

## Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries  
As of September 30, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2016	March 31 2016	September 30 2016
<b>Assets</b>			
Cash and Due from Banks (Notes 12, 14 and 15)	¥ 26,249,127	¥ 15,057,960	\$ 259,583
Call Loans and Bills Bought (Note 14)	136,181	139,877	1,346
Receivables under Securities Borrowing Transactions	1,013	2,049,052	10
Monetary Claims Bought (Notes 14 and 15)	257,399	244,023	2,545
Trading Assets (Note 14)	9,642	14,284	95
Money Held in Trust (Notes 5, 14 and 16)	5,547,822	4,922,923	54,863
Securities (Notes 3, 5, 10, 14 and 15)	54,676,884	58,306,391	540,712
Loans and Bills Discounted (Notes 4, 5, 9 and 14)	12,854,382	18,022,160	127,120
Foreign Exchange Assets	201,177	237,332	1,989
Other Assets (Notes 5 and 14)	1,019,096	1,037,001	10,078
Tangible Fixed Assets (Note 13)	108,635	108,304	1,074
Intangible Fixed Assets	25,133	20,362	248
Net Defined Benefit Asset	28,421	27,969	281
Deferred Tax Assets	2,177	1,999	21
Customers' Liabilities for Acceptances and Guarantees	1,126,864	1,087,130	11,143
Reserve for Possible Loan Losses (Note 14)	(83,549)	(93,854)	(826)
Reserve for Possible Investment Losses	(5)	—	(0)
<b>Total Assets</b>	<b>¥102,160,405</b>	<b>¥101,182,920</b>	<b>\$1,010,288</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 6 and 14)	¥ 61,612,319	¥ 58,823,374	\$ 609,299
Negotiable Certificates of Deposit (Note 14)	2,155,187	3,598,338	21,313
Debentures (Note 14)	2,767,760	3,122,077	27,371
Bonds (Note 7)	—	50,000	—
Call Money and Bills Sold (Note 14)	5,056	4,276	50
Payables under Repurchase Agreements (Notes 5 and 14)	17,045,055	18,488,218	168,562
Payables under Securities Lending Transactions (Note 5)	1,013	903,887	10
Trading Liabilities (Note 14)	8,477	8,476	83
Borrowed Money (Notes 5, 8 and 14)	3,542,235	3,090,120	35,030
Foreign Exchange Liabilities	3	17	0
Short-term Entrusted Funds (Note 14)	1,960,753	1,397,731	19,390
Other Liabilities (Note 14)	4,171,376	2,645,958	41,251
Reserve for Bonus Payments	7,889	7,711	78
Net Defined Benefit Liability	39,437	39,756	390
Reserve for Directors' Retirement Benefits	1,128	1,179	11
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	6,746	12,684	66
Deferred Tax Liabilities	639,037	705,928	6,319
Deferred Tax Liabilities for Land Revaluation	8,718	9,263	86
Acceptances and Guarantees	1,126,864	1,087,130	11,143
<b>Total Liabilities</b>	<b>95,099,062</b>	<b>93,996,130</b>	<b>940,457</b>
<b>Net Assets</b>			
Paid-in Capital (Note 11)	3,480,488	3,480,488	34,419
Capital Surplus	25,020	25,020	247
Retained Earnings	1,847,320	1,770,832	18,268
Treasury Preferred Stock	(150)	(150)	(1)
<b>Total Owners' Equity</b>	<b>5,352,679</b>	<b>5,276,191</b>	<b>52,933</b>
Net Unrealized Gains on Other Securities	1,953,076	2,118,533	19,314
Net Deferred Losses on Hedging Instruments	(266,583)	(231,632)	(2,636)
Revaluation Reserve for Land	14,600	16,020	144
Foreign Currency Transaction Adjustments	(161)	(48)	(1)
Remeasurements of Defined Benefit Plans	(239)	(246)	(2)
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,700,692</b>	<b>1,902,626</b>	<b>16,818</b>
Non-controlling Interests	7,970	7,972	78
<b>Total Net Assets</b>	<b>7,061,342</b>	<b>7,186,790</b>	<b>69,831</b>
<b>Total Liabilities and Net Assets</b>	<b>¥102,160,405</b>	<b>¥101,182,920</b>	<b>\$1,010,288</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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2016	2015	2016
<b>Income</b>			
Interest Income:	<b>¥507,607</b>	¥584,320	<b>\$5,019</b>
Interest on Loans and Bills Discounted	<b>29,557</b>	32,361	<b>292</b>
Interest and Dividends on Securities	<b>471,438</b>	543,467	<b>4,662</b>
Fees and Commissions	<b>14,401</b>	13,032	<b>142</b>
Trading Income	<b>54</b>	109	<b>0</b>
Other Operating Income	<b>65,294</b>	36,061	<b>645</b>
Other Income	<b>119,174</b>	73,369	<b>1,178</b>
Total Income	<b>706,531</b>	706,892	<b>6,987</b>
<b>Expenses</b>			
Interest Expenses:	<b>397,114</b>	338,331	<b>3,927</b>
Interest on Deposits	<b>22,130</b>	17,015	<b>218</b>
Fees and Commissions	<b>7,634</b>	7,366	<b>75</b>
Trading Expenses	<b>29</b>	128	<b>0</b>
Other Operating Expenses	<b>19,199</b>	23,579	<b>189</b>
General and Administrative Expenses	<b>80,932</b>	66,226	<b>800</b>
Other Expenses	<b>7,763</b>	9,023	<b>76</b>
Total Expenses	<b>512,673</b>	444,655	<b>5,069</b>
<b>Income before Income Taxes</b>	<b>193,858</b>	262,237	<b>1,917</b>
Income Taxes — Current	<b>41,603</b>	57,904	<b>411</b>
Income Taxes — Deferred	<b>8,401</b>	(11,414)	<b>83</b>
Total Income Taxes	<b>50,004</b>	46,489	<b>494</b>
Profit	<b>143,854</b>	215,747	<b>1,422</b>
Profit Attributable to Non-controlling Interests	<b>397</b>	467	<b>3</b>
<b>Profit Attributable to Owners of Parent</b>	<b>¥143,456</b>	¥215,280	<b>\$1,418</b>
		Yen	U.S. Dollars (Note 1)
		Six Months ended September 30	Six Months ended September 30
		2016	2016
<b>Profit Attributable to Owners of Parent per Share</b>	<b>¥33.69</b>	¥50.56	<b>\$0.33</b>

