

Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2018	March 31 2018	September 30 2018
Assets			
Cash and Due from Banks (Notes 11, 13 and 14)	¥ 26,322,933	¥ 28,756,371	\$231,838
Call Loans and Bills Bought (Note 13)	1,075,000	630,000	9,468
Receivables under Resale Agreements	37,200	—	327
Monetary Claims Bought (Notes 13 and 14)	315,805	354,872	2,781
Trading Assets (Note 13)	7,491	8,582	65
Money Held in Trust (Notes 5, 13 and 15)	8,736,957	7,439,710	76,950
Securities (Notes 3, 5, 9, 13 and 14)	53,987,491	52,321,859	475,493
Loans and Bills Discounted (Notes 4, 5, 8 and 13)	13,943,442	11,858,949	122,806
Foreign Exchange Assets	228,485	324,698	2,012
Other Assets (Notes 5 and 13)	1,629,477	1,585,342	14,351
Tangible Fixed Assets (Note 12)	119,650	122,356	1,053
Intangible Fixed Assets	47,147	43,480	415
Net Defined Benefit Asset	53,089	52,510	467
Deferred Tax Assets	1,960	2,026	17
Customers' Liabilities for Acceptances and Guarantees	1,580,814	1,474,730	13,922
Reserve for Possible Loan Losses (Note 13)	(45,767)	(47,716)	(403)
Reserve for Possible Investment Losses	(2)	(4)	(0)
Total Assets	¥108,041,179	¥104,927,769	\$951,569
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 6 and 13)	¥ 67,052,479	¥ 65,799,561	\$590,562
Negotiable Certificates of Deposit (Note 13)	1,979,321	2,920,656	17,432
Debentures (Note 13)	1,507,522	1,766,498	13,277
Payables under Repurchase Agreements (Notes 5 and 13)	15,025,174	15,080,638	132,333
Trading Liabilities (Note 13)	4,157	5,034	36
Borrowed Money (Notes 5, 7 and 13)	4,889,353	4,641,504	43,062
Foreign Exchange Liabilities	9	38	0
Short-term Entrusted Funds (Note 13)	2,345,944	1,405,187	20,661
Other Liabilities (Note 13)	6,498,974	4,569,727	57,239
Reserve for Bonus Payments	7,591	7,591	66
Net Defined Benefit Liability	35,165	35,481	309
Reserve for Directors' Retirement Benefits	1,032	1,508	9
Deferred Tax Liabilities	438,380	464,915	3,861
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	75
Acceptances and Guarantees	1,580,814	1,474,730	13,922
Total Liabilities	101,374,530	98,181,681	892,853
Net Assets			
Paid-in Capital (Note 10)	3,480,488	3,480,488	30,654
Capital Surplus	24,993	24,993	220
Retained Earnings	2,003,663	1,988,359	17,647
Total Owners' Equity	5,509,146	5,493,842	48,521
Net Unrealized Gains on Other Securities	1,053,734	1,152,861	9,280
Net Deferred Gains on Hedging Instruments	65,604	59,823	577
Revaluation Reserve for Land	14,312	14,312	126
Foreign Currency Transaction Adjustments	(43)	(110)	(0)
Remeasurements of Defined Benefit Plans	14,255	15,876	125
Total Accumulated Other Comprehensive Income	1,147,864	1,242,763	10,109
Non-controlling Interests	9,638	9,482	84
Total Net Assets	6,666,648	6,746,088	58,716
Total Liabilities and Net Assets	¥108,041,179	¥104,927,769	\$951,569

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, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2018	2017	2018
Profit	¥ 86,507	¥ 107,044	\$ 761
Other Comprehensive Income	(94,897)	123,483	(835)
Net Unrealized Gains (Losses) on Other Securities	(99,336)	142,160	(874)
Net Deferred Gains (Losses) on Hedging Instruments	5,771	(17,852)	50
Foreign Currency Transaction Adjustments	13	0	0
Remeasurements of Defined Benefit Plans	(1,641)	(1,330)	(14)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	294	504	2
Total Comprehensive Income	¥ (8,390)	¥ 230,527	\$ (73)
Attributable to:			
Owners of Parent	(9,095)	230,026	(80)
Non-controlling Interests	705	500	6

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, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2018	2017	2018
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 220
Balance at the End of the Period	24,993	24,993	220
Retained Earnings			
Balance at the Beginning of the Fiscal Year	1,988,359	1,910,262	17,512
Additions:			
Profit Attributable to Owners of Parent	85,803	106,546	755
Deductions:			
Dividends	70,500	69,507	620
Balance at the End of the Period	¥2,003,663	¥1,947,301	\$17,647

