

## Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries  
As of September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2014	March 31 2014	September 30 2014
<b>Assets</b>			
Cash and Due from Banks (Notes 12, 14 and 15)	¥ 9,574,041	¥ 5,981,536	\$ 87,498
Call Loans and Bills Bought (Note 14)	646,647	619,386	5,909
Receivables under Resale Agreements	97,739	—	893
Receivables under Securities Borrowing Transactions	221,513	5,614	2,024
Monetary Claims Bought (Notes 14 and 15)	165,077	174,256	1,508
Trading Assets (Note 14)	8,164	14,055	74
Money Held in Trust (Notes 5, 14 and 16)	4,524,635	4,650,704	41,351
Securities (Notes 3, 5, 10, 14 and 15)	54,327,745	52,883,256	496,506
Loans and Bills Discounted (Notes 4, 5, 9 and 14)	19,030,735	17,395,323	173,923
Foreign Exchange Assets	151,472	134,353	1,384
Other Assets (Notes 5 and 14)	1,199,565	498,890	10,962
Tangible Fixed Assets (Note 13)	109,261	110,358	998
Intangible Fixed Assets	22,372	25,126	204
Net Defined Benefit Asset	15,315	15,171	139
Deferred Tax Assets	2,062	2,069	18
Customers' Liabilities for Acceptances and Guarantees	861,526	806,697	7,873
Reserve for Possible Loan Losses (Note 14)	(153,173)	(170,718)	(1,399)
Reserve for Possible Investment Losses	(2,340)	(2,407)	(21)
<b>Total Assets</b>	<b>¥90,802,362</b>	<b>¥83,143,675</b>	<b>\$829,851</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 6 and 14)	¥51,486,782	¥49,717,247	\$470,542
Negotiable Certificates of Deposit (Note 14)	3,397,641	2,848,086	31,051
Debentures (Note 14)	3,799,126	4,025,067	34,720
Bonds (Note 7)	50,000	50,000	456
Call Money and Bills Sold (Notes 5 and 14)	676,000	492,493	6,178
Payables under Repurchase Agreements (Notes 5 and 14)	15,635,888	12,582,675	142,897
Payables under Securities Lending Transactions (Note 5)	216,396	132,945	1,977
Trading Liabilities (Note 14)	7,205	6,994	65
Borrowed Money (Notes 5, 8 and 14)	2,297,384	2,278,623	20,996
Foreign Exchange Liabilities	40	4	0
Short-term Entrusted Funds (Note 14)	3,598,003	2,950,795	32,882
Other Liabilities (Note 14)	1,709,843	775,982	15,626
Reserve for Bonus Payments	6,939	6,830	63
Net Defined Benefit Liability	20,172	14,589	184
Reserve for Directors' Retirement Benefits	909	1,096	8
Deferred Tax Liabilities	599,839	467,297	5,481
Deferred Tax Liabilities for Land Revaluation	9,676	9,729	88
Acceptances and Guarantees	861,526	806,697	7,873
<b>Total Liabilities</b>	<b>84,373,378</b>	<b>77,167,156</b>	<b>771,096</b>
<b>Net Assets</b>			
Paid-in Capital (Note 11)	3,425,909	3,425,909	31,309
Capital Surplus	25,020	25,020	228
Retained Earnings	1,377,991	1,236,359	12,593
Treasury Preferred Stock	(150)	(150)	(1)
<b>Total Owners' Equity</b>	<b>4,828,771</b>	<b>4,687,139</b>	<b>44,130</b>
Net Unrealized Gains on Other Securities	1,637,759	1,302,399	14,967
Net Deferred Losses on Hedging Instruments	(68,929)	(45,419)	(629)
Revaluation Reserve for Land	16,405	16,606	149
Foreign Currency Transaction Adjustments	5	(6)	0
Remeasurements of Defined Benefit Plans	7,922	8,867	72
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,593,163</b>	<b>1,282,448</b>	<b>14,560</b>
Minority Interests	7,048	6,930	64
<b>Total Net Assets</b>	<b>6,428,983</b>	<b>5,976,519</b>	<b>58,755</b>
<b>Total Liabilities and Net Assets</b>	<b>¥90,802,362</b>	<b>¥83,143,675</b>	<b>\$829,851</b>

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

# Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(1) Consolidated Statement of Operations

For the six months ended September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Income</b>			
Interest Income:	¥523,947	¥453,263	\$4,788
Interest on Loans and Bills Discounted	34,044	35,833	311
Interest and Dividends on Securities	480,398	408,570	4,390
Fees and Commissions	11,170	10,423	102
Trading Income	196	26	1
Other Operating Income	43,745	83,593	399
Other Income	119,704	75,100	1,093
Total Income	698,764	622,408	6,386
<b>Expenses</b>			
Interest Expenses:	289,870	282,219	2,649
Interest on Deposits	14,632	16,352	133
Fees and Commissions	6,807	6,938	62
Trading Expenses	—	316	—
Other Operating Expenses	62,696	115,476	572
General and Administrative Expenses	62,569	63,864	571
Other Expenses	2,885	5,776	26
Total Expenses	424,830	474,592	3,882
<b>Income before Income Taxes and Minority Interests</b>	273,934	147,816	2,503
Income Taxes — Current	47,291	1,099	432
Income Taxes — Deferred	13,753	25,959	125
Total Income Taxes	61,045	27,058	557
Income before Minority Interests	212,889	120,757	1,945
Minority Interests in Net Income	272	254	2
<b>Net Income</b>	¥212,616	¥120,503	\$1,943
		Yen	U.S. Dollars (Note 1)
	2014	2013	2014
<b>Net Income per Share</b>	¥49.94	¥28.30	\$0.45

