

Consolidated Balance Sheets (Unaudited)

The Norinchukin Bank and Subsidiaries

As of September 30, 2008 and 2007, and March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2008	2007	2008	2008
Assets				
Cash and Due from Banks (Note 12)	¥ 2,542,038	¥ 1,454,087	¥ 1,096,901	\$ 24,549
Call Loans and Bills Bought	2,420,430	1,424,249	1,851,020	23,375
Receivables under Resale Agreements	—	680,215	258,135	—
Receivables under Securities Borrowing Transactions	1,742,089	713,643	1,108,779	16,824
Monetary Claims Bought	709,673	826,839	770,387	6,853
Trading Assets	30,278	51,631	48,033	292
Money Held in Trust (Notes 4 and 15)	6,676,643	6,242,523	7,964,516	64,478
Securities (Notes 3, 5, 10 and 14)	32,938,732	41,547,014	36,242,079	318,095
Loans and Bills Discounted (Notes 4, 5 and 9)	8,818,621	12,349,632	9,853,902	85,163
Foreign Exchange Assets	54,558	4,598	7,119	527
Other Assets (Note 5)	1,317,527	602,118	1,452,979	12,724
Tangible Fixed Assets	133,833	139,190	136,254	1,293
Intangible Fixed Assets	24,691	12,417	18,417	238
Deferred Tax Assets	463,326	2,818	153,135	4,474
Customers' Liabilities for Acceptances and Guarantees	370,852	288,173	317,809	3,581
Reserve for Possible Loan Losses	(140,090)	(140,244)	(140,511)	(1,353)
Reserve for Possible Investment Losses	—	—	(53,455)	—
Total Assets	¥58,103,207	¥66,198,912	¥61,085,505	\$561,113
Liabilities and Net Assets				
Liabilities				
Deposits (Note 6)	¥38,302,586	¥40,637,435	¥38,804,362	\$369,895
Negotiable Certificates of Deposit	499,461	1,298,078	538,019	4,823
Debentures	5,030,713	4,659,454	4,821,975	48,582
Bonds (Note 7)	320,232	364,988	337,695	3,092
Call Money and Bills Sold (Note 5)	1,467,489	794,348	758,000	14,172
Payables under Repurchase Agreements (Note 5)	2,416,414	6,177,155	4,461,811	23,336
Payables under Securities Lending Transactions (Note 5)	338,158	791,353	496,637	3,266
Trading Liabilities	8,836	14,219	15,248	85
Borrowed Money (Notes 5 and 8)	1,950,850	1,136,531	998,700	18,840
Foreign Exchange Liabilities	37	1	2	0
Short-term Entrusted Funds	4,255,482	4,031,430	4,401,193	41,096
Other Liabilities	667,656	1,267,761	1,876,213	6,448
Reserve for Bonus Payments	5,963	5,782	5,826	58
Reserve for Employees' Retirement Benefits	888	781	832	9
Reserve for Directors' Retirement Benefits	925	643	791	9
Deferred Tax Liabilities	—	590,579	1,031	—
Deferred Tax Liabilities for Land Revaluation	19,284	19,802	19,452	186
Acceptances and Guarantees	370,852	288,173	317,809	3,581
Total Liabilities	55,655,833	62,078,524	57,855,604	537,478
Net Assets				
Paid-in Capital (Note 11)	2,016,033	1,484,017	2,016,033	19,469
Capital Surplus	25,020	25,020	25,020	242
Retained Earnings	1,382,351	1,323,334	1,457,413	13,349
Total Owners' Equity	3,423,405	2,832,372	3,498,467	33,060
Net Unrealized Gains (Losses) on Other Securities, net of taxes	(1,083,717)	1,269,036	(296,711)	(10,466)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	67,697	(21,968)	(12,003)	654
Revaluation Reserve for Land, net of taxes	33,835	34,981	34,208	327
Foreign Currency Transaction Adjustments	(11)	(2)	(16)	(0)
Total Valuation and Translation Adjustments	(982,195)	1,282,047	(274,523)	(9,485)
Minority Interests	6,163	5,967	5,956	60
Total Net Assets	2,447,374	4,120,387	3,229,901	23,635
Total Liabilities and Net Assets	¥58,103,207	¥66,198,912	¥61,085,505	\$561,113

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

Consolidated Statements of Operations (Unaudited)

