$4 million) on Investment Trusts.

The amount of revaluation loss for the fiscal year ended March 31, 2021 was ¥12,986 million including ¥872 million on Stocks and ¥12,113 million on Investment Trusts.

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 book value

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

34. Fair Value of Money Held in Trust

Money Held in Trust for Trading Purposes

As of March 31, 2022	Millions of Yen		Millions of U.S. Dollars	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥4,669	¥—	\$38	\$—

As of March 31, 2021	Millions of Yen	
	Consolidated Balance Sheet Amount	Unrealized Gain Recognized as Income
Money Held in Trust for Trading Purposes	¥—	¥—

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

As of March 31, 2022	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	¥10,863,315	¥10,944,909	¥(81,593)	¥65,863	¥147,457

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, 2022					
Other Money Held in Trust	\$88,767	\$89,433	\$(666)	\$538	\$1,204

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, 2021					
Other Money Held in Trust	¥10,638,598	¥10,192,091	¥446,506	¥470,534	¥24,028

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

35. Fair Value of Derivative Instruments

(1) Derivative Instruments not accounted for as hedges

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

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

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars					
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss		
	Total	Over 1 Year			Total	Over 1 Year				
As of March 31, 2022										
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.	¥2,466,110	179,267	1,844	1,844	\$20,151	1,464	15	15		
Rec.: Flt.-Pay.: Fix.	136,953	129,267	(1,277)	(1,277)	1,119	1,056	(10)	(10)		
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—		
Interest Rate Options:										
Sold		—		—		—		—		
Purchased		—		—		—		—		
Other:										
Sold		—		—		—		—		
Purchased		—		—		—		—		
Total	¥	/	¥	567	¥	567	\$	/	\$	4

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

As of March 31, 2021	Millions of Yen				Fair Value	Unrealized Gain/Loss
	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.		340,741		319,401	3,147	3,147
Rec.: Flt.-Pay.: Fix.		208,886		187,545	(2,875)	(2,875)
Rec.: Flt.-Pay.: Flt.		—		—	—	—
Interest Rate Options:						
Sold		—		—		—
Purchased		—		—		—
Other:						
Sold		—		—		—
Purchased		—		—		—
Total	¥	/	¥	/	¥ 272	¥ 272

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

Currency-Related Derivative Instruments

As of March 31, 2022	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								
Sold		—		—		—		—
Purchased		—		—		—		—
Forwards:								
Sold		481,349		2,314	(16,161)	(16,161)	3,933	18
Purchased		629,524		2,206	15,749	15,749	5,144	18
Currency Options:								
Sold		—		—		—		—
Purchased		—		—		—		—
Other:								
Sold		—		—		—		—
Purchased		—		—		—		—
Total	¥	/	¥	/	¥ (412)	¥ (412)	\$ /	\$ /
							\$ (3)	\$ (3)

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

As of March 31, 2021	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	324,940	3,061	(7,808)	(7,808)
Purchased	648,843	3,066	5,388	5,388
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥(2,419)	¥(2,419)

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

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2022 and 2021.

Bond-Related Derivative Instruments

As of March 31, 2022	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	¥—	¥—	¥—	¥—	\$—	\$—	\$—	\$—
Purchased	—	—	—	—	—	—	—	—
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥—	¥—	\$ /	\$ /	\$—	\$—

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

As of March 31, 2021	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥2,838	¥—	¥ 36	¥ 36
Purchased	3,531	—	(23)	(23)
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 12	¥ 12

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

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Commodities-Related Derivative Instruments as of March 31, 2022 and 2021.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2022 and 2021.

(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, 2022		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	¥ 200,000	¥ 80,000	¥ 177	\$ 1,634	\$ 653	\$ 1
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,501,588	8,153,773	250,113	69,468	66,626	2,043
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	393,616	290,710	Note 2	3,216	2,375	Note 2
Total			¥ /	¥ /	¥250,290	\$ /	\$ /	\$2,045

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 Committee Practical Guideline No. 24, issued on March 17, 2022).

2. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the 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, 2021		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	¥ 320,000	¥ 200,000	¥ 756
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,059,185	7,312,908	(364,943)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	341,338	283,515	Note 2
Total			¥ /	¥ /	¥(364,187)

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 Committee Practical Guideline No. 24, issued on October 8, 2020).

2. The fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with the 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, 2022		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	¥15,706,728	¥11,234,807	¥(1,047,456)	\$128,343	\$91,802	\$ (8,559)
	Forex Forward		4,081,435	—	(238,620)	33,350	—	(1,949)
Total			¥ /	¥ /	¥(1,286,077)	\$ /	\$ /	\$(10,508)

Note: 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 Committee Practical Guideline No. 25, issued on October 8, 2020).

