

Financial Statements for the First Half of Fiscal 2020

Name : **The Norinchukin Bank**

(URL <https://www.nochubank.or.jp/>)

Name of the President: OKU Kazuto President & Chief Executive Officer

The Person Responsible for Inquiries : CHIBA Yuji, General Manager of Financial Planning & Control Division

(Note) Amounts less than one million Yen are rounded down.

1 Consolidated Financial Results for the First Half of Fiscal 2020 (for the six months ended September 30, 2020)

(1) Consolidated Results of Operations (Accumulated Period)

(Percentage represents change from the same period of the preceding year)

| | Ordinary Income | | Ordinary Profits | | Profit Attributable to Owners of Parent | |
|----------------|-----------------|--------|------------------|--------|---|--------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| 1H Fiscal 2020 | 592,268 | (28.7) | 86,911 | 1.0 | 65,506 | (3.9) |
| 1H Fiscal 2019 | 830,815 | (8.8) | 86,026 | (26.6) | 68,168 | (20.6) |

(Note) Comprehensive Income for 1H Fiscal 2020 847,403 millions of Yen 113.0 % for 1H Fiscal 2019 397,922 millions of Yen - %

(2) Consolidated Financial Conditions

| | Total Assets | Total Net Assets | Net Assets Ratio (Note) |
|----------------|-----------------|------------------|-------------------------|
| | Millions of Yen | Millions of Yen | % |
| 1H Fiscal 2020 | 106,746,476 | 8,033,150 | 7.5 |
| Fiscal 2019 | 105,482,009 | 7,261,673 | 6.9 |

(Ref) Net Assets - Non-controlling Interests for 1H Fiscal 2020 8,022,142 millions of Yen for Fiscal 2019 7,250,536 millions of Yen

(Note) Net Assets Ratio is computed by dividing (Net Assets - Non-controlling Interests) by Total Assets.

Net Assets Ratio above is not the one calculated on the formula found 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).

※ Notes

(1) Changes in Significant Subsidiaries during the Period

(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

- ① Changes in Accounting Policies due to revisions of Accounting Standards : None
- ② Changes in Accounting Policies other than ① above : None
- ③ Changes in Accounting Estimates : Yes
- ④ Restatements : None

(Note) The details are reported in "Changes in Accounting Estimates" (page 9).

2 Non-consolidated Financial Results for the First Half of Fiscal 2020

(for the six months ended September 30, 2020)

(1) Non-consolidated Results of Operations (Accumulated Period)

(Percentage represents change from the same period of the preceding year)

| | Ordinary Income | | Ordinary Profits | | Net Income | |
|----------------|-----------------|--------|------------------|--------|-----------------|--------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| 1H Fiscal 2020 | 585,337 | (28.7) | 91,850 | 8.8 | 72,471 | 5.5 |
| 1H Fiscal 2019 | 820,567 | (9.0) | 84,410 | (27.1) | 68,721 | (20.6) |

(2) Non-consolidated Financial Conditions

| | Total Assets | Total Net Assets | Net Assets Ratio (Note) |
|----------------|-----------------|------------------|-------------------------|
| | Millions of Yen | Millions of Yen | % |
| 1H Fiscal 2020 | 104,538,006 | 7,953,176 | 7.6 |
| Fiscal 2019 | 103,403,535 | 7,174,874 | 6.9 |

(Ref) Net Assets for 1H Fiscal 2020 7,953,176 millions of Yen for Fiscal 2019 7,174,874 millions of Yen

(Note) Net Assets Ratio is computed by dividing Net Assets by Total Assets.

Net Assets Ratio above is not the one calculated on the formula found 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).

※ This report is out of the scope of the external auditor's semi-annual audit procedure.

Qualitative Information

Qualitative information relating to the Financial Results for the First Half of Fiscal 2020

(1) Qualitative information relating to the Results of Operations

In the financial markets of the period, the long-term interest rates changed due to easy monetary policies of central banks in the world after the expansion of COVID-19. The stock prices in the period went up due to the easy monetary policies and expansion of fiscal expenditure. The Japanese Yen was getting stronger.

Under such environment, Consolidated Ordinary Profits were ¥86.9 billion, up ¥0.8 billion on a year-over-year basis and Profit Attributable to Owners of Parent was ¥65.5 billion, down ¥2.6 billion on a year-over-year basis.