The Norinchukin Bank and Subsidiaries

For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	2008
Income				
Interest Income:	¥685,749	¥1,037,203	¥1,941,088	\$6,622
Interest on Loans and Bills Discounted	62,872	76,318	151,179	607
Interest and Dividends on Securities	585,138	929,683	1,720,157	5,651
Fees and Commissions	8,634	9,382	19,251	83
Trading Income	306	80	1,044	3
Other Operating Income	69,939	57,356	313,617	676
Other Income	187,924	280,816	428,822	1,815
Total Income	952,553	1,384,840	2,703,825	9,199
Expenses				
Interest Expenses:	617,135	932,582	1,732,433	5,960
Interest on Deposits	140,531	185,790	369,999	1,357
Fees and Commissions	7,227	5,817	10,616	70
Trading Expenses	571	307	201	5
Other Operating Expenses	164,357	121,167	304,967	1,587
General and Administrative Expenses	59,637	59,378	113,144	576
Other Expenses	80,676	46,470	117,177	779
Total Expenses	929,605	1,165,724	2,278,540	8,977
Income before Income Taxes and Minority Interests	22,947	219,116	425,284	222
Income Taxes				
Current	1,525	28,058	137,263	15
Deferred	13,544	47,174	10,675	131
Minority Interests in Net Income	123	308	464	1
Net Income	¥ 7,754	¥ 143,575	¥ 276,880	\$ 75

	Yen		U.S. Dollars (Note 1)
	Six months ended September 30		Six months ended September 30
	2008	2007	2008
Net Income per Share	¥1.82	¥33.64	¥49.49
			\$0.02

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

Consolidated Statements of Capital Surplus and Retained Earnings (Unaudited)

The Norinchukin Bank and Subsidiaries

For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	2008
Capital Surplus				
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	¥ 25,020	\$ 242
Balance at the End of the Period	25,020	25,020	25,020	242
Retained Earnings				
Balance at the Beginning of the Fiscal Year	1,457,413	1,249,484	1,249,484	14,074
Additions:				
Net Income	7,754	143,575	276,880	75
Transfer from Revaluation Reserve for Land, net of taxes	372	12,446	13,220	3
Deductions:				
Dividends	83,188	82,171	82,171	803
Balance at the End of the Period	¥1,382,351	¥1,323,334	¥1,457,413	\$13,349

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

Consolidated Statements of Cash Flows (Unaudited)

The Norinchukin Bank and Subsidiaries

For the six months ended September 30, 2008 and 2007, and the fiscal year ended March 31, 2008

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	2008
Cash Flows from Operating Activities:				
Income before Income Taxes and Minority Interests	¥ 22,947	¥ 219,116	¥ 425,284	\$ 222
Depreciation	3,293	4,212	8,109	32
Losses on Impairment of Fixed Assets	1,014	831	1,103	10
Amortization of Goodwill	—	—	(55)	—
Equity in Losses (Earnings) of Affiliates	3	(514)	(519)	0
Net Decrease in Reserve for Possible Loan Losses	(420)	(64,136)	(63,868)	(4)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(53,455)	(38,628)	14,827	(516)
Net Increase in Reserve for Bonus Payments	137	750	794	1
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	55	(1,068)	(1,017)	0
Net Increase in Reserve for Directors' Retirement Benefits	134	453	600	1
Interest Income	(685,749)	(1,037,203)	(1,941,088)	(6,622)
Interest Expenses	617,135	932,582	1,732,433	5,960
Losses (Gains) on Securities	189,623	51,171	(20,791)	1,831
Gains on Money Held in Trust	(23,505)	(61,607)	(11,575)	(227)
Foreign Exchange Losses (Gains)	(630,629)	159,746	3,388,081	(6,090)
Losses (Gains) on Disposals of Fixed Assets	106	(565)	32	1
Net Decrease in Trading Assets	17,755	918	4,516	171
Net Decrease in Trading Liabilities	(6,411)	(5,443)	(4,414)	(62)
Net Decrease in Loans and Bills Discounted	1,035,281	505,047	3,000,777	9,998
Net Decrease in Deposits	(501,776)	(606,057)	(2,439,130)	(4,846)
Net Decrease in Negotiable Certificates of Deposit	(38,557)	(1,076,948)	(1,837,007)	(372)
Net Increase in Debentures	208,737	188,298	350,819	2,016
Net Increase in Borrowed Money (Excluding Subordinated Borrowed Money)	952,150	5,000	5,000	9,195
Net Increase in Interest-bearing Due from Banks	(1,313,853)	(818,238)	(383,784)	(12,688)
Net Increase in Call Loans and Bills Bought and Other	(250,561)	(1,266,798)	(1,215,036)	(2,420)
Net Increase in Receivables under Securities Borrowing Transactions	(633,309)	(150,361)	(545,497)	(6,116)
Net Decrease in Call Money and Bills Sold and Other	(1,335,907)	(1,535,974)	(3,287,667)	(12,901)
Net Increase (Decrease) in Short-term Entrusted Funds	(145,711)	1,162,462	1,532,226	(1,407)
Net Decrease in Payables under Securities Lending Transactions	(158,479)	(553,671)	(848,387)	(1,531)
Net Increase in Foreign Exchanges Assets	(47,439)	(1,422)	(3,943)	(458)
Net Increase in Foreign Exchanges Liabilities	34	0	1	0
Interest Received	714,163	1,015,187	1,957,856	6,897
Interest Paid	(546,619)	(806,776)	(1,712,230)	(5,279)
Other, Net	(378,608)	50,339	(187,385)	(3,656)
Subtotal	(2,988,421)	(3,729,297)	(2,080,936)	(28,860)
Income Taxes Paid	(121,955)	(66,399)	(76,447)	(1,178)
Net Cash Used in Operating Activities	(3,110,377)	(3,795,696)	(2,157,384)	(30,038)

