November 19, 2010

Financial Statements for the First Half of Fiscal 2010

Name： **The Norinchukin Bank**
(URL http://www.nochubank.or.jp/)
Name of the President: Yoshio Kono, President & Chief Executive Officer
The Person Responsible for Inquiries： Noritsugu Sato, 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 2010 (for the period ended September 30, 2010)

(1) Consolidated Results of Operations

(Percentage represents change from the previous period)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2010	578,123	(22.0)	104,142	(6.3)	82,986	38.1
1H Fiscal 2009	741,118	(21.8)	111,143	452.5	60,078	674.7

(2) Consolidated Financial Conditions

*Consolidated BIS Capital Adequacy Ratio as of September 30, 2010 is preliminary.

	Total Assets	Total Net Assets	Net Assets Ratio (Note 1)	Consolidated BIS Capital Adequacy Ratio (Note 2)
	Millions of Yen	Millions of Yen	%	%
1H Fiscal 2010	70,763,330	4,230,221	6.0	21.74
Fiscal 2009	68,676,723	3,956,092	5.8	19.21

(Ref) Net Assets － Minority Interests for 1H Fiscal 2010 4,224,398 millions of Yen for Fiscal 2009 3,950,244 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing (Net Assets － Minority Interests) by the Total Assets.

(Note 2) The calculation of the Norinchukin Bank's Consolidated BIS Capital Adequacy Ratio is based 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).

2. Others (Please refer to Chapter 2: “Other Information” in Qualitative Information section on page 4 for details)

(1) Changes in the Scope of Consolidation (Significant Subsidiaries) in the period : None

(Note) This item shows whether there are changes of specified subsidiaries in the period, which leads to the change of scope of consolidation.

(2) Changes in Accounting Principles, Methods or Presentations of Consolidated Financial Statements

① Changes due to revisions of Accounting Standards: None
② Changes other than ① above : None

(Note) This item shows whether there are changes in accounting principle and methods, and presentations, for the preparation of semi-annual financial statements for the period to be described in ”Changes of material and base items for the preparation of semi-annual financial statements”.

3. Non-consolidated Financial Results for the First Half of Fiscal 2010 (for the period ended September 30, 2010)

(1) Non-consolidated Results of Operations

(Percentage represents change from the previous period)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1H Fiscal 2010	570,448	(22.3)	103,925	(7.3)	83,425	34.8
1H Fiscal 2009	734,097	(22.0)	112,061	444.3	61,874	490.8

(2) Non-consolidated Financial Conditions

*Consolidated BIS Capital Adequacy Ratio as of September 30, 2010 is preliminary.

	Total Assets	Total Net Assets	Net Assets Ratio (Note 1)	Non-Consolidated BIS Capital Adequacy Ratio (Note 2)
	Millions of Yen	Millions of Yen	%	%
1H Fiscal 2010	70,495,085	4,206,835	6.0	21.85
Fiscal 2009	68,470,391	3,931,677	5.7	19.26

(Ref) Net Assets for 1H Fiscal 2010 4,206,835 millions of Yen for Fiscal 2009 3,931,677 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing the Net Assets by the Total Assets.

(Note 2) The calculation of the Norinchukin Bank's Non-Consolidated BIS Capital Adequacy Ratio is based 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).

Note on the implementation status of the Semi-annual Audit Procedure

This report is out of the scope of the external auditor's semi-annual audit procedure. The procedure of the semi-annual audit which is implemented on a voluntary basis on the consolidated and non-consolidated financial statements for the period was completed as of the disclosure date.

Qualitative Information

1 The Qualitative Information on the Financial Results for the First Half of Fiscal 2010

(1) The qualitative information on the Bank's financial results of operations for the period

The Norinchukin Bank ("the Bank") established and is carrying out a set of new business strategies, referred to as "The Business Renewal Plan (FY2009-FY2012)". The plan is based on three pillars: First, "Financial Restoration which Enables the Stable Distribution of Profits"; Second, "Enhancement of its Role as the Central Organization for the Cooperative System"; Third, "Bank-initiated Reform Efforts to Curtail Management Costs".

At the end of the first half of the fiscal year 2010, the Bank successfully achieved the period's target again as planned in both securing profits and recovery of financial soundness by carrying out the fiscal operational policies aiming at the delivery of steady earnings.