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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2016	2015	2016
<b>Profit</b>	<b>¥ 143,854</b>	¥ 215,747	<b>\$ 1,422</b>
<b>Other Comprehensive Income</b>	<b>(200,518)</b>	(491,316)	<b>(1,982)</b>
Net Unrealized Gains (Losses) on Other Securities	<b>(165,361)</b>	(470,057)	<b>(1,635)</b>
Net Deferred Gains (Losses) on Hedging Instruments	<b>(34,990)</b>	(18,954)	<b>(346)</b>
Foreign Currency Transaction Adjustments	<b>(21)</b>	(0)	<b>(0)</b>
Remeasurements of Defined Benefit Plans	<b>(21)</b>	(2,290)	<b>(0)</b>
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	<b>(123)</b>	(14)	<b>(1)</b>
<b>Total Comprehensive Income</b>	<b>¥ (56,664)</b>	¥(275,568)	<b>\$ (560)</b>
Attributable to:			
Owners of Parent	<b>(57,058)</b>	(276,014)	<b>(564)</b>
Non-controlling Interests	<b>393</b>	446	<b>3</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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2016	2015	2016
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	<b>¥ 25,020</b>	¥ 25,020	<b>\$ 247</b>
Balance at the End of the Period	<b>25,020</b>	25,020	<b>247</b>
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	<b>1,770,832</b>	1,576,096	<b>17,512</b>
Additions:			
Profit Attributable to Owners of Parent	<b>143,456</b>	215,280	<b>1,418</b>
Transfer from Revaluation Reserve for Land	<b>1,419</b>	964	<b>14</b>
Deductions:			
Dividends	<b>68,387</b>	77,510	<b>676</b>
Balance at the End of the Period	<b>¥1,847,320</b>	¥1,714,830	<b>\$18,268</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, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2016	2015	2016
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes	¥ 193,858	¥ 262,237	\$ 1,917
Depreciation	6,912	9,290	68
Losses on Impairment of Fixed Assets	0	113	0
Equity in Losses (Earnings) of Affiliates	(3,734)	(5,271)	(36)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(10,305)	(5,385)	(101)
Net Increase (Decrease) in Reserve for Possible Investment Losses	5	(787)	0
Net Increase (Decrease) in Reserve for Bonus Payments	178	44	1
Net Decrease (Increase) in Net Defined Benefit Asset	(451)	(214)	(4)
Net Increase (Decrease) in Net Defined Benefit Liability	(318)	(249)	(3)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(51)	(41)	(0)
Net Increase (Decrease) in Reserve for Agriculture, Fishery and Forestry Industry Subsidies	(5,938)	—	(58)
Interest Income	(507,607)	(584,320)	(5,019)
Interest Expenses	397,114	338,331	3,927
Losses (Gains) on Securities	(101,527)	(32,576)	(1,004)
Losses (Gains) on Money Held in Trust	(17,736)	(16,066)	(175)
Foreign Exchange Losses (Gains)	4,315,878	(233,962)	42,680
Losses (Gains) on Disposal of Fixed Assets	(5,552)	1,032	(54)
Net Decrease (Increase) in Trading Assets	4,641	1,988	45
Net Increase (Decrease) in Trading Liabilities	0	162	0
Net Decrease (Increase) in Loans and Bills Discounted	5,167,778	922,558	51,105
Net Increase (Decrease) in Deposits	2,788,945	1,339,157	27,580
Net Increase (Decrease) in Negotiable Certificates of Deposit	(1,443,150)	367,587	(14,271)
Net Increase (Decrease) in Debentures	(354,316)	(189,380)	(3,503)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	452,115	70,501	4,471
Net Decrease (Increase) in Interest-bearing Due from Banks	940,696	(242,849)	9,302
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(9,699)	54,644	(95)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	2,048,039	74,807	20,253
Net Increase (Decrease) in Call Money and Bills Sold and Other	(1,442,383)	2,989,209	(14,264)
Net Increase (Decrease) in Short-term Entrusted Funds	563,022	827,236	5,567
Net Increase (Decrease) in Payables under Securities Lending Transactions	(902,874)	(70,612)	(8,928)
Net Decrease (Increase) in Foreign Exchange Assets	36,154	27,289	357
Net Increase (Decrease) in Foreign Exchange Liabilities	(14)	(32)	(0)
Interest Received	549,648	590,460	5,435
Interest Paid	(232,441)	(177,137)	(2,298)
Other, Net	(74,487)	(82,924)	(736)
Subtotal	12,352,401	6,234,842	122,155
Income Taxes Paid	(41,515)	(91,034)	(410)
Net Cash Provided by (Used in) Operating Activities	12,310,886	6,143,808	121,745