Consolidated Statements of Cash Flows (Unaudited)

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six months ended September 30	Year ended March 31	Six months ended September 30	
	2008	2007	2008	2008
Cash Flows from Investing Activities:				
Purchases of Securities	(2,293,305)	(4,076,798)	(8,847,073)	(22,147)
Proceeds from Sales of Securities	2,302,805	4,595,546	7,240,315	22,239
Proceeds from Redemption of Securities	2,473,901	1,664,066	3,714,911	23,891
Increase in Money Held in Trust	(1,397,741)	(635,110)	(3,019,593)	(13,498)
Decrease in Money Held in Trust	2,246,040	2,106,981	2,615,657	21,690
Purchases of Tangible Fixed Assets	(761)	(1,655)	(4,771)	(7)
Purchases of Intangible Fixed Assets	(6,156)	(5,677)	(9,638)	(60)
Proceeds from Sales of Tangible Fixed Assets	—	—	2,177	—
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	—	—	(86)	—
Proceeds from Sales of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	158	—	—	2
Net Cash Provided by Investing Activities	3,324,941	3,647,353	1,691,897	32,110
Cash Flows from Financing Activities:				
Proceeds from Issuance of Subordinated Borrowed Money	—	—	383,800	—
Repayment of Subordinated Borrowings	—	—	(521,632)	—
Proceeds from Issuance of Stock	—	—	532,016	—
Dividends Paid	(83,188)	(82,171)	(82,171)	(803)
Dividends Paid to Minority Interests	(47)	(47)	(47)	(1)
Net Cash Provided by (Used in) Financing Activities	(83,235)	(82,219)	311,964	(804)
Net Increase (Decrease) in Cash and Cash Equivalents	131,327	(230,563)	(153,521)	1,268
Cash and Cash Equivalents at the Beginning of the Fiscal Year	180,738	334,260	334,260	1,746
Cash and Cash Equivalents at the End of the Period (Note 12)	¥ 312,066	¥ 103,697	¥ 180,738	\$ 3,014

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

Notes to the Consolidated Financial Statements (Unaudited)

The Norinchukin Bank and Subsidiaries

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in 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.

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 ¥103.55=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2008, 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

“Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, March 30, 2007) are applicable from the fiscal year beginning on or after April 1, 2008. The Bank has adopted the standard and guidance from the period ended September 30, 2008.

The effect of this adoption on the Consolidated Financial Statements is immaterial.

The definitions of securities in “Accounting Standard for Financial Instruments” (ASBJ statement No. 10) and in “Practical Guidelines 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 ending on or after the effective date of Financial Instruments and Exchange Law. The Bank has adopted the revised standards and guidance from the period ended September 30, 2007.

Prior to March 31, 2007, taking into consideration mutually complementary relationship of the cash flows as well as functional characteristic, the operating assets were grouped into the head office, domestic branches and overseas branches, for which the operating results were separately measured on a periodical basis, while idle assets (including assets held for sale) were grouped by asset. Effective April 1, 2007, the Bank changed the grouping of the operating assets to aggregate the head office, domestic branches and overseas branches as one unit, while the grouping of the idle assets remains unchanged. This change was in line with revisions of the branch policies reflecting the newly established JA Bank Medium-Term Management Strategy (1. successive abolition of retail businesses related to funding and investing at domestic branches and integration of those businesses to the head office or “block offices”, 2. the revisions in the functions of each branch offices and the commencement of the above mentioned integration and abolition, and 3. integrated operation of investments and loans with overseas office).

(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.

Notes to the Consolidated Financial Statements (Unaudited)

The number of subsidiaries as of September 30, 2008 and 2007 was 8 and 9, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The balance sheet date of the first half of fiscal year of all Consolidated Subsidiaries is September 30.

Due to merger in April, 2008 with Nochu Information System Co., Ltd. which is a consolidated subsidiary, The JA Bank Computer System Co., Ltd. was excluded from the scope of consolidation in fiscal 2008.

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, 2008 and 2007 was 5 and 5, 4 and 4 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:

Mitsubishi UFJ NICOS Co., Ltd.

Due to acquisition of its share, Mitsubishi UFJ NICOS Co., Ltd. was newly accounted for by the equity method in the fiscal year. Goodwill is amortized using the straight-line method over 20 years.

Due to establishment of joint holding company and share exchange transaction with Mitsui Leasing and Development, Ltd., Kyodo Leasing Co., Ltd. and Kyodo Auto Leasing Co., Ltd. were excluded from the affiliates in fiscal 2008.

