INTERIM REPORT 2007

For the Six Months ended September 30, 2007

The Norinchukin Bank

Profile

The Norinchukin Bank (the "Bank") was established in 1923 as a quasi-governmental financial institution. Privatized in 1959, the Bank is one of Japan's largest and most distinguished financial institutions.

The Bank is the central bank for Japan's agricultural, forestry and fishery cooperative systems. Based on constant funds procurement from member cooperatives, the Bank carries out efficient and flexible asset management by investing in various financial products. This is carried out on a global scale. The profits from these activities are then continuously passed on to its members.

The Bank has branches in the world's major financial centers, including New York, London and Singapore. Coupled with its head office in Tokyo, this network enables 24-hour coverage of the global financial markets.

Corporate Outline

(As of September 30, 2007)

Name • The Norinchukin Bank

Legal basis • The Norinchukin Bank Law (Law No. 93 of 2001)

Date of establishment • December 20, 1923

President and Chief Executive Officer • Hirofumi Ueno

Paid-in capital

• ¥1,484 billion (As of September 30, 2007)

*All capital is from private parties (members and investors in preferred securities).The Bank receives no public funding and has never accepted the injection of public funds.

Total assets (On a consolidated basis)

• ¥66,198 billion (As of September 30, 2007)

Capital adequacy ratio (On a consolidated basis)

• 12.55% (As of September 30, 2007) (Basel II standard)

Members: Japan agricultural cooperatives (JA), Japan fishery cooperatives (JF), Japan forestry cooperatives, and related associations, as well as organizations that have invested in the Bank, including other agricultural, forestry and fishery cooperatives (Number of shareholders: 4,321 (As of September 30, 2007))

Number of employees • 2,868 (As of September 30, 2007)

Offices and branches:

Head office: 1

Domestic branches & offices: 37

Overseas branches: 3

Overseas representative offices: 2

Ratings • (As of September 30, 2007)

Ratings agency	Long-term debt	Short-term debt
Standard & Poor's	A+	A-1
Moody's Investors Service	Aa2	P-1

Principally, the figures shown in this report have been rounded down.

Contents

Forward-Looking Statements

This material contains forward-looking statements pertaining to the businesses and prospects of the Bank. These statements are based on our current expectations and are subject to the risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

A Message from the President

A healthy business performance amid a difficult operating environment


Hirofumi Ueno, President & CEO

The pace of Japan's economy has continued to be sluggish in this fiscal year amid the ongoing strengthening of corporate business performances and an improvement in the employment environment. In the United States, meanwhile, the period was dominated by fears that the effects of the subprime loan crisis would damage its real economy.

Long-term interest rates, which had previously been following an upward trend on a worldwide scale, turned downward as a result of the panic that gripped the financial markets in the wake of the emergence of the U.S. subprime loan crisis.

Stock prices appear to need more time to recover fully in spite of the FRB's consecutive moves to lower interest rates and the consequent adoption of an easy money supply stance by most of the world's central banks.

In the Bank's interim accounts settlement (on a non-consolidated basis) for the first half of fiscal 2007, we registered ordinary profit of ¥150.6 billion despite impairment losses originating from subprime loan-related investments, among others. On this basis, we revised upward our ¥337 billion start-of-term ordinary profit target for the fiscal 2007 full term to ¥352 billion. Thus, notwithstanding the severe operating environment, the Bank's business performance for the reporting six-month period was reasonably satisfactory.

As of the end of September 2007, the Bank's capital ratio on a non-consolidated basis stood at 12.56%, and the Tier I ratio stood at 7.28%, in accordance with the Basel II capital standard. Both these figures give convincing proof of the healthy state of the Bank's financial position.

Our management staff and employees work together to find optimal solutions to the issues of the Medium-Term Management Plan. Recognizing that the steady application of these efforts is the only way to receive high praise, not only from clients and cooperatives members in the JA Bank but also from investors, we have resolved to work energetically towards raising customer satisfaction to an even higher level. We look forward to receiving your continued support and encouragement of our efforts.

February 2008

Hirofumi Ueno

Hirofumi Ueno
President & CEO

Recent Trends in Japan's Agriculture, Forestry and Fisheries

Agricultural Situation

With the long-term goal of modernizing and rationalizing the nation's agricultural sector, in June 2006 the new legislation was passed aimed at raising the priority on the provision of financial support to secure core farmers. On the basis of this legislation, new measures (took effect in 2007) have been introduced covering a wide spectrum of agricultural produce. In their first year of implementation, these measures focused on the most notable requirement of the agricultural industry—nurturing and supporting core farmers who would keep Japan's agricultural production going into the future. To ensure sufficient financial support for this, we requested the authorities to revise the legislation in some essential respects on behalf of the whole JA Group, and certain improvements were duly forthcoming.

The discussions held by the WTO, which are aimed at establishing new rules for trade liberalization in the fields of agriculture, non-agriculture, services and other areas during 2007, are currently in progress, focusing on modality (i.e., criteria for reducing protective measures that will apply to all nations), including figures for tariff reductions. Free Trade Agreement (FTA) and Economic Partnership Agreement (EPA) are talks in which reductions and eliminations of tariffs or serviced trade barriers are discussed between two countries or regions. These talks were held and agreements have already been finalized between Japan and five other countries, and signed with three countries and reached with one regional organization. Negotiations are still ongoing with six other countries and regions. Particularly noteworthy are the negotiations with Australia, whose agricultural exports are expected to have a major impact on Japan's farming sector, and we at the Norinchukin Bank are following the progress of these talks with particularly close interest.

Japan's Forestry Resources

The Japanese forestry industry continues to suffer from a long-term trend toward lower prices for its lumber products. As a result, Japan's small logging operators are finding it very difficult to run their businesses at a profit. However, signs of recovery by Japan's forestry industry are already appearing, as the country now has enormous timber resources, and overseas supplies of timber are hardly managing to keep up with demand. In addition, the government is promoting the amalgamation of forestry operators into larger enterprises and taking various other steps to expand the scale of forest management and logging operations. These measures are prompted both by concern for the environment (to conserve forests for their role as carbon sinks, as well as to prevent landslides), and by the need to secure a stable supply of timber.

The State of the Fisheries Industry

From its peak of around 12.82 million tons in 1984, the amount of marine products caught and processed by Japan's fisheries industry has declined to roughly 5.67 million tons as of 2006. In fact, the nation's self-sufficiency rate in terms of marine food products has been in decline for even longer, having fallen from 113% in 1964 to approximately 59% in 2006. In the background to these developments lies an ongoing depletion of fishery resources in the seas surrounding Japan, combined with other obstacles to maintaining the level of seafood catches, including the rising cost of marine engine fuel, the declining number of persons choosing to follow the fisherman's trade, and the continuing superannuation of much of the country's fishing fleet, owing to a lack of funds for renewal.

On the basis of these trends, the Fisheries Agency in March 2007 announced its new Basic Fisheries Plan. Particularly notable in this plan are various measures to encourage the rationalization of the fishing process. From fiscal 2007, these include financial support for the owners of small, economically inefficient fishing boats to retire from the business, while on the other hand assistance will be provided to help foster the growth of fishing fleet-operating companies whose catches will be cost-competitive with imported marine products. Financial support will also be given to fishermen wishing to replace their superannuated boats with new ones. In these ways, the agency is aiming to achieve structural reform in the fishing industry. From fiscal 2008, it will be commencing a service targeted at individual fishing boat owners and multiple-boat operating companies, aimed at improving their management systems for greater earnings stability.

The principal goal of these measures is to alleviate the impact of violent earnings fluctuations on the management of the nation's fisheries industry. The principal method chosen to achieve this goal is to improve the efficiency and stability of the management of the current fishery operator by targeting for support those fishing industry organizations that have adopted an active and planned approach to management improvement. The support will be aimed at realizing a more efficient and stable management style. These measures are intended to make it easier for fishery operators to obtain the funds needed to improve their management systems from financial institutions, and at the same time to facilitate the search for persons willing to carry on these businesses into the next generation and beyond.

Principal Developments in the First-Half of the Fiscal Year

As a national level financial institution for Agricultural, Forestry and Fisheries cooperatives in Japan, the Bank provides active support from multiple perspectives for banking operations conducted by JA and JF. We also work closely with Japan forestry cooperatives to develop the nation's forestry industry and support necessary afforestation and forestry management programs.

It goes without saying that the management and employees of the Norinchukin Bank work constantly to ensure improvement in stability of earnings, financial health, management probity and rigorous internal control, as befits one of Japan's leading institutional investors.

Initiatives to Strengthen the Financial Services Provided by the JA Bank

Based on the JA Bank Medium-Term Management Strategy for the three-year period from fiscal 2007 through fiscal 2009, covering comprehensive strategies for both management and operational issues, at the Bank we are working to expand our customer base, provide more finely-tailored financial services, and realize the unified operation of JA, Shinnoren, and the Bank itself.

Under the aforementioned Medium-Term Management Strategy, we will be working to raise the efficiency of management and operational methods. We will also aim to provide services that meet the needs of clients and JA members, including financial services for core farmers, assistance for existing farmers in drawing up wills in which they bequeath their farms to their designated heirs, and providing support services to elderly farmers and others drawing pensions. In the retail banking field, a tie-up with the Mitsubishi UFJ Financial Group has allowed the JA Bank Group to offer IC-embedded ATM cards and credit cards with more attractive features.

Initiatives in Financial Services for Core Farmers

Within the Japanese agricultural industry and the government's agricultural policy, it is becoming increasingly important to develop core farmers. Acting as the main bank for core farmers, the JA Bank is actively involved in initiatives to revitalize farming in every region of the country. As of the end of September 2007, the number of JA Bank Finance Leaders who coordinate funding and other financial services for core farmers had risen to 1,560.

In January 2007 we introduced the Agri-Super Fund, which is offered to farmers adopting a policy of diversifying their cultivation across a variety of agricultural produce, with the aim of minimizing risk and maximizing income stability. At the same time, we also introduced a new loan product—the JA Agricultural Equipment and Greenhouse Loan—to finance the purchase of farming equipment and facilities. These loans (which are offered under different interest conditions, etc. in each prefecture of Japan) have proved popular over large parts of the country.

We are promoting the direct supply of funds to farmers through our Agribusiness Loan, which we began offering in April 2005 to agricultural companies, as well as funds secured using livestock as collateral, which we commenced in November 2006 through collaboration among the Bank, the National Federation of Agricultural Cooperative Associations, and Kyoei Mutual Fire & Marine Insurance Co. These loans, targeted at livestock breeders, utilize the trust method, in which the livestock (such as cattle and pigs) comprise the collateral.

In addition, we contribute to maintaining the financial stability of agricultural business operators through investments made by the Agribusiness Investment & Consultation Co., Ltd., an affiliate of the Bank.

The JA Bank Agri-Support Business

The JA Bank Agri-Support Business was established in fiscal 2007 to enable the JA Bank to fulfill its social mission of helping individual Japanese farmers and entire farming communities successfully negotiate the current period of dramatic change.

As the organization directly charged with responsibility for implementation of the support operations, we have established the JA Bank Agri-Eco Support Fund, a limited-liability intermediary body composed of investors in the JA Bank system, whose directors include Hiroshi Okuda, a director (and former chairman) of Toyota Motor Corporation. The Board of Directors of the Fund also includes experts from a variety of industrial fields without any connection to the agricultural cooperatives, who help ensure fair and transparent management based on a wide range of opinions. For the next three years, the scale of the fund balance is estimated at around ¥10 billion.

The principal business activities of the JA Bank Agri-Eco Support Fund are: (1) providing support for core farmers; (2) offering assistance in activities that contribute to agriculture and to regional communities; (3) promoting activities to improve the understanding of and increase interest in agriculture. The Fund's main initiatives in fiscal 2007 were providing financial support to core farmers to enable them to pay the interest on loans they have taken out, and a campaign started up through collaboration with news media organizations aimed at disseminating understanding of regional farm produce and unique local dishes utilizing them, as a way of revitalizing farming activity on a regional basis. In fiscal 2008, the Fund will be operating an investment fund in support of agricultural corporations taking up the challenge of entering new business lines, and will be commencing the JA Bank Partnership Initiative, whose main theme will be helping children to understand how food is produced by farmers, and teaching them about the need to protect the natural environment and the operation of the nation's financial system.

ATM Agreement Signed among the JA Bank and the JF Marine Bank, Japan Post Bank, and Seven Bank

On May 7, 2007, the JA Bank and the JF Marine Bank concluded an agreement with Japan Post Bank (at that time still known as Japan Post) enabling deposits to be made via the ATMs of both sides by customers of both organizations. A similar agreement was concluded on the 16th of the same month with Seven Bank.

These tieups will enable customers of the JA Bank and the JF Marine Bank to use ATM cards, at branches of Japan Post Bank and Seven Bank, not only to withdraw cash and check their account balances but also to deposit money via the ATMs.

Measures to Secure Public Trust in the JA Bank

Since the lifting of unconditional guarantees on bank deposits, the JA Bank—in accordance with the basic policies set down with the unanimous consent of its members—has been monitoring their credit status (i.e. each JA) to maintain a constant and firm grasp of the state of its financial position, with the goal of maintaining good financial health and keeping the public's trust. In line with these efforts, we have been giving advice on management improvement to each JA whose financial position has not been in line with the standards laid down.

The JA Bank has long been providing each JA with advice regarding the design and operation of efficient lending, the disposal of nonperforming loans, and methods of minimizing market risk with regard to securities holdings. In addition, since April 2007, we have also been advising them on how to conform with the Basel II standard.

Management Integration among the JA Bank

In June 1998, the Bank drew up its basic policy on mergers among the JA Bank, based on separate talks held with the Prefectural Banking Federations of individual prefectures interested in merging with the Bank. Thus far, a partial takeover has been effected by the Bank of the operations of the banking federations of nine prefectures—Miyagi, Akita, Yamagata, Fukushima, Tochigi, Toyama, Okayama, Nagasaki, and Kumamoto.

In October 2005, Miyagi Shinnoren transferred its entire operations to the Bank, and this action was subsequently followed by four other Shinnoren (i.e. Okayama, Nagasaki, Akita, and Tochigi). Thus, in these prefectures, the overall system has been simplified from three levels to two—the Bank and JA. In the latter half of fiscal 2007, Yamagata and Toyama Shinnoren transfered their entire operations to the Bank in January 2008, and top priority is currently being given to preparing for this.

With regard to the simplification of the JA Bank, we are taking carefully into account the unique situations of each prefecture, so as to achieve greater efficiency. From here onward, we will be devoting our full efforts to creating a JA Bank that enjoys the trust and fulfills the expectations of our clients and members. We intend to work steadily to enhance support for JA and improve the efficiency of our operating system.

Progress Made in JASTEM System

With the transference of the last four prefectural JA Bank in May 2006, JASTEM, which is the core computer system used by the JA Bank, came into use in all 47 of Japan's prefectures. The system handles total deposits of approximately ¥80 trillion from around 45 million customers. JASTEM allows the JA Bank to offer its customers the same service across the length and breadth of Japan.

Since the start of its operation in all of the nation's prefectures, we have been directing our efforts toward ensuring the system's stable operation under all circumstances. At the same time, we are devoting time and effort to implementing specific measures to raise service quality. We are also promoting the standardization of operating procedures to achieve cost reductions and higher system efficiency. Our efforts to standardize operational methods employed by the JA Bank and make them more efficient continue unabated.

Given that the system will have to be replaced at some point in the future, a next-generation JASTEM is under development with the aim of achieving an optimum balance of cost-effectiveness, quality, security, multifunctionality, and customer convenience.

Measures to Reorganize the Operations, Structure and Management Systems of the JF Group

At a general meeting of the National Federation of Fishery Cooperative Association (Zengyoren) held in June 2007, a special resolution was adopted to make concentrated efforts—particularly during the FY2007-2009 period—to improve the management of JF that are suffering from poor business results, and to promote the merger of JF into larger and more efficient units. In this way, Zengyoren aims to reorganize the operations, structure, and management methods of JF as a whole. To enable this reorganization to become reality, Zengyoren has set up a dedicated unit to provide advice and supervision to JF all over the country, and standardized nationwide criteria have been laid down for observance by all JF, while actual supervisory activities are implemented at the prefectural level.

The JF Marine Bank Basic Policy has been amended to allow the expansion of the system's support activities on a nationwide scale. A special contribution is to be made to the JF Marine Bank Support Association (ultimate target of ¥15 billion; of the ¥10 billion to be donated from the Bank by the end of fiscal 2007, the ¥9.5 billion provided by the Bank was completed by September 2007), as a means of widening and strengthening the safety net for JF in financial trouble. Through close liaison with the nationwide network of JF under Zengyoren and the regulatory authorities, the management and staff of the JF Marine Bank are working to realize this plan.

Developments among Organizations Involved with Forestry Cooperatives

The forestry cooperatives have been promoting a cooperative campaign which constitutes three pillars of concepts based on a movement to revitalize forestlands, the forestry industry, and rural mountain villages in order to support the environment and our livelihood. The three parts of this approach are: (1) the "project for joint administration" of forestlands through the grouping of forest areas with the goal of lowering operating costs, (2) the "project for stable supply of domestic lumber," which aims to ensure a steady supply of high-quality lumber, and (3) the "project for management reform," which has the objective of nurturing forestry cooperative organizations that can be relied on by its members and customers.