## Consolidated Statement of Cash Flows (Unaudited), continued

For the six months ended September 30, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2016	2015	2016
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(5,072,452)	(3,704,003)	(50,162)
Proceeds from Sales of Securities	1,311,781	111,710	12,972
Proceeds from Redemption of Securities	3,512,047	2,888,870	34,731
Increase in Money Held in Trust	(334,925)	(19,159)	(3,312)
Decrease in Money Held in Trust	524,354	472,907	5,185
Purchases of Tangible Fixed Assets	(3,793)	(2,614)	(37)
Purchases of Intangible Fixed Assets	(5,785)	(3,253)	(57)
Proceeds from Sales of Tangible Fixed Assets	8,532	443	84
Payments for Transfer of Business	—	(780)	—
Net Cash Provided by (Used in) Investing Activities	(60,241)	(255,880)	(595)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from Issuance of Subordinated Borrowed Money	—	22,775	—
Payments for Redemption of Subordinated Bonds	(50,000)	—	(494)
Proceeds from Issuance of Stock	—	45,551	—
Dividends Paid	(68,387)	(77,510)	(676)
Dividends Paid to Non-controlling Shareholders	(395)	(253)	(3)
Net Cash Provided by (Used in) Financing Activities	(118,783)	(9,438)	(1,174)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>12,131,862</b>	<b>5,878,489</b>	<b>119,974</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>13,623,612</b>	<b>6,202,122</b>	<b>134,727</b>
<b>Cash and Cash Equivalents at the End of the Period (Note 12)</b>	<b>¥25,755,475</b>	<b>¥12,080,612</b>	<b>\$254,702</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 ¥101.12=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2016, 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 number of subsidiaries as of September 30, 2016 was 10, 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, 2016 was 8, out of which 8 were accounted for by the equity method. 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.

Daiichi Life Norinchukin Building Management Co., Ltd. has been liquidated in September 2016.

## (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. 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, issued on February 13, 2002). 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, issued on July 29, 2002). 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 buildings and accompanying facilities) and buildings and accompanying facilities and structures acquired on or after April 1, 2016 are 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 revaluated. 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 ¥16,647 million (\$164 million) and ¥16,354 million for the period ended September 30, 2016 and the fiscal year ended March 31, 2016, 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) Reserve for Agriculture, Fishery and Forestry Industry Subsidies**

Reserve for Agriculture, Fishery and Forestry Industry Subsidies is provided at the amount determined to be necessary to cover the estimated subsidies likely to be granted under “Support Program for Increasing Agricultural Income and Revitalizing Local Communities.”

**(13) 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.

**(14) Consumption Taxes**

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

**(15) 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.

**(16) 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, non-interest bearing due from banks and due from the Bank of Japan in Cash and Due from Banks on the consolidated balance sheet.

**(17) Profit Attributable to Owners of Parent per Share**

Profit Attributable to Owners of Parent 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 Profit Attributable to Owners of Parent per Share.

**(Changes in Accounting Policies)****(Adoption of the Practical Solution on a change in depreciation method due to Tax Reform 2016)**

Effective from the beginning of the first half of fiscal 2016, in accordance with the revision to the Corporation Tax Act, the Bank and its domestic consolidated subsidiaries have adopted the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No. 32, issued on June 17, 2016) and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. Effects of this change to Income before Income Taxes for the period are immaterial.

**(Additional Information)****(Adoption of the Implementation Guidance on Recoverability of Deferred Tax Assets)**

Effective from the beginning of the first half of fiscal 2016, the Bank and its consolidated subsidiaries have adopted the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, issued on March 28, 2016).