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, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2018	2017	2018
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 117,115	¥ 141,869	\$ 1,031
Depreciation	8,587	7,859	75
Equity in Losses (Earnings) of Affiliates	(2,182)	(5,002)	(19)
Net Increase (Decrease) in Reserve for Possible Loan Losses	(1,949)	148	(17)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(2)	(7)	(0)
Net Increase (Decrease) in Reserve for Bonus Payments	0	(238)	0
Net Decrease (Increase) in Net Defined Benefit Asset	(579)	(672)	(5)
Net Increase (Decrease) in Net Defined Benefit Liability	(316)	(293)	(2)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(476)	20	(4)
Net Increase (Decrease) in Reserve for Agriculture, Fishery and Forestry Industry Subsidies	—	(501)	—
Interest Income	(682,203)	(589,088)	(6,008)
Interest Expenses	606,191	490,950	5,339
Losses (Gains) on Securities	(103,333)	(54,549)	(910)
Losses (Gains) on Money Held in Trust	(19,675)	(20,022)	(173)
Foreign Exchange Losses (Gains)	(1,858,663)	(1,180,691)	(16,370)
Losses (Gains) on Disposal of Fixed Assets	96	741	0
Net Decrease (Increase) in Trading Assets	1,091	774	9
Net Increase (Decrease) in Trading Liabilities	(877)	(560)	(7)
Net Decrease (Increase) in Loans and Bills Discounted	(2,084,461)	292,170	(18,358)
Net Increase (Decrease) in Deposits	1,252,918	3,375,666	11,035
Net Increase (Decrease) in Negotiable Certificates of Deposit	(941,334)	(440,909)	(8,290)
Net Increase (Decrease) in Debentures	(258,975)	(321,865)	(2,280)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	247,819	344,535	2,182
Net Decrease (Increase) in Interest-bearing Due from Banks	370,280	258,396	3,261
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(443,136)	(231,085)	(3,902)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	—	1,173	—
Net Increase (Decrease) in Call Money and Bills Sold and Other	(55,463)	1,511,437	(488)
Net Increase (Decrease) in Short-term Entrusted Funds	940,756	941,497	8,285
Net Increase (Decrease) in Payables under Securities Lending Transactions	—	(1,013)	—
Net Decrease (Increase) in Foreign Exchange Assets	96,213	8,668	847
Net Increase (Decrease) in Foreign Exchange Liabilities	(29)	5	(0)
Interest Received	664,623	598,606	5,853
Interest Paid	(427,403)	(316,263)	(3,764)
Other, Net	34,265	(701,459)	301
Subtotal	(2,541,103)	4,110,295	(22,380)
Income Taxes (Paid) Refunded	1,514	(22,811)	13
Net Cash Provided by (Used in) Operating Activities	(2,539,588)	4,087,484	(22,367)

Consolidated Statement of Cash Flows (Unaudited), continued

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30	September 30	Six Months ended September 30
	2018	2017	2018
Cash Flows from Investing Activities:			
Purchases of Securities	(6,681,017)	(10,341,924)	(58,842)
Proceeds from Sales of Securities	3,648,171	4,051,702	32,131
Proceeds from Redemption of Securities	3,123,814	7,199,785	27,512
Increase in Money Held in Trust	(62,287)	(1,335,910)	(548)
Decrease in Money Held in Trust	526,445	455,165	4,636
Purchases of Tangible Fixed Assets	(913)	(4,627)	(8)
Purchases of Intangible Fixed Assets	(6,779)	(8,081)	(59)
Net Cash Provided by (Used in) Investing Activities	547,433	16,108	4,821
Cash Flows from Financing Activities:			
Dividends Paid	(70,500)	(69,507)	(620)
Dividends Paid to Non-controlling Shareholders	(548)	(420)	(4)
Net Cash Provided by (Used in) Financing Activities	(71,049)	(69,927)	(625)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	50	—	0
Net Increase (Decrease) in Cash and Cash Equivalents	(2,063,153)	4,033,665	(18,171)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	27,874,673	22,229,610	245,505
Cash and Cash Equivalents at the End of the Period (Note 11)	¥25,811,520	¥ 26,263,276	\$227,334

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 ¥113.54=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2018, 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 consolidated subsidiaries as of September 30, 2018 was 14.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

Newly established “Norinchukin Europe N.V.” was consolidated from the period.

The balance sheet date of the first half of fiscal year of 13 consolidated subsidiaries is September 30, the rest is June 30.

The unconsolidated subsidiary is as follows:

AN Credit Strategies Fund, L.P.

Unconsolidated subsidiary was excluded from the scope of consolidation, since its impact on the consolidated financial statements was not so material as to hinder a rational judgement of the financial position and results of operations in terms of Total Assets, Ordinary Income, Net Income, Retained Earnings and Accumulated Other Comprehensive Income.

