



Capital Adequacy (Consolidated) [Disclosure under Basel II Pillar III]

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

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

Capital 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	51	73
	Explanation of computation of capital adequacy ratio	Scope of consolidation	52	—
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.	53	75

Risk Exposures

This section describes detailed amounts of the Bank's various risk 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	54	76	
	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	58	80
		Retail exposure	Details on PD, LGD, RW and EAD	60	82
		Actual losses, etc., on exposure to corporate, sovereign, bank and retail	Actual losses, long-term comparison between estimated losses and actual losses	62	84
		Exposure to Specialized Lending subject to supervisory slotting criteria	Amount of exposure by RW	63	85
		Equity exposure subject to the simple risk-weighted method	Amount of exposure by RW	64	86
	Exposure subject to Standardized Approach	Amount of exposure by RW	64	86	
	Items related to credit risk mitigation	Coverage/application of collateral, guarantees, etc.	65	87	
Items related to counterparty risk in derivative transactions	Derivative transaction activity	66	88		
Items related to securitization exposure	Details of securitization exposure	67	89		
Items related to market risk	VaR and amount of market risk in trading account	68	90		
Items related to equity exposure	Details of equity exposure those directly held	69	91		
Items related to exposure subject to risk-weighted asset calculation for investment fund	Risk-weighted assets for investment fund	71	93		
Items related to interest rate risk	Interest rate risk for internal management purposes	72	94		



1. Capital Structure (Consolidated)

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, 2011 and 2010, was computed according to Basel II.

As of September 30

	Items	Millions of yen		Millions of U.S. dollars
		2011	2010	2011
Tier I capital	Capital stock	3,425,909	3,425,909	44,724
	Included as non-cumulative, perpetual preferred stock	24,999	24,999	326
	Deposit for subscription to preferred stock	—	—	—
	Capital surplus	25,020	25,020	326
	Earned surplus	1,075,306	920,446	14,037
	Less: Amount corresponding to the decrease in capital due to merger of subsidiaries	—	—	—
	Less: Treasury stock	150	150	1
	Deposit for subscription to treasury stock	—	—	—
	Unrealized loss on other securities	(124,113)	(207,598)	(1,620)
	Foreign currency transaction adjustment	(48)	(38)	0
	Stock acquisition rights	—	—	—
	Minority interest of consolidated subsidiaries	6,135	5,863	80
	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	25,921	47,490	338	
Subtotal (A)	4,382,137	4,121,961	57,208	
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	18,954	22,676	247
	General reserve for possible loan losses	30	22	0
	Qualifying subordinated debt	1,536,007	1,736,172	20,052
	Included as perpetual subordinated bonds and loans	1,486,007	1,486,007	19,399
	Included as dated subordinated bonds, loans, and preferred stock	50,000	250,165	652
	Subtotal	1,554,992	1,758,871	20,300
Tier II capital included as qualifying capital (B)	1,554,992	1,758,871	20,300	
Tier III capital	Short-term subordinated debt	—	—	—
	Including amount added to capital (C)	—	—	—
Deductions	Deductions (D)	238,267	345,870	3,110
Total Capital	(A)+(B)+(C)-(D) (E)	5,698,862	5,534,963	74,397
Risk-weighted assets	Risk-weighted assets for credit risk (F)	19,951,318	23,258,758	260,461
	Including on-balance sheet	18,847,865	22,119,777	246,055
	Including off-balance sheet	1,103,453	1,138,980	14,405
	Assets equivalent to market risk (H)/8% (G)	1,364,229	1,644,559	17,809
	(For reference: actual market risk volume) (H)	109,138	131,564	1,424
	Amount corresponding to operational risk (J)/8% (I)	431,206	553,334	5,629
(For reference: amount corresponding to operational risk) (J)	34,496	44,266	450	
Total risk-weighted assets (F)+(G)+(I) (K)	21,746,755	25,456,652	283,900	
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%		26.20%	21.74%	26.20%
Tier I ratio = (A)/(K) × 100%		20.15%	16.19%	20.15%
Consolidated required capital (K) × 8%		1,739,740	2,036,532	22,712

1. Capital Structure (Consolidated)

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, 2011		As of September 30, 2010	
	EAD	Regulatory Required Capital	EAD	Regulatory Required EAD
Amount of regulatory required capital for credit risk	77,758	1,953	83,225	2,395
Exposure subject to Internal Ratings-Based Approach	77,707	1,952	83,186	2,395
Corporate exposure (excluding Specialized Lending)	5,052	311	5,165	399
Corporate exposure (Specialized Lending)	432	86	581	116
Sovereign exposure	37,197	0	38,342	0
Bank exposure	11,905	82	12,630	97
Retail exposure	667	28	619	27
Retail exposure secured by residential properties	625	23	578	22
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	41	4	40	5
Securitization exposure	3,935	202	4,499	308
Equity portfolios	614	113	689	135
Equity portfolios subject to PD/LGD approaches	77	12	91	14
Equity portfolios subject to simple risk-weighted method	27	9	27	9
Equities under the internal models approach	210	66	264	86
Grandfathered equity exposure	298	25	305	25
Exposure subject to risk-weighted asset calculation for investment fund	17,437	1,103	20,198	1,281
Other debt purchased	46	1	50	3
Other exposures	418	21	408	24
Exposure subject to Standardized Approach	50	1	39	0
Assets subject to Standardized Approach on a non-consolidated basis	0	0	2	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	49	0	37	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	0	0	0	0
Amount of regulatory required capital for market risk	/	109	/	131
Standardized Approach	/	108	/	131
Interest rate risk category	/	—	/	—
Equity risk category	/	—	/	—
Foreign exchange risk category	/	108	/	131
Commodity risk category	/	—	/	—
Option transactions	/	—	/	—
Internal models Approach	/	0	/	0
Amount of regulatory required capital for operational risk	/	34	/	44
Offsets on consolidation	/	2,096	/	2,571