### 3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2016	As of March 31, 2016	As of September 30, 2016
Japanese Government Bonds	¥13,658,831	¥13,478,527	\$135,075
Municipal Government Bonds	181	213	1
Corporate Bonds	250,586	85,777	2,478
Stocks	760,350	814,635	7,519
Other	40,006,934	43,927,238	395,638
Foreign Bonds	28,275,913	31,793,817	279,627
Foreign Stocks	25,949	30,527	256
Investment Trusts	11,104,213	11,459,197	109,812
Other	600,858	643,695	5,942
<b>Total</b>	<b>¥54,676,884</b>	<b>¥58,306,391</b>	<b>\$540,712</b>

### 4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2016	As of March 31, 2016	As of September 30, 2016
Loans on Deeds	¥11,462,855	¥16,513,251	\$113,358
Loans on Bills	394,287	359,252	3,899
Overdrafts	995,201	1,146,950	9,841
Bills Discounted	2,037	2,705	20
<b>Total</b>	<b>¥12,854,382</b>	<b>¥18,022,160</b>	<b>\$127,120</b>

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2016	As of March 31, 2016	As of September 30, 2016
Loans to Borrowers under Bankruptcy Proceedings	¥ 657	¥ 478	\$ 6
Delinquent Loans	93,134	105,003	921
Loans Past Due for Three Months or More	150	45	1
Restructured Loans	16,476	21,643	162
<b>Total</b>	<b>¥110,419</b>	<b>¥127,171</b>	<b>\$1,091</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, 2016	As of March 31, 2016	As of September 30, 2016
Securities	<b>¥19,290,240</b>	¥21,226,818	<b>\$190,765</b>
Loans and Bills Discounted	<b>4,714,422</b>	9,904,048	<b>46,622</b>

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2016	As of March 31, 2016	As of September 30, 2016
Payables under Repurchase Agreements	<b>¥17,045,055</b>	¥18,488,218	<b>\$168,562</b>
Payables under Securities Lending Transactions	<b>1,013</b>	890,858	<b>10</b>
Borrowed Money	<b>1,912,333</b>	1,472,638	<b>18,911</b>

In addition, as of September 30, 2016 and March 31, 2016, Securities (including transactions of Money Held in Trust) of ¥8,933,520 million (\$88,345 million) and ¥7,889,305 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2016 and March 31, 2016, initial margins of futures markets of ¥4,585 million (\$45 million) and ¥987 million, respectively, cash collateral paid for financial instruments of ¥373,430 million (\$3,692 million) and ¥305,005 million, respectively, and guarantee deposits of ¥23,953 million (\$236 million) and ¥16,076 million, respectively, were included in Other Assets.

## 6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2016	As of March 31, 2016	As of September 30, 2016
Time Deposits	<b>¥54,154,386</b>	¥51,169,171	<b>\$535,545</b>
Deposits at Notice	<b>40,474</b>	40,207	<b>400</b>
Ordinary Deposits	<b>2,961,200</b>	2,940,952	<b>29,284</b>
Current Deposits	<b>83,690</b>	129,347	<b>827</b>
Other Deposits	<b>4,372,567</b>	4,543,695	<b>43,241</b>
Total	<b>¥61,612,319</b>	¥58,823,374	<b>\$609,299</b>

## 7. Bonds

Bonds were subordinated bonds of ¥— million (\$— million) and ¥50,000 million as of September 30, 2016 and March 31, 2016, respectively.

## 8. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,513,296 million (\$14,965 million) and ¥1,513,296 million as of September 30, 2016 and March 31, 2016, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities. Above subordinated borrowing includes ¥1,415,480 million (\$13,998 million) and ¥1,415,480 million qualifying Tier 2 capital stipulated in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

## 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 ¥3,557,025 million (\$35,176 million) and ¥3,101,581 million as of September 30, 2016 and March 31, 2016, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,418,191 million (\$23,914 million) and ¥2,096,553 million as of September 30, 2016 and March 31, 2016, 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 ¥943,727 million (\$9,332 million) and ¥861,590 million as of September 30, 2016 and March 31, 2016, 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 ¥— million (\$— million) and ¥12,911 million as of September 30, 2016 and March 31, 2016, respectively, and securities held without re-pledge of ¥476,677 million (\$4,713 million) and ¥2,398,140 million as of September 30, 2016 and March 31, 2016, 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, 2016	As of March 31, 2016	As of September 30, 2016
Common Stock	¥3,455,488	¥3,455,488	\$34,172
Preferred Stock	24,999	24,999	247
Total	¥3,480,488	¥3,480,488	\$34,419

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,029,771 million (\$29,962 million) and ¥3,029,771 million as of September 30, 2016 and March 31, 2016, 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
	2016	2015	2016
As of September 30			
Cash and Due from Banks	¥26,249,127	¥13,419,037	\$259,583
Less: Interest-bearing Due from Banks	(493,651)	(1,338,425)	(4,881)
Cash and Cash Equivalents at the End of the Period	¥25,755,475	¥12,080,612	\$254,702

## 13. Segment Information

For the Six Months Ended September 30, 2016

### (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, 2016	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥38,552	¥595,602	¥66,472	¥700,628

Six Months ended September 30, 2016	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$381	\$5,890	\$657	\$6,928

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, 2016	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥688,544	¥5,330	¥2,463	¥4,290	¥700,628

Six Months ended September 30, 2016	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$6,809	\$52	\$24	\$42	\$6,928

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, 2016	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥107,654	¥292	¥433	¥255	¥108,635

As of September 30, 2016	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,064	\$2	\$4	\$2	\$1,074