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, 2018 was 7, all of which 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 affiliate accounted for by the equity method is as follows:

JA MITSUI LEASING, LTD.

(2) Transactions for Trading Purposes

Transactions for trading purposes are those seeking gains arising from short-term market movements or from the arbitrage opportunities in interest rates, foreign exchange rates and other market related indices. Such transactions are reported as Trading Assets or Trading Liabilities in the consolidated balance sheet on a trade date basis.

Gains and losses arising from transactions for trading purposes are recorded in Trading Income and Trading Expenses on the consolidated 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.

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. 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 on March 31, 1998. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land and included in Net Assets on the consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

The land prices used for the revaluation were reasonably calculated based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

(5) Intangible Fixed Assets (other than Lease Assets)

Depreciation of Intangible Fixed Assets is calculated using the straight-line method.

The costs of software developed or obtained for internal use are capitalized and amortized over an estimated useful life of 5 years.

(6) Lease Assets

Depreciation of Lease Assets in Tangible Fixed Assets and Intangible Fixed Assets which are finance leases where the ownership of assets is not transferred to the lessees is calculated using the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

(7) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies, and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the end of the period.

Assets and liabilities of the consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen using the respective exchange rates in effect at the end of the period.

(8) Reserve for Possible Loan Losses

Reserve for Possible Loan Losses of the Bank is computed as follows:

a. Reserve for loans to debtors who are legally bankrupt under the Bankruptcy Law, Special Liquidation under Company Law or other similar laws (“debtors in bankruptcy”) or debtors who are substantially bankrupt under those laws (“debtors in default”) 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 ¥14,727 million (\$129 million) and ¥16,648 million for the period ended September 30, 2018 and the fiscal year ended March 31, 2018, respectively.

b. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt (“doubtful debtors”), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

c. Reserve for loans to debtors with restructured loans (see Note 4) and other debtors requiring close monitoring going forward 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 primarily 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 (including Executive Officers) and corporate auditors is recognized as the required amount accrued at the end of the period.

(12) Accounting Method for Retirement Benefits

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

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

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

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

(13) Consumption Taxes

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

(14) Accounting for Income Taxes

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

(15) Scope of "Cash and Cash Equivalents" in the Consolidated Statement of Cash Flows

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

(16) 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.

(Additional Information)

The Bank's Supervisory Committee resolved on August 7, 2018 that it will redeem approximately ¥1.5 trillion existing subordinated loans and finance through lower-dividend rate stocks and up to ¥1,217.4 billion perpetual subordinated loans from members as follows:

(1) Units to be paid

5,623,470,000 (maximum)

(2) Amount to be paid

¥100 per unit

(3) Total amount to be paid

¥562,347 million (maximum)

(4) Total capitalization

¥562,347 million (maximum)

(5) Allottee

Prefectural Banking Federations of Agricultural Cooperatives (JA Shinnoren), Japan Agricultural Cooperatives (JA), Prefectural Banking Federations of Fishery Cooperatives (JF Shingyoren) and Japan Fishery Cooperatives (JF) (to be allotted based on individual discussion with them)

(6) Allotment date

December 26, 2018

(7) Subscription period

From February 18, 2019 to March 15, 2019

(8) Payment date

March 29, 2019

(9) Purpose

Improvement of its capital profile in respect to future regulatory changes

3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2018	As of March 31, 2018	As of September 30, 2018
Japanese Government Bonds	¥10,793,683	¥11,621,830	\$ 95,065
Municipal Government Bonds	11,046	8,779	97
Corporate Bonds	1,023,501	679,893	9,014
Stocks	914,294	868,728	8,052
Other	41,244,965	39,142,627	363,263
Foreign Bonds	26,806,644	26,128,111	236,098
Foreign Stocks	38,303	38,563	337
Investment Trusts	13,378,829	12,129,913	117,833
Other	1,021,188	846,038	8,994
Total	¥53,987,491	¥52,321,859	\$475,493

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2018	As of March 31, 2018	As of September 30, 2018
Loans on Deeds	¥12,506,087	¥10,347,290	\$110,146
Loans on Bills	434,308	401,018	3,825
Overdrafts	1,001,598	1,107,570	8,821
Bills Discounted	1,447	3,070	12
Total	¥13,943,442	¥11,858,949	\$122,806

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2018	As of March 31, 2018	As of September 30, 2018
Loans to Borrowers under Bankruptcy Proceedings	¥ 168	¥ 286	\$ 1
Delinquent Loans	24,090	26,042	212
Loans Past Due for Three Months or More	334	198	2
Restructured Loans	17,570	15,945	154
Total	¥42,164	¥42,472	\$371

(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.