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 grandfathering 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, 2011

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	16,993	15,388	44	4,802	37,229	242
Asia except Japan	68	89	5	536	700	—
Europe	29	3,182	167	1,670	5,048	—
The Americas	283	8,236	60	4,985	13,564	—
Other areas	22	737	10	416	1,186	—
Amounts held by consolidated subsidiaries	680	40	—	36	757	18
Total	18,076	27,673	287	12,447	58,486	260

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	2,344	221	0	0	2,566	38	0
Agriculture	45	0	—	0	45	7	0
Forestry	28	—	—	—	28	0	—
Fishing	27	—	—	0	27	19	0
Mining	5	—	—	0	5	—	—
Construction	117	5	—	0	123	2	—
Utility	150	4	0	0	155	1	—
Information/telecommunications	50	2	0	0	53	3	—
Transportation	766	57	3	0	827	9	—
Wholesaling, retailing	1,588	49	0	0	1,638	25	0
Finance and insurance	1,469	6,196	281	11,991	19,938	20	—
Real estate	584	156	—	0	742	100	—
Services	1,516	59	0	1	1,577	13	0
Municipalities	179	12	—	—	191	—	—
Other	8,523	20,867	—	416	29,807	0	—
Amounts held by consolidated subsidiaries	680	40	—	36	757	18	1
Total	18,076	27,673	287	12,447	58,486	260	1

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	13,912	7,914	128	11,944	33,899
Over 1 year to 3 years	1,640	5,232	143	5	7,022
Over 3 years to 5 years	1,236	1,456	5	—	2,699
Over 5 years to 7 years	360	1,973	5	—	2,339
Over 7 years	186	10,374	3	—	10,564
No term to maturity	60	682	—	460	1,204
Amounts held by consolidated subsidiaries	680	40	—	36	757
Total	18,076	27,673	287	12,447	58,486

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, 2011.

2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 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 ¥51.1 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, 2010

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	14,931	17,967	54	1,463	34,417	306
Asia except Japan	54	26	4	833	919	—
Europe	12	3,954	125	2,965	7,059	0
The Americas	285	10,576	58	5,531	16,451	0
Other areas	21	730	2	407	1,162	—
Amounts held by consolidated subsidiaries	635	32	—	31	699	18
Total	15,941	33,288	246	11,234	60,710	325

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	2,247	251	1	0	2,500	60	0
Agriculture	46	0	—	0	46	7	0
Forestry	33	—	—	0	33	0	—
Fishing	28	—	—	0	28	21	0
Mining	5	0	—	0	6	—	—
Construction	131	9	—	0	140	5	0
Utility	133	14	0	0	148	1	—
Information/telecommunications	69	11	—	0	81	7	0
Transportation	644	57	4	0	706	4	0
Wholesaling, retailing	1,965	49	0	0	2,015	29	0
Finance and insurance	1,324	6,666	239	10,791	19,021	23	—
Real estate	509	260	—	0	770	129	—
Services	1,148	59	0	1	1,210	15	0
Municipalities	234	12	—	—	246	—	—
Other	6,781	25,862	—	407	33,051	0	—
Amounts held by consolidated subsidiaries	635	32	—	31	699	18	1
Total	15,941	33,288	246	11,234	60,710	325	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	11,581	10,973	115	10,694	33,364
Over 1 year to 3 years	1,689	5,735	111	55	7,591
Over 3 years to 5 years	1,335	3,910	8	1	5,255
Over 5 years to 7 years	385	1,400	2	—	1,788
Over 7 years	252	10,484	7	—	10,745
No term to maturity	61	752	—	451	1,264
Amounts held by consolidated subsidiaries	635	32	—	31	699
Total	15,941	33,288	246	11,234	60,710

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, 2010.

2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 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 ¥39.8 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 Specified Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2011	As of September 30, 2010	Increase/(decrease)
General reserve for possible loan losses	36	68	(32)
Specific reserve for possible loan losses	126	137	(10)
Japan	126	137	(10)
Asia except Japan	—	—	—
Europe	—	—	—
The Americas	—	—	—
Other areas	—	—	—
Amounts held by consolidated subsidiaries	14	10	3
Offsets on consolidation	(1)	(3)	1
Specified reserve for loans to countries with financial problems	—	—	—
Total	175	213	(38)

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, 2011	As of September 30, 2010	Increase/(decrease)
General reserve for possible loan losses	36	68	(32)
Specific reserve for possible loan losses	126	137	(10)
Manufacturing	19	19	0
Agriculture	4	5	(1)
Forestry	0	0	0
Fishing	9	10	(0)
Mining	—	—	—
Construction	0	0	(0)
Utility	1	1	0
Information/telecommunications	1	6	(4)
Transportation	4	3	1
Wholesaling, retailing	4	5	(1)
Finance and insurance	9	4	5
Real estate	62	69	(7)
Services	9	11	(1)
Municipalities	—	—	—
Other	0	—	0
Others	—	—	—
Amount held by consolidated subsidiaries	14	10	3
Offsets on consolidation	(1)	(3)	1
Specified reserve for loans to countries with financial problems	—	—	—
Total	175	213	(38)