During the first half of the fiscal year 2010, while the world economy, as a whole, could enjoy gradual recovery driven by robust economical growth of the emerging nations, the fiscal problems in Europe as well as the surge of Japanese Yen clouded the general business sentiment.

Despite harsh earnings environment, the Bank has accumulated interest income steadily under the conservative financial management, and interest income of the Bank summed up to ¥104.5 billion, up ¥44.6 billion on a year-over-year basis. The results of total credit cost improved by ¥118.5 billion to ¥11.9 billion in the reversal from the reserve on a year-over-year basis due to the stable business environment. As for the net results on securities business, net gains on sales decreased by ¥98.6 billion to ¥26.4 billion on a year-over-year basis while the impairment expenses against declining price of the holding securities increased by ¥25.9 billion to ¥68.2 billion on a year-over-year basis. As a result, with all of the factors mentioned above, the Bank records ¥103.9 billion in Ordinary Profits, down ¥8.1 billion on a year-over-year basis and ¥83.4 billion in Net Income, up ¥21.5 billion on a year-over-year basis. Both the Bank's net operating profits and the real net operating profits (before provision of general reserve for possible loan losses) stood at ¥38.8 billion.

(2) The qualitative information on the Bank's financial conditions for the period

Total Assets of the Bank at the end of the period increased by ¥2,024.6billion to ¥70,495.0 billion from the previous fiscal year-end. Total Net Assets at the end of the first half of the fiscal year increased by ¥275.1 billion to ¥4,206.8 billion from the previous fiscal year-end.

As to the balance of the major accounts on the asset side, Loans and Bills Discounted at the end of the first half of the fiscal year decreased by ¥647.6 billion to ¥12,390.3 billion from the previous fiscal year-end; Securities at the end of the first half of the fiscal year increased by ¥2,046.8 billion to ¥46,060.5 billion from the previous fiscal year-end. For those on the liability side, Deposits at the end of the first half of the fiscal year increased by ¥456.9 billion to ¥39,565.7 billion and Debentures at the end of the first half of the fiscal year decreased by ¥35.5 billion to ¥5,576.2 billion from the previous fiscal year-end respectively.

The Bank's non-consolidated shares in the consolidated financial statements are extremely high.

Consolidated Total Assets at the end of the first half of the fiscal year increased by ¥2,086.6 billion to ¥70,763.3 billion from the previous fiscal year-end. Consolidated Ordinary Profits for the period were ¥104.1 billion, down ¥7.0 billion on a year-over-year basis and consolidated Net Income for the period was ¥82.9 billion, up ¥22.9 billion on a year-over-year basis.

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

2 Other Information

(1) Changes in the scope of consolidation (significant subsidiaries) in the period
None

(2) Summary of the changes in accounting principles, methods or presentations of consolidated financial statements
None

(3) Outline of material matters regarding the going concern assumption
None

Capital Adequacy Ratio

○ Non-Consolidated BIS Capital Adequacy Ratio (100 Millions of Yen)

(Amounts less than 100 million yen are rounded down)

	Fisrst Half of Fiscal 2010 (preliminary)	Fiscal 2009	Change
BIS Capital Adequacy Ratio (%)	21.85	19.26	2.59
Tier I Ratio (%)	16.09	13.88	2.21
Total Capital	55,676	52,605	3,071
Total Tier I Capital	41,008	37,908	3,099
Total Capital Requirements	20,376	21,846	(1,469)
Risk Weighted Assets	254,711	273,075	(18,364)

○ Consolidated BIS Capital Adequacy Ratio (100 Millions of Yen)

(Amounts less than 100 million yen are rounded down)

	Fisrst Half of Fiscal 2010 (preliminary)	Fiscal 2009	Change
BIS Capital Adequacy Ratio (%)	21.74	19.21	2.52
Tier I Ratio (%)	16.19	14.01	2.18
Total Capital	55,349	52,286	3,063
Total Tier I Capital	41,219	38,129	3,089
Total Capital Requirements	20,365	21,768	(1,403)
Risk Weighted Assets	254,566	272,111	(17,544)