As of March 31, 2021		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	¥15,826,273	¥9,964,047	¥(773,815)
	Forex Forward		2,216,719	—	(61,010)
Total			¥ /	¥ /	¥(834,826)

Note: 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 Committee Practical Guideline No. 25, issued on October 8, 2020).

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of March 31, 2022 and 2021.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2022 and 2021.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S.
	2022	2021	Dollars 2022
Assets			
Cash and Due from Banks	¥ 18,070,056	¥ 19,820,208	\$147,655
Call Loans	—	60,890	—
Receivables under Resale Agreements	—	547,931	—
Monetary Claims Bought	387,819	302,918	3,168
Trading Assets	2,466	7,310	20
Money Held in Trust	10,864,800	10,637,717	88,779
Securities	47,057,256	48,491,498	384,517
Loans and Bills Discounted	22,955,497	21,824,004	187,575
Foreign Exchange Assets	375,980	271,190	3,072
Other Assets	3,129,171	2,877,505	25,569
Tangible Fixed Assets	149,530	164,657	1,221
Intangible Fixed Assets	49,732	54,299	406
Prepaid Pension Cost	57,465	41,641	469
Customers' Liabilities for Acceptances and Guarantees	415,117	269,647	3,392
Reserve for Possible Loan Losses	(147,046)	(131,577)	(1,201)
Reserve for Possible Investment Losses	(1,481)	(1,730)	(12)
Total Assets	¥103,366,368	¥105,238,114	\$844,634
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 64,019,836	¥ 65,675,444	\$523,123
Negotiable Certificates of Deposit	2,140,966	3,100,259	17,494
Debentures	363,780	361,479	2,972
Payables under Repurchase Agreements	19,327,671	17,073,926	157,931
Trading Liabilities	1,692	5,137	13
Borrowed Money	4,868,429	5,035,964	39,781
Foreign Exchange Liabilities	—	0	—
Short-term Entrusted Funds	684,692	877,743	5,594
Other Liabilities	4,104,171	4,491,742	33,536
Reserve for Bonus Payments	5,665	5,901	46
Reserve for Retirement Benefits	15,031	25,394	122
Reserve for Directors' Retirement Benefits	730	1,015	5
Deferred Tax Liabilities	272,524	479,825	2,226
Deferred Tax Liabilities for Land Revaluation	1,499	8,607	12
Acceptances and Guarantees	415,117	269,647	3,392
Total Liabilities	96,221,809	97,412,087	786,254
Net Assets			
Paid-in Capital	4,040,198	4,040,198	33,013
Capital Surplus	25,020	25,020	204
Retained Earnings	2,157,550	2,079,491	17,629
Total Owners' Equity	6,222,769	6,144,710	50,847
Net Unrealized Gains on Other Securities, net of taxes	756,155	1,944,952	6,178
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	159,663	(277,948)	1,304
Revaluation Reserve for Land, net of taxes	5,970	14,312	48
Total Valuation and Translation Adjustments	921,789	1,681,316	7,532
Total Net Assets	7,144,559	7,826,026	58,380
Total Liabilities and Net Assets	¥103,366,368	¥105,238,114	\$844,634

(2) Non-consolidated Statement of Operations

For the fiscal years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Income			
Interest Income:	¥ 716,343	¥ 851,281	\$ 5,853
Interest on Loans and Bills Discounted	76,401	83,558	624
Interest and Dividends on Securities	623,465	749,319	5,094
Interest on Call Loans	(724)	(4)	(5)
Interest on Receivables under Resale Agreements	(574)	(211)	(4)
Interest on Due from Banks	12,114	11,857	98
Other Interest Income	5,660	6,762	46
Fees and Commissions	11,960	14,346	97
Trading Income	104	513	0
Other Operating Income	94,335	74,208	770
Other Income	416,402	396,843	3,402
Total Income	1,239,146	1,337,192	10,125
Expenses			
Interest Expenses:	516,191	629,387	4,217
Interest on Deposits	12,167	29,065	99
Interest on Negotiable Certificates of Deposit	3,010	8,629	24
Interest on Debentures	1,294	690	10
Interest on Borrowed Money	37,222	40,816	304
Interest on Call Money	(0)	(0)	(0)
Interest on Payables under Repurchase Agreements	(25,467)	4,977	(208)
Other Interest Expenses	487,964	545,209	3,987
Fees and Commissions	21,933	15,925	179
Trading Expenses	—	18	—
Other Operating Expenses	293,429	156,212	2,397
General and Administrative Expenses	128,272	135,504	1,048
Other Expenses	34,926	106,899	285
Total Expenses	994,754	1,043,948	8,128
Income before Income Taxes	244,392	293,244	1,996
Income Taxes — Current	(2,132)	247,987	(17)
Income Taxes — Deferred	73,830	(166,826)	603
Total Income Taxes	71,698	81,160	585
Net Income	¥ 172,693	¥ 212,083	\$ 1,411

	Yen		U.S. Dollars
	2022	2021	2022
Net Income per Share	¥22.37	¥28.10	\$0.18

37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 24, 2022.

