

Consolidated Balance Sheets (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2012 and 2011, and March 31, 2012

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2012	2011	2012	2012
Assets				
Cash and Due from Banks (Notes 12, 14 and 15)	¥ 1,408,973	¥ 4,033,673	¥ 1,687,337	\$ 18,169
Call Loans and Bills Bought (Note 14)	1,012,542	936,027	832,440	13,057
Receivables under Resale Agreements	—	58,091	44,987	—
Receivables under Securities Borrowing Transactions	2,496,722	2,236,569	492,481	32,195
Monetary Claims Bought (Notes 14 and 15)	188,566	247,271	222,980	2,431
Trading Assets (Note 14)	45,943	33,030	32,658	592
Money Held in Trust (Notes 5, 14 and 16)	6,589,040	6,990,285	7,027,597	84,965
Securities (Notes 3, 5, 10, 14 and 15)	44,783,327	39,518,969	45,626,464	577,477
Loans and Bills Discounted (Notes 4, 5, 9 and 14)	16,321,436	14,834,284	14,738,276	210,463
Foreign Exchange Assets	127,877	42,973	44,797	1,649
Other Assets (Notes 5 and 14)	474,737	520,480	971,610	6,122
Tangible Fixed Assets (Note 13)	117,936	127,756	119,055	1,521
Intangible Fixed Assets	38,050	48,015	43,563	491
Deferred Tax Assets	2,217	94,613	2,121	29
Customers' Liabilities for Acceptances and Guarantees	643,667	587,907	618,301	8,300
Reserve for Possible Loan Losses (Note 14)	(174,554)	(244,926)	(229,414)	(2,251)
Reserve for Possible Investment Losses	(11,047)	(14,572)	(12,374)	(143)
Total Assets	¥74,065,440	¥70,050,452	¥72,262,884	\$955,067
Liabilities and Net Assets				
Liabilities				
Deposits (Notes 6 and 14)	¥43,361,961	¥41,797,133	¥43,550,349	\$559,148
Negotiable Certificates of Deposit (Note 14)	2,028,618	1,163,932	1,882,426	26,159
Debentures (Note 14)	4,846,589	5,240,885	5,117,872	62,496
Bonds (Note 7)	50,000	49,999	50,000	645
Call Money and Bills Sold (Notes 5 and 14)	553,101	580,427	524,922	7,132
Payables under Repurchase Agreements (Notes 5 and 14)	7,640,730	6,797,951	7,800,406	98,527
Payables under Securities Lending Transactions (Note 5)	13,868	6,062	10,654	179
Trading Liabilities (Note 14)	10,686	12,415	10,595	138
Borrowed Money (Notes 5, 8 and 14)	1,699,907	1,718,007	1,814,807	21,920
Foreign Exchange Liabilities	16	0	10	0
Short-term Entrusted Funds (Note 14)	6,163,289	5,551,883	4,351,710	79,475
Other Liabilities (Note 14)	1,850,719	2,104,209	1,571,006	23,865
Reserve for Bonus Payments	6,622	6,439	6,474	85
Reserve for Employees' Retirement Benefits	8,749	4,753	6,188	113
Reserve for Directors' Retirement Benefits	878	872	1,018	11
Deferred Tax Liabilities	137,551	—	94,249	1,774
Deferred Tax Liabilities for Land Revaluation	12,165	15,858	12,932	157
Acceptances and Guarantees	643,667	587,907	618,301	8,300
Total Liabilities	69,029,126	65,638,740	67,423,926	890,124
Net Assets				
Paid-in Capital (Note 11)	3,425,909	3,425,909	3,425,909	44,177
Capital Surplus	25,020	25,020	25,020	323
Retained Earnings	1,136,444	1,075,306	1,024,914	14,654
Treasury Preferred Stock	(150)	(150)	(150)	(2)
Total Owners' Equity	4,587,224	4,526,086	4,475,694	59,152
Net Unrealized Gains (Losses) on Other Securities, net of taxes	513,303	(113,751)	373,302	6,619
Net Deferred Losses on Hedging Instruments, net of taxes	(93,217)	(32,922)	(40,825)	(1,202)
Revaluation Reserve for Land, net of taxes	22,935	26,262	24,841	296
Foreign Currency Transaction Adjustments	(48)	(48)	(40)	(1)
Total Accumulated Other Comprehensive Income	442,973	(120,459)	357,277	5,712
Minority Interests	6,116	6,084	5,985	79
Total Net Assets	5,036,313	4,411,711	4,838,957	64,943
Total Liabilities and Net Assets	¥74,065,440	¥70,050,452	¥72,262,884	\$955,067

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(1) Consolidated Statements of Operations

The Norinchukin Bank and Subsidiaries

For the six months ended September 30, 2012 and 2011, and the fiscal year ended March 31, 2012

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	
	2012	2011	2012	2012
Income				
Interest Income:	¥371,678	¥413,929	¥597,750	\$4,793
Interest on Loans and Bills Discounted	39,754	43,652	85,943	513
Interest and Dividends on Securities	326,618	363,938	495,889	4,212
Fees and Commissions	11,027	8,223	18,397	142
Trading Income	250	460	753	3
Other Operating Income	55,945	46,409	86,637	721
Other Income	118,385	151,468	249,108	1,527
Total Income	557,286	620,491	952,648	7,186
Expenses				
Interest Expenses:	289,580	281,365	587,554	3,734
Interest on Deposits	16,859	21,041	41,704	217
Fees and Commissions	6,077	5,339	11,648	78
Trading Expenses	247	174	—	3
Other Operating Expenses	34,827	62,956	96,164	449
General and Administrative Expenses	64,949	60,287	118,917	838
Other Expenses	16,551	49,664	64,162	214
Total Expenses	412,233	459,788	878,447	5,316
Income before Income Taxes and Minority Interests	145,053	160,703	74,200	1,870
Income Taxes — Current	7,470	24,690	2,085	96
Income Taxes — Deferred	6,426	12,487	1,549	83
Total Income Taxes	13,896	37,178	3,634	179
Income before Minority Interests	131,156	123,525	70,566	1,691
Minority Interests in Net Income (Loss)	155	(414)	48	2
Net Income	¥131,000	¥123,940	¥ 70,518	\$1,689

	Yen		U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30
	2012	2011	2012
Net Income per Share	¥30.77	¥29.11	\$0.40

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(2) Consolidated Statements of Comprehensive Income

The Norinchukin Bank and Subsidiaries

For the six months ended September 30, 2012 and 2011, and the fiscal year ended March 31, 2012