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

## Consolidated Statements of Operations and Comprehensive Income (Unaudited), continued

(2) Consolidated Statement of Comprehensive Income

For the six months ended September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Income before Minority Interests</b>	<b>¥212,889</b>	¥ 120,757	<b>\$1,945</b>
<b>Other Comprehensive Income</b>	<b>310,908</b>	(217,917)	<b>2,841</b>
Net Unrealized Gains (Losses) on Other Securities	<b>335,095</b>	(277,064)	<b>3,062</b>
Net Deferred Gains (Losses) on Hedging Instruments	<b>(23,506)</b>	58,549	<b>(214)</b>
Revaluation Reserve for Land	<b>(17)</b>	—	<b>(0)</b>
Foreign Currency Transaction Adjustments	<b>11</b>	6	<b>0</b>
Remeasurements of defined benefit plans	<b>(929)</b>	—	<b>(8)</b>
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	<b>255</b>	591	<b>2</b>
<b>Total Comprehensive Income</b>	<b>¥523,797</b>	¥ (97,159)	<b>\$4,787</b>
Attributable to:			
Owners of the Parent	<b>523,515</b>	(97,421)	<b>4,784</b>
Minority Interests	<b>282</b>	261	<b>2</b>

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

## Consolidated Statement of Capital Surplus and Retained Earnings (Unaudited)

For the six months ended September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ <b>25,020</b>	¥ 25,020	<b>\$ 228</b>
Balance at the End of the Period	<b>25,020</b>	25,020	<b>228</b>
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	<b>1,236,359</b>	1,130,521	<b>11,299</b>
Cumulative Effects of Changes in Accounting Policies	<b>(4,455)</b>	—	<b>(40)</b>
Restated Balance	<b>1,231,904</b>	1,130,521	<b>11,258</b>
Additions:			
Net Income	<b>212,616</b>	120,503	<b>1,943</b>
Transfer from Revaluation Reserve for Land	<b>183</b>	905	<b>1</b>
Deductions:			
Dividends	<b>66,712</b>	51,006	<b>609</b>
Balance at the End of the Period	<b>¥1,377,991</b>	¥1,200,923	<b>\$12,593</b>

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

# Consolidated Statement of Cash Flows (Unaudited)

For the six months ended September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes and Minority Interests	¥ 273,934	¥ 147,816	\$ 2,503
Depreciation	10,242	10,095	93
Losses on Impairment of Fixed Assets	167	1,228	1
Equity in Losses (Earnings) of Affiliates	(4,988)	(3,919)	(45)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(17,545)	(3,129)	(160)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(66)	(1,732)	(0)
Net Increase (Decrease) in Reserve for Bonus Payments	109	(85)	1
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	—	124	—
Net Decrease (Increase) in Net Defined Benefit Asset	(229)	—	(2)
Net Increase (Decrease) in Net Defined Benefit Liability	(489)	—	(4)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(186)	(81)	(1)
Interest Income	(523,947)	(453,263)	(4,788)
Interest Expenses	289,870	282,219	2,649
Losses (Gains) on Securities	(301)	57,375	(2)
Losses (Gains) on Money Held in Trust	(38,147)	(28,919)	(348)
Foreign Exchange Losses (Gains)	(1,589,498)	(1,819,201)	(14,526)
Losses (Gains) on Disposal of Fixed Assets	156	206	1
Net Decrease (Increase) in Trading Assets	5,891	27,848	53
Net Increase (Decrease) in Trading Liabilities	210	(2,335)	1
Net Decrease (Increase) in Loans and Bills Discounted	(1,635,412)	(829,772)	(14,946)
Net Increase (Decrease) in Deposits	1,769,535	(67,909)	16,171
Net Increase (Decrease) in Negotiable Certificates of Deposit	549,554	784,469	5,022
Net Increase (Decrease) in Debentures	(225,941)	(312,127)	(2,064)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	18,761	81,881	171
Net Decrease (Increase) in Interest-bearing Due from Banks	42,650	51,408	389
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(115,965)	679,929	(1,059)
Net Decrease (Increase) in Receivable under Securities			
Borrowing Transactions	(215,899)	(18,138)	(1,973)
Net Increase (Decrease) in Call Money and Bills Sold and Other	3,236,720	(602,927)	29,580
Net Increase (Decrease) in Short-term Entrusted Funds	647,208	404,651	5,914
Net Increase (Decrease) in Payables under Securities			
Lending Transactions	83,451	11,141	762
Net Decrease (Increase) in Foreign Exchange Assets	(17,118)	124,268	(156)
Net Increase (Decrease) in Foreign Exchange Liabilities	36	(52)	0
Interest Received	549,790	455,389	5,024
Interest Paid	(143,269)	(147,742)	(1,309)
Other, Net	(15,941)	(8,576)	(145)
Subtotal	2,933,341	(1,179,859)	26,808
Income Taxes Paid	(2,437)	(113)	(22)
Net Cash Provided by (Used in) Operating Activities	2,930,904	(1,179,972)	26,785

