

Consolidated Balance Sheet (Unaudited)

The Norinchukin Bank and Subsidiaries
As of September 30, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2019	March 31 2019	September 30 2019
Assets			
Cash and Due from Banks (Notes 11, 13 and 14)	¥ 21,659,549	¥ 18,941,664	\$ 200,681
Call Loans and Bills Bought (Note 13)	607,379	44,368	5,627
Receivables under Resale Agreements	—	10,096	—
Monetary Claims Bought (Notes 13 and 14)	310,887	326,079	2,880
Trading Assets (Note 13)	14,422	15,844	133
Money Held in Trust (Notes 5, 13 and 15)	6,997,963	8,667,392	64,837
Securities (Notes 3, 5, 9, 13 and 14)	55,424,899	55,658,707	513,526
Loans and Bills Discounted (Notes 4, 5, 8 and 13)	19,193,297	18,613,018	177,830
Foreign Exchange Assets	244,264	344,943	2,263
Other Assets (Notes 5 and 13)	1,877,398	1,415,586	17,394
Tangible Fixed Assets (Note 12)	114,379	117,294	1,059
Intangible Fixed Assets	52,059	48,765	482
Net Defined Benefit Asset	58,042	57,715	537
Deferred Tax Assets	2,180	2,034	20
Customers' Liabilities for Acceptances and Guarantees	1,890,578	1,738,971	17,516
Reserve for Possible Loan Losses (Note 13)	(48,953)	(48,402)	(453)
Reserve for Possible Investment Losses	(130)	(154)	(1)
Total Assets	¥108,398,217	¥105,953,925	\$1,004,338
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 6 and 13)	¥ 66,115,817	¥ 66,797,069	\$ 612,580
Negotiable Certificates of Deposit (Note 13)	2,631,483	790,599	24,381
Debentures (Note 13)	1,007,792	1,254,239	9,337
Payables under Repurchase Agreements (Notes 5 and 13)	15,617,369	15,111,297	144,699
Trading Liabilities (Note 13)	8,935	7,022	82
Borrowed Money (Notes 5, 7 and 13)	4,963,385	4,837,392	45,987
Foreign Exchange Liabilities	0	32	0
Short-term Entrusted Funds (Note 13)	2,166,311	1,048,091	20,071
Other Liabilities (Note 13)	5,521,773	6,320,163	51,160
Reserve for Bonus Payments	7,542	7,557	69
Net Defined Benefit Liability	37,877	38,287	350
Reserve for Directors' Retirement Benefits	1,231	1,236	11
Deferred Tax Liabilities	648,809	520,070	6,011
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	79
Acceptances and Guarantees	1,890,578	1,738,971	17,516
Total Liabilities	100,627,515	98,480,637	932,340
Net Assets			
Paid-in Capital (Note 10)	4,040,198	4,040,198	37,433
Capital Surplus	24,993	24,993	231
Retained Earnings	1,989,733	2,021,435	18,435
Total Owners' Equity	6,054,926	6,086,627	56,100
Net Unrealized Gains on Other Securities	2,022,141	1,501,790	18,735
Net Deferred Losses on Hedging Instruments	(342,645)	(152,678)	(3,174)
Revaluation Reserve for Land	14,312	14,312	132
Foreign Currency Transaction Adjustments	(92)	(67)	(0)
Remeasurements of Defined Benefit Plans	11,617	12,959	107
Total Accumulated Other Comprehensive Income	1,705,332	1,376,316	15,800
Non-controlling Interests	10,442	10,343	96
Total Net Assets	7,770,701	7,473,287	71,997
Total Liabilities and Net Assets	¥108,398,217	¥105,953,925	\$1,004,338

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

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(1) Consolidated Statement of Operations

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Income			
Interest Income:	¥643,796	¥682,203	\$5,964
Interest on Loans and Bills Discounted	62,933	51,970	583
Interest and Dividends on Securities	565,683	617,881	5,241
Fees and Commissions	16,701	14,308	154
Trading Income	85	296	0
Other Operating Income	75,130	94,914	696
Other Income	96,899	119,286	897
Total Income	832,612	911,008	7,714
Expenses			
Interest Expenses:	622,894	606,191	5,771
Interest on Deposits	69,025	62,465	639
Fees and Commissions	9,077	8,637	84
Trading Expenses	78	346	0
Other Operating Expenses	27,411	94,199	253
General and Administrative Expenses	77,981	80,444	722
Other Expenses	7,619	4,073	70
Total Expenses	745,063	793,892	6,903
Income before Income Taxes	87,548	117,115	811
Income Taxes — Current	17,643	21,197	163
Income Taxes — Deferred	1,001	9,410	9
Total Income Taxes	18,645	30,608	172
Profit	68,903	86,507	638
Profit Attributable to Non-controlling Interests	735	703	6
Profit Attributable to Owners of Parent	¥ 68,168	¥ 85,803	\$ 631