The Norinchukin Bank (“the Bank”) has been managing operations to secure steady accumulation of interest income and the non-consolidated interest income of the Bank totaled to ¥113.3 billion, up ¥61.3 billion on a year-over-year basis.

The total credit costs were ¥46.0 billion in net losses mainly due to the provision of general reserve for possible loan losses.

As for securities investments, net gains/losses on sales were net gains of ¥20.4 billion, down ¥30.9 billion on a year-over-year basis and the expenses of provisions and impairments for price-decline of securities and other reasons increased by ¥6.6 billion to ¥7.0 billion on a year-over-year basis.

As a result, with all of the factors mentioned above, the Bank recorded ¥91.8 billion in Ordinary Profits, up ¥7.4 billion and ¥72.4 billion in Net Income, up ¥3.7 billion on a year-over-year basis, respectively. The Bank’s net operating profits stood at ¥16.0 billion.

(2) Qualitative information relating to the Financial Conditions

Consolidated Total Assets at the end of the period increased by ¥1,264.4 billion to ¥106,746.4 billion from the previous fiscal year-end.

Total Assets of the Bank at the end of the period increased by ¥1,134.4 billion to ¥104,538.0 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥778.3 billion to ¥7,953.1 billion from the previous fiscal year-end.

As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the period increased by ¥1,008.3 billion to ¥20,837.2 billion from the previous fiscal year-end, and Securities at the end of the period decreased by ¥4,148.4 billion to ¥50,545.8 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the period decreased by ¥240.4 billion to ¥65,415.5 billion, and Debentures at the end of the period decreased by ¥256.9 billion to ¥534.5 billion from the previous fiscal year-end, respectively.

(Note) All the amounts shown in this document are rounded down.

Consolidated Balance Sheet

(Millions of Yen)

| | Fiscal 2019 (As of March 31, 2020) | First Half of Fiscal 2020 (As of September 30, 2020) |
|---|---------------------------------------|---|
| (Assets) | | |
| Loans and Bills Discounted | 20,058,825 | 21,097,016 |
| Foreign Exchange Assets | 209,889 | 469,841 |
| Securities | 54,533,258 | 50,149,236 |
| Money Held in Trust | 5,996,681 | 10,230,150 |
| Trading Assets | 7,862 | 7,144 |
| Monetary Claims Bought | 301,081 | 224,734 |
| Call Loans and Bills Bought | 54,330 | 792,324 |
| Receivables under Resale Agreements | 13,048 | - |
| Cash and Due from Banks | 19,505,050 | 19,378,455 |
| Other Assets | 2,500,911 | 2,015,929 |
| Tangible Fixed Assets | 123,562 | 112,619 |
| Intangible Fixed Assets | 53,100 | 59,102 |
| Net Defined Benefit Asset | 58,213 | 58,637 |
| Deferred Tax Assets | 2,952 | 3,184 |
| Customers' Liabilities for Acceptances and Guarantees | 2,115,202 | 2,248,244 |
| Reserve for Possible Loan Losses | (51,587) | (100,002) |
| Reserve for Possible Investment Losses | (372) | (143) |
| Total Assets | 105,482,009 | 106,746,476 |
| (Liabilities) | | |
| Deposits | 65,639,097 | 65,397,009 |
| Negotiable Certificates of Deposit | 2,406,965 | 1,762,846 |
| Debentures | 784,446 | 528,021 |
| Trading Liabilities | 8,102 | 7,137 |
| Borrowed Money | 5,413,844 | 4,639,810 |
| Payables under Repurchase Agreements | 15,726,573 | 17,514,200 |
| Foreign Exchange Liabilities | 0 | 1 |
| Short-term Entrusted Funds | 792,594 | 1,889,751 |
| Other Liabilities | 4,824,601 | 4,077,141 |
| Reserve for Bonus Payments | 7,490 | 7,656 |
| Net Defined Benefit Liability | 38,841 | 38,550 |
| Reserve for Directors' Retirement Benefits | 1,425 | 1,323 |
| Deferred Tax Liabilities | 452,542 | 593,022 |
| Deferred Tax Liabilities for Land Revaluation | 8,607 | 8,607 |
| Acceptances and Guarantees | 2,115,202 | 2,248,244 |
| Total Liabilities | 98,220,336 | 98,713,326 |
| (Net Assets) | | |
| Paid-in Capital | 4,040,198 | 4,040,198 |
| Capital Surplus | 24,993 | 24,993 |
| Retained Earnings | 2,013,599 | 2,003,865 |
| Total Owners' Equity | 6,078,792 | 6,069,057 |
| Net Unrealized Gains on Other Securities | 1,701,619 | 2,466,332 |
| Net Deferred Losses on Hedging Instruments | (550,151) | (532,878) |
| Revaluation Reserve for Land | 14,312 | 14,312 |
| Foreign Currency Transaction Adjustments | (153) | (154) |
| Remeasurements of Defined Benefit Plans | 6,118 | 5,472 |
| Total Accumulated Other Comprehensive Income | 1,171,744 | 1,953,084 |
| Non-controlling Interests | 11,136 | 11,008 |
| Total Net Assets | 7,261,673 | 8,033,150 |
| Total Liabilities and Net Assets | 105,482,009 | 106,746,476 |