# Consolidated Statement of Cash Flows (Unaudited), continued

For the six months ended September 30, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(4,442,625)	(5,871,797)	(40,601)
Proceeds from Sales of Securities	1,136,109	3,147,778	10,383
Proceeds from Redemption of Securities	3,718,359	4,335,263	33,982
Increase in Money Held in Trust	(24,580)	(35,116)	(224)
Decrease in Money Held in Trust	390,083	1,256,138	3,565
Purchases of Tangible Fixed Assets	(3,399)	(2,122)	(31)
Purchases of Intangible Fixed Assets	(5,150)	(3,525)	(47)
Proceeds from Sales of Tangible Fixed Assets	2,327	255	21
Proceeds from Sales of Intangible Fixed Assets	7	—	0
Proceeds from business transfer	—	1,381,999	—
Net Cash Provided by (Used in) Investing Activities	771,131	4,208,872	7,047
<b>Cash Flows from Financing Activities:</b>			
Dividends Paid	(66,712)	(51,006)	(609)
Dividends Paid to Minority Shareholders	(164)	(9)	(1)
Net Cash Provided by (Used in) Financing Activities	(66,877)	(51,015)	(611)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,635,157</b>	<b>2,977,883</b>	<b>33,222</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>4,667,602</b>	<b>3,134,931</b>	<b>42,657</b>
<b>Cash and Cash Equivalents at the End of the Period (Note 12)</b>	<b>¥ 8,302,759</b>	<b>¥ 6,112,815</b>	<b>\$ 75,879</b>

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

# Notes to the Consolidated Financial Statements (Unaudited)

## 1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in 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 ¥109.42=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2014, 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 and U.S. dollars figures disclosed in the consolidated financial statements are expressed in millions of yen and millions of U.S. dollars, 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 numbers of subsidiaries as of September 30, 2014 were 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 numbers of affiliates as of September 30, 2014 were 7, out of which 6 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:

JA MITSUI LEASING, LTD.

Mitsubishi UFJ NICOS Co., Ltd.

Newly established Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries was included in the scope of application of the equity method from the first half of fiscal 2014.

## (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 statement of operations.

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

Trading Income and Trading Expenses include interest received and paid in the period, gains or losses resulting from any change in the fair value of securities and monetary claims from the end of the previous fiscal year and gains or losses of derivatives resulting from any change in the fair value, which is determined assuming they were settled at the end of the period, from the end of the previous fiscal year.

## (3) Financial Instruments

### a. Securities

Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method. Investments in affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. 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.

Net Unrealized Gains or Losses on Other Securities 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.

#### (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 statement 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.

**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 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**

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.

**(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 end of the period.

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 end of the period.

**(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 disposals 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 ¥15,221 million (\$139 million) and ¥14,994 million for the period ended September 30, 2014 and the fiscal year ended March 31, 2014, 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 disposals 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.

**(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 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.

**(12) Accounting Method for Retirement Benefits**

In calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to the end of the period.

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 has arisen.

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 has arisen.

Some of the Bank's consolidated subsidiaries, in calculating Net Defined Benefit Liability and retirement benefit cost, adopt the simplified method whereby the retirement benefit obligations are calculated at an amount that would be paid if all eligible employees voluntarily retired 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 Statement of Cash Flows

"Cash and Cash Equivalents" in the consolidated statement of cash flows represents cash and non-interest bearing due from banks in Cash and Due from Banks on the consolidated balance sheet.

Non-interest bearing due from banks includes due from the Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by the 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 stocks and preferred stocks is deducted from the denominator in the calculation of Net Income per Share.

#### (Changes in Accounting Policies)

##### Adoption of "Accounting Standard for Retirement Benefits" and related guidance

Effective from the beginning of the first half of fiscal 2014, the Bank has adopted the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No.26, issued on May 17, 2012, hereinafter, the "Accounting Standard for Retirement Benefits") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012, hereinafter, the "Guidance on Retirement Benefits") with respect to the provisions set forth in Paragraph 35 of the Accounting Standard for Retirement Benefits and in Paragraph 67 of the Guidance on Retirement Benefits. As a result, the methods for calculating retirement benefit obligations and service costs have been revised in the following respects: The method for attributing expected retirement benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the methods for determining the discount rate has been changed from a method using the discount rate based on approximate number of years of the average remaining service period of employees to a method using the single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and amount of expected retirement benefits every such period.

According to the transitional treatment provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of changing the method for calculating retirement benefit obligations and service costs was recognized by adjusting retained earnings at the beginning of the first half of fiscal 2014.

The impacts of these changes on the financial results of the period and the financial conditions are immaterial.