	Yen		U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Profit Attributable to Owners of Parent per Share	¥16.01	¥20.15	\$0.14

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, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Profit	¥ 68,903	¥ 86,507	\$ 638
Other Comprehensive Income	329,018	(94,897)	3,048
Net Unrealized Gains (Losses) on Other Securities	520,493	(99,336)	4,822
Net Deferred Gains (Losses) on Hedging Instruments	(189,968)	5,771	(1,760)
Foreign Currency Transaction Adjustments	(3)	13	(0)
Remeasurements of Defined Benefit Plans	(1,363)	(1,641)	(12)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(139)	294	(1)
Total Comprehensive Income	¥ 397,922	¥ (8,390)	\$ 3,686
Attributable to:			
Owners of Parent	397,184	(9,095)	3,680
Non-controlling Interests	737	705	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, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Capital Surplus			
Balance at the Beginning of the Fiscal Year	¥ 24,993	¥ 24,993	\$ 231
Balance at the End of the Period	24,993	24,993	231
Retained Earnings			
Balance at the Beginning of the Fiscal Year	2,021,435	1,988,359	18,729
Additions:			
Profit Attributable to Owners of Parent	68,168	85,803	631
Deductions:			
Dividends	99,870	70,500	925
Balance at the End of the Period	¥1,989,733	¥2,003,663	\$18,435

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, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 87,548	¥ 117,115	\$ 811
Depreciation	9,613	8,587	89
Equity in Losses (Earnings) of Affiliates	(2,560)	(2,182)	(23)
Net Increase (Decrease) in Reserve for Possible Loan Losses	572	(1,949)	5
Net Increase (Decrease) in Reserve for Possible Investment Losses	(24)	(2)	(0)
Net Increase (Decrease) in Reserve for Bonus Payments	(13)	0	(0)
Net Decrease (Increase) in Net Defined Benefit Asset	(326)	(579)	(3)
Net Increase (Decrease) in Net Defined Benefit Liability	(410)	(316)	(3)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(5)	(476)	(0)
Interest Income	(643,796)	(682,203)	(5,964)
Interest Expenses	622,894	606,191	5,771
Losses (Gains) on Securities	(68,282)	(103,333)	(632)
Losses (Gains) on Money Held in Trust	(30,007)	(19,675)	(278)
Foreign Exchange Losses (Gains)	1,415,961	(1,858,663)	13,119
Losses (Gains) on Disposal of Fixed Assets	(1,522)	96	(14)
Net Decrease (Increase) in Trading Assets	1,422	1,091	13
Net Increase (Decrease) in Trading Liabilities	1,913	(877)	17
Net Decrease (Increase) in Loans and Bills Discounted	(590,123)	(2,084,461)	(5,467)
Net Increase (Decrease) in Deposits	(681,251)	1,252,918	(6,311)
Net Increase (Decrease) in Negotiable Certificates of Deposit	1,840,884	(941,334)	17,056
Net Increase (Decrease) in Debentures	(246,446)	(258,975)	(2,283)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	134,022	247,819	1,241
Net Decrease (Increase) in Interest-bearing Due from Banks	324,562	370,280	3,007
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(537,708)	(443,136)	(4,982)
Net Increase (Decrease) in Call Money and Bills Sold and Other	506,072	(55,463)	4,688
Net Increase (Decrease) in Short-term Entrusted Funds	1,118,220	940,756	10,360
Net Decrease (Increase) in Foreign Exchange Assets	100,678	96,213	932
Net Increase (Decrease) in Foreign Exchange Liabilities	(32)	(29)	(0)
Interest Received	640,991	664,623	5,938
Interest Paid	(451,747)	(427,403)	(4,185)
Other, Net	(524,981)	34,265	(4,864)
Subtotal	3,026,117	(2,541,103)	28,037
Income Taxes (Paid) Refunded	5,009	1,514	46
Net Cash Provided by (Used in) Operating Activities	3,031,127	(2,539,588)	28,084

Consolidated Statement of Cash Flows (Unaudited), continued

The Norinchukin Bank and Subsidiaries
For the six months ended September 30, 2019