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	
	2012	2011	2012	2012
Income before Minority Interests	¥131,156	¥123,525	¥ 70,566	\$1,691
Other Comprehensive Income	87,584	49,126	529,922	1,130
Net Unrealized Gains on Other Securities, net of taxes	140,261	108,948	595,754	1,809
Net Deferred Losses on Hedging Instruments, net of taxes	(52,324)	(59,657)	(67,551)	(675)
Revaluation Reserve for Land, net of taxes	—	—	1,609	—
Foreign Currency Transaction Adjustments	(7)	(9)	(1)	(0)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(343)	(155)	110	(4)
Total Comprehensive Income	¥218,740	¥172,651	¥600,488	\$2,821
Attributable to:				
Owners of the Parent	218,603	173,085	600,430	2,819
Minority Interests	137	(433)	58	2

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, 2012 and 2011, and the fiscal year ended March 31, 2012

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	
	2012	2011	2012	2012
Capital Surplus				
Balance at the Beginning of the Fiscal Year	¥ 25,020	¥ 25,020	¥ 25,020	\$ 323
Balance at the End of the Period	25,020	25,020	25,020	323
Retained Earnings				
Balance at the Beginning of the Fiscal Year	1,024,914	972,337	972,337	13,216
Additions:				
Net Income	131,000	123,940	70,518	1,689
Transfer from Revaluation Reserve for Land, net of taxes	1,905	403	3,434	25
Deductions:				
Dividends	21,377	21,375	21,375	276
Balance at the End of the Period	¥1,136,444	¥1,075,306	¥1,024,914	\$14,654

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, 2012 and 2011, and the fiscal year ended March 31, 2012

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Year ended March 31	Six Months ended September 30
	2012	2011	2012	2012
Cash Flows from Operating Activities:				
Income before Income Taxes and Minority Interests	¥ 145,053	¥ 160,703	¥ 74,200	\$ 1,870
Depreciation	9,921	9,847	19,999	128
Losses on Impairment of Fixed Assets	25	23	4,588	0
Gains on Negative Goodwill Incurred	(4)	(2,424)	(2,729)	(0)
Equity in Earnings of Affiliates	(2,566)	(4,122)	(7,113)	(33)
Net Decrease in Reserve for Possible Loan Losses	(54,860)	(24,380)	(39,892)	(708)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(1,327)	2,140	(57)	(17)
Net Increase in Reserve for Bonus Payments	147	1,802	1,837	2
Net Increase in Reserve for Employees' Retirement Benefits	2,561	853	2,288	33
Net Decrease in Reserve for Directors' Retirement Benefits	(139)	(177)	(32)	(2)
Interest Income	(371,678)	(413,929)	(597,750)	(4,793)
Interest Expenses	289,580	281,365	587,554	3,734
Losses (Gains) on Securities	(56,323)	(51,056)	48,044	(726)
Losses (Gains) on Money Held in Trust	(14,742)	(16,776)	3,428	(190)
Foreign Exchange Losses	1,574,783	2,108,874	314,547	20,307
Losses (Gains) on Disposals of Fixed Assets	(1,077)	4	(404)	(14)
Net Increase in Trading Assets	(13,285)	(13,653)	(13,280)	(171)
Net Increase (Decrease) in Trading Liabilities	91	690	(1,129)	1
Net Increase in Loans and Bills Discounted	(1,583,159)	(751,529)	(627,455)	(20,415)
Net Increase (Decrease) in Deposits	(188,388)	851,549	1,681,174	(2,429)
Net Increase in Negotiable Certificates of Deposit	146,192	395,814	1,114,307	1,885
Net Decrease in Debentures	(271,282)	(175,475)	(298,488)	(3,498)
Net Decrease in Borrowed Money (Excluding Subordinated Borrowed Money)	(114,900)	(148,000)	(51,200)	(1,482)
Net Decrease (Increase) in Interest-bearing Due from Banks	431,040	(255,245)	(380,356)	5,558
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(98,597)	353,513	494,066	(1,271)
Net Increase in Receivables under Securities Borrowing Transactions	(2,004,240)	(2,003,875)	(259,787)	(25,844)
Net Decrease in Call Money and Bills Sold and Other	(131,496)	(1,618,351)	(671,401)	(1,696)
Net Increase (Decrease) in Short-term Entrusted Funds	1,811,578	1,154,603	(45,569)	23,360
Net Increase (Decrease) in Payables under Securities Lending Transactions	3,214	(827,166)	(822,575)	41
Net Decrease (Increase) in Foreign Exchange Assets	(83,080)	266,773	264,949	(1,071)
Net Increase in Foreign Exchange Liabilities	5	0	10	0
Interest Received	399,895	448,788	626,006	5,157
Interest Paid	(151,551)	(148,116)	(597,543)	(1,954)
Other, Net	(105,095)	(374,763)	(343,774)	(1,355)
Subtotal	(433,704)	(791,699)	476,462	(5,593)
Income Taxes Refund (Paid)	3,369	(461)	(3,933)	44
Net Cash Provided by (Used in) Operating Activities	(430,334)	(792,161)	472,528	(5,549)

Consolidated Statements of Cash Flows (Unaudited)

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	Year ended March 31	Six Months ended September 30	
	2012	2011	2012	2012
Cash Flows from Investing Activities:				
Purchases of Securities	(17,239,707)	(10,903,193)	(30,101,719)	(222,304)
Proceeds from Sales of Securities	356,979	639,880	833,008	4,603
Proceeds from Redemption of Securities	17,154,274	12,870,625	27,220,017	221,203
Increase in Money Held in Trust	(348,512)	(545,595)	(1,042,889)	(4,494)
Decrease in Money Held in Trust	681,817	876,845	1,410,795	8,792
Purchases of Tangible Fixed Assets	(3,462)	(663)	(2,552)	(45)
Purchases of Intangible Fixed Assets	(858)	(1,062)	(2,543)	(11)
Proceeds from Sales of Tangible Fixed Assets	3,854	602	5,038	50
Purchases of Stocks of Subsidiaries (Affecting the Scope of Consolidation)	—	(1,832)	(1,832)	—
Purchases of Stocks of Subsidiaries (Not Affecting the Scope of Consolidation)	(3)	—	(286)	(0)
Proceeds from Business Transfer	—	—	895,606	—
Net Cash Provided by (Used in) Investing Activities	604,381	2,935,605	(787,356)	7,794
Cash Flows from Financing Activities:				
Payments for Redemption of Subordinated Bonds	—	(181,850)	(195,026)	—
Dividends Paid	(21,377)	(21,375)	(21,375)	(276)
Net Cash Used in Financing Activities	(21,377)	(203,226)	(216,402)	(276)
Net Increase (Decrease) in Cash and Cash Equivalents	152,670	1,940,217	(531,230)	1,969
Cash and Cash Equivalents at the Beginning of the Fiscal Year	414,965	946,195	946,195	5,351
Cash and Cash Equivalents at the End of the Period (Note 12)	¥ 567,635	¥ 2,886,413	¥ 414,965	\$ 7,320

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

Notes to the Consolidated Financial Statements (Unaudited)

The Norinchukin Bank and Subsidiaries

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Financial Reporting 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 ¥77.55=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2012, 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

(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, 2012 and 2011 was 9 and 9, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The balance sheet date of the first half of fiscal year of all consolidated subsidiaries is September 30.