#### c. Information about Major Customers

Six Months ended September 30, 2016	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥141,774	—

Six Months ended September 30, 2016	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,402	—

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, 2015****(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, 2015	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥35,627	¥623,631	¥47,556	¥706,816

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥693,588	¥3,754	¥3,018	¥6,453	¥706,816

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, 2015	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥107,812	¥349	¥297	¥296	¥108,755

**c. Information about Major Customers**

Six Months ended September 30, 2015	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥168,893	—

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, 2016 and March 31, 2016 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, 2016</b>						
(1) Cash and Due from Banks	¥26,249,127	¥26,249,127	¥ —	\$259,583	\$259,583	\$ —
(2) Call Loans and Bills Bought	136,181	136,181	—	1,346	1,346	—
(3) Monetary Claims Bought	257,399	257,970	570	2,545	2,551	5
(4) Trading Assets (*2)						
Trading Securities	510	510	—	5	5	—
(5) Money Held in Trust (*1)						
Money Held in Trust for Trading Purposes	257	257	—	2	2	—
Other Money Held in Trust	5,547,368	5,555,928	8,560	54,859	54,943	84
(6) Securities						
Held-to-Maturity Debt Securities	17,596,854	17,701,784	104,930	174,019	175,057	1,037
Other Securities	36,511,783	36,511,783	—	361,073	361,073	—
(7) Loans and Bills Discounted	12,854,382			127,120		
Reserve for Possible Loan Losses (*1)	(80,825)			(799)		
	12,773,556	12,797,118	23,562	126,320	126,553	233
<b>Total Assets</b>	<b>¥99,073,038</b>	<b>¥99,210,661</b>	<b>¥137,623</b>	<b>\$979,757</b>	<b>\$981,118</b>	<b>\$1,360</b>
(1) Deposits	¥61,612,319	¥61,612,368	¥ 48	\$609,299	\$609,299	\$ 0
(2) Negotiable Certificates of Deposit	2,155,187	2,155,187	—	21,313	21,313	—
(3) Debentures	2,767,760	2,782,765	15,004	27,371	27,519	148
(4) Call Money and Bills Sold	5,056	5,056	—	50	50	—
(5) Payables under Repurchase Agreements	17,045,055	17,045,055	—	168,562	168,562	—
(6) Borrowed Money	3,542,235	3,542,293	57	35,030	35,030	0
(7) Short-term Entrusted Funds	1,960,753	1,960,753	—	19,390	19,390	—
<b>Total Liabilities</b>	<b>¥89,088,369</b>	<b>¥89,103,479</b>	<b>¥ 15,110</b>	<b>\$881,016</b>	<b>\$881,165</b>	<b>\$ 149</b>
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ (1,917)	¥ (1,917)	¥ —	\$ (18)	\$ (18)	\$ —
Transactions Accounted for as Hedge						
Transactions	(14,899)	(14,899)	—	(147)	(147)	—
<b>Total Derivative Instruments</b>	<b>¥ (16,816)</b>	<b>¥ (16,816)</b>	<b>¥ —</b>	<b>\$ (166)</b>	<b>\$ (166)</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, 2016	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥15,057,960	¥15,057,960	¥ —
(2) Call Loans and Bills Bought	139,877	139,877	—
(3) Monetary Claims Bought	244,023	244,751	727
(4) Trading Assets (*2)			
Trading Securities	5,077	5,077	—
(5) Money Held in Trust (*1)			
Money Held in Trust for Trading Purposes	269	269	—
Other Money Held in Trust	4,922,392	4,931,540	9,147
(6) Securities			
Held-to-Maturity Debt Securities	17,828,600	17,913,765	85,165
Other Securities	39,888,734	39,888,734	—
(7) Loans and Bills Discounted	18,022,160		
Reserve for Possible Loan Losses (*1)	(92,299)		
	17,929,861	17,957,229	27,367
<b>Total Assets</b>	<b>¥96,016,797</b>	<b>¥96,139,205</b>	<b>¥122,408</b>
(1) Deposits	¥58,823,374	¥58,823,431	¥ 57
(2) Negotiable Certificates of Deposit	3,598,338	3,598,338	—
(3) Debentures	3,122,077	3,137,162	15,085
(4) Call Money and Bills Sold	4,276	4,276	—
(5) Payables under Repurchase Agreements	18,488,218	18,488,218	—
(6) Borrowed Money	3,090,120	3,090,371	251
(7) Short-term Entrusted Funds	1,397,731	1,397,731	—
<b>Total Liabilities</b>	<b>¥88,524,136</b>	<b>¥88,539,530</b>	<b>¥ 15,394</b>
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ (2,461)	¥ (2,461)	¥ —
Transactions Accounted for as Hedge			
Transactions	48,841	48,841	—
<b>Total Derivative Instruments</b>	<b>¥ 46,380</b>	<b>¥ 46,380</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 vendors. 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 vendors.