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash Dividends			
Special Dividends	¥29,660		\$242
Dividends on Common Stock (at the rate of 3% of the ¥100 face value, or ¥3.00 per share)	12,771		104
Dividends on Lower Dividend Rate Stock (at the rate of 1.3% of the ¥100 face value, or ¥1.30 per share)	46,663		381
Dividends on Preferred Stock (at the rate of 20% of the ¥100 face value, or ¥20.00 per share)	1,115		9

Independent Auditor's Report

The Board of Directors
The Norinchukin Bank

Opinion

We have audited the accompanying consolidated financial statements of The Norinchukin Bank and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statements of operations, comprehensive income, capital surplus and retained earnings, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of reserve for possible loan losses to the loans and bills discounted	
Key Audit Matter	Auditor's Responses
The Norinchukin Bank (the Bank) is engaged in lending to a wide variety of industries in Japan and overseas. The amount of the loans and bills discounted included in the consolidated balance sheet as of March 31, 2022 was 23,341,865 million-yen, accounting for 22% of the Total Assets. The collectability of loans and bills discounted recorded by the Bank is affected by uncertainties including the financial condition of the debtors and the deterioration	Our audit procedures performed to evaluate the appropriateness of the debtor classification determined by the Bank as well as the appropriateness of recognition of reserve for possible loan losses adjusted for risks identified based on the future forecasts included the following, among others: (1) Evaluation of internal control • We evaluated the design and tested the operating effectiveness of the Bank's

Key Audit Matter	Auditor's Responses
<p>of the economic environment, possibly leading to loan losses.</p> <p>To provide for such loan losses, the Bank calculates the amount of expected losses that will not be collected and records them as reserve for possible loan losses.</p> <p>The amount of the Reserve for Possible Loan Losses included in the consolidated balance sheet as of March 31, 2022 was 149,942 million-yen.</p> <p>The reserve for possible loan losses is calculated in accordance with the Bank's internal rules for self-assessment of asset quality and recognizing write-offs and provisions.</p> <p>The calculation process includes the determination of debtor classification and certain calculation method according to the debtor classification.</p> <p>The specific method of recognition is described in Section (8) "Reserve for Possible Loan Losses" and (16) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements.</p> <p>(1) Determination of debtor classification In determining the debtor classification, the debtor's future debt repayment capacity is assessed, taking into account the debtor's future forecasts including its expected business performance, considering the debtor's solvency based on certain factors such as the debtor's type of business, financial position, cash flows and profitability. The debtor's future forecasts including its expected business performance are the key assumptions in determining the debtor classification.</p> <p>(2) Recognition of reserve for possible loan losses adjusted for the risks identified based on future forecasts In recognizing the reserve for possible loan losses, the amount of expected losses is estimated after adjusting for the risks identified based on future forecasts. Specifically, the reserve for possible loans losses is recorded, taking into account the current position in economic cycles and the likelihood of each scenario in light of future</p>	<p>internal controls over determination of debtor classification and recognition of reserve for possible loan losses adjusted for the risks identified based on the future forecasts.</p> <p>(2) Determination of debtor classification</p> <ul style="list-style-type: none"> • We selected certain debtors on a sample basis by taking into account the type of business of the debtor, financial position, business performance and the effects of COVID-19, in addition to considering the monetary impact of changes in debtor classification on the amount recorded in reserve for possible loan losses. • We evaluated the selected debtors' recent financial position, cash flows and business performance by inspecting a set of documents related to the Bank's self-assessment of asset quality of the debtors. We also made inquiries to the Credit Risk Management Division and other relevant divisions to obtain supporting evidence as necessary. • We examined the reasonableness and likelihood of future outlook of individual debtors by analyzing the trends from past results of the major financial indicators. Our procedures also consisted of evaluating the accuracy of estimates based on the historical achievement of business plans in previous fiscal years. We also considered and evaluated relevant market and industry information, when available, that corroborated or contracted managements assumptions used in the classification of debtors. <p>(3) Recognition of reserve for possible loan losses adjusted for the risks identified based on the future forecasts</p> <ul style="list-style-type: none"> • We examined the current position in economic cycles and the likelihood of each scenario based on the future forecasts by comparing the documents of the decision-making bodies that discussed the future forecasts with available external information, such as external economists' reports, etc. In performing these procedures, we involved our network firm's specialists in the economic domain.