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, 2012 and 2011 was 6 and 6, out of which 5 and 5 were accounted for by the equity method, while the remaining immaterial affiliate is carried at cost. Differences between the cost and the underlying net equity at fair value of investments in companies which are accounted for by the equity method have been amortized by the straight-line method over 20 years except for immaterial goodwill which are charged to income in the year of acquisition. Negative goodwill is credited to income in the year of acquisition. The major affiliates accounted for by the equity method are as follows:

Mitsubishi UFJ NICOS Co., Ltd.

JA MITSUI LEASING, LTD.

(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 consolidated balance sheet date. Derivatives held for trading purposes, such as swaps, futures and options, are valued on the assumption that they were settled at the consolidated balance sheet date.

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. In principle, other securities 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 which are extremely difficult to determine the 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 in (2) and (3) a. 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 deferral method of hedge accounting to the 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 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 under the macro hedges, before deducting the tax effect, as of September 30, 2012 and 2011 were ¥— and ¥43 million, respectively.

(b) Hedge of Foreign Exchange Rate Risk

The Bank applies the deferral method of hedge accounting to the hedge transactions 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 deferral method or the fair value method of hedge accounting is applied to the portfolio hedges of foreign exchange rate 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 deferral method or the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps. Under the deferral method, the recognition of income or expenses associated with a hedging instrument is deferred to the period when the income or expense arising from the hedged item is recognized.

(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.

(Changes in Accounting Policies which are difficult to distinguish from Changes in Accounting Estimates)

Due to the enacted revision of “Corporation Tax Act,” the Bank and its consolidated domestic subsidiaries apply the revised depreciation method exclusively to the Tangible Fixed Assets acquired on or after April 1, 2012 from the First Half of Fiscal 2012. The impacts of the change on the financial results of the period are immaterial.

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 from 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 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 ¥44,301 million (\$571 million) and ¥43,614 million for the period ended September 30, 2012 and 2011, respectively.
- b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), 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. Reserves described above are determined based on the results of these self-assessments.

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

Some of the Bank's consolidated subsidiaries provided reserve at the amount determined using the information available at September 30, 2011 with respect to the debtors whose accurate status was difficult to confirm due to the Great East Japan Earthquake.

(9) Reserve for Possible Investment Losses

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

(10) Reserve for Bonus Payments

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

(11) Reserve for Employees' Retirement Benefits

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

Unrecognized prior service cost is amortized over a certain period (10 years) within the employees' average remaining service period using the straight-line method beginning in the fiscal year in which the difference had been incurred.

Unrecognized actuarial differences are amortized over a certain period (10 years) within the employees' average remaining service period using the declining-balance method beginning in the fiscal year after the difference had been incurred.

Some of the Bank's consolidated subsidiaries adopt the simplified method whereby the reserve is provided at the amount that would be paid if all eligible employees voluntarily retired at the consolidated balance sheet date.

(12) Reserve for Directors' Retirement Benefits

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

(13) Consumption Taxes

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

(14) Accounting for Income Taxes

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

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

“Cash and Cash Equivalents” in the consolidated statements of cash flows represents cash and non-interest bearing due from banks in Cash and Due from Banks on the consolidated balance sheets.

Non-interest bearing due from banks 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.

(16) Net Income per Share

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

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

3. Securities

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Japanese Government Bonds	¥16,550,304	¥14,784,101	\$213,415
Municipal Government Bonds	1,931	1,621	25
Corporate Bonds	84,642	101,997	1,091
Stocks	465,652	484,864	6,005
Other	27,680,795	24,146,385	356,941
Foreign Bonds	18,002,114	15,494,071	232,136
Foreign Stocks	47,156	40,941	608
Investment Trusts	9,136,814	8,006,734	117,818
Other	494,709	604,637	6,379
Total	¥44,783,327	¥39,518,969	\$577,477

4. Loans and Bills Discounted

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Loans on Deeds	¥14,793,618	¥13,418,694	\$190,762
Loans on Bills	237,142	202,389	3,058
Overdrafts	1,285,937	1,208,743	16,582
Bills Discounted	4,738	4,458	61
Total	¥16,321,436	¥14,834,284	\$210,463

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Loans to Borrowers under Bankruptcy Proceedings	¥ 1,063	¥ 2,868	\$ 14
Delinquent Loans	165,895	228,099	2,139
Loans Past Due for Three Months or More	80	333	1
Restructured Loans	61,995	48,149	799
Total	¥229,035	¥279,450	\$2,953

(1) Loans to borrowers under bankruptcy proceedings are loans (excluding the parts written-off for possible loan losses) stipulated in Article 96-1-3, 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97, 1965) on which interest is placed on a no-accrual status (hereinafter referred to as “Non-accrual Loans”) since the loan principals and/or their pertaining interests are determined to be uncollectible considering the period of time past due and other reasons.

(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.

(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:

As of September 30	Millions of Yen		Millions of U.S.
	2012	2011	Dollars 2012
Securities	¥10,402,474	¥9,605,060	\$134,139
Loans and Bills Discounted	8,444,079	7,920,405	108,886

Liabilities secured by the above assets are as follows:

As of September 30	Millions of Yen		Millions of U.S.
	2012	2011	Dollars 2012
Call Money and Bills Sold	¥ 425,000	¥ 455,000	\$ 5,480
Payables under Repurchase Agreements	7,640,730	6,741,463	98,527
Payables under Securities Lending Transactions	3,821	824	49
Borrowed Money	168,900	187,000	2,178

In addition, as of September 30, 2012 and 2011, Securities (including transactions of Money Held in Trust) of ¥6,722,310 million (\$86,684 million) and ¥7,405,561 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2012 and 2011, initial margins of futures transactions of ¥1,764 million (\$23 million) and ¥1,154 million, respectively, cash collateral under financial instruments and others of ¥109,228 million (\$1,408 million) and ¥8,908 million, respectively, and guarantee deposits of ¥6,702 million (\$86 million) and ¥6,226 million, respectively, were included in Other Assets.

6. Deposits

As of September 30	Millions of Yen		Millions of U.S.
	2012	2011	Dollars 2012
Time Deposits	¥37,559,955	¥35,953,710	\$484,332
Deposits at Notice	85,720	76,095	1,105
Ordinary Deposits	784,056	816,521	10,110
Current Deposits	79,535	133,488	1,026
Other Deposits	4,852,693	4,817,318	62,575
Total	¥43,361,961	¥41,797,133	\$559,148

7. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$645 million) and ¥49,999 million as of September 30, 2012 and 2011, respectively.

8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million (\$19,162 million) and ¥1,486,007 million as of September 30, 2012 and 2011, respectively.