From fiscal 2007, the Forestry Agency has clearly positioned (1) & (2) above as part of its policies, and from fiscal 2008, the Agency plans to step up its efforts to persuade absentee owners of forest tracts (those not domiciled in a nearby village) to engage in forest management activities (i.e. controlled tree-felling). The Bank will redouble its efforts to support forestry cooperatives so that they can enforce their business base by themselves.

Achievements of the Forest Rejuvenation Fund

To provide support for activities directed at revitalizing private forestlands threatened with deterioration and to help forests fulfill their roles that would be beneficial to the public interest, the Bank established its Norinchukin 80th Anniversary Forest Rejuvenation Fund (Public Trust) in March 2005. Over the last two years, the fund has loaned a total of approximately ¥200 million to nine organizations. The fund's activities are not limited to providing financing; it also publicizes on a nationwide scale the achievements of forest rejuvenation projects that have been selected for financial assistance, and promotes them as models to be followed. After the initial clearing and reforestation stage, the Fund sends specialists in woodland ecology and forestry management, and provides continuous support up to the completion of each project.

Report on Progress Made in Strengthening of the Bank's Compliance System

The Norinchukin Bank positions the rigorous practice of compliance in its day-to-day operations as one of its top-priority management issues, and to this end, we are working to further strengthen our compliance system.

During the April-September fiscal 2007 first-half period, against the background of the upcoming enactment of the Financial Instruments and Exchange Law in September of the same year, as well as the growing demand from society at large for more effective protection of customers, the Bank implemented an active policy of strengthening its management for customer protection.

We will continue to respond to shifts in social trends and the changing business environment in such a way as to maintain the trust of our customers and shareholders. To do this, we will ensure that all members of the Bank's management and staff practice thorough legal compliance—based uncompromisingly on the principle of self-responsibility. We will practice a transparent management style in which great importance is placed on disclosure of corporate information and on management accountability. To make this possible, an unwavering commitment to compliance is of paramount importance.

Rationalizing our Branch Network

To operate the Bank's network of branches in Japan both more effectively and more efficiently, we are following a policy of dividing up the country into regional blocs and concentrating lending activities for each bloc in a small number of loan centers. The policy also involves a reduction in the total number of our outlets, with many offices being closed down and their operational areas taken over by other branches nearby.

For example, our Nagano Branch was closed down in July 2007 (operations being taken over by our head office in Otemachi, Tokyo). In the same month, our Shizuoka Branch was closed, with operations being transferred to our Nagoya Branch.

In July 2008, our Mito Branch will be closed (operations will be transferred to our head office in Otemachi); our Wakayama Office will be closed (operations to be taken over by our Osaka Branch), while our Okayama Branch will take over the operations of Hiroshima Branch and Yamaguchi Branch as the operations in those branches have been suspended.

Norinchukin to Join Japanese Bankers Association

The Japanese government's regulatory stance toward the financial sector has changed tremendously after the Japanese Financial Big Bang. In addition, the introduction of the Basel II, as well as the recent trend toward adopting strong internal control systems, has meant that the functions required of institutions providing financial services have become much more sophisticated, requiring a great deal of specialist expertise.

In these circumstances, the Bank clearly needs to strengthen its capabilities in the collection and evaluation of information, and to this end we became a full member of the Japanese Bankers Association in July 2007. This membership gives us access to a wider range of information channels, enabling us to perform an even more useful role for the JA and JF Cooperative Banking Business.

Management Integration of Kyodo Leasing and Mitsui Leasing & Development

Kyodo Leasing Co., Ltd., an affiliated company of the Bank, has built up a firm relationship with the JA Group, and enjoys a wide customer base in the JA Group and agricultural industry. In May 2007, a basic agreement was reached to hold talks between Kyodo Leasing and Mitsui Leasing & Development, Ltd., an affiliate of Mitsui & Co., Ltd., with a view to a merger. All parties concerned are currently preparing to establish a joint holding company to be created through stock transfer, with the scheduled date of establishment having been set on April 1, 2008.

This planned merger between affiliates of companies in completely different industrial sectors will enable the new leasing company to make more extensive use of the former companies' respective areas of specialist expertise across a wider spectrum of customer sectors, and will allow it to satisfy customer needs more fully.

Flow of Funds in JA and JF Cooperative Banking Business

Flow of Funds in JA Cooperative Banking Business

The aggregate balance of deposits with JA increased during the first half of fiscal 2007, reaching ¥81,232.3 billion as of the end of September 2007, up 2.2% over the end of the previous first-half period. This is largely attributable to a steady increase in deposits by individual customers as a result of the Bank responding to their financial needs.

The aggregate balance of total JA loans, as of the end of September 2007, stood at ¥21,497.1 billion, for a year-on-year increase of 1.6%. Home mortgage consultation sessions and sales campaigns focusing on home mortgages played an important role in increasing loans to individual customers.

The aggregate balance of securities, as of the end of September 2007, stood at ¥4,512.3 billion, representing a year-on-year decline of 2.6%.

The aggregate balance of deposits with Shinnoren was on a rising trend as a result of the firm trend displayed by JA deposits, and it amounted to ¥51,010.8 billion as of the end of September 2007, for a year-on-year increase of 2.2%.

Shinnoren loans at the end of September 2007 stood at ¥5,200.7 billion, up by 0.2% over the previous first-half period-end, largely as a result of an increase in loans to business corporations.

The securities holdings of Shinnoren (including money held in trust) at the end of September 2007 amounted to ¥16,965.8 billion, down 0.5% year-on-year.

Trends of Balances of Deposits and Loans (Billions of yen)

	As of March 31, 2006	As of September 30, 2006	As of March 31, 2007	As of September 30, 2007
JA Deposits	¥78,865.3	¥79,515.5	¥80,189.0	**¥81,232.3**
JA Loans	20,747.2	21,154.6	21,216.5	**21,497.1**
Shinnoren Deposits	49,011.1	49,914.2	50,038.8	**51,010.8**
Shinnoren Loans	5,001.8	5,192.9	5,152.9	**5,200.7**

Flow of Funds in JF Cooperative Banking Business

The aggregate balance of JF deposits stood at ¥2,236.9 billion at the end of September 2007, representing a year-on-year decline of 1.2%. This is mainly attributable to poor fish catches as well as a decrease in deposits by local government bodies etc.

Owing to the severity of the fishery industry's operating environment and the weak investment demand in this industry, JF loans, as of the end of September 2007, amounted to ¥769.2 billion, down 3.1% year-on-year.

The above-quoted figures for deposits and loans comprise the aggregate balances held nationwide by the JF level and by the prefectural banking federation of fishery cooperatives (Shingyoren) level (This figure excludes funds deposited with Shingyoren by JF, and loans made to JF by Shingyoren).

Financial Highlights (Consolidated & Non-Consolidated)

Financial Results for the First Half of Fiscal 2007 (Consolidated)

The Norinchukin Bank's financial results on a consolidated basis as of September 30, 2007 (the end of the first half of the current term) include the business results of nine consolidated subsidiaries and of four other affiliates accounted for using the equity method. There was no change in the scope of consolidation from the preceding fiscal year-end.

The Bank's performance in the first-half period of fiscal 2007 can be summarized as follows.

• Balance of Assets and Liabilities

Total assets declined ¥2,043.1 billion from the preceding year-end, to ¥66,198.9 billion.

The balance of deposits decreased ¥606.0 billion to ¥40,637.4 billion, reflecting the flow of funds in JA and JF Cooperative Banking Business and from the markets. The Bank's balance of debentures grew ¥188.2 billion to ¥4,659.4 billion from the previous fiscal year-end.

The balance of loans and bills discounted fell ¥505.0 billion to ¥12,349.6 billion, while the balance of securities declined ¥2,183.2 billion to ¥41,547.0 billion. The balance of trading assets decreased ¥900 million to ¥51.6 billion.

• Income

Total income in the fiscal first-half period totaled ¥1,384.8 billion, comprising interest on loans and bills discounted in the amount of ¥76.3 billion, interests and dividends on securities in the amount of ¥929.6 billion, etc.

Total expenses reached ¥1,165.7 billion. As a result, net income for the first-half period amounted to ¥ 143.5 billion.

• Capital Adequacy Ratio

As of September 30, 2007, the Bank's capital adequacy ratio (under the Basel II standard) stood at 12.55%.

Key Management Indicators (Consolidated) (Billions of yen/Millions of U.S. Dollars (Note 1))

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007 (First-half)	Fiscal 2007 (First-half)
Total Income	¥ 1,141.3	¥ 1,176.5	¥ 1,811.2	¥ 2,639.9	**¥ 1,384.8**	**$ 12,000**
Total Expenses	953.6	981.8	1,445.0	2,250.8	**1,165.7**	**10,101**
Net Income	144.6	139.9	269.3	256.8	**143.5**	**1,244**
Total Net Assets (Note 2)	2,523.8	2,901.5	3,962.2	4,445.8	**4,120.3**	**35,705**
Total Assets	61,833.0	61,978.6	70,818.8	68,242.0	**66,198.9**	**573,647**
Capital Adequacy Ratio (%, BIS) (Note 3)	12.94	11.73	12.14	12.84	**12.55**	

Notes: 1. U.S. dollars have been converted at the rate of ¥115.40 to U.S.$1, the effective rate of exchange at September 30, 2007.

2. Net Assets includes "Net Deferred Gains or Losses on Hedging Instruments, net of taxes" and "Minority Interests" in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) issued on April 28, 2006.

3. The calculation of the Capital Adequacy Ratio (Basel II) 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 Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio prior to the fiscal year ended March 31, 2007.

Financial Results for the First Half of Fiscal 2007 (Non-Consolidated)

• Overview of Business Performance

Balance of Assets and Liabilities

Total assets declined ¥2,103.4 billion from the preceding term-end, to ¥66,383.7 billion.

With regard to fund-raising, the balance of deposits stood at ¥40,646.2 billion, and the balance of debentures totaled ¥4,659.6 billion.

The balance of loans and bills discounted came to ¥12,289.7 billion, and the balance of securities stood at ¥41,568.6 billion.

Income

Income was affected in part by the negative impact on financial markets of the subprime loan crisis in the U.S. However, thanks to our continued efforts to disperse our investments globally and realize a favorable performance of investments in alternative assets, net income came to ¥141.4 billion.

Capital Adequacy Ratio

As of September 30 2007, the capital adequacy ratio (under the Basel II standard) stood at 12.56% at the end of the first-half period.

• Principal Business Indicators

Deposits

The balance of deposits decreased ¥607.3 billion from the previous term-end, to ¥40,646.2 billion.

Debentures

Through an issuance of interest-bearing bonds, the balance of debentures increased ¥188.2 billion during the term under review, to ¥4,659.6 billion.

Loans and Bills Discounted

The balance of loans and bills discounted decreased ¥514.7 billion to ¥12,289.7 billion.

Finance for Cooperative Organizations

The balance of loans and bills discounted totaled ¥645.8 billion at the end of the first half of the current fiscal year, a decrease of ¥191.3 billion from the previous fiscal year-end. Of this total, loans and bills discounted to agricultural organizations totaled ¥115.9 billion, down ¥111.2 billion from the previous fiscal year-end. Loans and bills discounted to fishery organizations totaled ¥40.2 billion, and those to forestry organizations came to ¥12.8 billion. Loans and bills discounted to other members as well as companies engaged in the agriculture, forestry and fishery businesses amounted to ¥476.8 billion.

Corporate Finance

The balance of corporate finance declined ¥73.3 billion to ¥3,512.1 billion.

Other Loans

Loans and bills discounted to other borrowers—including the central government—decreased ¥249.9 billion to ¥8,131.7 billion.

Securities

The securities balance at the end of the first half of the current term stood at ¥41,568.6 billion, down ¥2,181.9 billion from the previous year-end. Net unrealized gains on other securities and other money held in trust came to ¥1,842.6 billion (before deducting the tax effect).

Trading Accounts

A separate trading account has been established for transactions involving trading securities for short-term transactions, certificates of deposit (CDs), commercial paper (CP) and derivatives aimed at securing short-term trading gains, and the trading account is clearly separated from the banking account. The balance of assets Trading totaled ¥51.6 billion, and Trading liabilities came to ¥14.2 billion.

Key Management Indicators (Non-Consolidated)

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

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007 (First-half)	Fiscal 2007 (First-half)
Total Income	¥ 1,116.8	¥ 1,163.8	¥ 1,796.1	¥ 2,624.4	**¥ 1,378.0**	**$ 11,941**
Total Expenses	934.9	971.2	1,435.2	2,241.3	**1,162.6**	**10,075**
Net Income	141.8	140.4	267.6	253.8	**141.4**	**1,225**
Paid-in Capital	1,224.9	1,224.9	1,465.0	1,484.0	**1,484.0**	**12,860**
Total Number of Shares Outstanding (Thousand)	12,032,818	12,032,818	14,455,969	14,645,969	**14,645,969**	
Net Assets (Note 2)	¥ 2,510.2	¥ 2,889.0	¥ 3,947.7	¥ 4,423.0	**¥ 4,095.2**	**$ 35,487**
Total Assets	61,656.1	61,947.2	70,764.1	68,487.2	**66,383.7**	**575,249**
Deposits	40,981.8	40,462.6	40,483.4	41,253.6	**40,646.2**	**352,221**
Debentures	5,216.8	4,704.4	4,787.7	4,471.3	**4,659.6**	**40,378**
Loans and Bills Discounted	17,798.2	15,700.4	11,948.7	12,804.4	**12,289.7**	**106,497**
Securities	33,553.0	37,427.2	45,607.4	43,750.5	**41,568.6**	**360,213**
Employees	2,747	2,730	2,778	2,744	**2,868**	
Capital Adequacy Ratio (%, BIS) (Note 3)	12.87	11.68	12.10	12.84	**12.56**	

Notes: 1. U.S. dollars have been converted at the rate of ¥115.40 to U.S.$1, the effective rate of exchange at September 30, 2007.

2. Net Assets includes “Net Deferred Gains or Losses on Hedging Instruments, net of taxes” in order to comply with the revision of “The Norinchukin Bank Law Enforcement Regulations” (Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries No.16, 2001) issued on April 28, 2006.

3. The calculation of the Capital Adequacy Ratio (Basel II) 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 Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio prior to the fiscal year ended March 31, 2007.

Credit Costs in First Half of Fiscal 2007 (On a Non-Consolidated Basis)

	(Billions of Yen)
Loan write-offs	¥ 2.6
Provisions to specific reserve for possible loan losses	(13.2)
Provisions to general reserve for possible loan losses	(50.5)
Provisions to reserve for specified overseas debts	(0.0)
Other	0.1
Total credit costs	¥(60.9)

The Norinchukin Bank's Debtor Classification and Reserves for Possible Loan Losses (As of September 30, 2007)

(On a Non-Consolidated Basis)

(Billions of Yen)

Self-Assessments					Reserves for possible loan losses	Claims disclosed under the Financial Revitalization Law	Risk-managed loans (Note 2)
Debtor classification	Category I	Category II	Category III	Category IV			
Debtors in bankruptcy Debtors in default	Portion deemed to be recoverable through collateral or guarantees		Provisions are made to cover the entire amount.	Full amount written off or provisions made	Specific reserve for possible loan losses 91.9	Bankrupt or De facto bankrupt 7.9	Loans to borrowers under bankruptcy proceedings 6.7
Doubtful debtors	Portion deemed to be recoverable through collateral or guarantees		Provision ratio: 94.9%			Doubtful 147.1	Delinquent loans 146.8
Substandard debtors: Special attention	Provision ratio of the uncovered portion: 26.8%				General reserve for possible loan losses 45.5 (Note 1)	Special attention 51.7	Loans with principal or interest payments three months or more in arrears 0.0
Substandard debtors: (Claims on debtors under requirement of control)							Restructured loans 51.5
Substandard debtors: Other substandard debtors	Claims on substandard debtors other than "Special Attention"					Standard loans 12,644.9	
Standard debtors							

Notes: 1. The expected default ratios for computing the provisions to the general reserve for possible loan losses are 0.23% for standard debtors, 3.02% for substandard debtors (excluding claims under requirement of control), and 14.80% for claims under requirement of control.

2. The difference between the total of claims disclosed under the Financial Revitalization Law and the total of risk-managed loans is the inclusion of claims other than loans.

