

# Financial Review

## ■ Financial Results for the fiscal year ended March 31, 2023 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2023 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 2022 (for the fiscal year ended March 31, 2023).

### • Balance of Assets and Liabilities

Consolidated Total Assets decreased by ¥11,633.4 billion from the previous fiscal year-end to ¥94,504.9 billion, and consolidated Total Net Assets decreased by ¥1,621.1 billion from the previous fiscal year-end to ¥5,673.5 billion.

On the assets side, Loans and Bills Discounted decreased by ¥5,927.7 billion to ¥17,414.1 billion, and Securities decreased by ¥7,022.8 billion to ¥39,725.7 billion from the previous fiscal year-end, respectively.

On the liabilities side, Deposits decreased by ¥200.4 billion to ¥63,809.4 billion, and Debentures increased by ¥93.7 billion to ¥454.0 billion from the previous fiscal year-end, respectively.

### • Income

Consolidated Ordinary Profits\* were ¥40.4 billion, down ¥198.1 billion from the previous fiscal year, and Profit Attributable to Owners of Parent was ¥50.9 billion, down ¥133.6 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 17.82%, Consolidated Tier 1 Capital Ratio 21.98%, and Consolidated Total Capital Ratio 22.03% as of March 31, 2023.

## Key Management Indicators (Consolidated)

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

|   | 2019/3    | 2020/3    | 2021/3    | 2022/3    | 2023/3    | 2023/3    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Income                            | ¥ 1,732.1 | ¥ 1,546.3 | ¥ 1,358.8 | ¥ 1,268.6 | ¥ 2,201.7 | \$ 16,497 |
| Total Expenses                          | 1,607.8   | 1,422.3   | 1,065.2   | 1,005.0   | 2,138.4   | 16,023    |
| Profit Attributable to Owners of Parent | 103.5     | 92.0      | 208.2     | 184.6     | 50.9      | 382       |
| Total Comprehensive Income              | 238.5     | (111.1)   | 769.8     | (551.6)   | (1,479.3) | (11,084)  |
| Total Net Assets                        | 7,473.2   | 7,261.6   | 7,955.5   | 7,294.6   | 5,673.5   | 42,511    |
| Total Assets                            | 105,953.9 | 105,482.0 | 107,647.8 | 106,138.3 | 94,504.9  | 708,114   |
| Capital Adequacy Ratio (BIS) (Note 2)   |           |           |           |           |           |           |
| Common Equity Tier 1 Capital Ratio (%)  | 16.59     | 19.49     | 19.86     | 17.87     | 17.82     | 17.82     |
| Tier 1 Capital Ratio (%)                | 19.65     | 23.02     | 23.19     | 21.22     | 21.98     | 21.98     |
| Total Capital Ratio (%)                 | 19.65     | 23.02     | 23.19     | 21.23     | 22.03     | 22.03     |

Notes: 1. U.S. dollars have been converted at the rate of ¥133.46 to U.S. \$1, the effective rate of exchange at March 31, 2023.

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, 2023 (Non-consolidated)

### • Balance of Assets and Liabilities

Total Assets of the Bank at the end of the fiscal year decreased by ¥11,940.9 billion to ¥91,425.4 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year decreased by ¥1,674.4 billion to ¥5,470.0 billion from the previous fiscal year-end.

On the assets side, Loans and Bills Discounted was ¥16,902.5 billion, and Securities was ¥40,062.6 billion. On the liabilities side, Deposits amounted to ¥63,832.3 billion, and Debentures was ¥455.0 billion.

### • Income

Interest income of the Bank for the fiscal year ended March 31, 2023 totaled to ¥132.4 billion, down ¥110.5 billion from the previous fiscal year.

The total credit costs were ¥6.0 billion in net earnings mainly due to the reversal of general reserve for possible loan losses and others.

As for securities investments, net gains/losses on sales were net gains of ¥72.7 billion, up ¥138.2 billion from the previous fiscal year and the expenses of

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

As a result, with all of the factors mentioned above, the Bank recorded ¥23.4 billion in Ordinary Profits, down ¥195.6 billion and ¥43.2 billion in Net Income, down ¥129.4 billion from the previous fiscal year, respectively. The Bank's net operating profits stood at ¥52.4 billion.

The Bank invests in securities utilizing Money Held in Trust on a large scale. Therefore, the Bank's net operating losses including gains/losses on Money Held in Trust-related transactions, which are substantially the same as investment in securities stood at ¥40.8 billion.

### • Capital Adequacy Ratio

The Bank's Non-consolidated Capital Adequacy Ratios (Basel III standard) were as follows: Common Equity Tier 1 Capital Ratio 17.53%, Tier 1 Capital Ratio 21.76%, and Total Capital Ratio 21.80% as of March 31, 2023.

### Key Management Indicators (Non-consolidated)

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

|  | 2019/3    | 2020/3    | 2021/3    | 2022/3    | 2023/3    | 2023/3    |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Income                           | ¥ 1,709.1 | ¥ 1,520.9 | ¥ 1,337.1 | ¥ 1,239.1 | ¥ 2,174.8 | \$ 16,295 |
| Total Expenses                         | 1,591.9   | 1,403.1   | 1,043.9   | 994.7     | 2,128.4   | 15,948    |
| Net Income                             | 100.6     | 89.4      | 212.0     | 172.6     | 43.2      | 323       |
| Paid-in Capital                        | 4,040.1   | 4,040.1   | 4,040.1   | 4,040.1   | 4,040.1   | 30,272    |
| Total Net Assets                       | 7,381.8   | 7,174.8   | 7,826.0   | 7,144.5   | 5,470.0   | 40,986    |
| Total Assets                           | 104,176.8 | 103,403.5 | 105,238.1 | 103,366.3 | 91,425.4  | 685,039   |
| Deposits                               | 66,821.5  | 65,656.0  | 65,675.4  | 64,019.8  | 63,832.3  | 478,287   |
| Debentures                             | 1,262.2   | 791.4     | 361.4     | 363.7     | 455.0     | 3,409     |
| Loans and Bills Discounted             | 18,438.0  | 19,828.8  | 21,824.0  | 22,955.4  | 16,902.5  | 126,648   |
| Securities                             | 55,751.1  | 54,694.3  | 48,491.4  | 47,057.2  | 40,062.6  | 300,184   |
| Capital Adequacy Ratio (BIS) (Note 2)  |           |           |           |           |           |           |
| Common Equity Tier 1 Capital Ratio (%) | 16.73     | 19.56     | 19.84     | 17.85     | 17.53     | 17.53     |
| Tier 1 Capital Ratio (%)               | 19.86     | 23.15     | 23.22     | 21.27     | 21.76     | 21.76     |
| Total Capital Ratio (%)                | 19.86     | 23.15     | 23.23     | 21.27     | 21.80     | 21.80     |

Notes: 1. U.S. dollars have been converted at the rate of ¥133.46 to U.S. \$1, the effective rate of exchange at March 31, 2023.

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.<br>Dollars (Note 1) |
|--|--------------------|---------------------|--------------------------------------|
|  | 2023               | 2022                | 2023                                 |
| <b>Assets</b>  |                    |                     |                                      |
| Cash and Due from Banks (Notes 30, 32 and 33)                          | ¥22,430,679        | ¥ 18,140,525        | \$168,070                            |
| Receivables under Resale Agreements                                    | 305,076            | 366                 | 2,285                                |
| Monetary Claims Bought (Notes 32 and 33)                               | 321,441            | 387,819             | 2,408                                |
| Trading Assets (Notes 3, 32 and 33)                                    | 3,635              | 2,466               | 27                                   |
| Money Held in Trust (Notes 10, 32 and 34)                              | 8,419,368          | 10,867,985          | 63,085                               |
| Securities (Notes 4, 6, 10, 21, 32 and 33)                             | 39,725,740         | 46,748,553          | 297,660                              |
| Loans and Bills Discounted (Notes 5, 6, 10, 20 and 32)                 | 17,414,105         | 23,341,865          | 130,481                              |
| Foreign Exchange Assets (Notes 6 and 7)                                | 584,996            | 375,980             | 4,383                                |
| Other Assets (Notes 6, 8, 10 and 32)                                   | 1,608,236          | 3,178,992           | 12,050                               |
| Tangible Fixed Assets (Note 9)   | 134,914            | 151,442             | 1,010                                |
| Intangible Fixed Assets (Note 9)                                       | 51,669             | 52,174              | 387                                  |
| Net Defined Benefit Asset (Note 17)                                    | 129,465            | 119,913             | 970                                  |
| Deferred Tax Assets (Note 18)  | 307,942            | 4,315               | 2,307                                |
| Deferred Tax Assets for Land Revaluation                               | 1,600              | —                   | 11                                   |
| Customers' Liabilities for Acceptances and Guarantees (Notes 6 and 19) | 3,197,577          | 2,915,891           | 23,959                               |
| Reserve for Possible Loan Losses (Note 32)                             | (131,441)          | (149,942)           | (984)                                |
| Reserve for Possible Investment Losses                                 | (61)               | —                   | (0)                                  |
| <b>Total Assets</b>  | <b>¥94,504,944</b> | <b>¥106,138,351</b> | <b>\$708,114</b>                     |
| <b>Liabilities and Net Assets</b>                                      |                    |                     |                                      |
| <b>Liabilities</b>   |                    |                     |                                      |
| Deposits (Notes 11 and 32)   | ¥63,809,449        | ¥ 64,009,893        | \$478,116                            |
| Negotiable Certificates of Deposit (Note 32)                           | 2,296,478          | 2,140,966           | 17,207                               |
| Debentures (Notes 12 and 32)   | 454,034            | 360,280             | 3,402                                |
| Call Money and Bills Sold (Note 32)                                    | 390,000            | —                   | 2,922                                |
| Payables under Repurchase Agreements (Notes 10 and 32)                 | 10,613,476         | 19,327,671          | 79,525                               |
| Trading Liabilities (Notes 13 and 32)                                  | 2,786              | 1,692               | 20                                   |
| Borrowed Money (Notes 10, 14 and 32)                                   | 3,988,241          | 4,924,931           | 29,883                               |
| Foreign Exchange Liabilities (Note 15)                                 | 28                 | —                   | 0                                    |
| Short-term Entrusted Funds (Note 32)                                   | 797,420            | 684,692             | 5,974                                |
| Other Liabilities (Notes 16 and 32)                                    | 3,262,753          | 4,150,052           | 24,447                               |
| Reserve for Bonus Payments   | 7,693              | 7,554               | 57                                   |
| Net Defined Benefit Liability (Note 17)                                | 10,234             | 21,742              | 76                                   |
| Reserve for Directors' Retirement Benefits                             | 1,229              | 1,043               | 9                                    |
| Deferred Tax Liabilities (Note 18)                                     | —                  | 295,753             | —                                    |
| Deferred Tax Liabilities for Land Revaluation                          | —                  | 1,499               | —                                    |
| Acceptances and Guarantees (Note 19)                                   | 3,197,577          | 2,915,891           | 23,959                               |
| <b>Total Liabilities</b>   | <b>88,831,402</b>  | <b>98,843,664</b>   | <b>665,603</b>                       |
| <b>Net Assets</b>  |                    |                     |                                      |
| Paid-in Capital (Note 22)  | 4,040,198          | 4,040,198           | 30,272                               |
| Capital Surplus  | 23,399             | 23,399              | 175                                  |
| Retained Earnings  | 2,154,690          | 2,236,608           | 16,144                               |
| <b>Total Owners' Equity</b>  | <b>6,218,288</b>   | <b>6,300,206</b>    | <b>46,592</b>                        |
| Net Unrealized Gains (Losses) on Other Securities                      | (678,339)          | 758,987             | (5,082)                              |
| Net Deferred Gains (Losses) on Hedging Instruments                     | 77,079             | 177,259             | 577                                  |
| Revaluation Reserve for Land   | (2,099)            | 5,970               | (15)                                 |
| Foreign Currency Transaction Adjustments                               | 1,451              | 517                 | 10                                   |
| Remeasurements of Defined Benefit Plans (Note 17)                      | 46,671             | 41,753              | 349                                  |
| <b>Total Accumulated Other Comprehensive Income</b>                    | <b>(555,236)</b>   | <b>984,488</b>      | <b>(4,160)</b>                       |
| Non-controlling Interests  | 10,490             | 9,992               | 78                                   |
| <b>Total Net Assets</b>  | <b>5,673,542</b>   | <b>7,294,687</b>    | <b>42,511</b>                        |
| <b>Total Liabilities and Net Assets</b>                                | <b>¥94,504,944</b> | <b>¥106,138,351</b> | <b>\$708,114</b>                     |

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

# Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries

For the fiscal years ended March 31

|  | Millions of Yen   |           | Millions of U.S.<br>Dollars (Note 1) |
|--|-------------------|-----------|--------------------------------------|
|  | 2023              | 2022      | 2023                                 |
| <b>Income</b>  |                   |           |                                      |
| Interest Income:   | <b>¥1,290,279</b> | ¥ 715,757 | <b>\$ 9,667</b>                      |
| Interest on Loans and Bills Discounted                   | <b>229,975</b>    | 97,994    | <b>1,723</b>                         |
| Interest and Dividends on Securities                     | <b>991,826</b>    | 601,800   | <b>7,431</b>                         |
| Interest on Call Loans and Bills Bought                  | <b>(8)</b>        | (793)     | <b>(0)</b>                           |
| Interest on Receivables under Resale Agreements          | <b>988</b>        | (574)     | <b>7</b>                             |
| Interest on Due from Banks                               | <b>51,507</b>     | 11,673    | <b>385</b>                           |
| Other Interest Income                                    | <b>15,990</b>     | 5,657     | <b>119</b>                           |
| Fees and Commissions                                     | <b>30,797</b>     | 28,964    | <b>230</b>                           |
| Trading Income (Note 23)                                 | <b>302</b>        | 104       | <b>2</b>                             |
| Other Operating Income (Note 24)                         | <b>556,949</b>    | 100,106   | <b>4,173</b>                         |
| Other Income (Note 25)                                   | <b>323,466</b>    | 423,701   | <b>2,423</b>                         |
| <b>Total Income</b>                                      | <b>2,201,794</b>  | 1,268,633 | <b>16,497</b>                        |
| <b>Expenses</b>  |                   |           |                                      |
| Interest Expenses:                                       | <b>1,352,753</b>  | 514,517   | <b>10,136</b>                        |
| Interest on Deposits                                     | <b>140,584</b>    | 12,285    | <b>1,053</b>                         |
| Interest on Negotiable Certificates of Deposit           | <b>59,572</b>     | 3,010     | <b>446</b>                           |
| Interest on Debentures                                   | <b>7,031</b>      | 1,294     | <b>52</b>                            |
| Interest on Borrowed Money                               | <b>46,400</b>     | 37,359    | <b>347</b>                           |
| Interest on Call Money and Bills Sold                    | <b>(583)</b>      | (0)       | <b>(4)</b>                           |
| Interest on Payables under Repurchase Agreements         | <b>163,884</b>    | (27,402)  | <b>1,227</b>                         |
| Other Interest Expenses                                  | <b>935,863</b>    | 487,970   | <b>7,012</b>                         |
| Fees and Commissions                                     | <b>17,001</b>     | 15,330    | <b>127</b>                           |
| Trading Expenses (Note 26)                               | <b>61</b>         | —         | <b>0</b>                             |
| Other Operating Expenses (Note 27)                       | <b>482,232</b>    | 294,393   | <b>3,613</b>                         |
| General and Administrative Expenses                      | <b>158,529</b>    | 146,066   | <b>1,187</b>                         |
| Other Expenses (Note 28)                                 | <b>127,875</b>    | 34,784    | <b>958</b>                           |
| <b>Total Expenses</b>                                    | <b>2,138,454</b>  | 1,005,092 | <b>16,023</b>                        |
| <b>Income before Income Taxes</b>                        | <b>63,340</b>     | 263,540   | <b>474</b>                           |
| Income Taxes — Current                                   | <b>26,147</b>     | 4,946     | <b>195</b>                           |
| Income Taxes — Deferred                                  | <b>(15,067)</b>   | 73,319    | <b>(112)</b>                         |
| <b>Total Income Taxes</b>                                | <b>11,080</b>     | 78,265    | <b>83</b>                            |
| <b>Profit</b>  | <b>52,260</b>     | 185,275   | <b>391</b>                           |
| Profit Attributable to Non-controlling Interests         | <b>1,265</b>      | 624       | <b>9</b>                             |
| <b>Profit Attributable to Owners of Parent</b>           | <b>¥ 50,994</b>   | ¥ 184,650 | <b>\$ 382</b>                        |
|  |                   |           |                                      |
|  |                   | Yen       | U.S. Dollars<br>(Note 1)             |
|  | <b>2023</b>       | 2022      | <b>2023</b>                          |
| <b>Profit Attributable to Owners of Parent per Share</b> | <b>¥(0.25)</b>    | ¥25.18    | <b>\$(0.00)</b>                      |

