

## Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries  
As of September 30, 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2017	March 31 2017	September 30 2017
<b>Assets</b>			
Cash and Due from Banks (Notes 11, 13 and 14)	¥ 26,714,355	¥ 22,939,086	\$ 236,976
Call Loans and Bills Bought (Note 13)	353,746	146,220	3,137
Receivables under Securities Borrowing Transactions	—	1,173	—
Monetary Claims Bought (Notes 13 and 14)	281,439	257,888	2,496
Trading Assets (Note 13)	9,940	10,715	88
Money Held in Trust (Notes 5, 13 and 15)	8,192,529	6,983,612	72,673
Securities (Notes 3, 5, 9, 13 and 14)	62,546,412	62,079,090	554,833
Loans and Bills Discounted (Notes 4, 5, 8 and 13)	11,766,118	12,058,289	104,374
Foreign Exchange Assets	215,432	224,101	1,911
Other Assets (Notes 5 and 13)	1,625,076	1,001,888	14,415
Tangible Fixed Assets (Note 12)	123,867	117,791	1,098
Intangible Fixed Assets	38,630	31,141	342
Net Defined Benefit Asset	46,268	45,596	410
Deferred Tax Assets	6,353	7,010	56
Customers' Liabilities for Acceptances and Guarantees	1,338,261	1,215,882	11,871
Reserve for Possible Loan Losses (Note 13)	(56,878)	(56,730)	(504)
Reserve for Possible Investment Losses	(3)	(10)	(0)
<b>Total Assets</b>	<b>¥113,201,550</b>	<b>¥107,062,747</b>	<b>\$1,004,183</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits (Notes 6 and 13)	¥ 65,261,852	¥ 61,886,185	\$ 578,921
Negotiable Certificates of Deposit (Note 13)	3,248,360	3,689,270	28,815
Debentures (Note 13)	2,090,958	2,412,824	18,548
Call Money and Bills Sold (Note 13)	2,705	3,365	24
Payables under Repurchase Agreements (Notes 5 and 13)	21,157,106	19,645,010	187,679
Payables under Securities Lending Transactions (Note 5)	—	1,013	—
Trading Liabilities (Note 13)	5,589	6,150	49
Borrowed Money (Notes 5, 7 and 13)	4,716,146	4,371,611	41,835
Foreign Exchange Liabilities	7	2	0
Short-term Entrusted Funds (Note 13)	2,198,929	1,257,432	19,506
Other Liabilities (Note 13)	5,326,002	4,929,423	47,245
Reserve for Bonus Payments	7,655	7,894	67
Net Defined Benefit Liability	38,330	38,624	340
Reserve for Directors' Retirement Benefits	1,306	1,286	11
Reserve for Agriculture, Fishery and Forestry Industry Subsidiaries	21	523	0
Deferred Tax Liabilities	630,294	578,827	5,591
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	76
Acceptances and Guarantees	1,338,261	1,215,882	11,871
<b>Total Liabilities</b>	<b>106,032,137</b>	<b>100,053,934</b>	<b>940,584</b>
<b>Net Assets</b>			
Paid-in Capital (Note 10)	3,480,488	3,480,488	30,874
Capital Surplus	24,993	24,993	221
Retained Earnings	1,947,301	1,910,262	17,274
Treasury Preferred Stock	(150)	(150)	(1)
<b>Total Owners' Equity</b>	<b>5,452,634</b>	<b>5,415,594</b>	<b>48,368</b>
Net Unrealized Gains on Other Securities	1,726,800	1,584,281	15,318
Net Deferred Losses on Hedging Instruments	(44,307)	(26,550)	(393)
Revaluation Reserve for Land	14,312	14,312	126
Foreign Currency Transaction Adjustments	(48)	(53)	(0)
Remeasurements of Defined Benefit Plans	11,347	12,635	100
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,708,104</b>	<b>1,584,624</b>	<b>15,152</b>
Non-controlling Interests	8,674	8,594	76
<b>Total Net Assets</b>	<b>7,169,413</b>	<b>7,008,813</b>	<b>63,598</b>
<b>Total Liabilities and Net Assets</b>	<b>¥113,201,550</b>	<b>¥107,062,747</b>	<b>\$1,004,183</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