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

(Millions of Yen)

| | First Half of Fiscal 2019 (Six Months ended September 30, 2019) | First Half of Fiscal 2020 (Six Months ended September 30, 2020) |
|---|---|---|
| Ordinary Income | 830,815 | 592,268 |
| Interest Income | 643,796 | 431,003 |
| Interest on Loans and Bills Discounted | 62,933 | 50,967 |
| Interest and Dividends on Securities | 565,683 | 371,889 |
| Fees and Commissions | 16,701 | 15,341 |
| Trading Income | 85 | 323 |
| Other Operating Income | 75,130 | 39,287 |
| Other Ordinary Income | 95,102 | 106,313 |
| Ordinary Expenses | 744,789 | 505,357 |
| Interest Expenses | 622,894 | 342,366 |
| Interest on Deposits | 69,025 | 20,219 |
| Fees and Commissions | 9,077 | 9,385 |
| Trading Expenses | 78 | 1 |
| Other Operating Expenses | 27,411 | 28,911 |
| General and Administrative Expenses | 77,981 | 70,733 |
| Other Ordinary Expenses | 7,345 | 53,959 |
| Ordinary Profits | 86,026 | 86,911 |
| Extraordinary Profits | 1,796 | - |
| Extraordinary Losses | 274 | 183 |
| Income before Income Taxes | 87,548 | 86,728 |
| Income Taxes - Current | 17,643 | 180,183 |
| Income Taxes - Deferred | 1,001 | (159,504) |
| Total Income Taxes | 18,645 | 20,678 |
| Profit | 68,903 | 66,049 |
| Profit Attributable to Non-controlling Interests | 735 | 543 |
| Profit Attributable to Owners of Parent | 68,168 | 65,506 |

(2) Consolidated Statement of Comprehensive Income

(Millions of Yen)

| | First Half of Fiscal 2019 (Six Months ended September 30, 2019) | First Half of Fiscal 2020 (Six Months ended September 30, 2020) |
|---|---|---|
| Profit | 68,903 | 66,049 |
| Other Comprehensive Income | 329,018 | 781,353 |
| Net Unrealized Gains (Losses) on Other Securities | 520,493 | 763,692 |
| Net Deferred Gains (Losses) on Hedging Instruments | (189,968) | 17,272 |
| Foreign Currency Transaction Adjustments | (3) | 19 |
| Remeasurements of Defined Benefit Plans | (1,363) | (672) |
| Share of Other Comprehensive Income of Affiliates accounted for by the equity method | (139) | 1,042 |
| Total Comprehensive Income | 397,922 | 847,403 |
| Attributable to: | | |
| Owners of Parent | 397,184 | 846,846 |
| Non-controlling Interests | 737 | 557 |