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2011

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	4.20%	44.81%	77%	5,052	4,330	722
1-1 to 4	0.16%	44.82%	36%	4,004	3,349	654
5 to 7	2.65%	44.84%	131%	664	627	37
8-1 to 8-2	16.03%	44.91%	323%	232	202	29
Subtotal	1.25%	44.82%	62%	4,901	4,179	721
8-3 to 10-2	100.00%	44.23%	556%	151	150	0
Sovereign Exposure	0.00%	45.00%	0%	37,197	35,813	1,384
1-1 to 4	0.00%	45.00%	0%	37,197	35,812	1,384
5 to 7	0.70%	45.00%	122%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	37,197	35,813	1,384
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	22.03%	9%	11,905	5,341	6,563
1-1 to 4	0.05%	22.01%	8%	11,846	5,288	6,558
5 to 7	1.94%	26.45%	62%	54	49	5
8-1 to 8-2	7.07%	13.24%	64%	4	3	0
Subtotal	0.06%	22.02%	9%	11,905	5,341	6,563
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%	201%	77	77	—
1-1 to 4	0.14%	90.00%	126%	60	60	—
5 to 7	4.52%	90.00%	419%	13	13	—
8-1 to 8-2	16.23%	90.00%	720%	3	3	—
Subtotal	1.53%	90.00%	201%	77	77	—
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).

3. Credit Risk (Consolidated)

For the Six Months Ended September 30, 2010

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	5.86%	44.76%	97%	5,165	4,445	720
1-1 to 4	0.18%	44.74%	38%	3,767	3,144	622
5 to 7	1.53%	44.81%	105%	722	669	53
8-1 to 8-2	19.41%	44.90%	355%	484	441	42
Subtotal	2.25%	44.77%	79%	4,974	4,256	718
8-3 to 10-2	100.00%	44.47%	558%	190	188	1
Sovereign Exposure	0.00%	44.99%	0%	38,342	35,471	2,870
1-1 to 4	0.00%	44.99%	0%	38,342	35,471	2,870
5 to 7	—	—	—	—	—	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	38,342	35,471	2,870
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	23.51%	10%	12,630	5,916	6,714
1-1 to 4	0.05%	23.48%	9%	12,611	5,903	6,707
5 to 7	1.29%	39.43%	112%	17	11	6
8-1 to 8-2	7.07%	45.00%	247%	1	1	0
Subtotal	0.05%	23.51%	10%	12,630	5,915	6,714
8-3 to 10-2	100.00%	45.00%	562%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.40%	90.00%	193%	91	91	—
1-1 to 4	0.14%	90.00%	128%	73	73	—
5 to 7	4.44%	90.00%	413%	15	15	—
8-1 to 8-2	19.91%	90.00%	783%	2	2	—
Subtotal	1.39%	90.00%	193%	91	91	—
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).

3. Credit Risk (Consolidated)

► 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 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				
9	Doubtful	III	Debtors who are highly likely to fall into bankruptcy	Doubtful
10-1 10-2	Debtors in default Debtors in bankruptcy	IV	Debtor who have effectively fallen into bankruptcy, although no facts have emerged to indicate legal or formal bankruptcy	Bankrupt or de facto bankrupt
			Debtors who are legally and formally bankrupt	

b. Retail Exposure

For the Six Months Ended September 30, 2011

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 (off-balance sheet)	
							EAD (on-balance sheet)	EAD (off-balance sheet)
Retail exposure secured by residential properties	2.51%	48.99%	92.28%	80.62%	64%	866	370	495
Not default Not delinquent	0.45%	48.99%	/	/	39%	838	345	492
Not default Delinquent	28.80%	49.07%	/	/	462%	14	13	1
Not default Subtotal	0.93%	48.99%	/	/	46%	852	358	493
Default	100.00%	/	92.28%	80.62%	1,153%	13	11	2
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	6.63%	62.49%	108.24%	98.23%	143%	42	37	5
Not default Not delinquent	0.96%	62.54%	/	/	70%	40	34	5
Not default Delinquent	25.89%	58.60%	/	/	340%	0	0	0
Not default Subtotal	1.26%	62.49%	/	/	73%	40	34	5
Default	100.00%	/	108.24%	98.23%	1,353%	2	2	0
Total	2.70%	49.62%	94.59%	83.17%	68%	909	407	501
Not default Not delinquent	0.47%	49.60%	/	/	40%	878	379	498
Not default Delinquent	28.71%	49.37%	/	/	458%	15	13	1
Not default Subtotal	0.95%	49.60%	/	/	48%	893	393	499
Default	100.00%	/	94.59%	83.17%	1,182%	16	14	2

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

2. "Not default Delinquent" does not fall under the 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, 2011, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2010

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	2.69%	47.78%	88.42%	80.55%	64%	853	410	443
Not default Not delinquent	0.44%	47.77%	/	/	38%	821	380	441
Not default Delinquent	27.52%	48.41%	/	/	449%	16	15	1
Not default Subtotal	0.98%	47.78%	/	/	46%	838	395	442
Default	100.00%	/	88.42%	80.55%	1,105%	14	14	0
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	8.12%	67.44%	106.86%	97.41%	167%	42	35	6
Not default Not delinquent	1.03%	67.44%	/	/	77%	38	32	6
Not default Delinquent	26.05%	67.38%	/	/	377%	0	0	0
Not default Subtotal	1.44%	67.44%	/	/	82%	39	32	6
Default	100.00%	/	106.86%	97.41%	1,336%	2	2	0
Total	2.95%	48.71%	91.41%	83.28%	69%	895	445	449
Not default Not delinquent	0.46%	48.65%	/	/	39%	860	412	448
Not default Delinquent	27.46%	49.11%	/	/	446%	17	16	1
Not default Subtotal	1.00%	48.66%	/	/	48%	877	428	449
Default	100.00%	/	91.41%	83.28%	1,143%	17	17	0

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

2. "Not default Delinquent" does not fall under the 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, 2010, 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, 2011	As of September 30, 2010	Increase/(decrease)
Corporate exposure	3	5	(1)
Sovereign exposure	—	—	—
Bank exposure	—	—	—
Equity exposure subject to PD/LGD approach	—	—	—
Retail exposure secured by residential properties	1	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, 2011		As of September 30, 2010		As of March 31, 2011	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	21	3	36	5	73	7
Sovereign exposure	0	—	0	—	0	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	—	1	—	3	0
Retail exposure secured by residential properties	0	1	0	0	1	0
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

(Billions of yen)

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses						
Corporate exposure	55	43	46	25	29	7	27	18
Sovereign exposure	0	—	1	—	1	—	1	—
Bank exposure	0	—	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	0	0	1	0	0	0
Retail exposure secured by residential properties	1	0	1	0	1	0	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Other retail exposure	0	0	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.