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 vendors, 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. The carrying value of Time Deposits 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 Time Deposits with fixed rates, 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 and (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, 2016</b>	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥317,002	\$3,134
Investments in Partnership and Others (*3)	251,244	2,484
<b>Total</b>	<b>¥568,246</b>	<b>\$5,619</b>

(\*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 ¥0 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, 2016</b>	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥323,319
Investments in Partnership and Others (*3)	265,737
<b>Total</b>	<b>¥589,056</b>

(\*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, 2016 was ¥17 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

As of September 30, 2016	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 6,003,353	¥ 6,036,820	¥ 33,467	\$ 59,368	\$ 59,699	\$ 330
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	4,990	5,074	84	49	50	0
	Other	7,531,554	7,622,573	91,019	74,481	75,381	900
	Foreign Bonds	7,457,516	7,547,963	90,447	73,749	74,643	894
	Other	74,038	74,609	571	732	737	5
	Sub total	13,539,897	13,664,469	124,571	133,899	135,131	1,231
	Japanese Government Bonds	1,517,792	1,515,750	(2,042)	15,009	14,989	(20)
	Municipal Government Bonds	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—
Other	2,634,054	2,617,026	(17,028)	26,048	25,880	(168)	
Foreign Bonds	2,613,202	2,596,175	(17,026)	25,842	25,674	(168)	
Other	20,852	20,851	(1)	206	206	(0)	
Sub total	4,151,847	4,132,776	(19,070)	41,058	40,870	(188)	
Total	¥17,691,744	¥17,797,245	¥105,500	\$174,957	\$176,001	\$1,043	

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.

As of March 31, 2016	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	¥ 4,639,067	¥ 4,668,056	¥ 28,988
	Municipal Government Bonds	—	—	—
	Corporate Bonds	5,773	5,877	104
	Other	6,354,177	6,462,245	108,068
	Foreign Bonds	6,265,918	6,373,258	107,340
	Other	88,258	88,986	727
	Sub total	10,999,018	11,136,179	137,161
	Japanese Government Bonds	2,887,353	2,880,280	(7,073)
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
Other	4,035,705	3,991,510	(44,195)	
Foreign Bonds	4,030,487	3,986,292	(44,194)	
Other	5,218	5,218	(0)	
Sub total	6,923,059	6,871,791	(51,268)	
Total	¥17,922,077	¥18,007,970	¥ 85,893	

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 Balance Sheet Amount	Acquisition Cost	Difference	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
<b>As of September 30, 2016</b>							
	Stocks	¥ 596,392	¥ 250,309	¥ 346,083	\$ 5,897	\$ 2,475	\$ 3,422
	Bonds	6,299,872	5,927,893	371,978	62,300	58,622	3,678
	Japanese Government						
	Bonds	6,132,384	5,760,713	371,671	60,644	56,969	3,675
	Municipal Government						
Transactions for	Bonds	181	170	10	1	1	0
Consolidated Balance	Corporate Bonds	167,306	167,009	297	1,654	1,651	2
Sheet Amount	Other	28,228,592	26,474,433	1,754,159	279,159	261,812	17,347
exceeding Acquisition	Foreign Bonds	18,035,868	17,267,851	768,016	178,361	170,765	7,595
Cost	Foreign Stocks	12,630	6,705	5,925	124	66	58
	Investment Trusts	9,924,124	9,002,343	921,781	98,142	89,026	9,115
	Other	255,968	197,532	58,436	2,531	1,953	577
	Sub total	35,124,857	32,652,636	2,472,221	347,358	322,909	24,448
	Stocks	19,334	22,418	(3,083)	191	221	(30)
	Bonds	83,590	83,657	(67)	826	827	(0)
	Japanese Government						
	Bonds	5,300	5,300	(0)	52	52	(0)
	Municipal Government						
Transactions for	Bonds	—	—	—	—	—	—
Consolidated Balance	Corporate Bonds	78,289	78,356	(66)	774	774	(0)
Sheet Amount not	Other	1,469,265	1,510,683	(41,418)	14,529	14,939	(409)
exceeding Acquisition	Foreign Bonds	169,326	171,336	(2,009)	1,674	1,694	(19)
Cost	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	1,021,028	1,056,778	(35,750)	10,097	10,450	(353)
	Other	278,910	282,568	(3,658)	2,758	2,794	(36)
	Sub total	1,572,189	1,616,759	(44,569)	15,547	15,988	(440)
	Total	¥36,697,047	¥34,269,395	¥2,427,651	\$362,905	\$338,898	\$24,007

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, 2016	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 656,880	¥ 270,813	¥ 386,066
	Bonds	5,989,380	5,577,211	412,169
	Japanese Government Bonds	5,952,106	5,540,021	412,085
	Municipal Government Bonds	213	201	12
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Corporate Bonds	37,060	36,988	71
	Other	30,768,219	28,863,009	1,905,210
	Foreign Bonds	21,248,609	20,301,993	946,616
	Foreign Stocks	15,434	7,556	7,878
	Investment Trusts	9,248,126	8,353,423	894,702
	Other	256,048	200,035	56,013
	Sub total	37,414,480	34,711,034	2,703,445
	Stocks	13,479	16,201	(2,722)
	Bonds	42,943	43,022	(79)
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Corporate Bonds	42,943	43,022	(79)
	Other	2,602,190	2,660,833	(58,643)
	Foreign Bonds	248,802	250,522	(1,719)
	Foreign Stocks	—	—	—
	Investment Trusts	2,047,119	2,100,221	(53,101)
	Other	306,267	310,089	(3,821)
	Sub total	2,658,612	2,720,057	(61,445)
	Total	¥40,073,092	¥37,431,092	¥2,642,000

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, 2016 and the fiscal year ended March 31, 2016 (“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, 2016 was ¥291 million (\$2 million), all of which was on Stocks.