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six Months ended September 30		Six Months ended September 30
	2019	2018	2019
Cash Flows from Investing Activities:			
Purchases of Securities	(4,994,147)	(6,681,017)	(46,272)
Proceeds from Sales of Securities	941,690	3,648,171	8,725
Proceeds from Redemption of Securities	3,518,033	3,123,814	32,595
Increase in Money Held in Trust	(443,887)	(62,287)	(4,112)
Decrease in Money Held in Trust	1,096,902	526,445	10,163
Purchases of Tangible Fixed Assets	(327)	(913)	(3)
Purchases of Intangible Fixed Assets	(7,543)	(6,779)	(69)
Proceeds from Sales of Tangible Fixed Assets	2,384	—	22
Net Cash Provided by (Used in) Investing Activities	113,105	547,433	1,047
Cash Flows from Financing Activities:			
Dividends Paid	(99,870)	(70,500)	(925)
Dividends Paid to Non-controlling Shareholders	(638)	(548)	(5)
Net Cash Provided by (Used in) Financing Activities	(100,508)	(71,049)	(931)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(553)	50	(5)
Net Increase (Decrease) in Cash and Cash Equivalents	3,043,169	(2,063,153)	28,195
Cash and Cash Equivalents at the Beginning of the Fiscal Year	18,330,229	27,874,673	169,834
Cash and Cash Equivalents at the End of the Period (Note 11)	¥21,373,399	¥25,811,520	\$198,030

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 ¥107.93=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2019, 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, 2019 was 17, all of which were consolidated.

The major consolidated subsidiaries are as follows:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

The dates of the first half of fiscal year of consolidated subsidiaries are as follows:

Closing date: June 30, 2019 Number of subsidiaries: 4

Closing date: September 30, 2019 Number of subsidiaries: 13

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective closing dates and the date of the consolidated financial statements.

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, 2019 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 ¥10,522 million (\$97 million) and ¥12,461 million for the period ended September 30, 2019 and the fiscal year ended March 31, 2019, 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) 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.

3. Securities

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2019	As of March 31, 2019	As of September 30, 2019
Japanese Government Bonds	¥10,823,640	¥10,563,017	\$100,283
Municipal Government Bonds	52,590	13,262	487
Corporate Bonds	1,344,643	1,215,377	12,458
Stocks	789,883	832,578	7,318
Other	42,414,141	43,034,472	392,978
Foreign Bonds	28,069,402	28,677,351	260,070
Foreign Stocks	32,016	32,575	296
Investment Trusts	13,429,509	13,437,295	124,427
Other	883,212	887,250	8,183
Total	¥55,424,899	¥55,658,707	\$513,526

4. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2019	As of March 31, 2019	As of September 30, 2019
Loans on Deeds	¥17,690,618	¥17,106,235	\$163,908
Loans on Bills	408,024	367,218	3,780
Overdrafts	1,092,804	1,136,946	10,125
Bills Discounted	1,850	2,616	17
Total	¥19,193,297	¥18,613,018	\$177,830

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2019	As of March 31, 2019	As of September 30, 2019
Loans to Borrowers under Bankruptcy Proceedings	¥ 468	¥ 534	\$ 4
Delinquent Loans	22,285	24,177	206
Loans Past Due for Three Months or More	1,788	888	16
Restructured Loans	23,468	18,040	217
Total	¥48,010	¥43,641	\$444

(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, 2019	As of March 31, 2019	As of September 30, 2019
Securities	¥18,465,934	¥18,229,425	\$171,091
Loans and Bills Discounted	1,232,885	1,388,120	11,423

Liabilities secured by the above assets are as follows:

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2019	As of March 31, 2019	As of September 30, 2019
Payables under Repurchase Agreements	¥15,365,634	¥15,111,297	\$142,366
Borrowed Money	3,027,822	3,079,812	28,053

In addition, as of September 30, 2019 and March 31, 2019, Securities (including transactions of Money Held in Trust) of ¥11,262,269 million (\$104,347 million) and ¥12,429,226 million, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

As of September 30, 2019 and March 31, 2019, initial margins of futures markets of ¥30,904 million (\$286 million) and ¥32,203 million, respectively, cash collateral paid for financial instruments of ¥819,879 million (\$7,596 million) and ¥348,567 million, respectively, other cash collateral paid of ¥573,546 million (\$5,314 million) and ¥599,203 million, respectively, and guarantee deposits of ¥8,017 million (\$74 million) and ¥7,862 million, respectively, were included in Other Assets.

6. Deposits

	Millions of Yen		Millions of U.S. Dollars
	As of September 30, 2019	As of March 31, 2019	As of September 30, 2019
Time Deposits	¥57,586,087	¥58,135,842	\$533,550
Deposits at Notice	13,026	14,020	120
Ordinary Deposits	3,460,863	3,197,984	32,065
Current Deposits	90,251	82,320	836
Other Deposits	4,965,589	5,366,900	46,007
Total	¥66,115,817	¥66,797,069	\$612,580

7. Borrowed Money

Borrowed Money includes subordinated borrowings of ¥1,317,895 million (\$12,210 million) and ¥1,317,895 million as of September 30, 2019 and March 31, 2019, respectively, which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

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 ¥4,004,246 million (\$37,100 million) and ¥3,906,443 million as of September 30, 2019 and March 31, 2019, respectively. The amounts of the undrawn commitments, which the Bank and its consolidated subsidiaries could cancel at any time without cause, were ¥2,611,774 million (\$24,198 million) and ¥2,796,710 million as of September 30, 2019 and March 31, 2019, 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 check the financial condition of its customers based on pre-defined policies and procedures and act to secure loans as necessary.