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

For the first half of fiscal 2011, while actual losses after the earthquake disaster exceeded estimated losses for retail exposure secured by residential properties, the actual loss amounts have basically maintained at lower levels than the estimated losses at the beginning of the term for other types of exposure.

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, 2011	As of September 30, 2010
Specialized Lending exposure subject to supervisory slotting criteria	433	582
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	329	473
Risk weight of 50%	47	100
Risk weight of 70%	176	141
Risk weight of 90%	7	1
Risk weight of 115%	4	83
Risk weight of 250%	41	66
Risk weight of 0% (default)	52	79
High-Volatility Commercial Real Estate (HVCRE)	103	109
Risk weight of 70%	2	2
Risk weight of 95%	13	18
Risk weight of 120%	19	19
Risk weight of 140%	—	—
Risk weight of 250%	21	21
Risk weight of 0% (default)	48	48

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, 2011		As of September 30, 2010	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	27	—	27	—
Risk weight of 300%	—	—	—	—
Risk weight of 400%	27	—	27	—

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, 2011		As of September 30, 2010	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	51	—	39	—
Risk weight of 0%	31	—	29	—
Risk weight of 10%	—	—	0	—
Risk weight of 20%	4	—	3	—
Risk weight of 35%	—	—	—	—
Risk weight of 50%	—	—	—	—
Risk weight of 75%	—	—	—	—
Risk weight of 100%	5	—	5	—
Risk weight of 150%	—	—	—	—
Amount deducted from capital	—	—	—	—
Others	9	—	0	—

Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% risk weight.



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, 2011	As of September 30, 2010
Foundation Internal Ratings-Based Approach	7,290	7,246
Eligible financial collateral	5,496	5,572
Corporate exposure	16	20
Sovereign exposure	—	3
Bank exposure	5,479	5,548
Other eligible IRB collateral	—	—
Corporate exposure	—	—
Sovereign exposure	—	—
Bank exposure	—	—
Guarantees, Credit Derivatives	1,793	1,673
Corporate exposure	137	125
Sovereign exposure	154	47
Bank exposure	1,501	1,501
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, 2011	As of September 30, 2010
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	375	316
Total gross add-ons	(B)	265	242
Gross credit exposure	(C) = (A)+(B)	640	558
Including, foreign exchange related		569	502
Including, interest rate related		68	52
Including, equity related		2	2
Including, credit derivatives		—	—
Including, transactions with a long settlement period		0	0
Reduction in credit exposure due to netting contracts	(D)	124	109
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	515	449
Amount of collateral		294	126
Including eligible financial collateral		294	126
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral		515	449

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, 2011	As of September 30, 2010
To buy protection		—	—
Including credit default swaps		—	—
To sell protection		—	—
Including credit default swaps		—	—
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, 2011	As of September 30, 2010
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, 2011, 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, 2011		As of September 30, 2010	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	3,935	112	4,499	188
Individuals				
Asset-Backed Securities (ABS)	1,690	—	2,046	0
Residential Mortgage-Backed Securities (RMBS)	833	35	488	39
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	301	18	393	20
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	1,008	51	1,495	119
Collateralized Loan Obligations (CLO)	851	31	1,296	83
Asset-Backed Securities CDOs (ABS-CDO)	137	20	174	36
Collateralized Bond Obligations (CBO)	19	—	25	—
Others	100	7	75	8

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, 2011		As of September 30, 2010	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	3,935	202	4,499	308
Risk weight: 20% or less	3,262	22	3,581	26
Risk weight: exceeding 20% to 50% or less	222	6	321	9
Risk weight: exceeding 50% to 100% or less	168	11	167	11
Risk weight: exceeding 100% to 250% or less	108	21	96	19
Risk weight: exceeding 250% to less than 1,250%	61	27	144	53
Deductions from capital	112	112	188	188

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, 2011	For the six months ended September 30, 2010
Base date of computation	2011. 9. 30	2010. 9. 30
VaR (For the most recent 60 business days)		
Base date of computation	132	137
Maximum	239	294
Minimum	63	49
Average	115	118

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2011	For the six months ended September 30, 2010
For the portion computed with the internal models approach (B)+(E)	(A)	345	355
Value at Risk (MAX (C, D))	(B)	345	355
Amount on base date of computation	(C)	132	137
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	345	355
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	1

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, 2011		As of September 30, 2010	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	672	672	746	746
Exposure to publicly traded equity	534	534	602	602
Exposure to privately held equity	138	138	143	143

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, 2011			For the six months ended September 30, 2010		
	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	3	20	14	13	0	29

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, 2011	As of September 30, 2010
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	53	49

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, 2011	As of September 30, 2010
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, 2011	As of September 30, 2010
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	312	318
Corporate	302	307
Bank	4	5
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, 2011		As of September 30, 2010	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	14,076	53%	15,299	52%
Majority approach	454	337%	478	310%
Mandate approach	—	—	—	—
Market-based approach	1,297	233%	1,533	251%
Others (simple approach)	197	484%	259	469%
Total	16,025	79%	17,570	79%

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 (Excluding Trading Accounts)

(Billions of yen)

Classification	As of September 30, 2011	As of September 30, 2010
Interest-rate risk	1,204	1,573
Yen interest-rate risk	140	32
U.S. dollar interest-rate risk	987	1,427
Euro interest-rate risk	73	112
Interest-rate risk in other currencies	3	1

- 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 due to call conditions and other factors.