(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 in Trading Income and Trading Expenses on the Consolidated Statements of Operations.

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 of derivatives resulting from any change in the fair value, which is determined assuming they were settled at the end of the period, from 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. Investments in affiliates that are not accounted for under the equity method are valued at cost, as determined by the moving average method. Other securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities that do not have readily determinable fair value are valued at cost

Notes to the Consolidated Financial Statements (Unaudited)

determined by the moving average method or are valued at amortized cost. Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets.

(Additional information)

As for floating-rate Japanese government bonds which have recently been rarely dealt in the market, the Bank considered that market prices are no longer deemed as fair value, and evaluates the floating-rate Japanese government bonds based on reasonably estimated amounts at the end of the first half of the fiscal 2008.

As a result, compared with the case where they are valued based on the market prices, Securities and Net Unrealized Gains on Other Securities as of September 30, 2008 increased by ¥575,984 million (\$5,562 million) and ¥396,565 million (\$3,830 million), respectively, and Deferred Tax Assets decreased by ¥179,419 million (\$1,733 million).

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

Deferred hedge gains or losses were recorded in the consolidated balance sheets as a result of applying the hedge accounting method 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 from 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 balances of deferred hedge losses and deferred hedge gains under a macro hedging methodology, before deducting the tax effect, as of September 30, 2008 and 2007 were ¥11,154 million (\$108 million) and ¥127 million (\$1 million), and ¥23,908 million and ¥309 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 from 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 exceeds those of the acquisition costs of the foreign currency securities designated as hedged items.

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

A certain Bank's consolidated subsidiary applies the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps.

(4) Tangible Fixed Assets (excluding Lease Assets)

① Depreciation

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

The useful lives of major Tangible Fixed Assets are as follows:

Buildings:	15 years to 50 years
Others:	5 years to 15 years

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

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) Lease Assets

① Depreciation

Depreciation of Lease Assets in Tangible Fixed Assets which are finance leases where the ownership of assets is not transferred to the lessees is calculated using the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

② Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting for operating leases.

(7) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the consolidated balance sheet date.

Assets and liabilities of the consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen using the respective exchange rates in effect at the balance sheet date.

(8) Reserve for Possible Loan Losses

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

- a. Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. With respect to loans to borrowers who are legally or substantially bankrupt and that are secured by collateral or guarantees, the remaining book value of the loan, after the deduction of the amount of collateral or the execution of guarantees, is directly written off. Direct write-offs were ¥64,407 million (\$622 million) and ¥65,524 million for the period ended September 30, 2008 and 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. Specific reserve for loans to certain countries with financial difficulties is provided based on the expected amount of losses taking into account the political, economic and other conditions in each country.

All claims are assessed by the Business Units based on the Bank's internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from the Business Units, audits these self-assessments. Reserve described above is determined based on the results of these self-assessments.

Reserve for Possible Loan Losses for receivables of the Bank's consolidated subsidiaries is provided at the amount determined as necessary using the past default ratio. Reserve for Possible Loan Losses for problem receivables of the Bank's consolidated subsidiaries is provided by taking into account their recoverability and an estimate of uncollectible amount.

(9) Reserve for Possible Investment Losses

Reserve for Possible Investment Losses represents an amount determined to be necessary to cover the estimated loss from the investments, taking into account financial conditions and other factors of the issuer of the securities.

(10) Reserve for Bonus Payments

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

Notes to the Consolidated Financial Statements (Unaudited)

(11) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

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

(12) Reserve for Directors' Retirement Benefits

Reserve for Directors' Retirement Benefits for the payments of retirement benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the period.

(13) Consumption Taxes

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

(14) Accounting for Income Taxes

Income Taxes-Current and Income Taxes-Deferred are calculated based upon assumption that transfer to or reversal from Reserve for Tax Basis Adjustments of Fixed Assets is made at the end of the fiscal year.

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

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

(16) Net Income per Share

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

The aggregate number of Lower Dividend Rate Stocks and Preferred Stocks are deducted from the denominator in the calculation of net income per share.

3. Securities

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Japanese Government Bonds	¥ 9,186,161	¥10,226,398	\$ 88,712
Municipal Government Bonds	8,334	31,607	81
Corporate Bonds	428,336	477,232	4,137
Stocks	736,883	909,395	7,116
Other	22,579,016	29,902,381	218,049
Foreign Bonds	12,516,032	14,956,222	120,869
Foreign Stocks	85,124	73,742	822
Other	9,977,860	14,872,416	96,358
Total	¥32,938,732	¥41,547,014	\$318,095

4. Loans and Bills Discounted

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Loans on Deeds	¥6,916,150	¥10,395,855	\$66,791
Loans on Bills	180,830	204,058	1,746
Overdrafts	1,710,222	1,731,394	16,516
Bills Discounted	11,418	18,323	110
Total	¥8,818,621	¥12,349,632	\$85,163

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Loans to Borrowers under Bankruptcy Proceedings	¥ 14,134	¥ 6,915	\$ 137
Delinquent Loans	127,085	150,248	1,227
Loans Past Due for Three Months or More	750	757	7
Restructured Loans	63,314	58,180	611
Total	¥205,285	¥216,101	\$1,982

(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 the period of time past due and other reasons, as 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 payments of interest 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.