The Norinchukin Bank and Subsidiaries  
For the six months ended September 30, 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2017	2016	2017
<b>Profit</b>	¥ 107,044	¥ 143,854	\$ 949
<b>Other Comprehensive Income</b>	123,483	(200,518)	1,095
Net Unrealized Gains (Losses) on Other Securities	142,160	(165,361)	1,261
Net Deferred Gains (Losses) on Hedging Instruments	(17,852)	(34,990)	(158)
Foreign Currency Transaction Adjustments	0	(21)	0
Remeasurements of Defined Benefit Plans	(1,330)	(21)	(11)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	504	(123)	4
<b>Total Comprehensive Income</b>	¥ 230,527	¥ (56,664)	\$ 2,044
Attributable to:			
Owners of Parent	230,026	(57,058)	2,040
Non-controlling Interests	500	393	4

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

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

The Norinchukin Bank and Subsidiaries  
For the six months ended September 30, 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2017	2016	2017
<b>Capital Surplus</b>			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 25,020	\$ 221
Balance at the End of the Period	24,993	25,020	221
<b>Retained Earnings</b>			
Balance at the Beginning of the Fiscal Year	1,910,262	1,770,832	16,945
Additions:			
Profit Attributable to Owners of Parent	106,546	143,456	945
Transfer from Revaluation Reserve for Land	—	1,419	—
Deductions:			
Dividends	69,507	68,387	616
Balance at the End of the Period	¥1,947,301	¥1,847,320	\$17,274

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

# Consolidated Statement of Cash Flows (Unaudited)

The Norinchukin Bank and Subsidiaries  
For the six months ended September 30, 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2017	2016	2017
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes	¥ 141,869	¥ 193,858	\$ 1,258
Depreciation	7,859	6,912	69
Losses on Impairment of Fixed Assets	—	0	—
Equity in Losses (Earnings) of Affiliates	(5,002)	(3,734)	(44)
Net Increase (Decrease) in Reserve for Possible Loan Losses	148	(10,305)	1
Net Increase (Decrease) in Reserve for Possible Investment Losses	(7)	5	(0)
Net Increase (Decrease) in Reserve for Bonus Payments	(238)	178	(2)
Net Decrease (Increase) in Net Defined Benefit Asset	(672)	(451)	(5)
Net Increase (Decrease) in Net Defined Benefit Liability	(293)	(318)	(2)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	20	(51)	0
Net Increase (Decrease) in Reserve for Agriculture, Fishery and Forestry Industry Subsidies	(501)	(5,938)	(4)
Interest Income	(589,088)	(507,607)	(5,225)
Interest Expenses	490,950	397,114	4,355
Losses (Gains) on Securities	(54,549)	(101,527)	(483)
Losses (Gains) on Money Held in Trust	(20,022)	(17,736)	(177)
Foreign Exchange Losses (Gains)	(1,180,691)	4,315,878	(10,473)
Losses (Gains) on Disposal of Fixed Assets	741	(5,552)	6
Net Decrease (Increase) in Trading Assets	774	4,641	6
Net Increase (Decrease) in Trading Liabilities	(560)	0	(4)
Net Decrease (Increase) in Loans and Bills Discounted	292,170	5,167,778	2,591
Net Increase (Decrease) in Deposits	3,375,666	2,788,945	29,944
Net Increase (Decrease) in Negotiable Certificates of Deposit	(440,909)	(1,443,150)	(3,911)
Net Increase (Decrease) in Debentures	(321,865)	(354,316)	(2,855)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	344,535	452,115	3,056
Net Decrease (Increase) in Interest-bearing Due from Banks	258,396	940,696	2,292
Net Decrease (Increase) in Call Loans and Bills Bought and Other Borrowing Transactions	(231,085)	(9,699)	(2,049)
	1,173	2,048,039	10
Net Increase (Decrease) in Call Money and Bills Sold and Other	1,511,437	(1,442,383)	13,407
Net Increase (Decrease) in Short-term Entrusted Funds	941,497	563,022	8,351
Net Increase (Decrease) in Payables under Securities Lending Transactions	(1,013)	(902,874)	(8)
Net Decrease (Increase) in Foreign Exchange Assets	8,668	36,154	76
Net Increase (Decrease) in Foreign Exchange Liabilities	5	(14)	0
Interest Received	598,606	549,648	5,310
Interest Paid	(316,263)	(232,441)	(2,805)
Other, Net	(701,459)	(74,487)	(6,222)
Subtotal	4,110,295	12,352,401	36,461
Income Taxes Paid	(22,811)	(41,515)	(202)
Net Cash Provided by (Used in) Operating Activities	4,087,484	12,310,886	36,259

