The Norinchukin Bank

INTERIM REPORT 2009

For the Six Months ended September 30, 2009

Quality of life and an enduring source of nourishment

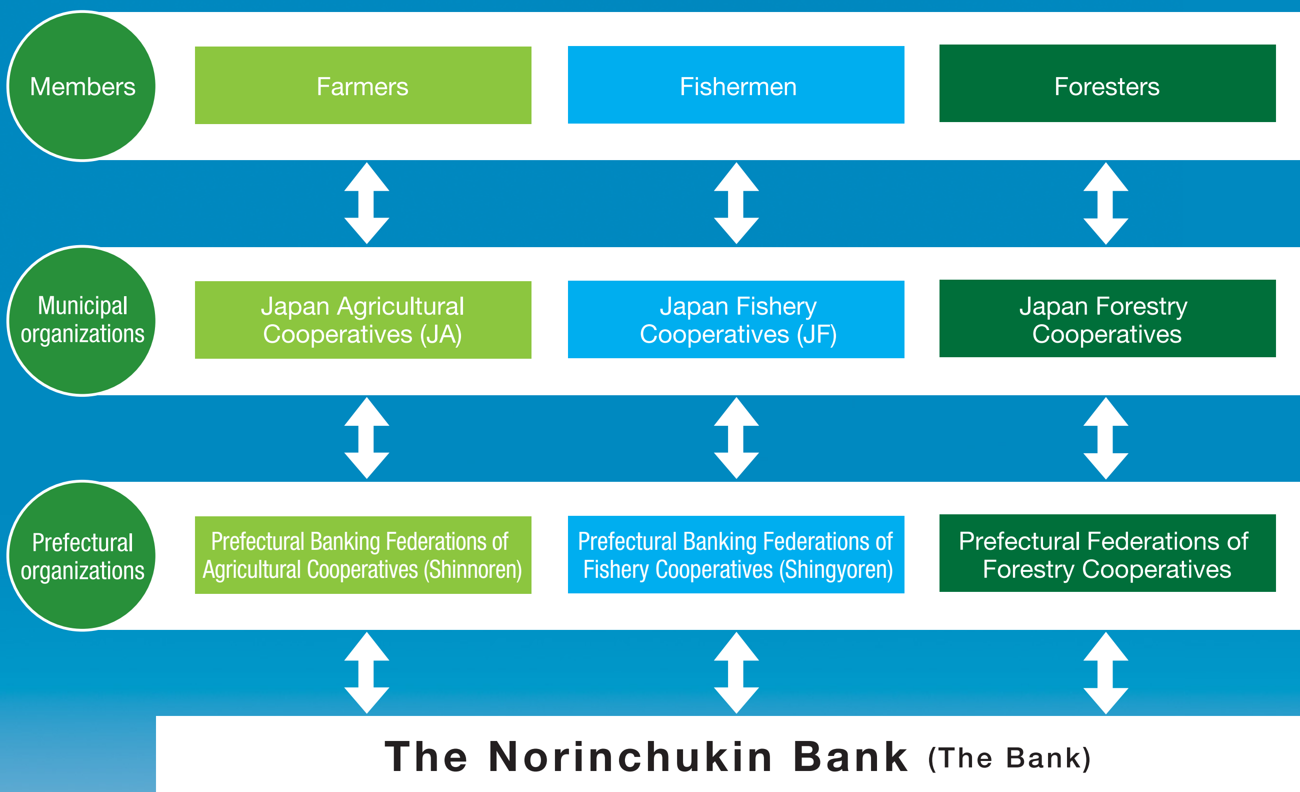
The Norinchukin Bank hopes that all people will be able to enjoy the benefits of nature's abundant offerings as well as the advantages of a comfortable life. Our mission is to fully support Japan's primary industries as the central bank for Japan's agricultural, forestry and fishery cooperative system. Through this support, the Bank aims to contribute to a better life for the people of Japan.

Supporting core farmers, who will be the backbone of the Japanese agricultural industry of tomorrow; reforesting lands to protect and preserve the natural environment and its resources; and, working to secure stable profits through global investments as one of Japan's leading institutional investors, are some of the major activities we undertake in fulfilling our mission.

The Norinchukin Bank is committed to continuing these activities to ensure prosperity for Japan's next generation.

Corporate Outline

Name	The Norinchukin Bank
Legal basis	The Norinchukin Bank Law (Law No. 93 of 2001)
Date of establishment	December 20, 1923
Chairman of the Supervisory Committee	Mamoru Moteki
President and Chief Executive Officer	Yoshio Kono
Paid-in capital	¥3,425.9 billion (US$ 38.0 billion) (As of September 30, 2009) *All capital is from private parties (members and investors in preferred securities).



Total assets (On a consolidated basis)
- ¥68,399.4 billion (US$ 758.7 billion) (As of September 30, 2009)

Capital adequacy ratio (On a consolidated basis)
- 18.29% (As of September 30, 2009) (Basel II standard)

Members
- Japan agricultural cooperatives (JA), Japan fishery cooperatives (JF), Japan forestry cooperatives, and related associations, as well as organizations that have invested in the Bank, including other agricultural, forestry, and fishery cooperatives (Number of shareholders: 4,046) (As of September 30, 2009)

Number of employees
- 3,197 (As of September 30, 2009)

Ratings

Ratings agency	Long-term debt	Short-term debt
Standard & Poor's	A+	A-1
Moody's Investors Service	Aa3	P-1

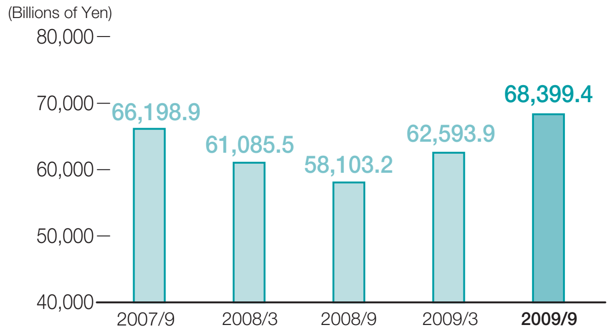
(As of September 30, 2009)

Forward-Looking Statements

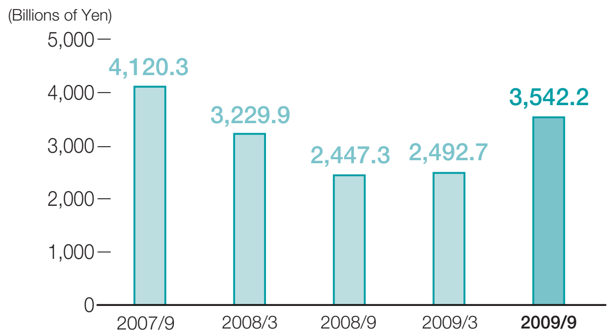
This material contains forward-looking statements pertaining to the businesses and prospects of the Bank. These statements are based on our current expectations and are subject to the risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those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

Financial Highlights (Consolidated)

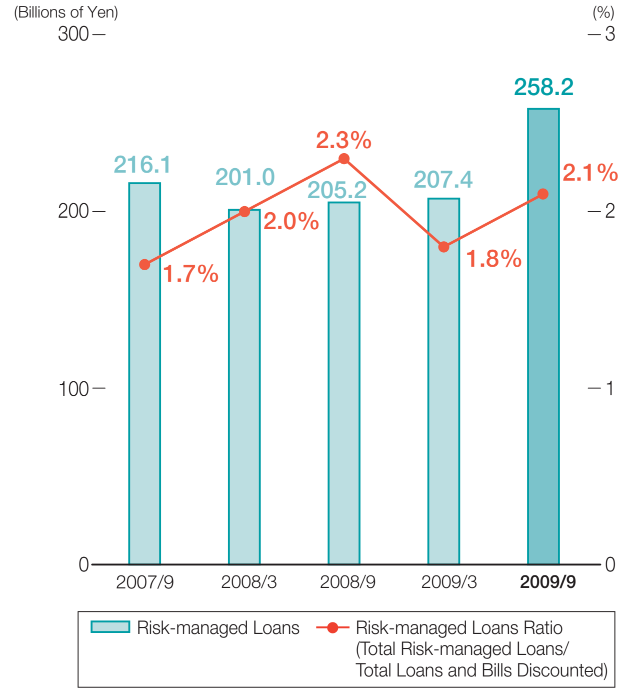
Total Assets



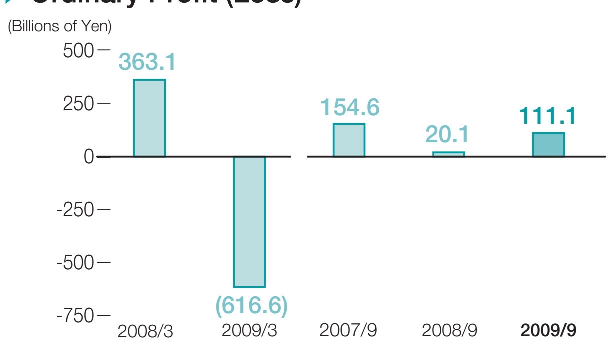
Net Assets



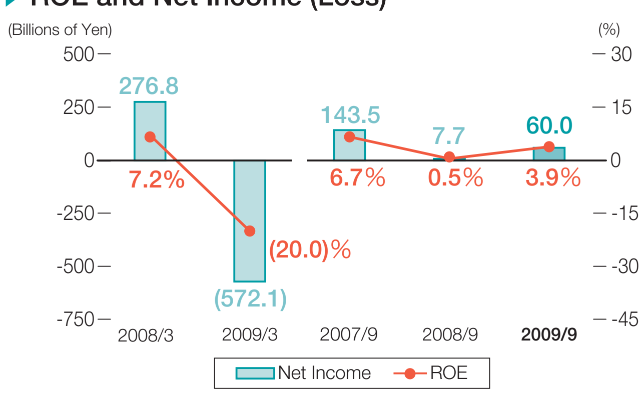
Risk-managed Loans



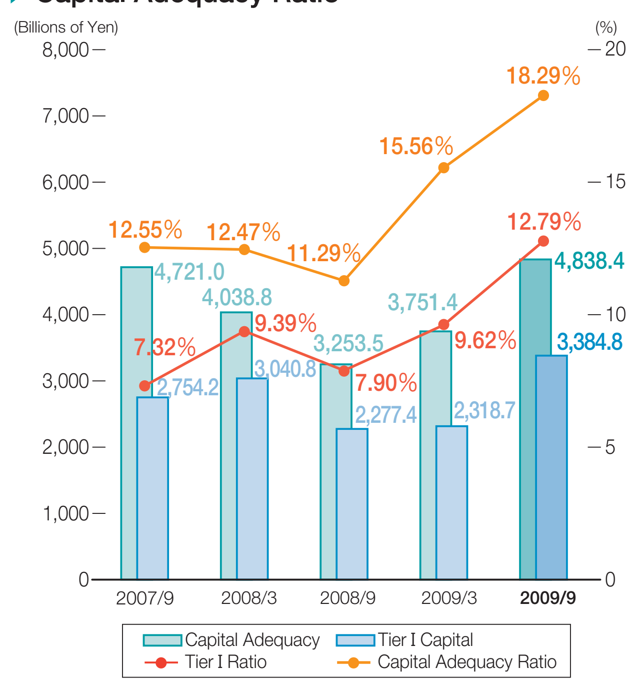
Ordinary Profit (Loss)



ROE and Net Income (Loss)



Capital Adequacy Ratio



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Report on interim account settlement for the first half of fiscal 2009

Mamoru Moteki
Chairman
The Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

The financial crisis which materialized in fiscal 2008 has been alleviated to a great extent, with the economy bottoming-out by the end of the first quarter of fiscal 2009 thanks to coordinated financial stimulus and credit-easing measures by the world's leading economies.

Under our new Business Renewal Plan, which was drafted in February of 2009, the Norinchukin Bank has been taking a conservative stance in its funding operations, aiming to secure a sustainable level of earnings while also improving its fiscal health. Consequently, the Bank posted an ordinary profit of ¥112 billion on a non-consolidated basis in the first half of fiscal 2009. This figure exceeds our full-term target of ¥50 – 100 billion under the Plan, and strongly suggests that we will achieve our target even if the Bank's business performance deteriorates in the second half due to decaying economic and financial conditions.

Regarding the Bank's fiscal health, net unrealized losses on securities decreased by ¥1 trillion from the end of March 2009, and came to ¥1.1 trillion at the end of September 2009. This improvement is attributable to the fact that stock prices rose to higher-than-expected levels, and the market price of credit-related products also recovered. As a result, the Bank has succeeded in maintaining a very high level of capital adequacy. The Bank's BIS capital adequacy ratio exceeded 18% as of September 30, 2009, and the Tier I ratio was above 12%.

We have made steady progress under our new Business Renewal Plan, which includes initiatives for strengthening the Bank's role as the central financial organization for cooperatives in Japan and improving funding operations. In the previous fiscal period, the Bank successfully increased its capital base through private placements to member cooperatives. We would like to express our appreciation to all of our members for their continuing support.

Although further dissolution of the economy has been averted thus far, thanks to the introduction of credit-easing policies and concerted efforts by the world's leading countries to stimulate their economies, an economic recovery in Japan in the near term is unlikely. We expect the current challenging business environment to persist.

With regard to funding operations in the second half of fiscal 2009, we will continue to maintain a cautious stance, while factoring in additional provisions for loan losses and write-offs as necessitated by current business conditions. We will watch market movements closely and move cautiously, while maintaining our earnings targets for the full-term of fiscal 2009.

It goes without saying that our mission is to support the further development of the agricultural, forestry and fisheries industries, as well as local communities, through close cooperation with our member cooperatives. JA Bank and JF Marine Bank will be responsible for implementing the actual measures to support these industries, and their successful implementation will be indispensable for winning their customers' trust. We will make every effort to maintain the trust of our member cooperatives and the customers of both the agricultural and fishery cooperatives, as well as Japanese and foreign investors by ensuring that the Norinchukin Bank remains a reliable financial institution which is worthy of their trust.

We look forward to receiving your continued support and encouragement in our endeavors.

February 2010

Mamoru Moteki

Mamoru Moteki
Chairman
The Supervisory Committee

Yoshio Kono

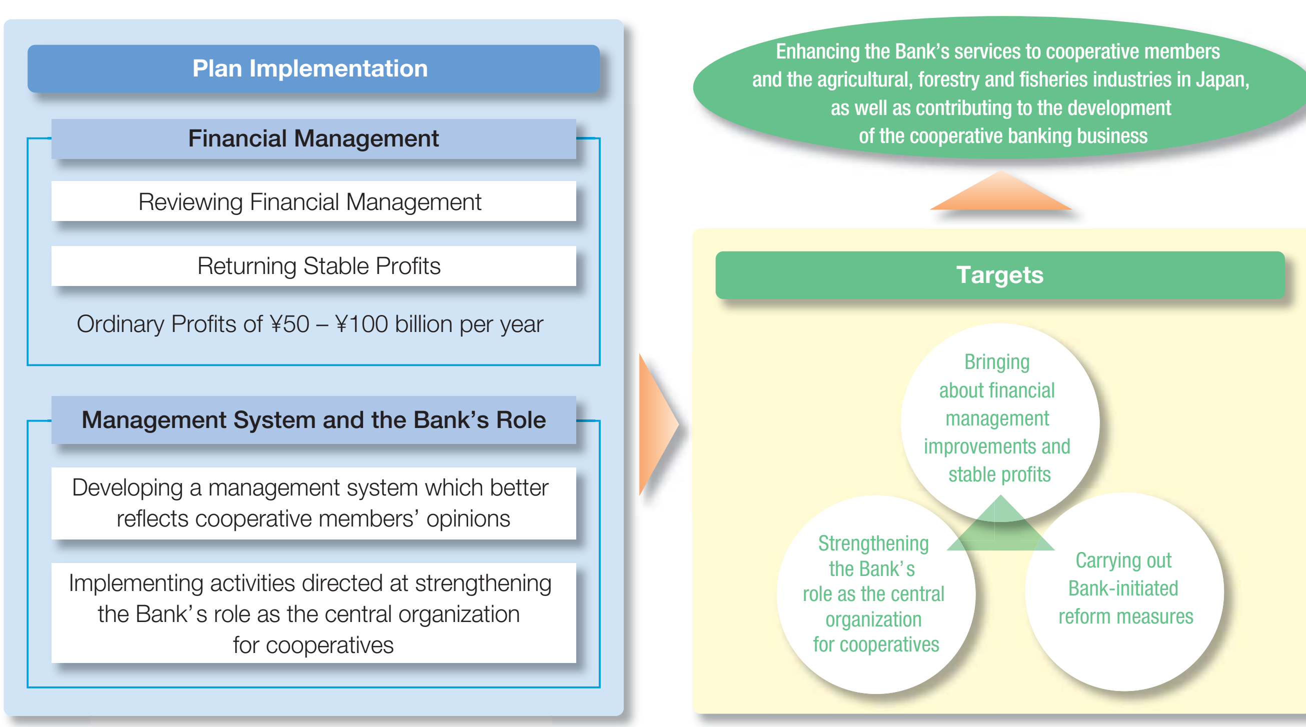
Yoshio Kono
President and Chief Executive Officer

Business Renewal Plan

Unprecedented turmoil in the financial markets has led the Bank to carry out large-scale capital increases through investments from its member cooperatives. In fiscal 2009, it announced a commitment to cooperative members to restore profits through a four-year management plan, the Business Renewal Plan, with two major management goals, (1) Reviewing Financial Management and (2) the reorientation of Management System and the Bank's Role. The earnings target for the period of the plan is an annual ordinary profit of ¥50 – ¥100 billion. This lower level target, compared with past performance, reflects our repositioning of Financial Management. In the past, our priority was to accumulate adequate levels of retained earnings in order to fulfill our role as the central financial organization serving cooperatives in Japan, maximizing earnings by fully using the Bank's own capital. However, now that we have established a more stable capital base through large-scale capital funding from our member cooperatives, we have decided to carry out investments in the future with an emphasis on lower-risk assets.