In addition, Money Held in Trust includes delinquent loans of ¥267 million (\$3 million) as of September 30, 2008.

(4) Restructured loans are loans whereby its terms are modified in favor of the borrowers by reducing the interest rate, deferred 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:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Securities	¥5,932,421	¥6,425,458	\$57,290
Loans and Bills Discounted	2,854,805	—	27,569

Liabilities related to the above pledged assets are as follows:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Call Money and Bills Sold	¥ 490,000	¥ 470,000	\$ 4,732
Payables under Repurchase Agreements	2,212,015	5,504,419	21,362
Payables under Securities Lending Transactions	79,604	452,305	769
Borrowed Money	942,150	—	9,099

In addition, as of September 30, 2008 and 2007, Securities of ¥2,761,950 million (\$26,673 million) and ¥3,537,124 million, respectively were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures markets.

As of September 30, 2008 and 2007, initial margins of futures transactions of ¥1,825 million (\$18 million) and ¥1,719 million, receivables under financial derivatives transactions of ¥6,700 million (\$65 million) and ¥5,462 million, and guarantee deposits of ¥5,788 million (\$56 million) and no amount were included in Other Assets, respectively.

6. Deposits

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Time Deposits	¥33,471,357	¥33,705,448	\$323,239
Deposits at Notice	23,381	26,362	226
Ordinary Deposits	741,223	940,667	7,158
Current Deposits	86,034	60,691	831
Other Deposits	3,980,588	5,904,265	38,441
Total	¥38,302,586	¥40,637,435	\$369,895

7. Bonds

Bonds include subordinated bonds of ¥320,232 million (\$3,092million) and ¥364,988 million as of September 30, 2008 and 2007, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥963,700 million (\$9,307 million) and ¥1,101,532 million as of September 30, 2008 and 2007, respectively.

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 ¥2,968,350 million (\$28,666 million) and ¥3,440,760 million as of September 30, 2008 and 2007, respectively. The amount, which the Bank and its consolidated subsidiaries can cancel at any time without penalty, is ¥1,957,948 million (\$18,908 million) and ¥2,161,327 million as of September 30, 2008 and 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, 2008 and 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 ¥467,871 million (\$4,518 million) and ¥1,010,303 million as of September 30, 2008 and 2007, respectively, and securities held without re-pledge of ¥2,196,998 million (\$21,217 million) and ¥1,548,189 million as of September 30, 2008 and 2007, respectively.

11. Paid-in Capital

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Common Stock	¥1,991,033	¥1,459,017	\$19,228
Preferred Stock	24,999	24,999	241
Total	¥2,016,033	¥1,484,017	\$19,469

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,565,316 million (\$15,116 million) and ¥1,033,300 million as of September 30, 2008 and 2007, respectively.

Lower Dividend Rate Stock is similar to regular common stock but has been issued on the condition that the dividend yield will be set below that relating to common stock.

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:

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2008	2007	2008
Cash and Due from Banks	¥2,542,038	¥1,454,087	\$24,549
Less: Interest-bearing Due from Banks	(2,229,972)	(1,350,390)	(21,535)
Cash and Cash Equivalents at the End of the Period	¥ 312,066	¥ 103,697	\$ 3,014

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, 2008	Millions of Yen					Elimination and Corporate Assets	Consolidated
	Japan	Americas	Europe	Asia	Total		
Ordinary Income							
(1) Ordinary Income from Third-parties	¥897,117	¥ 7,950	¥ 24,137	¥19,392	¥ 948,598	¥ —	¥948,598
(2) Inter-segment Ordinary Income	36,358	39,410	79,246	62,159	217,175	(217,175)	—
Total	933,476	47,360	103,384	81,552	1,165,773	(217,175)	948,598
Ordinary Expenses	922,948	40,049	101,653	81,008	1,145,659	(217,175)	928,484
Ordinary Profits	¥ 10,527	¥ 7,311	¥ 1,730	¥ 543	¥ 20,113	¥ —	¥ 20,113

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

Notes to the Consolidated Financial Statements (Unaudited)

Six Months ended September 30, 2008	Millions of U.S. Dollars						Elimination and Corporate Assets	Consolidated
	Japan	Americas	Europe	Asia	Total			
Ordinary Income								
(1) Ordinary Income from Third-parties	\$8,664	\$ 77	\$233	\$187	\$ 9,161	\$ —		\$9,161
(2) Inter-segment Ordinary Income	351	381	765	600	2,097	(2,097)		—
Total	9,015	458	998	787	11,258	(2,097)		9,161
Ordinary Expenses	8,913	387	982	782	11,064	(2,097)		8,967
Ordinary Profits	\$ 102	\$ 71	\$ 16	\$ 5	\$ 194	\$ —		\$ 194

Notes: 1. The Bank reported Ordinary Income and Ordinary Profits that corresponds to Sales and Operating Profits 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.