Consolidated Balance Sheets (Unaudited)

As of September 30, 2007 and March 31, 2007

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30, 2007	March 31, 2007	**September 30, 2007**
• Assets			
Cash and Due from Banks (Notes 12 and 14)	**¥ 1,454,087**	¥ 866,303	**$ 12,600**
Call Loans and Bills Bought	**1,424,249**	835,715	**12,342**
Receivables under Resale Agreements	**680,215**	—	**5,894**
Receivables under Securities Borrowing Transactions	**713,643**	563,282	**6,184**
Monetary Claims Bought	**826,839**	828,790	**7,165**
Trading Assets	**51,631**	52,550	**447**
Money Held in Trust (Note 15)	**6,242,523**	7,797,745	**54,095**
Securities (Notes 3,5,10 and 14)	**41,547,014**	43,730,249	**360,026**
Loans and Bills Discounted (Notes 4,5 and 9)	**12,349,632**	12,854,680	**107,016**
Foreign Exchange Assets	**4,598**	3,176	**40**
Other Assets (Note 5)	**602,118**	543,988	**5,218**
Tangible Fixed Assets	**139,190**	155,601	**1,206**
Intangible Fixed Assets	**12,417**	7,953	**108**
Deferred Tax Assets	**2,818**	2,626	**24**
Customers' Liabilities for Acceptances and Guarantees	**288,173**	242,446	**2,497**
Reserve for Possible Loan Losses	**(140,244)**	(204,380)	**(1,215)**
Reserve for Possible Investment Losses	**—**	(38,628)	**—**
Total Assets	**¥66,198,912**	¥68,242,099	**$573,647**
• Liabilities and Net Assets			
Liabilities			
Deposits (Note 6)	**¥40,637,435**	¥41,243,492	**$352,144**
Negotiable Certificates of Deposit	**1,298,078**	2,375,026	**11,248**
Debentures	**4,659,454**	4,471,156	**40,377**
Bonds (Note 7)	**364,988**	357,097	**3,163**
Call Money and Bills Sold (Note 5)	**794,348**	1,068,632	**6,883**
Payables under Repurchase Agreements (Note 5)	**6,177,155**	7,438,847	**53,528**
Payables under Securities Lending Transactions (Note 5)	**791,353**	1,345,025	**6,857**
Trading Liabilities	**14,219**	19,662	**123**
Borrowed Money (Note 8)	**1,136,531**	1,131,532	**9,849**
Foreign Exchange Liabilities	**1**	0	**0**
Short-term Entrusted Funds	**4,031,430**	2,868,967	**34,934**
Other Liabilities	**1,267,761**	489,920	**10,986**
Reserve for Bonus Payments	**5,782**	5,031	**50**
Reserve for Employees' Retirement Benefits	**781**	1,849	**7**
Reserve for Directors' Retirement Benefits	**643**	—	**6**
Deferred Tax Liabilities	**590,579**	712,110	**5,118**
Deferred Tax Liabilities for Land Revaluation	**19,802**	25,411	**172**
Acceptances and Guarantees	**288,173**	242,446	**2,497**
Total Liabilities	**62,078,524**	63,796,211	**537,942**
Net Assets			
Paid-in Capital (Note 11)	**1,484,017**	1,484,017	**12,860**
Capital Surplus	**25,020**	25,020	**217**
Retained Earnings	**1,323,334**	1,249,484	**11,467**
Total Owner's Equity	**2,832,372**	2,758,523	**24,544**
Net Unrealized Gains on Other Securities, net of taxes	**1,269,036**	1,658,980	**10,996**
Net Deferred Losses on Hedging Instruments, net of taxes	**(21,968)**	(24,762)	**(190)**
Revaluation Reserve for Land, net of taxes	**34,981**	47,451	**303**
Foreign Currency Transaction Adjustments	**(2)**	0	**(0)**
Total Valuation and Translation Adjustments	**1,282,047**	1,681,669	**11,109**
Minority Interests	**5,967**	5,696	**52**
Total Net Assets	**4,120,387**	4,445,888	**35,705**
Total Liabilities and Net Assets	**¥66,198,912**	¥68,242,099	**$573,647**

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

Consolidated Statements of Operations (Unaudited)

For the six months ended September 30, 2007 and the fiscal year ended March 31, 2007

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
• Income			
Interest Income:	**¥1,037,203**	¥2,053,869	**$ 8,988**
Interest on Loans and Bills Discounted	**76,318**	128,914	**661**
Interest and Dividends on Securities	**929,683**	1,863,028	**8,056**
Fees and Commissions	**9,382**	24,928	**81**
Trading Income	**80**	223	**1**
Other Operating Income	**57,356**	95,098	**497**
Other Income	**280,816**	465,843	**2,433**
Total Income	**1,384,840**	2,639,963	**12,000**
• Expenses			
Interest Expenses:	**932,582**	1,791,742	**8,081**
Interest on Deposits	**185,790**	326,342	**1,610**
Fees and Commissions	**5,817**	12,083	**50**
Trading Expenses	**307**	313	**3**
Other Operating Expenses	**121,167**	273,630	**1,050**
General and Administrative Expenses	**59,378**	111,015	**514**
Other Expenses	**46,470**	62,038	**403**
Total Expenses	**1,165,724**	2,250,823	**10,101**
Income before Income Taxes and Minority Interests	**219,116**	389,140	**1,899**
Income Taxes			
Current	**28,058**	75,361	**243**
Deferred	**47,174**	56,349	**409**
Minority Interests in Net Income	**308**	591	**3**
Net Income	**¥ 143,575**	¥ 256,837	**$ 1,244**

	Yen		U.S. Dollars (Note 1)
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
Net Income per Share	**¥33.64**	¥55.37	**$0.29**

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

Consolidated Statements of Capital Surplus and Retained Earnings (Unaudited)

For the six months ended September 30, 2007 and the fiscal year ended March 31, 2007

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
• Capital Surplus			
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	**$ 217**
Balance at the End of the Period	**25,020**	25,020	**217**
• Retained Earnings			
Balance at the Beginning of the Fiscal Year	**1,249,484**	1,057,616	**10,827**
Additions:			
Net Income for the Period	**143,575**	256,837	**1,244**
Transfer from Revaluation Reserve for Land, net of taxes	**12,446**	522	**108**
Deductions:			
Dividends	**82,171**	65,492	**712**
Balance at the End of the Period	**¥1,323,334**	¥1,249,484	**$11,467**

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

Consolidated Statements of Cash Flows (Unaudited)

For the six months ended September 30, 2007 and the fiscal year ended March 31, 2007

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	**¥ 219,116**	¥ 389,140	**$ 1,899**
Depreciation	**4,212**	18,961	**36**
Losses on Impairment of Fixed Assets	**831**	172	**7**
Amortization of Goodwill	**—**	(14)	**—**
Equity in Earnings of Affiliates	**(514)**	(819)	**(4)**
Net Decrease in Reserve for Possible Loan Losses	**(64,136)**	(24,925)	**(556)**
Net (Decrease) Increase in Reserve for Possible Investment Losses	**(38,628)**	38,628	**(335)**
Net Increase in Reserve for Bonus Payments	**750**	68	**7**
Net Decrease in Reserve for Employees' Retirement Benefits	**(1,068)**	(5,928)	**(9)**
Net Increase in Reserve for Directors' Retirement Benefits	**453**	—	**4**
Interest Income	**(1,037,203)**	(2,053,869)	**(8,988)**
Interest Expenses	**932,582**	1,791,782	**8,081**
Losses on Securities	**51,171**	130,445	**443**
Gains on Money Held in Trust	**(61,607)**	(83,598)	**(534)**
Foreign Exchange Losses (Gains)	**159,746**	(738,457)	**1,384**
Losses (Gains) on Disposals of Fixed Assets	**(565)**	1,188	**(5)**
Losses on Stocks of Subsidiaries through a Merger (Impact on the Scope of Consolidation)	**—**	878	**—**
Net Decrease in Trading Assets	**918**	16,759	**8**
Net Decrease in Trading Liabilities	**(5,443)**	(13,225)	**(47)**
Net Decrease (Increase) in Loans and Bills Discounted	**505,047**	(886,842)	**4,376**
Net (Decrease) Increase in Deposits	**(606,057)**	768,101	**(5,252)**
Net (Decrease) Increase in Negotiable Certificates of Deposit	**(1,076,948)**	1,362,805	**(9,332)**
Net Increase (Decrease) in Debentures	**188,298**	(316,357)	**1,632**
Net Increase in Borrowed Money (Excluding Subordinated Borrowed Money)	**5,000**	32,774	**43**
Net (Increase) Decrease in Interest-bearing Due from Banks	**(818,238)**	117,683	**(7,090)**
Net (Increase) Decrease in Call Loans and Bills Bought and Other	**(1,266,798)**	743,540	**(10,977)**
Net (Increase) Decrease in Receivables under Securities Borrowing Transactions	**(150,361)**	312,050	**(1,303)**
Net Decrease in Call Money and Bills Sold and Other	**(1,535,974)**	(4,135,239)	**(13,310)**
Net Increase in Short-term Entrusted Funds	**1,162,462**	1,286,039	**10,073**
Net Decrease in Payables under Securities Lending Transactions	**(553,671)**	(2,214,972)	**(4,798)**
Net (Increase) Decrease in Foreign Exchange Assets	**(1,422)**	16,953	**(12)**
Net Increase in Foreign Exchange Liabilities	**0**	0	**0**
Interest Received	**1,015,187**	1,992,445	**8,797**
Interest Paid	**(806,776)**	(1,740,349)	**(6,991)**
Other, Net	**50,339**	(125,542)	**436**
Subtotal	**(3,729,297)**	(3,319,725)	**(32,317)**
Income Taxes Paid	**(66,399)**	(82,058)	**(575)**
Net Cash Used in Operating Activities	**(3,795,696)**	(3,401,783)	**(32,892)**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
Cash Flows from Investing Activities:			
Purchases of Securities	**(4,076,798)**	(12,010,610)	**(35,328)**
Proceeds from Sales of Securities	**4,595,546**	8,963,869	**39,823**
Proceeds from Redemption of Securities	**1,664,066**	5,836,332	**14,420**
Increase in Money Held in Trust	**(635,110)**	(3,397,816)	**(5,504)**
Decrease in Money Held in Trust	**2,106,981**	3,366,793	**18,258**
Purchases of Tangible Fixed Assets	**(1,655)**	(4,746)	**(14)**
Purchases of Intangible Fixed Assets	**(5,677)**	(4,583)	**(49)**
Proceeds from Sales of Tangible Fixed Assets	**—**	719	**—**
Proceeds from Sales of Intangible Fixed Assets	**0**	0	**0**
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	(24)	**—**
Decrease in Stocks of Subsidiaries through a Merger (Impact on the Scope of Consolidation)	**—**	(1,943)	**—**
Net Cash Provided by Investing Activities	**3,647,353**	2,747,991	**31,606**
Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Bonds	**—**	357,097	**—**
Proceeds from Issuance of Stock	**—**	19,000	**—**
Dividends Paid	**(82,171)**	(65,492)	**(712)**
Dividends Paid to Minority Interests	**(47)**	(28)	**(0)**
Net Cash (Used in) Provided by Financing Activities	**(82,219)**	310,577	**(712)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**—**	0	**—**
Net Decrease in Cash and Cash Equivalents	**(230,563)**	(343,215)	**(1,998)**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**334,260**	677,476	**2,897**
Cash and Cash Equivalents at the End of the Period (Note 12)	**¥ 103,697**	¥ 334,260	**$ 899**

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

Notes to the Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank ("the Bank") and its consolidated subsidiaries in accordance with the provisions set forth in The Norinchukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements filed with the Ministry of Agriculture, Forestry and Fisheries of Japan have been reclassified for the convenience of readers.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥115.40=U.S.$1, the approximate rate of exchange prevailing on September 30, 2007, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been, or could be, readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen figures disclosed in the consolidated financial statements are expressed in millions of yen and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the interim report.

2. Summary of Significant Accounting Policies

Accounting Changes

The definitions of securities in "Accounting Standards for Financial Instruments" (ASBJ statement No. 10) and in "Practical Guidance on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007 respectively, which is applicable from the fiscal year and the interim period ending on or after the effective date of Financial Instruments and Exchange Law. The Bank has adopted the revised standards and guidance from the interim period-end of the fiscal year.

In accordance with the revision of the Corporate Tax Law of 2007, depreciation of the tangible fixed assets acquired on or after April 1, 2007 is calculated by the procedure stipulated in the revised law. The effect of this adoption on the Consolidated Statement of Operations is immaterial.

The salvage values of the tangible fixed assets acquired before April 1, 2007 that have been depreciated to their final depreciable limit are depreciated using the straight-line method over 5 fiscal years. The effect of this adoption on the Consolidated Balance Sheets is immaterial.

The office-unit grouping method and the asset-unit grouping method are used to categorize the Bank's tangible assets for the purpose of impaired assets accounting. Under the former method had been used to categorize the operating assets into head office, domestic branches and overseas branches, for which the operating results were separately measured on a periodical basis, while taking into consideration the cash flow's mutually complementary relationship and functional characteristic. While the asset-unit grouping method, which categorize idle assets based on asset type, remain unchanged, the office-unit grouping method was revised by which head office, domestic branches and overseas branches are regarded as one unit in accordance with revisions in the branches' policies based on the establishment of the JA Bank Medium-Term Management Strategy (1. successive abolition of retail businesses that procure and manage assets at domestic branches or intensification of the assets to the head office and block offices, 2. the revisions in the functions of each branch offices and the onset of the integration and abolition due to the result of 1, and 3. operation of investments and loans together with overseas office). There has been no impact on gains or losses due to the change.

(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 September 30, 2007 was nine, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The date of the first half of fiscal year of all Consolidated Subsidiaries is September 30, 2007.

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 number of affiliates as of September 30, 2007 was five, four of which were accounted for under the equity method, while the remaining immaterial affiliate is carried at cost. The major affiliate accounted for under the equity method is as follows:

Kyodo Leasing Co., Ltd.

Any difference between the fair value of net assets acquired and acquisition cost is charged or credited to income in the period of acquisition.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the differences between markets, interest rates or foreign exchange rates. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheets on a trade date basis.

Gains and losses arising from transactions for trading purposes are recorded on a trade date basis.

Securities, monetary claims and certain other instruments held for trading purposes are valued at the market price 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 during the period, 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 resulting from any change in the fair value which is determined assuming they were settled at the end of the period, of derivatives between the end of the previous fiscal year.

(3) Financial Instruments

(a) Securities

Held-to-maturity debt securities are valued at amortized cost, as determined by the moving average method. Other securities that have a market price are valued at the market price prevailing at the end of the period (the cost of securities sold is determined by the moving average method). Other securities without a market price are valued at cost as determined by the moving average method or are valued at amortized cost. Investments in affiliates that are not accounted for under the equity method are valued at cost, as determined by the moving average method. Securities included in Money Held in Trust are valued using the same methods described above.

The net unrealized gains or losses on other securities and other money held in trust are reported separately in Net Assets, on a net-of-tax basis.

(b) Derivatives

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

(c) Hedge Accounting

① Hedge of Interest Rate Risk

The Bank applies the deferred method of hedge accounting to the hedge transactions to manage interest rate risk associate with various financial assets and liabilities, which is described in “Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks,” issued by the Japanese Institute of Certified Public Accountants (“JICPA”), (JICPA Industry Audit Committee Report No. 24). Hedge effectiveness of a fair value hedge is assessed by identified groups of hedged items, such as loans and deposits, and the corresponding groups of hedging instruments, such as interest rate swaps within the same maturity buckets. 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.

Deferred Hedge Gains or Losses were recorded in the consolidated balance sheets as a result of applying the hedge accounting methodology described in “Tentative Accounting and Auditing Treatment relating to the Adoption of ‘Accounting for Financial Instruments’ for Banks” (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used derivatives to manage the overall interest rate risk arising on various financial assets and liabilities, such as loans and deposits. Such Deferred Hedge Gains or Losses are amortized into Interest Income or Interest Expense over 7 years, the average remaining maturity, as calculated, based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balance of Deferred Hedge Losses and Deferred Hedge Gains under a macro hedging methodology, before deducting the tax effect, as of September 30, 2007 were ¥23,908 million ($207 million) and ¥309 million ($3 million), respectively.

② Hedge of Foreign Exchange Rate Risk

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

The deferred method or the fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange 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 do not exceed those of the acquisition costs of the foreign currency securities designated as hedged items exist.

③ 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 statements of operations or are deferred in the consolidated balance sheets in accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions that are designated as hedging instruments, are traded in a non discretionary manner and are appropriately and ultimately covered by third party transactions, which are conducted in accordance with the standards stipulated in the JICPA Industry Audit Committee Report No. 24 and No. 25.

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

(4) Tangible Fixed Assets

① Depreciation

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

The useful lives of Tangible fixed assets are as follows:

Buildings: 15 years to 50 years

Equipment: 5 years to 20 years

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

In accordance with the revision of the Corporate Tax Law of 2007, depreciation of the tangible fixed assets acquired on or after April 1, 2007 is calculated by the procedure stipulated in the revised law. The effect of this adoption on the Consolidated Statement of Operations is immaterial.

The salvage values of the tangible fixed assets acquired before April 1, 2007 that have been depreciated to their final depreciable limit are depreciated using the straight-line method over 5 fiscal years. The effect of this adoption on the Consolidated Balance Sheets is immaterial.

② Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was revalued on March 31, 1998. Unrealized gains arising on revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheets. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

The land prices used for the revaluation were reasonably calculated based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

(5) Software

The costs of computer software developed or obtained for internal use are capitalized and amortized using the straight-line method over an estimated useful life of 5 years.

(6) 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.

(7) Reserve for Possible Loan Losses

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

a. Reserve for loans to debtors who are legally or substantially in bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. With respect to loans to borrowers who are legally or substantially in bankruptcy 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 ¥65,524 million ($568 million) and ¥67,123 million as of September 30, 2007 and March 31, 2007, respectively.

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

c. Reserve for loans to debtors with “Restructured Loans” (see Note 4) 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, the reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

d. Reserve for loans other than those indicated above, is provided primarily at the amount calculated using the default rates which the Bank has calculated based on actual defaults experienced in the past.

e. The specific reserve for loans to countries with financial problems 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. The 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.

(8) 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 financial conditions and other factors of the issuer of the securities.

(9) Reserve for Bonus Payments

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

(10) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits to the period, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations and the estimated plan assets at the end of the fiscal year.