Through this plan, and with the support of all employees from the management level on down, we are further strengthening our efforts to contribute to the development of the agricultural, forestry and fisheries industries as well as the cooperative banking business in Japan, fulfilling our basic mission.

Business Renewal Plan (FY2009 – FY2012)



Investment Strategies

The mission of the Bank is to contribute to the development of the agricultural, forestry and fisheries industries in Japan as the financial organization for cooperatives. Consistent distribution of earnings to member cooperatives is essential for stable operation of a cooperative banking business that supports the agricultural, forestry and fisheries industries in Japan. We duly recognize the importance of achieving an appropriate balance between risk and return in our investment and lending strategies. At the same time, in light of recent turbulence in the financial markets, we are overhauling three aspects of our investment and lending operations: financial management, capital adequacy management and organizational reorientation.

Financial Management Plan

- ***Qualitative reform of the Bank's approach to making globally diversified investments:***
  A shift from diversified investment based on a case-by-case matching of risk and return models, to a new model which takes into account the likelihood of market price fluctuations and the availability of market liquidity.
- ***Overhaul of risk management methods:***
  Having learned the lessons of overconfidence in our diversified investment model, we will select only lower-risk credit assets based on a sophisticated and rigorous analysis of stress scenarios.

Capital Adequacy Management

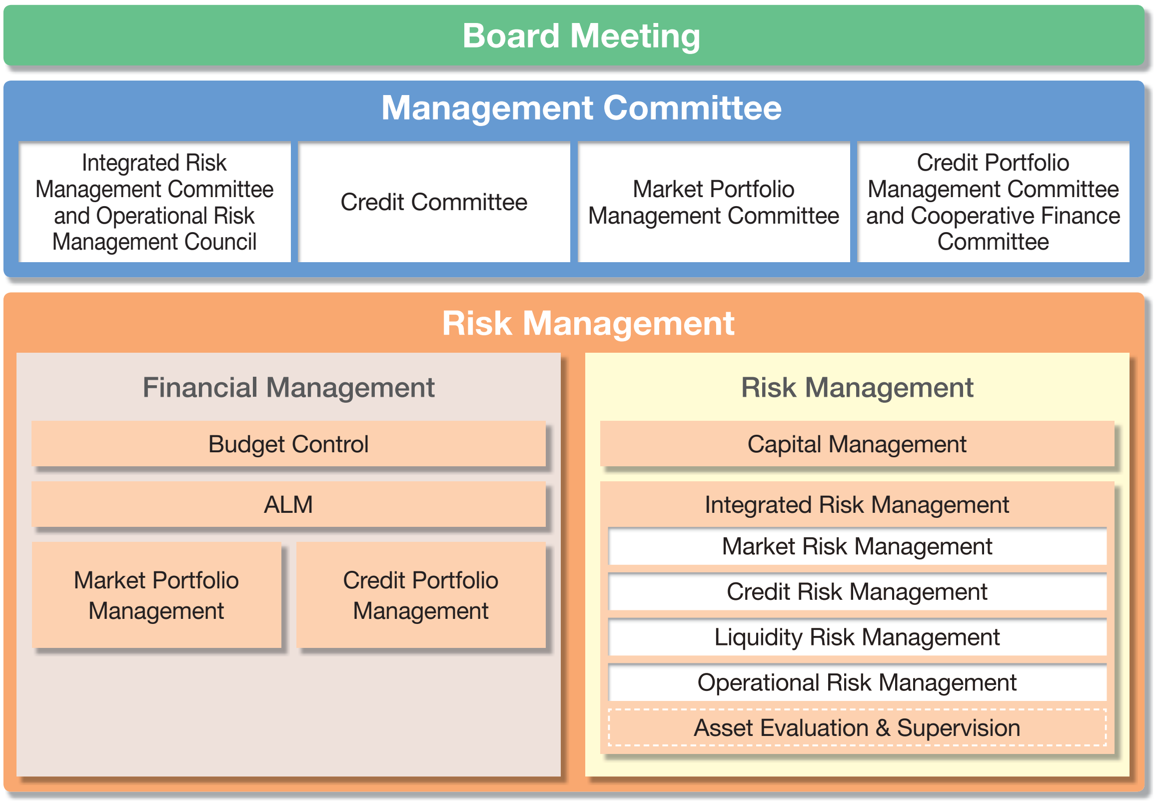
We will maintain suitable capital adequacy levels while giving due consideration to safe financial management and the strengths of particular business models. We will also maintain a high level of capital adequacy in anticipation of severe future stress and a tougher regulatory environment.

Organizational Reorientation

The Bank will achieve qualitative reform of globally diversified investments and reform its systems in order to further improve its analysis and credit-screening capabilities.

Advanced Risk Management System

The Bank has employed "integrated risk management," which is a framework for managing risks in an integrated way, with a central focus on economic capital management.



Board Meeting

- The board sets management objectives such as its medium-term management plans, annual operation plans, economic capital allocation and management, and budgets. It also decided on ICAAP (Internal Capital Adequacy Assessment Process)
- Based on feedbacks from internal and external audits, it controls the status of risk management system

Management Committee

- The Integrated Risk Management Committee determines important issues related to management of economic capital, regulatory capital and evaluation of fair value
- Based on the determinations, each relevant committee sets concrete portfolio management policies in the market and credit portfolio management committees

Risk Management

- For integrated risk management of market risk, credit risk, liquidity risk, and operational risk, the Bank sets up units to control individual risk and a unit to control these risks through an integrative approach in order to clarify roles and responsibilities
- In a combined form with integrated risk management, the Bank achieves a flexible financial management considering soundness and profitability through a careful examination of the balance among risks, profits, and capital in volatile markets and in changing economic and financial environments

■ Self-Reliance

To implement the Bank's plan to restore profits without outside assistance, all employees of the Bank, from executives on down, are committed to streamlining operations and improving efficiency. Specifically, this will involve both employee pay cuts and the paring of operating expenses. Remuneration for all directors has already been cut, by at least 20%.

■ Strengthening our Role as Central Organization for Cooperatives

In partnership with Japan agricultural cooperatives (JA), Japan fishery cooperatives (JF) and Japan forestry cooperatives (Shinrinkumiai), the Bank operates a nationwide cooperative banking business, designed to meet the full range of financial needs of Japan's agricultural, forestry and fisheries industries. The cooperative system is the foundation of the Bank's operations. The Bank's measures to strengthen its organizational reorientation and functions will enable smoother and more functionally efficient operational management of cooperatives as well as contribute to the agricultural, forestry and fisheries industries of Japan, enabling us to fulfill the Bank's basic mission and role.

In particular, the Bank is itself a member of JA Bank and JF Marine Bank. We are committed to strengthened planning and business management and better financial services for the agricultural, forestry and fisheries industries, as well as raising their profile by leveraging the brand recognition of both JA Bank and JF Marine Bank. We will work to deepen our integration with JA, JF, the Prefectural Banking Federations of Agricultural Cooperatives (Shinnoren) and the Prefectural Banking Federations of Fishery Cooperatives (Shingyoren).

A discussion of our measures to strengthen our financial products and services through cooperation with both JA and JF can be found on Page 11.

Stepping Up Disclosure

We consider it our obligation to all our members and other stakeholders to explain, as and when appropriate, the financial position of the Bank and report on progress made with regard to the Business Renewal Plan. In addition to beginning the reporting of the Bank's quarterly financial results and financial position, we will create new, as well as expand existing, forums for the provision of information to our member cooperatives.

Deeper Personnel Exchanges

All employees of the Bank, from executives on down, continue to be mindful of their commitments to the cooperative system and the agricultural, forestry and fisheries industries. To ensure that all employees adequately understand how business is done on the front line and to improve their work performance, it is necessary to further strengthen personnel exchanges with JA and Shinnoren. In practical terms, this means JA and Shinnoren accept employees from the Bank, who can learn from face-to-face retail businesses with customers in their localities, and incorporate such experiences into their planning and policy-making. At the same time, the Bank proactively accepts seconded staff and trainees from JA and Shinnoren.

Strengthening the Role of the Bank as a Cooperative and Specialist Financial Institution Rooted in the Agricultural, Forestry and Fishery Cooperatives

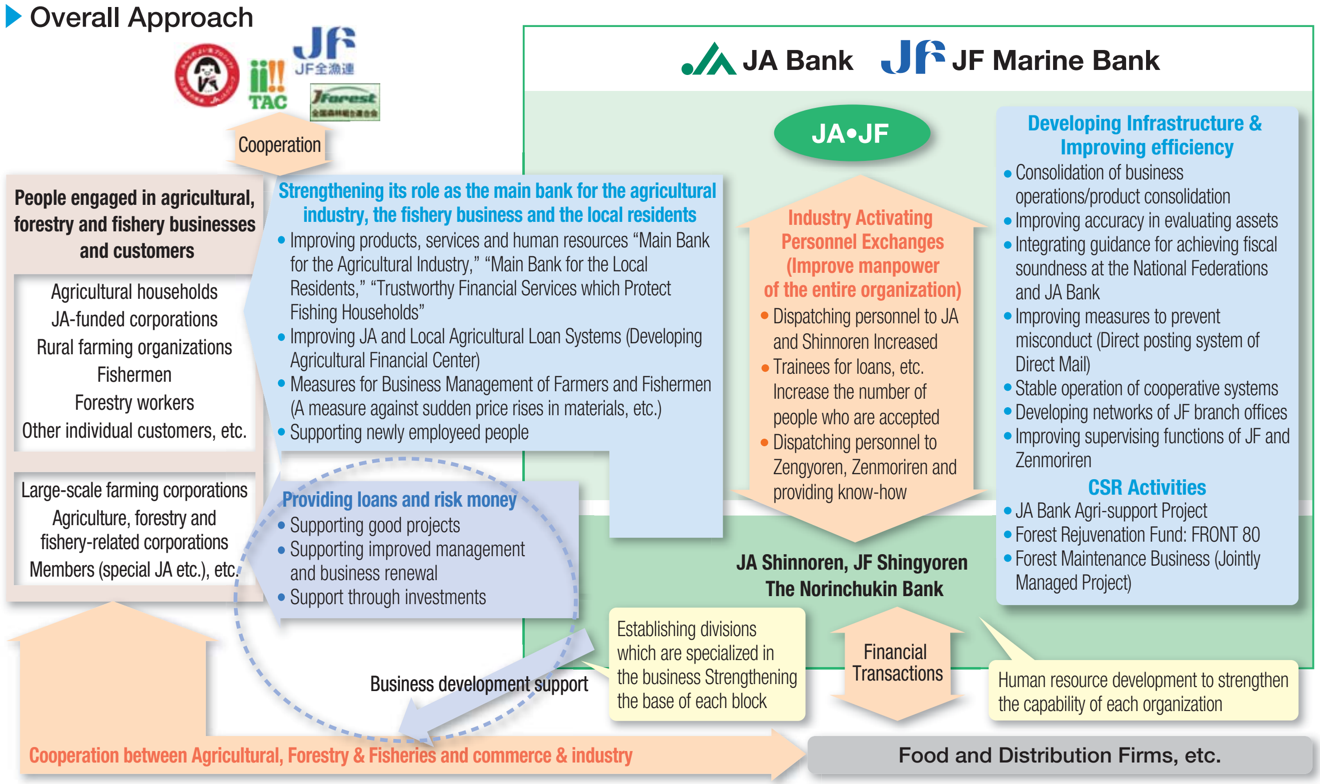
- JA Bank has established its next-stage JA Bank Medium-Term Management Strategy for the fiscal years 2010 – 2012. Beginning with the most practically feasible objectives, JA Bank is committed to achieving its basic targets of "contributing to agriculture and day-to-day prosperity, being the bank of choice, and continuing to grow."

  (For more details of the next-stage JA Bank Medium-Term Management Strategy, please see Page 12.)
- While providing the financial services needed by the fisheries industry in Japan, JF Marine Bank will continue to develop its Stable and Responsible JF Cooperative Banking Business System (JF Marine Bank Safety System), an initiative for promoting more effective bad debt disposal and risk management and deeper cost-cutting, to ensure greater reliability for all depositors.
- In partnership with JA, JF, and Japan Forestry Cooperatives, the Bank aims to strengthen its support for cooperatives through the expansion of financial services and capital injection, support business expansion and contribute to the development of the agricultural, forestry and fisheries industries, as well as to the protection of the environment. By strengthening links with our cooperative members, agricultural, forestry and fisheries workers, and cooperation as well as their consumers, we also aim to bring about synergies that enable us to contribute to both the development of the agricultural, forestry and fisheries industries and the financial services that support them, as well as to a better environment and more prosperous future for rural communities across Japan.

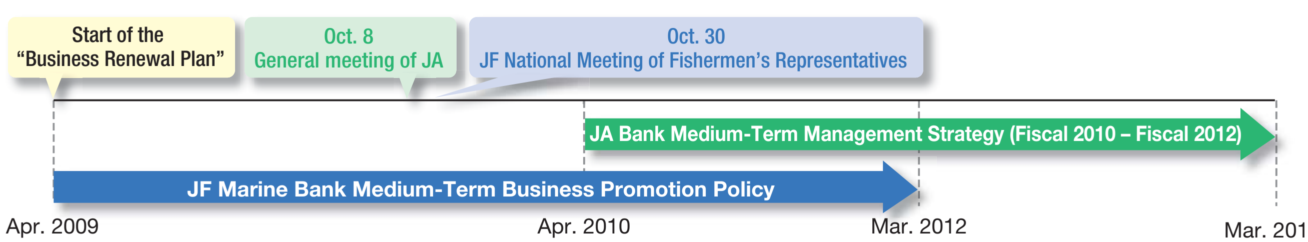
Based on these policies, we have set up the environmental business department for agriculture, forestry and fisheries at our head office, and established similar environmental departments and offices at our branches across Japan. We have also increased the number of specialized officers in this area at the head office and branches from approximately 150 to approximately 200.

Furthering our Role of the National Federation of Cooperative Associations

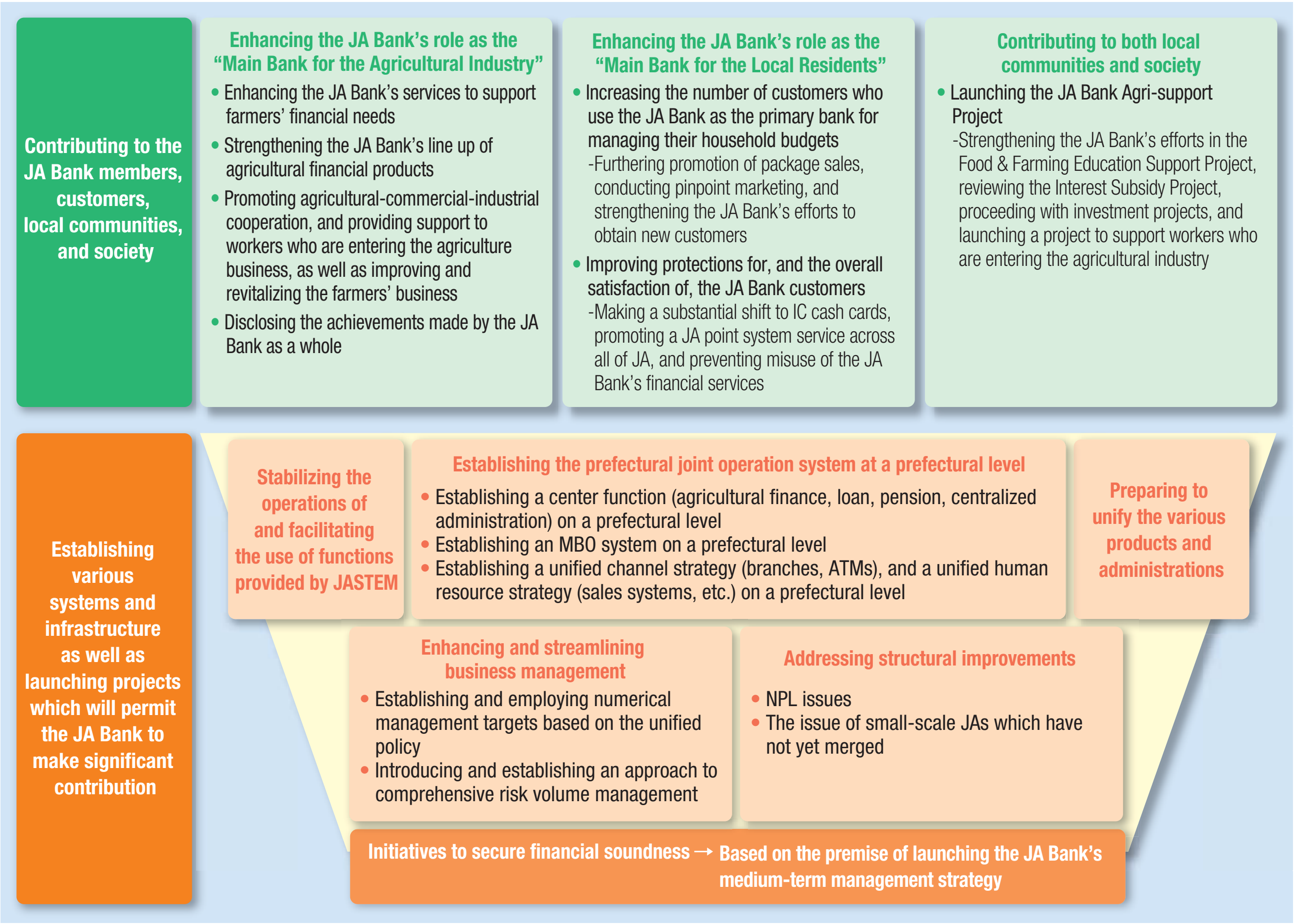
Overall Approach



Schedule



Specific Action Items (Framework) for the JA Bank Medium-Term Management Strategy (Fiscal 2010 – Fiscal 2012)



Financial Results for the First Half of Fiscal 2009 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of September 30, 2009 include the results of 8 consolidated subsidiaries and 5 affiliates which are accounted for by the equity method.