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

The Norinchukin Bank and Subsidiaries  
For the six months ended September 30, 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2017	2016	2017
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(10,341,924)	(5,072,452)	(91,740)
Proceeds from Sales of Securities	4,051,702	1,311,781	35,941
Proceeds from Redemption of Securities	7,199,785	3,512,047	63,867
Increase in Money Held in Trust	(1,335,910)	(334,925)	(11,850)
Decrease in Money Held in Trust	455,165	524,354	4,037
Purchases of Tangible Fixed Assets	(4,627)	(3,793)	(41)
Purchases of Intangible Fixed Assets	(8,081)	(5,785)	(71)
Proceeds from Sales of Tangible Fixed Assets	—	8,532	—
Net Cash Provided by (Used in) Investing Activities	16,108	(60,241)	142
<b>Cash Flows from Financing Activities:</b>			
Payments for Redemption of Subordinated Bonds	—	(50,000)	—
Dividends Paid	(69,507)	(68,387)	(616)
Dividends Paid to Non-controlling Shareholders	(420)	(395)	(3)
Net Cash Provided by (Used in) Financing Activities	(69,927)	(118,783)	(620)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,033,665</b>	<b>12,131,862</b>	<b>35,781</b>
<b>Cash and Cash Equivalents at the Beginning of the Fiscal Year</b>	<b>22,229,610</b>	<b>13,623,612</b>	<b>197,193</b>
<b>Cash and Cash Equivalents at the End of the Period (Note 11)</b>	<b>¥ 26,263,276</b>	<b>¥25,755,475</b>	<b>\$232,975</b>

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

# Notes to the Consolidated Financial Statements (Unaudited)

The Norinchukin Bank and Subsidiaries

## 1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥112.73=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2017, 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, 2017 was 12, 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, 2017 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.

## (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 ¥16,878 million (\$149 million) and ¥14,393 million for the period ended September 30, 2017 and the fiscal year ended March 31, 2017, 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 (including Executive Officers) 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 period.

**(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.

**3. Securities**

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Japanese Government Bonds	¥14,881,897	¥13,179,349	\$132,013
Municipal Government Bonds	3,008	148	26
Short-term Corporate Bonds	150,000	150,000	1,330
Corporate Bonds	318,805	272,622	2,828
Stocks	893,165	839,360	7,923
Other	46,299,535	47,637,610	410,711
Foreign Bonds	32,383,660	34,625,316	287,267
Foreign Stocks	44,075	37,659	390
Investment Trusts	13,089,467	12,274,665	116,113
Other	782,330	699,969	6,939
<b>Total</b>	<b>¥62,546,412</b>	<b>¥62,079,090</b>	<b>\$554,833</b>

#### 4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Loans on Deeds	¥10,386,068	¥10,648,938	\$ 92,132
Loans on Bills	397,349	370,443	3,524
Overdrafts	980,513	1,036,495	8,697
Bills Discounted	2,186	2,411	19
<b>Total</b>	<b>¥11,766,118</b>	<b>¥12,058,289</b>	<b>\$104,374</b>

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Loans to Borrowers under Bankruptcy Proceedings	¥ 320	¥ 822	\$ 2
Delinquent Loans	29,858	39,081	264
Loans Past Due for Three Months or More	277	189	2
Restructured Loans	14,526	15,714	128
<b>Total</b>	<b>¥44,983</b>	<b>¥55,807</b>	<b>\$399</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, 2017	As of March 31, 2017	As of September 30, 2017
Securities	¥25,603,726	¥23,610,647	\$227,124
Loans and Bills Discounted	2,415,115	3,144,874	21,423

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Payables under Repurchase Agreements	¥21,157,106	¥19,645,010	\$187,679
Payables under Securities Lending Transactions	—	1,013	—
Borrowed Money	3,080,713	2,734,650	27,328

In addition, as of September 30, 2017 and March 31, 2017, Securities (including transactions of Money Held in Trust) of ¥11,771,584 million (\$104,422 million) and ¥10,447,759 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2017 and March 31, 2017, initial margins of futures markets of ¥3,954 million (\$35 million) and ¥3,944 million, respectively, cash collateral paid for financial instruments of ¥607,915 million (\$5,392 million) and ¥149,628 million, respectively, other cash collateral paid of ¥584,491 million (\$5,184 million) and ¥162,161 million, respectively, and guarantee deposits of ¥7,659 million (\$67 million) and ¥7,673 million, respectively, were included in Other Assets.

## 6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Time Deposits	<b>¥56,529,943</b>	¥54,440,528	<b>\$501,463</b>
Deposits at Notice	<b>31,914</b>	36,227	<b>283</b>
Ordinary Deposits	<b>3,046,442</b>	2,978,001	<b>27,024</b>
Current Deposits	<b>76,134</b>	87,726	<b>675</b>
Other Deposits	<b>5,577,416</b>	4,343,702	<b>49,475</b>
<b>Total</b>	<b>¥65,261,852</b>	¥61,886,185	<b>\$578,921</b>

## 7. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,513,296 million (\$13,424 million) and ¥1,513,296 million as of September 30, 2017 and March 31, 2017, 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 (\$12,556 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.