Note: Even if debtors' loans past due for six months or more, in case that they are not identified as doubtful debtors or below based on their debt repayment statuses, the prospect of their capacity to eliminate liabilities in excess of assets as well as their business revitalization plan, their loans are included in this scope.

(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, 2018	As of March 31, 2018	As of September 30, 2018
Securities	¥18,638,408	¥19,560,428	\$164,157
Loans and Bills Discounted	1,538,450	1,928,190	13,549

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2018	As of March 31, 2018	As of September 30, 2018
Payables under Repurchase Agreements	¥14,806,352	¥15,080,638	\$130,406
Borrowed Money	3,179,592	3,011,560	28,004

In addition, as of September 30, 2018 and March 31, 2018, Securities (including transactions of Money Held in Trust) of ¥12,595,621 million (\$110,935 million) and ¥11,344,295 million, respectively, and Foreign Exchange Assets (including transactions of Money Held in Trust) of ¥1,518 million (\$13 million) and nil, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2018 and March 31, 2018, initial margins of futures markets of ¥28,317 million (\$249 million) and ¥4,063 million, respectively, cash collateral paid for financial instruments of ¥528,380 million (\$4,653 million) and ¥137,702 million, respectively, other cash collateral paid of ¥593,805 million (\$5,229 million) and ¥605,618 million, respectively, and guarantee deposits of ¥7,763 million (\$68 million) and ¥7,659 million, respectively, were included in Other Assets.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2018	As of March 31, 2018	As of September 30, 2018
Time Deposits	¥57,970,605	¥56,835,908	\$510,574
Deposits at Notice	27,546	32,094	242
Ordinary Deposits	3,336,467	3,427,381	29,385
Current Deposits	90,532	93,018	797
Other Deposits	5,627,327	5,411,159	49,562
Total	¥67,052,479	¥65,799,561	\$590,562

7. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,513,296 million (\$13,328 million) and ¥1,513,296 million as of September 30, 2018 and March 31, 2018, 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 (\$12,466 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 ¥3,890,402 million (\$34,264 million) and ¥3,318,911 million as of September 30, 2018 and March 31, 2018, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,731,911 million (\$24,061 million) and ¥2,272,177 million as of September 30, 2018 and March 31, 2018, 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 and its consolidated subsidiaries periodically checks the financial condition of its customers based on pre-defined 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 ¥1,214,450 million (\$10,696 million) and ¥1,142,492 million as of September 30, 2018 and March 31, 2018, 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 ¥346,285 million (\$3,049 million) and nil as of September 30, 2018 and March 31, 2018, respectively, and securities held without re-pledge of ¥337,934 million (\$2,976 million) and ¥581,414 million as of September 30, 2018 and March 31, 2018, 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, 2018	As of March 31, 2018	As of September 30, 2018
Common Stock	¥3,455,488	¥3,455,488	\$30,434
Preferred Stock	24,999	24,999	220
Total	¥3,480,488	¥3,480,488	\$30,654

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,029,771 million (\$26,684 million) and ¥3,029,771 million as of September 30, 2018 and March 31, 2018, 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 sheet to “Cash and Cash Equivalents” at the end of the period is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
As of September 30			
Cash and Due from Banks	¥26,322,933	¥26,714,355	\$231,838
Less: Interest-bearing Due from Banks	(511,413)	(451,078)	(4,504)
Cash and Cash Equivalents at the End of the Period	¥25,811,520	¥26,263,276	\$227,334

12. Segment Information

For the Six Months Ended September 30, 2018

(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, 2018	Millions of Yen			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	¥53,272	¥805,654	¥52,081	¥911,008

Six Months ended September 30, 2018	Millions of U.S. Dollars			
	Loan Business	Securities Investment Business	Others	Total
Ordinary Income from External Customers	\$469	\$7,095	\$458	\$8,023

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, 2018	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥885,783	¥15,179	¥2,030	¥8,014	¥911,008

Six Months ended September 30, 2018	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$7,801	\$133	\$17	\$70	\$8,023

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, 2018	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥118,398	¥272	¥665	¥313	¥119,650

As of September 30, 2018	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,042	\$2	\$5	\$2	\$1,053

c. Information about Major Customers

Six Months ended September 30, 2018	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥131,681	—

Six Months ended September 30, 2018	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$1,159	—

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

Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

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

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

For the Six Months Ended September 30, 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

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

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

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	—

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

Information about Amortization and Unamortized Balance of Goodwill in Reportable Segments is not shown in these statements, since the banking business is the only reportable segment.