(c) Ordinary Income from International Operations

Six Months ended September 30	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
2008	¥734,535	¥ 948,598	77.4%
2007	¥965,237	¥1,319,516	73.1%

2008	Millions of U.S. Dollars		Percentage
	\$7,094	\$9,161	77.4%

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 Bank 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, 2008

Held-to-maturity Debt Securities that have Fair Value

As of September 30, 2008	Consolidated Balance Sheet Amount	Fair Value	Millions of Yen		
			Net Unrealized Gain		
			Net	Gain	Loss
Japanese Government Bonds	¥15,121	¥15,174	¥53	¥54	¥0
Total	¥15,121	¥15,174	¥53	¥54	¥0

As of September 30, 2008	Consolidated Balance Sheet Amount	Fair Value	Millions of U.S. Dollars		
			Net Unrealized Gain		
			Net	Gain	Loss
Japanese Government Bonds	\$146	\$147	\$1	\$1	\$0
Total	\$146	\$147	\$1	\$1	\$0

Note: Fair value is primarily based on the closing market prices at the consolidated balance sheet date.

Notes to the Consolidated Financial Statements (Unaudited)

Other Securities that have Fair Value

As of September 30, 2008	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	¥ 387,041	¥ 515,205	¥ 128,164	¥156,832	¥ 28,667
Bonds	9,177,772	9,471,113	293,341	295,251	1,910
Japanese Government Bonds	8,878,353	9,171,040	292,686	292,686	—
Municipal Government Bonds	7,636	7,724	87	89	1
Corporate Bonds	291,781	292,348	567	2,476	1,909
Other	23,410,990	21,453,884	(1,957,106)	215,739	2,172,846
Foreign Bonds	13,027,270	12,054,189	(973,081)	167,538	1,140,619
Foreign Stocks	45,648	38,722	(6,925)	—	6,925
Other	10,338,071	9,360,972	(977,099)	48,201	1,025,300
Total	¥32,975,803	¥31,440,203	¥(1,535,600)	¥667,823	¥2,203,424

As of September 30, 2008	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gain	Loss
Stocks	\$ 3,738	\$ 4,976	\$ 1,238	\$1,515	\$ 277
Bonds	88,631	91,464	2,833	2,851	18
Japanese Government Bonds	85,739	88,566	2,827	2,827	—
Municipal Government Bonds	74	75	1	1	0
Corporate Bonds	2,818	2,823	5	23	18
Other	226,084	207,183	(18,901)	2,083	20,984
Foreign Bonds	125,806	116,409	(9,397)	1,618	11,015
Foreign Stocks	441	374	(67)	—	67
Other	99,837	90,400	(9,437)	465	9,902
Total	\$318,453	\$303,623	\$(14,830)	\$6,449	\$21,279

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheets.

2. Consolidated balance sheets amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

As for floating-rate Japanese government bonds which have recently been rarely dealt in the market, the Bank considered that market prices are no longer be deemed as fair value, and evaluates the floating-rate Japanese government bonds based on reasonably estimated amounts at the end of the period.

As a result, compared with the case where they are valued based on the market prices, Securities and Net Unrealized Gains on Other Securities increased by ¥575,984 million (\$5,562 million) and ¥396,565 million (\$3,830 million), respectively, and Deferred Tax Assets decreased by ¥179,419 million (\$1,733 million).

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 from 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 ¥80,639 million (\$779 million) (including ¥719 million (\$7 million) on Stocks and ¥79,920 million (\$772 million) on Foreign Bonds).

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

Major components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of September 30, 2008	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	¥135,381	\$1,307
Foreign Bonds	461,842	4,460
Other	814,818	7,869

Notes to the Consolidated Financial Statements (Unaudited)

For the Six Months Ended September 30, 2007

Held-to-maturity Debt Securities that have Fair Value

As of September 30, 2007	Consolidated Balance Sheet Amount	Fair Value	Millions of Yen		
			Net	Net Unrealized Gain	
				Gain	Loss
Japanese Government Bonds	¥16,682	¥16,682	¥0	¥24	¥24
Total	¥16,682	¥16,682	¥0	¥24	¥24

Note: Fair value is primarily based on the closing market prices at the consolidated balance sheet date.