Unrecognized actuarial differences are amortized over a certain period of time (10 years) using the declining-balance method from the fiscal year after the fiscal year the difference had incurred.

(11) Reserve for Directors' Retirement Benefits

With regard to directors' retirements benefits which were previously expensed as incurred, in accordance with "Auditing Treatment relating to Reserve defined under the Special Tax measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits" (JICPA Auditing and Assurance Practice Committee Report No. 42, April 13, 2007) effective from the fiscal year 2007, the Bank and certain subsidiaries have adopted the report from the period to recognize reserve for directors' retirement benefits for the payments of retirements benefits for directors and corporate auditors, as the required amount accrued at the end of the period.

As a result, general and administrative expenses and other ordinary expenses increased by ¥112 million ($1 million) and ¥346 million ($3 million) respectively, and ordinary profit and income before income taxes and minority interests both decreased by ¥459 million ($4 million) compared with the corresponding amounts under the previously applied method.

(12) Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessee accounted for by the same accounting method as for operating leases. Rental expenses and leases expenses under operating leases are charged to income when incurred.

(13) Consumption Taxes

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

(14) Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

"Cash and Cash Equivalents" in consolidated statements of cash flows represent cash and non-interest bearing due from bank in "Cash and Due from Banks" of consolidated balance sheets.

(15) Net Income per Share

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

The dividend for Preferred Stock is deducted from the numerator and the aggregate number of Preferred Stock and Lower Dividend Stock is deducted from the denominator in the calculation of net income per share.

3. Securities

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Japanese Government Bonds	**¥10,226,398**	¥11,870,135	**$ 88,617**
Municipal Government Bonds	**31,607**	64,454	**274**
Corporate Bonds	**477,232**	486,773	**4,136**
Stocks	**909,395**	1,038,442	**7,880**
Other	**29,902,381**	30,270,443	**259,119**
Foreign Bonds	**14,956,222**	14,995,316	**129,603**
Foreign Stocks	**73,742**	21,439	**639**
Other	**14,872,416**	15,253,687	**128,877**
Total	**¥41,547,014**	¥43,730,249	**$360,026**

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Loans on Deeds	**¥10,395,855**	¥10,727,937	**$ 90,085**
Loans on Bills	**204,058**	203,150	**1,768**
Overdrafts	**1,731,394**	1,902,939	**15,004**
Bills Discounted	**18,323**	20,652	**159**
Total	**¥12,349,632**	¥12,854,680	**$107,016**

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Loans to Borrowers under Bankruptcy Proceedings	**¥ 6,915**	¥ 7,375	**$ 60**
Delinquent Loans	**150,248**	165,464	**1,302**
Loans Past Due for Three Months or More	**757**	904	**7**
Restructured Loans	**58,180**	116,594	**504**
Total	**¥216,101**	¥290,338	**$1,873**

(1) "Loans to Borrowers under Bankruptcy Proceedings" are loans whose interests accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as "Non-accrual Loans") since the loans are determined to be uncollectible considering they have been past due for a certain period of time and other reasons, and meet the definition stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No. 97, 1965).
(2) "Delinquent Loans" are also Non-accrual Loans other than loans to borrowers under bankruptcy proceedings or loans whereby interest payments are deferred in order to support the borrowers' rehabilitation.
(3) "Loans Past Due for Three Months or More" are loans whose principal or interest is past-due for three months or more, other than "Loans to Borrowers under Bankruptcy Proceedings" and "Delinquent Loans."
(4) "Restructured Loans" are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferral of payments of interest or principal, waiving principal repayments, etc., in order to support the borrowers' rehabilitation and facilitate the collection of the loan.

5. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Securities	**¥6,425,458**	¥8,843,827	**$55,680**

Liabilities related to the above pledged assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Call Money and Bills Sold	**¥ 470,000**	¥ 470,000	**$ 4,073**
Payables under Repurchase Agreements	**5,504,419**	7,438,847	**47,699**
Payables under Securities Lending Transactions	**452,305**	1,000,840	**3,919**

In addition, as of September 30, 2007 and March 31, 2007, Securities of ¥3,537,124 million ($30,651 million) and ¥4,056,291 million, respectively, and Loans and Bills Discounted of ¥6,216,854 million ($53,872 million) and ¥5,945,709 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures markets.

As of September 30, 2007 and March 31, 2007, guarantee deposits of ¥5,462 million ($47 million) and ¥5,568 million, and margins for futures transactions of ¥1,719 million ($15 million) and ¥1,885 million were included in Other Assets, respectively.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Time Deposits	**¥33,705,448**	¥33,744,510	**$292,075**
Deposits at Notice	**26,362**	27,702	**228**
Ordinary Deposits	**940,667**	1,366,694	**8,151**
Current Deposits	**60,691**	105,800	**526**
Other Deposits	**5,904,265**	5,998,784	**51,164**
Total	**¥40,637,435**	¥41,243,492	**$352,144**

7. Bonds

Bonds are subordinated bonds of ¥364,988 million ($3,163million) and ¥357,097 million as of September 30, 2007 and March 31, 2007, respectively.

8. Borrowed Money

Borrowed Money include subordinated borrowings of ¥1,101,532 million ($9,545 million) and ¥1,101,532 million as of September 30, 2007 and March 31, 2007, respectively.

At the Supervisory Committee meeting on May 29, 2007, the Bank resolved that it would seek a capital increase by borrowing of ¥399,400 million ($3,461 million) in perpetual subordinated loans on March 10, 2008.

Also, the Bank resolved to undertake early redemption of previously issued non-perpetual subordinated loans with a remaining maturity of less than 5 years of ¥521,632 million ($4,520 million) by the end of fiscal year.

9. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer’s request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements is ¥3,440,760 million ($29,816 million) and ¥3,057,746 million as of September 30, 2007 and March 31, 2007, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥2,161,327 million ($18,729 million) and ¥1,949,931 million as of September 30, 2007 and March 31, 2007, 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 financial condition of the borrower, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

10. Securities Loaned

The Bank held no securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) as of September 30, 2007.

Securities Borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and Securities Purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥1,010,303 million ($8,755 million) and ¥343,336 million as of September 30, 2007 and March 31, 2007, respectively, and securities held without re-pledge of ¥1,548,189 million ($13,416 million) and ¥1,104,163 million as of September 30, 2007 and March 31, 2007, respectively. No securities were re-loaned as of September 30, 2007 and March 31, 2007.

11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
Common Stock	**¥1,459,017**	¥1,459,017	**$12,643**
Preferred Stock	**24,999**	24,999	**217**
Total	**¥1,484,017**	¥1,484,017	**$12,860**

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,033,300 million ($8,954 million).

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.

At the Supervisory Committee meeting on May 29, 2007, the Bank resolved that it would seek a capital increase by issuing of ¥527,661 million ($4,572 million) in lower dividend rate stocks on March 25, 2008.

12. Cash Flows

The reconciliation of Cash and Due from Banks in the consolidated balance sheets to Cash and Cash Equivalents at the end of the period is as follows:

	Millions of Yen		Millions of U.S. Dollars
	Six Months ended September 30, 2007	Year ended March 31, 2007	**Six Months ended September 30, 2007**
Cash and Due from Banks	**¥1,454,087**	¥866,303	**$12,601**
Less: Interest-bearing Due from Banks	**(1,350,390)**	(532,042)	**(11,702)**
Cash and Cash Equivalents at the end of the period	**¥ 103,697**	¥334,260	**$ 899**

13. Segment Information

(a) Segment Information by Type of Businesses

Segment Information by Type of Businesses is not shown in this statement, since the business segments, other than the banking businesses, are immaterial.

(b) Segment Information by Geographic Areas

Six Months ended September 30, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
	Millions of Yen						
Ordinary Income							
(1)Ordinary Income from Third-parties	**¥1,269,549**	**¥ 12,522**	**¥ 20,533**	**¥ 16,911**	**¥1,319,516**	**¥ —**	**¥1,319,516**
(2)Inter-segment Ordinary Income	**28,583**	**173,454**	**125,999**	**93,158**	**421,194**	**(421,194)**	**—**
Total	**1,298,132**	**185,976**	**146,532**	**110,070**	**1,740,711**	**(421,194)**	**1,319,516**
Ordinary Expenses	**1,150,654**	**180,029**	**145,501**	**109,843**	**1,586,028**	**(421,194)**	**1,164,834**
Ordinary Profits	**¥ 147,477**	**¥ 5,946**	**¥ 1,031**	**¥ 226**	**¥ 154,682**	**¥ —**	**¥ 154,682**

Fiscal year ended March 31, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
	Millions of Yen						
Ordinary Income							
(1)Ordinary Income from Third-parties	¥2,543,252	¥ 32,620	¥ 25,158	¥ 20,418	¥2,621,450	¥ —	¥2,621,450
(2)Inter-segment Ordinary Income	27,781	418,613	214,266	173,318	833,980	(833,980)	—
Total	2,571,033	451,234	239,425	193,737	3,455,430	(833,980)	2,621,450
Ordinary Expenses	2,210,645	440,603	237,098	193,839	3,082,188	(833,980)	2,248,207
Ordinary Profits(Losses)	¥ 360,388	¥ 10,630	¥ 2,326	¥ (102)	¥ 373,242	¥ —	¥ 373,242

Six Months ended September 30, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
	Millions of U.S. Dollars						
Ordinary Income							
(1)Ordinary Income from Third-parties	**$11,001**	**$ 108**	**$ 178**	**$147**	**$11,434**	**$ —**	**$11,434**
(2)Inter-segment Ordinary Income	**248**	**1,503**	**1,092**	**807**	**3,650**	**(3,650)**	**—**
Total	**11,249**	**1,611**	**1,270**	**954**	**15,084**	**(3,650)**	**11,434**
Ordinary Expenses	**9,971**	**1,560**	**1,261**	**952**	**13,744**	**(3,650)**	**10,094**
Ordinary Profits	**$ 1,278**	**$ 51**	**$ 9**	**$ 2**	**$ 1,340**	**$ —**	**$ 1,340**

Notes: 1. The Bank reports "Ordinary Income" and "Ordinary Profits" that corresponds to Sales and Operating Profit for non-financial companies, for the Bank's head office, branches and the consolidated subsidiaries according to the classification of geographic areas. The geographic classification is effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.

2. "Americas" includes the United States of America and Cayman Islands. "Europe" includes the United Kingdom and "Asia" includes the Republic of Singapore.

3. With regard to directors' retirements benefits which were previously expensed as incurred, in accordance with "Auditing Treatment relating to Reserve defined under the Special Tax measurement Law, Reserves defined under the Special Law and Reserve for Directors and Corporate Auditor Retirement Benefits" (JICPA Auditing and Assurance Practice Committee report No.42, April 13, 2007) effective from the fiscal year 2007, the Bank and certain subsidiaries have adopted the report from the period to recognize reserve for directors' retirement benefits for the payments of retirements benefits for directors and corporate auditors, as the required amount accrued at the end of the period.

As a result, ordinary expenses in Japan increased by ¥459 million ($4 million), and ordinary profit in Japan decreased by ¥459 million ($4 million) compared with the corresponding amounts under the previously applied method.

(c) Ordinary Income from International Operations

	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
Six Months ended September 30, 2007	**¥ 965,237**	**¥1,319,516**	**73.1%**
Fiscal years ended March 31, 2007	¥1,971,761	¥2,621,450	75.2%

	Millions of U.S. Dollars		Percentage
Six Months ended September 30, 2007	**$8,364**	**$11,434**	**73.1%**

Notes: 1. "Ordinary Income from International Operations" is shown in place of Overseas Sales for non-financial companies.
2. "Ordinary Income from International Operations" comprises foreign currency transactions, yen-denominated trade bills, yen-denominated transactions with non-Japanese residents, transactions in the offshore market in Japan, transactions by overseas branches of the parent and transactions by overseas consolidated subsidiaries (excluding Inter-segment Ordinary Income between consolidated entities). The composition of this substantial volume of transactions is not broken down by counter-party. Therefore, segment information by Geographic areas has not been presented.

14. Fair Value of Securities

For the Six Months Ended September 30, 2007

Held-to-maturity Debt Securities that have a Fair Value

	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Gain		
As of September 30, 2007			Net	Gain	Loss
Japanese Government Bonds	**¥16,682**	**¥16,682**	**¥0**	**¥24**	**¥24**
Total	**¥16,682**	**¥16,682**	**¥0**	**¥24**	**¥24**

	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Gain		
As of September 30, 2007			Net	Gain	Loss
Japanese Government Bonds	**$145**	**$145**	**$0**	**$0**	**$0**
Total	**$145**	**$145**	**$0**	**$0**	**$0**

Note: Fair value is based on market prices or other prices as appropriate at the consolidated balance sheets date.

Other Securities held at Fair Value

As of September 30, 2007	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Loss		
			Net	Gain	Loss
Stocks	¥ 420,734	¥ 700,974	¥ 280,240	¥ 332,992	¥ 52,752
Bonds	10,590,666	10,579,658	(11,008)	61,079	72,087
Japanese Government Bonds	10,222,931	10,209,716	(13,215)	57,866	71,081
Municipal Government Bonds	30,775	30,945	170	172	1
Corporate Bonds	336,959	338,996	2,036	3,040	1,004
Other	28,385,729	29,778,497	1,392,768	1,685,959	293,191
Foreign Bonds	14,624,039	14,945,493	321,453	494,368	172,915
Foreign Stocks	28,916	29,224	307	1,287	980
Other	13,732,773	14,803,780	1,071,006	1,190,302	119,295
Total	¥39,397,130	¥41,059,130	¥1,662,000	¥2,080,031	¥418,031

As of September 30, 2007	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	$ 3,646	$ 6,074	$ 2,428	$ 2,885	$ 457
Bonds	91,774	91,678	(96)	529	625
Japanese Government Bonds	88,587	88,472	(115)	501	616
Municipal Government Bonds	267	268	1	1	0
Corporate Bonds	2,920	2,938	18	27	9
Other	245,977	258,046	12,069	14,610	2,541
Foreign Bonds	126,724	129,510	2,786	4,284	1,498
Foreign Stocks	251	253	2	11	9
Other	119,002	128,283	9,281	10,315	1,034
Total	$341,397	$355,798	$14,401	$18,024	$3,623

Notes: 1. The above analysis of Other Securities held at Fair Value includes “Securities” and Negotiable Certificates of Deposit disclosed as “Cash and Due from Banks” in the consolidated balance sheets.
2. Carrying values of securities held on the consolidated balance sheets are stated based on the quoted market price at the consolidated balance sheets date.
3. Certain other securities which have readily determinable fair values are revalued to their fair value, and the difference between the acquisition cost and the fair value is treated as a realized loss for the period (“revaluation loss”), if the fair value (primarily the closing market price at the end of the period) has significantly deteriorated compared with the acquisition cost (including amortized cost), and unless a recovery in the fair value is deemed probable.
The amount of revaluation loss for the period was ¥38,480 million ($333 million).
The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows.
Securities whose fair values are 50% or less of their acquisition costs.
Securities whose fair values are more than 50% and 70% or less of their acquisition costs for a certain period.

Carrying Value of Securities without a Fair Value

As of September 30, 2007	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥208,420	$1,806
Foreign Bonds	10,728	93
Other	288,827	2,503

For the Fiscal Year Ended March 31, 2007

Held-to-maturity Debt Securities that have a Fair Value

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Loss		
As of March 31, 2007	Cost	Value	Net	Gain	Loss
Japanese Government Bonds	¥18,211	¥18,182	¥(28)	¥12	¥41
Total	¥18,211	¥18,182	¥(28)	¥12	¥41

Note: Fair value is based on market prices or other prices as appropriate at the consolidated balance sheets date.

Other Securities held at Fair Value

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Gain/Loss		
As of March 31, 2007	Cost	Value	Net	Gain	Loss
Stocks	¥ 420,867	¥ 775,406	¥ 354,539	¥ 381,784	¥ 27,244
Bonds	12,266,644	12,266,733	88	71,889	71,801
Japanese Government Bonds	11,854,155	11,851,923	(2,231)	68,376	70,608
Municipal Government Bonds	63,504	63,766	261	298	36
Corporate Bonds	348,984	351,043	2,058	3,215	1,156
Other	28,434,525	30,172,092	1,737,567	1,822,385	84,818
Foreign Bonds	14,480,551	14,988,028	507,476	567,589	60,113
Foreign Stocks	—	—	—	—	—
Other	13,953,973	15,184,064	1,230,091	1,254,795	24,704
Total	¥41,122,036	¥43,214,232	¥2,092,195	¥2,276,059	¥183,863

Notes: 1. The above analysis of Other Securities held at Fair Value includes "Securities" and Negotiable Certificates of Deposit disclosed as "Cash and Due from Banks" in the consolidated balance sheets.
2. Carrying values of securities held on the consolidated balance sheets are stated based on the quoted market price at the consolidated balance sheets date.

Carrying Value of Securities without a Fair Value

As of March 31, 2007	Millions of Yen
Other Securities	
Unlisted Stocks	¥263,036
Foreign Bonds	7,288
Other	261,912

15. Fair Value of Money Held in Trust

For the Six Months Ended September 30, 2007

Held-to-maturity Money Held in Trust

The Bank held no Held-to-maturity Money Held in Trust as of September 30, 2007.