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

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

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, 2018 and March 31, 2018 are as follows:

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

	Millions of Yen			Millions of U.S. Dollars		
	Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
As of September 30, 2018						
(1) Cash and Due from Banks	¥ 26,322,933	¥ 26,322,933	¥ —	\$231,838	\$231,838	\$ —
(2) Call Loans and Bills Bought	1,075,000	1,075,000	—	9,468	9,468	—
(3) Monetary Claims Bought	315,805	315,929	123	2,781	2,782	1
(4) Trading Assets (*2)						
Trading Securities	2,839	2,839	—	25	25	—
(5) Money Held in Trust (*1)						
Other Money Held in Trust	8,736,708	8,743,590	6,882	76,948	77,008	60
(6) Securities						
Held-to-Maturity Debt Securities	17,536,409	17,564,981	28,572	154,451	154,703	251
Other Securities	35,632,626	35,632,626	—	313,833	313,833	—
(7) Loans and Bills Discounted	13,943,442			122,806		
Reserve for Possible Loan Losses (*1)	(43,766)			(385)		
	13,899,676	13,899,467	(208)	122,420	122,419	(1)
Total Assets	¥103,521,998	¥103,557,368	¥35,369	\$911,766	\$912,078	\$ 311
(1) Deposits	¥ 67,052,479	¥ 67,052,494	¥ 14	\$590,562	\$590,562	\$ 0
(2) Negotiable Certificates of Deposit	1,979,321	1,979,321	—	17,432	17,432	—
(3) Debentures	1,507,522	1,509,901	2,378	13,277	13,298	20
(4) Payables under Repurchase Agreements	15,025,174	15,025,174	—	132,333	132,333	—
(5) Borrowed Money	4,889,353	4,889,353	—	43,062	43,062	—
(6) Short-term Entrusted Funds	2,345,944	2,345,944	—	20,661	20,661	—
Total Liabilities	¥ 92,799,797	¥ 92,802,189	¥ 2,392	\$817,331	\$817,352	\$ 21
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ 1,206	¥ 1,206	¥ —	\$ 10	\$ 10	\$ —
Transactions Accounted for as Hedge						
Transactions	(323,743)	(323,743)	—	(2,851)	(2,851)	—
Total Derivative Instruments	¥ (322,537)	¥ (322,537)	¥ —	\$ (2,840)	\$ (2,840)	\$ —

(*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, 2018	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 28,756,371	¥ 28,756,371	¥ —
(2) Call Loans and Bills Bought	630,000	630,000	—
(3) Monetary Claims Bought	354,872	355,047	175
(4) Trading Assets (*2)			
Trading Securities	3,064	3,064	—
(5) Money Held in Trust (*1)			
Other Money Held in Trust	7,439,433	7,446,785	7,351
(6) Securities			
Held-to-Maturity Debt Securities	16,184,983	16,253,721	68,737
Other Securities	35,389,227	35,389,227	—
(7) Loans and Bills Discounted	11,858,949		
Reserve for Possible Loan Losses (*1)	(45,441)		
	11,813,507	11,797,889	(15,618)
Total Assets	¥100,571,460	¥100,632,107	¥ 60,646
(1) Deposits	¥ 65,799,561	¥ 65,799,582	¥ 21
(2) Negotiable Certificates of Deposit	2,920,656	2,920,656	—
(3) Debentures	1,766,498	1,770,670	4,172
(4) Payables under Repurchase Agreements	15,080,638	15,080,638	—
(5) Borrowed Money	4,641,504	4,641,504	—
(6) Short-term Entrusted Funds	1,405,187	1,405,187	—
Total Liabilities	¥ 91,614,045	¥ 91,618,238	¥ 4,193
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ 1,495	¥ 1,495	¥ —
Transactions Accounted for as Hedge			
Transactions	381,594	381,594	—
Total Derivative Instruments	¥ 383,090	¥ 383,090	¥ —

(*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 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.

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) Payables under Repurchase Agreements and (6) Short-term Entrusted Funds

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

(5) 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.

As of September 30, 2018	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks and Others (*1) (*2)	¥126,541	\$1,114
Investment Trusts (*3)	270,473	2,382
Investments in Partnership and Others (*4)	421,441	3,711
Total	¥818,456	\$7,208

(*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 ¥265 million (\$2 million) on Unlisted Stocks and Others.

3. Out of Investments in Investment Trusts, certain “Private REIT” whose fair value is extremely difficult to determine are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.”

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

As of March 31, 2018	Millions of Yen
Unlisted Stocks and Others (*1) (*2)	¥128,707
Investment Trusts (*3)	274,236
Investments in Partnership and Others (*4)	344,703
Total	¥747,648

(*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, 2018 was ¥988 million on Unlisted Stocks and Others.