## 8. 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 ¥3,680,616 million (\$32,649 million) and ¥3,238,210 million as of September 30, 2017 and March 31, 2017, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,410,225 million (\$21,380 million) and ¥2,194,610 million as of September 30, 2017 and March 31, 2017, 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.

## 9. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥965,135 million (\$8,561 million) and ¥850,039 million as of September 30, 2017 and March 31, 2017, 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 held without re-pledge of ¥573,978 million (\$5,091 million) and ¥487,411 million as of September 30, 2017 and March 31, 2017, respectively. No such securities are re-loaned to the third parties.

## 10. Paid-in Capital

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2017	As of March 31, 2017	As of September 30, 2017
Common Stock	<b>¥3,455,488</b>	¥3,455,488	<b>\$30,652</b>
Preferred Stock	<b>24,999</b>	24,999	<b>221</b>
<b>Total</b>	<b>¥3,480,488</b>	¥3,480,488	<b>\$30,874</b>

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,029,771 million (\$26,876 million) and ¥3,029,771 million as of September 30, 2017 and March 31, 2017, 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.

## 11. Cash Flows

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

As of September 30	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Cash and Due from Banks	¥26,714,355	¥26,249,127	\$236,976
Less: Interest-bearing Due from Banks	(451,078)	(493,651)	(4,001)
Cash and Cash Equivalents at the End of the Period	¥26,263,276	¥25,755,475	\$232,975

## 12. Segment Information

For the Six Months Ended September 30, 2017

### (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, 2017	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥38,569	¥666,229	¥51,266	¥756,064

Six Months ended September 30, 2017	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$342	\$5,909	\$454	\$6,706

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, 2017	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥740,666	¥8,396	¥1,683	¥5,318	¥756,064

Six Months ended September 30, 2017	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$6,570	\$74	\$14	\$47	\$6,706

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, 2017	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥122,741	¥300	¥488	¥336	¥123,867

As of September 30, 2017	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,088	\$2	\$4	\$2	\$1,098

## c. Information about Major Customers

Six Months ended September 30, 2017	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥182,261	—

Six Months ended September 30, 2017	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,616	—

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, 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