9. Commitments to Overdrafts and Loans

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to the 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 was ¥3,039,194 million (\$39,190 million) and ¥2,770,779 million as of September 30, 2012 and 2011, respectively. The amount of undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, was ¥1,923,523 million (\$24,804 million) and ¥1,924,665 million as of September 30, 2012 and 2011, 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 overall financial conditions, 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

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥120,588 million (\$1,555 million) and ¥123,364 million as of September 30, 2012 and 2011, respectively.

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 of ¥10,020 million (\$129 million) and ¥67,825 million as of September 30, 2012 and 2011, respectively, and securities held without re-pledge of ¥3,464,144 million (\$44,670 million) and ¥3,426,287 million as of September 30, 2012 and 2011, respectively. No such securities are re-loaned to the third parties.

11. Paid-in Capital

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Common Stock	¥3,400,909	¥3,400,909	\$43,855
Preferred Stock	24,999	24,999	322
Total	¥3,425,909	¥3,425,909	\$44,177

The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥2,975,192 million (\$38,365 million) and ¥2,975,192 million as of September 30, 2012 and 2011, respectively.

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

12. Cash Flows

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

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Cash and Due from Banks	¥1,408,973	¥4,033,673	\$18,169
Less: Interest-bearing Due from Banks	(841,338)	(1,147,260)	(10,849)
Cash and Cash Equivalents at the End of the Period	¥ 567,635	¥2,886,413	\$ 7,320

13. Segment Information

For the Six Months Ended September 30, 2012

(1) Segment Information

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information

a. Information about Services

Six Months ended September 30, 2012	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥42,183	¥472,842	¥41,030	¥556,056

Six Months ended September 30, 2012	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$544	\$6,097	\$529	\$7,170

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

b. Information about Geographic Areas

(a) Ordinary Income

Six Months ended September 30, 2012	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥544,765	¥1,293	¥4,356	¥5,640	¥556,056

Six Months ended September 30, 2012	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$7,025	\$16	\$56	\$73	\$7,170

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

(b) Tangible Fixed Assets

As of September 30, 2012	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥117,434	¥258	¥155	¥87	¥117,936

As of September 30, 2012	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,514	\$4	\$2	\$1	\$1,521

c. Information about Major Customers

Information about major customers is not shown in these statements, since there are no external customers accounted for more than 10% consolidated Ordinary Income.

(3) Information about Impairment Loss of Fixed Assets in Reportable Segments

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments

None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments

Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

For the Six Months Ended September 30, 2011**(1) Segment Information**

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(2) Related Information**a. Information about Services**

Six Months ended September 30, 2011	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥64,748	¥515,445	¥37,608	¥617,803

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.

b. Information about Geographic Areas**(a) Ordinary Income**

Six Months ended September 30, 2011	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥605,407	¥1,928	¥4,515	¥5,951	¥617,803

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Income is shown in place of Sales for non-financial companies.
3. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries.
4. Americas includes the United States of America and Cayman Islands. Europe includes the United Kingdom.

(b) Tangible Fixed Assets

As of September 30, 2011	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥127,230	¥291	¥158	¥76	¥127,756

c. Information about Major Customers

Information about major customers is not shown in these statements, since there are no external customers accounted for more than 10% consolidated Ordinary Income.

(3) Information about Impairment Loss of Fixed Assets in Reportable Segments

Information about Impairment Loss of Fixed Assets in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

(4) Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments

None

(5) Information about Gain on Recognition of Negative Goodwill in Reportable Segments

Information about Gain on Recognition of Negative Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

14. Financial Instruments

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

“Consolidated Balance Sheet Amount,” “Fair Value” and “Difference” as of September 30, 2012 and 2011 are as follows:

Unlisted stocks and other financial instruments, the fair value of which is extremely difficult to determine, are excluded from the table below. (ref. Note 2)

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2012						
(1) Cash and Due from Banks	¥ 1,408,973	¥ 1,408,973	¥ —	\$ 18,169	\$ 18,169	\$ —
(2) Call Loans and Bills Bought	1,012,542	1,012,542	—	13,057	13,057	—
(3) Monetary Claims Bought (*1)	187,245	187,281	36	2,414	2,415	1
(4) Trading Assets (*2)						
Trading Securities	34,731	34,731	—	448	448	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	24,982	24,982	—	322	322	—
Other Money Held in Trust	6,562,432	6,573,626	11,193	84,622	84,766	144
(6) Securities						
Held-to-Maturity Debt Securities	15,602,151	15,968,785	366,634	201,188	205,916	4,728
Other Securities	28,662,961	28,662,961	—	369,606	369,606	—
(7) Loans and Bills Discounted	16,321,436			210,463		
Reserve for Possible Loan Losses (*1)	(158,836)			(2,048)		
	16,162,599	16,206,275	43,676	208,415	208,978	563
Total Assets	¥69,658,619	¥70,080,159	¥421,540	\$898,241	\$903,677	\$5,436
(1) Deposits	¥43,361,961	¥43,361,970	¥ 9	\$559,148	\$559,148	\$ 0
(2) Negotiable Certificates of Deposit	2,028,618	2,028,618	—	26,159	26,159	—
(3) Debentures	4,846,589	4,892,449	45,859	62,496	63,088	592
(4) Call Money and Bills Sold	553,101	553,101	—	7,132	7,132	—
(5) Payables under Repurchase Agreements	7,640,730	7,640,730	—	98,527	98,527	—
(6) Borrowed Money	1,699,907	1,699,907	—	21,920	21,920	—
(7) Short-term Entrusted Funds	6,163,289	6,163,289	—	79,475	79,475	—
Total Liabilities	¥66,294,198	¥66,340,067	¥ 45,869	\$854,857	\$855,449	\$ 592
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge Transactions	¥ (1,808)	¥ (1,808)	¥ —	\$ (23)	\$ (23)	\$ —
Transactions Accounted for as Hedge Transactions	18,843	18,843	—	243	243	—
Total Derivative Instruments	¥ 17,035	¥ 17,035	¥ —	\$ 220	\$ 220	\$ —

(*1) 1. Monetary Claims Bought, Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Monetary Claims Bought and Money Held in Trust are presented by net on the consolidated balance sheet as the reserve amounts are immaterial.

2. Derivative Instruments are excluded from Trading Assets.

3. Derivative Instruments within Trading Assets, Trading Liabilities, Other Assets and Other Liabilities are shown by net position. Receivables and payables which arise from Derivative Instruments are shown on a net basis.