Consolidated Statement of Capital Surplus and Retained Earnings

(Millions of Yen)

| | First Half of Fiscal 2019 (Six Months ended September 30, 2019) | First Half of Fiscal 2020 (Six Months ended September 30, 2020) |
|--|---|---|
| (Capital Surplus) | | |
| Balance at the Beginning of the Fiscal Year | 24,993 | 24,993 |
| Additions: | - | - |
| Deductions: | - | - |
| Balance at the End of the Period | 24,993 | 24,993 |
| (Retained Earnings) | | |
| Balance at the Beginning of the Fiscal Year | 2,021,435 | 2,013,599 |
| Additions: | 68,168 | 65,506 |
| Profit Attributable to Owners of Parent | 68,168 | 65,506 |
| Deductions: | 99,870 | 75,241 |
| Dividends | 99,870 | 75,241 |
| Balance at the End of the Period | 1,989,733 | 2,003,865 |

Consolidated Statement of Cash Flows

(Millions of Yen)

| | First Half of Fiscal 2019 (Six Months ended September 30, 2019) | First Half of Fiscal 2020 (Six Months ended September 30, 2020) |
|---|--|--|
| I Cash Flows from Operating Activities: | | |
| Income before Income Taxes | 87,548 | 86,728 |
| Depreciation | 9,613 | 11,558 |
| Equity in Losses (Earnings) of Affiliates | (2,560) | (2,224) |
| Net Increase (Decrease) in Reserve for Possible Loan Losses | 572 | 48,432 |
| Net Increase (Decrease) in Reserve for Possible Investment Losses | (24) | (229) |
| Net Increase (Decrease) in Reserve for Bonus Payments | (13) | 166 |
| Net Decrease (Increase) in Net Defined Benefit Asset | (326) | (424) |
| Net Increase (Decrease) in Net Defined Benefit Liability | (410) | (290) |
| Net Increase (Decrease) in Reserve for Directors' Retirement Benefits | (5) | (102) |
| Interest Income | (643,796) | (431,003) |
| Interest Expenses | 622,894 | 342,366 |
| Losses (Gains) on Securities | (68,282) | (20,977) |
| Losses (Gains) on Money Held in Trust | (30,007) | (20,080) |
| Foreign Exchange Losses (Gains) | 1,415,961 | 156,473 |
| Losses (Gains) on Disposal of Fixed Assets | (1,522) | 183 |
| Net Decrease (Increase) in Trading Assets | 1,422 | 718 |
| Net Increase (Decrease) in Trading Liabilities | 1,913 | (965) |
| Net Decrease (Increase) in Loans and Bills Discounted | (590,123) | (1,016,977) |
| Net Increase (Decrease) in Deposits | (681,251) | (242,087) |
| Net Increase (Decrease) in Negotiable Certificates of Deposit | 1,840,884 | (644,119) |
| Net Increase (Decrease) in Debentures | (246,446) | (256,424) |
| Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money) | 134,022 | (795,744) |
| Net Decrease (Increase) in Interest-bearing Due from Banks | 324,562 | 648,678 |
| Net Decrease (Increase) in Call Loans and Bills Bought and Other | (537,708) | (648,595) |
| Net Increase (Decrease) in Call Money and Bills Sold and Other | 506,072 | 1,787,627 |
| Net Increase (Decrease) in Short-term Entrusted Funds | 1,118,220 | 1,097,157 |
| Net Decrease (Increase) in Foreign Exchange Assets | 100,678 | (259,951) |
| Net Increase (Decrease) in Foreign Exchange Liabilities | (32) | 0 |
| Interest Received | 640,991 | 476,873 |
| Interest Paid | (451,747) | (216,597) |
| Other, Net | (524,981) | 176,554 |
| Subtotal | 3,026,117 | 276,721 |
| Income Taxes (Paid) Refunded | 5,009 | (19,022) |
| Net Cash Provided by (Used in) Operating Activities | 3,031,127 | 257,699 |
| II Cash Flows from Investing Activities: | | |
| Purchases of Securities | (4,994,147) | (6,276,898) |
| Proceeds from Sales of Securities | 941,690 | 1,105,738 |
| Proceeds from Redemption of Securities | 3,518,033 | 5,072,229 |
| Increase in Money Held in Trust | (443,887) | (448) |
| Decrease in Money Held in Trust | 1,096,902 | 443,475 |
| Purchases of Tangible Fixed Assets | (327) | (572) |
| Purchases of Intangible Fixed Assets | (7,543) | (3,418) |
| Proceeds from Sales of Tangible Fixed Assets | 2,384 | - |
| Net Cash Provided by (Used in) Investing Activities | 113,105 | 340,105 |
| III Cash Flows from Financing Activities: | | |
| Dividends Paid | (99,870) | (75,241) |
| Dividends Paid to Non-controlling Shareholders | (638) | (685) |
| Net Cash Provided by (Used in) Financing Activities | (100,508) | (75,926) |
| IV Effect of Exchange Rate Changes on Cash and Cash Equivalents | (553) | (223) |
| V Net Increase (Decrease) in Cash and Cash Equivalents | 3,043,169 | 521,655 |
| VI Cash and Cash Equivalents at the Beginning of the Fiscal Year | 18,330,229 | 18,491,970 |
| VII Cash and Cash Equivalents at the End of the Period | 21,373,399 | 19,013,625 |