### 3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Japanese Government Bonds	¥13,362,436	¥14,069,731	\$122,120
Municipal Government Bonds	832	2,143	7
Corporate Bonds	30,205	34,908	276
Stocks	700,930	646,833	6,405
Other	40,233,340	38,129,639	367,696
Foreign Bonds	30,116,880	28,158,257	275,241
Foreign Stocks	66,576	63,663	608
Investment Trusts	9,439,081	9,298,891	86,264
Other	610,801	608,827	5,582
<b>Total</b>	<b>¥54,327,745</b>	<b>¥52,883,256</b>	<b>\$496,506</b>

### 4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Loans on Deeds	¥17,488,450	¥15,766,595	\$159,828
Loans on Bills	294,575	285,793	2,692
Overdrafts	1,244,820	1,338,333	11,376
Bills Discounted	2,888	4,601	26
<b>Total</b>	<b>¥19,030,735</b>	<b>¥17,395,323</b>	<b>\$173,923</b>

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Loans to Borrowers under Bankruptcy Proceedings	¥ 1,495	¥ 742	\$ 13
Delinquent Loans	149,575	159,850	1,366
Loans Past Due for Three Months or More	31	40	0
Restructured Loans	34,726	39,919	317
<b>Total</b>	<b>¥185,829</b>	<b>¥200,553</b>	<b>\$1,698</b>

(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:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Securities	¥18,588,073	¥15,437,441	\$169,878
Loans and Bills Discounted	11,718,972	9,523,941	107,100

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Call Money and Bills Sold	¥ 475,000	¥ 475,000	\$ 4,341
Payables under Repurchase Agreements	15,635,888	12,582,675	142,897
Payables under Securities Lending Transactions	203,621	53,582	1,860
Borrowed Money	709,028	691,058	6,479

In addition, as of September 30, 2014 and March 31, 2014, Securities (including transactions of Money Held in Trust) of ¥6,361,275 million (\$58,136 million) and ¥6,936,194 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2014 and March 31, 2014, initial margins of futures markets of ¥976 million (\$8 million) and ¥894 million, respectively, cash collateral paid for financial instruments of ¥912,507 million (\$8,339 million) and ¥158,793 million, respectively, and guarantee deposits of ¥17,178 million (\$156 million) and ¥14,515 million, respectively, were included in Other Assets.

## 6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Time Deposits	¥46,150,575	¥43,553,676	\$421,774
Deposits at Notice	57,348	72,543	524
Ordinary Deposits	914,941	1,123,655	8,361
Current Deposits	75,382	80,186	688
Other Deposits	4,288,534	4,887,186	39,193
Total	¥51,486,782	¥49,717,247	\$470,542

## 7. Bonds

Bonds were subordinated bonds of ¥50,000 million (\$456 million) and ¥50,000 million as of September 30, 2014 and March 31, 2014, respectively.

## 8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,486,007 million (\$13,580 million) and ¥1,486,007 million as of September 30, 2014 and March 31, 2014, 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 amounts of undrawn commitments in relation to such agreements were ¥3,165,490 million (\$28,929 million) and ¥2,617,333 million as of September 30, 2014 and March 31, 2014, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,081,584 million (\$19,023 million) and ¥1,808,799 million as of September 30, 2014 and March 31, 2014, 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 ¥173,541 million (\$1,586 million) and ¥244,511 million as of September 30, 2014 and March 31, 2014, 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 ¥110,232 million (\$1,007 million) and ¥79,007 million as of September 30, 2014 and March 31, 2014, respectively, and securities held without re-pledge of ¥1,438,481 million (\$13,146 million) and ¥777,765 million as of September 30, 2014 and March 31, 2014, respectively. No such securities are re-loaned to the third parties.

## 11. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2014	As of March 31, 2014	As of September 30, 2014
Common Stock	¥3,400,909	¥3,400,909	\$31,081
Preferred Stock	24,999	24,999	228
Total	¥3,425,909	¥3,425,909	\$31,309

The Common Stock account includes lower dividend rate stock with a total par value of ¥2,975,192 million (\$27,190 million) and ¥2,975,192 million as of September 30, 2014 and March 31, 2014, 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:

	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
As of September 30			
Cash and Due from Banks	¥ 9,574,041	¥ 7,345,540	\$ 87,498
Less: Interest-bearing Due from Banks	(1,271,281)	(1,232,725)	(11,618)
Cash and Cash Equivalents at the End of the Period	¥ 8,302,759	¥ 6,112,815	\$ 75,879

## 13. Segment Information

For the Six Months Ended September 30, 2014

### (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, 2014	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥51,282	¥602,438	¥45,043	¥698,764

Six Months ended September 30, 2014	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$468	\$5,505	\$411	\$6,386

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, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥684,315	¥4,469	¥3,913	¥6,065	¥698,764

Six Months ended September 30, 2014	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$6,254	\$40	\$35	\$55	\$6,386

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, 2014	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥108,395	¥307	¥210	¥348	¥109,261

As of September 30, 2014	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$990	\$2	\$1	\$3	\$998

#### c. Information about Major Customers

Six Months ended September 30, 2014	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥109,093	—

Six Months ended September 30, 2014	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$997	—

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) 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**

None

**For the Six Months Ended September 30, 2013****(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, 2013	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥35,883	¥539,856	¥46,668	¥622,408

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, 2013	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥609,123	¥3,031	¥3,617	¥6,636	¥622,408

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, 2013	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥105,988	¥291	¥184	¥194	¥106,658

**c. Information about Major Customers**

Six Months ended September 30, 2013	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥65,955	—

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) 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**