1. Capital Structure (Non-Consolidated)

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, 2011 and 2010, was computed according to Basel II.

As of September 30

	Items	Millions of yen		Millions of U.S. dollars
		2011	2010	2011
Tier I capital	Capital stock	3,425,909	3,425,909	44,724
	Included as non-cumulative, perpetual preferred stock	24,999	24,999	326
	Deposit for subscription to preferred stock	—	—	—
	Capital surplus	25,020	25,020	326
	Earned surplus	1,071,717	902,915	13,991
	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	(123,419)	(206,945)	(1,611)
	Foreign currency transaction adjustment	(48)	(38)	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	26,018	46,013	339
Subtotal (A)	4,373,160	4,100,847	57,090	
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	18,954	22,676	247
	General reserve for possible loan losses	1	7	0
	Qualifying subordinated debt	1,536,007	1,736,172	20,052
	Included as perpetual subordinated bonds and loans	1,486,007	1,486,007	19,399
	Included as dated subordinated bonds, loans, and preferred stock	50,000	250,165	652
	Subtotal	1,554,963	1,758,856	20,299
Tier II capital included as qualifying capital (B)	1,554,963	1,758,856	20,299	
Tier III capital	Short-term subordinated debt	—	—	—
	Including amount added to capital (C)	—	—	—
Deductions	Deductions (D)	204,158	292,013	2,665
Total Capital	(A)+(B)+(C)-(D) (E)	5,723,965	5,567,690	74,725
Risk-weighted assets	Risk-weighted assets for credit risk (F)	19,919,535	23,298,072	260,046
	Including on-balance sheet	18,930,701	22,264,505	247,137
	Including off-balance sheet	988,834	1,033,566	12,909
	Assets equivalent to market risk (H)/8% (G)	1,364,229	1,644,559	17,809
	(For reference: actual market risk volume) (H)	109,138	131,564	1,424
	Amount corresponding to operational risk (J)/8% (I)	410,602	528,504	5,360
	(For reference: amount corresponding to operational risk) (J)	32,848	42,280	428
Total risk-weighted assets (F)+(G)+(I) (K)	21,694,368	25,471,136	283,216	
Basel II Capital Adequacy Ratio (Basel capital adequacy standards) = (E)/(K) × 100%	26.38%	21.85%	26.38%	
Tier I ratio = (A)/(K) × 100%	20.15%	16.09%	20.15%	
Non-Consolidated required capital (K) × 8%	1,735,549	2,037,690	22,657	

1. Capital Structure (Non-Consolidated)

- 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, 2011		As of September 30, 2010	
	EAD	Regulatory Required Capital	EAD	Regulatory Required EAD
Amount of regulatory required capital for credit risk	77,228	1,939	82,753	2,388
Exposure subject to Internal Ratings-Based Approach	77,227	1,939	82,750	2,388
Corporate exposure (excluding Specialized Lending)	5,142	311	5,251	400
Corporate exposure (Specialized Lending)	432	86	581	116
Sovereign exposure	37,196	0	38,341	0
Bank exposure	11,905	82	12,630	97
Retail exposure	5	1	5	2
Retail exposure secured by residential properties	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—
Other retail exposure	5	1	5	2
Securitization exposure	3,935	202	4,499	308
Equity portfolios	712	128	786	153
Equity portfolios subject to PD/LGD approaches	138	24	152	28
Equity portfolios subject to simple risk-weighted method	27	9	27	9
Equities under the internal models approach	210	66	264	86
Grandfathered equity exposure	335	28	342	29
Exposure subject to risk-weighted asset calculation for investment fund	17,436	1,103	20,197	1,281
Other debt purchased	46	1	50	3
Other exposures	415	21	405	24
Exposure subject to Standardized Approach	0	0	2	0
Overdrafts	—	—	0	0
Prepaid expenses	0	0	1	0
Suspense payments	0	0	1	0
Other	—	—	—	—
Amount of regulatory required capital for market risk	/	109	/	131
Standardized Approach	/	108	/	131
Interest rate risk category	/	—	/	—
Equity risk category	/	—	/	—
Foreign exchange risk category	/	108	/	131
Commodity risk category	/	—	/	—
Option transactions	/	—	/	—
Internal models Approach	/	0	/	0
Amount of regulatory required capital for operational risk	/	32	/	42
Offsets on consolidation	/	2,081	/	2,562

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 grandfathering 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, 2011

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	16,993	15,388	44	4,802	37,229	242
Asia except Japan	68	89	5	536	700	—
Europe	29	3,182	167	1,670	5,048	—
The Americas	283	8,236	60	4,985	13,564	—
Other areas	22	737	10	416	1,186	—
Total	17,396	27,633	287	12,411	57,729	242