The following is a summary of Financial Results for the First Half of Fiscal 2009.

Balance of Assets and Liabilities

Consolidated Total Assets at the end of the period were ¥68,399.4 billion, up ¥5,805.5 billion from the previous fiscal year-end.

On the asset side, Loans and Bills Discounted was ¥11,876.8 billion and Securities was ¥43,164.8 billion. On the procurement side, Deposits amounted to ¥38,208.5 billion and Debentures was ¥5,437.6 billion.

Income

Mainly due to sales of securities by quickly responding to the fluctuation in the financial markets, consolidated Ordinary Profits were ¥111.1 billion, up ¥91.0 billion from the previous period and consolidated Net Income was ¥60.0 billion, up ¥52.3 billion from the previous period.

Capital Adequacy Ratio

The consolidated Capital Adequacy Ratio (Basel II standard) was 18.29% as of September 30, 2009.

Key Management Indicators (Consolidated)

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

	First Half of Fiscal 2007	Fiscal 2007	First Half of Fiscal 2008	Fiscal 2008	**First Half of Fiscal 2009**	**First Half of Fiscal 2009**
Total Income	¥ 1,384.8	¥ 2,703.8	¥ 952.5	¥ 1,438.0	**¥ 741.9**	**$ 8,230**
Total Expenses	1,165.7	2,278.5	929.6	2,048.1	**630.9**	**6,998**
Net Income (Loss)	143.5	276.8	7.7	(572.1)	**60.0**	**667**
Total Net Assets	4,120.3	3,229.9	2,447.3	2,492.7	**3,542.2**	**39,293**
Total Assets	66,198.9	61,085.5	58,103.2	62,593.9	**68,399.4**	**758,730**
Capital Adequacy Ratio (%, BIS) (Note 2)	12.55	12.47	11.29	15.56	**18.29**	**18.29**

Notes: 1. U.S. dollars have been converted at the rate of ¥90.15 to U.S. $1, the effective rate of exchange on September 30, 2009.
2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank), which was issued in 2006.

Financial Results for the First Half of Fiscal 2009 (Non-Consolidated)

Balance of Assets and Liabilities

The Bank's Total Assets at the end of the period increased by ¥5,744.0 billion to ¥68,243.3 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥1,050.8 billion to ¥3,523.1 billion from the previous fiscal year-end.

On the asset side, Loans and Bills Discounted was ¥11,803.7 billion and Securities was ¥43,184.9 billion. On the procurement side, Deposits amounted to ¥38,214.6 billion and Debentures was ¥5,441.1 billion.

Income

The Bank accumulated interest income steadily in a financial environment of declining global interest rates due to the monetary easing policies of governments and financial authorities worldwide, and gained net profits of ¥125.0 billion on sales of securities by quickly responding to the fluctuation in the financial markets. Meanwhile impairment expenses were ¥148.8 billion by the total credit cost increase mainly due to a worsening of our client's conditions and revaluation losses on securities holdings.

As a result of the factors mentioned above, the Bank's Ordinary Profits were ¥112.0 billion, up ¥91.4 billion from the previous period and Net Income was ¥61.8 billion, up ¥51.4 billion from the previous period.

The Bank's gross operating profits were ¥149.4 billion and net operating profits (before the provision of general reserves for possible loan losses) were ¥92.9 billion.

Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio (Basel II standard) was 18.30% as of September 30, 2009.

Key Management Indicators (Non-Consolidated)

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

	First Half of Fiscal 2007	Fiscal 2007	First Half of Fiscal 2008	Fiscal 2008	**First Half of Fiscal 2009**	**First Half of Fiscal 2009**
Total Income	¥ 1,378.0	¥ 2,691.4	¥ 947.4	¥ 1,426.7	**¥ 734.9**	**$ 8,152**
Total Expenses	1,162.6	2,274.9	921.8	2,030.7	**622.9**	**6,910**
Net Income (Loss)	141.4	272.0	10.4	(565.7)	**61.8**	**686**
Paid-in Capital	1,484.0	2,016.0	2,016.0	3,421.3	**3,425.9**	**38,002**
Total Net Assets	4,095.2	3,202.4	2,422.3	2,472.3	**3,523.1**	**39,081**
Total Assets	66,383.7	61,191.7	58,114.2	62,499.2	**68,243.3**	**756,998**
Deposits	40,646.2	38,813.3	38,311.8	37,501.5	**38,214.6**	**423,901**
Debentures	4,659.6	4,822.1	5,031.1	5,255.0	**5,441.1**	**60,356**
Loans and Bills Discounted	12,289.7	9,795.6	8,744.7	10,947.8	**11,803.7**	**130,934**
Securities	41,568.6	36,262.3	32,960.2	39,558.8	**43,184.9**	**479,035**
Capital Adequacy Ratio (%, BIS) (Note 2)	12.56	12.55	11.32	15.65	**18.30**	**18.30**

Notes: 1. U.S. dollars have been converted at the rate of ¥90.15 to U.S. $1, the effective rate of exchange on September 30, 2009.

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

The Bank's Performance Results (Non-Consolidated)

Deposits

The balance of Deposits at the end of the first-half period stood at ¥38,214.6 billion, an increase of ¥713.0 billion from the previous year-end.

Debentures

The balance of Debentures stood at ¥5,441.1 billion, an increase of ¥186.1 billion from the previous year-end.

Loans and Bills Discounted

The balance of Loans and Bills Discounted stood at ¥11,803.7 billion, an increase of ¥855.9 billion from the previous year-end.

Financing for Cooperative Organizations

The balance of loans and bills discounted totaled ¥500.4 billion, a decrease of ¥132.3 billion from the previous year-end. Of this amount, loans and bills discounted to agricultural organizations came to ¥127.8 billion, down ¥104.7 billion, while those to fishery organizations came to ¥25.5 billion and those to forestry organizations were ¥11.8 billion. Loans and bills discounted to other members as well as companies engaged in the agricultural, forestry and fishery businesses amounted to ¥335.1 billion.

Financing for the Bank's Affiliated Companies

The balance of loans and bills discounted to the Bank's affiliated companies stood at ¥3,527.2 billion, for a decline of ¥213.5 billion from the end of the previous fiscal year.

Other Loans

Other loans (including those to the government) came to ¥7,775.9 billion, an increase of ¥1,201.8 billion over the previous fiscal year-end.

Securities

The balance of Securities holdings stood at ¥43,184.9 billion, an increase of ¥3,626.1 billion over the previous year-end. Unrealized losses on securities (including money held in trust) stood at ¥1,116.1 billion (prior to the application of tax-effect accounting).

Trading Accounts

A separate trading account has been established for transactions involving trading securities for short-term transactions, certificates of deposit (CDs), commercial paper (CP) and derivatives aimed at securing short-term trading gains, and this trading account is clearly separated from the banking account. The balance of trading assets came to ¥14.7 billion, and trading liabilities came to ¥12.5 billion.

Securitization Exposures (Notes 1 and 2) (Non-Consolidated) (as of September 30, 2009)

The majority of securitization exposures were highly-rated and primary securitized products (e.g. ABS)

1. Exposures by Product

(Billions of Yen)

	AAA	AA	A	BBB	Below BB+	Total	Change from Previous Fiscal Year End
ABS	2,433.2	3.0	98.5	12.9	1.4	2,549.3	(100.1)
RMBS (Note 3)	497.5	23.3	25.6	16.8	32.4	595.7	(56.7)
CMBS	166.7	157.1	131.6	70.7	37.3	563.6	(39.2)
CDO	495.1	773.5	368.7	129.8	211.3	1,978.6	(216.1)
CLO	428.7	674.8	351.5	94.0	157.8	1,706.9	(201.1)
Resecuritized Products (Note 4)	60.4	49.1	7.2	33.1	51.1	201.1	(16.1)
CBO and Others	5.9	49.5	9.9	2.6	2.3	70.5	1.2
Others	—	—	—	0.9	59.5	60.4	(9.8)
Total	3,592.6	957.1	624.5	231.4	342.0	5,747.8	(422.1)

2. Unrealized Gains/Losses and Total Losses by Product

(Billions of Yen)

	AAA	AA	A	BBB	Below BB+	Total	Change from Previous Fiscal Year End	Losses (Note 5)
ABS	(35.7)	(0.3)	(8.7)	(0.2)	(0.2)	(45.3)	23.4	—
RMBS (Note 3)	(1.7)	(1.8)	0.6	0.8	(3.9)	(6.1)	29.8	(15.0)
CMBS	(18.0)	(4.6)	(8.2)	(7.1)	(4.1)	(42.2)	1.8	(1.4)
CDO	(23.7)	(55.5)	(43.3)	(14.7)	(13.8)	(151.2)	57.3	(4.9)
CLO	(15.3)	(37.7)	(41.7)	(9.0)	(13.4)	(117.4)	35.6	(6.2)
Resecuritized Products (Note 4)	(8.1)	(14.7)	(2.9)	(7.1)	(0.3)	(33.3)	10.3	(0.1)
CBO and Others	(0.2)	(2.9)	1.3	1.4	—	(0.4)	11.2	1.4
Others	—	—	—	0.2	0.0	0.3	0.3	(10.1)
Total	(79.2)	(62.4)	(59.6)	(21.0)	(22.1)	(244.5)	112.9	(31.6)

3. Exposures by Currency

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses (Note 5)
U.S. dollars	4,047.1	(322.0)	(152.5)	102.2	(30.7)
Euro	801.2	(6.7)	(66.3)	13.9	3.7
Pounds sterling	45.9	1.6	(1.8)	0.4	—
Yen	853.4	(94.9)	(23.9)	(3.6)	(4.6)
Total	5,747.8	(422.1)	(244.5)	112.9	(31.6)

Notes: 1. Securitized Products are defined internally based on the definition in Basel II. Includes Sub-prime loan related products.
2. The amount of securitization exposure is net exposure after write-off and revaluation. For some CMBS, the amount of exposure ¥126.8 billion (Revaluation Losses ¥1.2 billion), which should be included in Specialized Lending (SL) under Basel II, is not included here.
3. Includes Sub-prime RMBS. Not include mortgage-backed securities related with US Government sponsored entities.
4. Resecuritized Products such as ABS-CDO, CDO of CDO's. Includes ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.
5. Total value of losses which are recognized as periodical losses in the securitization exposures and unrealized losses of financial instruments with embedded derivatives as of September 30, 2009.

Sub-Prime Loan Related Products, Monoline and Leveraged Loans

(Non-Consolidated) (as of September 30, 2009)

The net exposure of sub-prime loan related products was ¥118.6 billion (after ¥16.5 billion revaluation losses and ¥3.6 billion unrealized losses)

1. Investment on Sub-Prime Loan Related Products (Note 1)

(1) Sub-Prime Loan Related Products (Sub-Prime RMBS: Primary Instruments) (Note 2)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
AAA	27.1	(0.4)	0.8	3.3	—
AA	10.2	(20.4)	(1.8)	15.1	—
A	3.7	(14.0)	0.7	6.8	—
BBB	8.9	(0.8)	1.2	5.2	(1.9)
below BB+	32.4	28.1	(3.9)	(3.8)	(13.1)
Total	82.5	(7.7)	(2.9)	26.7	(15.0)

(2) ABS-CDO including Sub-Prime RMBS (Squared Instruments) (Notes 3 and 4)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
AAA	—	(2.2)	—	1.9	—
AA	—	—	—	—	—
A	—	(0.3)	—	—	—
BBB	3.1	(2.5)	(0.2)	0.5	—
below BB+	17.5	(2.1)	1.8	1.8	(1.2)
Total	20.6	(7.2)	1.6	4.3	(1.2)

(3) CDO of CDO's including Sub-Prime RMBS (Cubic Instruments) (Notes 5 and 6)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
AAA	—	(16.3)	—	3.9	—
AA	—	—	—	—	—
A	—	(0.3)	—	—	—
BBB	—	—	—	—	—
below BB+	15.4	10.8	(2.3)	(2.3)	(0.2)
Total	15.4	(5.8)	(2.3)	1.6	(0.2)

(4) Total of Sub-Prime Loan Related Products (Total of (1) to (3))

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
AAA	27.1	(19.0)	0.8	9.2	—
AA	10.2	(20.4)	(1.8)	15.1	—
A	3.7	(14.7)	0.7	6.8	—
BBB	12.1	(3.3)	1.0	5.7	(1.9)
below BB+	65.3	36.8	(4.3)	(4.3)	(14.5)
Total	118.6	(20.8)	(3.6)	32.7	(16.5)

2. Investment on Monoline Products (Note 7)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
Financial Products with Monoline Guarantee (Note 8)	155.2	(10.2)	(34.2)	9.2	—
Monoline Products in Securitization business	—	—	—	—	—
Total	155.2	(10.2)	(34.2)	9.2	—

3. Investment on Leveraged Loans (Note 9)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End
Domestic	40.3	(2.5)
Overseas	135.8	(20.0)
Total	176.2	(22.5)

4. Trading of Sub-Prime Loan Related Products

The Bank has not originated, underwritten nor traded ABCP, SIV, and leveraged loans. The Bank does not own any sub-prime loan related products in its trading account and is not involved in any unconsolidated off-balance transactions. The Bank is only involved in sponsoring 1 SPC to provide liquidity to its domestic customers' account receivables (Exposures: ¥88.8 billion).

5. Investment on Bonds Issued by US Housing-Related GSEs (Note 10)

(Billions of Yen)

	Exposures	Change from Previous Fiscal Year End	Unrealized Gains/Losses	Change from Previous Fiscal Year End	Losses
Agency Mortgage Bonds	2,685.1	679.3	83.1	(18.6)	—
Agency Bonds	1,941.1	656.3	2.4	(63.5)	—
Total	4,626.2	1,335.7	85.6	(82.1)	—

Notes: 1. The Bank has not loaned in pure Sub-prime loans.
2. Ratios by vintage (Issuance year) is 99%, 1%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.
3. Ratios by vintage (Issuance year) is 47%, 38%, and 15% for 2004 and before, 2005-2006, and after 2007, respectively.
4. Capital Note issued by SIV is ¥0.0 billion (After non-write-off and non-revaluation losses).
5. Ratios by (Issuance year) is 100%, 0%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.
6. CDO of CDO's contains RMBS even if only slightly. Include only a few sub-prime RMBS.
7. Exposure of monoline-CDS calculated based on monoline-CDS ratio to securitized product amounts is ¥4.4 billion.
8. Non-guaranteed grade for nonrecourse loan and CLO is above investment grades. No sub-prime loan related products for guaranteed products.
9. Internal definition of loans mainly targets LBOs. The reserve for individual possible loan losses is ¥8.3 billion.
10. The Bank has ¥1,494.6 billion of mortgaged-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

Consolidated Balance Sheets (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2009 and 2008, and March 31, 2009

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2009	2008	2009	**2009**
Assets				
Cash and Due from Banks (Notes 12 and 14)	**¥ 1,443,361**	¥ 2,542,038	¥ 2,773,412	**$ 16,011**
Call Loans and Bills Bought	**1,535,386**	2,420,430	1,155,692	**17,031**
Receivables under Securities Borrowing Transactions	**821,491**	1,742,089	140,422	**9,113**
Monetary Claims Bought	**581,443**	709,673	646,139	**6,450**
Trading Assets	**14,723**	30,278	24,842	**163**
Money Held in Trust (Notes 4, 5 and 15)	**7,283,539**	6,676,643	5,654,876	**80,794**
Securities (Notes 3, 5, 10 and 14)	**43,164,884**	32,938,732	39,540,599	**478,812**
Loans and Bills Discounted (Notes 4, 5 and 9)	**11,876,853**	8,818,621	11,022,692	**131,745**
Foreign Exchange Assets	**48,560**	54,558	81,703	**539**
Other Assets (Note 5)	**1,026,506**	1,317,527	938,415	**11,387**
Tangible Fixed Assets	**147,673**	133,833	134,384	**1,638**
Intangible Fixed Assets	**49,845**	24,691	33,026	**553**
Deferred Tax Assets	**244,349**	463,326	241,435	**2,710**
Customers' Liabilities for Acceptances and Guarantees	**460,324**	370,852	407,668	**5,106**
Reserve for Possible Loan Losses	**(299,469)**	(140,090)	(201,344)	**(3,322)**
Total Assets	**¥68,399,475**	¥58,103,207	¥62,593,968	**$758,730**
Liabilities and Net Assets				
Liabilities				
Deposits (Note 6)	**¥38,208,547**	¥38,302,586	¥37,492,819	**$423,833**
Negotiable Certificates of Deposit	**558,269**	499,461	321,249	**6,193**
Debentures	**5,437,668**	5,030,713	5,252,065	**60,318**
Bonds (Note 7)	**274,954**	320,232	270,718	**3,050**
Call Money and Bills Sold (Note 5)	**684,000**	1,467,489	510,000	**7,587**
Payables under Repurchase Agreements (Note 5)	**8,748,175**	2,416,414	4,606,862	**97,040**
Payables under Securities Lending Transactions (Note 5)	**154,075**	338,158	530,276	**1,709**
Trading Liabilities	**12,500**	8,836	13,725	**139**
Borrowed Money (Notes 5 and 8)	**3,509,307**	1,950,850	5,647,557	**38,928**
Foreign Exchange Liabilities	**6**	37	51	**0**
Short-term Entrusted Funds	**4,777,871**	4,255,482	4,077,454	**52,999**
Other Liabilities	**2,006,485**	667,656	945,561	**22,257**
Reserve for Bonus Payments	**4,645**	5,963	4,608	**52**
Reserve for Employees' Retirement Benefits	**840**	888	921	**9**
Reserve for Directors' Retirement Benefits	**862**	925	838	**10**
Deferred Tax Liabilities for Land Revaluation	**18,701**	19,284	18,819	**207**
Acceptances and Guarantees	**460,324**	370,852	407,668	**5,106**
Total Liabilities	**64,857,236**	55,655,833	60,101,200	**719,437**
Net Assets				
Paid-in Capital (Note 11)	**3,425,909**	2,016,033	3,421,370	**38,002**
Capital Surplus	**25,020**	25,020	25,020	**278**
Retained Earnings	**863,861**	1,382,351	803,522	**9,583**
Treasury Preferred Stock	**(150)**	—	(150)	**(2)**
Total Owners' Equity	**4,314,641**	3,423,405	4,249,763	**47,861**
Net Unrealized Losses on Other Securities, net of taxes	**(869,581)**	(1,083,717)	(1,872,359)	**(9,646)**
Net Deferred Gains on Hedging Instruments, net of taxes	**58,895**	67,697	76,840	**653**
Revaluation Reserve for Land, net of taxes	**32,547**	33,835	32,807	**361**
Foreign Currency Transaction Adjustments	**(30)**	(11)	(19)	**(0)**
Total Valuation and Translation Adjustments	**(778,169)**	(982,195)	(1,762,730)	**(8,632)**
Minority Interests	**5,766**	6,163	5,734	**64**
Total Net Assets	**3,542,239**	2,447,374	2,492,768	**39,293**
Total Liabilities and Net Assets	**¥68,399,475**	¥58,103,207	¥62,593,968	**$758,730**