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

## (2) Consolidated Statement of Comprehensive Income

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

|   | Millions of Yen |             | Millions of U.S.<br>Dollars (Note 1) |
|---|-----------------|-------------|--------------------------------------|
|   | 2023            | 2022        | 2023                                 |
| <b>Profit</b>   | ¥ 52,260        | ¥ 185,275   | \$ 391                               |
| <b>Other Comprehensive Income</b>   | (1,531,659)     | (736,929)   | (11,476)                             |
| Net Unrealized Gains (Losses) on Other Securities (Note 29)                                       | (1,436,607)     | (1,188,833) | (10,764)                             |
| Net Deferred Gains (Losses) on Hedging Instruments (Note 29)                                      | (100,152)       | 457,347     | (750)                                |
| Revaluation Reserve for Land (Note 29)  | —               | 2,247       | —                                    |
| Foreign Currency Transaction Adjustments (Note 29)  | 950             | 440         | 7                                    |
| Remeasurements of Defined Benefit Plans (Note 29)   | 4,891           | (7,623)     | 36                                   |
| Share of Other Comprehensive Income of Affiliates accounted for<br>by the equity method (Note 29) | (740)           | (506)       | (5)                                  |
| <b>Total Comprehensive Income</b>   | ¥(1,479,399)    | ¥ (551,654) | \$(11,084)                           |
| Attributable to:  |                 |             |                                      |
| Owners of Parent  | (1,480,661)     | (552,280)   | (11,094)                             |
| Non-controlling Interests   | 1,262           | 626         | 9                                    |

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 years ended March 31

|  | Millions of Yen |            | Millions of U.S.<br>Dollars (Note 1) |
|--|-----------------|------------|--------------------------------------|
|  | 2023            | 2022       | 2023                                 |
| <b>Capital Surplus</b>   |                 |            |                                      |
| Balance at the Beginning of the Fiscal Year  | ¥ 23,399        | ¥ 24,993   | \$ 175                               |
| Additions:   | —               | —          | —                                    |
| Deductions:  |                 |            |                                      |
| Change in Ownership Interest of Parent due to Transactions<br>with Non-controlling Interests | —               | 1,594      | —                                    |
| Balance at the End of the Fiscal Year  | 23,399          | 23,399     | 175                                  |
| <b>Retained Earnings</b>   |                 |            |                                      |
| Balance at the Beginning of the Fiscal Year  | 2,236,608       | 2,146,592  | 16,758                               |
| Additions:   |                 |            |                                      |
| Profit Attributable to Owners of Parent  | 50,994          | 184,650    | 382                                  |
| Reversal of Revaluation Reserve for Land   | 8,069           | 10,589     | 60                                   |
| Deductions:  |                 |            |                                      |
| Dividends  | 90,211          | 105,223    | 675                                  |
| Redemption of Treasury Preferred Stock   | 50,770          | —          | 380                                  |
| Balance at the End of the Fiscal Year  | ¥2,154,690      | ¥2,236,608 | \$16,144                             |

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

# Consolidated Statement of Cash Flows

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

|  | Millions of Yen |             | Millions of U.S.<br>Dollars (Note 1) |
|--|-----------------|-------------|--------------------------------------|
|  | 2023            | 2022        | 2023                                 |
| <b>Cash Flows from Operating Activities:</b>   |                 |             |                                      |
| Income before Income Taxes   | ¥ 63,340        | ¥ 263,540   | \$ 474                               |
| Depreciation   | 24,831          | 23,159      | 186                                  |
| Losses on Impairment of Fixed Assets   | 261             | —           | 1                                    |
| Equity in Losses (Earnings) of Affiliates  | (12,695)        | (5,932)     | (95)                                 |
| Net Increase (Decrease) in Reserve for Possible Loan Losses                          | (18,795)        | 14,616      | (140)                                |
| Net Increase (Decrease) in Reserve for Possible Investment Losses                    | 61              | (270)       | 0                                    |
| Net Increase (Decrease) in Reserve for Bonus Payments                                | 139             | 2           | 1                                    |
| Net Decrease (Increase) in Net Defined Benefit Asset                                 | (9,551)         | (7,762)     | (71)                                 |
| Net Increase (Decrease) in Net Defined Benefit Liability                             | (11,508)        | (7,743)     | (86)                                 |
| Net Increase (Decrease) in Reserve for Directors' Retirement Benefits                | 185             | (416)       | 1                                    |
| Interest Income  | (1,290,279)     | (715,757)   | (9,667)                              |
| Interest Expenses  | 1,352,753       | 514,517     | 10,136                               |
| Losses (Gains) on Securities   | (225,353)       | 140,051     | (1,688)                              |
| Losses (Gains) on Money Held in Trust  | 95,336          | 10,479      | 714                                  |
| Foreign Exchange Losses (Gains)  | (2,745,815)     | (3,230,110) | (20,574)                             |
| Losses (Gains) on Disposal of Fixed Assets   | (23,294)        | (24,969)    | (174)                                |
| Net Decrease (Increase) in Trading Assets  | (1,168)         | 4,843       | (8)                                  |
| Net Increase (Decrease) in Trading Liabilities                                       | 1,094           | (3,445)     | 8                                    |
| Net Decrease (Increase) in Loans and Bills Discounted                                | 5,956,338       | (1,200,828) | 44,630                               |
| Net Increase (Decrease) in Deposits  | (200,443)       | (1,642,269) | (1,501)                              |
| Net Increase (Decrease) in Negotiable Certificates of Deposit                        | 155,512         | (959,293)   | 1,165                                |
| Net Increase (Decrease) in Debentures  | 93,754          | 4,801       | 702                                  |
| Net Increase (Decrease) in Borrowed Money<br>(Excluding Subordinated Borrowed Money) | (928,069)       | (189,053)   | (6,953)                              |
| Net Decrease (Increase) in Interest-bearing Due from Banks                           | (64,198)        | (89,033)    | (481)                                |
| Net Decrease (Increase) in Call Loans and Bills Bought and Other                     | (239,476)       | 524,588     | (1,794)                              |
| Net Increase (Decrease) in Call Money and Bills Sold and Other                       | (8,324,194)     | 2,253,744   | (62,372)                             |
| Net Increase (Decrease) in Short-term Entrusted Funds                                | 112,727         | (193,050)   | 844                                  |
| Net Decrease (Increase) in Foreign Exchange Assets                                   | (209,015)       | (85,963)    | (1,566)                              |
| Net Increase (Decrease) in Foreign Exchange Liabilities                              | 28              | (0)         | 0                                    |
| Interest Received  | 1,228,320       | 659,205     | 9,203                                |
| Interest Paid  | (1,304,816)     | (512,767)   | (9,776)                              |
| Other, Net   | 803,858         | 528,903     | 6,023                                |
| Subtotal   | (5,720,135)     | (3,926,213) | (42,860)                             |
| Income Taxes Paid  | (23,254)        | (243,760)   | (174)                                |
| Net Cash Provided by (Used in) Operating Activities                                  | (5,743,389)     | (4,169,973) | (43,034)                             |

|   | Millions of Yen |              | Millions of U.S.<br>Dollars (Note 1) |
|---|-----------------|--------------|--------------------------------------|
|   | 2023            | 2022         | 2023                                 |
| <b>Cash Flows from Investing Activities:</b>                      |                 |              |                                      |
| Purchases of Securities   | (10,910,221)    | (14,541,719) | (81,749)                             |
| Proceeds from Sales of Securities                                 | 13,755,693      | 7,221,548    | 103,069                              |
| Proceeds from Redemption of Securities                            | 4,897,656       | 9,734,315    | 36,697                               |
| Increase in Money Held in Trust                                   | (787,925)       | (1,194,665)  | (5,903)                              |
| Decrease in Money Held in Trust                                   | 3,127,897       | 1,005,215    | 23,436                               |
| Purchases of Tangible Fixed Assets                                | (2,016)         | (4,012)      | (15)                                 |
| Purchases of Intangible Fixed Assets                              | (14,205)        | (9,067)      | (106)                                |
| Proceeds from Sales of Tangible Fixed Assets                      | 38,800          | 41,200       | 290                                  |
| Net Cash Provided by (Used in) Investing Activities               | 10,105,678      | 2,252,814    | 75,720                               |
| <b>Cash Flows from Financing Activities:</b>                      |                 |              |                                      |
| Repayments of Subordinated Borrowed Money                         | —               | (923)        | —                                    |
| Purchase of Treasury Preferred Stock                              | (50,770)        | —            | (380)                                |
| Proceeds from Share Issuance to Non-controlling Interests         | —               | 60           | —                                    |
| Purchase of Treasury Shares of Subsidiaries                       | —               | (3,605)      | —                                    |
| Dividends Paid  | (90,211)        | (105,223)    | (675)                                |
| Dividends Paid to Non-controlling Interests                       | (764)           | (470)        | (5)                                  |
| Net Cash Provided by (Used in) Financing Activities               | (141,746)       | (110,162)    | (1,062)                              |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents      | 2,368           | 4,699        | 17                                   |
| Net Increase (Decrease) in Cash and Cash Equivalents              | 4,222,910       | (2,022,621)  | 31,641                               |
| Cash and Cash Equivalents at the Beginning of the Fiscal Year     | 17,099,172      | 19,121,793   | 128,122                              |
| Cash and Cash Equivalents at the End of the Fiscal Year (Note 30) | ¥ 21,322,082    | ¥ 17,099,172 | \$159,763                            |

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 ¥133.46=U.S.\$1, the approximate rate of exchange prevailing on March 31, 2023, 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, 2022 was 22, 21 of which were consolidated and the remaining subsidiary was unconsolidated. The number of subsidiaries as of March 31, 2023 was 23, 21 of which were consolidated and the remaining 2 subsidiaries were unconsolidated.

The major consolidated subsidiaries are as follows:

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

The major unconsolidated subsidiary is as follows:

- NORINCHUKIN INNOVATION FUND L.P.

The unconsolidated subsidiaries were 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, 2022      Number of subsidiaries: 9
- Closing date: March 31, 2023      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, 2023 and 2022 were 6 and 6, 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.

BOT Lease Co., Ltd. was newly included in the scope of application of the equity method during the fiscal year due to acquisition of shares.

JAML MRC Holdings, Inc. was excluded from the scope of application of the equity method during the fiscal year since it was no longer an affiliate due to the sale of its shares.

## (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 exceed 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 Instruments: 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 Instruments: 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 assets or deferred tax liabilities are recorded as Deferred Tax Assets for Land Revaluation or 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 ¥8,554 million (\$64 million) and ¥10,286 million for the fiscal years ended March 31, 2023 and 2022, 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 (Indexes of Business Conditions (Composite Index (Coincident Index))) 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.

#### **(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, the total special dividends and redemption difference of preferred stocks 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.

**(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 ¥131,441 million (\$984 million) and ¥149,942 million for the fiscal years ended March 31, 2023 and 2022, 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.

The Bank reflects the risks identified based on future forecasts in calculating Reserve for Possible Loan Losses of “standard,” “other substandard debtors” and “debtors under requirement of control” in order to maintain stable lending to other institutions regardless of economic fluctuations caused by various risks.

## 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,” “other substandard debtors,” “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 expansion in the fiscal year. As for the future outlook, the main scenario is the continuation of a moderate economic recovery, given that the measure of inhibition of infection for COVID-19 has been relaxed. In addition, the assumptions partially reflect the economic recession scenario, mainly due to the rapid slowdown of overseas economies resulting from the tightening monetary policy triggered by inflation, 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 slowdown of overseas economies, geopolitical risks (the situation in Ukraine), and COVID-19 infection status, could have a significant impact on Reserve for Possible Loan Losses in the following fiscal year.

## b. Deferred Tax Assets

(a). Deferred Tax Assets on the consolidated financial statements were ¥307,942 million (\$2,307 million) and ¥4,315 million for the fiscal years ended March 31, 2023 and 2022, respectively.

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

## I. Calculation methods

The Bank recognizes Deferred Tax Assets for deductible temporary differences that are deemed to have the effect of reducing the tax burden in the future (i.e., recoverability). In determining the recoverability of deferred tax assets, the Bank recognizes Deferred Tax Assets based on the estimates such as the classification of an entity and the scheduling of deductible temporary differences, in accordance with Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26).

In determining the classification of an entity, the Bank considers the estimates of future taxable income based on the situation where financing costs, such as funding costs in foreign currencies, have increased as a result of the interest rate hikes, mainly in Europe and the United States, as well as the trends of the past and current period taxable income.

## II. Key assumptions

The estimation of future taxable income is based on medium- and long-term earnings prospects considering various simulations and other factors. The key assumptions are the forecasts of future financial and economic environment such as market fluctuations of interest rates and foreign exchange rates, and the trends of the financial position by the Bank's portfolio management in response to such forecasts.

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

If the assumptions used in the Bank's estimates change due to the fluctuation in financial economic environment or the change in the financial position by the Bank's portfolio management, the change could have a significant impact on Deferred Tax Assets in the following fiscal year.

## c. 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, 2023

| Items                            | Millions of Yen         |                   | Millions of U.S. Dollars |                 |
|----------------------------------|-------------------------|-------------------|--------------------------|-----------------|
|                                  | Consolidated            | Fair Value        | Consolidated             | Fair Value      |
|                                  | Balance Sheet<br>Amount |                   | Balance Sheet<br>Amount  |                 |
| Foreign Bonds                    |                         |                   |                          |                 |
| Other securities                 | ¥ 29,486                | ¥ 29,486          | \$ 220                   | \$ 220          |
| Held-to-Maturity Debt Securities | 7,668,102               | 7,590,166         | 57,456                   | 56,872          |
| <b>Total</b>                     | <b>¥7,697,588</b>       | <b>¥7,619,652</b> | <b>\$57,677</b>          | <b>\$57,093</b> |

## As of March 31, 2022

| Items                            | Millions of Yen         |                   |
|----------------------------------|-------------------------|-------------------|
|                                  | Consolidated            | Fair Value        |
|                                  | Balance Sheet<br>Amount |                   |
| Foreign Bonds                    |                         |                   |
| Other securities                 | ¥ 93,474                | ¥ 93,474          |
| Held-to-Maturity Debt Securities | 5,915,115               | 5,897,089         |
| <b>Total</b>                     | <b>¥6,008,589</b>       | <b>¥5,990,564</b> |

## (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 changes due to the fluctuation in financial economic environment, 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 Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Bank and its consolidated subsidiaries have adopted Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, revised on June 17, 2021) at the beginning of the fiscal year.

As a result, the change had no impact on the consolidated financial statements.

## 3. Trading Assets

|   | Millions of Yen |               | Millions of U.S.<br>Dollars |
|---|-----------------|---------------|-----------------------------|
|   | 2023            | 2022          | 2023                        |
| As of March 31  |                 |               |                             |
| Trading Securities  | ¥ 20            | ¥ 4           | \$ 0                        |
| Derivatives of Securities Related to Trading Transactions | 0               | —             | 0                           |
| Trading-related Financial Derivatives                     | 3,613           | 2,462         | 27                          |
| <b>Total</b>  | <b>¥3,635</b>   | <b>¥2,466</b> | <b>\$27</b>                 |

## 4. Securities

|                            | Millions of Yen    |                    | Millions of U.S.<br>Dollars |
|----------------------------|--------------------|--------------------|-----------------------------|
|                            | 2023               | 2022               | 2023                        |
| As of March 31             |                    |                    |                             |
| Japanese Government Bonds  | ¥ 6,933,134        | ¥ 7,992,279        | \$ 51,949                   |
| Municipal Government Bonds | 149,682            | 158,369            | 1,121                       |
| Corporate Bonds            | 1,049,380          | 1,178,570          | 7,862                       |
| Stocks                     | 810,962            | 821,668            | 6,076                       |
| Other                      | 30,782,580         | 36,597,665         | 230,650                     |
| Foreign Bonds              | 21,793,927         | 28,067,892         | 163,299                     |
| Foreign Stocks             | 50,426             | 39,298             | 377                         |
| Investment Trusts          | 7,694,359          | 7,351,359          | 57,652                      |
| Other                      | 1,243,867          | 1,139,114          | 9,320                       |
| <b>Total</b>               | <b>¥39,725,740</b> | <b>¥46,748,553</b> | <b>\$297,660</b>            |

The maturity profile of securities is as follows:

|                             | Millions of Yen      |                              |                                |                   |                             |
|-----------------------------|----------------------|------------------------------|--------------------------------|-------------------|-----------------------------|
|                             | 1 Year<br>or<br>Less | Over<br>1 Year to<br>5 Years | Over<br>5 Years to<br>10 Years | Over<br>10 Years  | With no<br>maturity<br>date |
| <b>As of March 31, 2023</b> |                      |                              |                                |                   |                             |
| Bonds                       | ¥263,893             | ¥ 537,097                    | ¥ 2,735,410                    | ¥4,595,794        | ¥ —                         |
| Japanese Government Bonds   | 16,010               | 4,898                        | 2,692,604                      | 4,219,620         | —                           |
| Municipal Government Bonds  | 4,205                | 50,430                       | 14,518                         | 80,528            | —                           |
| Corporate Bonds             | 243,677              | 481,769                      | 28,287                         | 295,646           | —                           |
| Stocks                      | —                    | —                            | —                              | —                 | 810,962                     |
| Other                       | 340,357              | 4,597,310                    | 15,820,619                     | 4,167,748         | 5,856,545                   |
| Foreign Bonds               | 279,462              | 3,769,453                    | 15,135,940                     | 2,609,071         | —                           |
| Foreign Stocks              | —                    | —                            | —                              | —                 | 50,426                      |
| Investment Trusts           | 4,222                | 370,437                      | 319,405                        | 1,494,485         | 5,505,807                   |
| Other                       | 56,671               | 457,419                      | 365,273                        | 64,191            | 300,311                     |
| <b>Total</b>                | <b>¥604,251</b>      | <b>¥5,134,407</b>            | <b>¥18,556,029</b>             | <b>¥8,763,543</b> | <b>¥6,667,507</b>           |



| As of March 31, 2022       | Millions of Yen      |                              |                                |                   |                             |
|----------------------------|----------------------|------------------------------|--------------------------------|-------------------|-----------------------------|
|                            | 1 Year<br>or<br>Less | Over<br>1 Year to<br>5 Years | Over<br>5 Years to<br>10 Years | Over<br>10 Years  | With no<br>maturity<br>date |
| 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                     |
| <b>Total</b>               | <b>¥1,957,581</b>    | <b>¥8,364,140</b>            | <b>¥21,952,628</b>             | <b>¥7,486,450</b> | <b>¥6,987,752</b>           |

| As of March 31, 2023       | Millions of U.S. Dollars |                              |                                |                  |                             |
|----------------------------|--------------------------|------------------------------|--------------------------------|------------------|-----------------------------|
|                            | 1 Year<br>or<br>Less     | Over<br>1 Year to<br>5 Years | Over<br>5 Years to<br>10 Years | Over<br>10 Years | With no<br>maturity<br>date |
| Bonds                      | \$1,977                  | \$ 4,024                     | \$ 20,496                      | \$34,435         | \$ —                        |
| Japanese Government Bonds  | 119                      | 36                           | 20,175                         | 31,617           | —                           |
| Municipal Government Bonds | 31                       | 377                          | 108                            | 603              | —                           |
| Corporate Bonds            | 1,825                    | 3,609                        | 211                            | 2,215            | —                           |
| Stocks                     | —                        | —                            | —                              | —                | 6,076                       |
| Other                      | 2,550                    | 34,447                       | 118,542                        | 31,228           | 43,882                      |
| Foreign Bonds              | 2,093                    | 28,244                       | 113,411                        | 19,549           | —                           |
| Foreign Stocks             | —                        | —                            | —                              | —                | 377                         |
| Investment Trusts          | 31                       | 2,775                        | 2,393                          | 11,198           | 41,254                      |
| Other                      | 424                      | 3,427                        | 2,736                          | 480              | 2,250                       |
| <b>Total</b>               | <b>\$4,527</b>           | <b>\$38,471</b>              | <b>\$139,038</b>               | <b>\$65,664</b>  | <b>\$49,958</b>             |

Notes: 1. The above amount is based on the consolidated balance sheet amount at the end of the fiscal year.