9. Securities Loaned

Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥848,637 million (\$7,862 million) and ¥952,649 million as of September 30, 2019 and March 31, 2019, respectively.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements and others, which can be sold or re-pledged by the Bank, include securities re-pledged of ¥840,074 million (\$7,783 million) and ¥393,990 million as of September 30, 2019 and March 31, 2019, respectively, and include securities held without re-pledge of ¥209,790 million (\$1,943 million) and ¥477,318 million as of September 30, 2019 and March 31, 2019, 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, 2019	As of March 31, 2019	As of September 30, 2019
Common Stock	¥4,015,198	¥4,015,198	\$37,201
Preferred Stock	24,999	24,999	231
Total	¥4,040,198	¥4,040,198	\$37,433

The Common Stock account includes lower dividend rate stock with a total par value of ¥3,589,481 million (\$33,257 million) and ¥3,589,481 million as of September 30, 2019 and March 31, 2019, 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
	2019	2018	2019
Cash and Due from Banks	¥21,659,549	¥26,322,933	\$200,681
Less: Interest-bearing Due from Banks	(286,149)	(511,413)	(2,651)
Cash and Cash Equivalents at the End of the Period	¥21,373,399	¥25,811,520	\$198,030

12. Segment Information

For the Six Months Ended September 30, 2019

(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, 2019	Millions of Yen			Total
	Loan Business	Securities Investment Business	Others	
Ordinary Income from External Customers	¥65,375	¥706,981	¥58,458	¥830,815

Six Months ended September 30, 2019	Millions of U.S. Dollars			Total
	Loan Business	Securities Investment Business	Others	
Ordinary Income from External Customers	\$605	\$6,550	\$541	\$7,697

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, 2019	Millions of Yen				Total
	Japan	Americas	Europe	Others	
	¥798,626	¥18,920	¥2,765	¥10,503	¥830,815

Six Months ended September 30, 2019	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$7,399	\$175	\$25	\$97	\$7,697

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, 2019	Millions of Yen				
	Japan	Americas	Europe	Others	Total
	¥113,040	¥230	¥738	¥369	¥114,379

As of September 30, 2019	Millions of U.S. Dollars				
	Japan	Americas	Europe	Others	Total
	\$1,047	\$2	\$6	\$3	\$1,059

c. Information about Major Customers

Six Months ended September 30, 2019	Name of Customer	Millions of Yen	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	¥107,881	—

Six Months ended September 30, 2019	Name of Customer	Millions of U.S. Dollars	
		Ordinary Income	Name of Related Segments
	U.S. Department of the Treasury	\$999	—

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

None

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

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

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

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	—

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

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, 2019 and March 31, 2019 are as follows:

Unlisted stocks and other financial instruments whose fair value 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, 2019						
(1) Cash and Due from Banks	¥ 21,659,549	¥ 21,659,549	¥ —	\$200,681	\$200,681	\$ —
(2) Call Loans and Bills Bought	607,379	607,379	—	5,627	5,627	—
(3) Monetary Claims Bought	310,887	311,448	561	2,880	2,885	5
(4) Trading Assets (*2)						
Trading Securities	5,213	5,213	—	48	48	—
(5) Money Held in Trust (*1)						
Other Money Held in Trust	6,997,773	7,002,752	4,979	64,836	64,882	46
(6) Securities						
Held-to-Maturity Debt Securities	17,748,691	17,780,968	32,276	164,446	164,745	299
Other Securities	36,946,575	36,946,575	—	342,319	342,319	—
(7) Loans and Bills Discounted	19,193,297			177,830		
Reserve for Possible Loan Losses (*1)	(46,732)			(432)		
	19,146,565	19,191,282	44,717	177,397	177,812	414
Total Assets	¥103,422,635	¥103,505,169	¥82,534	\$958,238	\$959,002	\$764
(1) Deposits	¥ 66,115,817	¥ 66,115,822	¥ 5	\$612,580	\$612,580	\$ 0
(2) Negotiable Certificates of Deposit	2,631,483	2,631,483	—	24,381	24,381	—
(3) Debentures	1,007,792	1,009,628	1,835	9,337	9,354	17
(4) Payables under Repurchase Agreements	15,617,369	15,617,369	—	144,699	144,699	—
(5) Borrowed Money	4,963,385	4,963,385	—	45,987	45,987	—
(6) Short-term Entrusted Funds	2,166,311	2,166,311	—	20,071	20,071	—
Total Liabilities	¥ 92,502,160	¥ 92,504,000	¥ 1,840	\$857,056	\$857,074	\$ 17
Derivative Instruments (*3)						
Transactions not Accounted for as Hedge						
Transactions	¥ (3,907)	¥ (3,907)	¥ —	\$ (36)	\$ (36)	\$ —
Transactions Accounted for as Hedge						
Transactions	(443,921)	(443,921)	—	(4,113)	(4,113)	—
Total Derivative Instruments	¥ (447,829)	¥ (447,829)	¥ —	\$ (4,149)	\$ (4,149)	\$ —