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

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

## 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	—

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

## 13. 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, 2017 and March 31, 2017 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, 2017</b>						
(1) Cash and Due from Banks	¥ 26,714,355	¥ 26,714,355	¥ —	\$236,976	\$236,976	\$ —
(2) Call Loans and Bills Bought	353,746	353,746	—	3,137	3,137	—
(3) Monetary Claims Bought	281,439	281,697	258	2,496	2,498	2
(4) Trading Assets (*2)						
Trading Securities	3,816	3,816	—	33	33	—
(5) Money Held in Trust (*1)						
Other Money Held in Trust	8,192,203	8,199,887	7,684	72,671	72,739	68
(6) Securities						
Held-to-Maturity Debt Securities	17,150,272	17,234,984	84,712	152,135	152,887	751
Other Securities	44,681,024	44,681,024	—	396,354	396,354	—
(7) Loans and Bills Discounted	11,766,118			104,374		
Reserve for Possible Loan Losses (*1)	(53,596)			(475)		
	11,712,522	11,744,908	32,386	103,898	104,186	287
<b>Total Assets</b>	<b>¥109,089,378</b>	<b>¥109,214,420</b>	<b>¥125,041</b>	<b>\$967,704</b>	<b>\$968,814</b>	<b>\$1,109</b>
(1) Deposits	¥ 65,261,852	¥ 65,261,882	¥ 30	\$578,921	\$578,922	\$ 0
(2) Negotiable Certificates of Deposit	3,248,360	3,248,360	—	28,815	28,815	—
(3) Debentures	2,090,958	2,097,068	6,109	18,548	18,602	54
(4) Call Money and Bills Sold	2,705	2,705	—	24	24	—
(5) Payables under Repurchase Agreements	21,157,106	21,157,106	—	187,679	187,679	—
(6) Borrowed Money	4,716,146	4,716,146	—	41,835	41,835	—
(7) Short-term Entrusted Funds	2,198,929	2,198,929	—	19,506	19,506	—
<b>Total Liabilities</b>	<b>¥ 98,676,059</b>	<b>¥ 98,682,199</b>	<b>¥ 6,139</b>	<b>\$875,330</b>	<b>\$875,385</b>	<b>\$ 54</b>
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ 270	¥ 270	¥ —	\$ 2	\$ 2	\$ —
Transactions Accounted for as Hedge						
Transactions	(435,450)	(435,450)	—	(3,862)	(3,862)	—
<b>Total Derivative Instruments</b>	<b>¥ (435,179)</b>	<b>¥ (435,179)</b>	<b>¥ —</b>	<b>\$ (3,860)</b>	<b>\$ (3,860)</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, 2017	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 22,939,086	¥ 22,939,086	¥ —
(2) Call Loans and Bills Bought	146,220	146,220	—
(3) Monetary Claims Bought	257,888	258,178	289
(4) Trading Assets (*2)			
Trading Securities	3,913	3,913	—
(5) Money Held in Trust (*1)			
Other Money Held in Trust	6,983,234	6,990,266	7,031
(6) Securities			
Held-to-Maturity Debt Securities	18,228,748	18,326,729	97,981
Other Securities	43,210,952	43,210,952	—
(7) Loans and Bills Discounted	12,058,289		
Reserve for Possible Loan Losses (*1)	(53,437)		
	12,004,851	12,040,569	35,717
<b>Total Assets</b>	<b>¥103,774,896</b>	<b>¥103,915,916</b>	<b>¥141,020</b>
(1) Deposits	¥ 61,886,185	¥ 61,886,225	¥ 40
(2) Negotiable Certificates of Deposit	3,689,270	3,689,270	—
(3) Debentures	2,412,824	2,422,617	9,793
(4) Call Money and Bills Sold	3,365	3,365	—
(5) Payables under Repurchase Agreements	19,645,010	19,645,010	—
(6) Borrowed Money	4,371,611	4,371,611	—
(7) Short-term Entrusted Funds	1,257,432	1,257,432	—
<b>Total Liabilities</b>	<b>¥ 93,265,699</b>	<b>¥ 93,275,532</b>	<b>¥ 9,833</b>
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ 3,691	¥ 3,691	¥ —
Transactions Accounted for as Hedge			
Transactions	182,696	182,696	—
<b>Total Derivative Instruments</b>	<b>¥ 186,387</b>	<b>¥ 186,387</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 15. 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 short-term corporate bonds and 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 for short-term corporate bonds include the market interest rates on each credit rating, and those for corporate bonds issued through private offerings include the default rates and recovery rates based on each credit rating 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 14. 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 16. 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, 2017</b>	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	<b>¥410,519</b>	<b>\$3,641</b>
Investments in Partnership and Others (*3)	<b>304,596</b>	<b>2,702</b>
<b>Total</b>	<b>¥715,116</b>	<b>\$6,343</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 ¥1,036 million (\$9 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, 2017</b>	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥349,956
Investments in Partnership and Others (*3)	289,433
<b>Total</b>	<b>¥639,389</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, 2017 was ¥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.”

## 14. Fair Value of Securities

### Held-to-Maturity Debt Securities

As of September 30, 2017	Type	Millions of Yen			Millions of U.S. Dollars		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 2,005,931	¥ 2,015,383	¥ 9,452	\$ 17,794	\$ 17,877	\$ 83
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value exceeding	Short-term Corporate Bonds	—	—	—	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	3,762	3,797	35	33	33	0
	Other	9,446,570	9,540,257	93,687	83,798	84,629	831
	Foreign Bonds	9,374,404	9,467,783	93,379	83,158	83,986	828
	Other	72,165	72,473	307	640	642	2
	Sub total	11,456,263	11,559,438	103,174	101,625	102,540	915
	Japanese Government Bonds	5,209,634	5,192,514	(17,120)	46,213	46,061	(151)
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value not exceeding	Short-term Corporate Bonds	—	—	—	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	735,750	734,666	(1,083)	6,526	6,517	(9)
	Other	556,539	555,505	(1,034)	4,936	4,927	(9)
	Foreign Bonds	179,210	179,161	(49)	1,589	1,589	(0)
	Other	—	—	—	—	—	—
	Sub total	5,945,385	5,927,181	(18,204)	52,740	52,578	(161)
	Total	¥17,401,648	¥17,486,619	¥ 84,970	\$154,365	\$155,119	\$ 753

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, 2017	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 3,467,509	¥ 3,484,835	¥ 17,325
	Municipal Government Bonds	—	—	—
Transactions for Fair Value exceeding	Short-term Corporate Bonds	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	4,294	4,338	43
	Other	9,437,325	9,530,257	92,931
	Foreign Bonds	9,373,453	9,466,025	92,571
	Other	63,872	64,232	360
	Sub total	12,909,129	13,019,430	110,300
	Japanese Government Bonds	4,008,361	4,001,310	(7,050)
	Municipal Government Bonds	—	—	—
Transactions for Fair Value not exceeding	Short-term Corporate Bonds	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	1,532,549	1,527,570	(4,978)
	Other	1,375,129	1,370,220	(4,908)
	Foreign Bonds	157,420	157,349	(70)
	Other	—	—	—
	Sub total	5,540,910	5,528,881	(12,029)
	Total	¥18,450,040	¥18,548,312	¥ 98,271