2. Investment Trusts include Japanese trusts and foreign trusts.

## 5. Loans and Bills Discounted

| As of March 31   | Millions of Yen    |                    | Millions of U.S.<br>Dollars |
|------------------|--------------------|--------------------|-----------------------------|
|                  | 2023               | 2022               | 2023                        |
| Loans on Deeds   | ¥15,592,060        | ¥21,695,831        | \$116,829                   |
| Loans on Bills   | 486,753            | 401,960            | 3,647                       |
| Overdrafts       | 1,333,797          | 1,242,269          | 9,993                       |
| Bills Discounted | 1,492              | 1,803              | 11                          |
| <b>Total</b>     | <b>¥17,414,105</b> | <b>¥23,341,865</b> | <b>\$130,481</b>            |

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

|   | Millions of Yen |                 | Millions of U.S.<br>Dollars |
|---|-----------------|-----------------|-----------------------------|
|   | 2023            | 2022            | 2023                        |
| As of March 31                          |                 |                 |                             |
| Bankrupt and Quasi-Bankrupt Assets      | ¥ 5,312         | ¥ 1,846         | \$ 39                       |
| Doubtful Assets                         | 60,990          | 83,523          | 456                         |
| Loans Past Due for Three Months or More | 515             | 573             | 3                           |
| Restructured Loans                      | 28,352          | 27,849          | 212                         |
| <b>Total</b>                            | <b>¥95,172</b>  | <b>¥113,793</b> | <b>\$713</b>                |

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.

## 7. Foreign Exchange Assets

|                        | Millions of Yen |                 | Millions of U.S.<br>Dollars |
|------------------------|-----------------|-----------------|-----------------------------|
|                        | 2023            | 2022            | 2023                        |
| As of March 31         |                 |                 |                             |
| Due from Foreign Banks | ¥584,996        | ¥375,980        | \$4,383                     |
| <b>Total</b>           | <b>¥584,996</b> | <b>¥375,980</b> | <b>\$4,383</b>              |

## 8. Other Assets

|  | Millions of Yen   |                   | Millions of U.S.<br>Dollars |
|--|-------------------|-------------------|-----------------------------|
|  | 2023              | 2022              | 2023                        |
| As of March 31                                 |                   |                   |                             |
| Prepaid Expenses                               | ¥ 2,365           | ¥ 1,775           | \$ 17                       |
| Accrued Income                                 | 186,636           | 135,294           | 1,398                       |
| Derivatives other than for Trading             | 280,528           | 343,244           | 2,101                       |
| Cash Collateral Paid for Financial Instruments | 155,671           | 1,511,691         | 1,166                       |
| Other  | 983,034           | 1,186,986         | 7,365                       |
| <b>Total</b>                                   | <b>¥1,608,236</b> | <b>¥3,178,992</b> | <b>\$12,050</b>             |

## 9. Tangible Fixed Assets and Intangible Fixed Assets

### Tangible Fixed Assets

|  | Millions of Yen |                 | Millions of U.S.<br>Dollars |
|--|-----------------|-----------------|-----------------------------|
|  | 2023            | 2022            | 2023                        |
| As of March 31                           |                 |                 |                             |
| Buildings                                | ¥ 33,191        | ¥ 31,596        | \$ 248                      |
| Land                                     | 74,919          | 74,919          | 561                         |
| Lease Assets                             | 15,124          | 18,242          | 113                         |
| Construction in Progress                 | 5,125           | 5,250           | 38                          |
| Other                                    | 6,552           | 21,434          | 49                          |
| <b>Total Net Book Value</b>              | <b>134,914</b>  | <b>151,442</b>  | <b>1,010</b>                |
| <b>Accumulated Depreciation Deducted</b> | <b>¥ 84,817</b> | <b>¥103,647</b> | <b>\$ 635</b>               |

### Intangible Fixed Assets

|                | Millions of Yen |                | Millions of U.S.<br>Dollars |
|----------------|-----------------|----------------|-----------------------------|
|                | 2023            | 2022           | 2023                        |
| As of March 31 |                 |                |                             |
| Software       | ¥28,514         | ¥31,300        | \$213                       |
| Lease Assets   | 7,196           | 8,896          | 53                          |
| Other          | 15,958          | 11,977         | 119                         |
| <b>Total</b>   | <b>¥51,669</b>  | <b>¥52,174</b> | <b>\$387</b>                |

## 10. Assets Pledged

Assets pledged as collateral comprise the following:

|                            | Millions of Yen |             | Millions of U.S. |
|----------------------------|-----------------|-------------|------------------|
|                            | 2023            | 2022        | Dollars<br>2023  |
| As of March 31             |                 |             |                  |
| Securities                 | ¥11,244,349     | ¥20,029,042 | \$84,252         |
| Loans and Bills Discounted | 1,473,284       | 2,728,873   | 11,039           |

Liabilities secured by the above assets are as follows:

|                                      | Millions of Yen |             | Millions of U.S. |
|--------------------------------------|-----------------|-------------|------------------|
|                                      | 2023            | 2022        | Dollars<br>2023  |
| As of March 31                       |                 |             |                  |
| Payables under Repurchase Agreements | ¥10,353,399     | ¥19,007,856 | \$77,576         |
| Borrowed Money                       | 1,754,279       | 2,264,378   | 13,144           |

In addition, as of March 31, 2023 and 2022, Securities (including transactions of Money Held in Trust) of ¥10,960,100 million (\$82,122 million) and ¥11,357,736 million, respectively, and Foreign Exchange Assets (including transactions of Money Held in Trust) of ¥28,801 million (\$215 million) and ¥3,434 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of March 31, 2023 and 2022, initial margins of futures markets of ¥119,438 million (\$894 million) and ¥87,622 million, respectively, cash collateral paid for financial instruments of ¥155,671 million (\$1,166 million) and ¥1,511,691 million, respectively, other cash collateral paid of ¥616,020 million (\$4,615 million) and ¥811,029 million, respectively, and guarantee deposits of ¥5,218 million (\$39 million) and ¥8,103 million, respectively, were included in Other Assets.

## 11. Deposits

|                    | Millions of Yen |             | Millions of U.S. |
|--------------------|-----------------|-------------|------------------|
|                    | 2023            | 2022        | Dollars<br>2023  |
| As of March 31     |                 |             |                  |
| Time Deposits      | ¥54,140,903     | ¥55,692,535 | \$405,671        |
| Deposits at Notice | 8,708           | 10,629      | 65               |
| Ordinary Deposits  | 4,784,825       | 3,291,796   | 35,852           |
| Current Deposits   | 65,223          | 96,632      | 488              |
| Other Deposits     | 4,809,788       | 4,918,299   | 36,039           |
| Total              | ¥63,809,449     | ¥64,009,893 | \$478,116        |

## 12. Debentures

|                             | Millions of Yen |          | Millions of U.S. |
|-----------------------------|-----------------|----------|------------------|
|                             | 2023            | 2022     | Dollars<br>2023  |
| As of March 31              |                 |          |                  |
| Long-term Coupon Debentures | ¥454,034        | ¥360,280 | \$3,402          |
| Total                       | ¥454,034        | ¥360,280 | \$3,402          |

## 13. Trading Liabilities

|   | Millions of Yen |        | Millions of U.S. |
|---|-----------------|--------|------------------|
|   | 2023            | 2022   | Dollars<br>2023  |
| As of March 31  |                 |        |                  |
| Derivatives of Securities Related to Trading Transactions | ¥ 1             | ¥ —    | \$ 0             |
| Trading-related Financial Derivatives                     | 2,784           | 1,692  | 20               |
| Total   | ¥2,786          | ¥1,692 | \$20             |

## 14. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,316,972 million (\$9,867 million) and ¥1,316,972 million as of March 31, 2023 and 2022, 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

|                       | Millions of Yen |      | Millions of U.S.<br>Dollars |
|-----------------------|-----------------|------|-----------------------------|
|                       | 2023            | 2022 | 2023                        |
| As of March 31        |                 |      |                             |
| Foreign Bills Payable | ¥28             | ¥—   | \$0                         |
| Total                 | ¥28             | ¥—   | \$0                         |

## 16. Other Liabilities

|   | Millions of Yen |            | Millions of U.S.<br>Dollars |
|---|-----------------|------------|-----------------------------|
|   | 2023            | 2022       | 2023                        |
| As of March 31                            |                 |            |                             |
| Accrued Expenses                          | ¥ 86,500        | ¥ 37,868   | \$ 648                      |
| Income Taxes Payable                      | 7,971           | 6,251      | 59                          |
| Unearned Income                           | 1,077           | 2,130      | 8                           |
| Derivatives other than for Trading        | 524,345         | 1,379,646  | 3,928                       |
| Accounts Payable for Securities Purchased | 2,312,011       | 2,557,398  | 17,323                      |
| Other                                     | 330,846         | 166,757    | 2,478                       |
| Total                                     | ¥3,262,753      | ¥4,150,052 | \$24,447                    |

## 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.

The Bank revised its retirement pension rules and retirement benefit rules in the year ended March 31, 2023 in line with the changes in the personnel systems effective April 1, 2023.

### (2) Defined Benefit Plan

a. The changes in the retirement benefit obligations for the years ended March 31, 2023 and 2022, except for the plans accounted for by the simplified method, are as follows:

|   | Millions of Yen |          | Millions of U.S.<br>Dollars |
|---|-----------------|----------|-----------------------------|
|   | 2023            | 2022     | 2023                        |
| As of March 31                              |                 |          |                             |
| Balance at the Beginning of the Fiscal Year | ¥144,567        | ¥142,749 | \$1,083                     |
| Service Cost                                | 4,623           | 4,437    | 34                          |
| Interest Cost                               | 436             | 430      | 3                           |
| Actuarial Differences                       | (13,190)        | 1,949    | (98)                        |
| Retirement Benefit Paid                     | (5,517)         | (4,999)  | (41)                        |
| Prior Service Cost                          | (746)           | —        | (5)                         |
| Balance at the End of the Fiscal Year       | ¥130,171        | ¥144,567 | \$ 975                      |

b. The changes in plan assets for the years ended March 31, 2023 and 2022, except for the plans accounted for by the simplified method, are as follows:

|   | Millions of Yen |          | Millions of U.S. |
|---|-----------------|----------|------------------|
|   | 2023            | 2022     | Dollars<br>2023  |
| As of March 31                              |                 |          |                  |
| Balance at the Beginning of the Fiscal Year | ¥243,954        | ¥226,562 | \$1,827          |
| Expected Return on Plan Assets              | 2,831           | 2,448    | 21               |
| Actuarial Differences                       | 4,764           | 5,503    | 35               |
| Contributions by the Bank                   | 1,765           | 11,963   | 13               |
| Retirement Benefit Paid                     | (2,639)         | (2,523)  | (19)             |
| Balance at the End of the Fiscal Year       | ¥250,677        | ¥243,954 | \$1,878          |

c. The changes in Net Defined Benefit Liability of the plans accounted for by the simplified method for the years ended March 31, 2023 and 2022 are as follows:

|   | Millions of Yen |        | Millions of U.S. |
|---|-----------------|--------|------------------|
|   | 2023            | 2022   | Dollars<br>2023  |
| As of March 31                              |                 |        |                  |
| Balance at the Beginning of the Fiscal Year | ¥1,216          | ¥1,148 | \$ 9             |
| Retirement Benefit Expense                  | 348             | 376    | 2                |
| Retirement Benefit Paid                     | (270)           | (250)  | (2)              |
| Contributions to the Plans                  | (19)            | (57)   | (0)              |
| Balance at the End of the Fiscal Year       | ¥1,275          | ¥1,216 | \$ 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, 2023 and 2022 for the Bank's and the consolidated subsidiaries' defined benefit plans:

|   | Millions of Yen |            | Millions of U.S. |
|---|-----------------|------------|------------------|
|   | 2023            | 2022       | Dollars<br>2023  |
| As of March 31  |                 |            |                  |
| Funded Retirement Benefit Obligations   | ¥ 131,202       | ¥ 145,610  | \$ 983           |
| Plan Assets at Fair Value   | (251,350)       | (244,645)  | (1,883)          |
|   | (120,148)       | (99,035)   | (900)            |
| Unfunded Retirement Benefit Obligations   | 917             | 865        | 6                |
| Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet | (119,231)       | (98,170)   | (893)            |
| Net Defined Benefit Liability   | 10,234          | 21,742     | 76               |
| Net Defined Benefit Asset   | 129,465         | 119,913    | 970              |
| Net Amount of Liabilities and Assets Recorded in the Consolidated Balance Sheet | ¥(119,231)      | ¥ (98,170) | \$ (893)         |

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

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

|   | Millions of Yen |           | Millions of U.S. |
|---|-----------------|-----------|------------------|
|   | 2023            | 2022      | Dollars<br>2023  |
| For the fiscal years ended March 31                 |                 |           |                  |
| Service Cost  | ¥ 4,623         | ¥ 4,437   | \$ 34            |
| Interest Cost                                       | 436             | 430       | 3                |
| Expected Return on Plan Assets                      | (2,831)         | (2,448)   | (21)             |
| Amortization of Actuarial Differences               | (11,935)        | (14,107)  | (89)             |
| Amortization of Prior Service Cost                  | —               | —         | —                |
| Retirement Benefit Expense by the Simplified Method | 348             | 376       | 2                |
| Other   | 738             | 980       | 5                |
| Retirement Benefit Expense on Defined Benefit Plan  | ¥ (8,621)       | ¥(10,331) | \$(64)           |

**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.<br>Dollars |
|-------------------------------------|-----------------|------------------|-----------------------------|
|                                     | 2023            | 2022             | 2023                        |
| Prior Service Cost                  | ¥ 746           | ¥ —              | \$ 5                        |
| Actuarial Differences               | 6,022           | (10,552)         | 45                          |
| <b>Total</b>                        | <b>¥6,769</b>   | <b>¥(10,552)</b> | <b>\$50</b>                 |

**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.<br>Dollars |
|------------------------------------|-----------------|----------------|-----------------------------|
|                                    | 2023            | 2022           | 2023                        |
| Unrecognized Prior Service Cost    | ¥ 746           | ¥ —            | \$ 5                        |
| Unrecognized Actuarial Differences | 63,944          | 57,922         | 479                         |
| <b>Total</b>                       | <b>¥64,691</b>  | <b>¥57,922</b> | <b>\$484</b>                |

**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                     | 2023        | 2022        |
|------------------------------------|-------------|-------------|
| Bonds                              | 14%         | 14%         |
| Stocks                             | 79%         | 79%         |
| Insurance Assets (General Account) | 6%          | 6%          |
| Other                              | 1%          | 1%          |
| <b>Total</b>                       | <b>100%</b> | <b>100%</b> |

(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 | 2023     | 2022     |
|--|----------|----------|
| Discount Rate                                | 0.9%     | 0.3%     |
| Expected Rates of Increase in Salary         | 2.0–3.9% | 2.0–3.9% |
| 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 ¥272 million (\$2 million) and ¥35 million as of March 31, 2023 and 2022, respectively.