(*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, 2019	Millions of Yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks	¥ 18,941,664	¥ 18,941,664	¥ —
(2) Call Loans and Bills Bought	44,368	44,368	—
(3) Monetary Claims Bought	326,079	326,413	333
(4) Trading Assets (*2)			
Trading Securities	8,560	8,560	—
(5) Money Held in Trust (*1)			
Other Money Held in Trust	8,667,172	8,672,304	5,131
(6) Securities			
Held-to-Maturity Debt Securities	18,443,863	18,429,773	(14,089)
Other Securities	36,472,828	36,472,828	—
(7) Loans and Bills Discounted	18,613,018		
Reserve for Possible Loan Losses (*1)	(46,072)		
	18,566,945	18,591,749	24,803
Total Assets	¥101,471,483	¥101,487,662	¥ 16,179
(1) Deposits	¥ 66,797,069	¥ 66,797,077	¥ 8
(2) Negotiable Certificates of Deposit	790,599	790,599	—
(3) Debentures	1,254,239	1,256,761	2,522
(4) Payables under Repurchase Agreements	15,111,297	15,111,297	—
(5) Borrowed Money	4,837,392	4,837,392	—
(6) Short-term Entrusted Funds	1,048,091	1,048,091	—
Total Liabilities	¥ 89,838,688	¥ 89,841,219	¥ 2,530
Derivative Instruments (*3)			
Transactions not Accounted for as Hedge			
Transactions	¥ (572)	¥ (572)	¥ —
Transactions Accounted for as Hedge			
Transactions	(312,649)	(312,649)	—
Total Derivative Instruments	¥ (313,221)	¥ (313,221)	¥ —

(*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. Some contractual terms are short-term (1 year or less), and the fair value approximates the carrying 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, 2019	Millions of Yen	Millions of U.S. Dollars
Unlisted Stocks (*1) (*2)	¥124,526	\$1,153
Investment Trusts (*3)	219,708	2,035
Investments in Partnership and Others (*4)	385,397	3,570
Total	¥729,632	\$6,760

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

2. The amount of revaluation losses for the period was ¥80 million (\$0 million) on Unlisted Stocks.

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, 2019	Millions of Yen
Unlisted Stocks (*1) (*2)	¥125,178
Investment Trusts (*3)	228,770
Investments in Partnership and Others (*4)	388,065
Total	¥742,015

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

2. The amount of revaluation losses for the fiscal year ended March 31, 2019 was ¥325 million on Unlisted Stocks.

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, 2019	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	¥ 4,780,015	¥ 4,790,751	¥ 10,736	\$ 44,288	\$ 44,387	\$ 99
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	2,159	2,180	21	20	20	0
	Other	6,893,652	6,938,826	45,174	63,871	64,290	418
	Foreign Bonds	6,730,025	6,774,622	44,597	62,355	62,768	413
	Other	163,626	164,203	576	1,516	1,521	5
	Subtotal	11,675,827	11,731,758	55,931	108,179	108,697	518
	Japanese Government Bonds	569,179	569,164	(14)	5,273	5,273	(0)
	Municipal Government Bonds	—	—	—	—	—	—
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—
	Other	5,802,559	5,779,480	(23,079)	53,762	53,548	(213)
	Foreign Bonds	5,667,312	5,644,248	(23,064)	52,509	52,295	(213)
	Other	135,247	135,231	(15)	1,253	1,252	(0)
	Subtotal	6,371,738	6,348,645	(23,093)	59,035	58,821	(213)
	Total	¥18,047,565	¥18,080,404	¥ 32,838	\$167,215	\$167,519	\$ 304