List of Group Companies

（As of September 30, 2010）

Company Name	Address	Nature of Business	Date of Establishment	Capital Percentage of Voting Rights (%)
The Norinchukin Trust & Banking Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Trust & Banking	August 17, 1995	¥20,000 million 100.00
Kyodo Seminar Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Training	May 25, 1981	¥20 million 100.00
Norinchukin Research Institute Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Research	March 25, 1986	¥300 million 100.00
Nochu Business Support Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Various Operations, Talent Provider on behalf of The Norinchukin Bank	August 18, 1998	¥100 million 100.00
Kyodo Housing Loan Co., Ltd.	15-3, Chuocho 1-chome, Meguro-ku, Tokyo, Japan	Mortgage Loans	August 10, 1979	¥10,500 million 91.52
Nochu Information System Co., Ltd.	5-3, Musashino 3-chome, Akishima-City, Tokyo, Japan	System Development & Maintenance	May 29, 1981	¥100 million 90.00
Norinchukin-Zenkyoren Asset Management Co., Ltd.	7-12, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Asset management & Investment Advice	September 28, 1993	¥1,920 million 50.91
Ant Capital Partners Co., Ltd.	2-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Private Equity Investments & Fund Management	October 23, 2000	¥3,086 million 38.00
The Cooperative Servicing Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Management and Collection of Non-Performing Loans	April 11, 2001	¥500 million 37.96
JA MITSUI LEASING, LTD.	10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo, Japan	Leasing Business	April 1, 2008	¥32,000 million 28.48
Private Equity Funds Research and Investments Co., Ltd.	7-9, Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan	Private Equity Fund Ratings, Investment Management	October 19, 2007	¥1,000 million 30.00 (5.00)
The Agribusiness Investment & Consultation Co., Ltd.	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo, Japan	Investment consultation to the Agricultural Companies	October 24, 2002	¥4,070 million 19.97
Mitsubishi UFJ NICOS Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo, Japan	Credit Card Business	June 7, 1951	¥109,312 million 15.01
Daiichi Life Norinchukin Building Management Co., Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Building Maintenance	April 1, 1993	¥10 million 27.00
Norinchukin Finance (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Issuances of Subordinated Bonds, Borrowing of Subordinated Loans	August 30, 2006	US $50,000 100.00

(Notes)
Figure in parentheses ( ) in the voting rights column indicate voting rights held indirectly via subsidiaries.

Consolidated Financial Statements

Principles of Consolidated Financial Statements

1 Scope of Consolidation

(1) Consolidated subsidiaries 8 companies

Names of principal companies:

The Norinchukin Trust & Banking Co., Ltd.

Kyodo Housing Loan Co., Ltd.

(2) Unconsolidated subsidiaries 0 companies

2 Application of the Equity Method

(1) Affiliates which were accounted for by the equity method 6 companies

Names of principal companies:

Mitsubishi UFJ NICOS Co., Ltd.

JA MITSUI LEASING, LTD.

Goodwill is amortized using the straight-line method over 20 years.

(2) Affiliates which were not accounted for by the equity method 1 company

Name of the company:

Daiichi Life Norinchukin Building Management Co., Ltd.

The equity method was not applied to the affiliate, since the impact of the affiliate on the consolidated financial statements was not material in terms of Net Income, Retained Earnings and Net Deferred Gains on Hedging Instruments, net of taxes.

3 The First Half of the Fiscal Year of Consolidated Subsidiaries

(1) The number of consolidated subsidiaries and their closing date of the first half of the fiscal year are as follows:

Closing date: September 30, 2010 Number of subsidiaries: 8

(2) Consolidated subsidiaries were consolidated based on their financial statements as of their respective closing dates.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	First Half of Fiscal 2009 (As of September 30, 2009)	First Half of Fiscal 2010 (As of September 30, 2010)	Fiscal 2009 (As of March 31, 2010)
(Assets)			
Loans and Bills Discounted	**11,876,853**	**12,470,978**	**13,097,635**
Foreign Exchange Assets	**48,560**	**51,352**	**12,925**
Securities	**43,164,884**	**46,045,009**	**43,994,790**
Money Held in Trust	**7,283,539**	**7,999,279**	**6,556,615**
Trading Assets	**14,723**	**24,046**	**13,054**
Monetary Claims Bought	**581,443**	**398,049**	**490,182**
Call Loans and Bills Bought	**1,535,386**	**1,078,211**	**1,336,137**
Receivables under Securities Borrowing Transactions	**821,491**	**427,377**	**-**
Cash and Due from Banks	**1,443,361**	**1,020,547**	**2,195,337**
Other Assets	**1,026,506**	**703,031**	**384,535**
Tangible Fixed Assets	**147,673**	**140,159**	**143,169**
Intangible Fixed Assets	**49,845**	**53,812**	**54,310**
Deferred Tax Assets	**244,349**	**117,681**	**204,530**
Customers' Liabilities for Acceptances and Guarantees	**460,324**	**529,608**	**502,932**
Reserve for Possible Loan Losses	**(299,469)**	**(286,151)**	**(303,340)**
Reserve for Possible Investment Losses	**-**	**(9,663)**	**(6,094)**
Total Assets	**68,399,475**	**70,763,330**	**68,676,723**
(Liabilities)			
Deposits	**38,208,547**	**39,558,573**	**39,101,635**
Negotiable Certificates of Deposit	**558,269**	**672,377**	**702,799**
Debentures	**5,437,668**	**5,569,759**	**5,605,767**
Bonds	**274,954**	**250,165**	**265,806**
Trading Liabilities	**12,500**	**15,738**	**12,576**
Borrowed Money	**3,509,307**	**1,805,407**	**2,043,307**
Call Money and Bills Sold	**684,000**	**583,638**	**948,151**
Payables under Repurchase Agreements	**8,748,175**	**8,533,702**	**9,667,031**
Payables under Securities Lending Transactions	**154,075**	**479,182**	**98,543**
Foreign Exchange Liabilities	**6**	**0**	**1**
Short-term Entrusted Funds	**4,777,871**	**5,457,886**	**4,277,171**
Other Liabilities	**2,006,485**	**3,050,533**	**1,469,168**
Reserve for Bonus Payments	**4,645**	**4,465**	**4,519**
Reserve for Employees' Retirement Benefits	**840**	**2,777**	**1,783**
Reserve for Directors' Retirement Benefits	**862**	**854**	**994**
Deferred Tax Liabilities for Land Revaluation	**18,701**	**18,434**	**18,439**
Acceptances and Guarantees	**460,324**	**529,608**	**502,932**
Total Liabilities	**64,857,236**	**66,533,108**	**64,720,631**
(Net Assets)			
Paid-in Capital	**3,425,909**	**3,425,909**	**3,425,909**
Capital Surplus	**25,020**	**25,020**	**25,020**
Retained Earnings	**863,861**	**920,446**	**837,448**
Treasury Preferred Stock	**(150)**	**(150)**	**(150)**
Total Owners' Equity	**4,314,641**	**4,371,226**	**4,288,228**
Net Unrealized Losses on Other Securities, net of taxes	**(869,581)**	**(205,048)**	**(406,850)**
Net Deferred Gains on Hedging Instruments, net of taxes	**58,895**	**26,300**	**36,923**
Revaluation Reserve for Land, net of taxes	**32,547**	**31,957**	**31,968**
Foreign Currency Transaction Adjustments	**(30)**	**(38)**	**(26)**
Total Valuation and Translation Adjustments	**(778,169)**	**(146,828)**	**(337,984)**
Minority Interests	**5,766**	**5,823**	**5,847**
Total Net Assets	**3,542,239**	**4,230,221**	**3,956,092**
Total Liabilities and Net Assets	**68,399,475**	**70,763,330**	**68,676,723**

Consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2009 (Six Months ended September 30, 2009)	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	Fiscal 2009 (Year ended March 31, 2010)
Ordinary Income	**741,118**	**578,123**	**1,268,037**
Interest Income	383,245	364,030	719,196
Interest on Loans and Bills Discounted	53,035	46,428	102,854
Interest and Dividends on Securities	310,641	302,999	566,640
Fees and Commissions	8,056	9,879	16,964
Trading Income	99	274	106
Other Operating Income	176,974	79,257	247,406
Other Ordinary Income	172,743	124,682	284,363
Ordinary Expenses	**629,974**	**473,981**	**1,191,416**
Interest Expenses	355,740	281,637	648,014
Interest on Deposits	70,065	29,839	110,857
Fees and Commissions	6,863	5,294	10,745
Trading Expenses	719	31	776
Other Operating Expenses	84,280	96,010	173,725
General and Administrative Expenses	60,064	54,203	114,880
Other Ordinary Expenses	122,306	36,803	243,275
Ordinary Profits	**111,143**	**104,142**	**76,620**
Extraordinary Profits	**854**	**13,096**	**2,523**
Extraordinary Losses	**944**	**388**	**3,478**
Income before Income Taxes and Minority Interests	**111,053**	**116,849**	**75,664**
Income Taxes - Current	**18,374**	**34,148**	**6,477**
Income Taxes - Deferred	**32,575**	**(288)**	**36,000**
Total Income Taxes	**50,950**	**33,859**	**42,478**
Income before Minority Interests		**82,989**	
Minority Interests in Net Income	**24**	**3**	**98**
Net Income	**60,078**	**82,986**	**33,087**

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

	First Half of Fiscal 2009 (Six Months ended September 30, 2009)	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	Fiscal 2009 (Year ended March 31, 2010)
(Capital Surplus)			
Balance at the Beginning of the Fiscal Year	**25,020**	**25,020**	**25,020**
Additions:	**-**	**-**	**-**
Deductions:	**-**	**-**	**-**
Balance at the End of the Period	**25,020**	**25,020**	**25,020**
(Retained Earnings)			
Balance at the Beginning of the Fiscal Year	**803,522**	**837,448**	**803,522**
Additions:	**60,339**	**82,997**	**33,926**
Net Income	60,078	82,986	33,087
Transfer from Revaluation Reserve for Land, net of taxes	260	11	838
Deductions:	**-**	**-**	**-**
Balance at the End of the Period	**863,861**	**920,446**	**837,448**

Consolidated Statements of Cash Flows

(Millions of Yen)

	First Half of Fiscal 2009 (Six Months ended September 30, 2009)	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	Fiscal 2009 (Year ended March 31, 2010)
Ⅰ Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	111,053	116,849	75,664
Depreciation	4,555	6,756	10,031
Losses on Impairment of Fixed Assets	773	144	2,570
Equity in Losses (Earnings) of Affiliates	2,916	(2,348)	48,202
Net Increase (Decrease) in Reserve for Possible Loan Losses	98,124	(17,188)	101,995
Net Increase (Decrease) in Reserve for Possible Investment Losses	-	3,569	6,094
Net Increase (Decrease) in Reserve for Bonus Payments	37	(54)	(88)
Net Increase (Decrease) in Reserve for Employees' Retirement Benefits	(80)	993	862
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	23	(139)	155
Interest Income	(383,245)	(364,030)	(719,196)
Interest Expenses	355,740	281,637	648,014
Losses (Gains) on Securities	(88,562)	(12,748)	(72,021)
Losses (Gains) on Money Held in Trust	(61,107)	(19,373)	6,195
Foreign Exchange Losses (Gains)	1,957,405	2,653,942	1,490,696
Losses (Gains) on Disposals of Fixed Assets	70	175	691
Net Decrease (Increase) in Trading Assets	10,119	(10,992)	11,787
Net Increase (Decrease) in Trading Liabilities	(1,225)	3,162	(1,149)
Net Decrease (Increase) in Loans and Bills Discounted	(854,161)	626,657	(2,074,942)
Net Increase (Decrease) in Deposits	715,728	456,938	1,608,816
Net Increase (Decrease) in Negotiable Certificates of Deposit	237,019	(30,421)	381,549
Net Increase (Decrease) in Debentures	185,603	(36,007)	353,701
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(2,148,200)	(237,900)	(3,614,200)
Net Decrease (Increase) in Interest-bearing Due from Banks	745,460	277,212	719,856
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(314,998)	353,022	(36,320)
Net Decrease (Increase) in Receivable under Securities Borrowing Transactions	(681,069)	(427,377)	140,422
Net Increase (Decrease) in Call Money and Bills Sold and Other	4,315,312	(1,497,842)	5,498,320
Net Increase (Decrease) in Short-term Entrusted Funds	700,416	1,180,715	199,716
Net Increase (Decrease) in Payables under Securities Lending Transactions	(376,201)	380,639	(431,733)
Net Decrease (Increase) in Foreign Exchange Assets	33,142	(38,427)	68,777
Net Increase (Decrease) in Foreign Exchange Liabilities	(45)	(0)	(50)
Interest Received	383,918	430,766	732,242
Interest Paid	(243,325)	(156,495)	(691,449)
Other, Net	(363,390)	(416,372)	101,562
Subtotal	4,341,809	3,505,463	4,566,777
Income Taxes Refund (Paid)	2,710	(3,593)	(678)
Net Cash Provided by Operating Activities	**4,344,519**	**3,501,869**	**4,566,098**
Ⅱ Cash Flows from Investing Activities:			
Purchases of Securities	(18,603,630)	(24,441,948)	(34,389,377)
Proceeds from Sales of Securities	3,025,910	1,414,182	3,291,245
Proceeds from Redemption of Securities	11,710,254	19,128,004	26,992,585
Increase in Money Held in Trust	(1,902,689)	(960,718)	(2,309,489)
Decrease in Money Held in Trust	838,997	464,049	1,996,677
Purchases of Tangible Fixed Assets	(579)	(799)	(3,044)
Purchases of Intangible Fixed Assets	(12,096)	(2,191)	(18,631)
Proceeds from Sales of Tangible Fixed Assets	103	-	995
Proceeds from Sales of Intangible Fixed Assets	38	-	38
Net Cash Used in Investing Activities	**(4,943,692)**	**(4,399,420)**	**(4,439,001)**
Ⅲ Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	9,950	-	9,950
Proceeds from Issuance of Stock	4,539	-	4,539
Dividends Paid to Minority Interests	(9)	(9)	(9)
Net Cash Provided by (Used in) Financing Activities	**14,479**	**(9)**	**14,479**
Ⅳ Net Increase (Decrease) in Cash and Cash Equivalents	**(584,692)**	**(897,560)**	**141,576**
Ⅴ Cash and Cash Equivalents at the Beginning of the Fiscal Year	**887,436**	**1,029,012**	**887,436**
Ⅵ Cash and Cash Equivalents at the End of the Period	**302,743**	**131,452**	**1,029,012**