## 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. |
|--|------------------|-------------------|------------------|
|  | 2023             | 2022              | Dollars<br>2023  |
| <b>Deferred Tax Assets:</b>  |                  |                   |                  |
| Reserve for Possible Loan Losses   | ¥ 16,123         | ¥ 22,675          | \$ 120           |
| Write-off of Loans   | 1,030            | 1,011             | 7                |
| Losses on Revaluation of Securities  | 15,524           | 17,202            | 116              |
| Net Defined Benefit Liability  | 5,758            | 854               | 43               |
| Depreciation Expense   | 519              | 470               | 3                |
| Net Operating Losses Carried Forward                                       | 1,401            | 1,457             | 10               |
| Unrealized Losses on Other Securities                                      | 263,269          | 7                 | 1,972            |
| Deferred Losses on Hedging Instruments                                     | 58,214           | 60,212            | 436              |
| Unrealized Losses on Reclassification                                      | 2,504            | 2,547             | 18               |
| Conversion of Investment Form of Securities                                | 47,693           | 91,466            | 357              |
| Other  | 105,997          | 112,619           | 794              |
| Subtotal   | 518,037          | 310,526           | 3,881            |
| Valuation Allowance  | (73,365)         | (91,616)          | (549)            |
| <b>Total Deferred Tax Assets</b>   | <b>444,671</b>   | <b>218,909</b>    | <b>3,331</b>     |
| <b>Deferred Tax Liabilities:</b>   |                  |                   |                  |
| Gains from Contribution of Securities to Employee Retirement Benefit Trust | (4,968)          | (4,968)           | (37)             |
| Net Defined Benefit Asset  | (27,719)         | (18,001)          | (207)            |
| Unrealized Gains on Other Securities                                       | (35)             | (287,359)         | (0)              |
| Deferred Gains on Hedging Instruments                                      | (87,689)         | (128,154)         | (657)            |
| Unrealized Gains on Reclassification                                       | (3)              | (170)             | (0)              |
| Conversion of Investment Form of Securities                                | (271)            | (194)             | (2)              |
| Other  | (16,040)         | (71,499)          | (120)            |
| <b>Total Deferred Tax Liabilities</b>                                      | <b>(136,728)</b> | <b>(510,348)</b>  | <b>(1,024)</b>   |
| <b>Net Deferred Tax Liabilities</b>  | <b>¥ 307,942</b> | <b>¥(291,438)</b> | <b>\$ 2,307</b>  |

## 19. Acceptances and Guarantees

| As of March 31 | Millions of Yen   |                   | Millions of U.S. |
|----------------|-------------------|-------------------|------------------|
|                | 2023              | 2022              | Dollars<br>2023  |
| Guarantees     | ¥3,197,577        | ¥2,915,891        | \$23,959         |
| <b>Total</b>   | <b>¥3,197,577</b> | <b>¥2,915,891</b> | <b>\$23,959</b>  |

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under Acceptances and Guarantees. As a contra account, Customers' Liabilities for Acceptances and Guarantees, is classified as an asset representing the Bank's right of indemnity from customers.

## 20. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amounts of undrawn commitments in relation to such agreements were ¥4,620,214 million (\$34,618 million) and ¥4,651,462 million as of March 31, 2023 and 2022, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,719,434 million (\$20,376 million) and ¥2,674,153 million as of March 31, 2023 and 2022, 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) totaling nothing and ¥452,360 million as of March 31, 2023 and 2022, 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 ¥1,420,147 million (\$10,640 million) and ¥1,572,038 million as of March 31, 2023 and 2022, respectively, and include securities held without re-pledge of ¥61,085 million (\$457 million) and ¥26,050 million as of March 31, 2023 and 2022, 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.<br>Dollars |
|-----------------|-------------------|-------------------|-----------------------------|
|                 | 2023              | 2022              | 2023                        |
| Common Stock    | ¥4,015,198        | ¥4,015,198        | \$30,085                    |
| Preferred Stock | —                 | 24,999            | —                           |
| Other Stock     | 24,999            | —                 | 187                         |
| <b>Total</b>    | <b>¥4,040,198</b> | <b>¥4,040,198</b> | <b>\$30,272</b>             |

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$26,895 million) and ¥3,589,481 million as of March 31, 2023 and 2022, 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.

In accordance with Article 15-1-1 of Act on Preferred Equity Investment by Cooperative Structured Financial Institution as of May 12, 1993, the Bank cancelled the total amount of preferred stock on February 16, 2023. Following the cancellation of preferred stock, the Bank reclassified preferred stock of ¥24,999 million (\$187 million) to other stock for the fiscal year ended March 31, 2023.

## 23. Trading Income

| Fiscal years ended March 31  | Millions of Yen |             | Millions of U.S.<br>Dollars |
|--|-----------------|-------------|-----------------------------|
|  | 2023            | 2022        | 2023                        |
| Income from Trading Securities and Derivatives                         | ¥ —             | ¥ 11        | \$ —                        |
| Income from Securities and Derivatives Related to Trading Transactions | —               | 47          | —                           |
| Income from Trading-related Financial Derivatives                      | 302             | 45          | 2                           |
| <b>Total</b>   | <b>¥302</b>     | <b>¥104</b> | <b>\$ 2</b>                 |

## 24. Other Operating Income

| Fiscal years ended March 31                            | Millions of Yen |                 | Millions of U.S.<br>Dollars |
|--|-----------------|-----------------|-----------------------------|
|  | 2023            | 2022            | 2023                        |
| Gains on Foreign Exchange Transactions                 | ¥ 420           | ¥ —             | \$ 3                        |
| Gains on Sales of Bonds                                | 443,514         | 39,427          | 3,323                       |
| Gains on Redemption of Bonds                           | 0               | 0               | 0                           |
| Gains on Derivatives other than for Trading or Hedging | 60,368          | 9,352           | 452                         |
| Other  | 52,645          | 51,325          | 394                         |
| <b>Total</b>   | <b>¥556,949</b> | <b>¥100,106</b> | <b>\$4,173</b>              |

**25. Other Income**

| Fiscal years ended March 31                   | Millions of Yen |                 | Millions of U.S. |
|---|-----------------|-----------------|------------------|
|   | 2023            | 2022            | Dollars<br>2023  |
| Gains on Sales of Stocks and Other Securities | ¥ 71,641        | ¥134,557        | \$ 536           |
| Gains on Money Held in Trust                  | 211,234         | 253,754         | 1,582            |
| Equity in Earnings of Affiliates              | 12,695          | 5,932           | 95               |
| Gains on Disposal of Fixed Assets             | 24,238          | 26,333          | 181              |
| Recoveries of Written-off Claims              | 504             | 395             | 3                |
| Reversal of Reserve for Possible Loan Losses  | 230             | —               | 1                |
| Other   | 2,920           | 2,728           | 21               |
| <b>Total</b>                                  | <b>¥323,466</b> | <b>¥423,701</b> | <b>\$2,423</b>   |

**26. Trading Expenses**

| Fiscal years ended March 31  | Millions of Yen |           | Millions of U.S. |
|--|-----------------|-----------|------------------|
|  | 2023            | 2022      | Dollars<br>2023  |
| Expenses on Trading Securities and Derivatives                         | ¥45             | ¥—        | \$0              |
| Expenses on Securities and Derivatives Related to Trading Transactions | 16              | —         | 0                |
| <b>Total</b>   | <b>¥61</b>      | <b>¥—</b> | <b>\$0</b>       |

**27. Other Operating Expenses**

| Fiscal years ended March 31              | Millions of Yen |                 | Millions of U.S. |
|--|-----------------|-----------------|------------------|
|  | 2023            | 2022            | Dollars<br>2023  |
| Amortization of Debenture Issuance Costs | ¥ 1,339         | ¥ 933           | \$ 10            |
| Losses on Foreign Exchange Transactions  | —               | 9,435           | —                |
| Losses on Sales of Bonds                 | 433,787         | 238,675         | 3,250            |
| Losses on Redemption of Bonds            | 2               | 5               | 0                |
| Losses on Revaluation of Bonds           | —               | 595             | —                |
| Other                                    | 47,103          | 44,748          | 352              |
| <b>Total</b>                             | <b>¥482,232</b> | <b>¥294,393</b> | <b>\$3,613</b>   |

**28. Other Expenses**

| Fiscal years ended March 31                          | Millions of Yen |                | Millions of U.S. |
|--|-----------------|----------------|------------------|
|  | 2023            | 2022           | Dollars<br>2023  |
| Write-off of Loans                                   | ¥ 130           | ¥ 30           | \$ 0             |
| Provision of Reserve for Possible Loan Losses        | —               | 17,151         | —                |
| Losses on Sales of Stocks and Other Securities       | 8,419           | 99             | 63               |
| Losses on Revaluation of Stocks and Other Securities | —               | 2,332          | —                |
| Losses on Money Held in Trust                        | 109,679         | 4,774          | 821              |
| Losses on Disposal of Fixed Assets                   | 944             | 1,363          | 7                |
| Losses on Impairment of Fixed Assets                 | 261             | —              | 1                |
| Other  | 8,440           | 9,031          | 63               |
| <b>Total</b>   | <b>¥127,875</b> | <b>¥34,784</b> | <b>\$958</b>     |

## 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.<br>Dollars |
|--|---------------------|--------------------|-----------------------------|
|  | 2023                | 2022               | 2023                        |
| <b>Net Unrealized Gains (Losses) on Other Securities:</b>                                    |                     |                    |                             |
| Gains (Losses) arising during the fiscal year  | ¥(2,677,200)        | ¥(1,641,061)       | \$(20,059)                  |
| Reclassification adjustments to profit or loss   | 689,882             | (1,801)            | 5,169                       |
| Amounts before tax effects   | (1,987,317)         | (1,642,863)        | (14,890)                    |
| Tax effects  | 550,710             | 454,029            | 4,126                       |
| <b>Total</b>   | <b>(1,436,607)</b>  | <b>(1,188,833)</b> | <b>(10,764)</b>             |
| <b>Net Deferred Gains (Losses) on Hedging Instruments:</b>                                   |                     |                    |                             |
| Gains (Losses) arising during the fiscal year  | 6,181               | 365,121            | 46                          |
| Reclassification adjustments to profit or loss   | (144,801)           | 267,886            | (1,084)                     |
| Amounts before tax effects   | (138,619)           | 633,007            | (1,038)                     |
| Tax effects  | 38,467              | (175,659)          | 288                         |
| <b>Total</b>   | <b>(100,152)</b>    | <b>457,347</b>     | <b>(750)</b>                |
| <b>Revaluation Reserve for Land:</b>   |                     |                    |                             |
| Gains (Losses) arising during the fiscal year  | —                   | —                  | —                           |
| Reclassification adjustments to profit or loss   | —                   | —                  | —                           |
| Amounts before income tax effects  | —                   | —                  | —                           |
| Income tax effects   | —                   | 2,247              | —                           |
| <b>Total</b>   | <b>—</b>            | <b>2,247</b>       | <b>—</b>                    |
| <b>Foreign Currency Transaction Adjustments:</b>   |                     |                    |                             |
| Gains (Losses) arising during the fiscal year  | 950                 | 440                | 7                           |
| Reclassification adjustments to profit or loss   | —                   | —                  | —                           |
| Amounts before tax effects   | 950                 | 440                | 7                           |
| Tax effects  | —                   | —                  | —                           |
| <b>Total</b>   | <b>950</b>          | <b>440</b>         | <b>7</b>                    |
| <b>Remeasurements of Defined Benefit Plans:</b>  |                     |                    |                             |
| Gains (Losses) arising during the fiscal year  | 18,704              | 3,554              | 140                         |
| Reclassification adjustments to profit or loss   | (11,935)            | (14,107)           | (89)                        |
| Amounts before tax effects   | 6,769               | (10,552)           | 50                          |
| Tax effects  | (1,877)             | 2,928              | (14)                        |
| <b>Total</b>   | <b>4,891</b>        | <b>(7,623)</b>     | <b>36</b>                   |
| <b>Share of Other Comprehensive Income of Affiliates accounted for by the equity method:</b> |                     |                    |                             |
| Gains (Losses) during the fiscal year  | (980)               | (562)              | (7)                         |
| Reclassification adjustments to profit or loss   | 239                 | 56                 | 1                           |
| <b>Total</b>   | <b>(740)</b>        | <b>(506)</b>       | <b>(5)</b>                  |
| <b>Total Other Comprehensive Income</b>  | <b>¥(1,531,659)</b> | <b>¥ (736,929)</b> | <b>\$(11,476)</b>           |

## 30. Cash Flows

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

| As of March 31   | Millions of Yen    |                    | Millions of U.S.<br>Dollars |
|--|--------------------|--------------------|-----------------------------|
|  | 2023               | 2022               | 2023                        |
| Cash and Due from Banks  | ¥22,430,679        | ¥18,140,525        | \$168,070                   |
| Less: Interest-bearing Due from Banks                          | (1,108,596)        | (1,041,353)        | (8,306)                     |
| <b>Cash and Cash Equivalents at the End of the Fiscal Year</b> | <b>¥21,322,082</b> | <b>¥17,099,172</b> | <b>\$159,763</b>            |

## 31. Segment Information

Fiscal year ended March 31, 2023

### (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, 2023        | Loan Business | Securities<br>Investment Business | Others   | Total      |
| Ordinary Income from External Customers | ¥233,013      | ¥1,789,283                        | ¥155,258 | ¥2,177,556 |

  

| Millions of U.S. Dollars                |               |                                   |         |          |
|---|---------------|-----------------------------------|---------|----------|
| Fiscal year ended March 31, 2023        | Loan Business | Securities<br>Investment Business | Others  | Total    |
| Ordinary Income from External Customers | \$1,745       | \$13,406                          | \$1,163 | \$16,316 |

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, 2023 | Japan      | Americas | Europe  | Others  | Total      |
|                                  | ¥2,008,647 | ¥93,395  | ¥30,075 | ¥45,437 | ¥2,177,556 |

  

| Millions of U.S. Dollars         |          |          |        |        |          |
|----------------------------------|----------|----------|--------|--------|----------|
| Fiscal year ended March 31, 2023 | Japan    | Americas | Europe | Others | Total    |
|                                  | \$15,050 | \$699    | \$225  | \$340  | \$16,316 |

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, 2023 | Japan    | Americas | Europe | Others | Total    |
|                      | ¥133,181 | ¥197     | ¥1,056 | ¥478   | ¥134,914 |

  

| Millions of U.S. Dollars |       |          |        |        |         |
|--------------------------|-------|----------|--------|--------|---------|
| As of March 31, 2023     | Japan | Americas | Europe | Others | Total   |
|                          | \$997 | \$1      | \$7    | \$3    | \$1,010 |

#### c. Information about Major Customers

| Millions of Yen                  |                                 |                 |                          |
|----------------------------------|---------------------------------|-----------------|--------------------------|
| Fiscal year ended March 31, 2023 | Name of Customer                | Ordinary Income | Name of Related Segments |
|                                  | U.S. Department of the Treasury | ¥122,668        | —                        |

  

| Millions of U.S. Dollars         |                                 |                 |                          |
|----------------------------------|---------------------------------|-----------------|--------------------------|
| Fiscal year ended March 31, 2023 | Name of Customer                | Ordinary Income | Name of Related Segments |
|                                  | U.S. Department of the Treasury | \$919           | —                        |

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

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

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

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

None

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

None

**Fiscal year ended March 31, 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**

| Fiscal year ended March 31, 2022        | Millions of Yen |                                   |         |            |
|---|-----------------|-----------------------------------|---------|------------|
|   | Loan Business   | Securities<br>Investment Business | Others  | Total      |
| Ordinary Income from External Customers | ¥99,904         | ¥1,043,414                        | ¥98,980 | ¥1,242,300 |

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, 2022 | Millions of Yen |          |        |         | Total      |
|----------------------------------|-----------------|----------|--------|---------|------------|
|                                  | Japan           | Americas | Europe | Others  |            |
|                                  | ¥1,199,876      | ¥24,874  | ¥3,025 | ¥14,522 | ¥1,242,300 |

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, 2022 | Millions of Yen |          |        |        | Total    |
|----------------------|-----------------|----------|--------|--------|----------|
|                      | Japan           | Americas | Europe | Others |          |
|                      | ¥149,555        | ¥209     | ¥1,140 | ¥536   | ¥151,442 |

**c. Information about Major Customers**

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

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, 2023 and 2022 summed up to ¥1 million (\$0 million) and ¥2 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 ¥2,670,731 million (\$20,011 million) and ¥2,782,851 million as of March 31, 2023 and 2022, 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, 2023 and 2022 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, Receivables under Resale Agreements, Cash and Due from Banks, Negotiable Certificates of Deposit, Call Money and Bills Sold, 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.