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	2,344	221	0	0	2,566	38	0
Agriculture	45	0	—	0	45	7	0
Forestry	28	—	—	—	28	0	—
Fishing	27	—	—	0	27	19	0
Mining	5	—	—	0	5	—	—
Construction	117	5	—	0	123	2	—
Utility	150	4	0	0	155	1	—
Information/telecommunications	50	2	0	0	53	3	—
Transportation	766	57	3	0	827	9	—
Wholesaling, retailing	1,588	49	0	0	1,638	25	0
Finance and insurance	1,469	6,196	281	11,991	19,938	20	—
Real estate	584	156	—	0	742	100	—
Services	1,516	59	0	1	1,577	13	0
Municipalities	179	12	—	—	191	—	—
Other	8,523	20,867	—	416	29,807	0	—
Total	17,396	27,633	287	12,411	57,729	242	0

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	13,912	7,914	128	11,944	33,899
Over 1 year to 3 years	1,640	5,232	143	5	7,022
Over 3 years to 5 years	1,236	1,456	5	—	2,699
Over 5 years to 7 years	360	1,973	5	—	2,339
Over 7 years	186	10,374	3	—	10,564
No term to maturity	60	682	—	460	1,204
Total	17,396	27,633	287	12,411	57,729

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, 2011.

2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥0.8 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, 2010**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	14,931	17,967	54	1,463	34,417	306
Asia except Japan	54	26	4	833	919	—
Europe	12	3,954	125	2,965	7,059	0
The Americas	285	10,576	58	5,531	16,451	0
Other areas	21	730	2	407	1,162	—
Total	15,305	33,256	246	11,202	60,010	307

3. Credit Risk (Non-Consolidated)

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	2,247	251	1	0	2,500	60	0
Agriculture	46	0	—	0	46	7	0
Forestry	33	—	—	0	33	0	—
Fishing	28	—	—	0	28	21	0
Mining	5	0	—	0	6	—	—
Construction	131	9	—	0	140	5	0
Utility	133	14	0	0	148	1	—
Information/telecommunications	69	11	—	0	81	7	0
Transportation	644	57	4	0	706	4	0
Wholesaling, retailing	1,965	49	0	0	2,015	29	0
Finance and insurance	1,324	6,666	239	10,791	19,021	23	—
Real estate	509	260	—	0	770	129	—
Services	1,148	59	0	1	1,210	15	0
Municipalities	234	12	—	—	246	—	—
Other	6,781	25,862	—	407	33,051	0	—
Total	15,305	33,256	246	11,202	60,010	307	1

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	11,581	10,973	115	10,694	33,364
Over 1 year to 3 years	1,689	5,735	111	55	7,591
Over 3 years to 5 years	1,335	3,910	8	1	5,255
Over 5 years to 7 years	385	1,400	2	—	1,788
Over 7 years	252	10,484	7	—	10,745
No term to maturity	61	752	—	451	1,264
Total	15,305	33,256	246	11,202	60,010

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, 2010.

2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥2.2 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 Specified Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

Region	As of September 30, 2011	As of September 30, 2010	Increase/(decrease)
General reserve for possible loan losses	36	68	(32)
Specific reserve for possible loan losses	126	137	(10)
Japan	126	137	(10)
Asia except Japan	—	—	—
Europe	—	—	—
The Americas	—	—	—
Other areas	—	—	—
Specified reserve for loans to countries with financial problems	—	—	—
Total	163	206	(43)

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, 2011	As of September 30, 2010	Increase/(decrease)
General reserve for possible loan losses	36	68	(32)
Specific reserve for possible loan losses	126	137	(10)
Manufacturing	19	19	0
Agriculture	4	5	(1)
Forestry	0	0	0
Fishing	9	10	(0)
Mining	—	—	—
Construction	0	0	(0)
Utility	1	1	0
Information/telecommunications	1	6	(4)
Transportation	4	3	1
Wholesaling, retailing	4	5	(1)
Finance and insurance	9	4	5
Real estate	62	69	(7)
Services	9	11	(1)
Municipalities	—	—	—
Other	0	—	0
Others	—	—	—
Specified reserve for loans to countries with financial problems	—	—	—
Total	163	206	(43)

3 EXPOSURE SUBJECT TO THE INTERNAL RATINGS-BASED APPROACH

a. Corporate, Sovereign and Bank Exposure

For the Six Months Ended September 30, 2011

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	3.88%	44.81%	76%	5,142	4,420	722
1-1 to 4	0.16%	44.82%	36%	4,013	3,358	654
5 to 7	2.42%	44.86%	124%	761	724	37
8-1 to 8-2	16.02%	44.91%	323%	230	200	29
Subtotal	1.23%	44.83%	62%	5,004	4,283	721
8-3 to 10-2	100.00%	44.15%	556%	137	136	0
Sovereign Exposure	0.00%	45.00%	0%	37,196	35,811	1,384
1-1 to 4	0.00%	45.00%	0%	37,195	35,811	1,384
5 to 7	0.70%	45.00%	122%	0	0	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	45.00%	0%	37,196	35,811	1,384
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.06%	22.02%	9%	11,905	5,341	6,563
1-1 to 4	0.05%	22.01%	8%	11,845	5,287	6,558
5 to 7	1.94%	26.45%	62%	54	49	5
8-1 to 8-2	7.07%	13.24%	64%	4	3	0
Subtotal	0.06%	22.02%	9%	11,905	5,341	6,563
8-3 to 10-2	100.00%	45.00%	563%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.86%	90.00%	221%	138	138	—
1-1 to 4	0.16%	90.00%	132%	96	96	—
5 to 7	2.46%	90.00%	332%	31	31	—
8-1 to 8-2	16.23%	90.00%	720%	10	10	—
Subtotal	1.85%	90.00%	220%	138	138	—
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).