Notes to Consolidated Financial Statements

Amounts less than one million yen are rounded down.

(Significant accounting policies)

1. Standards of Accounting Method

(1) Trading Assets / Liabilities and Trading Income / Expenses

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 statements 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 consolidated balance sheet date.

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.

(2) Securities

a. Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method. Investments in affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. Other securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities which are extremely difficult to determine the fair value are valued at cost determined by the moving average method or are valued at amortized cost. Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets.

b. Securities included in Money Held in Trust are valued using the same methods described in (1) and (2) a. above.

(3) Derivatives

Derivative transactions (other than transactions for trading purposes) are recorded at fair value.

(4) Depreciation

a. Tangible Fixed Assets (other than Lease Assets)

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 annex facilities of buildings) is calculated using the straight-line method, and the applicable share of estimated annual depreciation cost for the period is recorded based on the following range of useful lives.

Buildings:	15 years to 50 years
Others:	5 years to 15 years

Depreciation of Tangible Fixed Assets of the consolidated subsidiaries is primarily calculated using the declining-balance method over their estimated economic useful lives.

b. Intangible Fixed Assets (other than Lease Assets)

Depreciation of Intangible Fixed Assets of the Bank and the consolidated subsidiaries 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.

c. 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.

(5) Reserve for Possible Loan Losses

Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt("doubtful debtors"), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

Reserve for loans to debtors with restructured loans (see Note 5. to Consolidated Balance Sheet below) 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 inter est of the loan can be reasonably estimated. Under the Discounted Cash Flow Method, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

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. 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.

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 ¥65,581 million at the end of the period.

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.

(6) 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.

(7) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated cost of payment of employees' bonuses attributable to the period.

(8) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

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 which the difference had been incurred.

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 had been incurred.

Some of Bank's consolidated subsidiaries adopt the simplified method whereby the amount that would be payable if the eligible employees terminate the employment and certain other alternative measure may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefit to calculate PBO.

(9) Reserve for Directors' Retirement Benefits

Reserve for Directors' Retirement Benefits for the payments of retirements benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the period.

(10) 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 consolidated balance sheet date.

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 balance sheet date.

(11) Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting method as for operating leases.