The amount of revaluation loss for the fiscal year ended March 31, 2016 was ¥227 million, all of which was on Stocks.

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, 2016</b>					
Other Money Held in Trust	¥5,547,564	¥5,329,409	¥218,155	¥218,725	¥570

	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, 2016</b>					
Other Money Held in Trust	\$54,861	\$52,703	\$2,157	\$2,163	\$5

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, 2016</b>					
Other Money Held in Trust	¥4,922,653	¥4,689,473	¥233,180	¥233,592	¥412

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, 2016</b>								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥2,946,685	¥ —	¥ (280)	¥ (280)	\$29,140	\$ —	\$ (2)	\$ (2)
Purchased	49,237	14,995	0	0	486	148	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	7,250,336	3,019,092	6,930	6,930	71,700	29,856	68	68
Rec.: Flt.-Pay.: Fix.	251,909	217,093	(8,347)	(8,347)	2,491	2,146	(82)	(82)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(1,696)</b>	<b>¥(1,696)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$(16)</b>	<b>\$(16)</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, 2016</b>				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 41,849	¥ 41,849	¥ (24)	¥ (24)
Purchased	41,865	16,712	23	23
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	6,627,053	605,711	10,980	10,980
Rec.: Flt.-Pay.: Fix.	226,006	201,895	(8,392)	(8,392)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 2,588</b>	<b>¥ 2,588</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, 2016</b>								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Forwards:								
Sold	326,293	3,427	5,330	5,330	3,226	33	52	52
Purchased	330,542	3,994	(5,534)	(5,534)	3,268	39	(54)	(54)
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (203)</b>	<b>¥ (203)</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ (2)</b>	<b>\$ (2)</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		
<b>As of March 31, 2016</b>				
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
Forwards:				
Sold	779,780	5,086	7,185	7,185
Purchased	945,889	5,082	(12,233)	(12,233)
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ (5,048)</b>	<b>¥ (5,048)</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		
<b>As of September 30, 2016</b>								
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	319	—	—	—	3	—	—	—
<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. The amount of Derivative instruments as of September 30, 2016 was ¥319 million (\$3 million).

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
<b>As of March 31, 2016</b>				
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.: Ft. Rate	—	—	—	—
Rec.: Ft. Rate	—	—	—	—
Pay.: Stock Index	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	496	—	—	—
<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. The amount of Derivative instruments as of March 31, 2016 was ¥496 million.

## Bond-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, 2016</b>								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥1,581	¥ —	¥(14)	¥(14)	\$15	\$ —	\$(0)	\$(0)
Purchased	658	—	(1)	(1)	6	—	(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>¥(16)</b>	<b>¥(16)</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.

As of March 31, 2016	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥12,123	¥—	¥ (7)	¥ (7)
Purchased	828	—	5	5
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</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:

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, 2016 and March 31, 2016.

### Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2016 and March 31, 2016.

**(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, 2016

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	¥2,320,000	¥1,540,000	¥ 18,329	\$22,943	\$15,229	\$ 181
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	6,816,280	6,705,048	(406,863)	67,407	66,307	(4,023)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	217,849	201,012	Note 3	2,154	1,987	Note 3
Total			¥ /	¥ /	¥(388,533)	\$ /	\$ /	\$(3,842)

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, issued on February 13, 2002).

## 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, 2016

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen		
			Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Interest Rate Swaps (Rec.: Fix.-Pay.: Flt.)	Debentures	¥2,720,000	¥1,920,000	¥ 22,963
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,058,945	6,968,785	(377,114)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	221,838	212,044	Note 3
Total			¥ /	¥ /	¥(354,150)

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, issued on February 13, 2002).

## 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, 2016

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	Currency Swaps	Foreign Currency Denominated	¥10,483,217	¥4,479,104	¥162,343	\$103,671	\$44,294	\$1,605
	Forex Forward	Securities and Others	4,956,042	—	211,291	49,011	—	2,089
Total			¥ /	¥ /	¥373,634	\$ /	\$ /	\$3,694

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, issued on July 29, 2002).

2. Determination of fair value:

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

As of March 31, 2016

Method of Hedges	Type of Derivative Instruments	Hedged Items	Millions of Yen		
			Contract Amount or Notional Amount		Fair Value
			Total	Over 1 Year	
The Deferral Method	Currency Swaps	Foreign Currency Denominated	¥11,518,238	¥5,573,454	¥263,890
	Forex Forward	Securities and Others	6,281,258	—	139,101
Total			¥ /	¥ /	¥402,992

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, issued on July 29, 2002).