None

**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, 2014 and March 31, 2014 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
<b>As of September 30, 2014</b>						
(1) Cash and Due from Banks	¥ 9,574,041	¥ 9,574,041	¥ —	\$ 87,498	\$ 87,498	\$ —
(2) Call Loans and Bills Bought	646,647	646,647	—	5,909	5,909	—
(3) Monetary Claims Bought	165,077	165,235	158	1,508	1,510	1
(4) Trading Assets (*2)						
Trading Securities	54	54	—	0	0	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	7,829	7,829	—	71	71	—
Other Money Held in Trust	4,516,125	4,526,211	10,086	41,273	41,365	92
(6) Securities						
Held-to-Maturity Debt Securities	17,742,694	18,011,125	268,431	162,152	164,605	2,453
Other Securities	36,074,301	36,074,301	—	329,686	329,686	—
(7) Loans and Bills Discounted	19,030,735			173,923		
Reserve for Possible Loan Losses (*1)	(147,815)			(1,350)		
	18,882,919	18,924,843	41,923	172,572	172,955	383
<b>Total Assets</b>	<b>¥87,609,691</b>	<b>¥87,930,290</b>	<b>¥320,599</b>	<b>\$800,673</b>	<b>\$803,603</b>	<b>\$2,929</b>
(1) Deposits	¥51,486,782	¥51,486,844	¥ 61	\$470,542	\$470,543	\$ 0
(2) Negotiable Certificates of Deposit	3,397,641	3,397,641	—	31,051	31,051	—
(3) Debentures	3,799,126	3,814,273	15,146	34,720	34,859	138
(4) Call Money and Bills Sold	676,000	676,000	—	6,178	6,178	—
(5) Payables under Repurchase Agreements	15,635,888	15,635,888	—	142,897	142,897	—
(6) Borrowed Money	2,297,384	2,297,384	—	20,996	20,996	—
(7) Short-term Entrusted Funds	3,598,003	3,598,003	—	32,882	32,882	—
<b>Total Liabilities</b>	<b>¥80,890,827</b>	<b>¥80,906,035</b>	<b>¥ 15,208</b>	<b>\$739,269</b>	<b>\$739,408</b>	<b>\$ 138</b>
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ 1,132	¥ 1,132	¥ —	\$ 10	\$ 10	\$ —
Transactions Accounted for as Hedge	(989,378)	(989,378)	—	(9,042)	(9,042)	—
<b>Total Derivative Instruments</b>	<b>¥ (988,245)</b>	<b>¥ (988,245)</b>	<b>¥ —</b>	<b>\$ (9,031)</b>	<b>\$ (9,031)</b>	<b>\$ —</b>

(\*1) 1. Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Money Held in Trust is 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.

As of March 31, 2014	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 5,981,536	¥ 5,981,536	¥ —
(2) Call Loans and Bills Bought	619,386	619,386	—
(3) Monetary Claims Bought	174,256	174,380	124
(4) Trading Assets (*2)			
Trading Securities	6,082	6,082	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	7,063	7,063	—
Other Money Held in Trust	4,642,669	4,653,058	10,388
(6) Securities			
Held-to-Maturity Debt Securities	18,085,098	18,387,283	302,185
Other Securities	34,256,380	34,256,380	—
(7) Loans and Bills Discounted	17,395,323		
Reserve for Possible Loan Losses (*1)	(164,986)		
	17,230,337	17,281,422	51,085
<b>Total Assets</b>	<b>¥81,002,810</b>	<b>¥81,366,594</b>	<b>¥363,784</b>
(1) Deposits	¥49,717,247	¥49,717,455	¥ 207
(2) Negotiable Certificates of Deposit	2,848,086	2,848,086	—
(3) Debentures	4,025,067	4,043,940	18,872
(4) Call Money and Bills Sold	492,493	492,493	—
(5) Payables under Repurchase Agreements	12,582,675	12,582,675	—
(6) Borrowed Money	2,278,623	2,278,623	—
(7) Short-term Entrusted Funds	2,950,795	2,950,795	—
<b>Total Liabilities</b>	<b>¥74,894,988</b>	<b>¥74,914,068</b>	<b>¥ 19,079</b>
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ 3,098	¥ 3,098	¥ —
Transactions Accounted for as Hedge			
Transactions	(229,207)	(229,207)	—
<b>Total Derivative Instruments</b>	<b>¥ (226,109)</b>	<b>¥ (226,109)</b>	<b>¥ —</b>

(\*1) 1. Money Held in Trust and Loans and Bills Discounted are net of Reserve for Possible Loan Losses. Money Held in Trust is 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. As for Borrowed Money with fixed rates, the fair value is calculated according to the Discounted Cash Flow method. The price-determining variable of this method is the rate which would be applied to a similar Borrowed Money. The fair value of the Borrowed Money with a short-term (1 year or less), 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 Consolidated Balance Sheet Amount of financial instruments, the fair value of which is extremely difficult to determine:

“Assets (6) Other Securities” in Disclosures Regarding the Fair Value of Financial Instruments and Other Items excludes these financial instruments.

<b>As of September 30, 2014</b>	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥260,852	\$2,383
Investments in Partnership and Others (*3)	249,895	2,283
<b>Total</b>	<b>¥510,748</b>	<b>\$4,667</b>

(\*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 ¥1 million (\$0 million) on Unlisted Stocks and Others.

3. 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.”