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, 2009 and 2008, and the fiscal year ended March 31, 2009

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2009	2008	2009	**2009**
Income				
Interest Income:	**¥383,245**	¥685,749	¥1,018,159	**$4,251**
Interest on Loans and Bills Discounted	**53,035**	62,872	126,524	**588**
Interest and Dividends on Securities	**310,641**	585,138	815,221	**3,446**
Fees and Commissions	**8,056**	8,634	17,097	**89**
Trading Income	**99**	306	1,739	**1**
Other Operating Income	**176,974**	69,939	115,633	**1,963**
Other Income	**173,597**	187,924	285,464	**1,926**
Total Income	**741,972**	952,553	1,438,094	**8,230**
Expenses				
Interest Expenses:	**355,740**	617,135	1,091,843	**3,946**
Interest on Deposits	**70,065**	140,531	248,490	**777**
Fees and Commissions	**6,863**	7,227	12,796	**76**
Trading Expenses	**719**	571	422	**8**
Other Operating Expenses	**84,280**	164,357	537,944	**935**
General and Administrative Expenses	**60,064**	59,637	115,574	**666**
Other Expenses	**123,250**	80,676	289,612	**1,367**
Total Expenses	**630,918**	929,605	2,048,193	**6,998**
Income (Loss) before Income Taxes and Minority Interests	**111,053**	22,947	(610,098)	**1,232**
Income Taxes — Current	**18,374**	1,525	1,606	**204**
Income Taxes — Deferred	**32,575**	13,544	(39,402)	**361**
Total Income Taxes	**50,950**	15,069	(37,795)	**565**
Minority Interests in Net Income (Loss)	**24**	123	(199)	**0**
Net Income (Loss)	**¥ 60,078**	¥ 7,754	¥ (572,102)	**$ 667**

	Yen			U.S. Dollars (Note 1)
	Six months ended September 30		Year ended March 31	Six months ended September 30
	2009	2008	2009	**2009**
Net Income (Loss) per Share	**¥14.11**	¥1.82	¥(134.38)	**$0.16**

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, 2009 and 2008, and the fiscal year ended March 31, 2009

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2009	2008	2009	**2009**
Capital Surplus				
Balance at the Beginning of the Fiscal Year	**¥ 25,020**	¥ 25,020	¥ 25,020	**$ 278**
Balance at the End of the Period	**25,020**	25,020	25,020	**278**
Retained Earnings				
Balance at the Beginning of the Fiscal Year	**803,522**	1,457,413	1,457,413	**8,913**
Additions:				
Net Income	**60,078**	7,754	—	**667**
Transfer from Revaluation Reserve for Land, net of taxes	**260**	372	1,400	**3**
Deductions:				
Net Loss	**—**	—	572,102	**—**
Dividends	**—**	83,188	83,188	**—**
Balance at the End of the Period	**¥863,861**	¥1,382,351	¥ 803,522	**$9,583**

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, 2009 and 2008, and the fiscal year ended March 31, 2009

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2009	2008	2009	**2009**
Cash Flows from Operating Activities:				
Income (Loss) before Income Taxes and Minority Interests	¥ **111,053**	¥ 22,947	¥ (610,098)	$ **1,232**
Depreciation	**4,555**	3,293	6,797	**51**
Losses on Impairment of Fixed Assets	**773**	1,014	1,058	**9**
Amortization of Goodwill	**—**	—	(36)	**—**
Equity in Losses of Affiliates	**2,916**	3	1,422	**32**
Net Increase (Decrease) in Reserve for Possible Loan Losses	**98,124**	(420)	60,833	**1,088**
Net Decrease in Reserve for Possible Investment Losses	**—**	(53,455)	(53,455)	**—**
Net Increase (Decrease) in Reserve for Bonus Payments	**37**	137	(1,218)	**0**
Net Increase (Decrease) in Reserve for Employees’ Retirement Benefits	**(80)**	55	88	**(1)**
Net Increase in Reserve for Directors’ Retirement Benefits	**23**	134	47	**0**
Interest Income	**(383,245)**	(685,749)	(1,018,159)	**(4,251)**
Interest Expenses	**355,740**	617,135	1,091,843	**3,946**
Losses (Gains) on Securities	**(88,562)**	189,623	688,417	**(982)**
Losses (Gains) on Money Held in Trust	**(61,107)**	(23,505)	102,170	**(678)**
Foreign Exchange Losses (Gains)	**1,957,405**	(630,629)	650,839	**21,713**
Losses on Disposals of Fixed Assets	**70**	106	1,037	**1**
Net Decrease in Trading Assets	**10,119**	17,755	23,191	**112**
Net Decrease in Trading Liabilities	**(1,225)**	(6,411)	(1,522)	**(14)**
Net Decrease (Increase) in Loans and Bills Discounted	**(854,161)**	1,035,281	(1,168,789)	**(9,475)**
Net Increase (Decrease) in Deposits	**715,728**	(501,776)	(1,311,542)	**7,939**
Net Increase (Decrease) in Negotiable Certificates of Deposit	**237,019**	(38,557)	(216,769)	**2,629**
Net Increase in Debentures	**185,603**	208,737	430,089	**2,059**
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	**(2,148,200)**	952,150	4,136,500	**(23,829)**
Net Decrease (Increase) in Interest-bearing Due from Banks	**745,460**	(1,313,853)	(969,917)	**8,269**
Net Decrease (Increase) in Call Loans and Bills Bought and Other	**(314,998)**	(250,561)	1,077,710	**(3,494)**
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	**(681,069)**	(633,309)	968,357	**(7,555)**
Net Increase (Decrease) in Call Money and Bills Sold and Other	**4,315,312**	(1,335,907)	(102,948)	**47,868**
Net Increase (Decrease) in Short-term Entrusted Funds	**700,416**	(145,711)	(323,739)	**7,769**
Net Increase (Decrease) in Payables under Securities Lending Transactions	**(376,201)**	(158,479)	33,639	**(4,173)**
Net Decrease (Increase) in Foreign Exchanges Assets	**33,142**	(47,439)	(74,583)	**368**
Net Increase (Decrease) in Foreign Exchanges Liabilities	**(45)**	34	49	**(0)**
Interest Received	**383,918**	714,163	1,067,266	**4,259**
Interest Paid	**(243,325)**	(546,619)	(1,126,130)	**(2,699)**
Other, Net	**(363,390)**	(378,608)	387,954	**(4,031)**
Subtotal	**4,341,809**	(2,988,421)	3,750,403	**48,162**
Income Taxes Refund (Paid)	**2,710**	(121,955)	(132,092)	**30**
Net Cash Provided by (Used in) Operating Activities	**4,344,519**	(3,110,377)	3,618,310	**48,192**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2009	2008	2009	**2009**
Cash Flows from Investing Activities:				
Purchases of Securities	**(18,603,630)**	(2,293,305)	(15,343,927)	**(206,363)**
Proceeds from Sales of Securities	**3,025,910**	2,302,805	2,596,380	**33,565**
Proceeds from Redemption of Securities	**11,710,254**	2,473,901	6,596,130	**129,897**
Increase in Money Held in Trust	**(1,902,689)**	(1,397,741)	(1,520,983)	**(21,106)**
Decrease in Money Held in Trust	**838,997**	2,246,040	2,947,148	**9,307**
Purchases of Tangible Fixed Assets	**(579)**	(761)	(5,444)	**(6)**
Purchases of Intangible Fixed Assets	**(12,096)**	(6,156)	(17,449)	**(134)**
Proceeds from Sales of Tangible Fixed Assets	**103**	—	1,970	**1**
Proceeds from Sales of Intangible Fixed Assets	**38**	—	—	**0**
Purchases of Stocks of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	—	(55)	**—**
Proceeds of Stock of Subsidiaries (No Impact on the Scope of Consolidation)	**—**	158	158	**—**
Net Cash Provided by (Used in) Investing Activities	**(4,943,692)**	3,324,941	(4,746,071)	**(54,839)**
Cash Flows from Financing Activities:				
Proceeds from Issuance of Subordinated Borrowed Money	**9,950**	—	1,476,057	**111**
Repayment of Subordinated Borrowed Money	**—**	—	(963,700)	**—**
Proceeds from Issuance of Stock	**4,539**	—	1,405,337	**50**
Dividends Paid	**—**	(83,188)	(83,188)	**—**
Dividends Paid to Minority Interests	**(9)**	(47)	(47)	**(0)**
Net Cash Provided by (Used in) Financing Activities	**14,479**	(83,235)	1,834,458	**161**
Net Increase (Decrease) in Cash and Cash Equivalents	**(584,692)**	131,327	706,697	**(6,486)**
Cash and Cash Equivalents at the Beginning of the Fiscal Year	**887,436**	180,738	180,738	**9,844**
Cash and Cash Equivalents at the End of the Period (Note 12)	**¥ 302,743**	¥ 312,066	¥ 887,436	**$ 3,358**

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

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 ¥90.15=U.S.$1, the approximate rate of exchange prevailing on September 30, 2009, 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.

(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, 2009 and 2008 was 8 and 8, all of which were consolidated, respectively.

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.

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, 2009 and 2008 was 6 and 5, 5 and 4 of which were accounted for by the equity method, respectively, while the remaining immaterial affiliate is carried at cost. The major affiliate accounted for by the equity method is as follows:

Mitsubishi UFJ NICOS Co., Ltd.

Goodwill is amortized using the straight-line method over 20 years.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the arbitrage opportunities in interest rates, foreign exchange rates and other market related indices. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheet on a trade date basis.

Gains and losses arising from transactions for trading purposes are recorded in Trading Income and Trading Expenses on the consolidated statements of operations.

Securities, monetary claims and certain other instruments held for trading purposes are valued at fair value prevailing at the end of the period. Derivatives held for trading purposes, such as swaps, futures and options, are valued on the assumption that they were settled at the end of the period.

Trading Income and Trading Expenses include interest received and paid in the 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 (straight-line method), as determined by the moving average method. Investments in affiliates that are not accounted for by 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 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. Securities included in Money Held in Trust are valued using the same methods described above.

b. Derivatives

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

c. Hedge Accounting

(a) 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 sheet 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 Expenses 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 the macro hedges, before deducting the tax effect, as of September 30, 2009 and 2008 were ¥3,116 million ($35 million) and ¥—, and ¥11,154 million and ¥127 million, respectively.

(b) 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.

(c) Internal Derivative Transactions
Internal derivative transactions between trading accounts and banking accounts (or inter-division transactions), which are designated as hedges, are not eliminated. The related gains and losses are recognized in the consolidated statements of operations or are deferred in the consolidated balance sheet in accordance with the hedge accounting rules, because the internal interest rate swap and currency swap transactions, that are designated as hedging instruments, are traded in a non discretionary manner and are appropriately and ultimately covered by third party transactions, which are conducted in accordance with the standards stipulated in the JICPA Industry 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 (other than Lease Assets)

a. Depreciation

Depreciation of Tangible Fixed Assets of the Bank is calculated using the declining-balance method. However, depreciation on buildings acquired on or after April 1, 1998 (excluding annex facilities of buildings) is calculated using the straight-line method, and the applicable share of estimated annual depreciation cost for the period is recorded based on the following range of useful lives.

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

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

b. Land Revaluation

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes was 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 sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

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

(5) Intangible Fixed Assets (other than Lease Assets)

Depreciation of Intangible Fixed Assets is calculated using the straight-line method.

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

(6) Lease Assets

a. Depreciation

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

b. 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 method as for operating leases. Rental expenses and leases expenses under operating leases are charged to income when incurred.

(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 ¥68,432 million ($759 million) and ¥64,407 million for the period ended September 30, 2009 and 2008, 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, 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 are determined based on the results of these self-assessments.

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

(9) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated cost of 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, 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.

Certain consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees terminate the employment and certain other alternative measure may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

(11) Reserve for Directors' Retirement Benefits

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

(12) Consumption Taxes

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

(13) 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.

(14) 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 sheet.

Non-interest bearing due from bank includes due from Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by Bank of Japan.

(15) Net Income (Loss) per Share

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

The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of Net Income (Loss) per share.

3. Securities

As of September 30	Millions of Yen 2009	Millions of Yen 2008	Millions of U.S. Dollars 2009
Japanese Government Bonds	**¥14,935,483**	¥ 9,186,161	**$165,674**
Municipal Government Bonds	**760**	8,334	**8**
Corporate Bonds	**294,874**	428,336	**3,271**
Stocks	**577,917**	736,883	**6,411**
Other	**27,355,848**	22,579,016	**303,448**
Foreign Bonds	**19,799,453**	12,516,032	**219,628**
Foreign Stocks	**63,800**	85,124	**708**
Investment Trusts	**6,770,104**	8,944,251	**75,098**
Other	**722,489**	1,033,609	**8,014**
Total	**¥43,164,884**	¥32,938,732	**$478,812**

4. Loans and Bills Discounted

As of September 30	Millions of Yen 2009	Millions of Yen 2008	Millions of U.S. Dollars 2009
Loans on Deeds	**¥10,241,196**	¥6,916,150	**$113,602**
Loans on Bills	**125,359**	180,830	**1,390**
Overdrafts	**1,503,435**	1,710,222	**16,677**
Bills Discounted	**6,862**	11,418	**76**
Total	**¥11,876,853**	¥8,818,621	**$131,745**

As of September 30	Millions of Yen 2009	Millions of Yen 2008	Millions of U.S. Dollars 2009
Loans to Borrowers under Bankruptcy Proceedings	**¥ 10,926**	¥ 14,134	**$ 121**
Delinquent Loans	**178,569**	127,085	**1,981**
Loans Past Due for Three Months or More	**315**	750	**4**
Restructured Loans	**68,445**	63,314	**759**
Total	**¥258,256**	¥205,285	**$2,865**

(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 interests are deferred in order to support the borrowers' rehabilitation.

In addition, as of September 30, 2009 and 2008, Money Held in Trust includes delinquent loans of ¥41,527 million ($461 million) and ¥267 million, respectively.

(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
As of September 30	**2009**	2008	**2009**
Securities	**¥12,255,895**	¥5,932,421	**$135,950**
Loans and Bills Discounted	**—**	2,854,805	**—**

Liabilities related to the above pledged assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2009**	2008	**2009**
Call Money and Bills Sold	**¥ 455,000**	¥ 490,000	**$ 5,047**
Payables under Repurchase Agreements	**8,748,175**	2,212,015	**97,040**
Payables under Securities Lending Transactions	**120,772**	79,604	**1,340**
Borrowed Money	**1,983,300**	942,150	**22,000**

In addition, as of September 30, 2009 and 2008, Loans and Bills Discounted of ¥6,061,419 million ($67,237 million) and ¥—, respectively, and Securities (including transactions of Monetary Held in Trust) of ¥9,833,683 million ($109,081 million) and ¥2,761,950 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2009 and 2008, margins of futures transactions of ¥1,554 million ($17 million) and ¥1,825 million, cash collateral under financial derivatives transactions of ¥— and ¥6,700 million, and guarantee deposits of ¥5,525 million ($61 million) and ¥5,788 million were included in Other Assets, respectively.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2009**	2008	**2009**
Time Deposits	**¥32,628,209**	¥33,471,357	**$361,933**
Deposits at Notice	**38,528**	23,381	**427**
Ordinary Deposits	**1,159,640**	741,223	**12,864**
Current Deposits	**105,781**	86,034	**1,173**
Other Deposits	**4,276,388**	3,980,588	**47,436**
Total	**¥38,208,547**	¥38,302,586	**$423,833**

7. Bonds

Bonds were subordinated bonds of ¥274,954 million ($3,050 million) and ¥320,232 million as of September 30, 2009 and 2008, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million ($16,484 million) and ¥963,700 million as of September 30, 2009 and 2008, 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 ¥2,500,772 million ($27,740 million) and ¥2,968,350 million as of September 30, 2009 and 2008, respectively. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥1,571,288 million ($17,430 million) and ¥1,957,948 million as of September 30, 2009 and 2008, 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, 2009 and 2008.

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 ¥35,226 million ($391 million) and ¥467,871 million as of September 30, 2009 and 2008, respectively, and securities held without re-pledge of ¥1,722,062 million ($19,102 million) and ¥2,196,998 million as of September 30, 2009 and 2008, respectively.