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

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Gain		
As of September 30, 2007	Cost	Value	Net	Gain	Loss
Other Money Held in Trust	**¥5,922,251**	**¥6,102,864**	**¥180,613**	**¥214,223**	**¥33,609**

	Millions of U.S. Dollars				
	Acquisition	Carrying	Net Unrealized Gain		
As of September 30, 2007	Cost	Value	Net	Gain	Loss
Other Money Held in Trust	**$51,319**	**$52,884**	**$1,565**	**$1,856**	**$291**

Note: Carrying values of Other Money Held in Trust presented on the consolidated balance sheets are based on the quoted market price of the underlying assets as at the consolidated balance sheets date.

For the Fiscal Year Ended March 31, 2007

Held-to-maturity Money Held in Trust

The Bank held no Held-to-maturity Money Held in Trust as of March 31, 2007.

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

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Gain		
As of March 31, 2007	Cost	Value	Net	Gain	Loss
Other Money Held in Trust	¥7,380,708	¥7,696,608	¥315,899	¥330,115	¥14,216

Note: Carrying values of Other Money Held in Trust presented on the consolidated balance sheets are based on the quoted market price of the underlying assets as at the consolidated balance sheets date.

16. Fair Value of Derivative Instruments

Interest Rate-Related Derivative Instruments

		Millions of Yen					
		As of September 30, 2007			As of March 31, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions	Interest Rate Futures	**¥ 211,864**	**¥ (167)**	**¥ (167)**	¥ 37,690	¥ (24)	¥ (24)
	Interest Rate Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions	Forward Rate Agreements	**—**	**—**	**—**	—	—	—
	Interest Rate Swaps	**2,754,819**	**1,237**	**1,237**	2,851,555	397	397
	Interest Rate Options	**—**	**—**	**—**	15,000	70	69
	Other	**—**	**—**	**—**	—	—	—
Total		**/**	**¥1,069**	**¥1,069**	/	¥444	¥443

		Millions of U.S. Dollars		
		As of September 30, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions	Interest Rate Futures	**$ 1,836**	**$ (2)**	**$ (2)**
	Interest Rate Options	**—**	**—**	**—**
Over-the-counter Transactions	Forward Rate Agreements	**—**	**—**	**—**
	Interest Rate Swaps	**23,872**	**11**	**11**
	Interest Rate Options	**—**	**—**	**—**
	Other	**—**	**—**	**—**
Total		**/**	**$ 9**	**$ 9**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 24).

Currency-Related Derivative Instruments

		Millions of Yen					
		As of September 30, 2007			As of March 31, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions	Currency Futures	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
	Currency Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions	Currency Swaps	**—**	**—**	**—**	42,032	485	485
	Forwards	**1,409,621**	**589**	**589**	2,057,743	1,839	1,839
	Currency Options	**—**	**—**	**—**	—	—	—
	Other	**—**	**—**	**—**	—	—	—
Total		**/**	**¥589**	**¥589**	/	¥2,324	¥2,324

		Millions of U.S. Dollars		
		As of September 30, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions	Currency Futures	**$ —**	**$ —**	**$ —**
	Currency Options	**—**	**—**	**—**
Over-the-counter Transactions	Currency Swaps	**—**	**—**	**—**
	Forwards	**$12,215**	**5**	**5**
	Currency Options	**—**	**—**	**—**
	Other	**—**	**—**	**—**
Total		**/**	**$ 5**	**$ 5**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments 1) accounted for as hedges in accordance with "Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25), or 2) designated to certain monetary receivables or payables denominated in foreign currencies and recorded on the consolidated balance sheets.

Stock-Related Derivative Instruments

		Millions of Yen					
		As of September 30, 2007			As of March 31, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions	Equity Price Index Futures	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
	Equity Price Index Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions	Equity Options	**—**	**—**	**—**	—	—	—
	Equity Price Index Swaps	**—**	**—**	**—**	—	—	—
	Other	**1,000**	**—**	**—**	1,000	—	—
Total		**/**	**¥ —**	**¥ —**	/	¥ —	¥ —

		Millions of U.S. Dollars		
		As of September 30, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions	Equity Price Index Futures	**$ —**	**$ —**	**$ —**
	Equity Price Index Options	**—**	**—**	**—**
Over-the-counter Transactions	Equity Options	**—**	**—**	**—**
	Equity Price Index Swaps	**—**	**—**	**—**
	Other	**9**	**—**	**—**
Total		**/**	**$ —**	**$ —**

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.
2. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

		Millions of Yen					
		As of September 30, 2007			As of March 31, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions	Bond Futures	**¥88,325**	**¥178**	**¥178**	¥56,024	¥(46)	¥(46)
	Bond Futures Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions	Bond Options	**—**	**—**	**—**	—	—	—
	Other	**—**	**—**	**—**	—	—	—
Total		**/**	**¥178**	**¥178**	/	¥(46)	¥(46)

		Millions of U.S. Dollars		
		As of September 30, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions	Bond Futures	**$765**	**$2**	**$2**
	Bond Futures Options	**—**	**—**	**—**
Over-the-counter Transactions	Bond Options	**—**	**—**	**—**
	Other	**—**	**—**	**—**
Total		**/**	**$2**	**$2**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Credit Derivative Instruments

		Millions of Yen					
		As of September 30, 2007			As of March 31, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Over-the-counter Transactions	Credit Default Options	**¥96,723**	**¥602**	**¥602**	¥ —	¥ —	¥ —
	Other	**—**	**—**	**—**	—	—	—
Total		**/**	**¥602**	**¥602**	/	¥ —	¥ —

		Millions of U.S. Dollars		
		As of September 30, 2007		
		Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Over-the-counter Transactions	Credit Default Options	**$838**	**$5**	**$5**
	Other	**—**	**—**	**—**
Total		**/**	**$5**	**$5**

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statements of operations. The above analysis excludes derivative instruments accounted for as hedges.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments during the period.

17. The Norinchukin Bank (Parent Company)

(a) Non-consolidated Balance Sheets (Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2007	March 31, 2007	**September 30, 2007**
• Assets			
Cash and Due from Banks	**¥ 1,453,349**	¥ 864,474	**$ 12,594**
Call Loans	**1,407,249**	823,715	**12,195**
Receivables under Resale Agreements	**680,215**	—	**5,894**
Receivables under Securities Borrowing Transactions	**713,643**	563,282	**6,184**
Monetary Claims Bought	**826,839**	828,790	**7,165**
Trading Assets	**51,631**	52,550	**447**
Money Held in Trust	**6,241,591**	7,797,702	**54,087**
Securities	**41,568,610**	43,750,573	**360,213**
Loans and Bills Discounted	**12,289,763**	12,804,474	**106,497**
Foreign Exchange Assets	**4,598**	3,176	**40**
Other Assets	**597,171**	535,923	**5,175**
Tangible Fixed Assets	**137,459**	154,024	**1,191**
Intangible Fixed Assets	**11,195**	6,641	**97**
Customers' Liabilities for Acceptances and Guarantees	**538,214**	542,436	**4,664**
Reserve for Possible Loan Losses	**(137,764)**	(201,908)	**(1,194)**
Reserve for Possible Investment Losses	**(23)**	(38,628)	**(0)**
Total Assets	**¥66,383,746**	¥68,487,228	**$575,249**
• Liabilities and Net Assets			
Liabilities			
Deposits	**¥40,646,256**	¥41,253,617	**$352,221**
Negotiable Certificates of Deposit	**1,298,078**	2,375,026	**11,249**
Debentures	**4,659,654**	4,471,357	**40,378**
Call Money	**794,348**	1,068,632	**6,883**
Payables under Repurchase Agreements	**6,177,155**	7,438,847	**53,528**
Payables under Securities Lending Transactions	**791,353**	1,345,025	**6,857**
Trading Liabilities	**14,219**	19,662	**123**
Borrowed Money	**1,467,161**	1,459,295	**12,714**
Foreign Exchange Liabilities	**1**	0	**0**
Short-term Entrusted funds	**4,031,430**	2,868,967	**34,934**
Other Liabilities	**1,255,538**	478,953	**10,880**
Reserve for Bonus Payments	**4,636**	4,193	**40**
Reserve for Employees' Retirement Benefits	**—**	1,080	**—**
Reserve for Directors' Retirement Benefits	**433**	—	**4**
Deferred Tax Liabilities	**590,216**	711,696	**5,115**
Deferred Tax Liabilities for Land Revaluation	**19,802**	25,411	**172**
Acceptances and Guarantees	**538,214**	542,436	**4,664**
Total Liabilities	**62,288,503**	**64,064,204**	**539,762**
Net Assets			
Paid-in Capital	**1,484,017**	1,484,017	**12,860**
Capital Surplus	**25,020**	25,020	**217**
Retained Earnings	**1,304,165**	1,232,478	**11,301**
Total Owners' Equity	**2,813,203**	2,741,516	**24,378**
Net Unrealized Gains on Other Securities, net of taxes	**1,269,007**	1,658,745	**10,996**
Net Deferred Losses on Hedging Instruments, net of taxes	**(21,949)**	(24,689)	**(190)**
Revaluation Reserve for Land, net of taxes	**34,981**	47,451	**303**
Total Valuation and Translation Adjustments	**1,282,039**	1,681,507	**11,109**
Total Net Assets	**4,095,243**	4,423,024	**35,487**
Total Liabilities and Net Assets	**¥66,383,746**	¥68,487,228	**$575,249**

(b) Non-consolidated Statements of Operations (Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	Six months ended September 30, 2007	Year ended March 31, 2007	**Six months ended September 30, 2007**
• **Income**			
Interest Income:	**¥1,034,929**	¥2,049,045	**$ 8,968**
Interest on Loans and Bills Discounted	**73,957**	124,033	**641**
Interest and Dividends on Securities	**929,801**	1,863,103	**8,057**
Fees and Commissions	**6,237**	16,931	**54**
Trading Income	**80**	223	**1**
Other Operating Income	**56,281**	93,138	**488**
Other Income	**280,496**	465,129	**2,430**
Total Income	**1,378,026**	2,624,468	**11,941**
• **Expenses**			
Interest Expenses:	**932,615**	1,791,695	**8,082**
Interest on Deposits	**185,805**	326,357	**1,610**
Fees and Commissions	**6,634**	14,205	**58**
Trading Expenses	**307**	313	**3**
Other Operating Expenses	**121,194**	272,038	**1,050**
General and Administrative Expenses	**55,437**	102,663	**480**
Other Expenses	**46,444**	60,460	**402**
Total Expenses	**1,162,634**	2,241,376	**10,075**
Income before Income Taxes	**215,392**	383,092	**1,866**
Income Taxes			
Current	**26,554**	73,090	**230**
Deferred	**47,427**	56,114	**411**
Net Income	**¥ 141,411**	¥ 253,886	**$ 1,225**

Capital Position [Disclosure under Basel II Pillar III]

Items for Quantitative Disclosure Related to Capital Adequacy Condition (Basel II Pillar III)

Capital adequacy conditions of the Bank in line with Basel II are described on the following pages.

Capital

Contents of principal capital items are described as follows.

Items		Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to composition of capital	Capital adequacy ratio	Detailed components of Tier I capital and Tier II	41	63
	Explanation of computation of capital adequacy ratio	Scope of consolidation	42	—
Items relating to capital adequacy		For the purpose of capital adequacy assessment, the contents of the capital adequacy ratio (being above the regulatory minimum of 8%), total amounts of regulatory required capital and details of principal exposure (credit risk exposure, market risk, operational risk, etc.) are disclosed by item.	43	65

Risk Exposures

This section describes detailed amounts of the Bank's various risks and exposures (including credit risk exposure, securitization exposure, market risk, equity exposure, risk-weighted asset calculation for investment fund and interest rate risk), which form the basis for the computation of the capital adequacy ratio. This section also describes credit risk mitigation and others that affect the risk profiles.

Items			Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to credit risk	Credit risk exposure		Credit risk exposure (excluding securitization exposure and risk-weighted asset calculation for investment fund), details on the reserve for possible loan losses by region and industry	45	67
	Exposure subject to Internal Ratings-Based Approach (IRB)	Corporate, sovereign, and bank exposure	Details on PD, LGD, RW and EAD for corporate,sovereign, bank, and equity subject to the PD/LGD approach	48	70
		Retail exposure	Details on PD, LGD, RW and EAD	49	71
		Actual losses, etc., on exposure to corporate, sovereign, bank and retail	Actual losses, estimated losses depend on historical long-term results, comparison with actual losses	52	73
		Exposure to Specialized Lending subject to supervisory slotting criteria	Amount of exposure by RW	53	74
		Equity exposure subject to the simple risk-weighted method	Amount of exposure by RW	53	75
	Exposure subject to Standardized Approach		Amount of exposure by RW	54	75
Items with respect to credit risk mitigation			Coverage/application of collateral, guarantees, etc.	55	76
Items related to counterparty risk in derivative transactions			Derivative transaction activity	56	77
Items related to securitization exposure			Details on securitization exposure	57	78
Items related to market risk			VaR and amount of market risk in trading account	58	79
Items related to equity exposure			Details of equity exposure those directly held	59	80
Items related to exposure subject to risk-weighted asset calculation for investment fund			Risk-weighted assets for investment funds	61	82
Items related to interest rate risk			Interest rate risk for internal management purposes	62	83

1. Capital Structure (Consolidated)

(1) CAPITAL ADEQUACY RATIO (CONSOLIDATED)

For the six months ended September 30, 2007

Consolidated Capital Adequacy Ratio (Basel capital adequacy standards) (Basel II)

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2007, was computed according to Basel II.

Items			Millions of yen	Millions of U.S. dollars (Note 7)
Tier I capital	Capital stock	(1)	**1,484,017**	**12,859**
	Including non-cumulative, perpetual preferred stock		**24,999**	**216**
	Deposit for subscription to preferred stock	(2)	**—**	**—**
	Capital surplus	(3)	**25,020**	**216**
	Earned surplus	(4)	**1,320,882**	**11,446**
	Minority interest of consolidated subsidiaries	(5)	**5,957**	**51**
	Including preferred securities issued by overseas special-purpose corporations		**—**	**—**
	Tier I capital not corresponding to the preceding items (1) to (5)		**(2)**	**(0)**
	Unrealized loss on other securities	(6)	**—**	**—**
	Items excluded from Tier I capital under Article 5-1-1 through Article 5-1-5 of the Notification Regarding Capital Adequacy	(7)	**—**	**—**
	Items excluded from Tier I capital under Article 5-1-6 of the Notification Regarding Capital Adequacy	(8)	**81,614**	**707**
	Subtotal	(A)	**2,754,260**	**23,867**
	Including preferred securities with interest rate step-up clause		**—**	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	**—**
Tier II capital	45% of unrealized gains on other securities*1		**848,804**	**7,355**
	45% of unrealized gains on land*2		**24,653**	**213**
	General reserve for possible loan losses		**287**	**2**
	Qualifying subordinated debt		**1,466,520**	**12,708**
	Including perpetual subordinated bonds and loans		**579,900**	**5,025**
	Including dated subordinated bonds, loans, and preferred stock		**886,620**	**7,683**
	Subtotal		**2,340,266**	**20,279**
	Tier II capital included as qualifying capital	(B)	**2,340,266**	**20,279**
Tier III capital	Short-term subordinated debt		**—**	**—**
	Including amount added to capital	(C)	**—**	**—**
Deductions	Deductions	(D)	**373,457**	**3,236**
Total capital	(A)+(B)+(C)–(D)	(E)	**4,721,070**	**40,910**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**33,352,096**	**289,012**
	Including on-balance sheet		**30,958,647**	**268,272**
	Including off-balance sheet		**2,393,448**	**20,740**
	Assets equivalent to market risk	(G)	**3,292,086**	**28,527**
	(For reference: actual market risk volume)	(H)	**263,366**	**2,282**
	Amount corresponding to operational risk (J)/8%	(I)	**954,137**	**8,268**
	(For reference: amount corresponding to operational risk)	(J)	**76,330**	**661**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**37,598,319**	**325,808**
Basel II capital adequacy ratio (Basel capital adequacy standards) = (E)/(K) x 100%			**12.55%**	**12.55%**

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. According to the provisions of the Notification Regarding Capital Adequacy, Article 5-1-1 through Article 5-1-5, the items deduced from Tier I capital were as follows:
The amount corresponding to operating rights (Notification Regarding Capital Adequacy, Article 5-1-1), the amount corresponding to the consolidated adjustment account (Notification Regarding Capital Adequacy, Article 5-1-2), intangible assets recorded as a result of business combinations or additional purchases of the stock of subsidiaries (Notification Regarding Capital Adequacy, Article 5-1-6), the amount corresponding to goodwill (Notification Regarding Capital Adequacy, Article 5-1-4), and the amount corresponding to the increase in capital due to securitization transactions (Notification Regarding Capital Adequacy, Article 5-1-5).

3. Amounts deducted from Tier I capital under the provisions of the Notification Regarding Capital Adequacy, Article 5-1-6, were as follows: 50% of the excess of the value corresponding to expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves.

4. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to a Standardized Approach in terms of risk-weighted assets for credit risk.

5. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) holdings of instruments issued for raising capital, issued by affiliated corporations conducting financial service businesses, (3) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (4) expected losses on equity exposure, and (5) securitization exposure subject to deduction from capital. (Notification Regarding Capital Adequacy, Article 8)

6. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

7. U.S. dollars have been converted at the rate of ¥115.40 to U.S.$1, the effective rate of exchange at September 30, 2007.