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, 2016 and March 31, 2016.

### Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2016 and March 31, 2016.

## 18. The Norinchukin Bank (Parent Company)

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

	Millions of Yen		Millions of U.S. Dollars
	September 30 2016	March 31 2016	September 30 2016
<b>Assets</b>			
Cash and Due from Banks	¥ 26,219,277	¥ 15,031,730	\$259,288
Call Loans	136,181	139,877	1,346
Receivables under Securities Borrowing Transactions	1,013	2,049,052	10
Monetary Claims Bought	257,399	244,023	2,545
Trading Assets	9,642	14,284	95
Money Held in Trust	5,547,191	4,922,102	54,857
Securities	54,700,832	58,329,733	540,949
Loans and Bills Discounted	12,747,173	17,915,833	126,059
Foreign Exchange Assets	201,177	237,332	1,989
Other Assets	1,013,819	1,032,564	10,025
Tangible Fixed Assets	106,672	106,405	1,054
Intangible Fixed Assets	23,042	18,597	227
Prepaid Pension Cost	10,595	8,111	104
Customers' Liabilities for Acceptances and Guarantees	112,409	173,161	1,111
Reserve for Possible Loan Losses	(81,013)	(91,370)	(801)
Reserve for Possible Investment Losses	(1,344)	(1,344)	(13)
<b>Total Assets</b>	<b>¥101,004,073</b>	<b>¥100,130,096</b>	<b>\$998,853</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥ 61,629,018	¥ 58,838,558	\$609,464
Negotiable Certificates of Deposit	2,155,187	3,598,338	21,313
Debentures	2,778,263	3,133,079	27,474
Call Money	5,056	4,276	50
Payables under Repurchase Agreements	17,045,055	18,488,218	168,562
Payables under Securities Lending Transactions	1,013	903,887	10
Trading Liabilities	8,477	8,476	83
Borrowed Money	3,487,235	3,085,120	34,486
Foreign Exchange Liabilities	3	17	0
Short-term Entrusted Funds	1,960,753	1,397,731	19,390
Other Liabilities	4,132,258	2,611,934	40,864
Reserve for Bonus Payments	6,301	6,227	62
Reserve for Retirement Benefits	20,490	18,846	202
Reserve for Directors' Retirement Benefits	825	850	8
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	6,746	12,684	66
Deferred Tax Liabilities	638,899	705,782	6,318
Deferred Tax Liabilities for Land Revaluation	8,718	9,263	86
Acceptances and Guarantees	112,409	173,161	1,111
<b>Total Liabilities</b>	<b>93,996,715</b>	<b>92,996,456</b>	<b>929,556</b>
<b>Net Assets</b>			
Paid-in Capital	3,480,488	3,480,488	34,419
Capital Surplus	25,020	25,020	247
Retained Earnings	1,801,189	1,725,717	17,812
<b>Total Owners' Equity</b>	<b>5,306,698</b>	<b>5,231,226</b>	<b>52,479</b>
Net Unrealized Gains on Other Securities, net of taxes	1,952,684	2,118,027	19,310
Net Deferred Losses on Hedging Instruments, net of taxes	(266,625)	(231,634)	(2,636)
Revaluation Reserve for Land, net of taxes	14,600	16,020	144
<b>Total Valuation and Translation Adjustments</b>	<b>1,700,659</b>	<b>1,902,413</b>	<b>16,818</b>
<b>Total Net Assets</b>	<b>7,007,358</b>	<b>7,133,639</b>	<b>69,297</b>
<b>Total Liabilities and Net Assets</b>	<b>¥101,004,073</b>	<b>¥100,130,096</b>	<b>\$998,853</b>

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

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
<b>Income</b>			
Interest Income:	¥510,236	¥588,174	\$5,045
Interest on Loans and Bills Discounted	27,884	30,637	275
Interest and Dividends on Securities	475,741	549,051	4,704
Fees and Commissions	7,654	6,611	75
Trading Income	54	109	0
Other Operating Income	64,327	35,001	636
Other Income	116,619	68,648	1,153
<b>Total Income</b>	<b>698,891</b>	<b>698,545</b>	<b>6,911</b>
<b>Expenses</b>			
Interest Expenses:	397,108	338,299	3,927
Interest on Deposits	22,130	17,016	218
Fees and Commissions	6,704	6,303	66
Trading Expenses	29	128	0
Other Operating Expenses	19,199	23,579	189
General and Administrative Expenses	76,863	62,046	760
Other Expenses	7,444	8,954	73
<b>Total Expenses</b>	<b>507,349</b>	<b>439,311</b>	<b>5,017</b>
<b>Income before Income Taxes</b>	<b>191,542</b>	<b>259,234</b>	<b>1,894</b>
Income Taxes — Current	40,532	56,860	400
Income Taxes — Deferred	8,570	(11,397)	84
<b>Total Income Taxes</b>	<b>49,103</b>	<b>45,462</b>	<b>485</b>
<b>Net Income</b>	<b>¥142,439</b>	<b>¥213,771</b>	<b>\$1,408</b>