<b>As of March 31, 2014</b>	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥263,140
Investments in Partnership and Others (*3)	278,636
<b>Total</b>	<b>¥541,776</b>

(\*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 fiscal year ended March 31, 2014 was ¥710 million on Unlisted Stocks and Others.

3. 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

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated	Fair Value	Difference	Consolidated	Fair Value	Difference
		Balance Sheet Amount			Balance Sheet Amount		
<b>As of September 30, 2014</b>							
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 5,561,347	¥ 5,602,153	¥ 40,805	\$ 50,825	\$ 51,198	\$ 372
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	2,608	2,639	30	23	24	0
	Other	8,797,911	9,039,340	241,428	80,404	82,611	2,206
	Foreign Bonds	8,757,048	8,998,307	241,258	80,031	82,236	2,204
	Other	40,863	41,032	169	373	375	1
	Sub total	14,361,867	14,644,132	282,264	131,254	133,834	2,579
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	1,980,900	1,971,175	(9,724)	18,103	18,014	(88)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—
	Other	1,461,727	1,457,777	(3,950)	13,358	13,322	(36)
	Foreign Bonds	1,440,788	1,436,849	(3,938)	13,167	13,131	(35)
	Other	20,938	20,927	(11)	191	191	(0)
	Sub total	3,442,627	3,428,952	(13,674)	31,462	31,337	(124)
Total	¥17,804,495	¥18,073,085	¥268,589	\$162,717	\$165,171	\$2,454	

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.

	Type	Millions of Yen		
		Consolidated	Fair Value	Difference
		Balance Sheet Amount		
<b>As of March 31, 2014</b>				
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 5,819,924	¥ 5,894,642	¥ 74,718
	Municipal Government Bonds	—	—	—
	Corporate Bonds	2,760	2,785	24
	Other	9,149,565	9,387,091	237,526
	Foreign Bonds	9,116,480	9,353,869	237,389
	Other	33,085	33,221	136
	Sub total	14,972,250	15,284,519	312,269
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	1,727,599	1,723,408	(4,190)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	1,454,433	1,448,665	(5,768)
	Foreign Bonds	1,418,333	1,412,577	(5,755)
	Other	36,100	36,088	(12)
	Sub total	3,182,033	3,172,074	(9,959)
Total	¥18,154,283	¥18,456,593	¥302,310	

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

	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated	Acquisition	Difference	Consolidated	Acquisition	Difference
		Balance Sheet	Cost		Balance Sheet	Cost	
<b>As of September 30, 2014</b>		Amount			Amount		
	Stocks	¥ 510,583	¥ 252,879	¥ 257,703	\$ 4,666	\$ 2,311	\$ 2,355
	Bonds	5,727,245	5,537,663	189,582	52,341	50,609	1,732
	Japanese Government						
	Bonds	5,710,188	5,520,649	189,539	52,185	50,453	1,732
	Municipal Government						
Transactions for	Bonds	797	778	18	7	7	0
Consolidated Balance	Corporate Bonds	16,259	16,235	24	148	148	0
Sheet Amount	Other	23,618,587	22,104,568	1,514,018	215,852	202,015	13,836
exceeding Acquisition	Foreign Bonds	15,722,459	15,091,831	630,628	143,689	137,925	5,763
Cost	Foreign Stocks	35,433	20,141	15,292	323	184	139
	Investment Trusts	7,668,641	6,823,560	845,080	70,084	62,361	7,723
	Other	192,052	169,035	23,017	1,755	1,544	210
	Sub total	29,856,415	27,895,111	1,961,303	272,860	254,936	17,924
	Stocks	18,804	21,419	(2,614)	171	195	(23)
	Bonds	121,372	121,394	(21)	1,109	1,109	(0)
	Japanese Government						
	Bonds	110,000	110,000	—	1,005	1,005	—
	Municipal Government						
Transactions for	Bonds	34	35	(0)	0	0	(0)
Consolidated Balance	Corporate Bonds	11,337	11,359	(21)	103	103	(0)
Sheet Amount not	Other	6,222,013	6,258,666	(36,653)	56,863	57,198	(334)
exceeding Acquisition	Foreign Bonds	4,196,583	4,211,855	(15,272)	38,352	38,492	(139)
Cost	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	1,712,273	1,733,394	(21,121)	15,648	15,841	(193)
	Other	313,156	313,416	(259)	2,861	2,864	(2)
	Sub total	6,362,190	6,401,480	(39,289)	58,144	58,503	(359)
	Total	¥36,218,606	¥34,296,591	¥1,922,014	\$331,005	\$313,439	\$17,565

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 March 31, 2014	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	¥ 424,460	¥ 225,977	¥ 198,482
	Bonds	6,540,717	6,379,790	160,926
	Japanese Government			
	Bonds	6,522,207	6,361,382	160,825
	Municipal Government			
	Bonds	2,108	2,053	54
	Corporate Bonds	16,401	16,355	46
	Other	21,009,047	19,796,226	1,212,820
	Foreign Bonds	12,623,476	12,172,266	451,209
	Foreign Stocks	33,890	19,596	14,293
	Investment Trusts	8,181,780	7,452,084	729,695
	Other	169,900	152,278	17,621
	Sub total	27,974,225	26,401,994	1,572,230
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	33,100	36,481	(3,381)
	Bonds	15,781	15,817	(36)
	Japanese Government			
	Bonds	—	—	—
	Municipal Government			
	Bonds	34	34	(0)
	Corporate Bonds	15,746	15,782	(36)
	Other	6,374,358	6,461,575	(87,217)
	Foreign Bonds	4,999,968	5,070,482	(70,514)
	Foreign Stocks	—	—	—
	Investment Trusts	1,073,016	1,088,972	(15,956)
	Other	301,373	302,119	(746)
	Sub total	6,423,239	6,513,875	(90,635)
Total	¥34,397,464	¥32,915,869	¥1,481,594	