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, 2017</b>							
	Stocks	¥ 741,634	¥ 263,778	¥ 477,855	\$ 6,578	\$ 2,339	\$ 4,238
	Bonds	5,730,345	5,459,706	270,639	50,832	48,431	2,400
	Japanese Government						
	Bonds	5,460,392	5,190,171	270,221	48,437	46,040	2,397
	Municipal Government						
Transactions for	Bonds	116	109	6	1	0	0
Consolidated Balance	Short-term Corporate Bonds	150,000	149,999	0	1,330	1,330	0
Sheet Amount	Corporate Bonds	119,836	119,425	411	1,063	1,059	3
exceeding Acquisition	Other	29,522,080	27,855,715	1,666,364	261,883	247,101	14,781
Cost	Foreign Bonds	18,337,774	17,846,005	491,769	162,669	158,307	4,362
	Foreign Stocks	25,844	7,858	17,985	229	69	159
	Investment Trusts	10,798,877	9,737,150	1,061,727	95,794	86,375	9,418
	Other	359,584	264,701	94,882	3,189	2,348	841
	Sub total	35,994,060	33,579,200	2,414,859	319,294	297,872	21,421
	Stocks	6,231	7,198	(967)	55	63	(8)
	Bonds	2,404,038	2,405,545	(1,507)	21,325	21,338	(13)
	Japanese Government						
	Bonds	2,205,938	2,207,089	(1,150)	19,568	19,578	(10)
	Municipal Government						
Transactions for	Bonds	2,892	2,900	(7)	25	25	(0)
Consolidated Balance	Short-term Corporate Bonds	—	—	—	—	—	—
Sheet Amount not	Corporate Bonds	195,206	195,555	(349)	1,731	1,734	(3)
exceeding Acquisition	Other	6,334,938	6,569,508	(234,569)	56,195	58,276	(2,080)
Cost	Foreign Bonds	4,114,942	4,169,673	(54,731)	36,502	36,988	(485)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	2,043,602	2,219,287	(175,684)	18,128	19,686	(1,558)
	Other	176,393	180,547	(4,153)	1,564	1,601	(36)
	Sub total	8,745,208	8,982,253	(237,044)	77,576	79,679	(2,102)
	Total	¥44,739,268	¥42,561,453	¥2,177,815	\$396,871	\$377,552	\$19,318

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, 2017	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 689,558	¥ 263,441	¥ 426,116
	Bonds	5,926,081	5,637,229	288,852
	Japanese Government			
	Bonds	5,703,478	5,414,754	288,724
	Municipal Government			
Transactions for	Bonds	148	140	7
Consolidated Balance	Short-term Corporate Bonds	150,000	149,999	0
Sheet Amount	Corporate Bonds	72,454	72,334	120
exceeding Acquisition	Other	28,297,495	26,748,303	1,549,191
Cost	Foreign Bonds	19,472,160	18,916,497	555,663
	Foreign Stocks	19,328	7,092	12,236
	Investment Trusts	8,504,081	7,602,743	901,337
	Other	301,924	221,969	79,954
	Sub total	34,913,135	32,648,974	2,264,161
	Stocks	7,560	9,224	(1,663)
	Bonds	195,872	196,354	(481)
	Japanese Government			
	Bonds	—	—	—
	Municipal Government			
Transactions for	Bonds	—	—	—
Consolidated Balance	Short-term Corporate Bonds	—	—	—
Sheet Amount	Corporate Bonds	195,872	196,354	(481)
not exceeding Acquisition	Other	8,156,216	8,397,771	(241,554)
Cost	Foreign Bonds	4,404,572	4,504,248	(99,676)
	Foreign Stocks	—	—	—
	Investment Trusts	3,581,199	3,719,376	(138,177)
	Other	170,445	174,146	(3,701)
	Sub total	8,359,650	8,603,349	(243,699)
	Total	¥43,272,786	¥41,252,324	¥2,020,462

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, 2017 and the fiscal year ended March 31, 2017 (“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, 2017 was ¥121 million (\$1 million), all of which was on Stocks. The amount of revaluation loss for the fiscal year ended March 31, 2017 was nil.