(2) EXPLANATION OF COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO

Names of Companies with Less than the Regulatory Required Capital and the Amounts

Among those companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy, Article 8-1-2 a and b, the name of those companies whose capital is below the regulatory required capital and the overall shortfall in capital.

None of the Bank's Group companies fall under this category.

2. Items for Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Consolidated Capital Adequacy Ratio and Ratio of Tier I Capital (Consolidated)

Explanation

As of September 30, 2007, the Bank's consolidated capital adequacy ratio was 12.55%, above the minimum capital adequacy ratio of 8% required under Basel capital adequacy standards.

Items	As of September 30, 2007
Consolidated capital adequacy ratio	**12.55%**
Consolidated capital adequacy ratio of Tier I capital	**7.32%**

Note: The "Consolidated capital adequacy ratio of Tier I capital" is the ratio of Tier I capital to the denominator of the consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 2.

Total Consolidated Regulatory Required Capital

(Billions of yen)

Item	As of September 30, 2007
Total consolidated regulatory required capital	**3,007.8**

Note: "Total consolidated regulatory required capital" is 8% of the denominator of the consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 2.

Regulatory Required Capital for Credit Risk

(Excludes equity exposures to which the Bank applies Internal Ratings-Based Approach and Risk-weighted asset calculation for investment fund)

(Billions of yen)

Items	As of September 30, 2007
Amount of regulatory required capital for credit risk	**726.5**
Including exposure subject to Internal Ratings-Based Approach	**710.0**
Corporate exposure	**467.4**
Sovereign exposure	**0.3**
Bank exposure	**125.2**
Retail exposure secured by residential properties	**—**
Qualifying revolving retail exposure	**—**
Other retail exposure	**0.7**
Securitization exposure	**116.2**
Exposure subject to Standardized Approach	**16.5**
Assets subject to Standardized Approach on a non-consolidated basis	**0.6**
Assets subject to Standardized Approach in consolidated companies	**15.8**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital
2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

Regulatory Required Capital for Credit Risk of Equity Exposure Subject to the Internal Ratings-Based Approach

(Billions of yen)

Items	As of September 30, 2007
Equity portfolios subject to the market-based approach	**98.9**
Equity portfolios subject to simple risk-weighted method	**28.0**
Equities under the internal models approach	**70.8**
Equity portfolios subject to PD/LGD approaches	**9.3**
Equity portfolios subject to the provisions of Notification Regarding Capital Adequacy, Article 13	**53.4**
Total	**161.6**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets + Expected losses + Deductions from capital
2. Article 13 of the Notification Regarding Capital Adequacy contains a transitional method for computing the amount of risk assets related to equity exposures that meet specified criteria.

Regulatory Required Capital for Credit Risk of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Items	As of September 30, 2007
Exposure subject to risk-weighted asset calculation for investment fund	**2,166.4**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital
2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

Regulatory Required Capital for Market Risk

(Billions of yen)

Items	As of September 30, 2007
Standardized Approach: Interest rate risk category	**0.0**
Standardized Approach: Equity risk category	**—**
Standardized Approach: Foreign exchange risk category	**262.7**
Standardized Approach: Commodity risk category	**—**
Standardized Approach: Option transactions	**—**
Standardized Approach total	**262.7**
Internal models Approach	**0.5**
Regulatory required capital for market risk	**263.3**

Regulatory Required Capital for Operational Risk

(Billions of yen)

Item	As of September 30, 2007
The Standardized Approach (TSA)	**76.3**

Note: Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk. (Notification Regarding Capital Adequacy, Article 282)

3. Items for Credit Risk (Consolidated)

(Risk-weighted asset calculation for investment fund and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For the six months ended September 30, 2007

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	**15,622.8**	**10,985.1**	**33.0**	**4,109.0**	**30,750.1**	**224.1**
Asia except Japan	**67.7**	**23.5**	**2.6**	**1,079.1**	**1,172.9**	**—**
Europe	**122.3**	**3,534.7**	**163.4**	**5,045.1**	**8,865.6**	**—**
The Americas	**302.4**	**7,427.6**	**58.3**	**3,077.8**	**10,866.2**	**—**
Other areas	**40.3**	**13.2**	**3.1**	**0.2**	**57.0**	**—**
Amounts held by consolidated subsidiaries	**325.3**	**19.0**	**0.0**	**43.2**	**387.7**	**14.0**
Total	**16,481.0**	**22,003.4**	**260.6**	**13,354.6**	**52,099.8**	**238.2**

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	**605.3**	**146.4**	**0.2**	**0.0**	**752.0**	**10.0**	**—**
Pulp and paper	**219.8**	**45.8**	**0.1**	**0.0**	**265.8**	**4.8**	**—**
Chemicals	**541.0**	**174.7**	**0.1**	**0.0**	**716.0**	**11.7**	**—**
Other manufacturing	**1,047.3**	**188.2**	**1.1**	**0.0**	**1,236.8**	**7.0**	**2.6**
Total for manufacturing	**2,413.6**	**555.3**	**1.6**	**0.1**	**2,970.7**	**33.6**	**2.6**
Agriculture, forestry and fishing	**119.5**	**0.1**	**—**	**0.0**	**119.7**	**37.3**	**0.0**
Construction	**180.8**	**15.2**	**0.0**	**0.0**	**196.0**	**0.9**	**—**
Utility	**158.8**	**62.5**	**0.0**	**0.0**	**221.4**	**—**	**—**
Information/telecommunications, transportation	**805.3**	**162.5**	**2.0**	**0.0**	**970.0**	**12.4**	**—**
Wholesaling, retailing	**1,916.5**	**94.8**	**0.6**	**0.0**	**2,012.1**	**37.1**	**0.3**
Services	**1,473.5**	**67.9**	**0.6**	**1.1**	**1,543.2**	**56.0**	**—**
Finance and insurance	**1,816.4**	**6,385.8**	**255.4**	**12,359.2**	**20,816.9**	**5.9**	**—**
Other non-manufacturing	**7,270.9**	**14,639.8**	**0.0**	**950.7**	**22,861.6**	**40.5**	**—**
Total for non-manufacturing	**13,742.0**	**21,429.1**	**258.8**	**13,311.3**	**48,741.3**	**190.5**	**0.3**
Amounts held by consolidated subsidiaries	**325.3**	**19.0**	**0.0**	**43.2**	**387.7**	**14.0**	**3.0**
Total	**16,481.0**	**22,003.4**	**260.6**	**13,354.6**	**52,099.8**	**238.2**	**6.1**

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**12,089.6**	**1,082.8**	**170.5**	**11,775.0**	**25,118.1**
Over 1 year to 3 years	**1,716.2**	**2,175.2**	**83.5**	**—**	**3,975.0**
Over 3 years to 5 years	**1,500.7**	**3,505.1**	**1.0**	**51.5**	**5,058.4**
Over 5 years to 7 years	**409.7**	**2,776.1**	**0.9**	**10.4**	**3,197.2**
Over 7 years	**407.5**	**11,363.1**	**4.5**	**719.2**	**12,494.4**
No term to maturity	**31.7**	**1,081.9**	**—**	**755.1**	**1,868.8**
Amounts held by consolidated subsidiaries	**325.3**	**19.0**	**0.0**	**43.2**	**387.7**
Total	**16,481.0**	**22,003.4**	**260.6**	**13,354.6**	**52,099.8**

Notes: 1. As of the interim balance-sheet date, the Bank's total credit risk exposures do not differ substantially from those at the previous term-end.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥391.3 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVE FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2007
Japan	**91.9**
Asia except Japan	**0.2**
Europe	**—**
The Americas	**—**
Other areas	**31.2**
Amounts held by consolidated subsidiaries	**6.7**
Offsets on consolidation	**(4.2)**
Total	**125.9**

Note: Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of September 30, 2007
Food products	**5.5**
Pulp and paper	**1.7**
Chemicals	**—**
Other manufacturing	**2.6**
Total for manufacturing	**9.9**
Agriculture, forestry and fishing	**16.2**
Construction	**—**
Utility	**—**
Information/telecommunications, transportation	**9.1**
Wholesaling, retailing	**16.9**
Services	**20.7**
Finance and insurance	**1.2**
Other non-manufacturing	**17.6**
Total for non-manufacturing	**82.0**
Others	**31.5**
Amount held by consolidated subsidiaries	**6.7**
Offsets on consolidation	**(4.2)**
Total	**125.9**

Note: Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH
a. Corporate, Sovereign and Bank Exposure
For the six months ended September 30, 2007

Corporate Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.15%**	**39.22%**	**29%**	**4,076.1**	**1,954.5**
5 to 7	**1.79%**	**44.71%**	**116%**	**997.4**	**128.8**
8-1 to 8-2	**19.26%**	**44.23%**	**347%**	**225.5**	**29.4**
Subtotal	**1.06%**	**40.23%**	**53%**	**5,299.2**	**2,112.8**
8-3 to 10-2	**100.00%**	**44.47%**	**558%**	**163.0**	**1.6**
Total	**3.21%**	**40.32%**	**64%**	**5,462.2**	**2,114.4**

Sovereign Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.00%**	**45.96%**	**0%**	**22,813.4**	**744.1**
5 to 7	**7.78%**	**45.00%**	**221%**	**0.3**	**—**
8-1 to 8-2	**—**	**—**	**—**	**—**	**—**
Subtotal	**0.00%**	**45.96%**	**0%**	**22,813.7**	**744.1**
8-3 to 10-2	**100.00%**	**45.00%**	**563%**	**0.0**	**—**
Total	**0.00%**	**45.96%**	**0%**	**22,813.7**	**744.1**

Bank Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.03%**	**23.16%**	**9%**	**7,403.7**	**8,833.8**
5 to 7	**2.52%**	**45.00%**	**156%**	**11.9**	**5.8**
8-1 to 8-2	**7.07%**	**23.71%**	**130%**	**7.3**	**0.5**
Subtotal	**0.04%**	**23.18%**	**10%**	**7,423.0**	**8,840.1**
8-3 to 10-2	**100.00%**	**45.00%**	**562%**	**0.4**	**0.0**
Total	**0.04%**	**23.19%**	**10%**	**7,423.4**	**8,840.1**

Equity Exposure for Credit Risk Using Internal Ratings; PD/LGD Approach

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.18%**	**90.00%**	**163%**	**63.6**	**—**
5 to 7	**2.04%**	**90.00%**	**304%**	**3.7**	**—**
8-1 to 8-2	**19.91%**	**90.00%**	**783%**	**0.2**	**—**
Subtotal	**0.34%**	**90.00%**	**173%**	**67.6**	**—**
8-3 to 10-2	**—**	**—**	**—**	**—**	**—**
Total	**0.34%**	**90.00%**	**173%**	**67.6**	**—**

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
3. Exposure subject to risk-weighted asset calculation for investment funds is not included.
4. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

b. Retail Exposure

For the six months ended September 30, 2007

Details on PD, LGD, RW and EAD On-Balance Sheet Assets

(Billions of yen)

Type of exposure	PD less than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**0.37%**	**40.82%**	**27%**	**368.7**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**0.99%**	**42.54%**	**43%**	**58.8**

(Billions of yen)

Type of exposure	PD less than 100% but equal to or greater than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**21.04%**	**40.49%**	**334%**	**16.8**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**16.96%**	**43.05%**	**179%**	**4.5**

(Billions of yen)

Type of exposure	PD less than 100%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**1.27%**	**40.80%**	**41%**	**385.5**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**2.13%**	**42.58%**	**52%**	**63.3**
Subtotal	**1.39%**	**41.05%**	**42%**	**448.9**

(Billions of yen)

Type of exposure	PD =100%				
	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**100.00%**	**77.46%**	**71.65%**	**968%**	**11.0**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**	**—**
Other retail exposure	**100.00%**	**48.58%**	**45.64%**	**607%**	**2.6**

(Billions of yen)

Type of exposure	Total					
	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**4.01%**	**40.80%**	**77.46%**	**71.65%**	**67%**	**396.5**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**	**—**	**—**
Other retail exposure	**6.09%**	**42.58%**	**48.58%**	**45.64%**	**75%**	**66.0**
Subtotal	**4.31%**	**41.05%**	**71.83%**	**66.58%**	**68%**	**462.6**

Details on PD, LGD, RW and EAD Off-Balance Sheet Assets

(Billions of yen)

Type of exposure	PD less than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**1.78%**	**55.39%**	**81%**	**4.3**

(Billions of yen)

Type of exposure	PD less than 100% but equal to or greater than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**47.76%**	**57.82%**	**471%**	**0.0**

(Billions of yen)

Type of exposure	PD less than 100%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**2.32%**	**55.42%**	**86%**	**4.3**
Subtotal	**2.32%**	**55.42%**	**86%**	**4.3**

(Billions of yen)

Type of exposure	PD =100% Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—
Other retail exposure	**100.0%**	**95.40%**	**84.63%**	**1,193%**	**0.2**

(Billions of yen)

Type of exposure	Total Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	**7.15%**	**55.42%**	**95.40%**	**84.63%**	**140%**	**4.6**
Total	**7.15%**	**55.42%**	**95.40%**	**84.63%**	**140%**	**4.6**

Notes: 1. Most of the retail exposure held by the Bank as of September 30, 2007, was related to purchased retail receivables. Since these assets are subject to risk-weighted assets calculation for investment funds, so in view of the need to appropriately disclose the content of results of the estimate of parameters related to retail exposure, Exposure subject to risk-weighted asset calculation for investment funds have been included in the quantitative disclosure of these items.

2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

3. For assets for which the PD is 100%, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

4. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	As of September 30, 2007
Corporate exposure	**4.2**
Sovereign exposure	**—**
Bank exposure	**—**
Equity exposure subject to PD/LGD approach	**—**
Retail exposure secured by residential properties	**—**
Qualifying revolving retail exposure	**—**
Other retail exposure	**0.0**

Notes: 1. Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for actual losses, past results and analysis of causes beginning the year following the year ended March 31, 2007, when Basel II went into effect. Comparison data are, therefore, scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)
2. Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of September 30, 2007	
	Estimated losses	Actual losses
Corporate exposure	**14.1**	**4.2**
Sovereign exposure	**0.8**	**—**
Bank exposure	**0.2**	**—**
Equity exposure subject to PD/LGD approach	**0.5**	**—**
Retail exposure secured by residential properties	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**
Other retail exposure	**0.0**	**0.0**

Notes: 1. In consideration of the accuracy of information disclosure, comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).
2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.
3. One half of the estimated loss amount for the fiscal 2007 full term is employed for estimated loss amount for the first-half period.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of September 30, 2007
Specialized Lending exposure subject to supervisory slotting criteria	**975.0**
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**841.8**
Risk weight of 50%	**81.0**
Risk weight of 70%	**511.9**
Risk weight of 90%	**181.0**
Risk weight of 115%	**15.8**
Risk weight of 250%	**9.3**
Risk weight of 0% (default)	**42.6**
High-Volatility Commercial Real Estate (HVCRE)	**133.2**
Risk weight of 70%	**1.6**
Risk weight of 95%	**20.2**
Risk weight of 120%	**70.0**
Risk weight of 140%	**10.7**
Risk weight of 250%	**30.4**
Risk weight of 0% (default)	**—**

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).
2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.
3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, which are subject to the Bank's internal rating system and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.
4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of September 30, 2007
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**83.2**
Risk weight of 300%	**—**
Risk weight of 400%	**83.2**

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments.
Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RW

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2007
Exposure subject to Standardized Approach	**391.3**
Risk weight of 0%	**17.2**
Risk weight of 10%	**1.7**
Risk weight of 20%	**33.1**
Risk weight of 35%	**173.2**
Risk weight of 50%	**0.4**
Risk weight of 75%	**95.5**
Risk weight of 100%	**69.3**
Risk weight of 150%	**0.4**
Risk weight of more than 150%	**0.0**
Amount deducted from capital	**0.0**

Note: For exposure computed by the Standardized Approach, the Bank does not refer to external ratings in applying risk weight in any case.

4. Items for Methods of Credit Risk Mitigation Techniques (Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral)

(Billions of yen)

Classification	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**7,606.0**
Eligible financial collateral	**7,606.0**
Corporate exposure	**765.2**
Sovereign exposure	—
Bank exposure	**6,840.7**
Other eligible IRB collateral	—
Corporate exposure	—
Sovereign exposure	—
Bank exposure	—
Standardized Approach	—
Eligible financial collateral	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**378.9**
Corporate exposure	**345.0**
Sovereign exposure	**33.8**
Bank exposure	—
Retail exposure secured by residential properties	—
Qualifying revolving retail exposure	—
Other retail exposure	—
Standardized Approach	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such methods have been taken into account.
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

5. Items for Counterparty Credit Risk in Derivative Transactions (Consolidated)

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2007
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**215.1**
Total gross add-ons	(B)	**282.8**
Gross credit exposure	(C) = (A)+(B)	**498.0**
Including, foreign exchange related		**447.0**
Including, interest rate related		**42.4**
Including, equity related		**3.0**
Including, credit derivatives		**5.4**
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**261.7**
Reduction in credit exposure due to netting contracts	(C)–(D)	**236.2**

Note: Derivative Transactions included in risk-weighted assets calculation for investment funds are not included. The current exposure method is adopted about calculating amount of credit exposure.