11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2009**	2008	**2009**
Common Stock	**¥3,400,909**	¥1,991,033	**$37,725**
Preferred Stock	**24,999**	24,999	**277**
Total	**¥3,425,909**	¥2,016,033	**$38,002**

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥2,975,192 million ($33,003 million) and ¥1,565,316 million as of September 30, 2009 and 2008, 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 sheet to "Cash and Cash Equivalents" at the end of the period is as follows:

	Millions of Yen		Millions of U.S. Dollars
As of September 30	**2009**	2008	**2009**
Cash and Due from Banks	**¥1,443,361**	¥2,542,038	**$16,011**
Less: Interest-bearing Due from Banks	**(1,140,617)**	(2,229,972)	**(12,653)**
Cash and Cash Equivalents at the End of the Period	**¥ 302,743**	¥ 312,066	**$ 3,358**

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, 2009	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Ordinary Income							
(1) Ordinary Income from Third-parties	**¥714,332**	**¥ 2,145**	**¥11,892**	**¥12,747**	**¥741,118**	**¥ —**	**¥741,118**
(2) Inter-segment Ordinary Income	**22,965**	**31,764**	**29,405**	**22,439**	**106,574**	**(106,574)**	**—**
Total	**737,298**	**33,909**	**41,297**	**35,186**	**847,693**	**(106,574)**	**741,118**
Ordinary Expenses	**640,251**	**21,368**	**39,873**	**35,055**	**736,549**	**(106,574)**	**629,974**
Ordinary Profits	**¥ 97,047**	**¥12,540**	**¥ 1,424**	**¥ 131**	**¥111,143**	**¥ —**	**¥111,143**

	Millions of Yen						
Six Months ended September 30, 2008	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
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

	Millions of U.S. Dollars						
Six Months ended September 30, 2009	Japan	Americas	Europe	Asia	Total	Elimination	Consolidated
Ordinary Income							
(1) Ordinary Income from Third-parties	**$7,924**	**$ 24**	**$132**	**$141**	**$8,221**	**$ —**	**$8,221**
(2) Inter-segment Ordinary Income	**255**	**352**	**326**	**249**	**1,182**	**(1,182)**	**—**
Total	**8,179**	**376**	**458**	**390**	**9,403**	**(1,182)**	**8,221**
Ordinary Expenses	**7,102**	**237**	**442**	**389**	**8,170**	**(1,182)**	**6,988**
Ordinary Profits	**$1,077**	**$139**	**$ 16**	**$ 1**	**$1,233**	**$ —**	**$1,233**

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

	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
Six Months ended September 30	Millions of Yen		Percentage
2009	**¥527,719**	**¥741,118**	71.2%
2008	¥734,535	¥948,598	77.4%

	Millions of U.S. Dollars		Percentage
2009	**$5,854**	**$8,221**	71.2%

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 of 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, 2009

Held-to-maturity Debt Securities that have Fair Value

	Millions of Yen				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
As of September 30, 2009			Net	Gross Gain	Gross Loss
Japanese Government Bonds	**¥ 7,608,069**	**¥ 7,804,559**	**¥196,489**	**¥196,489**	**¥ —**
Foreign Bonds	**7,260,235**	**7,455,246**	**195,011**	**225,967**	**30,956**
Total	**¥14,868,305**	**¥15,259,806**	**¥391,501**	**¥422,457**	**¥30,956**

	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Fair Value	Net Unrealized Gain		
As of September 30, 2009			Net	Gross Gain	Gross Loss
Japanese Government Bonds	**$ 84,394**	**$ 86,573**	**$2,179**	**$2,179**	**$ —**
Foreign Bonds	**80,535**	**82,698**	**2,163**	**2,506**	**343**
Total	**$164,929**	**$169,271**	**$4,342**	**$4,685**	**$343**

Note: Fair value is based on reasonably estimated amounts, the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

(Additional information)
As for floating-rate Japanese government bonds which are rarely transacted in the current market, the Bank continued to determine that market prices are not deemed as fair value, and Fair Value of such bonds is based on reasonably estimated amounts at the end of the period.
Reasonably estimated amounts of floating-rate Japanese government bonds are calculated by Discount Cash Flow method. The price decision variables include the yield of Japanese government bonds, swaption volatilities and other.

Other Securities that have Fair Value

	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
As of September 30, 2009			Net	Gross Gain	Gross Loss
Stocks	**¥ 323,912**	**¥ 398,243**	**¥ 74,331**	**¥ 98,108**	**¥ 23,777**
Bonds	**7,491,352**	**7,489,895**	**(1,456)**	**794**	**2,251**
Japanese Government Bonds	**7,327,129**	**7,327,414**	**285**	**767**	**482**
Municipal Government Bonds	**199**	**200**	**0**	**0**	**0**
Corporate Bonds	**164,022**	**162,280**	**(1,742)**	**26**	**1,768**
Other	**20,273,243**	**19,254,538**	**(1,018,705)**	**217,994**	**1,236,699**
Foreign Bonds	**12,250,110**	**12,135,673**	**(114,436)**	**142,183**	**256,620**
Foreign Stocks	**33,273**	**31,915**	**(1,357)**	**420**	**1,778**
Investment Trusts	**7,670,762**	**6,770,104**	**(900,657)**	**75,131**	**975,789**
Other	**319,098**	**316,845**	**(2,252)**	**258**	**2,511**
Total	**¥28,088,508**	**¥27,142,677**	**¥ (945,830)**	**¥316,898**	**¥1,262,728**

As of September 30, 2009	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain/Loss		
			Net	Gross Gain	Gross Loss
Stocks	**$ 3,593**	**$ 4,418**	**$ 825**	**$1,089**	**$ 264**
Bonds	**83,099**	**83,083**	**(16)**	**9**	**25**
Japanese Government Bonds	**81,277**	**81,281**	**4**	**9**	**5**
Municipal Government Bonds	**2**	**2**	**0**	**0**	**0**
Corporate Bonds	**1,820**	**1,800**	**(20)**	**0**	**20**
Other	**224,883**	**213,583**	**(11,300)**	**2,418**	**13,718**
Foreign Bonds	**135,886**	**134,616**	**(1,270)**	**1,577**	**2,847**
Foreign Stocks	**369**	**354**	**(15)**	**5**	**20**
Investment Trusts	**85,089**	**75,098**	**(9,991)**	**833**	**10,824**
Other	**3,539**	**3,515**	**(24)**	**3**	**27**
Total	**$311,575**	**$301,084**	**$(10,491)**	**$3,516**	**$14,007**

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 sheet.
2. Investment Trusts include Japanese trusts and Foreign trusts.
3. 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. Some of foreign bonds, such as securitization products, are valued at reasonably estimated amounts at the end of the period.
4. 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 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 ¥38,883 million ($431 million) (including ¥154 million ($2 million) on Stocks and ¥38,729 million ($429 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

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

As of September 30, 2009	Millions of Yen	Millions of U.S. Dollars
Other Securities		
Unlisted Stocks	**¥ 91,431**	**$1,014**
Municipal Government Bonds	**559**	**6**
Corporate Bonds	**132,593**	**1,471**
Foreign Bonds	**403,545**	**4,476**
Unlisted Foreign Stocks	**31,884**	**354**
Other	**447,974**	**4,969**

Securities Reclassified to Held-to-Maturity

As of September 30, 2009	Millions of Yen			Millions of U.S. Dollars		
	Fair Value	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses) on Other Securities, net of taxes	Fair Value	Consolidated Balance Sheet Amount	Net Unrealized Gains (Losses) on Other Securities, net of taxes
Japanese Government Bonds	**¥7,791,333**	**¥7,595,003**	**¥148,123**	**$86,426**	**$84,249**	**$1,643**
Foreign Bonds	**6,426,884**	**6,234,789**	**(306,439)**	**71,291**	**69,160**	**(3,399)**

Note: "Tentative Solution on Reclassification of Debt Securities" (ASBJ Practical Issue Task Force ("PITF") No. 26, December 5, 2008) was released on December 5, 2008. The Bank has adopted the PITF from the fiscal year ended March 31, 2009, and reclassified certain debt securities from "Other Securities" to "Held-to-Maturity Debt Securities."
Floating-rate Japanese government bonds that were previously classified as "Other Securities" have been reclassified to "Held-to-Maturity Debt Securities" at ¥7,605,555 million on December 30, 2008, and some of foreign bonds that were previously classified as "Other Securities" have been reclassified to "Held-to-Maturity Debt Securities" at ¥4,248,330 million and ¥2,143,399 million on January 30, 2009 and March 31, 2009, respectively. The Bank decided to make these reclassifications, taking into account unexpected significant changes which occurred in the market and have continued for an extended period, such as extreme small volume and number of transactions and significantly widening offer-bid spread. Under these market conditions, these securities are difficult to sell at their fair value.

For the Six Months Ended September 30, 2008

Held-to-maturity Debt Securities that have Fair Value

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

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

Other Securities that have Fair Value

	Millions of Yen				
			Net Unrealized Gain/Loss		
As of September 30, 2008	Acquisition Cost	Consolidated Balance Sheet Amount	Net	Gross Gain	Gross 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
Investment Trusts	9,920,693	8,944,251	(976,442)	47,417	1,023,860
Other	417,377	416,721	(656)	783	1,440
Total	¥32,975,803	¥31,440,203	¥(1,535,600)	¥667,823	¥2,203,424

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 sheet.
2. Investment Trusts include Japanese trusts and Foreign trusts.
3. 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.
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 and ¥396,565 million, respectively, and Deferred Tax Assets decreased by ¥179,419 million.
4. 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 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 (including ¥719 million on Stocks and ¥79,920 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

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

As of September 30, 2008	Millions of Yen
Other Securities	
Unlisted Stocks	¥135,381
Municipal Government Bonds	610
Corporate Bonds	135,988
Foreign Bonds	461,842
Unlisted Foreign Stocks	46,401
Other	631,818

15. Fair Value of Money Held in Trust

For the Six Months Ended September 30, 2009

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

	Millions of Yen				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain		
As of September 30, 2009			Net	Gross Gain	Gross Loss
Other Money Held in Trust	**¥7,215,965**	**¥7,275,679**	**¥59,714**	**¥135,500**	**¥75,786**

	Millions of U.S. Dollars				
	Acquisition Cost	Consolidated Balance Sheet Amount	Net Unrealized Gain		
As of September 30, 2009			Net	Gross Gain	Gross Loss
Other Money Held in Trust	**$80,044**	**$80,706**	**$662**	**$1,503**	**$841**

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.

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)

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

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.

16. Fair Value of Derivative Instruments

Interest Rate-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2009			As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Interest Rate Futures	**¥ 51,379**	**¥ 4**	**¥ 4**	¥ 23,013	¥ 7	¥ 7
Interest Rate Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Forward Rate Agreements	**—**	**—**	**—**	—	—	—
Interest Rate Swaps	**1,244,879**	**191**	**191**	1,828,282	1,389	1,389
Interest Rate Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**¥ /**	**¥195**	**¥195**	¥ /	¥1,396	¥1,396

	Millions of U.S. Dollars		
	As of September 30, 2009		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Interest Rate Futures	**$ 570**	**$ 0**	**$ 0**
Interest Rate Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Forward Rate Agreements	**—**	**—**	**—**
Interest Rate Swaps	**13,809**	**2**	**2**
Interest Rate 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 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, 2009			As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions:						
Currency Futures	**¥ —**	**¥ —**	**¥ —**	¥ —	¥ —	¥ —
Currency Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Currency Swaps	**—**	**—**	**—**	—	—	—
Forwards	**852,907**	**485**	**485**	912,580	(1,664)	(1,664)
Currency Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**¥ /**	**¥485**	**¥485**	¥ /	¥(1,664)	¥(1,664)

	Millions of U.S. Dollars		
	As of September 30, 2009		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:			
Currency Futures	**$ —**	**$—**	**$—**
Currency Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Currency Swaps	**—**	**—**	**—**
Forwards	**9,461**	**5**	**5**
Currency Options	**—**	**—**	**—**
Other	**—**	**—**	**—**
Total	**$ /**	**$ 5**	**$ 5**

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

Stock-Related Derivative Instruments

	Millions of Yen					
	As of September 30, 2009			As of September 30, 2008		
	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, 2009		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions:			
Equity Price Index Futures	**$—**	**$—**	**$—**
Equity Price Index Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Equity Options	**—**	**—**	**—**
Equity Price Index Swaps	**—**	**—**	**—**
Other	**11**	**—**	**—**
Total	**$ /**	**$—**	**$—**

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, 2009			As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss	Contract Amount or Notional Amount	Fair Value	Unrealized Gain
Exchange-traded Transactions:						
Bond Futures	**¥7,891**	**¥(0)**	**¥(0)**	¥25,994	¥179	¥179
Bond Futures Options	**—**	**—**	**—**	—	—	—
Over-the-counter Transactions:						
Bond Options	**—**	**—**	**—**	—	—	—
Other	**—**	**—**	**—**	—	—	—
Total	**¥ /**	**¥(0)**	**¥(0)**	¥ /	¥179	¥179

	Millions of U.S. Dollars		
	As of September 30, 2009		
	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Exchange-traded Transactions:			
Bond Futures	**$88**	**$(0)**	**$(0)**
Bond Futures Options	**—**	**—**	**—**
Over-the-counter Transactions:			
Bond Options	**—**	**—**	**—**
Other	**—**	**—**	**—**
Total	**$ /**	**$(0)**	**$(0)**

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 as of September 30, 2009 and 2008.

Credit Derivative Instruments

	Millions of Yen					
	As of September 30, 2009			As of September 30, 2008		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain (Loss)	Contract Amount or Notional Amount	Fair Value	Unrealized Loss
Over-the-counter Transactions:						
Credit Default Swaps	**¥—**	**¥—**	**¥—**	¥99,455	¥(5,715)	¥(5,715)
Other	**—**	**—**	**—**	—	—	—
Total	**¥ /**	**¥—**	**¥—**	¥ /	¥(5,715)	¥(5,715)

	Millions of U.S. Dollars		
	As of September 30, 2009		
	Contract Amount or Notional Amount	Fair Value	Unrealized Gain (Loss)
Over-the-counter Transactions:			
Credit Default Swaps	**$—**	**$—**	**$—**
Other	**—**	**—**	**—**
Total	**$ /**	**$—**	**$—**

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 U.S. Dollars
	September 30		March 31	September 30
	2009	2008	2009	**2009**
Assets				
Cash and Due from Banks	**¥ 1,432,573**	¥ 2,541,038	¥ 2,763,329	**$ 15,891**
Call Loans	**1,535,386**	2,405,430	1,155,692	**17,031**
Receivables under Securities Borrowing Transactions	**821,491**	1,742,089	140,422	**9,113**
Monetary Claims Bought	**581,443**	709,673	646,139	**6,450**
Trading Assets	**14,723**	30,278	24,842	**163**
Money Held in Trust	**7,282,229**	6,675,114	5,653,984	**80,779**
Securities	**43,184,997**	32,960,257	39,558,840	**479,035**
Loans and Bills Discounted	**11,803,719**	8,744,732	10,947,810	**130,934**
Foreign Exchange Assets	**48,560**	54,558	81,703	**539**
Other Assets	**1,021,395**	1,313,437	932,219	**11,330**
Tangible Fixed Assets	**145,852**	132,129	132,562	**1,618**
Intangible Fixed Assets	**48,892**	23,534	31,959	**542**
Deferred Tax Assets	**241,380**	460,318	238,848	**2,678**
Customers' Liabilities for Acceptances and Guarantees	**372,007**	458,094	383,950	**4,127**
Reserve for Possible Loan Losses	**(291,165)**	(136,335)	(192,922)	**(3,230)**
Reserve for Possible Investment Losses	**(144)**	(90)	(103)	**(2)**
Total Assets	**¥68,243,344**	¥58,114,263	¥62,499,278	**$756,998**
Liabilities and Net Assets				
Liabilities				
Deposits	**¥38,214,641**	¥38,311,885	¥37,501,564	**$423,901**
Negotiable Certificates of Deposit	**558,269**	499,461	321,249	**6,193**
Debentures	**5,441,135**	5,031,163	5,255,031	**60,356**
Call Money	**684,000**	1,467,489	510,000	**7,587**
Payables under Repurchase Agreements	**8,748,175**	2,416,414	4,606,862	**97,040**
Payables under Securities Lending Transactions	**154,075**	338,158	530,276	**1,709**
Trading Liabilities	**12,500**	8,836	13,725	**139**
Borrowed Money	**3,744,582**	2,226,547	5,873,611	**41,537**
Foreign Exchange Liabilities	**6**	37	51	**0**
Short-term Entrusted Funds	**4,777,871**	4,255,482	4,077,454	**52,999**
Other Liabilities	**1,989,940**	653,573	930,267	**22,074**
Reserve for Bonus Payments	**3,585**	4,758	3,495	**40**
Reserve for Directors' Retirement Benefits	**677**	747	616	**8**
Deferred Tax Liabilities for Land Revaluation	**18,701**	19,284	18,819	**207**
Acceptances and Guarantees	**372,007**	458,094	383,950	**4,127**
Total Liabilities	**64,720,169**	55,691,935	60,026,977	**717,917**
Net Assets				
Paid-in Capital	**3,425,909**	2,016,033	3,421,370	**38,002**
Capital Surplus	**25,020**	25,020	25,020	**278**
Retained Earnings	**850,235**	1,363,256	788,100	**9,431**
Total Owners' Equity	**4,301,165**	3,404,310	4,234,491	**47,711**
Net Unrealized Losses on Other Securities, net of taxes	**(869,460)**	(1,083,515)	(1,871,867)	**(9,645)**
Net Deferred Gains on Hedging Instruments, net of taxes	**58,922**	67,697	76,870	**654**
Revaluation Reserve for Land, net of taxes	**32,547**	33,835	32,807	**361**
Total Valuation and Translation Adjustments	**(777,990)**	(981,982)	(1,762,190)	**(8,630)**
Total Net Assets	**3,523,174**	2,422,327	2,472,301	**39,081**
Total Liabilities and Net Assets	**¥68,243,344**	¥58,114,263	¥62,499,278	**$756,998**

(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
	2009	2008	2009	**2009**
Income				
Interest Income:	**¥380,884**	¥683,413	¥1,013,410	**$4,225**
Interest on Loans and Bills Discounted	**50,778**	60,627	121,898	**563**
Interest and Dividends on Securities	**310,542**	585,084	815,150	**3,445**
Fees and Commissions	**5,949**	5,976	12,346	**66**
Trading Income	**99**	306	1,739	**1**
Other Operating Income	**174,424**	67,338	111,449	**1,935**
Other Income	**173,594**	190,402	287,810	**1,925**
Total Income	**734,951**	947,437	1,426,757	**8,152**
Expenses				
Interest Expenses:	**355,681**	617,044	1,091,656	**3,945**
Interest on Deposits	**70,075**	140,549	248,523	**777**
Fees and Commissions	**5,974**	4,159	10,599	**66**
Trading Expenses	**719**	571	422	**8**
Other Operating Expenses	**84,272**	164,291	537,734	**935**
General and Administrative Expenses	**56,480**	55,817	107,938	**627**
Other Expenses	**119,846**	79,944	282,375	**1,329**
Total Expenses	**622,975**	921,828	2,030,727	**6,910**
Income (Loss) before Income Taxes	**111,975**	25,609	(603,969)	**1,242**
Income Taxes — Current	**16,988**	42	87	**189**
Income Taxes — Deferred	**33,113**	15,095	(38,345)	**367**
Total Income Taxes	**50,101**	15,138	(38,257)	**556**
Net Income (Loss)	**¥ 61,874**	¥ 10,471	¥ (565,712)	**$ 686**

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

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

Capital Adequacy

Contents of principal capital items are described as follows.