3. Credit Risk (Non-Consolidated)

For the Six Months Ended September 30, 2010

(Billions of yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average risk weight	EAD	EAD	
					EAD (on-balance sheet)	EAD (off-balance sheet)
Corporate Exposure	5.50%	44.76%	95%	5,251	4,531	720
1-1 to 4	0.18%	44.74%	38%	3,767	3,144	622
5 to 7	1.56%	44.83%	105%	826	773	53
8-1 to 8-2	19.41%	44.90%	355%	481	439	42
Subtotal	2.23%	44.77%	79%	5,076	4,357	718
8-3 to 10-2	100.00%	44.43%	558%	175	174	1
Sovereign Exposure	0.00%	44.99%	0%	38,341	35,470	2,870
1-1 to 4	0.00%	44.99%	0%	38,341	35,470	2,870
5 to 7	—	—	—	—	—	—
8-1 to 8-2	—	—	—	—	—	—
Subtotal	0.00%	44.99%	0%	38,341	35,470	2,870
8-3 to 10-2	—	—	—	—	—	—
Bank Exposure	0.05%	23.51%	10%	12,630	5,915	6,714
1-1 to 4	0.05%	23.48%	9%	12,610	5,903	6,707
5 to 7	1.29%	39.43%	112%	17	11	6
8-1 to 8-2	7.07%	45.00%	247%	1	1	0
Subtotal	0.05%	23.51%	10%	12,630	5,915	6,714
8-3 to 10-2	100.00%	45.00%	562%	0	0	0
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	1.87%	90.00%	238%	152	152	—
1-1 to 4	0.14%	90.00%	128%	73	73	—
5 to 7	2.19%	90.00%	319%	75	75	—
8-1 to 8-2	19.91%	90.00%	783%	2	2	—
Subtotal	1.54%	90.00%	235%	151	151	—
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, 2011

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	6.18%	46.42%	87.90%	74.28%	111%	239	239	—
Not default Not delinquent	0.65%	46.41%	/	/	48%	218	218	—
Not default Delinquent	29.96%	46.70%	/	/	448%	11	11	—
Not default Subtotal	2.14%	46.42%	/	/	68%	229	229	—
Default	100.00%	/	87.90%	74.28%	1,099%	9	9	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	22.36%	74.72%	103.02%	98.28%	359%	6	3	3
Not default Not delinquent	1.81%	75.22%	/	/	115%	5	1	3
Not default Delinquent	30.02%	51.79%	/	/	359%	0	0	0
Not default Subtotal	2.42%	74.72%	/	/	120%	5	1	3
Default	100.00%	/	103.02%	98.28%	1,288%	1	1	0
Total	6.63%	47.20%	89.76%	77.24%	118%	246	243	3
Not default Not delinquent	0.68%	47.09%	/	/	50%	223	220	3
Not default Delinquent	29.97%	46.75%	/	/	447%	11	11	0
Not default Subtotal	2.15%	47.07%	/	/	70%	235	231	3
Default	100.00%	/	89.76%	77.24%	1,122%	11	11	0

Notes: 1. As of September 30, 2011, most of the retail exposures are purchased retail receivables in investment funds. Those using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the 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, 2011, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

For the Six Months Ended September 30, 2010

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	6.27%	44.01%	85.32%	77.68%	103%	273	273	—
Not default Not delinquent	0.54%	43.99%	/	/	39%	248	248	—
Not default Delinquent	28.23%	44.36%	/	/	416%	12	12	—
Not default Subtotal	1.89%	44.01%	/	/	58%	261	261	—
Default	100.00%	/	85.32%	77.68%	1,067%	12	12	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—	/	/	—	—	—	—
Not default Delinquent	—	—	/	/	—	—	—	—
Not default Subtotal	—	—	/	/	—	—	—	—
Default	—	/	—	—	—	—	—	—
Other retail exposure	24.45%	82.62%	106.05%	97.55%	392%	7	3	4
Not default Not delinquent	1.69%	82.78%	/	/	111%	5	1	3
Not default Delinquent	27.91%	76.96%	/	/	423%	0	0	0
Not default Subtotal	2.38%	82.62%	/	/	119%	6	2	4
Default	100.00%	/	106.05%	97.55%	1,326%	1	1	0
Total	6.78%	45.09%	87.94%	80.19%	111%	281	277	4
Not default Not delinquent	0.56%	44.89%	/	/	41%	254	250	3
Not default Delinquent	28.23%	44.76%	/	/	416%	12	12	0
Not default Subtotal	1.90%	44.89%	/	/	59%	267	263	4
Default	100.00%	/	87.94%	80.19%	1,099%	13	13	0

Notes: 1. As of September 30, 2010, most of the retail exposures are purchased retail receivables in investment funds. Those using estimated parameters have been included in the amount subject to quantitative disclosure.

2. "Not default Delinquent" does not fall under the 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, 2010, 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, 2011	As of September 30, 2010	Increase/(decrease)
Corporate exposure	3	5	(1)
Sovereign exposure	—	—	—
Bank exposure	—	—	—
Equity exposure subject to PD/LGD approach	—	—	—
Retail exposure secured by residential properties	—	—	—
Qualifying revolving retail exposure	—	—	—
Other retail exposure	0	0	(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, 2011		As of September 30, 2010		As of March 31, 2011	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	21	3	36	5	73	7
Sovereign exposure	0	—	0	—	0	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	—	1	—	3	0
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

(Billions of yen)

Type of exposure	As of March 31, 2010		As of March 31, 2009		As of March 31, 2008		As of March 31, 2007	
	Estimated losses	Actual losses						
Corporate exposure	55	42	45	23	28	6	27	18
Sovereign exposure	0	—	1	—	1	—	1	—
Bank exposure	0	—	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	1	0	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	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.

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

For the first half of fiscal 2011, the actual loss amounts have basically maintained at lower levels than the estimated losses at the beginning of the term for the fiscal years stated above.