Amounts of Collateral by Type

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

Credit Exposure after Taking Account of the Effect of Credit Risk Mitigation Techniques due to Acceptance of Collateral

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of September 30, 2007
To buy protection	**—**
To sell protection (Credit Default Swap)	**96.7**

Note: Derivative Transactions included in risk-weighted assets calculation for investment funds are not included.

Notional Principal Amount of Credit Derivatives Taking into Consideration the Effect of Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of September 30, 2007
Notional principal amount	**—**

Note: Under the stipulations of the Notification Regarding Capital Adequacy, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

6. Items for Securitization Exposure (Consolidated)

The Amount of Underlying Assets Securitized by the Bank and Details by Asset Type

As of September 30, 2007, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Amounts of Securitization Exposure Held as Investor and Details by Asset Type

(Billions of yen)

Classification	As of September 30, 2007
Amount of securitization exposure	**4,877.2**
Business corporations	**2,066.1**
Individuals	**1,691.2**
Real estate	**988.8**
Other	**130.9**

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**4,877.2**	**116.2**
Risk weight: 25% or less	**4,241.0**	**42.7**
Risk weight: 25.01% to 100.00%	**549.1**	**29.3**
Risk weight: 100.01% to 425%	**52.8**	**10.4**
Risk weight: 425.01% to 1,250%	**1.9**	**1.3**
Deductions from capital	**32.3**	**32.3**

Amount of Securitization Exposure Deducted from Capital and Details by Asset Type

(Under the stipulations of the Notification Regarding Capital Adequacy, Article 224)

(Billions of yen)

Classification	As of September 30, 2007
Amount of securitized exposure deducted from capital	**32.3**
Business corporations	**15.8**
Individuals	**0.8**
Real estate	**2.3**
Other	**13.1**

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Items for Market Risk (Consolidated)

(Computation of the Market Risk Amount Using the Internal Models Approach)

VaR

(Millions of yen)

	For the six months ended September 30, 2007			
	Base date of computation	For the most recent 60 business days		
		Maximum	Minimum	Average
VaR	September 28, 2007	**313**	**100**	**172**

Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2007
For the portion computed with the internal models approach (B)+(E)	(A)	**585**
Value at Risk (MAX (C, D))	(B)	**585**
Amount on base date of computation	(C)	**112**
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**585**
Additional amount at the time of measuring individual risk	(E)	**0**
(Multiplier)	(F)	**3.40**
(Times exceeding VaR in back testing)	(G)	**5**

Note: To test the appropriateness of the Bank's internal model, the estimates of risk volume computed by the model are compared with actual profit and loss on a daily basis (known as back testing). When divergences between the model's estimates and actual results rise above the set level, analyses of the causes of this divergence are conducted, and, depending on the results of the analyses, the model is reviewed and revised as necessary.

8. Items for Equity Exposure (Consolidated)

(Includes items such as shares, excludes items in a trading account)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2007	
	Amounts on the balance sheet	Market value
Equity exposure	**1,114.6**	**1,114.6**
Exposure to publicly traded equity	**976.5**	**976.5**
Exposure to privately held equity	**138.1**	**138.1**

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	For the six months ended September 30, 2007		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**19.9**	**0.0**	**25.1**

Note: Amounts reflect relevant figures posted in the half-year consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2007	
	Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations	Amount of valuation gain (loss) not recognized on the balance sheet nor the statements of operations
Equity exposure	**324.1**	**—**

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1.

Amount Included in Supplementary Capital (Tier II) Under the Stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1

(Billions of yen)

Item	As of September 30, 2007
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1	**145.8**

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 8-1-1) classified under other securities at market value minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of September 30, 2007
	Amounts on the balance sheet
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**630.1**
Corporate	**613.6**
Bank	**12.8**
Sovereign	**3.6**

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	(For reference) Weighted-average risk weight
Look-through approach	**17,339.6**	**65%**
Majority approach	**1,041.3**	**354%**
Mandate approach	**—**	**—**
Market-based approach	**4,039.2**	**186%**
Others (simple approach)	**538.9**	**500%**
Total	**22,959.2**	**103%**

Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)

2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in the fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)

3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)

4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model. (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)

5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)

6. The items "(For reference) Weighted-average risk weight" is computed as follows: calculating the total risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

10. Items for Interest-Rate Risk (Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Interest-Rate Risk Volume Computed with the Internal Model in Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of September 30, 2007
Interest-rate risk	**1,463.8**
Yen interest-rate risk	**15.2**
U.S. dollar interest-rate risk	**1,275.5**
Euro interest-rate risk	**159.1**
Interest-rate risk in other currencies	**13.9**

Notes: 1. Interest-rate risk in consolidated subsidiaries is limited in view of the size of their assets, so the interest-rate risk volume for the Bank on a non-consolidated basis is shown here.

2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity and option vega due to call conditions and other factors.

1. Capital Structure (Non-Consolidated)

Capital Adequacy Ratio (Non-Consolidated)

For the six months ended September 30, 2007

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2007, was computed according to Basel II.

Items			Millions of yen	Millions of U.S. dollars (Note 8)
Tier I capital	Capital stock	(1)	**1,484,017**	**12,859**
	Including non-cumulative, perpetual preferred stock		**24,999**	**216**
	Deposit for subscription to preferred stock	(2)	**—**	**—**
	Capital reserves	(3)	**24,999**	**216**
	Other capital surplus	(4)	**20**	**0**
	Earned surplus reserve	(5)	**374,966**	**3,249**
	Other reserves	(6)	**707,233**	**6,128**
	Tier I capital not corresponding to the preceding items (1) to (6)	(7)	**222,704**	**1,929**
	Earned surplus brought forward		**222,706**	**1,929**
	Unrealized loss on other securities		**—**	**—**
	Items excluded from Tier I capital under Article 17-1-1 through Article 17-1-3 of the Notification Regarding Capital Adequacy	(8)	**—**	**—**
	Items excluded from Tier I capital under Article 17-1-4 of the Notification Regarding Capital Adequacy	(9)	**82,362**	**713**
	Subtotal	(A)	**2,731,579**	**23,670**
	Including preferred securities with interest rate step-up clause		**—**	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	**—**
Tier II capital	45% of unrealized gains on other securities*1		**848,789**	**7,355**
	45% of unrealized gains on land*2		**24,653**	**213**
	General reserve for possible loan losses		**11**	**0**
	Qualifying subordinated debt		**1,466,520**	**12,708**
	Including perpetual subordinated bonds and loans		**579,900**	**5,025**
	Including dated subordinated bonds, loans, and preferred stock		**886,620**	**7,683**
	Subtotal		**2,339,975**	**20,277**
	Tier II capital included as qualifying capital	(B)	**2,339,975**	**20,277**
Tier III capital	Short-term subordinated debt		**—**	**—**
	Including amount added to capital	(C)	**—**	**—**
Deductions	Deductions	(D)	**359,845**	**3,118**
Total capital	(A)+(B)+(C)-(D)	(E)	**4,711,709**	**40,829**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**33,276,675**	**288,359**
	Including on-balance sheet		**30,949,327**	**268,191**
	Including off-balance sheet		**2,327,347**	**20,167**
	Assets equivalent to market risk	(G)	**3,292,086**	**28,527**
	(For reference: actual market risk volume)	(H)	**263,366**	**2,282**
	Amount corresponding to operational risk (J)/8%	(I)	**932,154**	**8,077**
	(For reference: amount corresponding to operational risk)	(J)	**74,572**	**646**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**37,500,915**	**324,964**
Basel II capital adequacy ratio (Basel capital adequacy standards) = (E)/(K) x 100%			**12.56%**	**12.56%**

Notes: 1. The Bank's capital adequacy ratio was computed according to the stipulations outlined in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan (Standard for Judging the Management Soundness of the Norinchukin Bank) (hereinafter, Notification Regarding Capital Adequacy). Note that the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB) in computing risk-weighted assets for credit risk and the Standardized Approach (TSA) in computing the amount corresponding to operational risk.

2. The Bank's non-consolidated capital adequacy ratio was computed based on the financial statements, which consolidated the overseas special-purpose corporation established for capital funding purposes. (Notification Regarding Capital Adequacy, Article 15).

3. According to the provisions of the Notification Regarding Capital Adequacy, Article 17-1-1 through Article 17-1-3, the items deduced from Tier I capital were as follows:
The amount corresponding to operating rights (Notification Regarding Capital Adequacy, Article 17-1-1), intangible assets recorded as a result of business combinations or additional purchases of the stock of subsidiaries (Notification Regarding Capital Adequacy, Article 17-1-2), and the amount corresponding to the increase in capital due to securitization transactions (Notification Regarding Capital Adequacy, Article 17-1-3)

4. Amounts deducted from Tier I capital under the provisions of the Notification Regarding Capital Adequacy, Article 17-1-4, were as follows: 50% of the excess of the value corresponding to expected losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves.

5. The Tier II capital item "general reserve for possible loan losses" is limited to the amount corresponding to assets which is calculated according to the Standardized Approach in terms of risk-weighted assets for credit risk.

6. Deductions are the total of the following: (1) the total amount of the value corresponding to deliberate holdings of instruments for raising capital issued by other financial institutions, (2) 50% of the expected value of losses on exposure to corporate, sovereign and bank, and expected losses on retail exposure over the value of qualified reserves, (3) expected losses on equity exposure, and (4) securitization exposure subject to deduction from capital. (Notification Regarding Capital Adequacy, Article 20)

7. In computing risk-weighted assets for credit risk, the Bank has applied a scaling factor of 1.06 to the value of risk-weighted assets for credit risk computed based on its Foundation Internal Ratings-Based Approach (F-IRB), as provided for in the Notification Regarding Capital Adequacy, Article 129.

8. U.S. dollars have been converted at the rate of ¥115.40 to U.S.$1, the effective rate of exchange at September 30, 2007.

2. Items for Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category as required under Basel II)

Non-Consolidated Capital Adequacy Ratio and Ratio of Tier I Capital (Non-Consolidated)

Explanation

As of September 30, 2007, the Bank's non-consolidated capital adequacy ratio was 12.56%, above the minimum capital adequacy ratio of 8% required under Basel capital adequacy standards.

Items	As of September 30, 2007
Non-consolidated capital adequacy ratio	**12.56%**
Non-consolidated capital adequacy ratio of Tier I capital	**7.28%**

Note: The "Non-consolidated capital adequacy ratio of Tier I capital" is the ratio of Tier I capital to the denominator of the non-consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 14.

Total Non-Consolidated Regulatory Required Capital

(Billions of yen)

Item	As of September 30, 2007
Total non-consolidated regulatory required capital	**3,000.0**

Note: "Total non-consolidated regulatory required capital" is 8% of the denominator of the non-consolidated capital adequacy ratio computed as specified in the Notification Regarding Capital Adequacy, Article 14.

Regulatory Required Capital for Credit Risk

(Excludes equity exposures to which the Bank applies Internal Ratings-Based Approach and Risk-weighted asset calculation for investment fund)

(Billions of yen)

Items	As of September 30, 2007
Amount of regulatory required capital for credit risk	**712.9**
Including exposure subject to Internal Ratings-Based Approach	**712.2**
Corporate exposure	**469.6**
Sovereign exposure	**0.3**
Bank exposure	**125.2**
Retail exposure secured by residential properties	**—**
Qualifying revolving retail exposure	**—**
Other retail exposure	**0.7**
Securitization exposure	**116.2**
Exposure subject to Standardized Approach	**0.6**
Overdrafts (toward Norinchukin debenture holders)	**0.0**
Prepaid expenses	**0.3**
Suspense payable	**0.3**
Others	**0.0**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital
2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

Regulatory Required Capital for Credit Risk of Equity Exposure Subject to the Internal Ratings-Based Approach

(Billions of yen)

Items	As of September 30, 2007
Equity portfolios subject to the market-based approach	**98.9**
Equity portfolios subject to simple risk-weighted method	**28.1**
Equities under the internal models approach	**70.8**
Equity portfolios subject to PD/LGD approaches	**13.9**
Equity portfolios subject to the provisions of Notification Regarding Capital Adequacy, Article 13	**56.6**
Total	**169.5**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets + Expected losses + Deductions from capital
2. Article 13 of the Notification Regarding Capital Adequacy contains a transitional method for computing the amount of risk assets related to equity exposure that meet specified criteria.

Regulatory Required Capital for Credit Risk of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Item	As of September 30, 2007
Exposure subject to risk-weighted asset calculation for investment fund	**2,166.6**

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital
2. "Risk-weighted asset calculation for investment fund" is based on risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

Regulatory Required Capital for Market Risk

(Billions of yen)

Items	As of September 30, 2007
Standardized Approach: Interest rate risk category	**0.0**
Standardized Approach: Equity risk category	**—**
Standardized Approach: Foreign exchange risk category	**262.7**
Standardized Approach: Commodity risk category	**—**
Standardized Approach: Option transactions	**—**
Standardized Approach total	**262.7**
Internal models Approach	**0.5**
Regulatory required capital for market risk	**263.3**

Regulatory Required Capital for Operational Risk

(Billions of yen)

Item	As of September 30, 2007
The Standardized Approach (TSA)	**74.5**

Note: Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk. (Notification Regarding Capital Adequacy, Article 282)

3. Items for Credit Risk (Non-Consolidated)

(Risk-weighted asset calculation for investment fund and securitization exposures are excluded.)

(1) CREDIT RISK EXPOSURE

For the six months ended September 30, 2007

Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	**15,622.8**	**10,985.1**	**33.0**	**4,109.0**	**30,750.1**	**224.1**
Asia except Japan	**67.7**	**23.5**	**2.6**	**1,079.1**	**1,172.9**	**—**
Europe	**122.3**	**3,534.7**	**163.4**	**5,045.1**	**8,865.6**	**—**
The Americas	**302.4**	**7,427.6**	**58.3**	**3,077.8**	**10,866.2**	**—**
Other areas	**40.3**	**13.2**	**3.1**	**0.2**	**57.0**	**—**
Total	**16,155.7**	**21,984.4**	**260.5**	**13,311.4**	**51,712.1**	**224.1**

Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Food products	**605.3**	**146.4**	**0.2**	**0.0**	**752.0**	**10.0**	**—**
Pulp and paper	**219.8**	**45.8**	**0.1**	**0.0**	**265.8**	**4.8**	**—**
Chemicals	**541.0**	**174.7**	**0.1**	**0.0**	**716.0**	**11.7**	**—**
Other manufacturing	**1,047.3**	**188.2**	**1.1**	**0.0**	**1,236.8**	**7.0**	**2.6**
Total for manufacturing	**2,413.6**	**555.3**	**1.6**	**0.1**	**2,970.7**	**33.6**	**2.6**
Agriculture, forestry and fishing	**119.5**	**0.1**	**—**	**0.0**	**119.7**	**37.3**	**0.0**
Construction	**180.8**	**15.2**	**0.0**	**0.0**	**196.0**	**0.9**	**—**
Utility	**158.8**	**62.5**	**0.0**	**0.0**	**221.4**	**—**	**—**
Information/telecommunications, transportation	**805.3**	**162.5**	**2.0**	**0.0**	**970.0**	**12.4**	**—**
Wholesaling, retailing	**1,916.5**	**94.8**	**0.6**	**0.0**	**2,012.1**	**37.1**	**0.3**
Services	**1,473.5**	**67.9**	**0.6**	**1.1**	**1,543.2**	**56.0**	**—**
Finance and insurance	**1,816.4**	**6,385.8**	**255.4**	**12,359.2**	**20,816.9**	**5.9**	**—**
Other non-manufacturing	**7,270.9**	**14,639.8**	**0.0**	**950.7**	**22,861.6**	**40.5**	**—**
Total for non-manufacturing	**13,742.0**	**21,429.1**	**258.8**	**13,311.3**	**48,741.3**	**190.5**	**0.3**
Total	**16,155.7**	**21,984.4**	**260.5**	**13,311.4**	**51,712.1**	**224.1**	**3.0**

Notes: 1. "Other non-manufacturing" includes the central government, local governments and related entities.
2. "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
in 1 year	**12,089.6**	**1,082.8**	**170.5**	**11,775.0**	**25,118.1**
Over 1 year to 3 years	**1,716.2**	**2,175.2**	**83.5**	**—**	**3,975.0**
Over 3 years to 5 years	**1,500.7**	**3,505.1**	**1.0**	**51.5**	**5,058.4**
Over 5 years to 7 years	**409.7**	**2,776.1**	**0.9**	**10.4**	**3,197.2**
Over 7 years	**407.5**	**11,363.1**	**4.5**	**719.2**	**12,494.4**
No term to maturity	**31.7**	**1,081.9**	**—**	**755.1**	**1,868.8**
Total	**16,155.7**	**21,984.4**	**260.5**	**13,311.4**	**51,712.1**

Notes: 1. As of the interim balance-sheet date, the Bank's total credit risk exposures do not differ substantially from those at the previous term-end.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥8.6 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

(2) RESERVE FOR POSSIBLE LOAN LOSSES

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2007
Japan	**91.9**
Asia except Japan	**0.2**
Europe	**—**
The Americas	**—**
Other areas	**31.2**
Total	**123.4**

