

# 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
<b>• Assets</b>			
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
<b>• Liabilities and Net Assets</b>			
<b>Liabilities</b>			
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
<b>Net Assets</b>			
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
<b>• Income</b>			
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
<b>• Expenses</b>			
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
<b>Income before Income Taxes and Minority Interests</b>	<b>219,116</b>	<b>389,140</b>	<b>1,899</b>
Income Taxes			
Current	28,058	75,361	243
Deferred	47,174	56,349	409
Minority Interests in Net Income	308	591	3
<b>Net Income</b>	<b>¥ 143,575</b>	<b>¥ 256,837</b>	<b>\$ 1,244</b>

	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
<b>• Capital Surplus</b>			
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
<b>• Retained Earnings</b>			
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
<b>Cash Flows from Operating Activities:</b>			
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)
	<b>Six months ended September 30, 2007</b>	Year ended March 31, 2007	<b>Six months ended September 30, 2007</b>
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	<b>(4,076,798)</b>	(12,010,610)	<b>(35,328)</b>
Proceeds from Sales of Securities	<b>4,595,546</b>	8,963,869	<b>39,823</b>
Proceeds from Redemption of Securities	<b>1,664,066</b>	5,836,332	<b>14,420</b>
Increase in Money Held in Trust	<b>(635,110)</b>	(3,397,816)	<b>(5,504)</b>
Decrease in Money Held in Trust	<b>2,106,981</b>	3,366,793	<b>18,258</b>
Purchases of Tangible Fixed Assets	<b>(1,655)</b>	(4,746)	<b>(14)</b>
Purchases of Intangible Fixed Assets	<b>(5,677)</b>	(4,583)	<b>(49)</b>
Proceeds from Sales of Tangible Fixed Assets	—	719	—
Proceeds from Sales of Intangible Fixed Assets	<b>0</b>	0	<b>0</b>
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	<b>3,647,353</b>	2,747,991	<b>31,606</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from Issuance of Subordinated Bonds	—	357,097	—
Proceeds from Issuance of Stock	—	19,000	—
Dividends Paid	<b>(82,171)</b>	(65,492)	<b>(712)</b>
Dividends Paid to Minority Interests	<b>(47)</b>	(28)	<b>(0)</b>
Net Cash (Used in) Provided by Financing Activities	<b>(82,219)</b>	310,577	<b>(712)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>			
	—	0	—
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(230,563)</b>	(343,215)	<b>(1,998)</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>334,260</b>	677,476	<b>2,897</b>
<b>Cash and Cash Equivalents at the End of the Period</b> (Note 12)	<b>¥ 103,697</b>	¥ 334,260	<b>\$ 899</b>

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
<b>Total</b>	<b>¥41,547,014</b>	<b>¥43,730,249</b>	<b>\$360,026</b>

### 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
<b>Total</b>	<b>¥12,349,632</b>	<b>¥12,854,680</b>	<b>\$107,016</b>

	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
<b>Total</b>	<b>¥216,101</b>	<b>¥290,338</b>	<b>\$1,873</b>

(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	<b>¥33,705,448</b>	¥33,744,510	<b>\$292,075</b>
Deposits at Notice	<b>26,362</b>	27,702	<b>228</b>
Ordinary Deposits	<b>940,667</b>	1,366,694	<b>8,151</b>
Current Deposits	<b>60,691</b>	105,800	<b>526</b>
Other Deposits	<b>5,904,265</b>	5,998,784	<b>51,164</b>
Total	<b>¥40,637,435</b>	¥41,243,492	<b>\$352,144</b>

## 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
	<b>September 30, 2007</b>	March 31, 2007	<b>September 30, 2007</b>
Common Stock	<b>¥1,459,017</b>	¥1,459,017	<b>\$12,643</b>
Preferred Stock	<b>24,999</b>	24,999	<b>217</b>
Total	<b>¥1,484,017</b>	¥1,484,017	<b>\$12,860</b>

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

## 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

	Millions of Yen							
Six Months ended September 30, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated	
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	

	Millions of Yen							
Fiscal year ended March 31, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated	
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	

	Millions of U.S. Dollars							
Six Months ended September 30, 2007	Japan	Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated	
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
<b>Six Months ended September 30, 2007</b>	<b>¥ 965,237</b>	<b>¥1,319,516</b>	<b>73.1%</b>
Fiscal years ended March 31, 2007	¥1,971,761	¥2,621,450	75.2%

  

	Millions of U.S. Dollars		Percentage
	<b>Six Months ended September 30, 2007</b>	<b>\$8,364</b>	<b>\$11,434</b>

**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		
			Net	Gain	Loss
<b>As of September 30, 2007</b>					
Japanese Government Bonds	<b>¥16,682</b>	<b>¥16,682</b>	<b>¥0</b>	<b>¥24</b>	<b>¥24</b>
Total	<b>¥16,682</b>	<b>¥16,682</b>	<b>¥0</b>	<b>¥24</b>	<b>¥24</b>

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

**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
<b>Total</b>	<b>¥39,397,130</b>	<b>¥41,059,130</b>	<b>¥1,662,000</b>	<b>¥2,080,031</b>	<b>¥418,031</b>

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
<b>Total</b>	<b>\$341,397</b>	<b>\$355,798</b>	<b>\$14,401</b>	<b>\$18,024</b>	<b>\$3,623</b>

- Notes:**
- 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.
  - Carrying values of securities held on the consolidated balance sheets are stated based on the quoted market price at the consolidated balance sheets date.
  - 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

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

**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 March 31, 2007	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Gain/Loss		
			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
<b>Total</b>	<b>¥41,122,036</b>	<b>¥43,214,232</b>	<b>¥2,092,195</b>	<b>¥2,276,059</b>	<b>¥183,863</b>

**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)

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

As of September 30, 2007	Millions of U.S. Dollars				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			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)

As of March 31, 2007	Millions of Yen				
	Acquisition Cost	Carrying Value	Net Unrealized Gain		
			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	<b>1,409,621</b>	<b>589</b>	<b>589</b>	2,057,743	1,839	1,839
	Currency Options	—	—	—	—	—	—
	Other	—	—	—	—	—	—
<b>Total</b>		<b>/</b>	<b>¥589</b>	<b>¥589</b>	<b>/</b>	<b>¥2,324</b>	<b>¥2,324</b>

		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	<b>\$12,215</b>	<b>5</b>	<b>5</b>
	Currency Options	—	—	—
	Other	—	—	—
<b>Total</b>		<b>/</b>	<b>\$ 5</b>	<b>\$ 5</b>

**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	<b>¥88,325</b>	<b>¥178</b>	<b>¥178</b>	¥56,024	¥(46)	¥(46)
	Bond Futures Options	—	—	—	—	—	—
Over-the-counter Transactions	Bond Options	—	—	—	—	—	—
	Other	—	—	—	—	—	—
Total		/	<b>¥178</b>	<b>¥178</b>	/	¥(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	<b>\$765</b>	<b>\$2</b>	<b>\$2</b>
	Bond Futures Options	—	—	—
Over-the-counter Transactions	Bond Options	—	—	—
	Other	—	—	—
Total		/	<b>\$2</b>	<b>\$2</b>

**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	<b>¥96,723</b>	<b>¥602</b>	<b>¥602</b>	¥ —	¥ —	¥ —
	Other	—	—	—	—	—	—
Total		/	<b>¥602</b>	<b>¥602</b>	/	¥ —	¥ —

		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	<b>\$838</b>	<b>\$5</b>	<b>\$5</b>
	Other	—	—	—
Total		/	<b>\$5</b>	<b>\$5</b>

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