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of March 31, 2023 and 2022 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       |
| <b>As of March 31, 2023</b>                          |                                   |                    |                   |                                   |                   |                  |
| Monetary Claims Bought                               | ¥ 321,441                         | ¥ 321,019          | ¥ (422)           | \$ 2,408                          | \$ 2,405          | \$ (3)           |
| Trading Assets (*2)                                  |                                   |                    |                   |                                   |                   |                  |
| Trading Securities                                   | 20                                | 20                 | —                 | 0                                 | 0                 | —                |
| Money Held in Trust (*1)                             |                                   |                    |                   |                                   |                   |                  |
| Money Held in Trust for Trading Purposes             | 40,034                            | 40,034             | —                 | 299                               | 299               | —                |
| Other Money Held in Trust                            | 8,375,186                         | 8,370,200          | (4,986)           | 62,754                            | 62,716            | (37)             |
| Securities   |                                   |                    |                   |                                   |                   |                  |
| Held-to-Maturity Debt Securities                     | 12,761,431                        | 12,544,899         | (216,532)         | 95,619                            | 93,997            | (1,622)          |
| Other Securities                                     | 25,525,567                        | 25,525,567         | —                 | 191,260                           | 191,260           | —                |
| Loans and Bills Discounted                           | 17,414,105                        |                    |                   | 130,481                           |                   |                  |
| Reserve for Possible Loan Losses (*1)                | (128,434)                         |                    |                   | (962)                             |                   |                  |
|  | 17,285,670                        | 17,234,087         | (51,582)          | 129,519                           | 129,132           | (386)            |
| <b>Total Assets</b>                                  | <b>¥64,309,352</b>                | <b>¥64,035,829</b> | <b>¥(273,523)</b> | <b>\$481,862</b>                  | <b>\$479,812</b>  | <b>\$(2,049)</b> |
| Deposits   | ¥63,809,449                       | ¥63,809,460        | ¥ 11              | \$478,116                         | \$478,116         | \$ 0             |
| Debentures   | 454,034                           | 437,852            | (16,181)          | 3,402                             | 3,280             | (121)            |
| Borrowed Money                                       | 3,988,241                         | 3,988,241          | —                 | 29,883                            | 29,883            | —                |
| <b>Total Liabilities</b>                             | <b>¥68,251,725</b>                | <b>¥68,235,555</b> | <b>¥ (16,170)</b> | <b>\$511,402</b>                  | <b>\$511,280</b>  | <b>\$ (121)</b>  |
| Derivative Instruments (*3)                          |                                   |                    |                   |                                   |                   |                  |
| Transactions not Accounted for as Hedge Transactions | ¥ 4,966                           | ¥ 4,966            | ¥ —               | \$ 37                             | \$ 37             | \$ —             |
| Transactions Accounted for as Hedge Transactions     | (247,955)                         | (247,955)          | —                 | (1,857)                           | (1,857)           | —                |
| <b>Total Derivative Instruments</b>                  | <b>¥ (242,989)</b>                | <b>¥ (242,989)</b> | <b>¥ —</b>        | <b>\$ (1,820)</b>                 | <b>\$ (1,820)</b> | <b>\$ —</b>      |

(\*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.

The fair value of certain interest rate swaps to which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is reflected in fair value of Loans and Bills Discounted, Debentures and Borrowed Money as the hedging instruments are accounted for together with the Loans and Bills Discounted and other items.

| As of March 31, 2022                                    | Millions of Yen                         |                     |                  |
|---|---|---------------------|------------------|
|   | Consolidated<br>Balance Sheet<br>Amount | Fair Value          | Difference       |
| Monetary Claims Bought                                  | ¥ 387,819                               | ¥ 388,122           | ¥ 303            |
| Trading Assets (*2)                                     |   |                     |                  |
| Trading Securities                                      | 4                                       | 4                   | —                |
| Money Held in Trust (*1)                                |   |                     |                  |
| Money Held in Trust for Trading<br>Purposes             | 4,669                                   | 4,669               | —                |
| Other Money Held in Trust                               | 10,862,875                              | 10,864,506          | 1,631            |
| Securities  |   |                     |                  |
| Held-to-Maturity Debt Securities                        | 8,734,596                               | 8,700,508           | (34,088)         |
| Other Securities  | 36,687,132                              | 36,687,132          | —                |
| Loans and Bills Discounted                              | 23,341,865                              |                     |                  |
| Reserve for Possible Loan Losses (*1)                   | (143,402)                               |                     |                  |
|   | 23,198,462                              | 23,197,090          | (1,372)          |
| <b>Total Assets</b>                                     | <b>¥79,875,560</b>                      | <b>¥79,842,034</b>  | <b>¥(33,525)</b> |
| Deposits  | ¥64,009,893                             | ¥64,009,925         | ¥ 32             |
| Debentures  | 360,280                                 | 349,198             | (11,082)         |
| Borrowed Money  | 4,924,931                               | 4,924,931           | —                |
| <b>Total Liabilities</b>                                | <b>¥69,295,104</b>                      | <b>¥69,284,055</b>  | <b>¥(11,049)</b> |
| Derivative Instruments (*3)                             |   |                     |                  |
| Transactions not Accounted for as Hedge<br>Transactions | ¥ 154                                   | ¥ 154               | ¥ —              |
| Transactions Accounted for as Hedge<br>Transactions     | (1,035,786)                             | (1,035,786)         | —                |
| <b>Total Derivative Instruments</b>                     | <b>¥(1,035,631)</b>                     | <b>¥(1,035,631)</b> | <b>¥ —</b>       |

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

2. Derivative Instruments are excluded from Trading Assets.

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

(Note) The following tables list Consolidated Balance Sheet Amount of Stocks and others with no market prices, Investments in Partnership and others as of March 31, 2023 and 2022, respectively:

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

| As of March 31, 2023                         | Millions of Yen | Millions of U.S.<br>Dollars |
|--|-----------------|-----------------------------|
| Stocks and others with no market prices (*1) | ¥ 203,594       | \$1,525                     |
| Investments in Partnership and others (*2)   | 1,235,145       | 9,254                       |

(\*1) 1. The amount of revaluation losses for the fiscal year ended March 31, 2023 was nil on Unlisted Stocks.

2. Investments in Partnership are out of scope from the disclosure of the fair value measurement due to being applied to Article 24-16 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 17th June 2021).

| As of March 31, 2022                         | Millions of Yen |
|--|-----------------|
| Stocks and others with no market prices (*1) | ¥ 190,693       |
| Investments in Partnership and others (*2)   | ¥1,134,388      |

(\*1) 1. The amount of revaluation losses for the fiscal year ended March 31, 2022 was ¥86 million (\$0 million) on Unlisted Stocks.

2. Investments in Partnership are out of scope from the disclosure of the fair value measurement due to being applied to Article 24-16 of Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on 17th June 2021).

(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, 2023                | Millions of Yen      |                              |                               |                               |                                |                    |
|-------------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------|
|                                     | 1 Year<br>or<br>Less | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>10 Years   |
| Due from Banks (*1)                 | ¥22,383,695          | ¥ —                          | ¥ —                           | ¥ —                           | ¥ —                            | ¥ —                |
| Receivables under Resale Agreements | 305,076              | —                            | —                             | —                             | —                              | —                  |
| Monetary Claims Bought              | 2,719                | —                            | 7,914                         | 33,145                        | 28,460                         | 249,207            |
| Securities                          |                      |                              |                               |                               |                                |                    |
| Held-to-Maturity Debt Securities    | 82,730               | 759,384                      | 581,033                       | 1,436,520                     | 4,386,598                      | 5,512,001          |
| Japanese Government Bonds           | 16,000               | —                            | —                             | —                             | —                              | 2,925,200          |
| Corporate Bonds                     | —                    | 300                          | 100,000                       | —                             | —                              | —                  |
| Foreign Bonds                       | 66,730               | 759,083                      | 481,033                       | 1,436,520                     | 4,386,598                      | 2,586,801          |
| Other Securities held that have     | 522,170              | 1,088,159                    | 2,886,548                     | 7,587,158                     | 6,306,070                      | 3,281,894          |
| Maturity                            |                      |                              |                               |                               |                                |                    |
| Japanese Government Bonds           | —                    | —                            | 4,900                         | 2,044,900                     | 670,000                        | 1,377,200          |
| Municipal Government Bonds          | 4,204                | 32,609                       | 17,860                        | 14,603                        | —                              | 65,500             |
| Corporate Bonds                     | 243,617              | 241,385                      | 140,701                       | 8,408                         | 20,300                         | 259,569            |
| Foreign Bonds                       | 213,453              | 526,006                      | 2,183,389                     | 5,229,739                     | 5,212,049                      | 20,948             |
| Investment Trust                    | 4,222                | 105,710                      | 264,727                       | 4,820                         | 314,585                        | 1,494,485          |
| Other                               | 56,671               | 182,448                      | 274,970                       | 284,686                       | 89,134                         | 64,191             |
| Loans and Bills Discounted (*2)     | 6,144,065            | 4,432,451                    | 2,720,229                     | 1,656,143                     | 1,271,680                      | 1,120,303          |
| <b>Total</b>                        | <b>¥29,440,457</b>   | <b>¥6,279,995</b>            | <b>¥6,195,727</b>             | <b>¥10,712,967</b>            | <b>¥11,992,810</b>             | <b>¥10,163,406</b> |

| As of March 31, 2023                | Millions of U.S. Dollars |                              |                               |                               |                                |                  |
|-------------------------------------|--------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------|
|                                     | 1 Year<br>or<br>Less     | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>10 Years |
| Due from Banks (*1)                 | \$167,718                | \$ —                         | \$ —                          | \$ —                          | \$ —                           | \$ —             |
| Receivables under Resale Agreements | 2,285                    | —                            | —                             | —                             | —                              | —                |
| Monetary Claims Bought              | 20                       | —                            | 59                            | 248                           | 213                            | 1,867            |
| Securities                          |                          |                              |                               |                               |                                |                  |
| Held-to-Maturity Debt Securities    | 619                      | 5,689                        | 4,353                         | 10,763                        | 32,868                         | 41,300           |
| Japanese Government Bonds           | 119                      | —                            | —                             | —                             | —                              | 21,918           |
| Corporate Bonds                     | —                        | 2                            | 749                           | —                             | —                              | —                |
| Foreign Bonds                       | 500                      | 5,687                        | 3,604                         | 10,763                        | 32,868                         | 19,382           |
| Other Securities held that have     | 3,912                    | 8,153                        | 21,628                        | 56,849                        | 47,250                         | 24,590           |
| Maturity                            |                          |                              |                               |                               |                                |                  |
| Japanese Government Bonds           | —                        | —                            | 36                            | 15,322                        | 5,020                          | 10,319           |
| Municipal Government Bonds          | 31                       | 244                          | 133                           | 109                           | —                              | 490              |
| Corporate Bonds                     | 1,825                    | 1,808                        | 1,054                         | 63                            | 152                            | 1,944            |
| Foreign Bonds                       | 1,599                    | 3,941                        | 16,359                        | 39,185                        | 39,053                         | 156              |
| Investment Trust                    | 31                       | 792                          | 1,983                         | 36                            | 2,357                          | 11,198           |
| Other                               | 424                      | 1,367                        | 2,060                         | 2,133                         | 667                            | 480              |
| Loans and Bills Discounted (*2)     | 46,036                   | 33,211                       | 20,382                        | 12,409                        | 9,528                          | 8,394            |
| <b>Total</b>                        | <b>\$220,593</b>         | <b>\$47,055</b>              | <b>\$46,423</b>               | <b>\$80,270</b>               | <b>\$89,860</b>                | <b>\$76,153</b>  |

(\*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 ¥63,230 million (\$473 million) for which the redemption amount cannot be estimated, and loans with no maturity of ¥6,000 million (\$44 million) within Loans and Bills Discounted, are excluded from the table above.

|                                     | Millions of Yen      |                              |                               |                               |                                |                   |
|-------------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------|
|                                     | 1 Year<br>or<br>Less | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>10 Years  |
| As of March 31, 2022                |                      |                              |                               |                               |                                |                   |
| Due from Banks (*1)                 | ¥18,075,530          | ¥ —                          | ¥ —                           | ¥ —                           | ¥ —                            | ¥ —               |
| Receivables under Resale Agreements | —                    | —                            | —                             | —                             | —                              | —                 |
| 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           |
| <b>Total</b>                        | <b>¥32,917,425</b>   | <b>¥6,076,324</b>            | <b>¥9,245,340</b>             | <b>¥7,073,699</b>             | <b>¥17,881,912</b>             | <b>¥8,566,114</b> |

(\*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 for which the redemption amount cannot be estimated, and loans with no maturity of ¥6,000 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:

|                                    | Millions of Yen      |                              |                               |                               |                                |                   |
|------------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------|
|                                    | 1 Year<br>or<br>Less | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>10 Years  |
| As of March 31, 2023               |                      |                              |                               |                               |                                |                   |
| Deposits (*1)                      | ¥63,488,261          | ¥ 278,357                    | ¥ 42,830                      | ¥ —                           | ¥ —                            | ¥ —               |
| Negotiable Certificates of Deposit | 2,296,478            | —                            | —                             | —                             | —                              | —                 |
| Debentures                         | 120,384              | —                            | 200,190                       | —                             | 133,460                        | —                 |
| Call Money and Bills Sold          | 390,000              | —                            | —                             | —                             | —                              | —                 |
| Payables under Repurchase          |                      |                              |                               |                               |                                |                   |
| Agreements                         | 10,613,476           | —                            | —                             | —                             | —                              | —                 |
| Borrowed Money (*2)                | 855,403              | 1,663,710                    | 121,322                       | 20,507                        | 10,326                         | 1,316,972         |
| Short-term Entrusted Funds         | 797,420              | —                            | —                             | —                             | —                              | —                 |
| <b>Total</b>                       | <b>¥78,561,424</b>   | <b>¥1,942,067</b>            | <b>¥364,342</b>               | <b>¥20,507</b>                | <b>¥143,786</b>                | <b>¥1,316,972</b> |

|                                    | Millions of U.S. Dollars |                              |                               |                               |                                |                  |
|------------------------------------|--------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------|
|                                    | 1 Year<br>or<br>Less     | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>10 Years |
| As of March 31, 2023               |                          |                              |                               |                               |                                |                  |
| Deposits (*1)                      | \$475,710                | \$ 2,085                     | \$ 320                        | \$ —                          | \$ —                           | \$ —             |
| Negotiable Certificates of Deposit | 17,207                   | —                            | —                             | —                             | —                              | —                |
| Debentures                         | 902                      | —                            | 1,500                         | —                             | 1,000                          | —                |
| Call Money and Bills Sold          | 2,922                    | —                            | —                             | —                             | —                              | —                |
| Payables under Repurchase          |                          |                              |                               |                               |                                |                  |
| Agreements                         | 79,525                   | —                            | —                             | —                             | —                              | —                |
| Borrowed Money (*2)                | 6,409                    | 12,465                       | 909                           | 153                           | 77                             | 9,867            |
| Short-term Entrusted Funds         | 5,974                    | —                            | —                             | —                             | —                              | —                |
| <b>Total</b>                       | <b>\$588,651</b>         | <b>\$14,551</b>              | <b>\$2,729</b>                | <b>\$153</b>                  | <b>\$1,077</b>                 | <b>\$9,867</b>   |

(\*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."

| As of March 31, 2022                 | Millions of Yen      |                              |                               |                               |                                |                   |
|--------------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------|
|                                      | 1 Year<br>or<br>Less | Over<br>1 Year to<br>3 Years | Over<br>3 Years to<br>5 Years | Over<br>5 Years to<br>7 Years | Over<br>7 Years to<br>10 Years | Over<br>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                         | —                 |
| Call Money and Bills Sold            | —                    | —                            | —                             | —                             | —                              | —                 |
| 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              | —                            | —                             | —                             | —                              | —                 |
| <b>Total</b>                         | <b>¥87,223,034</b>   | <b>¥2,417,352</b>            | <b>¥391,306</b>               | <b>¥19,255</b>                | <b>¥80,513</b>                 | <b>¥1,316,972</b> |