Note: Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

Industry	As of September 30, 2007
Food products	**5.5**
Pulp and paper	**1.7**
Chemicals	**—**
Other manufacturing	**2.6**
Total for manufacturing	**9.9**
Agriculture, forestry and fishing	**16.2**
Construction	**—**
Utility	**—**
Information/telecommunications, transportation	**9.1**
Wholesaling, retailing	**16.9**
Services	**20.7**
Finance and insurance	**1.2**
Other non-manufacturing	**17.6**
Total for non-manufacturing	**82.0**
Others	**31.5**
Total	**123.4**

Note: Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for increases and decreases beginning for the years following the year ended March 31, 2007, the date when the Basel II standards went into effect. Therefore, comparison data are scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)

(3) EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH
a. Corporate, Sovereign and Bank Exposure
For the six months ended September 30, 2007

Corporate Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.15%**	**39.36%**	**29%**	**4,223.0**	**1,954.5**
5 to 7	**1.79%**	**44.71%**	**116%**	**997.4**	**128.8**
8-1 to 8-2	**19.26%**	**44.23%**	**347%**	**225.5**	**29.4**
Subtotal	**1.04%**	**40.32%**	**52%**	**5,446.0**	**2,112.8**
8-3 to 10-2	**100.00%**	**44.47%**	**558%**	**163.0**	**1.6**
Total	**3.15%**	**40.41%**	**63%**	**5,609.0**	**2,114.4**

Sovereign Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.00%**	**45.96%**	**0%**	**22,813.4**	**744.1**
5 to 7	**7.78%**	**45.00%**	**221%**	**0.3**	**—**
8-1 to 8-2	**—**	**—**	**—**	**—**	**—**
Subtotal	**0.00%**	**45.96%**	**0%**	**22,813.7**	**744.1**
8-3 to 10-2	**100.00%**	**45.00%**	**563%**	**0.0**	**—**
Total	**0.00%**	**45.96%**	**0%**	**22,813.7**	**744.1**

Bank Exposure
(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.03%**	**23.16%**	**9%**	**7,403.7**	**8,833.8**
5 to 7	**2.52%**	**45.00%**	**156%**	**11.9**	**5.8**
8-1 to 8-2	**7.07%**	**23.71%**	**130%**	**7.3**	**0.5**
Subtotal	**0.04%**	**23.18%**	**10%**	**7,423.0**	**8,840.1**
8-3 to 10-2	**100.00%**	**45.00%**	**562%**	**0.4**	**0.0**
Total	**0.04%**	**23.19%**	**10%**	**7,423.4**	**8,840.1**

Equity Exposure for Credit Risk Using Internal Ratings; PD/LGD Approach

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD (on-balance sheet)	EAD (off-balance sheet)
1-1 to 4	**0.16%**	**90.00%**	**198%**	**81.8**	**—**
5 to 7	**2.04%**	**90.00%**	**304%**	**3.7**	**—**
8-1 to 8-2	**19.91%**	**90.00%**	**783%**	**0.2**	**—**
Subtotal	**0.29%**	**90.00%**	**204%**	**85.8**	**—**
8-3 to 10-2	**—**	**—**	**—**	**—**	**—**
Total	**0.29%**	**90.00%**	**204%**	**85.8**	**—**

Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).
2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
3. Exposure subject to risk-weighted asset calculation for investment funds is not included.
4. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of Rider No. 13 to the Notification Regarding Capital Adequacy (regarding provisional measures for equity exposure).

b. Retail Exposure

For the six months ended September 30, 2007

Details on PD, LGD, RW and EAD On-Balance Sheet Assets

(Billions of yen)

Type of exposure	PD less than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**0.37%**	**40.82%**	**27%**	**368.7**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**0.99%**	**42.54%**	**43%**	**58.8**

(Billions of yen)

Type of exposure	PD less than 100% but equal to or greater than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**21.04%**	**40.49%**	**334%**	**16.8**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**16.96%**	**43.05%**	**179%**	**4.5**

(Billions of yen)

Type of exposure	PD less than 100%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**1.27%**	**40.80%**	**41%**	**385.5**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**2.13%**	**42.58%**	**52%**	**63.3**
Subtotal	**1.39%**	**41.05%**	**42%**	**448.9**

(Billions of yen)

Type of exposure	PD =100%				
	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**100.00%**	**77.46%**	**71.65%**	**968%**	**11.0**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**	**—**
Other retail exposure	**100.00%**	**48.58%**	**45.64%**	**607%**	**2.6**

(Billions of yen)

Type of exposure	Total					
	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**4.01%**	**40.80%**	**77.46%**	**71.65%**	**67%**	**396.5**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**	**—**	**—**
Other retail exposure	**6.09%**	**42.58%**	**48.58%**	**45.64%**	**75%**	**66.0**
Subtotal	**4.31%**	**41.05%**	**71.83%**	**66.58%**	**68%**	**462.6**

Details on PD, LGD, RW and EAD Off-Balance Sheet Assets

(Billions of yen)

Type of exposure	PD less than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**1.78%**	**55.39%**	**81%**	**4.3**

(Billions of yen)

Type of exposure	PD less than 100% but equal to or greater than 10%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**47.76%**	**57.82%**	**471%**	**0.0**

(Billions of yen)

Type of exposure	PD less than 100%			
	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	**—**	**—**	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**	**—**	**—**
Other retail exposure	**2.32%**	**55.42%**	**86%**	**4.3**
Subtotal	**2.32%**	**55.42%**	**86%**	**4.3**

(Billions of yen)

Type of exposure	PD =100% Weighted-average PD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—
Other retail exposure	**100.00%**	**95.40%**	**84.63%**	**1,193%**	**0.2**

(Billions of yen)

Type of exposure	Total Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	**7.15%**	**55.42%**	**95.40%**	**84.63%**	**140%**	**4.6**
Total	**7.15%**	**55.42%**	**95.40%**	**84.63%**	**140%**	**4.6**

Notes: 1. Most of the retail exposure held by the Bank as of September 30, 2007, was related to purchased retail receivables. Since these assets are subject to risk-weighted asset calculation for investment funds, in view of the need to appropriately disclose the content of results of the estimate of parameters related to retail exposure, Exposure subject to risk-weighted asset calculation for investment funds have been included in the quantitative disclosure of these items.
2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
3. For assets for which the PD is 100%, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
4. As of September 30, 2007, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

c. Actual Losses to Corporate, Sovereign, Bank, and Retail Exposure

Actual Losses for the Previous Period, Comparison with the Year before Last Results and Analysis of Causes

(Billions of yen)

Type of exposure	As of September 30, 2007
Corporate exposure	**4.2**
Sovereign exposure	—
Bank exposure	—
Equity exposure subject to PD/LGD approach	—
Retail exposure secured by residential properties	—
Qualifying revolving retail exposure	—
Other retail exposure	**0.0**

Notes: 1. Giving due consideration to the accuracy of information disclosure, the Bank will include year-to-year comparison data for actual losses, past results and analysis of causes beginning for the year following the year ended March 31, 2007, when the Basel II went into effect. Comparison data are, therefore, scheduled to be disclosed starting with the year ending March 31, 2008. (Disclosure will be commenced on a semi-annual basis for the first-half period of fiscal 2008.)
2. Actual losses are defined as losses due to direct write-offs, partial direct write-offs, general reserves for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

Estimated Losses Depend on Historical Long-Term Results, Comparison with Actual Losses

(Billions of yen)

Type of exposure	As of September 30, 2007	
	Estimated losses	Actual losses
Corporate exposure	**14.1**	**4.2**
Sovereign exposure	**0.8**	**—**
Bank exposure	**0.2**	**—**
Equity exposure subject to PD/LGD approach	**0.5**	**—**
Retail exposure secured by residential properties	**—**	**—**
Qualifying revolving retail exposure	**—**	**—**
Other retail exposure	**0.0**	**0.0**

Notes: 1. In consideration of the accuracy of information disclosure, comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).
2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.
3. One half of the estimated loss amount for the fiscal 2007 full term is employed for estimated loss amount for the first-half period.

d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by RW

Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by RW

(Billions of yen)

Classification	As of September 30, 2007
Specialized Lending exposure subject to supervisory slotting criteria	**975.0**
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**841.8**
Risk weight of 50%	**81.0**
Risk weight of 70%	**511.9**
Risk weight of 90%	**181.0**
Risk weight of 115%	**15.8**
Risk weight of 250%	**9.3**
Risk weight of 0% (default)	**42.6**
High-Volatility Commercial Real Estate (HVCRE)	**133.2**
Risk weight of 70%	**1.6**
Risk weight of 95%	**20.2**
Risk weight of 120%	**70.0**
Risk weight of 140%	**10.7**
Risk weight of 250%	**30.4**
Risk weight of 0% (default)	**—**

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).
2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.
3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, which are subject to the Bank's internal rating system and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.
4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by RW

Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

Classification	As of September 30, 2007
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**83.7**
Risk weight of 300%	**—**
Risk weight of 400%	**83.7**

Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments.
Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy, Article 143-4).

(4) EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RW

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2007
Exposure subject to Standardized Approach	**8.6**
Risk weight of 0%	**—**
Risk weight of 10%	**—**
Risk weight of 20%	**—**
Risk weight of 35%	**—**
Risk weight of 50%	**—**
Risk weight of 75%	**—**
Risk weight of 100%	**8.6**
Risk weight of 150%	**—**
Risk weight of more than 150%	**—**
Amount deducted from capital	**—**

Note: For exposure computed by the Standardized Approach, the Bank does not refer to external ratings in applying risk weights in any case.

4. Items for Methods of Credit Risk Mitigation Techniques (Non-Consolidated)

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral)

(Billions of yen)

Classification	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**7,606.0**
Eligible financial collateral	**7,606.0**
Corporate exposure	**765.2**
Sovereign exposure	—
Bank exposure	**6,840.7**
Other eligible IRB collateral	—
Corporate exposure	—
Sovereign exposure	—
Bank exposure	—
Standardized Approach	—
Eligible financial collateral	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such effects have been taken into account.
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

Amount of Exposure Subject to Credit Risk Mitigation Techniques (Guarantees, Credit Derivatives)

(Billions of yen)

Classification	As of September 30, 2007
Foundation Internal Ratings-Based Approach	**378.9**
Corporate exposure	**345.0**
Sovereign exposure	**33.8**
Bank exposure	—
Retail exposure secured by residential properties	—
Qualifying revolving retail exposure	—
Other retail exposure	—
Standardized Approach	—

Notes: 1. The amount of exposure for which credit risk mitigation techniques have been used is limited to the portion for which such methods have been taken into account.
2. Exposure subject to risk-weighted asset calculation for investment funds is not included.

5. Items for Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2007
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**215.1**
Total gross add-ons	(B)	**282.7**
Gross credit exposure	(C) = (A)+(B)	**497.9**
Including, foreign exchange related		**447.0**
Including, interest rate related		**42.3**
Including, equity related		**3.0**
Including, credit derivatives		**5.4**
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**261.6**
Reduction in credit exposure due to netting contracts	(C)–(D)	**236.2**

Note: Derivative Transactions included in risk-weighted assets calculation for investment funds are not included. The current exposure method is adopted about calculating amount of credit exposure.

Amounts of Collateral by Type

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

Credit Exposure after Taking Account of the Effect of Credit Risk Mitigation Techniques due to Acceptance of Collateral

In computing the capital adequacy ratio, the effect of credit risk mitigation techniques due to collateral has not been taken into account.

Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

Classification	As of September 30, 2007
To buy protection	—
To sell protection (Credit Default Swap)	**96.7**

Note: Derivative Transactions included in risk-weighted assets calculation for investment funds are not included.

Notional Principal Amount of Credit Derivatives Taking into Consideration the Effect of Credit Risk Mitigation Techniques

(Billions of yen)

Classification	As of September 30, 2007
Notional principal amount	—

Note: Under the stipulations of the Notification Regarding Capital Adequacy, Article 21 and Article 56, the amount of credit risk assets not computed has not been included.

6. Items for Securitization Exposure (Non-Consolidated)

The Amount of Underlying Assets Securitized by the Bank and Details by Asset Type

As of September 30, 2007, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Amount of Securitization Exposure Held as Investor and Details by Asset Type

(Billions of yen)

Classification	As of September 30, 2007
Amount of securitization exposure	**4,877.2**
Business corporations	**2,066.1**
Individuals	**1,691.2**
Real estate	**988.8**
Other	**130.9**

Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**4,877.2**	**116.2**
Risk weight: 25% or less	**4,241.0**	**42.7**
Risk weight: 25.01% to 100.00%	**549.1**	**29.3**
Risk weight: 100.01% to 425%	**52.8**	**10.4**
Risk weight: 425.01% to 1,250%	**1.9**	**1.3**
Deductions from capital	**32.3**	**32.3**

Amount of Securitization Exposure Deducted from Capital and Details by Asset Type

(Under the stipulations of the Notification Regarding Capital Adequacy, Article 224)

(Billions of yen)

Classification	As of September 30, 2007
Amount of securitized exposure deducted from capital	**32.3**
Business corporations	**15.8**
Individuals	**0.8**
Real estate	**2.3**
Other	**13.1**

Risk-Weighted Assets Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy

Not applicable

7. Items for Market Risk (Non-Consolidated)

(Computation of the Market Risk Amount Using the Internal Models Approach)

VaR

(Millions of yen)

	For the six months ended September 30, 2007			
	Base date of computation	For the most recent 60 business days		
		Maximum	Minimum	Average
VaR	September 28, 2007	**313**	**100**	**172**

Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2007
For the portion computed with the internal models approach (B)+(E)	(A)	**585**
Value at Risk (MAX (C, D))	(B)	**585**
Amount on base date of computation	(C)	**112**
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**585**
Additional amount at the time of measuring individual risk	(E)	**0**
(Multiplier)	(F)	**3.40**
(Times exceeding VaR in back testing)	(G)	**5**

Note: To test the appropriateness of the Bank's internal model, the estimates of risk volume computed by the model are compared with actual profit and loss on a daily basis (known as back testing). When divergences between the model's estimates and actual results rise above the set level, analyses of the causes of this divergence are conducted, and, depending on the results of the analyses, the model is reviewed and revised as necessary.

8. Items for Equity Exposure (Non-Consolidated)

(Includes items such as shares, excludes items in a trading account)

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2007	
	Amounts on the balance sheet	Market value
Equity exposure	**1,170.7**	**1,170.7**
Exposure to publicly traded equity	**976.5**	**976.5**
Exposure to privately held equity	**194.1**	**194.1**

Notes: 1. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.
2. Regarding "market value," equities with quoted market values are evaluated at market, and those without market values are valued using the total amounts entered in the half-year balance sheet.

Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

Item	For the six months ended September 30, 2007		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**19.9**	**0.0**	**25.1**

Note: Amounts reflect relevant figures posted in the half-year consolidated income statements.

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2007	
	Amount of valuation gain (loss) recognized on the balance sheet and not recognized in the statements of operations	Amount of valuation gain (loss) not recognized on the balance sheet nor the statements of operations
Equity exposure	**324.1**	**—**

Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.
2. No stocks included in this table are fund-raising instruments of other financial institutions that the Bank holds deliberately as specified in the Notification Regarding Capital Adequacy, Article 20-1-1.

Amount Included in Supplementary Capital (Tier II) Under the Stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1

(Billions of yen)

Item	As of September 30, 2007
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1	**145.8**

Note: "Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1" is 45% of the total value of exposure to equity and other investments (excluding equities, etc., that are fund-raising instruments of other financial institutions that the Bank holds deliberately, as specified in the Notification Regarding Capital Adequacy, Article 20-1-1) classified under other securities at market value minus the total book value of these securities.

Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy, Appendix Article 13

(Billions of yen)

Classification	As of September 30, 2007
	Amounts on the balance sheet
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**667.5**
Corporate	**631.1**
Bank	**32.8**
Sovereign	**3.6**

Note: Appendix Article 13 of the Notification Regarding Capital Adequacy specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.

9. Items for Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund (Non-Consolidated)

Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

Classification	As of September 30, 2007	
	Amount of exposure	(For reference) Weighted-average risk weight
Look-through approach	**17,339.6**	**65%**
Majority approach	**1,040.9**	**354%**
Mandate approach	**—**	**—**
Market-based approach	**4,039.2**	**186%**
Others (simple approach)	**538.3**	**500%**
Total	**22,958.2**	**103%**

Notes: 1. The “Look-through approach” is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy, Article 144-1.)
2. The “Majority approach” is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in the fund. (Please refer to the Notification Regarding Capital Adequacy, Article 144-2.)
3. The “Mandate approach” is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy, Article 144-3.)
4. The “Market-based approach” is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank’s internal model. (Please refer to the Notification Regarding Capital Adequacy, Article 144-4.)
5. The “Others (simple approach)” is a method for computing the risk-weighted assets in fund by applying a risk weight of 400%, when it is judged that the probability that the weighted-average risk weight will be less than 400%. In all other cases, a risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy, Article 144-5.)
6. The items “(For reference) Weighted-average risk weight” is computed as follows: calculating the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).

10. Items for Interest-Rate Risk (Non-Consolidated)

(Interest-rate risk (excluding trading account) is the gain or loss from interest-rate shocks or the increase or decrease in economic value used for internal management purposes.)

Interest-Rate Risk Volume Computed with the Internal Model in Its Core Business Accounts (The Banking Accounts)

(Billions of yen)

Classification	As of September 30, 2007
Interest-rate risk	**1,463.8**
Yen interest-rate risk	**15.2**
U.S. dollar interest-rate risk	**1,275.5**
Euro interest-rate risk	**159.1**
Interest-rate risk in other currencies	**13.9**

The Norinchukin Bank