Other Securities that have Fair Value

As of September 30, 2007	Acquisition Cost	Consolidated Balance Sheet Amount	Millions of Yen		
			Net	Net Unrealized Gain/Loss	
				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

Notes: 1. The above analysis of Other Securities that have Fair Value includes Securities and negotiable certificates of deposit disclosed as Cash and Due from Banks in the consolidated balance sheets.
 2. Consolidated balance sheets amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet 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 from 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.
 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.

Major components and Consolidated Balance Sheet amount of Securities not stated at Fair Value

As of September 30, 2007	Millions of Yen
Other Securities	
Unlisted Stocks	¥208,420
Foreign Bonds	10,728
Other	288,827

15. Fair Value of Money Held in Trust

For the Six Months Ended September 30, 2008

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

As of September 30, 2008	Acquisition Cost	Consolidated Balance Sheet Amount	Millions of Yen		
			Net	Net Unrealized Loss	
				Gain	Loss
Other Money Held in Trust	¥6,577,298	¥6,538,836	¥(38,461)	¥69,329	¥107,791

As of September 30, 2008	Acquisition Cost	Consolidated Balance Sheet Amount	Millions of U.S. Dollars		
			Net	Net Unrealized Loss	
				Gain	Loss
Other Money Held in Trust	\$63,518	\$63,147	\$(371)	\$670	\$1,041

Note: Consolidated balance sheet amount is stated based on the closing fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

Notes to the Consolidated Financial Statements (Unaudited)

For the Six Months Ended 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	Consolidated Balance Sheet Amount	Net	Net Unrealized Gain	Loss
Other Money Held in Trust	¥5,922,251	¥6,102,864	¥180,613	¥214,223	¥33,609

Note: Consolidated balance sheet amount of Other Money Held in Trust presented on the consolidated balance sheets is based on the quoted market price of the underlying assets as at the consolidated balance sheet date.

16. Fair Value of Derivative Instruments

Interest Rate-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain/Loss
Exchange-traded Transactions:						
Interest Rate Futures	¥ 23,013	¥ 7	¥ 7	¥ 211,864	¥ (167)	¥ (167)
Interest Rate Options	—	—	—	—	—	—
Over-the-counter Transactions:						
Forward Rate Agreements	—	—	—	—	—	—
Interest Rate Swaps	1,828,282	1,389	1,389	2,754,819	1,237	1,237
Interest Rate Options	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	/	¥1,396	¥1,396	/	¥1,069	¥1,069

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Interest Rate Futures	\$ 222	\$ 0	\$ 0
Interest Rate Options	—	—	—
Over-the-counter Transactions:			
Forward Rate Agreements	—	—	—
Interest Rate Swaps	17,656	13	13
Interest Rate Options	—	—	—
Other	—	—	—
Total	/	\$13	\$13

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).

Notes to the Consolidated Financial Statements (Unaudited)

Currency-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Currency Futures	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Currency Options	—	—	—	—	—	—
Over-the-counter Transactions:						
Currency Swaps	—	—	—	—	—	—
Forwards	912,580	(1,664)	(1,664)	1,409,621	589	589
Currency Options	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	/	¥(1,664)	¥(1,664)	/	¥589	¥589

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions:			
Currency Futures	\$ —	\$ —	\$ —
Currency Options	—	—	—
Over-the-counter Transactions:			
Currency Swaps	—	—	—
Forwards	8,813	(16)	(16)
Currency Options	—	—	—
Other	—	—	—
Total	/	\$(16)	\$(16)

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.

Notes to the Consolidated Financial Statements (Unaudited)

Stock-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 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, 2008		
	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	10	—	—
Total	/	\$—	\$—

Note: 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, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Bond Futures	¥25,994	¥179	¥179	¥88,325	¥178	¥178
Bond Futures Options	—	—	—	—	—	—
Over-the-counter Transactions:						
Bond Options	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	/	¥179	¥179	/	¥178	¥178

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Bond Futures	\$251	\$ 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.

Notes to the Consolidated Financial Statements (Unaudited)

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of September 30, 2008 and 2007.

Credit Derivative Instruments

	Millions of Yen					
	As of September 30, 2008			As of September 30, 2007		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Over-the-counter Transactions:						
Credit Default Swaps	¥99,455	¥(5,715)	¥(5,715)	¥96,723	¥602	¥602
Other	—	—	—	—	—	—
Total	/	¥(5,715)	¥(5,715)	/	¥602	¥602

	Millions of U.S. Dollars		
	As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Over-the-counter Transactions:			
Credit Default Swaps	\$960	\$(55)	\$(55)
Other	—	—	—
Total	/	\$(55)	\$(55)

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.