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

Classification	(Billions of yen)	
	As of September 30, 2011	As of September 30, 2010
Specialized Lending exposure subject to supervisory slotting criteria	433	582
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	329	473
Risk weight of 50%	47	100
Risk weight of 70%	176	141
Risk weight of 90%	7	1
Risk weight of 115%	4	83
Risk weight of 250%	41	66
Risk weight of 0% (default)	52	79
High-Volatility Commercial Real Estate (HVCRE)	103	109
Risk weight of 70%	2	2
Risk weight of 95%	13	18
Risk weight of 120%	19	19
Risk weight of 140%	—	—
Risk weight of 250%	21	21
Risk weight of 0% (default)	48	48

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, 2011		As of September 30, 2010	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	27	—	27	—
Risk weight of 300%	—	—	—	—
Risk weight of 400%	27	—	27	—

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, 2011		As of September 30, 2010	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	0	—	2	—
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%	0	—	2	—
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, 2011	As of September 30, 2010
Foundation Internal Ratings-Based Approach	7,290	7,246
Eligible financial collateral	5,496	5,572
Corporate exposure	16	20
Sovereign exposure	—	3
Bank exposure	5,479	5,548
Other eligible IRB collateral	—	—
Corporate exposure	—	—
Sovereign exposure	—	—
Bank exposure	—	—
Guarantees, Credit Derivatives	1,793	1,673
Corporate exposure	137	125
Sovereign exposure	154	47
Bank exposure	1,501	1,501
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, 2011	As of September 30, 2010
Total gross replacement costs (limited to items with a value of greater than zero) (A)	375	316
Total gross add-ons (B)	265	242
Gross credit exposure (C) = (A)+(B)	640	558
Including, foreign exchange related	569	502
Including, interest rate related	68	52
Including, equity related	2	2
Including, credit derivatives	—	—
Including, transactions with a long settlement period	0	0
Reduction in credit exposure due to netting contracts (D)	124	109
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral (E) = (C)-(D)	515	449
Amount of collateral	294	126
Including eligible financial collateral	294	126
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	515	449

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, 2011	As of September 30, 2010
To buy protection	—	—
Including credit default swaps	—	—
To sell protection	—	—
Including credit default swaps	—	—
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, 2011	As of September 30, 2010
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, 2011, 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, 2011		As of September 30, 2010	
	Amount of exposure	Deductions from capital	Amount of exposure	Deductions from capital
Total amount of securitization exposure	3,935	112	4,499	188
Individuals				
Asset-Backed Securities (ABS)	1,690	—	2,046	0
Residential Mortgage-Backed Securities (RMBS)	833	35	488	39
Real estate				
Commercial Mortgage-Backed Securities (CMBS)	301	18	393	20
Corporates				
Subtotal of CDOs (CLO, ABS-CDO, CBO)	1,008	51	1,495	119
Collateralized Loan Obligations (CLO)	851	31	1,296	83
Asset-Backed Securities CDOs (ABS-CDO)	137	20	174	36
Collateralized Bond Obligations (CBO)	19	—	25	—
Others	100	7	75	8

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, 2011		As of September 30, 2010	
	Amount of exposure	Regulatory Required Capital	Amount of exposure	Regulatory Required Capital
Amount of securitization exposure	3,935	202	4,499	308
Risk weight: 20% or less	3,262	22	3,581	26
Risk weight: exceeding 20% to 50% or less	222	6	321	9
Risk weight: exceeding 50% to 100% or less	168	11	167	11
Risk weight: exceeding 100% to 250% or less	108	21	96	19
Risk weight: exceeding 250% to less than 1,250%	61	27	144	53
Deductions from capital	112	112	188	188

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, 2011	For the six months ended September 30, 2010
Base date of computation	2011. 9. 30	2010. 9. 30
VaR (For the most recent 60 business days)		
Base date of computation	132	137
Maximum	239	294
Minimum	63	49
Average	115	118

■ Amounts of Market Risk

(Millions of yen)

		For the six months ended September 30, 2011	For the six months ended September 30, 2010
For the portion computed with the internal models approach (B)+(E)	(A)	345	355
Value at Risk (MAX (C, D))	(B)	345	355
Amount on base date of computation	(C)	132	137
Amount determined by multiplying (F) by the average for the most recent 60 business days	(D)	345	355
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	1



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, 2011		As of September 30, 2010	
	Amounts on the balance sheet	Market value	Amounts on the balance sheet	Market value
Equity exposure	712	712	786	786
Exposure to publicly traded equity	533	533	602	602
Exposure to privately held equity	178	178	183	183

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, 2011			For the six months ended September 30, 2010		
	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	3	20	14	13	0	29

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, 2011	As of September 30, 2010
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	53	49

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

8. Equity Exposure (Non-Consolidated)

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, 2011	As of September 30, 2010
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, 2011	As of September 30, 2010
	Amounts on the balance sheets	Amounts on the balance sheets
Equity exposure subject to treatment under the Notification Regarding Capital Adequacy, Appendix Article 13	335	342
Corporate	305	311
Bank	24	25
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, 2011		As of September 30, 2010	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	14,075	53%	15,298	52%
Majority approach	454	337%	478	310%
Mandate approach	—	—	—	—
Market-based approach	1,297	233%	1,533	251%
Others (simple approach)	197	484%	259	469%
Total	16,025	79%	17,569	79%

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 (Excluding Trading Accounts)

(Billions of yen)

Classification	As of September 30, 2011	As of September 30, 2010
Interest-rate risk	1,204	1,573
Yen interest-rate risk	140	32
U.S. dollar interest-rate risk	987	1,427
Euro interest-rate risk	73	112
Interest-rate risk in other currencies	3	1

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 due to call conditions and other factors.