Items		Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to composition of capital	Capital adequacy ratio	Detailed components of Tier I capital and Tier II capital	42	64
	Explanation of computation of capital adequacy ratio	Scope of consolidation	43	—
Items relating to capital adequacy		For the purpose of capital adequacy assessment, total amounts of regulatory required capital and details of principal exposure (credit risk exposure, market risk, operational risk, etc.) are disclosed.	44	66

Risk Exposures

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

Items			Content of principal quantitative disclosure	Consolidated disclosure (Page)	Non-consolidated disclosure (Page)
Items related to credit risk	Credit risk exposure		Credit risk exposure (excluding securitization exposure and funds), details on the reserve for possible loan losses by region and industry	45	67
	Exposure subject to Internal Ratings-Based Approach (IRB)	Corporate, sovereign, and bank exposure	Details on PD, LGD, RW and EAD for corporate, sovereign, bank, and equity subject to the PD/LGD approach	49	71
		Retail exposure	Details on PD, LGD, RW and EAD	51	73
		Actual losses, etc., on exposure to corporate, sovereign, bank and retail	Actual losses, long-term comparison between estimated losses and actual losses	53	75
		Exposure to Specialized Lending subject to supervisory slotting criteria	Amount of exposure by RW	54	76
		Equity exposure subject to the simple risk-weighted method	Amount of exposure by RW	55	77
	Exposure subject to Standardized Approach		Amount of exposure by RW	55	77
Items related to credit risk mitigation			Coverage/application of collateral, guarantees, etc.	56	78
Items related to counterparty risk in derivative transactions			Derivative transaction activity	57	79
Items related to securitization exposure			Details on securitization exposure	58	80
Items related to market risk			VaR and amount of market risk in trading account	59	81
Items related to equity exposure			Details of equity exposure those directly held	60	82
Items related to exposure subject to risk-weighted asset calculation for investment fund			Risk-weighted assets for investment fund	62	84
Items related to interest rate risk			Interest rate risk for internal management purposes	63	85

1 CAPITAL ADEQUACY RATIO (CONSOLIDATED)

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

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2009 and 2008, was computed according to Basel II.

As of September 30

Items			Millions of yen		Millions of U.S. dollars
			2009	2008	**2009**
Tier I capital	Capital stock		**3,425,909**	2,016,033	**38,002**
	Included as non-cumulative, perpetual preferred stock		**24,999**	24,999	**277**
	Deposit for subscription to preferred stock		**—**	—	**—**
	Capital surplus		**25,020**	25,020	**277**
	Earned surplus		**863,830**	1,382,084	**9,582**
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries		**—**	—	**—**
	Less: Treasury stock		**150**	—	**1**
	Deposit for subscription to treasury stock		**—**	—	**—**
	Unrealized loss on other securities		**(869,609)**	(1,083,712)	**(9,646)**
	Foreign currency transaction adjustment		**(30)**	(11)	**(0)**
	Stock acquisition rights		**—**	—	**—**
	Minority interest of consolidated subsidiaries		**5,794**	6,196	**64**
	Including preferred securities issued by overseas special-purpose corporations		**—**	—	**—**
	Less: Amount corresponding to operating rights		**—**	—	**—**
	Less: Amount corresponding to consolidated adjustments		**—**	—	**—**
	Less: Intangible assets acquired via business combination		**—**	—	**—**
	Less: Goodwill and others		**—**	—	**—**
	Less: Amount corresponding to the increase in capital due to securitization transactions		**—**	—	**—**
	Less: Amount equivalent to 50% expected losses in excess of qualifying allowance		**65,880**	68,184	**730**
	Subtotal	(A)	**3,384,885**	2,277,425	**37,547**
	Including preferred securities with interest rate step-up clause		**—**	—	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	—	**—**
Tier II capital	45% of unrealized gains on other securities		**—**	—	**—**
	45% of unrealized gains on land		**23,061**	23,904	**255**
	General reserve for possible loan losses		**56**	50	**0**
	Qualifying subordinated debt		**1,760,961**	1,283,932	**19,533**
	Included as perpetual subordinated bonds and loans		**1,486,007**	963,700	**16,483**
	Included as dated subordinated bonds, loans, and preferred stock		**274,954**	320,232	**3,049**
	Subtotal		**1,784,079**	1,307,887	**19,790**
	Tier II capital included as qualifying capital	(B)	**1,784,079**	1,307,887	**19,790**
Tier III capital	Short-term subordinated debt		**—**	—	**—**
	Including amount added to capital	(C)	**—**	—	**—**
Deductions	Deductions	(D)	**330,497**	331,724	**3,666**
Total Capital	(A)+(B)+(C)–(D)	(E)	**4,838,467**	3,253,588	**53,671**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**24,622,740**	26,362,880	**273,130**
	Including on-balance sheet		**22,946,099**	24,524,588	**254,532**
	Including off-balance sheet		**1,676,641**	1,838,292	**18,598**
	Assets equivalent to market risk (H)/8%	(G)	**1,037,501**	1,403,568	**11,508**
	(For reference: actual market risk volume)	(H)	**83,000**	112,285	**920**
	Amount corresponding to operational risk (J)/8%	(I)	**790,748**	1,051,386	**8,771**
	(For reference: amount corresponding to operational risk)	(J)	**63,259**	84,110	**701**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**26,450,990**	28,817,835	**293,410**
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			**18.29%**	11.29%	**18.29%**
Tier I ratio = (A)/(K) × 100%			**12.79%**	7.90%	**12.79%**
Consolidated required capital (K) × 8%			**2,116,079**	2,305,426	**23,472**

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

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not address any opinion as a result of the review.

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

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

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

2 EXPLANATION OF COMPUTATION OF THE CONSOLIDATED CAPITAL ADEQUACY RATIO

Companies with Less than the Regulatory Required Capital and the Amounts

Those companies whose capital is less than the regulatory required capital and the amounts of shortfall in capital among those companies that are subject to capital deduction as provided for in the Notification Regarding Capital Adequacy, Article 8-1-2 a and b.

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

2. Capital Adequacy (Consolidated)

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

Regulatory Required Capital

(Billions of yen)

Items	As of September 30, 2009 EAD	As of September 30, 2009 Regulatory Required Capital	As of September 30, 2008 EAD	As of September 30, 2008 Regulatory Required EAD
Amount of regulatory required capital for credit risk	**81,591**	**2,506**	71,528	2,461
Exposure subject to Internal Ratings-Based Approach	**81,540**	**2,505**	71,473	2,459
Corporate exposure (excluding Specialized Lending)	**5,787**	**496**	6,606	439
Corporate exposure (Specialized Lending)	**770**	**136**	856	81
Sovereign exposure	**36,142**	**0**	19,192	2
Bank exposure	**14,063**	**110**	13,735	111
Retail exposure	**540**	**26**	411	24
Retail exposure secured by residential properties	**501**	**20**	374	19
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**38**	**5**	36	4
Securitization exposure	**5,746**	**237**	6,821	114
Equity portfolios	**727**	**124**	679	89
Equity portfolios subject to PD/LGD approaches	**117**	**20**	121	18
Equity portfolios subject to simple risk-weighted method	**38**	**13**	82	28
Equities under the internal models approach	**199**	**59**	17	4
Grandfathered equity exposure	**370**	**31**	458	38
Exposure subject to risk-weighted asset calculation for investment fund	**17,163**	**1,336**	22,320	1,540
Other debt purchased	**39**	**1**	71	2
Other exposures	**559**	**35**	778	53
Exposure subject to Standardized Approach	**50**	**1**	54	1
Assets subject to Standardized Approach on a non-consolidated basis	**7**	**0**	13	1
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**40**	**0**	38	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**2**	**0**	1	0
Amount of regulatory required capital for market risk	**/**	**83**	/	112
Standardized Approach	**/**	**82**	/	111
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**82**	/	111
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**63**	/	84
Offsets on consolidation	**/**	**2,652**	/	2,657

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grand fathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

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

3. Credit Risk (Consolidated)

(Funds and securitization exposures are excluded.)

1 CREDIT RISK EXPOSURE

For the Six Months Ended September 30, 2009

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

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	14,232	16,279	92	2,399	33,002	304
Asia except Japan	55	132	1	789	978	—
Europe	62	4,107	289	3,638	8,098	7
The Americas	236	10,274	144	5,936	16,591	6
Other areas	25	318	4	0	348	—
Amounts held by consolidated subsidiaries	558	30	—	35	624	17
Total	15,170	31,142	531	12,799	59,644	335

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

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,351	303	1	0	2,656	51	0
Agriculture	48	0	—	0	48	6	0
Forestry	37	—	—	—	37	1	—
Fishing	33	—	—	0	33	26	0
Mining	10	—	—	0	10	—	—
Construction	137	16	—	0	154	6	—
Utility	147	15	0	0	162	—	—
Information/telecommunications	96	29	—	0	125	20	—
Transportation	696	63	3	0	763	9	—
Wholesaling, retailing	1,465	59	0	0	1,525	29	0
Finance and insurance	1,371	6,350	526	12,197	20,445	20	—
Real estate	491	399	—	0	892	118	2
Services	1,359	47	0	1	1,409	26	0
Municipalities	298	27	—	0	326	—	—
Other	6,065	23,798	—	563	30,427	0	—
Amounts held by consolidated subsidiaries	558	30	—	35	624	17	2
Total	15,170	31,142	531	12,799	59,644	335	5

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**10,808**	**8,533**	**360**	**11,770**	**31,473**
Over 1 year to 3 years	**1,648**	**7,829**	**165**	**50**	**9,693**
Over 3 years to 5 years	**1,369**	**3,877**	**1**	**10**	**5,259**
Over 5 years to 7 years	**461**	**946**	**1**	**—**	**1,408**
Over 7 years	**297**	**9,200**	**3**	**—**	**9,501**
No term to maturity	**26**	**724**	**—**	**932**	**1,683**
Amounts held by consolidated subsidiaries	**558**	**30**	**—**	**35**	**624**
Total	**15,170**	**31,142**	**531**	**12,799**	**59,644**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2009.
2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.
3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥50.7 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For the Six Months Ended September 30, 2008

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

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,597	9,515	119	6,115	27,348	209
Asia except Japan	59	37	2	968	1,067	—
Europe	93	1,631	450	3,706	5,882	0
The Americas	282	4,672	199	3,597	8,751	—
Other areas	26	19	1	10	57	—
Amounts held by consolidated subsidiaries	434	21	—	42	498	13
Total	12,493	15,898	773	14,440	43,606	224

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

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,224	392	1	0	2,618	46	0
Agriculture	45	0	—	0	45	6	0
Forestry	38	—	—	—	38	1	0
Fishing	38	—	—	0	38	28	1
Mining	15	1	—	0	16	—	—
Construction	163	12	—	0	175	6	0
Utility	182	57	0	0	240	—	—
Information/telecommunications	113	44	—	0	158	3	—
Transportation	651	91	2	0	745	1	—
Wholesaling, retailing	1,861	70	0	0	1,933	26	0
Finance and insurance	1,485	4,496	769	12,873	19,625	3	0
Real estate	517	202	—	0	720	48	0
Services	1,470	64	0	1	1,537	35	3
Municipalities	388	38	—	—	426	—	—
Other	2,862	10,402	—	1,522	14,787	0	—
Amounts held by consolidated subsidiaries	434	21	—	42	498	13	3
Total	12,493	15,898	773	14,440	43,606	224	9

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	8,406	286	198	10,754	19,646
Over 1 year to 3 years	1,571	1,617	571	—	3,760
Over 3 years to 5 years	1,188	2,695	0	57	3,941
Over 5 years to 7 years	488	1,190	0	4	1,684
Over 7 years	377	9,461	2	734	10,575
No term to maturity	26	625	—	2,847	3,498
Amounts held by consolidated subsidiaries	434	21	—	42	498
Total	12,493	15,898	773	14,440	43,606

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2008.

2. The amounts of credit-risk exposure held by consolidated subsidiaries are less than 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.

3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥54.9 billion.

4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

2 RESERVES FOR POSSIBLE LOAN LOSSES

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

(Billions of yen)

Region	As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
General reserve for possible loan losses	**65**	46	**18**
Specific reserve for possible loan losses	**140**	77	**63**
Japan	**136**	76	**59**
Asia except Japan	**—**	—	**—**
Europe	**3**	0	**2**
The Americas	**1**	—	**1**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**12**	8	**3**
Offsets on consolidation	**(3)**	(4)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**213**	127	**86**

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

(Billions of yen)

Industry	As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
General reserve for possible loan losses	**65**	46	**18**
Specific reserve for possible loan losses	**140**	77	**63**
Manufacturing	**15**	10	**4**
Agriculture	**4**	3	**0**
Forestry	**0**	0	**0**
Fishing	**11**	13	**(1)**
Mining	**—**	—	**—**
Construction	**0**	1	**(1)**
Utility	**—**	—	**—**
Information/telecommunications	**18**	2	**16**
Transportation	**8**	0	**7**
Wholesaling, retailing	**4**	19	**(14)**
Finance and insurance	**10**	1	**9**
Real estate	**56**	15	**40**
Services	**8**	7	**0**
Municipalities	**—**	—	**—**
Other	**—**	0	**(0)**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**12**	8	**3**
Offsets on consolidation	**(3)**	(4)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**213**	127	**86**

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2009

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD		
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	6.33%	44.89%	107%	5,787	4,963	824
1-1 to 4	0.19%	45.00%	40%	3,953	3,259	694
5 to 7	2.53%	44.69%	127%	1,002	921	80
8-1 to 8-2	19.12%	44.63%	350%	616	569	46
Subtotal	2.71%	44.90%	90%	5,572	4,751	821
8-3 to 10-2	100.00%	44.68%	560%	215	212	3
Sovereign Exposure	0.00%	44.99%	0%	36,142	32,071	4,070
1-1 to 4	0.00%	44.99%	0%	36,142	32,071	4,070
5 to 7	7.78%	45.00%	211%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	36,142	32,071	4,070
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	28.31%	10%	14,063	6,564	7,499
1-1 to 4	0.05%	28.29%	10%	14,040	6,549	7,491
5 to 7	3.04%	41.43%	154%	17	10	7
8-1 to 8-2	7.07%	26.55%	127%	4	4	0
Subtotal	0.06%	28.31%	10%	14,063	6,563	7,499
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.55%	90.00%	217%	117	111	6
1-1 to 4	0.13%	90.00%	141%	87	87	—
5 to 7	4.13%	90.00%	398%	28	21	6
8-1 to 8-2	19.91%	90.00%	783%	2	2	—
Subtotal	1.54%	90.00%	217%	117	111	6
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

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

For the Six Months Ended September 30, 2008

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD		
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.54%	40.81%	83%	6,606	5,092	1,514
1-1 to 4	0.16%	39.60%	31%	5,031	3,636	1,394
5 to 7	1.83%	44.64%	114%	817	743	74
8-1 to 8-2	19.26%	44.69%	353%	594	551	42
Subtotal	2.13%	40.71%	71%	6,443	4,931	1,511
8-3 to 10-2	100.00%	44.48%	558%	162	160	2
Sovereign Exposure	0.01%	44.42%	0%	19,192	15,346	3,846
1-1 to 4	0.00%	44.42%	0%	19,179	15,332	3,846
5 to 7	7.78%	45.00%	257%	13	13	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.01%	44.42%	0%	19,192	15,346	3,846
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	31.71%	10%	13,735	8,077	5,658
1-1 to 4	0.04%	31.70%	10%	13,709	8,057	5,651
5 to 7	2.58%	45.00%	156%	18	11	6
8-1 to 8-2	7.07%	20.00%	100%	8	7	0
Subtotal	0.04%	31.71%	10%	13,735	8,076	5,658
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.92%	90.00%	189%	121	113	7
1-1 to 4	0.14%	90.00%	140%	99	99	—
5 to 7	4.42%	90.00%	412%	21	14	7
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.92%	90.00%	189%	121	113	7
8-3 to 10-2	100.00%	90.00%	1,250%	0	0	—

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

Relationship among Internal Rating, Self-Assessment, and Exposure Requiring Mandatory Disclosure under the Financial Revitalization Law

Internal rating	Self-assessments			Exposure requiring mandatory disclosure under the Financial Revitalization Law
	Debtor classification	Asset category	Definition of asset category	
1-1, 1-2, 2, 3, 4, 5, 6, 7	Standard	Category I	Debtors who are experiencing favorable operating conditions and having no particular financial difficulties. Internal ratings 1-1 to 4 are equivalent to investment grade of credit rating agencies.	Standard Loans
8-1, 8-2, 8-3, 8-4	Substandard	II	Debtors requiring close monitoring going forward	Standard Loans
	Other substandard debtors			
	Debtors under requirement of control			Special attention
9	Doubtful	III	Debtors who are highly likely to fall into bankruptcy	Doubtful
10-1	Debtors in default	IV	Debtor who have effectively fallen into bankruptcy, although no facts have emerged to indicate legal or formal bankruptcy	Bankrupt or de facto bankrupt
10-2	Debtors in bankruptcy		Debtors who are legally and formally bankrupt	

b. Retail Exposure

For the Six Months Ended September 30, 2009

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	2.84%	46.09%	87.35%	80.24%	64%	812	451	360
Not default Not delinquent	0.40%	46.07%	/	/	35%	776	416	359
Not default Delinquent	23.94%	46.69%	/	/	409%	20	19	1
Not default Subtotal	1.01%	46.09%	/	/	45%	797	436	360
Default	100.00%	/	87.35%	80.24%	1,092%	15	14	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	9.56%	65.06%	104.76%	95.76%	179%	41	33	7
Not default Not delinquent	1.05%	65.12%	/	/	73%	37	29	7
Not default Delinquent	26.69%	62.60%	/	/	359%	0	0	0
Not default Subtotal	1.59%	65.06%	/	/	79%	38	30	7
Default	100.00%	/	104.76%	95.76%	1,310%	3	3	0
Total	3.17%	47.01%	90.53%	83.07%	70%	853	485	368
Not default Not delinquent	0.43%	46.95%	/	/	37%	813	446	367
Not default Delinquent	24.04%	47.29%	/	/	407%	21	20	1
Not default Subtotal	1.04%	46.96%	/	/	46%	835	466	368
Default	100.00%	/	90.53%	83.07%	1,132%	18	18	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.