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, 2019	Type	Millions of Yen		
		Consolidated Balance Sheet Amount	Fair Value	Difference
	Japanese Government Bonds	¥ 2,229,371	¥ 2,235,070	¥ 5,699
	Municipal Government Bonds	—	—	—
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Short-term Corporate Bonds	—	—	—
	Corporate Bonds	2,514	2,536	22
	Other	4,736,764	4,776,432	39,667
	Foreign Bonds	4,574,275	4,613,586	39,311
	Other	162,489	162,845	356
	Subtotal	6,968,650	7,014,040	45,389
	Japanese Government Bonds	3,299,450	3,294,251	(5,199)
	Municipal Government Bonds	—	—	—
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Short-term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	8,501,842	8,447,895	(53,946)
	Foreign Bonds	8,338,251	8,284,327	(53,923)
	Other	163,590	163,567	(22)
	Subtotal	11,801,293	11,742,147	(59,145)
	Total	¥18,769,943	¥18,756,187	¥(13,756)

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, 2019							
	Stocks	¥ 669,269	¥ 253,695	¥ 415,573	\$ 6,200	\$ 2,350	\$ 3,850
	Bonds	6,422,580	6,099,914	322,665	59,506	56,517	2,989
	Japanese Government						
	Bonds	5,353,006	5,031,330	321,675	49,597	46,616	2,980
	Municipal Government						
	Bonds	30,257	30,117	140	280	279	1
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	1,039,316	1,038,466	849	9,629	9,621	7
	Other	26,328,108	24,270,419	2,057,689	243,936	224,871	19,065
	Foreign Bonds	13,962,117	13,094,354	867,762	129,362	121,322	8,040
	Foreign Stocks	16,695	6,984	9,711	154	64	89
	Investment Trusts	11,963,979	10,877,809	1,086,170	110,849	100,785	10,063
	Other	385,315	291,271	94,044	3,570	2,698	871
	Subtotal	33,419,958	30,624,030	2,795,927	309,644	283,739	25,905
	Stocks	11,407	15,019	(3,611)	105	139	(33)
	Bonds	446,941	448,474	(1,533)	4,141	4,155	(14)
	Japanese Government						
	Bonds	121,440	122,937	(1,497)	1,125	1,139	(13)
	Municipal Government						
	Bonds	22,333	22,350	(17)	206	207	(0)
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Short-term Corporate Bonds	—	—	—	—	—	—
	Corporate Bonds	303,167	303,186	(18)	2,808	2,809	(0)
	Other	3,091,074	3,250,172	(159,097)	28,639	30,113	(1,474)
	Foreign Bonds	1,709,947	1,727,518	(17,571)	15,843	16,005	(162)
	Foreign Stocks	—	—	—	—	—	—
	Investment Trusts	1,245,821	1,370,741	(124,920)	11,542	12,700	(1,157)
	Other	135,304	151,911	(16,606)	1,253	1,407	(153)
	Subtotal	3,549,422	3,713,665	(164,242)	32,886	34,408	(1,521)
	Total	¥36,969,381	¥34,337,696	¥2,631,684	\$342,531	\$318,147	\$24,383

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, 2019	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
	Stocks	¥ 711,487	¥ 255,286	¥ 456,200
	Bonds	5,407,989	5,117,650	290,339
	Japanese Government			
	Bonds	5,034,195	4,744,412	289,782
	Municipal Government			
Transactions for	Bonds	13,262	13,245	16
Consolidated Balance	Short-term Corporate Bonds	—	—	—
Sheet Amount	Corporate Bonds	360,532	359,991	540
exceeding Acquisition	Other	19,000,213	17,574,944	1,425,268
Cost	Foreign Bonds	11,001,728	10,484,956	516,772
	Foreign Stocks	17,038	7,372	9,666
	Investment Trusts	7,581,398	6,790,874	790,523
	Other	400,047	291,740	108,306
	Subtotal	25,119,689	22,947,881	2,171,808
	Stocks	11,448	14,122	(2,674)
	Bonds	852,331	852,599	(267)
	Japanese Government			
	Bonds	—	—	—
	Municipal Government			
Transactions for	Bonds	—	—	—
Consolidated Balance	Short-term Corporate Bonds	—	—	—
Sheet Amount not	Corporate Bonds	852,331	852,599	(267)
exceeding Acquisition	Other	10,497,677	10,660,770	(163,093)
Cost	Foreign Bonds	4,763,095	4,776,839	(13,744)
	Foreign Stocks	—	—	—
	Investment Trusts	5,627,126	5,770,844	(143,717)
	Other	107,454	113,086	(5,631)
	Subtotal	11,361,456	11,527,492	(166,035)
	Total	¥36,481,146	¥34,475,373	¥2,005,772

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 book value and the fair value is treated as a realized loss for the six months ended September 30, 2019 and the fiscal year ended March 31, 2019 (“revaluation loss”), if the fair value has significantly deteriorated from the book value unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the six months ended September 30, 2019 was ¥247 million (\$2 million), all of which was on stocks.