Notes to the Consolidated Financial Statements (Unaudited)

As of September 30, 2011	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 4,033,673	¥ 4,033,673	¥ —
(2) Call Loans and Bills Bought	936,027	936,027	—
(3) Monetary Claims Bought (*1)	245,666	245,670	4
(4) Trading Assets (*2)			
Trading Securities	20,031	20,031	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	4,753	4,753	—
Other Money Held in Trust	6,981,349	6,996,903	15,553
(6) Securities			
Held-to-Maturity Debt Securities	14,894,619	15,130,392	235,773
Other Securities	24,030,827	24,030,827	—
(7) Loans and Bills Discounted	14,834,284		
Reserve for Possible Loan Losses (*1)	(188,868)		
	14,645,415	14,689,192	43,776
Total Assets	¥65,792,365	¥66,087,473	¥295,108
(1) Deposits	¥41,797,133	¥41,797,179	¥ 45
(2) Negotiable Certificates of Deposit	1,163,932	1,163,932	—
(3) Debentures	5,240,885	5,304,273	63,387
(4) Call Money and Bills Sold	580,427	580,427	—
(5) Payables under Repurchase Agreements	6,797,951	6,797,951	—
(6) Borrowed Money	1,718,007	1,718,007	—
(7) Short-term Entrusted Funds	5,551,883	5,551,883	—
Total Liabilities	¥62,850,221	¥62,913,654	¥ 63,433
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge Transactions	¥ 2,648	¥ 2,648	¥ —
Transactions Accounted for as Hedge Transactions	279,791	279,791	—
Total Derivative Instruments	¥ 282,440	¥ 282,440	¥ —

(*1) 1. Monetary Claims Bought, Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Monetary Claims Bought and Money Held in Trust are presented by net on the consolidated balance sheet as the reserve amounts are immaterial.

2. Derivative Instruments are excluded from Trading Assets.

3. Derivative Instruments within Trading Assets, Trading Liabilities, Other Assets and Other Liabilities are shown by net position. Receivables and payables which arise from Derivative Instruments are shown on a net basis.

(Note 1) Calculation Methods for the Fair Value of Financial Instruments are as follows:

Assets

(1) Cash and Due from Banks

For Due from Banks without stated maturity, fair value approximates the carrying value. For Due from Banks with stated maturity, as the contractual terms are short-term (1 Year or Less), fair value approximates the carrying value. Concerning negotiable certificates of deposit, fair value is determined based on reasonably estimated amounts at the end of the period. The reasonably estimated amounts of negotiable certificates of deposit are calculated according to the Discounted Cash Flow method. The price-determining variable is the over-the-counter rate, etc.

(2) Call Loans and Bills Bought

These contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(3) Monetary Claims Bought

Monetary Claims Bought are valued based on the quoted prices provided by brokers or vendors.

(4) Trading Assets

Trading Securities are valued based on the closing price at the exchange or quoted price provided by the corresponding financial institutions.

(5) Money Held in Trust

Loans and Bills Discounted and Securities included in Money Held in Trust are valued according to the same methods described in (6) and (7) below.

Relevant notes concerning the fair value of Money Held in Trust of each classification are described in section 16. Fair Value of Money Held in Trust.

(6) Securities

Regarding the valuation of stocks, fair value is based on the closing price at the exchange. With respect to investment trusts, fair value is based on the net asset value (“NAV”) published or the quoted prices provided by brokers or venders. As for bonds, fair value is based on the quoted market price if available, reasonably estimated amounts (using the Discounted Cash Flow method and other methods of valuation), or the quoted prices provided by brokers or venders.

As for corporate bonds issued through private offerings, the fair value is based on reasonably estimated amounts which are calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates and other variables. The estimates for the valuations of some securitized products are calculated according to the prices calculated by the Discounted Cash Flow method, using variables such as default rates, recovery rates, pre-payment rates, discount rates and other variables, or the quoted prices provided by brokers or venders, or both.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for investments for “Partnership” and “Limited Partnership” (“Investments in Partnership and Others”), fair value is based on the share of NAV which is valued assets of “Partnership” or “Limited Partnership,” if available.

Relevant notes about the fair value of securities of each classification are described in section 15. Fair Value of Securities.

(7) Loans and Bills Discounted

The carrying value of Loans and Bills Discounted with floating rates approximates the fair value since they are repriced reflecting market interest fluctuations within a short period, unless the creditworthiness of the debtors has been revised. Accordingly, the carrying value is deemed to be the fair value. As for Loans and Bills Discounted with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates based on each credit rating, recovery rates, and other variables. As for mortgages, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variables include the default rates, recovery rates, pre-payment rates and other variables.

As for Loans and Bills Discounted to doubtful debtors and others, the reserves for those assets are provided by the amount not expected to be recovered based on the present value of expected future cash flows or the recovery amount of collateral and guarantee. Accordingly, the carrying values net of the reserve approximate the fair value.

As for Loans and Bills Discounted without stated maturity for which credit is extended up to the value of the collateral assets, the carrying value is deemed to approximate the fair value, taking into account expected maturities, interest rates and other terms.

Liabilities**(1) Deposits**

With respect to demand deposits, the amounts payable on demand as of the consolidated balance sheet date (the carrying value) are estimated at fair value. Time deposits are calculated according to the Discounted Cash Flow method, and these discount rates are the currently-applied deposit rates. Some contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(2) Negotiable Certificates of Deposit

These contractual terms are short-term (1 Year or Less), and fair value approximates the carrying value.

(3) Debentures

As for Debentures, fair value is based on the quoted market price if available, or calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied if a similar debenture was issued.

(4) Call Money and Bills Sold, (5) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds

These contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

(6) Borrowed Money

The carrying value of Borrowed Money with floating rates approximates the fair value since it is repriced reflecting market interest rate fluctuations within a short period (1 Year or Less), unless the creditworthiness of the Bank and its consolidated subsidiaries has changed. Accordingly, the carrying value is deemed to be the fair value. Some contractual terms are short-term (1 Year or Less), and the fair value approximates the carrying value.

Derivative Instruments

Derivative instruments include interest rate-related derivative instruments (interest rate swaps and others) and currency-related derivative instruments (currency swaps and others). The fair value is based on the closing price at the exchange, a discounted net present value model, an option pricing model or other models as appropriate. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items.

Relevant notes regarding the fair value of derivative instruments are described in section 17. Fair Value of Derivative Instruments.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:

“Assets (6) Other Securities” of fair value of financial instruments exclude the transactions of the table below.

As of September 30, 2012	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥223,288	\$2,879
Bonds (*3)	35,749	461
Investments in Partnership and Others (*4)	259,174	3,342
Total	¥518,213	\$6,682

(*1) 1. Unlisted Stocks and Others are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items,” since there are no market prices and their fair value is extremely difficult to determine.

2. The amount of revaluation losses for the period was ¥3,107 million (\$40 million) on Unlisted Stocks and Others.

3. Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.” With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥6,555 million (\$85 million), in accordance with the Bank’s internal rules.

4. Out of Investments in Partnership and Others, certain “Partnership” or “Limited Partnership” whose fair value is extremely difficult to determine are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.”