Key Audit Matter	Auditor's Responses
<p>outlook, by referring to historical loan losses, based on the macroeconomic indicators (Japan's GDP growth rate) which are highly correlated to historical records of loan losses and the Bank's outlook for economic fluctuations. The current position in economic cycles and the likelihood of each scenario in light of future outlook are the key assumptions in predicting future forecasts. The future forecasts of debtors' performance, the current position in economic cycles and the likelihood of each scenario in light of future outlook are highly dependent on estimation uncertainty and the management's judgement since they are affected by changes in the business environment surrounding the debtors as well as economic conditions arising out from COVID-19 pandemic and geopolitical risks.</p> <p>Based on the above, the appropriateness of the determination of debtor classification and the recognition of Reserve for Possible Loan Losses adjusted for the risks identified based on future forecasts is considered a key audit matter.</p>	<ul style="list-style-type: none"> We examined the amount of the reserve for possible loan losses calculated based on the assumptions applied, by inspecting the inputs and testing the accuracy through recalculation.

Appropriateness of fair value measurement of Foreign Bonds for which quoted market prices are not available	
Key Audit Matter	Auditor's Responses
<p>The Bank invests in securities based on the fundamental concept of "globally diversified investment". In terms of geographical area, the Bank invests in areas including Japan, the United States and Europe and other regions, and the Bank allocates its assets by various assets, including bonds, equities, credit, and alternative assets. The assets mainly include Held-To-Maturity Debt Securities and Other Securities. As of March 31, 2022, the amount of securities recorded on the consolidated balance sheet was 46,748,553 million-yen, accounting for 44% of Total Assets.</p> <p>Foreign bonds consist of products such as asset-backed securities which are exposed to market risks arising from interest rates, currency exchange rates and price fluctuations as well as credit and liquidity risks. The amount of Foreign Bonds recorded in the consolidated balance sheet as of</p>	<p>Our audit procedures performed to examine the appropriateness of fair value measurement of Foreign Bonds for which quoted market prices included the following, among others:</p> <ul style="list-style-type: none"> We evaluated the design and tested the operating effectiveness of the Bank's internal control over fair value measurement of foreign bonds. We inspected the results of the Bank's verification of comparisons of the valuations obtained from third parties with those obtained from other third parties, trend analysis and accordance with accounting standards for third party's fair value measurements, and examined the content and the valuation process. We examined the valuations obtained from third parties by obtaining the valuations of the third parties such as brokers, other than the external information vendor,

Key Audit Matter	Auditor's Responses
<p>March 31, 2022 was 28,067,892 million-yen, accounting for 60% of Securities.</p> <p>In cases where quoted market prices are not available, the fair value of foreign bonds are evaluated by using the valuation obtained from third parties such as information vendors, or determined based on the Bank's own estimates, and the fair value is measured using the income approach in both cases. As for calculating the fair value, the Bank has adopted the valuation models which reflects the nature, characteristics and risks of each instrument, and has used inputs such as default rates, recovery rates, prepayment rates and discount rates.</p> <p>As stated in the Section (16) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" the fair value of Foreign Bonds for which quoted market prices are not available is 93,474 million-yen for Other Securities and 5,897,089 million-yen for Held-To-Maturity Debt Securities.</p> <p>In determining fair value, those inputs are used, but the fair value may differ if different assumptions are used, and the determination of fair value is highly dependent on the uncertainty of key assumptions used in estimates and management's judgment. Therefore, appropriateness of fair value measurement of foreign bonds for which quoted market prices are not available is considered a key audit matter.</p>	<p>which is the sources of the fair values, and by comparing them with the fair values used by the Bank.</p> <ul style="list-style-type: none"> • We inspected the results of the Bank's validation for key inputs and valuation models used for its own estimate and examined the fair value measurement approach used. We involved our network firm's valuation specialists to perform these procedures. • We examined the inputs measured based on the Bank's own estimate, by cross-checking the inputs used in the fair value measurement with the evidences that support the objectivity of these inputs. • We examined the fair value measured based on the Bank's own estimates, by independently testing the accuracy through recalculation and comparing the outcome with the Bank's outcome. • We inspected and assessed the external credit ratings and examined whether to make adjustment to the valuation of foreign bonds related to credit risk.

Other Information

The other information comprises the information included in the Annual Report as a part of the Integrated Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Value Report and the Sustainability Report as a part of the Integrated Report, which are expected to be made available to us after that date. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board Member and Audit & Supervisory Board responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Member and Audit & Supervisory Board 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 such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Member and Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Member and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Member and Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board Member and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 2, 2022

/s/ Hideya Nanba
Designated Engagement Partner
Certified Public Accountant

/s/ Kazuya Hosono
Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuhiro Nagao
Designated Engagement Partner
Certified Public Accountant