(\*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, 2023                     | Millions of Yen    |                    |                | Millions of U.S. Dollars |                   |              |
|--|--------------------|--------------------|----------------|--------------------------|-------------------|--------------|
|  | Level 1            | Level 2            | Level 3        | Level 1                  | Level 2           | Level 3      |
| Monetary Claims Bought                   | ¥ —                | ¥ 127,893          | ¥ 484          | \$ —                     | \$ 958            | \$ 3         |
| Trading Assets                           |                    |                    |                |                          |                   |              |
| Trading Securities                       | 20                 | —                  | —              | 0                        | —                 | —            |
| Money Held in Trust                      |                    |                    |                |                          |                   |              |
| Money Held in Trust for Trading Purposes | —                  | 40,034             | —              | —                        | 299               | —            |
| Other Money Held in Trust                | 6,379,320          | 1,804,200          | 1,040          | 47,799                   | 13,518            | 7            |
| Securities                               |                    |                    |                |                          |                   |              |
| Other Securities                         |                    |                    |                |                          |                   |              |
| Stocks                                   | 636,446            | —                  | —              | 4,768                    | —                 | —            |
| Bonds                                    | 3,979,536          | 1,098,761          | —              | 29,818                   | 8,232             | —            |
| Japanese Government Bonds                | 3,979,536          | —                  | —              | 29,818                   | —                 | —            |
| Municipal Government Bonds               | —                  | 149,682            | —              | —                        | 1,121             | —            |
| Corporate Bonds                          | —                  | 949,079            | —              | —                        | 7,111             | —            |
| Other                                    | 9,185,490          | 10,558,482         | 66,849         | 68,825                   | 79,113            | 500          |
| Foreign Bonds                            | 8,866,408          | 3,181,852          | 38,132         | 66,434                   | 23,841            | 285          |
| Foreign Stocks                           | 30,068             | —                  | —              | 225                      | —                 | —            |
| Investment Trust                         | 289,012            | 7,376,629          | 28,717         | 2,165                    | 55,272            | 215          |
| <b>Total Assets</b>                      | <b>¥20,180,814</b> | <b>¥13,629,373</b> | <b>¥68,374</b> | <b>\$151,212</b>         | <b>\$102,123</b>  | <b>\$512</b> |
| Derivative Instruments                   |                    |                    |                |                          |                   |              |
| Related to Currencies                    | ¥ —                | ¥ (347,050)        | ¥ —            | \$ —                     | \$ (2,600)        | \$ —         |
| Related to Interest Rates                | —                  | 104,062            | —              | —                        | 779               | —            |
| Related to Bonds                         | (0)                | —                  | —              | (0)                      | —                 | —            |
| <b>Total Derivative Instruments</b>      | <b>¥ (0)</b>       | <b>¥ (242,988)</b> | <b>¥ —</b>     | <b>\$ (0)</b>            | <b>\$ (1,820)</b> | <b>\$ —</b>  |

| As of March 31, 2022                     | Millions of Yen    |                      |                 |
|--|--------------------|----------------------|-----------------|
|  | Level 1            | Level 2              | Level 3         |
| Monetary Claims Bought                   | ¥ —                | ¥ 138,315            | ¥ 574           |
| Trading Assets                           |                    |                      |                 |
| Trading Securities                       | 4                  | —                    | —               |
| Money Held in Trust                      |                    |                      |                 |
| Money Held in Trust for Trading Purposes | —                  | 4,669                | —               |
| Other Money Held in Trust                | 8,521,772          | 2,190,201            | 1,348           |
| Securities                               |                    |                      |                 |
| Other Securities                         |                    |                      |                 |
| Stocks                                   | 654,352            | —                    | —               |
| Bonds                                    | 7,088,687          | 1,236,284            | —               |
| Japanese Government Bonds                | 7,088,687          | —                    | —               |
| Municipal Government Bonds               | —                  | 158,369              | —               |
| Corporate Bonds                          | —                  | 1,077,914            | —               |
| Other                                    | 17,119,346         | 10,479,405           | 109,057         |
| Foreign Bonds                            | 16,708,551         | 3,541,145            | 87,848          |
| Foreign Stocks                           | 18,904             | —                    | —               |
| Investment Trust                         | 391,890            | 6,938,260            | 21,209          |
| <b>Total Assets</b>                      | <b>¥33,384,162</b> | <b>¥14,048,876</b>   | <b>¥110,980</b> |
| Derivative Instruments                   |                    |                      |                 |
| Related to Currencies                    | ¥ —                | ¥ (1,286,489)        | ¥ —             |
| Related to Interest Rates                | —                  | 250,857              | —               |
| Related to Bonds                         | —                  | —                    | —               |
| <b>Total Derivative Instruments</b>      | <b>¥ —</b>         | <b>¥ (1,035,631)</b> | <b>¥ —</b>      |

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

| As of March 31, 2023             | Millions of Yen   |                    |                    | Millions of U.S. Dollars |                  |                  |
|----------------------------------|-------------------|--------------------|--------------------|--------------------------|------------------|------------------|
|                                  | Level 1           | Level 2            | Level 3            | Level 1                  | Level 2          | Level 3          |
| Monetary Claims Bought           | ¥ —               | ¥ 176,522          | ¥ 16,118           | \$ —                     | \$ 1,322         | \$ 120           |
| Money Held in Trust              |                   |                    |                    |                          |                  |                  |
| Other Money Held in Trust        | —                 | 855                | 184,784            | —                        | 6                | 1,384            |
| Securities                       |                   |                    |                    |                          |                  |                  |
| Held-to-Maturity Debt Securities |                   |                    |                    |                          |                  |                  |
| Japanese Government Bonds        | 2,816,409         | 16,496             | —                  | 21,103                   | 123              | —                |
| Corporate Bonds                  | —                 | 99,272             | —                  | —                        | 743              | —                |
| Foreign Bonds                    | —                 | 9,601,990          | 10,731             | —                        | 71,946           | 80               |
| Loans and Bills Discounted       | —                 | —                  | 17,234,087         | —                        | —                | 129,132          |
| <b>Total Assets</b>              | <b>¥2,816,409</b> | <b>¥ 9,895,135</b> | <b>¥17,445,721</b> | <b>\$21,103</b>          | <b>\$ 74,143</b> | <b>\$130,718</b> |
| Deposits                         | ¥ —               | ¥63,809,460        | ¥ —                | \$ —                     | \$478,116        | \$ —             |
| Debentures                       | —                 | 437,852            | —                  | —                        | 3,280            | —                |
| Borrowed Money                   | —                 | 3,988,241          | —                  | —                        | 29,883           | —                |
| <b>Total Liabilities</b>         | <b>¥ —</b>        | <b>¥68,235,555</b> | <b>¥ —</b>         | <b>\$ —</b>              | <b>\$511,280</b> | <b>\$ —</b>      |

| As of March 31, 2022             | Millions of Yen |                    |                    |
|----------------------------------|-----------------|--------------------|--------------------|
|                                  | Level 1         | Level 2            | Level 3            |
| Monetary Claims Bought           | ¥ —             | ¥ 230,141          | ¥ 19,091           |
| Money Held in Trust              |                 |                    |                    |
| Other Money Held in Trust        | —               | 431                | 149,155            |
| Securities                       |                 |                    |                    |
| Held-to-Maturity Debt Securities |                 |                    |                    |
| Japanese Government Bonds        | 478,816         | 408,095            | —                  |
| Corporate Bonds                  | —               | 100,569            | —                  |
| Foreign Bonds                    | —               | 7,569,081          | 143,946            |
| Loans and Bills Discounted       | —               | —                  | 23,197,090         |
| <b>Total Assets</b>              | <b>¥478,816</b> | <b>¥ 8,308,319</b> | <b>¥23,509,283</b> |
| Deposits                         | ¥ —             | ¥64,009,925        | ¥ —                |
| Debentures                       | —               | 349,198            | —                  |
| Borrowed Money                   | —               | 4,924,931          | —                  |
| <b>Total Liabilities</b>         | <b>¥ —</b>      | <b>¥69,284,055</b> | <b>¥ —</b>         |

(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.

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, 2023

None

As of March 31, 2022

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) |   |
| <b>As of March 31, 2023</b> |   |   |   |   |   |   |   |   |
| Monetary Claims Bought      | ¥ 574                                       | ¥—  | ¥ (1)                                       | ¥ (87)  | \$ 4  | \$—   | \$ (0)                                      | \$ (0)  |
| Money Held in Trust         |   |   |   |   |   |   |   |   |
| Other Money Held in Trust   | 1,348                                       | —   | (351)                                       | 364   | 10  | —   | (2)   | 2   |
| Securities                  |   |   |   |   |   |   |   |   |
| Other Securities            |   |   |   |   |   |   |   |   |
| Bonds                       | —   | —   | —   | —   | —   | —   | —   | —   |
| Corporate Bonds             | —   | —   | —   | —   | —   | —   | —   | —   |
| Other                       | 109,057                                     | —   | (12,813)                                    | 29,923  | 817   | —   | (96)  | 224   |
| Foreign Bonds               | 87,848                                      | —   | (9,172)                                     | 18,774  | 658   | —   | (68)  | 140   |
| Investment Trust            | 21,209                                      | —   | (3,640)                                     | 11,148  | 158   | —   | (27)  | 83  |
| <b>Total Assets</b>         | <b>¥110,980</b>                             | <b>¥—</b>   | <b>¥(13,167)</b>                            | <b>¥30,199</b>  | <b>\$831</b>                                | <b>\$—</b>  | <b>\$(98)</b>                               | <b>\$226</b>  |

|                             | Millions of Yen                    |   |                                  |   | Millions of U.S. Dollars           |   |                                  |   |
|-----------------------------|------------------------------------|---|----------------------------------|---|------------------------------------|---|----------------------------------|---|
|                             | 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 | 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 |
|                             |                                    |   |                                  |   |                                    |   |                                  |   |
| <b>As of March 31, 2023</b> |                                    |   |                                  |   |                                    |   |                                  |   |
| Monetary Claims Bought      | ¥—                                 | ¥ —                                       | ¥ 484                            | ¥—  | \$—                                | \$ —                                      | \$ 3                             | \$—   |
| Money Held in Trust         |                                    |   |                                  |   |                                    |   |                                  |   |
| Other Money Held in Trust   | —                                  | (321)                                     | 1,040                            | —   | —                                  | (2)                                       | 7                                | —   |
| Securities                  |                                    |   |                                  |   |                                    |   |                                  |   |
| Other Securities            |                                    |   |                                  |   |                                    |   |                                  |   |
| Bonds                       | —                                  | —   | —                                | —   | —                                  | —   | —                                | —   |
| Corporate Bonds             | —                                  | —   | —                                | —   | —                                  | —   | —                                | —   |
| Other                       | —                                  | (59,316)                                  | 66,849                           | —   | —                                  | (444)                                     | 500                              | —   |
| Foreign Bonds               | —                                  | (59,316)                                  | 38,132                           | —   | —                                  | (444)                                     | 285                              | —   |
| Investment Trust            | —                                  | —   | 28,717                           | —   | —                                  | —   | 215                              | —   |
| <b>Total Assets</b>         | <b>¥—</b>                          | <b>¥(59,637)</b>                          | <b>¥68,374</b>                   | <b>¥—</b>   | <b>\$—</b>                         | <b>\$(446)</b>                            | <b>\$512</b>                     | <b>\$—</b>  |

(\*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 because observability of inputs used by calculating fair values has been improved. 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, 2022      |   |   |   |   |
| Monetary Claims Bought    | ¥ 674                                       | ¥—  | ¥ (3)                                       | ¥ (97)  |
| Money Held in Trust       |   |   |   |   |
| Other Money Held in Trust | 2,061                                       | —   | (59)  | (125)   |
| Securities                |   |   |   |   |
| Other Securities          |   |   |   |   |
| Bonds                     | —   | —   | —   | —   |
| Corporate Bonds           | —   | —   | —   | —   |
| Other                     | 57,992                                      | —   | (2,823)                                     | 41,580  |
| Foreign Bonds             | 25,317                                      | —   | (5,187)                                     | 55,409  |
| Investment Trust          | 32,674                                      | —   | 2,363                                       | (13,829)  |
| Total Assets              | ¥60,728                                     | ¥—  | ¥(2,886)                                    | ¥ 41,358  |

|                           | Millions of Yen                         |   |                                  |   |
|---------------------------|---|---|----------------------------------|---|
|                           | 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                            | ¥—  |
| Money Held in Trust       |   |   |                                  |   |
| Other Money Held in Trust | —                                       | (528)                                     | 1,348                            | —   |
| Securities                |   |   |                                  |   |
| Other Securities          |   |   |                                  |   |
| Bonds                     | —                                       | —   | —                                | —   |
| Corporate Bonds           | —                                       | —   | —                                | —   |
| Other                     | 12,307                                  | —   | 109,057                          | —   |
| Foreign Bonds             | 12,307                                  | —   | 87,848                           | —   |
| Investment Trust          | —                                       | —   | 21,209                           | —   |
| Total Assets              | ¥12,307                                 | ¥(528)                                    | ¥110,980                         | ¥—  |

(\*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.

### 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, 2023

None

As of March 31, 2022

None

**33. Fair Value of Securities****Trading Securities**

|                    | Millions of Yen  |  | Millions of U.S. Dollars   |
|--------------------|--|--|--|
|                    | 2023   | 2022   | 2023   |
|                    | 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 | ¥—   | ¥—   | \$—  |

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, 2023  | Type                       | Millions of Yen                   |             |            | Millions of U.S. Dollars          |            |            |
|---|----------------------------|-----------------------------------|-------------|------------|-----------------------------------|------------|------------|
|   |                            | Consolidated Balance Sheet Amount | Fair Value  | Difference | Consolidated Balance Sheet Amount | Fair Value | Difference |
|   |                            |                                   |             |            |                                   |            |            |
| Held-to-Maturity Debt Securities Whose Fair Value exceeding Consolidated Balance Sheet Amount     | Japanese Government Bonds  | ¥ 16,010                          | ¥ 16,496    | ¥ 485      | \$ 119                            | \$ 123     | \$ 3       |
|   | Municipal Government Bonds | —                                 | —           | —          | —                                 | —          | —          |
|   | Corporate Bonds            | 300                               | 301         | 0          | 2                                 | 2          | 0          |
|   | Other                      | 1,799,549                         | 1,816,855   | 17,305     | 13,483                            | 13,613     | 129        |
|   | Foreign Bonds              | 1,734,008                         | 1,751,235   | 17,227     | 12,992                            | 13,121     | 129        |
|   | Other                      | 65,541                            | 65,620      | 78         | 491                               | 491        | 0          |
|   | Subtotal                   | 1,815,861                         | 1,833,653   | 17,791     | 13,606                            | 13,739     | 133        |
| Held-to-Maturity Debt Securities Whose Fair Value not exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds  | 2,937,586                         | 2,816,409   | (121,177)  | 22,010                            | 21,103     | (907)      |
|   | Municipal Government Bonds | —                                 | —           | —          | —                                 | —          | —          |
|   | Corporate Bonds            | 100,000                           | 98,971      | (1,029)    | 749                               | 741        | (7)        |
|   | Other                      | 8,101,046                         | 7,988,506   | (112,539)  | 60,700                            | 59,856     | (843)      |
|   | Foreign Bonds              | 7,973,525                         | 7,861,485   | (112,039)  | 59,744                            | 58,905     | (839)      |
|   | Other                      | 127,520                           | 127,020     | (500)      | 955                               | 951        | (3)        |
|   | Subtotal                   | 11,138,632                        | 10,903,886  | (234,746)  | 83,460                            | 81,701     | (1,758)    |
|   | Total                      | ¥12,954,494                       | ¥12,737,539 | ¥(216,954) | \$97,066                          | \$95,440   | \$(1,625)  |

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, 2022  | Type                       | Balance Sheet Amount |            |            |
| Held-to-Maturity Debt Securities Whose Fair Value exceeding Consolidated Balance Sheet Amount     | Japanese Government Bonds  | ¥ 403,959            | ¥ 408,095  | ¥ 4,135    |
|   | Municipal Government Bonds | —                    | —          | —          |
|   | Corporate Bonds            | 655                  | 657        | 2          |
|   | Other                      | 1,933,464            | 1,954,886  | 21,421     |
|   | Foreign Bonds              | 1,805,732            | 1,826,671  | 20,938     |
|   | Other                      | 127,732              | 128,215    | 482        |
|   | Subtotal                   | 2,338,079            | 2,363,639  | 25,559     |
| Held-to-Maturity Debt Securities Whose Fair Value not exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds  | 499,633              | 478,816    | (20,817)   |
|   | Municipal Government Bonds | —                    | —          | —          |
|   | Corporate Bonds            | 100,000              | 99,912     | (88)       |
|   | Other                      | 6,045,813            | 6,007,374  | (38,439)   |
|   | Foreign Bonds              | 5,924,615            | 5,886,356  | (38,259)   |
|   | Other                      | 121,197              | 121,017    | (179)      |
|   | Subtotal                   | 6,645,447            | 6,586,102  | (59,344)   |
|   | Total                      | ¥8,983,526           | ¥8,949,741 | ¥(33,785)  |