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

## 15. 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, 2017</b>					
Other Money Held in Trust	<b>¥8,192,529</b>	<b>¥8,027,011</b>	<b>¥165,518</b>	<b>¥189,443</b>	<b>¥23,925</b>

	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, 2017</b>					
Other Money Held in Trust	<b>\$72,673</b>	<b>\$71,205</b>	<b>\$1,468</b>	<b>\$1,680</b>	<b>\$212</b>

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, 2017</b>					
Other Money Held in Trust	<b>¥6,983,612</b>	<b>¥6,862,223</b>	<b>¥121,388</b>	<b>¥192,531</b>	<b>¥71,143</b>

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."

## 16. 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, 2017</b>								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥665,928	¥ —	¥ (80)	¥ (80)	\$5,907	\$ —	\$ (0)	\$ (0)
Purchased	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	251,493	227,137	5,646	5,646	2,230	2,014	50	50
Rec.: Flt.-Pay.: Fix.	248,709	225,492	(5,082)	(5,082)	2,206	2,000	(45)	(45)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 483</b>	<b>¥ 483</b>	<b>\$ /</b>	<b>\$ /</b>	<b>\$ 4</b>	<b>\$ 4</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, 2017</b>				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥1,611,185	¥ —	¥ (466)	¥ (466)
Purchased	42,135	—	(0)	(0)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	263,159	236,171	6,094	6,094
Rec.: Flt.-Pay.: Fix.	261,819	235,904	(5,430)	(5,430)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 196</b>	<b>¥ 196</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, 2017</b>								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Forwards:								
Sold	196,282	10,940	(658)	(658)	1,741	97	(5)	(5)
Purchased	199,581	10,923	464	464	1,770	96	4	4
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥(193)</b>	<b>¥(193)</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, 2017				
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps	—	—	—	—
Forwards:				
Sold	217,305	3,070	905	905
Purchased	336,804	3,097	2,584	2,584
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥3,489</b>	<b>¥3,489</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

The Bank and its consolidated subsidiaries held no Stock-Related Derivative Instruments as of September 30, 2017.

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
As of March 31, 2017				
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	208	—	—	—
<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, 2017 was ¥208 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, 2017</b>								
Exchange-traded Transactions								
Bond Futures:								
Sold	¥8,452	¥—	¥ 31	¥ 31	\$74	\$—	\$ 0	\$ 0
Purchased	3,768	—	(50)	(50)	33	—	(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>¥(19)</b>	<b>¥(19)</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.

	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
<b>As of March 31, 2017</b>				
Exchange-traded Transactions				
Bond Futures:				
Sold	¥5,642	¥—	¥(4)	¥(4)
Purchased	6,061	—	8	8
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
<b>Total</b>	<b>¥ /</b>	<b>¥ /</b>	<b>¥ 4</b>	<b>¥ 4</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, 2017 and March 31, 2017.

## Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2017 and March 31, 2017.

**(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, 2017

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	¥1,745,000	¥1,065,000	¥ 6,590	\$15,479	\$ 9,447	\$ 58
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,633,133	7,513,513	(54,219)	67,711	66,650	(480)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	236,784	220,160	Note 3	2,100	1,952	Note 3
Total			¥ /	¥ /	¥(47,628)	\$ /	\$ /	\$(422)

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: 13. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

As of March 31, 2017

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	¥2,050,000	¥1,290,000	¥ 9,036
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,387,948	7,023,957	(19,159)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	224,687	210,921	Note 3
Total			¥ /	¥ /	¥(10,123)

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: 13. Financial Instruments "Disclosures Regarding the Fair Value of Financial Instruments and Other Items").

### Currency-Related Derivative Instruments

As of September 30, 2017

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	¥13,530,110	¥7,189,204	¥(306,738)	\$120,022	\$63,773	\$(2,721)
	Forex Forward	Securities and Others	4,143,430	—	(81,083)	36,755	—	(719)
Total			¥ /	¥ /	¥(387,821)	\$ /	\$ /	\$(3,440)

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, 2017

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	¥12,790,388	¥7,209,195	¥127,092
	Forex Forward	Securities and Others	7,041,046	—	65,728
Total			¥ /	¥ /	¥192,820

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, 2017 and March 31, 2017.

### Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2017 and March 31, 2017.