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 extremely 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, 2014 and the fiscal year ended March 31, 2014 (“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, 2014 was ¥64 million (\$0 million) including ¥62 million (\$0 million) on Foreign Bonds, ¥0 million (\$0 million) on Investment Trusts and ¥2 million (\$0 million) on Other.

The amount of revaluation loss for the fiscal year ended March 31, 2014 was ¥385 million including ¥8 million on Foreign Bonds and ¥377 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
<b>As of September 30, 2014</b>					
Other Money Held in Trust	¥4,516,805	¥4,230,478	¥286,326	¥286,677	¥350

	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
<b>As of September 30, 2014</b>					
Other Money Held in Trust	\$41,279	\$38,662	\$2,616	\$2,619	\$3

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
<b>As of March 31, 2014</b>					
Other Money Held in Trust	¥4,643,640	¥4,386,491	¥257,149	¥257,850	¥700

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		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
<b>As of September 30, 2014</b>								
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.	254,257	204,855	8,084	8,084	2,323	1,872	73	73
Rec.: Flt.-Pay.: Fix.	244,434	196,156	(7,192)	(7,192)	2,233	1,792	(65)	(65)
Rec.: Flt.-Pay.: Flt.	1,000	1,000	10	10	9	9	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 902</b>	<b>¥ 902</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 8</b>	<b>\$ 8</b>

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		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
<b>As of March 31, 2014</b>				
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.	257,509	209,622	7,910	7,910
Rec.: Flt.-Pay.: Fix.	257,305	208,276	(6,918)	(6,918)
Rec.: Flt.-Pay.: Flt.	2,000	—	(0)	(0)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 991</b>	<b>¥ 991</b>

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		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
<b>As of September 30, 2014</b>								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	325,204	5,372	(15,723)	(15,723)	2,972	49	(143)	(143)
Purchased	450,331	5,372	15,938	15,938	4,115	49	145	145
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 214</b>	<b>¥ 214</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 1</b>	<b>\$ 1</b>

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		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2014				
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps	—	—	—	—
Forwards:				
Sold	519,911	2,109	(4,676)	(4,676)
Purchased	913,250	2,109	6,782	6,782
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 2,106</b>	<b>¥ 2,106</b>

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		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2014								
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	—	—	9	9	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ —</b>	<b>\$ —</b>

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 Osaka 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		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2014				
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	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ —</b>	<b>¥ —</b>

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 Osaka 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

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of March 31, 2014.

	Millions of Yen				Millions of U.S. Dollars			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year			Total	Over 1 Year		
As of September 30, 2014								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥12,932	¥ —	¥ 9	¥ 9	\$118	\$ —	\$ 0	\$ 0
Purchased	2,683	—	5	5	24	—	0	0
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 14</b>	<b>¥ 14</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 0</b>	<b>\$ 0</b>

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 Osaka 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, 2014 and March 31, 2014.

### Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2014.

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2014				
Over-the-counter Transactions				
Credit Default Swaps:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	<b>12,500</b>	<b>12,500</b>	—	—
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, 2014

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥3,420,000	¥2,660,000	¥ 16,827	\$31,255	\$24,309	\$ 153
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	4,881,643	4,867,966	(100,132)	44,613	44,488	(915)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	168,904	168,631	Note 3	1,543	1,541	Note 3
Total			¥ /	¥ /	¥(83,305)	\$ /	\$ /	\$(761)

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 March 31, 2014

Millions of Yen

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		
			Total	Over 1 Year	Fair Value
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥3,180,000	¥2,820,000	¥ 15,776
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	4,259,483	4,240,447	(71,781)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	156,744	156,622	Note 3
Total			¥ /	¥ /	¥(56,005)

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, 2014

Millions of Yen

Millions of U.S. Dollars

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount			Contract Amount or Notional Amount		
			Total	Over 1 Year	Fair Value	Total	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated	¥12,466,821	¥5,174,665	¥(693,501)	\$113,935	\$47,291	\$(6,337)
	Forex Forward	Securities and Others	5,401,889	—	(188,240)	49,368	—	(1,720)
Total			¥ /	¥ /	¥(881,742)	\$ /	\$ /	\$(8,058)

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 March 31, 2014

Millions of Yen

Method of Hedges	Type of Derivative Instruments	Hedged Items	Contract Amount or Notional Amount		
			Total	Over 1 Year	Fair Value
The Deferral Method	Currency Swaps	Foreign Currency Denominated	¥12,014,631	¥5,177,113	¥ (77,087)
	Forex Forward	Securities and Others	6,493,100	—	(96,115)
Total			¥ /	¥ /	¥(173,202)

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 March 31, 2014.