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, 2023  | Type                       | Balance Sheet Amount | Cost        |             | Balance Sheet Amount     | Cost        |            |
| Other Securities Whose Consolidated Balance Sheet Amount exceeding Acquisition Cost     | Stocks                     | ¥ 624,043            | ¥ 233,584   | ¥ 390,459   | \$ 4,675                 | \$ 1,750    | \$ 2,925   |
|   | Bonds                      | 184,564              | 178,273     | 6,291       | 1,382                    | 1,335       | 47         |
|   | Japanese Government Bonds  | 98,832               | 92,551      | 6,280       | 740                      | 693         | 47         |
|   | Municipal Government Bonds | 2,328                | 2,326       | 1           | 17                       | 17          | 0          |
|   | Corporate Bonds            | 83,403               | 83,395      | 8           | 624                      | 624         | 0          |
|   | Other                      | 3,527,404            | 2,948,012   | 579,391     | 26,430                   | 22,089      | 4,341      |
|   | Foreign Bonds              | 542,630              | 512,491     | 30,138      | 4,065                    | 3,840       | 225        |
|   | Foreign Stocks             | 19,231               | 8,618       | 10,612      | 144                      | 64          | 79         |
|   | Investment Trusts          | 2,906,576            | 2,368,188   | 538,387     | 21,778                   | 17,744      | 4,034      |
|   | Other                      | 58,965               | 58,713      | 252         | 441                      | 439         | 1          |
|   | Subtotal                   | 4,336,011            | 3,359,870   | 976,141     | 32,489                   | 25,175      | 7,314      |
| Other Securities Whose Consolidated Balance Sheet Amount not exceeding Acquisition Cost | Stocks                     | 12,402               | 13,875      | (1,472)     | 92                       | 103         | (11)       |
|   | Bonds                      | 4,893,733            | 5,051,281   | (157,547)   | 36,668                   | 37,848      | (1,180)    |
|   | Japanese Government Bonds  | 3,880,704            | 4,016,605   | (135,901)   | 29,077                   | 30,095      | (1,018)    |
|   | Municipal Government Bonds | 147,353              | 152,944     | (5,590)     | 1,104                    | 1,145       | (41)       |
|   | Corporate Bonds            | 865,675              | 881,731     | (16,056)    | 6,486                    | 6,606       | (120)      |
|   | Other                      | 16,425,141           | 17,911,522  | (1,486,380) | 123,071                  | 134,208     | (11,137)   |
|   | Foreign Bonds              | 11,543,764           | 12,698,428  | (1,154,664) | 86,496                   | 95,147      | (8,651)    |
|   | Foreign Stocks             | 10,837               | 13,376      | (2,538)     | 81                       | 100         | (19)       |
|   | Investment Trusts          | 4,787,782            | 5,116,700   | (328,917)   | 35,874                   | 38,338      | (2,464)    |
|   | Other                      | 82,757               | 83,017      | (260)       | 620                      | 622         | (1)        |
|   | Subtotal                   | 21,331,278           | 22,976,679  | (1,645,401) | 159,832                  | 172,161     | (12,328)   |
|   | Total                      | ¥25,667,290          | ¥26,336,550 | ¥ (669,260) | \$192,321                | \$197,336   | \$ (5,014) |

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

2. Investment Trusts include Japanese trusts and foreign trusts.

| As of March 31, 2022   | Type                          | Millions of Yen                         |                     |            |
|--|-------------------------------|---|---------------------|------------|
|  |                               | Consolidated<br>Balance Sheet<br>Amount | Acquisition<br>Cost | Difference |
|  | Stocks                        | ¥ 640,688                               | ¥ 235,659           | ¥ 405,029  |
|  | Bonds                         | 1,488,169                               | 1,434,122           | 54,046     |
|  | Japanese Government<br>Bonds  | 1,459,720                               | 1,405,691           | 54,029     |
| Other Securities<br>Whose Consolidated<br>Balance Sheet<br>Amount exceeding<br>Acquisition Cost        | Municipal Government<br>Bonds | 10,838                                  | 10,831              | 6          |
|  | Corporate Bonds               | 17,610                                  | 17,600              | 10         |
|  | Other                         | 9,797,367                               | 8,577,601           | 1,219,765  |
|  | Foreign Bonds                 | 7,315,285                               | 6,841,381           | 473,903    |
|  | Foreign Stocks                | 18,904                                  | 8,092               | 10,812     |
|  | Investment Trusts             | 2,346,384                               | 1,612,482           | 733,902    |
|  | Other                         | 116,792                                 | 115,645             | 1,146      |
|  | Subtotal                      | 11,926,225                              | 10,247,383          | 1,678,841  |
|  | Stocks                        | 13,663                                  | 16,819              | (3,155)    |
|  | Bonds                         | 6,836,801                               | 7,003,297           | (166,495)  |
|  | Japanese Government<br>Bonds  | 5,628,966                               | 5,787,028           | (158,062)  |
| Other Securities<br>Whose Consolidated<br>Balance Sheet<br>Amount not<br>exceeding<br>Acquisition Cost | Municipal Government<br>Bonds | 147,530                                 | 150,086             | (2,555)    |
|  | Corporate Bonds               | 1,060,304                               | 1,066,181           | (5,877)    |
|  | Other                         | 18,062,793                              | 18,762,709          | (699,916)  |
|  | Foreign Bonds                 | 13,022,258                              | 13,602,592          | (580,333)  |
|  | Foreign Stocks                | —                                       | —                   | —          |
|  | Investment Trusts             | 5,004,974                               | 5,124,548           | (119,573)  |
|  | Other                         | 35,559                                  | 35,568              | (8)        |
|  | Subtotal                      | 24,913,258                              | 25,782,825          | (869,567)  |
|  | Total                         | ¥36,839,483                             | ¥36,030,209         | ¥ 809,274  |

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, 2023 and 2022.

### Other Securities Sold during the Fiscal Year

| Fiscal year ended March 31, 2023 | Millions of Yen   |                   |                    | Millions of U.S. Dollars |                   |                    |
|----------------------------------|-------------------|-------------------|--------------------|--------------------------|-------------------|--------------------|
|                                  | Sales<br>Proceeds | Gains on<br>Sales | Losses on<br>Sales | Sales<br>Proceeds        | Gains on<br>Sales | Losses on<br>Sales |
| Stocks                           | ¥ 61,504          | ¥ 40,741          | ¥ 928              | \$ 460                   | \$ 305            | \$ 6               |
| Bonds                            | 2,079,068         | 24,770            | 9,422              | 15,578                   | 185               | 70                 |
| Japanese Government Bonds        | 2,079,068         | 24,770            | 9,422              | 15,578                   | 185               | 70                 |
| Municipal Government Bonds       | —                 | —                 | —                  | —                        | —                 | —                  |
| Corporate Bonds                  | —                 | —                 | —                  | —                        | —                 | —                  |
| Other                            | 11,064,536        | 449,643           | 431,856            | 82,905                   | 3,369             | 3,235              |
| Foreign Bonds                    | 10,900,563        | 413,281           | 424,358            | 81,676                   | 3,096             | 3,179              |
| Foreign Stocks                   | 16                | 0                 | —                  | 0                        | 0                 | —                  |
| Investment Trusts                | 157,036           | 33,962            | 7,495              | 1,176                    | 254               | 56                 |
| Other                            | 6,919             | 2,398             | 3                  | 51                       | 17                | 0                  |
| Total                            | ¥13,205,109       | ¥515,155          | ¥442,207           | \$98,944                 | \$3,859           | \$3,313            |

Note: Investment Trusts include Japanese trusts and foreign trusts.

| Fiscal year ended March 31, 2022 | Millions of Yen   |                 |                 |
|----------------------------------|-------------------|-----------------|-----------------|
|                                  | Sales Proceeds    | Gains on Sales  | Losses on Sales |
| Stocks                           | ¥ 42,029          | ¥ 27,422        | ¥ 99            |
| Bonds                            | 1,403,830         | 1,556           | 40,967          |
| Japanese Government Bonds        | 1,403,830         | 1,556           | 40,967          |
| Municipal Government Bonds       | —                 | —               | —               |
| Corporate Bonds                  | —                 | —               | —               |
| Other                            | 5,868,999         | 145,006         | 197,707         |
| Foreign Bonds                    | 5,668,410         | 29,740          | 197,641         |
| Foreign Stocks                   | 0                 | —               | —               |
| Investment Trusts                | 175,476           | 114,829         | 66              |
| Other                            | 25,112            | 436             | —               |
| <b>Total</b>                     | <b>¥7,314,859</b> | <b>¥173,985</b> | <b>¥238,774</b> |

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, 2023 and 2022 (“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, 2023 was nil.

The amount of revaluation loss for the fiscal year ended March 31, 2022 was ¥2,840 million including ¥2,245 million on Stocks and ¥595 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, 2023                     | Millions of Yen                   |                                      | Millions of U.S. Dollars          |                                      |
|--|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
|  | Consolidated Balance Sheet Amount | Unrealized Gain Recognized as Income | Consolidated Balance Sheet Amount | Unrealized Gain Recognized as Income |
| Money Held in Trust for Trading Purposes | <b>¥40,034</b>                    | <b>¥—</b>                            | <b>\$299</b>                      | <b>\$—</b>                           |

| As of March 31, 2022                     | Millions of Yen                   |                                      |
|--|-----------------------------------|--------------------------------------|
|  | Consolidated Balance Sheet Amount | Unrealized Gain Recognized as Income |
| Money Held in Trust for Trading Purposes | ¥4,669                            | ¥—                                   |

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

| As of March 31, 2023      | Millions of Yen                   |                   |                   |  |  |
|---------------------------|-----------------------------------|-------------------|-------------------|--|--|
|                           | Consolidated Balance Sheet Amount | Acquisition Cost  | Difference        | Other Money Held in Trust Whose Consolidated Balance Sheet Amount exceeds Acquisition Cost | Other Money Held in Trust Whose Consolidated Balance Sheet Amount not exceeding Acquisition Cost |
| Other Money Held in Trust | <b>¥8,379,333</b>                 | <b>¥8,972,948</b> | <b>¥(593,615)</b> | <b>¥13,419</b>   | <b>¥607,034</b>  |



|                             | Millions of U.S. Dollars          |                  |            |  |  |
|-----------------------------|-----------------------------------|------------------|------------|--|--|
|                             | Consolidated Balance Sheet Amount | Acquisition Cost | Difference | Other Money Held in Trust Whose Consolidated Balance Sheet Amount exceeding Acquisition Cost | Other Money Held in Trust Whose Consolidated Balance Sheet Amount not exceeding Acquisition Cost |
| <b>As of March 31, 2023</b> |                                   |                  |            |  |  |
| Other Money Held in Trust   | \$62,785                          | \$67,233         | \$(4,447)  | \$100  | \$4,548  |

Note: "Other Money Held in Trust Whose Consolidated Balance Sheet Amount exceeding Acquisition Cost" and "Other Money Held in Trust Whose 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 | Other Money Held in Trust Whose Consolidated Balance Sheet Amount exceeding Acquisition Cost | Other Money Held in Trust Whose Consolidated Balance Sheet Amount not exceeding Acquisition Cost |
| <b>As of March 31, 2022</b> |                                   |                  |            |  |  |
| Other Money Held in Trust   | ¥10,863,315                       | ¥10,944,909      | ¥(81,593)  | ¥65,863  | ¥147,457   |

Note: "Other Money Held in Trust Whose Consolidated Balance Sheet Amount exceeding Acquisition Cost" and "Other Money Held in Trust Whose 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 |             |             |
| <b>As of March 31, 2023</b>   | Total                              | Over 1 Year |            |                      | Total                              | Over 1 Year   |            |                      |             |             |
| Exchange-traded Transactions  |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Interest Rate Futures:        |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Sold                          | ¥                                  | —           | ¥          | —                    | ¥                                  | —             | ¥          | —                    |             |             |
| Purchased                     |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Interest Rate Options:        |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Sold                          |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Purchased                     |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Over-the-counter Transactions |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Forward Rate Agreements:      |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Sold                          |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Purchased                     |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Interest Rate Swaps:          |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Rec.: Fix.-Pay.: Flt.         | 1,142,403                          | 385,525     | (408)      | (408)                | 8,559                              | 2,888         | (3)        | (3)                  |             |             |
| Rec.: Flt.-Pay.: Fix.         | 192,603                            | 185,725     | 2,104      | 2,104                | 1,443                              | 1,391         | 15         | 15                   |             |             |
| Rec.: Flt.-Pay.: Flt.         |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Interest Rate Options:        |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Sold                          |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Purchased                     |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Other:                        |                                    |             |            |                      |                                    |               |            |                      |             |             |
| Sold                          |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| Purchased                     |                                    | —           |            | —                    |                                    | —             |            | —                    |             |             |
| <b>Total</b>                  | <b>¥</b>                           | <b>/</b>    | <b>¥</b>   | <b>/</b>             | <b>¥1,696</b>                      | <b>¥1,696</b> | <b>\$</b>  | <b>/</b>             | <b>\$12</b> | <b>\$12</b> |

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

| As of March 31, 2022                 | Millions of Yen                    |             |              |                      |
|--------------------------------------|------------------------------------|-------------|--------------|----------------------|
|                                      | Contract Amount or Notional Amount |             | Fair Value   | Unrealized Gain/Loss |
|                                      | Total                              | Over 1 Year |              |                      |
| <b>Exchange-traded Transactions</b>  |                                    |             |              |                      |
| <b>Interest Rate Futures:</b>        |                                    |             |              |                      |
| Sold                                 | ¥ —                                | ¥ —         | ¥ —          | ¥ —                  |
| Purchased                            | —                                  | —           | —            | —                    |
| <b>Interest Rate Options:</b>        |                                    |             |              |                      |
| Sold                                 | —                                  | —           | —            | —                    |
| Purchased                            | —                                  | —           | —            | —                    |
| <b>Over-the-counter Transactions</b> |                                    |             |              |                      |
| <b>Forward Rate Agreements:</b>      |                                    |             |              |                      |
| Sold                                 | —                                  | —           | —            | —                    |
| Purchased                            | —                                  | —           | —            | —                    |
| <b>Interest Rate Swaps:</b>          |                                    |             |              |                      |
| Rec.: Fix.-Pay.: Flt.                | 2,466,110                          | 179,267     | 1,844        | 1,844                |
| Rec.: Flt.-Pay.: Fix.                | 136,953                            | 129,267     | (1,277)      | (1,277)              |
| Rec.: Flt.-Pay.: Flt.                | —                                  | —           | —            | —                    |
| <b>Interest Rate Options:</b>        |                                    |             |              |                      |
| Sold                                 | —                                  | —           | —            | —                    |
| Purchased                            | —                                  | —           | —            | —                    |
| <b>Other:</b>                        |                                    |             |              |                      |
| Sold                                 | —                                  | —           | —            | —                    |
| Purchased                            | —                                  | —           | —            | —                    |
| <b>Total</b>                         | <b>¥ /</b>                         | <b>¥ /</b>  | <b>¥ 567</b> | <b>¥ 567</b>         |

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

## Currency-Related Derivative Instruments

| As of March 31, 2023                 | 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 |             |                      |
| <b>Exchange-traded Transactions</b>  |                                    |             |               |                      |                                    |             |             |                      |
| <b>Currency Futures:</b>             |                                    |             |               |                      |                                    |             |             |                      |
| Sold                                 | ¥ —                                | ¥ —         | ¥ —           | ¥ —                  | \$ —                               | \$ —        | \$ —        | \$ —                 |
| Purchased                            | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| <b>Currency Options:</b>             |                                    |             |               |                      |                                    |             |             |                      |
| Sold                                 | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| Purchased                            | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| <b>Over-the-counter Transactions</b> |                                    |             |               |                      |                                    |             |             |                      |
| <b>Currency Swaps</b>                |                                    |             |               |                      |                                    |             |             |                      |
| Forwards:                            |                                    |             |               |                      |                                    |             |             |                      |
| Sold                                 | 533,173                            | 3,212       | 639           | 639                  | 3,995                              | 24          | 4           | 4                    |
| Purchased                            | 794,062                            | 2,865       | 2,631         | 2,631                | 5,949                              | 21          | 19          | 19                   |
| <b>Currency Options:</b>             |                                    |             |               |                      |                                    |             |             |                      |
| Sold                                 | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| Purchased                            | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| <b>Other:</b>                        |                                    |             |               |                      |                                    |             |             |                      |
| Sold                                 | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| Purchased                            | —                                  | —           | —             | —                    | —                                  | —           | —           | —                    |
| <b>Total</b>                         | <b>¥ /</b>                         | <b>¥ /</b>  | <b>¥3,271</b> | <b>¥3,271</b>        | <b>\$ /</b>                        | <b>\$ /</b> | <b>\$24</b> | <b>\$24</b>          |

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

| As of March 31, 2022                 | Millions of Yen                    |             |                |                      |
|--------------------------------------|------------------------------------|-------------|----------------|----------------------|
|                                      | Contract Amount or Notional Amount |             | Fair Value     | Unrealized Gain/Loss |
|                                      | Total                              | Over 1 Year |                |                      |
| <b>Exchange-traded Transactions</b>  |                                    |             |                |                      |
| <b>Currency Futures:</b>             |                                    |             |                |                      |
| Sold                                 | ¥ —                                | ¥ —         | ¥ —            | ¥ —                  |
| Purchased                            | —                                  | —           | —              | —                    |
| <b>Currency Options:</b>             |                                    |             |                |                      |
| Sold                                 | —                                  | —           | —              | —                    |
| Purchased                            | —                                  | —           | —              | —                    |
| <b>Over-the-counter Transactions</b> |                                    |             |                |                      |
| <b>Currency Swaps</b>                |                                    |             |                |                      |
|                                      | —                                  | —           | —              | —                    |
| <b>Forwards:</b>                     |                                    |             |                |                      |
| Sold                                 | 481,349                            | 2,314       | (16,161)       | (16,161)             |
| Purchased                            | 629,524                            | 2,206       | 15,749         | 15,749               |
| <b>Currency Options:</b>             |                                    |             |                |                      |
| Sold                                 | —                                  | —           | —              | —                    |
| Purchased                            | —                                  | —           | —              | —                    |
| <b>Other:</b>                        |                                    |             |                |                      |
| Sold                                 | —                                  | —           | —              | —                    |
| Purchased                            | —                                  | —           | —              | —                    |
| <b>Total</b>                         | <b>¥ /</b>                         | <b>¥ /</b>  | <b>¥ (412)</b> | <b>¥ (412)</b>       |

Note: Derivative instruments are measured at 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, 2023 and 2022.