## 17. The Norinchukin Bank (Parent Company)

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

	Millions of Yen		Millions of U.S. Dollars
	September 30 2017	March 31 2017	September 30 2017
<b>Assets</b>			
Cash and Due from Banks	¥ 26,687,883	¥ 22,912,982	\$236,741
Call Loans	353,746	146,220	3,137
Receivables under Securities Borrowing Transactions	—	1,173	—
Monetary Claims Bought	281,439	257,888	2,496
Trading Assets	9,940	10,715	88
Money Held in Trust	8,191,761	6,982,774	72,667
Securities	62,572,532	62,108,251	555,065
Loans and Bills Discounted	11,654,523	11,948,542	103,384
Foreign Exchange Assets	215,432	224,101	1,911
Other Assets	1,619,722	997,741	14,368
Tangible Fixed Assets	121,404	115,392	1,076
Intangible Fixed Assets	35,660	28,425	316
Prepaid Pension Cost	16,922	12,903	150
Customers' Liabilities for Acceptances and Guarantees	135,922	120,867	1,205
Reserve for Possible Loan Losses	(54,268)	(54,203)	(481)
Reserve for Possible Investment Losses	(1,330)	(1,344)	(11)
<b>Total Assets</b>	<b>¥111,841,291</b>	<b>¥105,812,432</b>	<b>\$992,116</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Deposits	¥ 65,281,229	¥ 61,904,218	\$579,093
Negotiable Certificates of Deposit	3,248,360	3,689,270	28,815
Debentures	2,098,959	2,423,827	18,619
Call Money	2,705	3,365	24
Payables under Repurchase Agreements	21,157,106	19,645,010	187,679
Payables under Securities Lending Transactions	—	1,013	—
Trading Liabilities	5,589	6,150	49
Borrowed Money	4,659,646	4,315,111	41,334
Foreign Exchange Liabilities	7	2	0
Short-term Entrusted Funds	2,198,929	1,257,432	19,506
Other Liabilities	5,289,613	4,894,665	46,922
Reserve for Bonus Payments	6,061	6,302	53
Reserve for Retirement Benefits	23,414	22,301	207
Reserve for Directors' Retirement Benefits	975	938	8
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	21	523	0
Deferred Tax Liabilities	625,746	573,768	5,550
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	76
Acceptances and Guarantees	135,922	120,867	1,205
<b>Total Liabilities</b>	<b>104,742,898</b>	<b>98,873,376</b>	<b>929,148</b>
<b>Net Assets</b>			
Paid-in Capital	3,480,488	3,480,488	30,874
Capital Surplus	25,020	25,020	221
Retained Earnings	1,897,458	1,862,453	16,831
<b>Total Owners' Equity</b>	<b>5,402,967</b>	<b>5,367,962</b>	<b>47,928</b>
Net Unrealized Gains on Other Securities, net of taxes	1,725,680	1,583,476	15,308
Net Deferred Losses on Hedging Instruments, net of taxes	(44,567)	(26,695)	(395)
Revaluation Reserve for Land, net of taxes	14,312	14,312	126
<b>Total Valuation and Translation Adjustments</b>	<b>1,695,425</b>	<b>1,571,093</b>	<b>15,039</b>
<b>Total Net Assets</b>	<b>7,098,393</b>	<b>6,939,055</b>	<b>62,968</b>
<b>Total Liabilities and Net Assets</b>	<b>¥111,841,291</b>	<b>¥105,812,432</b>	<b>\$992,116</b>

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

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
<b>Income</b>			
Interest Income:	¥591,244	¥510,236	\$5,244
Interest on Loans and Bills Discounted	35,957	27,884	318
Interest and Dividends on Securities	545,249	475,741	4,836
Fees and Commissions	7,221	7,654	64
Trading Income	—	54	—
Other Operating Income	57,169	64,327	507
Other Income	89,996	116,619	798
Total Income	745,631	698,891	6,614
<b>Expenses</b>			
Interest Expenses:	490,908	397,108	4,354
Interest on Deposits	37,517	22,130	332
Fees and Commissions	7,400	6,704	65
Trading Expenses	146	29	1
Other Operating Expenses	24,081	19,199	213
General and Administrative Expenses	76,106	76,863	675
Other Expenses	9,474	7,444	84
Total Expenses	608,118	507,349	5,394
<b>Income before Income Taxes</b>	137,512	191,542	1,219
Income Taxes — Current	28,696	40,532	254
Income Taxes — Deferred	4,303	8,570	38
Total Income Taxes	33,000	49,103	292
<b>Net Income</b>	¥104,512	¥142,439	\$ 927

## 18. Subsequent Events

Mitsubishi UFJ Financial Group, Inc. (MUFG) acquired the Bank's all stake in Mitsubishi UFJ NICOS Co., Ltd. (MUN) by paying ¥50,000 million through a share exchange agreement under which MUN is 100% owned by MUFG on October 2, 2017. This transaction was a part of the review of capital arrangements to strengthen and expand retail business alliance with MUFG. The amount of extraordinary profits for this exchange is ¥14,272 million. MUN ceased to be affiliates of the Bank upon the transaction.