Amounts less than one million yen are rounded down.

Notes to Accounting Policies

Consolidated Financial Statements are under Japanese GAAP (Generally Accepted Accounting Policies).

Notes to Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None.

(Change in Accounting Estimates)

The Bank had estimated Reserve for Possible Loan Losses based on long-term averages of the historical loan-loss ratios. In accordance with “JFSA's supervisory approaches to lending business and loan loss provisioning” (Financial Services Agency, December 18th 2019), the Bank has prepared methodology and setup by which the Bank reflects the risks identified by future forecasts on estimation of Reserve for Possible Loan Losses. The Bank's objective of the preparation is to stably contribute to financial intermediation regardless of economic fluctuation and other factors resulting from various risks such as the expansion of COVID-19.

The Bank has changed the methodology of estimating Reserve for Possible Loan Losses since this consolidated accounting period because the Bank has been able to reasonably make an estimate which reflects the risks more properly on Reserve for Possible Loan Losses before the risks identified by future forecasts are actually recognized as loan losses.

Not only considering possibility of each scenario based upon current situation in economic cycle and an outlook for future through macroeconomic indicators highly correlated to historical records of loan losses and the Bank's outlook for economic fluctuation but referring to the historical records of loan losses, the Bank accounts Reserve for Possible Loan Losses.

According to the change in accounting estimates, Reserve for Possible Loan Losses in the consolidated accounting period increased by ¥35,773 million, and both Ordinary Profits and Income before Income Taxes in the consolidated accounting period decreased by ¥35,773 million.

Considering the outlook including the effect of COVID-19, the Bank sets the main scenario that the economic activity would be gradually recovering in and after the latter of 2020. Although the Bank's assumptions for Reserve for Possible Loan Losses are the best estimates at the moment, the assumptions would be still remain uncertain.

Due to this uncertainty, Reserve for Possible Loan Losses from the third quarter of the consolidated fiscal year 2020 could vary depending on the situation on COVID-19.

(Securities)

Information relating to Securities is provided as below. The Securities include negotiable certificates of deposit in Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought.

1. Held-to-Maturity Debt Securities (as of September 30, 2020)

(Millions of Yen)

| | Type | Consolidated Balance Sheet Amount | Fair Value | Difference |
|---|----------------------------|-----------------------------------|------------|------------|
| Transactions for Fair Value exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds | 4,109,152 | 4,139,115 | 29,962 |
| | Municipal Government Bonds | - | - | - |
| | Corporate Bonds | 1,462 | 1,471 | 9 |
| | Other | 3,572,753 | 3,603,076 | 30,322 |
| | Foreign Bonds | 3,491,939 | 3,522,090 | 30,150 |
| | Other | 80,814 | 80,986 | 172 |
| | Subtotal | 7,683,368 | 7,743,664 | 60,295 |
| Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds | - | - | - |
| | Municipal Government Bonds | - | - | - |
| | Corporate Bonds | - | - | - |
| | Other | 6,928,625 | 6,886,124 | (42,501) |
| | Foreign Bonds | 6,786,435 | 6,743,994 | (42,441) |
| | Other | 142,189 | 142,129 | (59) |
| | Subtotal | 6,928,625 | 6,886,124 | (42,501) |
| Total | | 14,611,994 | 14,629,788 | 17,793 |