### Bond-Related Derivative Instruments

| As of March 31, 2023                 | 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 |               |                      |
| <b>Exchange-traded Transactions</b>  |                                    |             |             |                      |                                    |             |               |                      |
| <b>Bond Futures:</b>                 |                                    |             |             |                      |                                    |             |               |                      |
| Sold                                 | ¥260                               | ¥—          | ¥(1)        | ¥(1)                 | \$ 1                               | \$—         | \$ (0)        | \$ (0)               |
| Purchased                            | 58                                 | —           | 0           | 0                    | 0                                  | —           | 0             | 0                    |
| <b>Bond Futures Options:</b>         |                                    |             |             |                      |                                    |             |               |                      |
| Sold                                 | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| Purchased                            | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| <b>Over-the-counter Transactions</b> |                                    |             |             |                      |                                    |             |               |                      |
| <b>Bond Options:</b>                 |                                    |             |             |                      |                                    |             |               |                      |
| Sold                                 | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| Purchased                            | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| <b>Other:</b>                        |                                    |             |             |                      |                                    |             |               |                      |
| Sold                                 | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| Purchased                            | —                                  | —           | —           | —                    | —                                  | —           | —             | —                    |
| <b>Total</b>                         | <b>¥ /</b>                         | <b>¥ /</b>  | <b>¥(0)</b> | <b>¥(0)</b>          | <b>\$ /</b>                        | <b>\$ /</b> | <b>\$ (0)</b> | <b>\$ (0)</b>        |

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

| As of March 31, 2022          | Millions of Yen                    |             |            |                      |
|-------------------------------|------------------------------------|-------------|------------|----------------------|
|                               | Contract Amount or Notional Amount |             | Fair Value | Unrealized Gain/Loss |
|                               | 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                     | —                                  | —           | —          | —                    |
| <b>Total</b>                  | <b>¥ /</b>                         | <b>¥ /</b>  | <b>¥—</b>  | <b>¥—</b>            |

Note: Derivative instruments are measured at 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, 2023 and 2022.

### Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of March 31, 2023 and 2022.

### (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, 2023 |   |   | 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  | ¥ 80,000                           | ¥ —         | ¥ 37       | \$ 599                             | \$ —        | \$ 0       |
|                      | Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.) | Yen-denominated Securities, Deposits and Others                   | 2,269,731                          | 2,250,630   | 102,328    | 17,006                             | 16,863      | 766        |
| The Accrual Method   | Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.) | Debentures, Borrowed Money  | 210,190                            | 210,190     | Note 2     | 1,574                              | 1,574       | Note 2     |
|                      | Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.) | Loans and Bills Discounted, Yen-denominated Securities and Others | 472,239                            | 395,031     | Note 2     | 3,538                              | 2,959       | Note 2     |
| Total                |   |   | ¥ /                                | ¥ /         | ¥102,365   | \$ /                               | \$ /        | \$767      |

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 to 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, 2022

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  | ¥ 200,000                          | ¥ 80,000    | ¥ 177      |
|                     | Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.) | Yen-denominated Securities, Deposits and Others                   | 8,501,588                          | 8,153,773   | 250,113    |
| The Accrual Method  | Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.) | Debentures, Borrowed Money  | —                                  | —           | Note 2     |
|                     | Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.) | Loans and Bills Discounted, Yen-denominated Securities and Others | 393,616                            | 290,710     | Note 2     |
| Total               |   |   | ¥ /                                | ¥ /         | ¥250,290   |

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 to 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, 2023

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 | ¥18,517,834                        | ¥12,982,674 | ¥(347,872) | \$138,751                          | \$97,277    | \$(2,606)  |
|                     | Forex Forward                  |  | 5,052,249                          | —           | (2,449)    | 37,855                             | —           | (18)       |
| Total               |                                |  | ¥ /                                | ¥ /         | ¥(350,321) | \$ /                               | \$ /        | \$(2,624)  |

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, 2022

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 | ¥15,706,728                        | ¥11,234,807 | ¥(1,047,456) |
|                     | Forex Forward                  |  | 4,081,435                          | —           | (238,620)    |
| Total               |                                |  | ¥ /                                | ¥ /         | ¥(1,286,077) |

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, 2023 and 2022.

### Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2023 and 2022.

## 36. The Norinchukin Bank (Parent Company)

### (1) Non-consolidated Balance Sheet

| As of March 31   | Millions of Yen    |                     | Millions of U.S.<br>Dollars |
|--|--------------------|---------------------|-----------------------------|
|  | 2023               | 2022                | 2023                        |
| <b>Assets</b>  |                    |                     |                             |
| Cash and Due from Banks  | ¥22,348,159        | ¥ 18,070,056        | \$167,452                   |
| Receivables under Resale Agreements                              | 304,742            | —                   | 2,283                       |
| Monetary Claims Bought   | 321,441            | 387,819             | 2,408                       |
| Trading Assets   | 3,635              | 2,466               | 27                          |
| Money Held in Trust  | 8,417,071          | 10,864,800          | 63,068                      |
| Securities   | 40,062,645         | 47,057,256          | 300,184                     |
| Loans and Bills Discounted                                       | 16,902,539         | 22,955,497          | 126,648                     |
| Foreign Exchange Assets  | 584,996            | 375,980             | 4,383                       |
| Other Assets   | 1,597,511          | 3,129,171           | 11,969                      |
| Tangible Fixed Assets  | 132,538            | 149,530             | 993                         |
| Intangible Fixed Assets  | 47,649             | 49,732              | 357                         |
| Prepaid Pension Cost   | 71,996             | 57,465              | 539                         |
| Deferred Tax Assets  | 343,817            | —                   | 2,576                       |
| Deferred Tax Assets for Land Revaluation                         | 1,600              | —                   | 11                          |
| Customers' Liabilities for Acceptances and Guarantees            | 409,059            | 415,117             | 3,065                       |
| Reserve for Possible Loan Losses                                 | (122,496)          | (147,046)           | (917)                       |
| Reserve for Possible Investment Losses                           | (1,481)            | (1,481)             | (11)                        |
| <b>Total Assets</b>  | <b>¥91,425,426</b> | <b>¥103,366,368</b> | <b>\$685,039</b>            |
| <b>Liabilities and Net Assets</b>                                |                    |                     |                             |
| <b>Liabilities</b>   |                    |                     |                             |
| Deposits   | ¥63,832,307        | ¥ 64,019,836        | \$478,287                   |
| Negotiable Certificates of Deposit                               | 2,296,478          | 2,140,966           | 17,207                      |
| Debentures   | 455,034            | 363,780             | 3,409                       |
| Call Money   | 390,000            | —                   | 2,922                       |
| Payables under Repurchase Agreements                             | 10,613,476         | 19,327,671          | 79,525                      |
| Trading Liabilities  | 2,786              | 1,692               | 20                          |
| Borrowed Money   | 3,931,746          | 4,868,429           | 29,460                      |
| Foreign Exchange Liabilities                                     | 28                 | —                   | 0                           |
| Short-term Entrusted Funds                                       | 797,420            | 684,692             | 5,974                       |
| Other Liabilities  | 3,205,231          | 4,104,171           | 24,016                      |
| Reserve for Bonus Payments                                       | 5,719              | 5,665               | 42                          |
| Reserve for Retirement Benefits                                  | 15,150             | 15,031              | 113                         |
| Reserve for Directors' Retirement Benefits                       | 898                | 730                 | 6                           |
| Deferred Tax Liabilities   | —                  | 272,524             | —                           |
| Deferred Tax Liabilities for Land Revaluation                    | —                  | 1,499               | —                           |
| Acceptances and Guarantees                                       | 409,059            | 415,117             | 3,065                       |
| <b>Total Liabilities</b>   | <b>85,955,337</b>  | <b>96,221,809</b>   | <b>644,053</b>              |
| <b>Net Assets</b>  |                    |                     |                             |
| Paid-in Capital  | 4,040,198          | 4,040,198           | 30,272                      |
| Capital Surplus  | 25,020             | 25,020              | 187                         |
| Retained Earnings  | 2,067,877          | 2,157,550           | 15,494                      |
| <b>Total Owners' Equity</b>                                      | <b>6,133,096</b>   | <b>6,222,769</b>    | <b>45,954</b>               |
| Net Unrealized Gains (Losses) on Other Securities, net of taxes  | (680,481)          | 756,155             | (5,098)                     |
| Net Deferred Gains (Losses) on Hedging Instruments, net of taxes | 19,573             | 159,663             | 146                         |
| Revaluation Reserve for Land, net of taxes                       | (2,099)            | 5,970               | (15)                        |
| <b>Total Valuation and Translation Adjustments</b>               | <b>(663,007)</b>   | <b>921,789</b>      | <b>(4,967)</b>              |
| <b>Total Net Assets</b>  | <b>5,470,089</b>   | <b>7,144,559</b>    | <b>40,986</b>               |
| <b>Total Liabilities and Net Assets</b>                          | <b>¥91,425,426</b> | <b>¥103,366,368</b> | <b>\$685,039</b>            |

## (2) Non-consolidated Statement of Operations

| For the fiscal years ended March 31              | Millions of Yen |           | Millions of U.S.<br>Dollars |
|--|-----------------|-----------|-----------------------------|
|  | 2023            | 2022      | 2023                        |
| <b>Income</b>                                    |                 |           |                             |
| Interest Income:                                 | ¥1,292,580      | ¥ 716,343 | \$ 9,685                    |
| Interest on Loans and Bills Discounted           | 198,104         | 76,401    | 1,484                       |
| Interest and Dividends on Securities             | 1,026,165       | 623,465   | 7,688                       |
| Interest on Call Loans                           | (6)             | (724)     | (0)                         |
| Interest on Receivables under Resale Agreements  | 988             | (574)     | 7                           |
| Interest on Due from Banks                       | 51,337          | 12,114    | 384                         |
| Other Interest Income                            | 15,991          | 5,660     | 119                         |
| Fees and Commissions                             | 15,013          | 11,960    | 112                         |
| Trading Income                                   | 302             | 104       | 2                           |
| Other Operating Income                           | 551,107         | 94,335    | 4,129                       |
| Other Income                                     | 315,806         | 416,402   | 2,366                       |
| Total Income                                     | 2,174,811       | 1,239,146 | 16,295                      |
| <b>Expenses</b>                                  |                 |           |                             |
| Interest Expenses:                               | 1,355,070       | 516,191   | 10,153                      |
| Interest on Deposits                             | 140,587         | 12,167    | 1,053                       |
| Interest on Negotiable Certificates of Deposit   | 59,561          | 3,010     | 446                         |
| Interest on Debentures                           | 7,031           | 1,294     | 52                          |
| Interest on Borrowed Money                       | 46,279          | 37,222    | 346                         |
| Interest on Call Money                           | (569)           | (0)       | (4)                         |
| Interest on Payables under Repurchase Agreements | 166,321         | (25,467)  | 1,246                       |
| Other Interest Expenses                          | 935,859         | 487,964   | 7,012                       |
| Fees and Commissions                             | 26,415          | 21,933    | 197                         |
| Trading Expenses                                 | 61              | —         | 0                           |
| Other Operating Expenses                         | 481,531         | 293,429   | 3,608                       |
| General and Administrative Expenses              | 138,355         | 128,272   | 1,036                       |
| Other Expenses                                   | 127,036         | 34,926    | 951                         |
| Total Expenses                                   | 2,128,472       | 994,754   | 15,948                      |
| <b>Income before Income Taxes</b>                | 46,339          | 244,392   | 347                         |
| Income Taxes — Current                           | 18,070          | (2,132)   | 135                         |
| Income Taxes — Deferred                          | (14,970)        | 73,830    | (112)                       |
| Total Income Taxes                               | 3,100           | 71,698    | 23                          |
| <b>Net Income</b>                                | ¥ 43,238        | ¥ 172,693 | \$ 323                      |

|                             | Yen     |        | U.S. Dollars |
|-----------------------------|---------|--------|--------------|
|                             | 2023    | 2022   | 2023         |
| <b>Net Income per Share</b> | ¥(2.07) | ¥22.37 | \$(0.01)     |

## 37. Appropriation of Retained Earnings

The following dividends were approved at the Council of Delegates held on June 23, 2023.

|  | Millions of Yen |      | Millions of U.S.<br>Dollars |
|--|-----------------|------|-----------------------------|
|  | 2023            | 2022 | 2023                        |
| Cash Dividends   |                 |      |                             |
| Special Dividends  | ¥ 4,649         |      | \$ 34                       |
| Dividends on Common Stock<br>(at the rate of 3% of the ¥100 face value, or ¥3.00 per share)                | 12,771          |      | 95                          |
| Dividends on Lower Dividend Rate Stock<br>(at the rate of 1.3% of the ¥100 face value, or ¥1.30 per share) | 46,663          |      | 349                         |



## 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, 2023, 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, 2023, 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  |  |
|--|--|
| Description of Key Audit Matter  | Auditor's Response   |
| 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, 2023 was 17,414,105 million yen, accounting | 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 |

| Measurement of reserve for possible loan losses to the loans and bills discounted  |   |
|--|---|
| Description of Key Audit Matter  | Auditor's Response  |
| <p>for 18% of the Total Assets.</p> <p>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 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, 2023 was 131,441 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</p> <p>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</p> | <p>included the following, among others:</p> <p>(1) Evaluation of internal control</p> <ul style="list-style-type: none"> <li>We evaluated the design and tested the operating effectiveness of the Bank's 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.</li> </ul> <p>(2) Determination of debtor classification</p> <ul style="list-style-type: none"> <li>We selected samples of debtors by taking into account the type of business of the debtor, financial position, business performance, the effects of COVID-19 and geopolitical risks, in addition to considering the monetary impact of changes in debtor classification on the amount recorded in reserve for possible loan losses.</li> <li>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.</li> <li>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.</li> </ul> |

| Measurement of reserve for possible loan losses to the loans and bills discounted  |   |
|--|---|
| Description of Key Audit Matter  | Auditor's Response  |
| <p>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</p> <p>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.</p> <p>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 (Indexes of Business Conditions (Composite Index (Coincident Index))) 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.</p> <p>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 by the slowdown of overseas economies resulting from the tightening monetary policy, geopolitical risks, and the situation of COVID-19 infections.</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> | <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"> <li>• We examined the likelihood of each scenario based on the current position in economic cycles and 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. In performing these procedures, we involved our risk management specialists.</li> <li>• 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.</li> </ul> |

| Judgements over recoverability of deferred tax assets   |  |
|---|--|
| Description of Key Audit Matter   | Auditor's Response   |
| <p>As of March 31, 2023, the amount of deferred tax assets recorded on the Bank's consolidated balance sheet was 307,942 million yen, as stated in Section (16) "Significant Accounting Estimates" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements.</p> <p>The Bank recognizes Deferred Tax Assets for deductible temporary differences that are deemed to have the effect of reducing the tax burden in the future (i.e., recoverability). In determining the recoverability of deferred tax assets, the Bank recognizes Deferred Tax Assets based on the estimates such as the classification of an entity and the scheduling of deductible temporary differences, in accordance with Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26)".</p> <p>In determining the classification of an entity, the Bank considers the estimates of future taxable income based on the situation where financing costs, such as funding costs in foreign currencies, have increased as a result of the interest rate hikes, mainly in Europe and the United States, as well as the trends of the past and current period taxable income.</p> <p>The estimation of future taxable income is based on medium- to-long term earnings prospects considering various simulations and other factors. As the Bank has diverse financial assets and liabilities based on the basic concept of "globally diversified investment", the key assumptions are the forecasts of future financial and economic environment such as market fluctuations of interest rates and foreign exchange rates, and the trends of the financial position by the Bank's portfolio management in response to such forecasts.</p> | <p>Our audit procedures performed to examine the appropriateness of judgements over recoverability of deferred tax assets of the Bank included the following, among others:</p> <p>(1) Evaluation of internal control</p> <ul style="list-style-type: none"> <li>We evaluated the design and tested the operating effectiveness of the Bank's internal controls over recognition of deferred tax assets.</li> </ul> <p>(2) Estimate of taxable income in the future</p> <ul style="list-style-type: none"> <li>We examined whether the estimates of future taxable income and the underlying medium- and long-term earnings prospects are consistent with the various simulations and other factors approved by the Board of Directors.</li> <li>We recalculated the medium- and long-term earnings prospects, which serve as a basis for estimating future taxable income, based on the outlook of the future financial and economic environment and of the expected asset balances.</li> <li>The key assumptions of the forecasts of future financial and economic environment such as market fluctuations of interest rates and foreign exchange rates, which are included in the medium- and long-term earnings prospects, were assessed for consistency with available external information, such as market forecasts and reports published by external organizations.</li> <li>The key assumptions of the trends of the financial position by the Bank's portfolio management, included in the medium- and long-term earnings prospects, were assessed by considering the past trading results, market quoted prices and other factors.</li> </ul> |

| Judgements over recoverability of deferred tax assets  |                    |
|--|--------------------|
| Description of Key Audit Matter  | Auditor's Response |
| <p>These key assumptions in determining the classification of an entity are affected by the financial and economic environments and the trends of the financial position, and are therefore subject to a high degree of the estimation uncertainty and management's judgements.</p> <p>Accordingly, appropriateness of judgements over recoverability of deferred tax assets is considered a key audit matter.</p> |                    |

### 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 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 are 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 consolidated 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, 2023 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, 2023

/s/ Hiroki Matsumura  
Designated Engagement Partner  
Certified Public Accountant

/s/ Mitsuhiro Nagao  
Designated Engagement Partner  
Certified Public Accountant