3. Out of Investments in Investment Trusts, certain “Private REIT” whose fair value is extremely difficult to determine are excluded from “Disclosures Regarding the Fair Value of Financial Instruments and Other Items.”

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

14. Fair Value of Securities

Held-to-Maturity Debt Securities

As of September 30, 2018	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	¥ 1,927,473	¥ 1,933,271	¥ 5,798	\$ 16,976	\$ 17,027	\$ 51
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value exceeding	Short-term Corporate Bonds	—	—	—	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	2,885	2,906	20	25	25	0
	Other	6,294,083	6,347,603	53,519	55,434	55,906	471
	Foreign Bonds	6,222,380	6,275,691	53,311	54,803	55,272	469
	Other	71,702	71,911	208	631	633	1
	Subtotal	8,224,442	8,283,781	59,338	72,436	72,959	522
	Japanese Government Bonds	4,015,072	4,002,310	(12,762)	35,362	35,250	(112)
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value not exceeding	Short-term Corporate Bonds	—	—	—	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	—	—	—	—	—	—
	Other	5,591,992	5,574,111	(17,880)	49,251	49,093	(157)
	Foreign Bonds	5,368,597	5,350,801	(17,795)	47,283	47,127	(156)
	Other	223,395	223,310	(85)	1,967	1,966	(0)
	Subtotal	9,607,065	9,576,422	(30,643)	84,613	84,344	(269)
	Total	¥17,831,508	¥17,860,203	¥ 28,695	\$157,050	\$157,303	\$ 252

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, 2018	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 2,483,403	¥ 2,492,183	¥ 8,780
	Municipal Government Bonds	—	—	—
Transactions for Fair Value exceeding	Short-term Corporate Bonds	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	3,325	3,353	27
	Other	8,536,234	8,612,380	76,146
	Foreign Bonds	8,460,921	8,536,819	75,897
	Other	75,312	75,560	248
	Subtotal	11,022,963	11,107,917	84,954
	Japanese Government Bonds	4,326,845	4,313,750	(13,094)
	Municipal Government Bonds	—	—	—
Transactions for Fair Value not exceeding	Short-term Corporate Bonds	—	—	—
Consolidated Balance Sheet Amount	Corporate Bonds	—	—	—
	Other	1,165,007	1,162,060	(2,946)
	Foreign Bonds	910,487	907,613	(2,874)
	Other	254,519	254,446	(72)
	Subtotal	5,491,852	5,475,810	(16,041)
	Total	¥16,514,815	¥16,583,728	¥ 68,912

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
As of September 30, 2018							
	Stocks	¥ 796,139	¥ 258,358	¥ 537,780	\$ 7,011	\$ 2,275	\$ 4,736
	Bonds	4,716,095	4,495,023	221,071	41,536	39,589	1,947
	Japanese Government						
	Bonds	4,596,710	4,376,339	220,371	40,485	38,544	1,940
	Municipal Government						
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Bonds	51	47	4	0	0	0
	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	119,333	118,636	696	1,051	1,044	6
	Other	14,597,409	13,257,153	1,340,255	128,566	116,761	11,804
	Foreign Bonds	8,984,470	8,695,634	288,836	79,130	76,586	2,543
	Foreign Stocks	20,779	7,817	12,961	183	68	114
	Investment Trusts	5,083,999	4,191,204	892,795	44,777	36,913	7,863
	Other	508,159	362,497	145,662	4,475	3,192	1,282
	Subtotal	20,109,644	18,010,536	2,099,108	177,115	158,627	18,487
	Stocks	9,137	10,634	(1,496)	80	93	(13)
	Bonds	1,166,703	1,170,495	(3,791)	10,275	10,309	(33)
	Japanese Government						
	Bonds	254,427	257,645	(3,218)	2,240	2,269	(28)
	Municipal Government						
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Bonds	10,994	11,000	(5)	96	96	(0)
	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	901,282	901,849	(567)	7,938	7,943	(4)
	Other	14,384,874	14,951,019	(566,144)	126,694	131,680	(4,986)
	Foreign Bonds	6,231,195	6,437,143	(205,947)	54,881	56,694	(1,813)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	8,024,356	8,381,887	(357,531)	70,674	73,823	(3,148)
	Other	129,322	131,987	(2,665)	1,139	1,162	(23)
	Subtotal	15,560,716	16,132,149	(571,432)	137,050	142,083	(5,032)
	Total	¥35,670,360	¥34,142,685	¥1,527,675	\$314,165	\$300,710	\$13,454