Notes to the Consolidated Financial Statements (Unaudited)

As of September 30, 2011	Millions of Yen
Unlisted Stocks (*1) (*2)	¥195,334
Bonds (*3)	97,727
Investments in Partnership and Others (*4)	297,227
Total	¥590,289

- (*) 1. Unlisted Stocks are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items," since there are no market prices and their fair value is extremely difficult to determine.
 2. The amount of revaluation losses for the period was ¥192 million on Unlisted Stocks.
 3. Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items." With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥35,846 million, in accordance with the Bank's internal rules.
 4. Out of Investments in Partnership and Others, certain "Partnership" or "Limited Partnership" whose fair value is extremely difficult to determine are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items."

15. Fair Value of Securities

Held-to-Maturity Debt Securities

As of September 30, 2012		Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
	Type			
	Japanese Government Bonds	¥ 7,565,354	¥ 7,786,741	¥ 221,386
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	6,334,660	6,492,149	157,488
Consolidated Balance Sheet Amount	Foreign Bonds	6,324,014	6,481,468	157,453
	Other	10,645	10,681	35
	Sub total	13,900,015	14,278,890	378,875
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	1,715,686	1,703,480	(12,205)
Consolidated Balance Sheet Amount	Foreign Bonds	1,712,781	1,700,575	(12,205)
	Other	2,904	2,904	—
	Sub total	1,715,686	1,703,480	(12,205)
	Total	¥15,615,702	¥15,982,371	¥366,669

As of September 30, 2012		Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference
	Type			
	Japanese Government Bonds	\$ 97,554	\$100,409	\$2,855
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	81,685	83,716	2,031
Consolidated Balance Sheet Amount	Foreign Bonds	81,548	83,578	2,030
	Other	137	138	1
	Sub total	179,239	184,125	4,886
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	22,124	21,966	(158)
Consolidated Balance Sheet Amount	Foreign Bonds	22,087	21,929	(158)
	Other	37	37	—
	Sub total	22,124	21,966	(158)
	Total	\$201,363	\$206,091	\$4,728

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

Notes to the Consolidated Financial Statements (Unaudited)

		Millions of Yen		
As of September 30, 2011	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 7,579,412	¥ 7,782,402	¥202,990
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value exceeding	Other	4,054,722	4,150,711	95,988
Consolidated Balance Sheet Amount	Foreign Bonds	4,054,050	4,150,037	95,987
	Other	672	674	1
	Sub total	11,634,135	11,933,114	298,979
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for	Corporate Bonds	—	—	—
Fair Value not exceeding	Other	3,261,156	3,197,952	(63,204)
Consolidated Balance Sheet Amount	Foreign Bonds	3,261,156	3,197,952	(63,204)
	Other	—	—	—
	Sub total	3,261,156	3,197,952	(63,204)
	Total	¥14,895,292	¥15,131,067	¥235,775

Note: The above analysis of Held-to-Maturity Debt Securities includes Securities and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.

Other Securities

		Millions of Yen		
As of September 30, 2012	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 192,627	¥ 129,213	¥ 63,413
	Bonds	6,144,907	6,035,564	109,342
	Japanese Government Bonds	6,127,179	6,018,048	109,131
	Municipal Government Bonds	1,896	1,836	60
Transactions for	Corporate Bonds	15,831	15,680	150
Consolidated Balance Sheet Amount	Other	15,556,326	14,746,266	810,059
exceeding Acquisition Cost	Foreign Bonds	8,888,629	8,544,159	344,469
	Foreign Stocks	16,718	14,379	2,338
	Investment Trusts	6,552,397	6,094,262	458,135
	Other	98,581	93,464	5,116
	Sub total	21,893,860	20,911,045	982,815
	Stocks	99,184	123,421	(24,237)
	Bonds	2,926,616	2,927,410	(794)
	Japanese Government Bonds	2,857,770	2,857,913	(142)
	Municipal Government Bonds	34	34	(0)
Transactions for	Corporate Bonds	68,810	69,462	(651)
Consolidated Balance Sheet Amount	Other	3,945,849	4,544,644	(598,795)
not exceeding Acquisition Cost	Foreign Bonds	1,040,939	1,176,555	(135,616)
	Foreign Stocks	—	—	—
	Investment Trusts	2,565,407	3,025,779	(460,372)
	Other	339,502	342,308	(2,805)
	Sub total	6,971,650	7,595,476	(623,826)
	Total	¥28,865,511	¥28,506,521	¥358,989

Notes to the Consolidated Financial Statements (Unaudited)

		Millions of U.S. Dollars		
As of September 30, 2012	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	\$ 2,484	\$ 1,666	\$ 818
	Bonds	79,238	77,828	1,410
	Japanese Government Bonds	79,009	77,602	1,407
	Municipal Government Bonds	25	24	1
Transactions for	Corporate Bonds	204	202	2
Consolidated Balance Sheet Amount	Other	200,597	190,152	10,445
exceeding Acquisition Cost	Foreign Bonds	114,618	110,176	4,442
	Foreign Stocks	216	186	30
	Investment Trusts	84,492	78,585	5,907
	Other	1,271	1,205	66
	Sub total	282,319	269,646	12,673
	Stocks	1,279	1,592	(313)
	Bonds	37,738	37,748	(10)
	Japanese Government Bonds	36,851	36,853	(2)
	Municipal Government Bonds	0	0	(0)
Transactions for	Corporate Bonds	887	895	(8)
Consolidated Balance Sheet Amount	Other	50,882	58,603	(7,721)
not exceeding Acquisition Cost	Foreign Bonds	13,423	15,172	(1,749)
	Foreign Stocks	—	—	—
	Investment Trusts	33,081	39,017	(5,936)
	Other	4,378	4,414	(36)
	Sub total	89,899	97,943	(8,044)
	Total	\$372,218	\$367,589	\$ 4,629

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.
2. Investment Trusts include Japanese trusts and foreign trusts.

		Millions of Yen		
As of September 30, 2011	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 231,680	¥ 160,639	¥ 71,040
	Bonds	5,681,882	5,638,697	43,185
	Japanese Government Bonds	5,669,484	5,626,888	42,595
	Municipal Government Bonds	1,436	1,389	46
Transactions for	Corporate Bonds	10,961	10,419	542
Consolidated Balance Sheet Amount	Other	9,760,063	9,367,279	392,784
exceeding Acquisition Cost	Foreign Bonds	6,677,759	6,429,725	248,034
	Foreign Stocks	—	—	—
	Investment Trusts	3,026,228	2,886,495	139,733
	Other	56,075	51,058	5,016
	Sub total	15,673,626	15,166,616	507,010
	Stocks	84,609	101,400	(16,791)
	Bonds	1,626,180	1,627,850	(1,669)
	Japanese Government Bonds	1,535,203	1,535,318	(115)
	Municipal Government Bonds	184	185	(0)
Transactions for	Corporate Bonds	90,791	92,345	(1,553)
Consolidated Balance Sheet Amount	Other	6,904,127	7,808,480	(904,353)
not exceeding Acquisition Cost	Foreign Bonds	1,403,621	1,582,654	(179,033)
	Foreign Stocks	14,181	15,257	(1,076)
	Investment Trusts	4,980,505	5,700,288	(719,782)
	Other	505,819	510,280	(4,460)
	Sub total	8,614,918	9,537,732	(922,813)
	Total	¥24,288,544	¥24,704,348	¥(415,803)

Notes: 1. The above analysis of Other Securities includes Securities, negotiable certificates of deposit disclosed as Cash and Due from Banks and trust beneficiary interests in Monetary Claims Bought in the consolidated balance sheet.
2. Investment Trusts include Japanese trusts and foreign trusts.

Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and those whose fair value is difficult to determine, are revalued to their fair value, and the difference between the acquisition cost (and other) and the fair value is treated as a realized loss for the six months ended September 30, 2012 and 2011 (“revaluation loss”), if the fair value has significantly deteriorated from the acquisition cost (and other), and unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the six months ended September 30, 2012 was ¥11,337 million (\$146 million) including ¥7,507 million (\$97 million) on Stocks, ¥105 million (\$1 million) on Foreign Bonds, ¥3,687 million (\$48 million) on Investment Trusts and ¥36 million (\$0 million) on Other.

The amount of revaluation loss for the six months ended September 30, 2011 was ¥18,164 million including ¥2,688 million on Stocks, ¥435 million on Bonds (Corporate Bonds), and ¥15,041 million on Other.

The criteria for determining whether the securities’ fair value has “significantly deteriorated” are outlined as follows:
 Securities whose fair values are equal to or less than 50% of their acquisition costs (and other)
 Securities whose fair values remain between 50% (exclusive) and 70% (inclusive) of their acquisition costs (and other) for a certain period

16. Fair Value of Money Held in Trust

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2012					
Other Money Held in Trust	¥6,564,058	¥6,276,304	¥287,753	¥310,205	¥22,451

	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2012					
Other Money Held in Trust	\$84,643	\$80,932	\$3,711	\$4,000	\$289

Note: “Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost” and “Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost” are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in “Difference.”

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2011					
Other Money Held in Trust	¥6,985,532	¥6,740,130	¥245,401	¥276,665	¥31,263

Note: “Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost” and “Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost” are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in “Difference.”

17. Fair Value of Derivative Instruments

(1) Derivative Instruments not accounted for as hedges

Regarding the derivative instruments which are not accounted for as hedge transactions, Contract Amount or Notional Amount, Fair Value and Unrealized Gain or Loss for each type of derivative transactions, respectively, at the consolidated balance sheet date, and determination of fair value are as follows.

Contract Amount or Notional Amount does not show by itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2012								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	285,861	239,941	11,214	11,214	3,686	3,094	145	145
Rec.: Flt.-Pay.: Fix.	289,926	240,698	(10,655)	(10,655)	3,739	3,104	(138)	(138)
Rec.: Flt.-Pay.: Flt.	11,000	2,000	(0)	(0)	142	26	(0)	(0)
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 557	¥ 557	\$ /	\$ /	\$ 7	\$ 7

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2011				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 9,537	¥ 9,537	¥ 18	¥ 18
Purchased	14,275	4,741	(14)	(14)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	355,724	276,941	12,965	12,965
Rec.: Flt.-Pay.: Fix.	358,109	270,025	(12,382)	(12,382)
Rec.: Flt.-Pay.: Flt.	23,500	11,000	18	18
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 605	¥ 605

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2012								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	387,208	679	4,847	4,847	4,993	9	63	63
Purchased	471,492	679	(7,198)	(7,198)	6,080	9	(93)	(93)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥(2,351)	¥(2,351)	\$ /	\$ /	\$ (30)	\$ (30)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2011				
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
Sold	—	—	—	—
Forwards:				
Sold	475,668	1,433	4,749	4,749
Purchased	508,565	1,429	(2,707)	(2,707)
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥2,041	¥2,041

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2012								
Exchange-traded Transactions								
Equity Price Index Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Equity Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Equity Price Index Swaps:								
Rec.: Stock Index	—	—	—	—	—	—	—	—
Pay.: Flt. Rate	—	—	—	—	—	—	—	—
Rec.: Flt. Rate	—	—	—	—	—	—	—	—
Pay.: Stock Index	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	1,000	1,000	—	—	13	13	—	—
Total	¥ /	¥ /	¥ —	¥ —	\$ /	\$ /	\$ —	\$ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2011				
Exchange-traded Transactions				
Equity Price Index Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Equity Price Index Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Equity Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Equity Price Index Swaps:				
Rec.: Stock Index	—	—	—	—
Pay.: Flt. Rate	—	—	—	—
Rec.: Flt. Rate	—	—	—	—
Pay.: Stock Index	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	1,000	1,000	—	—
Total	¥ /	¥ /	¥ —	¥ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. Derivative instruments without a fair value included in "Over-the-counter Transactions, Other" are valued at cost.

Bond-Related Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2012								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥17,736	¥ —	¥(26)	¥(26)	\$229	\$ —	\$(0)	\$(0)
Purchased	11,409	—	11	11	147	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥(14)	¥(14)	\$ /	\$ /	\$(0)	\$(0)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2011				
Exchange-traded Transactions				
Bond Futures:				
Sold	¥2,854	¥ —	¥ 9	¥ 9
Purchased	2,828	—	(7)	(7)
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 1	¥ 1

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on an option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments as of September 30, 2012 and 2011.

Credit Derivative Instruments

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2012								
Over-the-counter Transactions								
Credit Default Swaps:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	12,500	12,500	—	—	161	161	—	—
Total	¥ /	¥ /	¥ —	¥ —	\$ /	\$ /	\$ —	\$ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
As of September 30, 2011				
Over-the-counter Transactions				
Credit Default Swaps:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	12,500	12,500	—	—
Total	¥ /	¥ /	¥ —	¥ —

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations. As for derivative transactions which are listed on "Other" of "Over-the-counter Transactions," the fair value and unrealized gain/loss are excluded from the consolidated balance sheet and the consolidated statement of operations, since there are no market prices and their fair value is extremely difficult to determine.

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

3. "Sold" and "Purchased" indicate assumption and transfer of credit risk, respectively.

(2) Derivative Instruments accounted for as hedges

Regarding the derivative instruments which are accounted for as hedge transactions, Contract Amount or Notional Amount, and Fair Value for each type of derivative transactions, respectively, at the consolidated balance sheet date, and determination of fair value are as follows.

Contract Amount or Notional Amount does not show by itself market risk of derivative instruments.