The amount of revaluation loss for the fiscal year ended March 31, 2019 was ¥124 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 book value

Securities whose fair values remain between 50% (exclusive) and 70% (inclusive) of their book value 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, 2019					
Other Money Held in Trust	¥6,997,963	¥6,847,892	¥150,070	¥160,164	¥10,093

	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, 2019					
Other Money Held in Trust	\$64,837	\$63,447	\$1,390	\$1,483	\$93

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, 2019					
Other Money Held in Trust	¥8,667,392	¥8,618,740	¥48,651	¥140,343	¥91,691

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

As of September 30, 2019	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								
Interest Rate Futures:								
Sold	¥ 33,892	¥ 17,815	¥ (65)	¥ (65)	\$ 314	\$ 165	\$ (0)	\$ (0)
Purchased	30,819	17,766	19	19	285	164	0	0
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Forward Rate Agreements:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Interest Rate Swaps:								
Rec.: Fix.-Pay.: Flt.	858,159	844,906	13,091	13,091	7,951	7,828	121	121
Rec.: Flt.-Pay.: Fix.	354,709	341,456	(15,528)	(15,528)	3,286	3,163	(143)	(143)
Rec.: Flt.-Pay.: Flt.	—	—	—	—	—	—	—	—
Interest Rate Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (2,483)	¥ (2,483)	\$ /	\$ /	\$ (23)	\$ (23)

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, 2019				
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 5,380	¥ 5,380	¥ (37)	¥ (37)
Purchased	5,398	—	6	6
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec.: Fix.-Pay.: Flt.	206,659	196,864	7,229	7,229
Rec.: Flt.-Pay.: Fix.	200,576	190,864	(6,891)	(6,891)
Rec.: Flt.-Pay.: Flt.	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ 307	¥ 307

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, 2019								
Exchange-traded Transactions								
Currency Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Purchased	—	—	—	—	—	—	—	—
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Currency Swaps								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Forwards:								
Sold	1,315,652	9,577	(11,159)	(11,159)	12,189	88	(103)	(103)
Purchased	2,015,494	9,577	9,739	9,739	18,674	88	90	90
Currency Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (1,420)	¥ (1,420)	\$ /	\$ /	\$ (13)	\$ (13)

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, 2019	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	368,399	14,489	(3,225)	(3,225)
Purchased	556,750	14,533	2,380	2,380
Currency Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥ (845)	¥ (845)

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, 2019 and March 31, 2019.

Bond-Related Derivative Instruments

As of September 30, 2019	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	¥ 385	¥ —	¥ (0)	¥ (0)	\$ 3	\$ —	\$ (0)	\$ (0)
Purchased	1,358	—	(3)	(3)	12	—	(0)	(0)
Bond Futures Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Over-the-counter Transactions								
Bond Options:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Purchased	—	—	—	—	—	—	—	—
Total	¥ /	¥ /	¥ (3)	¥ (3)	\$ /	\$ /	\$ (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, 2019	Millions of Yen			
	Contract Amount or Notional Amount		Fair Value	Unrealized Gain/Loss
	Total	Over 1 Year		
Exchange-traded Transactions				
Bond Futures:				
Sold	¥13,471	¥ —	¥(65)	¥(65)
Purchased	10,309	—	31	31
Bond Futures Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	—	—	—	—
Other:				
Sold	—	—	—	—
Purchased	—	—	—	—
Total	¥ /	¥ /	¥(34)	¥(34)

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, 2019 and March 31, 2019.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no Credit Derivative Instruments as of September 30, 2019 and March 31, 2019.

(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, 2019

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	¥ 665,000	¥ 345,000	¥ 3,278	\$ 6,161	\$ 3,196	\$ 30
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	8,947,029	7,772,580	(482,712)	82,896	72,015	(4,472)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	367,780	317,985	Note 3	3,407	2,946	Note 3
Total			¥ /	¥ /	¥(479,434)	\$ /	\$ /	\$(4,442)

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 fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with 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, 2019

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	¥ 905,000	¥ 465,000	¥ 3,273
	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Yen-denominated Securities, Deposits and Others	7,537,453	7,022,892	(193,036)
The Accrual Method	Interest Rate Swaps (Rec.: Flt.-Pay.: Fix.)	Loans and Bills Discounted, Yen-denominated Securities and Others	305,967	253,749	Note 3
Total			¥ /	¥ /	¥(189,763)

Notes: 1. Primarily, the Bank applies the deferral method of hedge accounting which is described in "Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks," issued by the Japanese Institute of Certified Public Accountants ("JICPA"), (JICPA Industry Audit Committee Report No. 24, 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 fair value of certain interest rate swaps which the accrual method of hedge accounting is applied, as specifically permitted for certain interest rate swaps, is not included in the table above as the hedging instruments are accounted for together with 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, 2019

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	¥16,967,357	¥9,407,356	¥40,424	\$157,207	\$87,161	\$374
	Forex Forward	Securities and Others	2,327,284	—	(4,911)	21,562	—	(45)
Total			¥ /	¥ /	¥35,513	\$ /	\$ /	\$329

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, 2019

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	¥17,402,560	¥10,065,496	¥(107,732)
	Forex Forward	Securities and Others	5,131,927	—	(15,154)
Total			¥ /	¥ /	¥(122,886)

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, 2019 and March 31, 2019.