As of September 30, 2014

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen			Millions of U.S. Dollars		
			Contract Amount or Notional Amount		Fair Value	Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year		Total	Over 1 Year	
The Deferral Method	Total Return Swaps	Other securities (equity)	¥12,500	¥12,500	¥(24,330)	\$114	\$114	\$(222)
Total			¥ /	¥ /	¥(24,330)	\$ /	\$ /	\$(222)

Notes: Determination of fair value:

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

**Bond-Related Derivative Instruments**

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2014 and March 31, 2014.

## 18. The Norinchukin Bank (Parent Company)

### (1) Non-consolidated Balance Sheet (Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	September 30 2014	March 31 2014	September 30 2014
<b>Assets</b>			
Cash and Due from Banks	¥ 9,561,785	¥ 5,967,497	\$ 87,386
Call Loans	646,647	619,386	5,909
Receivables under Resale Agreements	97,739	—	893
Receivables under Securities Borrowing Transactions	221,513	5,614	2,024
Monetary Claims Bought	165,077	174,256	1,508
Trading Assets	8,164	14,055	74
Money Held in Trust	4,523,696	4,649,907	41,342
Securities	54,346,332	52,901,442	496,676
Loans and Bills Discounted	18,930,012	17,295,089	173,003
Foreign Exchange Assets	151,472	134,353	1,384
Other Assets	1,196,135	495,370	10,931
Tangible Fixed Assets	107,195	108,316	979
Intangible Fixed Assets	20,846	23,900	190
Prepaid Pension Cost	94	—	0
Customers' Liabilities for Acceptances and Guarantees	136,806	137,056	1,250
Reserve for Possible Loan Losses	(149,667)	(167,110)	(1,367)
Reserve for Possible Investment Losses	(2,855)	(2,855)	(26)
<b>Total Assets</b>	<b>¥89,960,995</b>	<b>¥82,356,280</b>	<b>\$822,162</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥51,496,869	¥49,731,175	\$470,634
Negotiable Certificates of Deposit	3,397,641	2,848,086	31,051
Debentures	3,811,636	4,037,577	34,834
Call Money	676,000	492,493	6,178
Payables under Repurchase Agreements	15,635,888	12,582,675	142,897
Payables under Securities Lending Transactions	216,396	132,945	1,977
Trading Liabilities	7,205	6,994	65
Borrowed Money	2,292,384	2,272,623	20,950
Foreign Exchange Liabilities	40	4	0
Short-term Entrusted Funds	3,598,003	2,950,795	32,882
Other Liabilities	1,688,235	751,547	15,428
Reserve for Bonus Payments	5,536	5,457	50
Reserve for Retirement Benefits	14,682	10,476	134
Reserve for Directors' Retirement Benefits	662	803	6
Deferred Tax Liabilities	596,766	463,869	5,453
Deferred Tax Liabilities for Land Revaluation	9,676	9,729	88
Acceptances and Guarantees	136,806	137,056	1,250
<b>Total Liabilities</b>	<b>83,584,433</b>	<b>76,434,310</b>	<b>763,886</b>
<b>Net Assets</b>			
Paid-in Capital	3,425,909	3,425,909	31,309
Capital Surplus	25,020	25,020	228
Retained Earnings	1,340,924	1,197,694	12,254
<b>Total Owners' Equity</b>	<b>4,791,854</b>	<b>4,648,624</b>	<b>43,793</b>
Net Unrealized Gains on Other Securities, net of taxes	1,637,220	1,302,149	14,962
Net Deferred Losses on Hedging Instruments, net of taxes	(68,918)	(45,412)	(629)
Revaluation Reserve for Land, net of taxes	16,405	16,606	149
<b>Total Valuation and Translation Adjustments</b>	<b>1,584,707</b>	<b>1,273,344</b>	<b>14,482</b>
<b>Total Net Assets</b>	<b>6,376,561</b>	<b>5,921,969</b>	<b>58,276</b>
<b>Total Liabilities and Net Assets</b>	<b>¥89,960,995</b>	<b>¥82,356,280</b>	<b>\$822,162</b>

## (2) Non-consolidated Statement of Operations (Unaudited)

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2014	2013	2014
<b>Income</b>			
Interest Income:	¥529,998	¥452,771	\$4,843
Interest on Loans and Bills Discounted	32,229	33,943	294
Interest and Dividends on Securities	488,268	409,973	4,462
Fees and Commissions	6,155	6,393	56
Trading Income	196	26	1
Other Operating Income	42,681	82,615	390
Other Income	115,080	70,484	1,051
Total Income	694,111	612,292	6,343
<b>Expenses</b>			
Interest Expenses:	289,844	282,195	2,648
Interest on Deposits	14,633	16,353	133
Fees and Commissions	5,830	6,118	53
Trading Expenses	—	316	—
Other Operating Expenses	62,684	115,475	572
General and Administrative Expenses	58,640	60,176	535
Other Expenses	2,731	5,861	24
Total Expenses	419,731	470,143	3,835
<b>Income before Income Taxes</b>	274,380	142,149	2,507
Income Taxes — Current	46,411	263	424
Income Taxes — Deferred	13,756	26,002	125
Total Income Taxes	60,168	26,265	549
<b>Net Income</b>	¥214,212	¥115,883	\$1,957