Interest Rate-Related Derivative Instruments

As of September 30, 2012

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,280,000	¥1,980,000	¥ 15,562	\$29,400	\$25,532	\$ 201
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	3,580,324	3,111,922	(152,312)	46,168	40,128	(1,964)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	141,494	140,525	Note 3	1,825	1,812	Note 3
Total			¥ /	¥ /	¥(136,750)	\$ /	\$ /	\$(1,763)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 14. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

As of September 30, 2011

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen		
			Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥1,080,000	¥1,080,000	¥ 11,785
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	2,449,424	2,449,424	(71,337)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	110,928	110,797	Note 3
Total			¥ /	¥ /	¥(59,552)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Financial Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, an option pricing model or other models as appropriate.

3. The accrual method of hedge accounting, as specifically permitted for certain interest rate swaps, is valued with the valuation of hedged items, so that the fair value is included in the fair value of Loans and Bills Discounted and other items (ref: 14. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

Currency-Related Derivative Instruments

As of September 30, 2012

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount	Over 1 Year	Fair Value	Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥8,611,771	¥1,294,657	¥104,647	\$111,048	\$16,694	\$1,349
	Forex Forward		5,823,059	—	50,946	75,088	—	657
Total			¥ /	¥ /	¥155,593	\$ /	\$ /	\$2,006

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

As of September 30, 2011

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen		
			Contract Amount or Notional Amount	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated Securities and Others	¥8,152,679	¥2,390,856	¥167,941
	Forex Forward		4,057,747	—	171,402
Total			¥ /	¥ /	¥339,344

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting 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).

2. Determination of fair value:

Fair value is determined based on the discounted net present value model.

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of September 30, 2012 and 2011.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2012 and 2011.

18. The Norinchukin Bank (Parent Company)**(1) Non-Consolidated Balance Sheets (Unaudited)**

	Millions of Yen			Millions of U.S. Dollars
	September 30		March 31	September 30
	2012	2011	2012	2012
Assets				
Cash and Due from Banks	¥ 1,395,673	¥ 4,020,551	¥ 1,672,889	\$ 17,997
Call Loans	1,012,542	936,027	832,440	13,057
Receivables under Resale Agreements	—	58,091	44,987	—
Receivables under Securities Borrowing Transactions	2,496,722	2,236,569	492,481	32,195
Monetary Claims Bought	188,566	247,271	222,980	2,431
Trading Assets	45,943	33,030	32,658	592
Money Held in Trust	6,588,129	6,989,292	7,026,907	84,953
Securities	44,813,230	39,539,894	45,655,404	577,862
Loans and Bills Discounted	16,237,851	14,760,532	14,655,723	209,386
Foreign Exchange Assets	127,877	42,973	44,797	1,649
Other Assets	472,212	517,094	968,159	6,089
Tangible Fixed Assets	115,762	125,190	116,866	1,493
Intangible Fixed Assets	36,652	46,608	42,133	473
Deferred Tax Assets	—	92,133	—	—
Customers' Liabilities for Acceptances and Guarantees	138,570	139,874	140,502	1,787
Reserve for Possible Loan Losses	(168,543)	(232,443)	(221,671)	(2,173)
Reserve for Possible Investment Losses	(7,481)	(9,084)	(8,065)	(96)
Total Assets	¥73,493,710	¥69,543,607	¥71,719,196	\$947,695
Liabilities and Net Assets				
Liabilities				
Deposits	¥43,372,637	¥41,806,768	¥43,563,186	\$559,286
Negotiable Certificates of Deposit	2,028,618	1,163,932	1,882,426	26,159
Debentures	4,858,349	5,246,668	5,125,655	62,648
Call Money	553,101	580,427	524,922	7,132
Payables under Repurchase Agreements	7,640,730	6,797,951	7,800,406	98,527
Payables under Securities Lending Transactions	13,868	6,062	10,654	179
Trading Liabilities	10,686	12,415	10,595	138
Borrowed Money	1,704,907	1,723,007	1,819,807	21,984
Foreign Exchange Liabilities	16	0	10	0
Short-term Entrusted Funds	6,163,289	5,551,883	4,351,710	79,475
Other Liabilities	1,832,053	2,086,812	1,550,927	23,624
Reserve for Bonus Payments	5,216	5,152	5,129	67
Reserve for Retirement Benefits	7,438	3,557	4,945	96
Reserve for Directors' Retirement Benefits	616	597	704	8
Deferred Tax Liabilities	137,551	—	94,249	1,774
Deferred Tax Liabilities for Land Revaluation	12,165	15,858	12,932	157
Acceptances and Guarantees	138,570	139,874	140,502	1,787
Total Liabilities	68,479,820	65,140,972	66,898,765	883,041
Net Assets				
Paid-in Capital	3,425,909	3,425,909	3,425,909	44,177
Capital Surplus	25,020	25,020	25,020	323
Retained Earnings	1,119,206	1,071,416	1,011,806	14,432
Total Owners' Equity	4,570,136	4,522,346	4,462,736	58,932
Net Unrealized Gains (Losses) on Other Securities, net of taxes	513,903	(113,108)	373,612	6,627
Net Deferred Losses on Hedging Instruments, net of taxes	(93,085)	(32,866)	(40,760)	(1,201)
Revaluation Reserve for Land, net of taxes	22,935	26,262	24,841	296
Total Valuation and Translation Adjustments	443,752	(119,711)	357,693	5,722
Total Net Assets	5,013,889	4,402,635	4,820,430	64,654
Total Liabilities and Net Assets	¥73,493,710	¥69,543,607	¥71,719,196	\$947,695

(2) 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
	2012	2011	2012	2012
Income				
Interest Income:	¥370,657	¥412,796	¥594,671	\$4,780
Interest on Loans and Bills Discounted	37,817	41,580	81,856	488
Interest and Dividends on Securities	327,541	364,880	496,906	4,224
Fees and Commissions	6,228	6,074	12,693	80
Trading Income	250	460	753	3
Other Operating Income	55,029	45,562	84,785	710
Other Income	114,500	149,935	242,029	1,476
Total Income	546,666	614,829	934,934	7,049
Expenses				
Interest Expenses:	289,550	281,371	587,538	3,734
Interest on Deposits	16,860	21,042	41,706	217
Fees and Commissions	5,365	5,500	11,082	69
Trading Expenses	247	174	—	3
Other Operating Expenses	34,821	62,766	95,947	449
General and Administrative Expenses	59,842	56,666	112,054	772
Other Expenses	16,311	47,373	64,075	210
Total Expenses	406,139	453,852	870,698	5,237
Income before Income Taxes	140,527	160,976	64,236	1,812
Income Taxes — Current	7,136	24,016	1,203	92
Income Taxes — Deferred	6,518	12,677	1,391	84
Total Income Taxes	13,655	36,694	2,594	176
Net Income	¥126,871	¥124,282	¥ 61,641	\$1,636