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

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of September 30, 2009, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2008

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	3.08%	48.35%	87.36%	80.96%	71%	726	495	230
Not default Not delinquent	0.43%	48.32%	/	/	39%	692	461	230
Not default Delinquent	24.15%	49.50%	/	/	436%	19	19	0
Not default Subtotal	1.09%	48.35%	/	/	50%	712	481	230
Default	100.00%	/	87.36%	80.96%	1,092%	14	14	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	7.99%	64.10%	80.82%	73.54%	138%	47	39	8
Not default Not delinquent	1.16%	64.17%	/	/	72%	43	35	7
Not default Delinquent	24.73%	61.78%	/	/	338%	1	1	0
Not default Subtotal	1.84%	64.10%	/	/	79%	44	37	7
Default	100.00%	/	80.82%	73.54%	1,010%	2	2	0
Total	3.39%	49.28%	86.25%	79.70%	75%	774	535	238
Not default Not delinquent	0.47%	49.25%	/	/	41%	735	497	237
Not default Delinquent	24.18%	50.26%	/	/	430%	21	20	0
Not default Subtotal	1.14%	49.28%	/	/	52%	756	518	238
Default	100.00%	/	86.25%	79.70%	1,078%	17	17	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.

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

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of September 30, 2008, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

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

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

(Billions of yen)

Type of exposure	As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
Corporate exposure	**36**	8	**27**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**0**	—	**0**
Retail exposure secured by residential properties	**0**	0	**(0)**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

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

(Billions of yen)

Type of exposure	As of September 30, 2009		As of September 30, 2008	
	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**27**	**36**	23	8
Sovereign exposure	**0**	**—**	0	—
Bank exposure	**0**	**—**	0	—
Equity exposure subject to PD/LGD approach	**0**	**0**	0	—
Retail exposure secured by residential properties	**0**	**0**	0	0
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**0**	**0**	0	0

(Billions of yen)

Type of exposure	As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	46	25	29	7	27	18
Sovereign exposure	1	—	1	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	0	0	1	0	0	0
Retail exposure secured by residential properties	1	0	1	0	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).

2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

3. Estimated losses of each year are amount of expected losses. For the first-half period, an amount equivalent to half of the expected losses for the full term is employed.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For the first half of fiscal 2009, the actual loss amount exceeded the estimated losses at the beginning of the reporting period, due to an increase in losses arising from defaults by corporate borrowers.

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Specialized Lending exposure subject to supervisory slotting criteria	**770**	856
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**601**	685
Risk weight of 50%	**83**	109
Risk weight of 70%	**310**	344
Risk weight of 90%	**5**	178
Risk weight of 115%	**1**	1
Risk weight of 250%	**92**	13
Risk weight of 0% (default)	**107**	37
High-Volatility Commercial Real Estate (HVCRE)	**169**	171
Risk weight of 70%	**69**	106
Risk weight of 95%	**—**	3
Risk weight of 120%	**—**	10
Risk weight of 140%	**10**	41
Risk weight of 250%	**89**	10
Risk weight of 0% (default)	**—**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**39**	83
Risk weight of 300%	**—**	—
Risk weight of 400%	**39**	83

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

4 EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**50**	**—**	54	—
Risk weight of 0%	**30**	**—**	15	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**3**	**—**	17	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	1	1
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**15**	**1**	18	—
Risk weight of 150%	**—**	**—**	—	—
Amount deducted from capital	**—**	**—**	—	—
Others	**1**	**—**	0	—

Notes: 1. Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% risk weight.
2. Exposure subject to Standardized Approach as securitization exposure is included.

4. Methods of Credit Risk Mitigation Techniques (Consolidated)

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Foundation Internal Ratings-Based Approach	**5,356**	4,286
Eligible financial collateral	**4,414**	4,161
Corporate exposure	**11**	599
Sovereign exposure	**3**	238
Bank exposure	**4,398**	3,324
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**941**	124
Corporate exposure	**127**	124
Sovereign exposure	**13**	0
Bank exposure	**801**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

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

5. Counterparty Credit Risk in Derivative Transactions (Consolidated)

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2009	As of September 30, 2008
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**553**	807
Total gross add-ons	(B)	**327**	498
Gross credit exposure	(C) = (A)+(B)	**881**	1,305
Including, foreign exchange related		**819**	1,231
Including, interest rate related		**59**	61
Including, equity related		**2**	3
Including, credit derivatives		**—**	9
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**24**	42
Reduction in credit exposure due to netting contracts	(E) =(C)–(D)	**857**	1,263
Amount of collateral		**—**	—
Including eligible financial collateral		**—**	—
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**857**	1,263

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**—**	99
Including credit default swaps	**—**	99
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Consolidated)

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Total amount of underlying assets	—	—
Amounts of securitization exposure	—	—
Increase in capital due to securitization transactions	—	—
Deducted from capital	—	—
Amounts of securitized exposure	—	—
Gains (losses) on sales of securitization transactions	—	—

As of September 30, 2009, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**5,749**	**79**	6,825	25
Individuals				
Asset-Backed Securities (ABS)	**2,549**	**0**	2,880	—
Residential Mortgage-Backed Securities (RMBS)	**595**	**15**	755	2
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	**565**	**6**	672	—
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**1,978**	**49**	2,441	2
Collateralized Loan Obligations (CLO)	**1,706**	**33**	1,996	—
Asset-Backed Securities CDOs (ABS-CDO)	**201**	**15**	343	2
Collateralized Bond Obligations (CBO)	**70**	**—**	102	—
Others	**60**	**7**	75	19

Note: "Deductions from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

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

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**5,749**	**237**	6,825	114
Risk weight: 20% or less	**4,751**	**36**	6,314	50
Risk weight: exceeding 20% to 50% or less	**463**	**13**	217	6
Risk weight: exceeding 50% to 100% or less	**195**	**13**	209	14
Risk weight: exceeding 100% to 250% or less	**110**	**20**	39	7
Risk weight: exceeding 250% to less than 1,250%	**149**	**74**	19	10
Deductions from capital	**79**	**79**	25	25

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

Not applicable

7. Market Risk (Consolidated)

Computation of the Market Risk Amount by the Internal Models Approach

■ VaR

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2008
Base date of computation	**2009. 9. 30**	2008. 9. 30
VaR (For the most recent 60 business days)		
Base date of computation	**101**	415
Maximum	**716**	446
Minimum	**32**	97
Average	**244**	206

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2009	For the six months ended September 30, 2008
For the portion computed with the internal models approach (B)+(E)	(A)	**733**	618
Value at Risk (MAX (C, D))	(B)	**733**	618
Amount on base date of computation	(C)	**101**	415
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**733**	618
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.0
(Times exceeding VaR in back testing)	(G)	**1**	3

Note: With regard to validation of the Bank's internal model, the amount of risk calculated by the model is compared with the volatilities in actual profit and loss on a daily basis (known as back testing). When discrepancies between the model's estimates and actual results due to the designs of the model go beyond a certain level, the Bank scrutinizes the relevant model factors and revises the model if necessary.

8. Equity Exposure (Consolidated)

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

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**728**	**728**	672	672
Exposure to publicly traded equity	**589**	**589**	493	493
Exposure to privately held equity	**139**	**139**	179	179

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

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

(Billions of yen)

Item	For the six months ended September 30, 2009			For the six months ended September 30, 2008		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**12**	**0**	**3**	31	37	0

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

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2009	As of September 30, 2008
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**80**	136

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

Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

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

(Billions of yen)

Item	As of September 30, 2009	As of September 30, 2008
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 6-1-1	**—**	—

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**371**	459
Corporate	**358**	444
Bank	**7**	9
Sovereign	**5**	5

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

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

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

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**13,304**	**66%**	15,637	57%
Majority approach	**486**	**348%**	795	332%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,604**	**247%**	1,798	199%
Others (simple approach)	**245**	**468%**	336	537%
Total	**15,640**	**97%**	18,567	86%

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

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

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

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

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

6. (For reference) Weighted-average risk weight = {Total risk-weighted assets + (Expected losses + Deductions from capital) / 8%} / EAD

10. Interest-Rate Risk (Consolidated)

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Interest-rate risk	**1,148**	1,066
Yen interest-rate risk	**(70)**	(8)
U.S. dollar interest-rate risk	**1,074**	1,039
Euro interest-rate risk	**139**	26
Interest-rate risk in other currencies	**4**	9

Notes: 1. In the banking book, the Bank's internal rule applies one year holding period and five years historical observation period as criteria for interest-rate risk volatility measurements. The Bank calculates the declines in economic value on a monthly basis by taking the first and 99th percentile risk measure.

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

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

1 CAPITAL ADEQUACY RATIO (NON-CONSOLIDATED)

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

Note: The Bank's capital adequacy ratio for the six months ended September 30, 2009 and 2008, was computed according to Basel II.

As of September 30

Items			Millions of yen		Millions of U.S. dollars
			2009	2008	**2009**
Tier I capital	Capital stock		**3,425,909**	2,016,033	**38,002**
	Included as non-cumulative, perpetual preferred stock		**24,999**	24,999	**277**
	Deposit for subscription to preferred stock		**—**	—	**—**
	Capital surplus		**25,020**	25,020	**277**
	Earned surplus		**851,046**	1,363,857	**9,440**
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries		**—**	—	**—**
	Less: Treasury stock		**—**	—	**—**
	Deposit for subscription to treasury stock		**—**	—	**—**
	Unrealized loss on other securities		**(869,460)**	(1,083,515)	**(9,644)**
	Foreign currency transaction adjustment		**(30)**	(11)	**(0)**
	Stock acquisition rights		**—**	—	**—**
	Less: Amount corresponding to operating rights		**—**	—	**—**
	Less: Goodwill and others		**—**	—	**—**
	Less: Amount corresponding to the increase in capital due to securitization transactions		**—**	—	**—**
	Less: Amount equivalent to 50% expected losses in excess of qualifying allowance		**64,723**	64,733	**717**
	Subtotal	(A)	**3,367,763**	2,256,650	**37,357**
	Including preferred securities with interest rate step-up clause		**—**	—	**—**
	(Ratio of the value of such preferred securities to Tier I capital)		**—**	—	**—**
Tier II capital	45% of unrealized gains on other securities		**—**	—	**—**
	45% of unrealized gains on land		**23,061**	23,904	**255**
	General reserve for possible loan losses		**24**	29	**0**
	Qualifying subordinated debt		**1,760,961**	1,283,932	**19,533**
	Included as perpetual subordinated bonds and loans		**1,486,007**	963,700	**16,483**
	Included as dated subordinated bonds, loans, and preferred stock		**274,954**	320,232	**3,049**
	Subtotal		**1,784,048**	1,307,866	**19,789**
	Tier II capital included as qualifying capital	(B)	**1,784,048**	1,307,866	**19,789**
Tier III capital	Short-term subordinated debt		**—**	—	**—**
	Including amount added to capital	(C)	**—**	—	**—**
Deductions	Deductions	(D)	**320,986**	326,033	**3,560**
Total Capital	(A)+(B)+(C)–(D)	(E)	**4,830,825**	3,238,483	**53,586**
Risk-weighted assets	Risk-weighted assets for credit risk	(F)	**24,588,671**	26,166,254	**272,572**
	Including on-balance sheet		**22,990,833**	24,378,399	**255,028**
	Including off-balance sheet		**1,597,837**	1,787,854	**17,724**
	Assets equivalent to market risk (H)/8%	(G)	**1,037,501**	1,403,568	**11,508**
	(For reference: actual market risk volume)	(H)	**83,000**	112,285	**920**
	Amount corresponding to operational risk (J)/8%	(I)	**764,948**	1,024,690	**8,485**
	(For reference: amount corresponding to operational risk)	(J)	**61,195**	81,975	**678**
	Total risk-weighted assets (F)+(G)+(I)	(K)	**26,391,120**	28,594,513	**292,746**
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%			**18.30%**	11.32%	**18.30%**
Tier I ratio = (A)/(K) × 100%			**12.76%**	7.89%	**12.76%**
Non-Consolidated required capital (K) × 8%			**2,111,289**	2,287,561	**23,419**

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

2. Regarding the calculation of capital adequacy ratio, certain procedures were performed by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of Capital Ratio Calculation Framework Based on Agree-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agree-upon procedures on internal control of capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not address any opinion as a result of the review.

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

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

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

2. Capital Adequacy (Non-Consolidated)

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

Regulatory Required Capital

(Billions of yen)

Items	As of September 30, 2009		As of September 30, 2008	
	EAD	Regulatory Required Capital	EAD	Regulatory Required EAD
Amount of regulatory required capital for credit risk	**81,156**	**2,493**	71,217	2,434
Exposure subject to Internal Ratings-Based Approach	**81,148**	**2,492**	71,203	2,433
Corporate exposure (excluding Specialized Lending)	**5,884**	**498**	6,703	433
Corporate exposure (Specialized Lending)	**770**	**136**	856	81
Sovereign exposure	**36,141**	**0**	19,192	2
Bank exposure	**14,063**	**110**	13,735	111
Retail exposure	**6**	**2**	5	1
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**6**	**2**	5	1
Securitization exposure	**5,746**	**237**	6,821	114
Equity portfolios	**778**	**134**	724	94
Equity portfolios subject to PD/LGD approaches	**143**	**28**	140	20
Equity portfolios subject to simple risk-weighted method	**38**	**13**	83	28
Equities under the internal models approach	**199**	**59**	17	4
Grandfathered equity exposure	**395**	**33**	483	40
Exposure subject to risk-weighted asset calculation for investment fund	**17,162**	**1,336**	22,317	1,539
Other debt purchased	**39**	**1**	71	2
Other exposures	**555**	**34**	774	53
Exposure subject to Standardized Approach	**7**	**0**	14	1
Overdrafts	**0**	**0**	0	0
Prepaid expenses	**3**	**0**	6	0
Suspense payments	**4**	**0**	7	0
Other	**—**	**—**	—	—
Amount of regulatory required capital for market risk	**/**	**83**	/	112
Standardized Approach	**/**	**82**	/	111
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**82**	/	111
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**61**	/	81
Offsets on consolidation	**/**	**2,637**	/	2,628

Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses + Deductions from capital

2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy, Article 144.

3. Article 13 of the Notification Regarding Capital Adequacy contains a grand fathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.

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

3. Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded.)

1 CREDIT RISK EXPOSURE

For the Six Months Ended September 30, 2009

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

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	14,232	16,279	92	2,399	33,002	304
Asia except Japan	55	132	1	789	978	—
Europe	62	4,107	289	3,638	8,098	7
The Americas	236	10,274	144	5,936	16,591	6
Other areas	25	318	4	0	348	—
Total	14,611	31,111	531	12,763	59,019	317

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

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,351	303	1	0	2,656	51	0
Agriculture	48	0	—	0	48	6	0
Forestry	37	—	—	—	37	1	—
Fishing	33	—	—	0	33	26	0
Mining	10	—	—	0	10	—	—
Construction	137	16	—	0	154	6	—
Utility	147	15	0	0	162	—	—
Information/telecommunications	96	29	—	0	125	20	—
Transportation	696	63	3	0	763	9	—
Wholesaling, retailing	1,465	59	0	0	1,525	29	0
Finance and insurance	1,371	6,350	526	12,197	20,445	20	—
Real estate	491	399	—	0	892	118	2
Services	1,359	47	0	1	1,409	26	0
Municipalities	298	27	—	0	326	—	—
Other	6,065	23,798	—	563	30,427	0	—
Total	14,611	31,111	531	12,763	59,019	317	3

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	**10,808**	**8,533**	**360**	**11,770**	**31,473**
Over 1 year to 3 years	**1,648**	**7,829**	**165**	**50**	**9,693**
Over 3 years to 5 years	**1,369**	**3,877**	**1**	**10**	**5,259**
Over 5 years to 7 years	**461**	**946**	**1**	**—**	**1,408**
Over 7 years	**297**	**9,200**	**3**	**—**	**9,501**
No term to maturity	**26**	**724**	**—**	**932**	**1,683**
Total	**14,611**	**31,111**	**531**	**12,763**	**59,019**

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2009.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥7.7 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

For the Six Months Ended September 30, 2008

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

(Billions of yen)

Region	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,597	9,515	119	6,115	27,348	209
Asia except Japan	59	37	2	968	1,067	—
Europe	93	1,631	450	3,706	5,882	0
The Americas	282	4,672	199	3,597	8,751	—
Other areas	26	19	1	10	57	—
Total	12,059	15,876	773	14,397	43,107	210

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

(Billions of yen)

Industry	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure	Write-off of loans (amounts of partial direct write-off)
Manufacturing	2,224	392	1	0	2,618	46	0
Agriculture	45	0	—	0	45	6	0
Forestry	38	—	—	—	38	1	0
Fishing	38	—	—	0	38	28	1
Mining	15	1	—	0	16	—	—
Construction	163	12	—	0	175	6	0
Utility	182	57	0	0	240	—	—
Information/telecommunications	113	44	—	0	158	3	—
Transportation	651	91	2	0	745	1	—
Wholesaling, retailing	1,861	70	0	0	1,933	26	0
Finance and insurance	1,485	4,496	769	12,873	19,625	3	0
Real estate	517	202	—	0	720	48	0
Services	1,470	64	0	1	1,537	35	3
Municipalities	388	38	—	—	426	—	—
Other	2,862	10,402	—	1,522	14,787	0	—
Total	12,059	15,876	773	14,397	43,107	210	6

Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.

Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

Term to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	8,406	286	198	10,754	19,646
Over 1 year to 3 years	1,571	1,617	571	—	3,760
Over 3 years to 5 years	1,188	2,695	0	57	3,941
Over 5 years to 7 years	488	1,190	0	4	1,684
Over 7 years	377	9,461	2	734	10,575
No term to maturity	26	625	—	2,847	3,498
Total	12,059	15,876	773	14,397	43,107

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position for the six months ended September 30, 2008.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥14.0 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

2 RESERVES FOR POSSIBLE LOAN LOSSES

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

(Billions of yen)

Region		As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
General reserve for possible loan losses		**65**	46	**18**
Specific reserve for possible loan losses		**140**	77	**63**
	Japan	**136**	76	**59**
	Asia except Japan	**—**	—	**—**
	Europe	**3**	0	**2**
	The Americas	**1**	—	**1**
	Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems		**—**	—	**—**
Total		**205**	123	**81**

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

(Billions of yen)

Industry		As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
General reserve for possible loan losses		**65**	46	**18**
Specific reserve for possible loan losses		**140**	77	**63**
	Manufacturing	**15**	10	**4**
	Agriculture	**4**	3	**0**
	Forestry	**0**	0	**0**
	Fishing	**11**	13	**(1)**
	Mining	**—**	—	**—**
	Construction	**0**	1	**(1)**
	Utility	**—**	—	**—**
	Information/telecommunications	**18**	2	**16**
	Transportation	**8**	0	**7**
	Wholesaling, retailing	**4**	19	**(14)**
	Finance and insurance	**10**	1	**9**
	Real estate	**56**	15	**40**
	Services	**8**	7	**0**
	Municipalities	**—**	—	**—**
	Other	**—**	0	**(0)**
Others		**—**	—	**—**
Specified reserve for loans to countries with financial problems		**—**	—	**—**
Total		**205**	123	**81**

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2009

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	6.01%	44.89%	106%	5,884	5,059	824
1-1 to 4	0.19%	45.00%	40%	3,954	3,260	694
5 to 7	2.44%	44.72%	125%	1,115	1,035	80
8-1 to 8-2	19.11%	44.63%	350%	612	565	46
Subtotal	2.67%	44.90%	90%	5,682	4,861	821
8-3 to 10-2	100.00%	44.65%	559%	201	198	3
Sovereign Exposure	0.00%	44.99%	0%	36,141	32,071	4,070
1-1 to 4	0.00%	44.99%	0%	36,141	32,070	4,070
5 to 7	7.78%	45.00%	211%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	36,141	32,071	4,070
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	28.31%	10%	14,063	6,563	7,499
1-1 to 4	0.05%	28.29%	10%	14,040	6,548	7,491
5 to 7	3.04%	41.43%	154%	17	10	7
8-1 to 8-2	7.07%	26.55%	127%	4	4	0
Subtotal	0.06%	28.31%	10%	14,062	6,563	7,499
8-3 to 10-2	100.00%	45.00%	562%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	2.18%	90.00%	247%	143	137	6
1-1 to 4	0.13%	90.00%	141%	87	87	—
5 to 7	3.53%	90.00%	381%	53	46	6
8-1 to 8-2	19.91%	90.00%	783%	3	3	—
Subtotal	1.83%	90.00%	244%	143	136	6
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

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

For the Six Months Ended September 30, 2008

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.31%	40.87%	81%	6,703	5,188	1,514
1-1 to 4	0.15%	39.73%	31%	5,153	3,759	1,394
5 to 7	1.78%	44.64%	113%	807	733	74
8-1 to 8-2	19.26%	44.68%	353%	588	545	42
Subtotal	2.07%	40.78%	70%	6,550	5,038	1,511
8-3 to 10-2	100.00%	44.45%	558%	152	150	2
Sovereign Exposure	0.01%	44.42%	0%	19,192	15,346	3,846
1-1 to 4	0.00%	44.42%	0%	19,179	15,332	3,846
5 to 7	7.78%	45.00%	257%	13	13	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.01%	44.42%	0%	19,192	15,346	3,846
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	31.71%	10%	13,735	8,076	5,658
1-1 to 4	0.04%	31.70%	10%	13,708	8,057	5,651
5 to 7	2.58%	45.00%	156%	18	11	6
8-1 to 8-2	7.07%	20.00%	100%	8	7	0
Subtotal	0.04%	31.71%	10%	13,735	8,076	5,658
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.16%	90.00%	182%	140	132	7
1-1 to 4	0.13%	90.00%	135%	118	118	—
5 to 7	4.42%	90.00%	412%	21	14	7
8-1 to 8-2	19.91%	90.00%	783%	0	0	—
Subtotal	0.81%	90.00%	178%	139	132	7
8-3 to 10-2	100.00%	90.00%	1,125%	0	0	—

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

b. Retail Exposure

For the Six Months Ended September 30, 2009

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	5.54%	41.81%	83.81%	77.31%	87%	309	309	—
Not default Not delinquent	0.40%	41.83%	/	/	30%	281	281	—
Not default Delinquent	23.32%	41.33%	/	/	355%	15	15	—
Not default Subtotal	1.60%	41.81%	/	/	47%	297	297	—
Default	100.00%	/	83.81%	77.31%	1,048%	12	12	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	25.59%	80.95%	103.39%	95.59%	388%	9	4	4
Not default Not delinquent	1.52%	81.01%	/	/	95%	7	2	4
Not default Delinquent	29.29%	77.32%	/	/	433%	0	0	0
Not default Subtotal	1.94%	80.95%	/	/	100%	7	2	4
Default	100.00%	/	103.39%	95.59%	1,292%	2	2	0
Total	6.14%	42.97%	86.85%	80.14%	96%	319	314	4
Not default Not delinquent	0.42%	42.79%	/	/	31%	288	284	4
Not default Delinquent	23.36%	41.59%	/	/	356%	15	15	0
Not default Subtotal	1.60%	42.73%	/	/	48%	304	299	4
Default	100.00%	/	86.85%	80.14%	1,086%	14	14	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.

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

4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).

5. As of September 30, 2009, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2008

Details on PD, LGD, RW and EAD Assets

(Billions of yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average LGD default	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	4.72%	42.72%	83.52%	77.99%	79%	351	351	—
Not default Not delinquent	0.40%	42.74%	/	/	31%	324	324	—
Not default Delinquent	23.13%	42.28%	/	/	362%	14	14	—
Not default Subtotal	1.39%	42.72%	/	/	45%	339	339	—
Default	100.00%	/	83.52%	77.99%	1,044%	11	11	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	12.73%	62.86%	64.75%	59.91%	155%	16	11	5
Not default Not delinquent	1.56%	62.97%	/	/	69%	14	9	4
Not default Delinquent	21.60%	59.78%	/	/	291%	0	0	0
Not default Subtotal	2.28%	62.86%	/	/	77%	14	9	4
Default	100.00%	/	64.75%	59.91%	809%	1	1	0
Total	5.08%	43.57%	81.07%	75.63%	82%	368	363	5
Not default Not delinquent	0.45%	43.60%	/	/	32%	339	334	4
Not default Delinquent	23.08%	42.89%	/	/	359%	15	15	0
Not default Subtotal	1.42%	43.57%	/	/	46%	354	349	4
Default	100.00%	/	81.07%	75.63%	1,013%	13	13	0

Notes: 1. Purchased retail receivables in investment funds have been included in the amount subject to quantitative disclosure.
2. "Not default Delinquent" is not falling under a default definition in the Notification Regarding Capital Adequacy, but past-due.
3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).
4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).
5. As of September 30, 2008, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

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

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

(Billions of yen)

Type of exposure	As of September 30, 2009	As of September 30, 2008	Increase/(decrease)
Corporate exposure	**36**	8	**27**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**0**	—	**0**
Retail exposure secured by residential properties	**—**	—	**—**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**

Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.

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

(Billions of yen)

Type of exposure	As of September 30, 2009		As of September 30, 2008	
	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**27**	**36**	22	8
Sovereign exposure	**0**	**—**	0	—
Bank exposure	**0**	**—**	0	—
Equity exposure subject to PD/LGD approach	**0**	**0**	0	—
Retail exposure secured by residential properties	**—**	**—**	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**0**	**0**	0	0

(Billions of yen)

Type of exposure	As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	45	23	28	6	27	18
Sovereign exposure	1	—	1	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	0	0	1	0	0	0
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

Notes: 1. Comparisons of estimated and actual long-term losses for 10 years accumulatively are scheduled to be disclosed from the year following the application of Basel II (the year ending March 31, 2007).

2. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.

3. Estimated losses of each year are amount of expected losses. For the first-half period, an amount equivalent to half of the expected losses for the full term is employed.

Year-on-year comparison of actual losses and factor analysis of difference between estimated losses and actual losses

For the first half of fiscal 2009, the actual loss amount exceeded the estimated losses at the beginning of the reporting period, due to an increase in losses arising from defaults by corporate borrowers.

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Specialized Lending exposure subject to supervisory slotting criteria	**770**	856
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**601**	685
Risk weight of 50%	**83**	109
Risk weight of 70%	**310**	344
Risk weight of 90%	**5**	178
Risk weight of 115%	**1**	1
Risk weight of 250%	**92**	13
Risk weight of 0% (default)	**107**	37
High-Volatility Commercial Real Estate (HVCRE)	**169**	171
Risk weight of 70%	**69**	106
Risk weight of 95%	**—**	3
Risk weight of 120%	**—**	10
Risk weight of 140%	**10**	41
Risk weight of 250%	**89**	10
Risk weight of 0% (default)	**—**	—

Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy, Article 1-1-41).

2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy, Article 1-1-43.

3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5, after taking account of risk weights.

4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy, Article 130-3 and Article 130-5.

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**39**	83
Risk weight of 300%	**—**	—
Risk weight of 400%	**39**	83

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

4 EXPOSURE SUBJECT TO STANDARDIZED APPROACH BY RISK WEIGHT

Amount of Exposure Subject to Standardized Approach

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**7**	**—**	14	—
Risk weight of 0%	**—**	**—**	—	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**—**	**—**	—	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	—	—
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**7**	**—**	14	—
Risk weight of 150%	**—**	**—**	—	—
Amount deducted from capital	**—**	**—**	—	—
Others	**—**	**—**	—	—

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Foundation Internal Ratings-Based Approach	**5,356**	4,286
Eligible financial collateral	**4,414**	4,161
Corporate exposure	**11**	599
Sovereign exposure	**3**	238
Bank exposure	**4,398**	3,324
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**941**	124
Corporate exposure	**127**	124
Sovereign exposure	**13**	0
Bank exposure	**801**	—
Retail exposure secured by residential properties	**—**	—
Qualifying revolving retail exposure	**—**	—
Other retail exposure	**—**	—
Standardized Approach	**—**	—
Eligible financial collateral	**—**	—
Guarantees, Credit Derivatives	**—**	—

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

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

Methods Used for Calculating Amount of Credit Exposure

The current exposure method is adopted.

Breakdown of the Amount of Credit Exposure

(Billions of yen)

Classification		As of September 30, 2009	As of September 30, 2008
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**553**	807
Total gross add-ons	(B)	**327**	498
Gross credit exposure	(C) = (A)+(B)	**881**	1,305
Including, foreign exchange related		**819**	1,231
Including, interest rate related		**59**	61
Including, equity related		**2**	3
Including, credit derivatives		**—**	9
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(D)	**24**	42
Reduction in credit exposure due to netting contracts	(E) = (C)–(D)	**857**	1,263
Amount of collateral		**—**	—
Including eligible financial collateral		**—**	—
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		**857**	1,263

Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 56-1, the amount of credit exposure not computed has not been included.

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
To buy protection	**—**	—
Including credit default swaps	**—**	—
To sell protection	**—**	99
Including credit default swaps	**—**	99
Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques	**—**	—

Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.
2. Under the stipulations of the Notification Regarding Capital Adequacy, Article 21-2 and Article 21-3, the amount of credit risk assets not computed has not been included.

6. Securitization Exposure (Non-Consolidated)

Detail of Securitization Exposure Held as Originator

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Total amount of underlying assets	**—**	—
Amounts of securitization exposure	**—**	—
Increase in capital due to securitization transactions	**—**	—
Deducted from capital	**—**	—
Amounts of securitized exposure	**—**	—
Gains (losses) on sales of securitization transactions	**—**	—

As of September 30, 2009, the Bank has not been an originator for securitization exposure, having effects of credit risk mitigation.

Details of Securitization Exposure Held as Investor by Exposure Type

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	**5,747**	**79**	6,823	25
Individuals				
Asset-Backed Securities (ABS)	**2,549**	**0**	2,880	—
Residential Mortgage-Backed Securities (RMBS)	**595**	**15**	755	2
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	**563**	**6**	670	—
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**1,978**	**49**	2,441	2
Collateralized Loan Obligations (CLO)	**1,706**	**33**	1,996	—
Asset-Backed Securities CDOs (ABS-CDO)	**201**	**15**	343	2
Collateralized Bond Obligations (CBO)	**70**	**—**	102	—
Others	**60**	**7**	75	19

Note: "Deductions from capital" is equity exposure deducted from capital under Article 224 of the Notification Regarding Capital Adequacy.

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

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	**5,747**	**237**	6,823	114
Risk weight: 20% or less	**4,751**	**36**	6,314	50
Risk weight: exceeding 20% to 50% or less	**463**	**13**	215	6
Risk weight: exceeding 50% to 100% or less	**193**	**13**	209	14
Risk weight: exceeding 100% to 250% or less	**110**	**20**	39	7
Risk weight: exceeding 250% to less than 1,250%	**149**	**74**	19	10
Deductions from capital	**79**	**79**	25	25

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

Not applicable

7. Market Risk (Non-Consolidated)

Computation of the Market Risk Amount by the Internal Models Approach

■ VaR

(Millions of yen)

	For the six months ended September 30, 2009	For the six months ended September 30, 2008
Base date of computation	**2009. 9. 30**	2008. 9. 30
VaR (For the most recent 60 business days)		
Base date of computation	**101**	415
Maximum	**716**	446
Minimum	**32**	97
Average	**244**	206

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2009	For the six months ended September 30, 2008
For the portion computed with the internal models approach (B)+(E)	(A)	**733**	618
Value at Risk (MAX (C, D))	(B)	**733**	618
Amount on base date of computation	(C)	**101**	415
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	**733**	618
Additional amount at the time of measuring individual risk	(E)	**0**	0
(Multiplier)	(F)	**3.0**	3.0
(Times exceeding VaR in back testing)	(G)	**1**	3

8. Equity Exposure (Non-Consolidated)

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

Amounts on the Balance Sheet and Market Value

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	**771**	**771**	715	715
Exposure to publicly traded equity	**589**	**589**	493	493
Exposure to privately held equity	**182**	**182**	222	222

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

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

(Billions of yen)

Item	For the six months ended September 30, 2009			For the six months ended September 30, 2008		
	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.	Gains from sale of equities, etc.	Losses from sales of equities, etc.	Write-offs of equities, etc.
Equity exposure	**12**	**0**	**3**	31	37	0

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

Amount of Valuation Gains (Losses)

(Billions of yen)

Item	As of September 30, 2009	As of September 30, 2008
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**80**	136

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

Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

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

(Billions of yen)

Item	As of September 30, 2009	As of September 30, 2008
Amount included in supplementary capital under the stipulations of the Notification Regarding Capital Adequacy, Article 18-1-1	**—**	—

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	**395**	483
Corporate	**362**	448
Bank	**27**	29
Sovereign	**5**	5

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

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

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

(Billions of yen)

Classification	As of September 30, 2009		As of September 30, 2008	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**13,303**	**66%**	15,636	57%
Majority approach	**486**	**348%**	795	332%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,604**	**247%**	1,798	199%
Others (simple approach)	**244**	**468%**	335	537%
Total	**15,639**	**97%**	18,565	86%

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

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

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

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

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

6. (For reference) Weighted-average risk weight = {Total risk-weighted assets + (Expected losses + Deductions from capital) / 8%} / EAD

10. Interest-Rate Risk (Non-Consolidated)

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

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

(Billions of yen)

Classification	As of September 30, 2009	As of September 30, 2008
Interest-rate risk	**1,148**	1,066
Yen interest-rate risk	**(70)**	(8)
U.S. dollar interest-rate risk	**1,074**	1,039
Euro interest-rate risk	**139**	26
Interest-rate risk in other currencies	**4**	9

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

The Norinchukin Bank