17. The Norinchukin Bank (Parent Company)**(a) Non-consolidated Balance Sheets (Unaudited)**

	Millions of Yen			Millions of
	September 30		March 31	U.S. Dollars
	2008	2007	2008	September 30
Assets				
Cash and Due from Banks	¥ 2,541,038	¥ 1,453,349	¥ 1,095,094	\$ 24,539
Call Loans	2,405,430	1,407,249	1,833,020	23,230
Receivables under Resale Agreements	—	680,215	258,135	—
Receivables under Securities Borrowing Transactions	1,742,089	713,643	1,108,779	16,824
Monetary Claims Bought	709,673	826,839	770,387	6,853
Trading Assets	30,278	51,631	48,033	292
Money Held in Trust	6,675,114	6,241,591	7,963,664	64,463
Securities	32,960,257	41,568,610	36,262,384	318,303
Loans and Bills Discounted	8,744,732	12,289,763	9,795,662	84,450
Foreign Exchange Assets	54,558	4,598	7,119	527
Other Assets	1,313,437	597,171	1,445,050	12,684
Tangible Fixed Assets	132,129	137,459	134,502	1,276
Intangible Fixed Assets	23,534	11,195	17,164	227
Deferred Tax Assets	460,318	—	150,750	4,445
Customers' Liabilities for Acceptances and Guarantees	458,094	538,214	492,389	4,424
Reserve for Possible Loan Losses	(136,335)	(137,764)	(136,922)	(1,317)
Reserve for Possible Investment Losses	(90)	(23)	(53,494)	(1)
Total Assets	¥58,114,263	¥66,383,746	¥61,191,721	\$561,219
Liabilities and Net Assets				
Liabilities				
Deposits	¥38,311,885	¥40,646,256	¥38,813,327	\$369,984
Negotiable Certificates of Deposit	499,461	1,298,078	538,019	4,823
Debentures	5,031,163	4,659,654	4,822,176	48,587
Call Money	1,467,489	794,348	758,000	14,172
Payables under Repurchase Agreements	2,416,414	6,177,155	4,461,811	23,336
Payables under Securities Lending Transactions	338,158	791,353	496,637	3,266
Trading Liabilities	8,836	14,219	15,248	85
Borrowed Money	2,226,547	1,467,161	1,301,922	21,502
Foreign Exchange Liabilities	37	1	2	0
Short-term Entrusted Funds	4,255,482	4,031,430	4,401,193	41,096
Other Liabilities	653,573	1,255,538	1,863,773	6,312
Reserve for Bonus Payments	4,758	4,636	4,746	46
Reserve for Directors' Retirement Benefits	747	433	539	7
Deferred Tax Liabilities	—	590,216	—	—
Deferred Tax Liabilities for Land Revaluation	19,284	19,802	19,452	186
Acceptances and Guarantees	458,094	538,214	492,389	4,424
Total Liabilities	55,691,935	62,288,503	57,989,241	537,826
Net Assets				
Paid-in Capital	2,016,033	1,484,017	2,016,033	19,469
Capital Surplus	25,020	25,020	25,020	242
Retained Earnings	1,363,256	1,304,165	1,435,601	13,165
Total Owners' Equity	3,404,310	2,813,203	3,476,655	32,876
Net Unrealized Gains (Losses) on Other Securities, net of taxes	(1,083,515)	1,269,007	(296,521)	(10,464)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	67,697	(21,949)	(11,861)	654
Revaluation Reserve for Land, net of taxes	33,835	34,981	34,208	327
Total Valuation and Translation Adjustments	(981,982)	1,282,039	(274,175)	(9,483)
Total Net Assets	2,422,327	4,095,243	3,202,479	23,393
Total Liabilities and Net Assets	¥58,114,263	¥66,383,746	¥61,191,721	\$561,219

Notes to the Consolidated Financial Statements (Unaudited)

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

	Millions of Yen			Millions of U.S. Dollars
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2008	2007	2008	2008
Income				
Interest Income:	¥683,413	¥1,034,929	¥1,936,357	\$6,600
Interest on Loans and Bills Discounted	60,627	73,957	146,507	586
Interest and Dividends on Securities	585,084	929,801	1,720,183	5,650
Fees and Commissions	5,976	6,237	12,936	57
Trading Income	306	80	1,044	3
Other Operating Income	67,338	56,281	311,388	650
Other Income	190,402	280,496	429,673	1,839
Total Income	947,437	1,378,026	2,691,401	9,149
Expenses				
Interest Expenses:	617,044	932,615	1,732,370	5,959
Interest on Deposits	140,549	185,805	370,030	1,357
Fees and Commissions	4,159	6,634	15,052	40
Trading Expenses	571	307	201	5
Other Operating Expenses	164,291	121,194	305,010	1,587
General and Administrative Expenses	55,817	55,437	105,244	539
Other Expenses	79,944	46,444	117,117	772
Total Expenses	921,828	1,162,634	2,274,997	8,902
Income before Income Taxes	25,609	215,392	416,403	247
Income Taxes				
Current	42	26,554	134,522	0
Deferred	15,095	47,427	9,807	146
Net Income	¥ 10,471	¥ 141,411	¥ 272,073	\$ 101