2. Other Securities (as of September 30, 2020)

(Millions of Yen)

| | Type | Consolidated Balance Sheet Amount | Acquisition Cost | Difference |
|---|----------------------------|-----------------------------------|------------------|------------|
| Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost | Stocks | 614,751 | 217,715 | 397,036 |
| | Bonds | 6,992,852 | 6,781,642 | 211,209 |
| | Japanese Government Bonds | 6,781,763 | 6,570,710 | 211,052 |
| | Municipal Government Bonds | 43,253 | 43,238 | 14 |
| | Corporate Bonds | 167,836 | 167,693 | 142 |
| | Other | 22,231,479 | 20,153,420 | 2,078,058 |
| | Foreign Bonds | 17,618,316 | 16,337,205 | 1,281,111 |
| | Foreign Stocks | 11,784 | 7,349 | 4,435 |
| | Investment Trusts | 4,593,298 | 3,800,793 | 792,505 |
| | Other | 8,078 | 8,071 | 7 |
| | Subtotal | 29,839,083 | 27,152,778 | 2,686,305 |
| Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost | Stocks | 37,105 | 45,705 | (8,599) |
| | Bonds | 2,296,608 | 2,319,627 | (23,018) |
| | Japanese Government Bonds | 883,783 | 902,788 | (19,005) |
| | Municipal Government Bonds | 153,307 | 154,789 | (1,481) |
| | Corporate Bonds | 1,259,518 | 1,262,050 | (2,531) |
| | Other | 2,759,443 | 2,839,248 | (79,804) |
| | Foreign Bonds | 268,500 | 271,776 | (3,276) |
| | Foreign Stocks | - | - | - |
| | Investment Trusts | 2,485,652 | 2,562,181 | (76,528) |
| | Other | 5,290 | 5,290 | (0) |
| | Subtotal | 5,093,158 | 5,204,581 | (111,422) |
| Total | 34,932,242 | 32,357,359 | 2,574,882 | |

3. Securities Recognized for Revaluation Loss

Securities other than those for trading purposes and stocks with no market prices and investments in partnership and others, 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 period (“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 period was ¥6,695 million, including ¥6,590 million on Investment Trusts and ¥105 million 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

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2020)

The Bank and its consolidated subsidiaries held no held-to-maturity money held in trust.

2. Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held-to-maturity) (as of September 30, 2020)

| | | | | (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 |
| Other Money Held in Trust | 10,230,150 | 9,474,858 | 755,291 | 770,607 | 15,315 |

(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.”

(Segment Information)

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(Per Share Information)

Net Assets per Share at the end of the period was ¥1,027.75 (Non-controlling Interests and the residual assets for the holders of lower dividend rate stocks and preferred stocks are deducted from the numerator, and the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Profit Attributable to Owners of Parent per Share for the period was ¥15.38 (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.)

(Significant Subsequent Events)

None.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of Yen)