Bond-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no Bond-Related Derivative Instruments as of September 30, 2019 and March 31, 2019.

17. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet (Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	September 30	March 31	September 30
	2019	2019	2019
Assets			
Cash and Due from Banks	¥ 21,625,236	¥ 18,906,686	\$200,363
Call Loans	607,379	44,368	5,627
Receivables under Resale Agreements	—	10,096	—
Monetary Claims Bought	310,887	326,079	2,880
Trading Assets	14,422	15,844	133
Money Held in Trust	6,997,384	8,666,524	64,832
Securities	55,547,345	55,751,186	514,660
Loans and Bills Discounted	18,989,907	18,438,032	175,946
Foreign Exchange Assets	226,258	327,003	2,096
Other Assets	1,870,131	1,409,538	17,327
Tangible Fixed Assets	113,015	115,914	1,047
Intangible Fixed Assets	48,643	45,435	450
Prepaid Pension Cost	31,895	28,574	295
Customers' Liabilities for Acceptances and Guarantees	146,312	140,063	1,355
Reserve for Possible Loan Losses	(47,359)	(46,861)	(438)
Reserve for Possible Investment Losses	(1,739)	(1,680)	(16)
Total Assets	¥106,479,721	¥104,176,806	\$986,562
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 66,139,655	¥ 66,821,541	\$612,801
Negotiable Certificates of Deposit	2,631,483	790,599	24,381
Debentures	1,015,292	1,262,239	9,406
Payables under Repurchase Agreements	15,617,369	15,111,297	144,699
Trading Liabilities	8,935	7,022	82
Borrowed Money	4,906,884	4,780,892	45,463
Foreign Exchange Liabilities	0	32	0
Short-term Entrusted Funds	2,166,311	1,048,091	20,071
Other Liabilities	5,477,073	6,276,796	50,746
Reserve for Bonus Payments	5,928	5,947	54
Reserve for Retirement Benefits	26,255	25,617	243
Reserve for Directors' Retirement Benefits	789	782	7
Deferred Tax Liabilities	645,369	515,400	5,979
Deferred Tax Liabilities for Land Revaluation	8,607	8,607	79
Acceptances and Guarantees	146,312	140,063	1,355
Total Liabilities	98,796,269	96,794,930	915,373
Net Assets			
Paid-in Capital	4,040,198	4,040,198	37,433
Capital Surplus	25,020	25,020	231
Retained Earnings	1,921,905	1,953,053	17,806
Total Owners' Equity	5,987,124	6,018,273	55,472
Net Unrealized Gains on Other Securities, net of taxes	2,021,595	1,501,099	18,730
Net Deferred Losses on Hedging Instruments, net of taxes	(339,580)	(151,808)	(3,146)
Revaluation Reserve for Land, net of taxes	14,312	14,312	132
Total Valuation and Translation Adjustments	1,696,327	1,363,602	15,716
Total Net Assets	7,683,452	7,381,875	71,189
Total Liabilities and Net Assets	¥106,479,721	¥104,176,806	\$986,562

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

For the six months ended September 30	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Income			
Interest Income:	¥646,309	¥685,206	\$5,988
Interest on Loans and Bills Discounted	58,148	50,069	538
Interest and Dividends on Securities	573,025	622,821	5,309
Fees and Commissions	8,815	7,006	81
Trading Income	85	296	0
Other Operating Income	72,801	92,795	674
Other Income	94,352	116,908	874
Total Income	822,364	902,212	7,619
Expenses			
Interest Expenses:	622,821	606,136	5,770
Interest on Deposits	69,025	62,466	639
Fees and Commissions	7,643	7,556	70
Trading Expenses	78	346	0
Other Operating Expenses	27,105	93,895	251
General and Administrative Expenses	71,365	74,480	661
Other Expenses	7,387	4,070	68
Total Expenses	736,401	786,484	6,822
Income before Income Taxes	85,963	115,728	796
Income Taxes — Current	16,229	19,766	150
Income Taxes — Deferred	1,011	9,378	9
Total Income Taxes	17,241	29,145	159
Net Income	¥ 68,721	¥ 86,582	\$ 636