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, 2018	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 749,167	¥ 261,147	¥ 488,020
	Bonds	4,930,821	4,665,916	264,905
	Japanese Government			
	Bonds	4,811,581	4,547,363	264,217
	Municipal Government			
Transactions for	Bonds	83	78	5
Consolidated Balance	Short-term Corporate Bonds	—	—	—
Sheet Amount	Corporate Bonds	119,156	118,474	682
exceeding Acquisition	Other	15,637,228	14,374,162	1,263,066
Cost	Foreign Bonds	8,795,279	8,504,075	291,203
	Foreign Stocks	21,923	7,736	14,187
	Investment Trusts	6,395,997	5,556,975	839,022
	Other	424,027	305,374	118,653
	Subtotal	21,317,217	19,301,226	2,015,991
	Stocks	7,492	8,908	(1,415)
	Bonds	566,107	566,636	(529)
	Japanese Government			
	Bonds	—	—	—
	Municipal Government			
Transactions for	Bonds	8,695	8,700	(4)
Consolidated Balance	Short-term Corporate Bonds	—	—	—
Sheet Amount not	Corporate Bonds	557,411	557,936	(524)
exceeding Acquisition	Other	13,547,356	13,978,852	(431,495)
Cost	Foreign Bonds	7,961,423	8,180,330	(218,906)
	Foreign Stocks	—	—	—
	Investment Trusts	5,459,679	5,670,260	(210,581)
	Other	126,253	128,260	(2,007)
	Subtotal	14,120,956	14,554,397	(433,440)
	Total	¥35,438,174	¥33,855,623	¥1,582,551

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, 2018 and the fiscal year ended March 31, 2018 (“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, 2018 was nil.

The amount of revaluation loss for the fiscal year ended March 31, 2018 was ¥117 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

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
As of September 30, 2018					
Other Money Held in Trust	¥8,736,957	¥8,838,664	¥(101,706)	¥156,494	¥258,201

	Millions of U.S. Dollars				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of September 30, 2018					
Other Money Held in Trust	\$76,950	\$77,846	\$(895)	\$1,378	\$2,274

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

	Millions of Yen				
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
As of March 31, 2018					
Other Money Held in Trust	¥7,439,710	¥7,467,227	¥(27,517)	¥149,633	¥177,150

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		
As of September 30, 2018								
Exchange-traded Transactions								
Interest Rate Futures:								
Sold	¥827,203	¥274,518	¥ 211	¥ 211	\$7,285	\$2,417	\$ 1	\$ 1
Purchased	33,104	—	19	19	291	—	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	271,013	169,744	3,301	3,301	2,386	1,495	29	29
Rec.: Flt.-Pay.: Fix.	240,836	168,650	(2,817)	(2,817)	2,121	1,485	(24)	(24)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 714	¥ 714	\$ /	\$ /	\$ 6	\$ 6

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		
As of March 31, 2018				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 47,735	¥ 47,735	¥ 140	¥ 140
Purchased	126,752	19,606	(81)	(81)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	260,751	152,285	5,023	5,023
Rec.: Flt.-Pay.: Fix.	232,794	153,257	(4,597)	(4,597)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 485	¥ 485

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		
As of September 30, 2018								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Forwards:								
Sold	447,264	15,291	(6,156)	(6,156)	3,939	134	(54)	(54)
Purchased	428,718	15,337	6,648	6,648	3,775	135	58	58
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ 492	¥ 492	\$ /	\$ /	\$ 4	\$ 4

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.

As of March 31, 2018	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Currency Futures:				
Sold	¥ —	¥ —	¥ —	¥ —
Purchased	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Currency Swaps				
	—	—	—	—
Forwards:				
Sold	128,818	9,640	1,599	1,599
Purchased	143,097	9,644	(595)	(595)
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥1,004	¥1,004

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, 2018 and March 31, 2018.

Bond-Related Derivative Instruments

As of September 30, 2018	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		
Exchange-traded Transactions								
Bond Futures:								
Sold	¥ —	¥—	¥—	¥—	\$—	\$—	\$—	\$—
Purchased	4,566	—	(0)	(0)	40	—	(0)	(0)
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥(0)	¥(0)	\$ /	\$ /	\$(0)	\$(0)

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

2. Determination of fair value:

The fair value of exchange-traded derivative instruments is based on closing prices at 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, 2018	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥ 1,024	¥—	¥(17)	¥(17)
Purchased	10,027	—	23	23
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 5	¥ 5

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, 2018 and March 31, 2018.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2018 and March 31, 2018.