| | Fiscal 2019 (As of March 31, 2020) | First Half of Fiscal 2020 (As of September 30, 2020) |
|--|---------------------------------------|---|
| (Assets) | | |
| Loans and Bills Discounted | 19,828,858 | 20,837,235 |
| Foreign Exchange Assets | 189,851 | 234,388 |
| Securities | 54,694,312 | 50,545,856 |
| Money Held in Trust | 5,996,009 | 10,229,365 |
| Trading Assets | 7,862 | 7,144 |
| Monetary Claims Bought | 301,081 | 224,734 |
| Call Loans | 54,330 | 792,324 |
| Receivables under Resale Agreements | 13,048 | - |
| Cash and Due from Banks | 19,458,993 | 19,330,370 |
| Other Assets | 2,475,961 | 2,009,077 |
| Tangible Fixed Assets | 122,233 | 111,339 |
| Intangible Fixed Assets | 49,375 | 55,674 |
| Prepaid Pension Cost | 35,568 | 38,331 |
| Customers' Liabilities for Acceptances and Guarantees | 226,965 | 218,759 |
| Reserve for Possible Loan Losses | (49,181) | (94,865) |
| Reserve for Possible Investment Losses | (1,734) | (1,730) |
| Total Assets | 103,403,535 | 104,538,006 |
| (Liabilities) | | |
| Deposits | 65,656,007 | 65,415,519 |
| Negotiable Certificates of Deposit | 2,406,965 | 1,762,846 |
| Debentures | 791,446 | 534,521 |
| Trading Liabilities | 8,102 | 7,137 |
| Borrowed Money | 5,357,344 | 4,583,309 |
| Payables under Repurchase Agreements | 15,726,573 | 17,514,200 |
| Foreign Exchange Liabilities | 0 | 1 |
| Short-term Entrusted Funds | 792,594 | 1,889,751 |
| Other Liabilities | 4,773,113 | 4,027,386 |
| Reserve for Bonus Payments | 5,877 | 5,995 |
| Reserve for Retirement Benefits | 23,124 | 24,264 |
| Reserve for Directors' Retirement Benefits | 925 | 887 |
| Deferred Tax Liabilities | 451,012 | 591,638 |
| Deferred Tax Liabilities for Land Revaluation | 8,607 | 8,607 |
| Acceptances and Guarantees | 226,965 | 218,759 |
| Total Liabilities | 96,228,661 | 96,584,829 |
| (Net Assets) | | |
| Paid-in Capital | 4,040,198 | 4,040,198 |
| Common Stock | 4,015,198 | 4,015,198 |
| (including Lower Dividend Rate Stock) | 3,589,481 | 3,589,481 |
| Preferred Stock | 24,999 | 24,999 |
| Capital Surplus | 25,020 | 25,020 |
| Capital Surplus Reserve | 24,999 | 24,999 |
| Other Capital Surplus | 20 | 20 |
| Retained Earnings | 1,942,649 | 1,939,880 |
| Legal Reserves | 755,766 | 773,666 |
| Voluntary Reserves | 1,186,883 | 1,166,214 |
| Special Reserves | 323,700 | 333,744 |
| General Reserves | 559,403 | 559,403 |
| Reserve for Tax Basis Adjustments of Fixed Assets | 7,030 | 6,930 |
| Others | 7 | 7 |
| Unappropriated Retained Earnings | 296,741 | 266,127 |
| Total Owners' Equity | 6,007,868 | 6,005,099 |
| Net Unrealized Gains on Other Securities, net of taxes | 1,700,265 | 2,463,921 |
| Net Deferred Losses on Hedging Instruments, net of taxes | (547,571) | (530,156) |
| Revaluation Reserve for Land, net of taxes | 14,312 | 14,312 |
| Total Valuation and Translation Adjustments | 1,167,005 | 1,948,077 |
| Total Net Assets | 7,174,874 | 7,953,176 |
| Total Liabilities and Net Assets | 103,403,535 | 104,538,006 |

Non-consolidated Statement of Operations

(Millions of Yen)

| | First Half of Fiscal 2019 (Six Months ended September 30, 2019) | First Half of Fiscal 2020 (Six Months ended September 30, 2020) |
|---|---|---|
| Ordinary Income | 820,567 | 585,337 |
| Interest Income | 646,309 | 436,553 |
| Interest on Loans and Bills Discounted | 58,148 | 44,423 |
| Interest and Dividends on Securities | 573,025 | 383,987 |
| Fees and Commissions | 8,815 | 7,798 |
| Trading Income | 85 | 323 |
| Other Operating Income | 72,801 | 36,732 |
| Other Ordinary Income | 92,555 | 103,929 |
| Ordinary Expenses | 736,157 | 493,486 |
| Interest Expenses | 622,821 | 342,274 |
| Interest on Deposits | 69,025 | 20,219 |
| Fees and Commissions | 7,643 | 8,478 |
| Trading Expenses | 78 | 1 |
| Other Operating Expenses | 27,105 | 28,603 |
| General and Administrative Expenses | 71,365 | 63,078 |
| Other Ordinary Expenses | 7,143 | 51,050 |
| Ordinary Profits | 84,410 | 91,850 |
| Extraordinary Profits | 1,796 | - |
| Extraordinary Losses | 243 | 167 |
| Income before Income Taxes | 85,963 | 91,683 |
| Income Taxes - Current | 16,229 | 178,645 |
| Income Taxes - Deferred | 1,011 | (159,434) |
| Total Income Taxes | 17,241 | 19,211 |
| Net Income | 68,721 | 72,471 |
| Unappropriated Retained Earnings Brought Forward | 207,276 | 193,655 |
| Unappropriated Retained Earnings | 275,997 | 266,127 |