(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, 2018

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	¥1,185,000	¥ 645,000	¥ 2,349	\$10,436	\$ 5,680	\$ 20
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,019,680	6,573,228	93,484	61,825	57,893	823
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	272,954	268,663	Note 3	2,404	2,366	Note 3
Total			¥ /	¥ /	¥95,833	\$ /	\$ /	\$844

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, 2018

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	¥1,425,000	¥ 825,000	¥ 4,366
	Interest Rate Swaps (Rec.:Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,308,939	7,019,564	104,040
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	245,540	230,924	Note 3
Total			¥ /	¥ /	¥108,407

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, 2018

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	¥15,030,488	¥8,479,183	¥(311,373)	\$132,380	\$74,680	\$(2,742)
	Forex Forward	Securities and Others	5,551,063	—	(108,203)	48,890	—	(952)
Total			¥ /	¥ /	¥(419,577)	\$ /	\$ /	\$(3,695)

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, 2018

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	¥13,386,163	¥7,160,947	¥222,272
	Forex Forward	Securities and Others	4,882,459	—	50,915
Total			¥ /	¥ /	¥273,187

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, 2018 and March 31, 2018.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2018 and March 31, 2018.

17. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet (Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	September 30 2018	March 31 2018	September 30 2018
Assets			
Cash and Due from Banks	¥ 26,293,684	¥ 28,729,996	\$231,580
Call Loans	1,075,000	630,000	9,468
Receivables under Resale Agreements	37,200	—	327
Monetary Claims Bought	315,805	354,872	2,781
Trading Assets	7,491	8,582	65
Money Held in Trust	8,736,211	7,438,320	76,943
Securities	54,003,459	52,332,765	475,633
Loans and Bills Discounted	13,821,164	11,742,630	121,729
Foreign Exchange Assets	228,485	224,698	2,012
Other Assets	1,623,307	1,580,600	14,297
Tangible Fixed Assets	118,344	120,920	1,042
Intangible Fixed Assets	43,920	40,043	386
Prepaid Pension Cost	24,631	20,821	216
Customers' Liabilities for Acceptances and Guarantees	125,217	141,073	1,102
Reserve for Possible Loan Losses	(44,859)	(46,681)	(395)
Reserve for Possible Investment Losses	(1,047)	(1,032)	(9)
Total Assets	¥106,408,018	¥103,417,613	\$937,185
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 67,074,121	¥ 65,823,858	\$590,753
Negotiable Certificates of Deposit	1,979,321	2,920,656	17,432
Debentures	1,515,522	1,774,498	13,347
Payables under Repurchase Agreements	15,025,174	15,080,638	132,333
Trading Liabilities	4,157	5,034	36
Borrowed Money	4,832,353	4,585,004	42,560
Foreign Exchange Liabilities	9	38	0
Short-term Entrusted Funds	2,345,944	1,405,187	20,661
Other Liabilities	6,456,289	4,528,441	56,863
Reserve for Bonus Payments	6,007	6,022	52
Reserve for Retirement Benefits	25,183	24,614	221
Reserve for Directors' Retirement Benefits	658	1,121	5
Deferred Tax Liabilities	432,831	458,731	3,812
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	75
Acceptances and Guarantees	125,217	141,073	1,102
Total Liabilities	99,831,400	96,763,528	879,261
Net Assets			
Paid-in Capital	3,480,488	3,480,488	30,654
Capital Surplus	25,020	25,020	220
Retained Earnings	1,938,989	1,922,906	17,077
Total Owners' Equity	5,444,498	5,428,416	47,952
Net Unrealized Gains on Other Securities, net of taxes	1,052,310	1,151,642	9,268
Net Deferred Gains on Hedging Instruments, net of taxes	65,495	59,713	576
Revaluation Reserve for Land, net of taxes	14,312	14,312	126
Total Valuation and Translation Adjustments	1,132,118	1,225,668	9,971
Total Net Assets	6,576,617	6,654,084	57,923
Total Liabilities and Net Assets	¥106,408,018	¥103,417,613	\$937,185

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

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Income			
Interest Income:	¥685,206	¥591,244	\$6,034
Interest on Loans and Bills Discounted	50,069	35,957	440
Interest and Dividends on Securities	622,821	545,249	5,485
Fees and Commissions	7,006	7,221	61
Trading Income	296	—	2
Other Operating Income	92,795	57,169	817
Other Income	116,908	89,996	1,029
Total Income	902,212	745,631	7,946
Expenses			
Interest Expenses:	606,136	490,908	5,338
Interest on Deposits	62,466	37,517	550
Fees and Commissions	7,556	7,400	66
Trading Expenses	346	146	3
Other Operating Expenses	93,895	24,081	826
General and Administrative Expenses	74,480	76,106	655
Other Expenses	4,070	9,474	35
Total Expenses	786,484	608,118	6,926
Income before Income Taxes	115,728	137,512	1,019
Income Taxes — Current	19,766	28,696	174
Income Taxes — Deferred	9,378	4,303	82
Total Income Taxes	29,145	33,000	256
Net Income	¥ 86,582	¥104,512	\$ 762