(12) Hedge accounting

a. Hedge of interest rate risk

The Bank applies the deferred method of hedge accounting to 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). 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.

Deferred hedge gains or losses were recorded in the consolidated balance sheet as a result of applying the hedge accounting method described in "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used derivatives to manage the overall interest rate risk arising from various financial assets and liabilities, such as loans and deposits. Such deferred hedge gains or losses are amortized into Interest Income or Interest Expenses as calculated based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balance of deferred hedge losses under the macro hedges as of September 30, 2010 was ¥358 million (before deducting the tax effect).

b. Hedge of foreign exchange rate risk

The Bank applies the deferred method of hedge accounting to the hedges 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). 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 deferred 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.

A certain Bank's consolidated subsidiary applies the accrual method of hedge accounting, as specifically permitted for certain interest rate swaps.

(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 transfer to or reversal from Reserve for Tax Basis Adjustments of Fixed Assets is made at the end of the fiscal year.

2. Scope of "Cash and Cash Equivalents" in Consolidated Statement of Cash Flows

"Cash and Cash Equivalents" in the consolidated statement of cash flows represents cash and non-interest bearing due from bank in Cash and Due from Banks of the consolidated balance sheet.

Non-interest bearing due from banks includes due from Bank of Japan for which interest is paid on excess reserve balance based on a temporary measure introduced by Bank of Japan.

(Change in Presentation of Consolidated Statement of Operations)

As "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5, March 24, 2009) have been applied, based on "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), the Bank has presented "Income before Minority Interests" beginning with the period.

(Notes to Consolidated Balance Sheet)

1. Investments in Affiliates ¥90,951 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥147,074 million as of September 30, 2010.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥21,974 million and securities held without re-pledge of ¥1,548,726 million as of September 30, 2010, respectively.

3. Loans and Bills Discounted include Loans to borrowers under bankruptcy proceedings of ¥6,382 million and delinquent loans of ¥229,012 million.

Loans to borrowers under bankruptcy proceedings are loans whose interest accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as "Non-accrual Loans") since the loans are determined to be uncollectible considering the period of time past due and other reasons, as stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No.97, 1965).

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.

4. Loans and Bills Discounted include past due for three months or more of ¥183 million.
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.

5. Loans and Bills Discounted include restructured loans of ¥83,365 million.
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.

6. The total amount of loans to borrowers under bankruptcy proceedings, delinquent loans, loans past due for three months or more and restructured loans was ¥318,943 million.
The amounts of loans indicated in 3. to 6. above are amounts before deducting the reserves for possible loan losses.

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥5,075 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged	
Loans and Bills Discounted	¥6,779,127 million
Securities	¥13,424,160 million
Liabilities related to the above pledged assets are as follows:	
Borrowed Money	¥274,400 million
Call Money	¥405,000 million
Payables under Repurchase Agreements	¥8,533,702 million
Payables under Securities Lending Transactions	¥458,269 million

In addition, Securities (including transactions of Monetary Held in Trust) of ¥9,175,078 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.
Initial margins of futures transactions of ¥1,654 million, cash collateral under financial derivatives transactions of ¥2,737 million and guarantee deposits of ¥5,769 million were included in Other Assets.

9. Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements is ¥2,973,718 million as of September 30, 2010. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥2,127,988 million as of September 30, 2010.
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 financial condition of the borrower, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank and its

consolidated subsidiaries are able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

10. In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes has been revaluated. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

Date of Revaluation	March 31, 1998
Revaluation Method	Reasonably calculated in accordance with the Appraisal methods stipulated in Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land (No.119 effective as of March 31, 1998)

11. Accumulated Depreciation Deducted from Tangible Fixed Assets ¥100,480 million

12. Borrowed Money includes subordinated borrowings of ¥1,486,007 million which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

13. Bonds include subordinated bonds of ¥250,165 million.

14. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥12,286 million.

15. Net Assets per Share at the end of the period was ¥289.65 (Minority Interests, the residuary assets for 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 in the calculation of net assets per share.)

(Notes to Consolidated Statement of Operations)

1. Other Ordinary Expenses includes the write-off of loans of ¥805 million and losses on revaluation of stocks and other securities of ¥29,400 million.

2. Net Income per Share for the period is ¥19.49 (The aggregate number of Lower Dividend Rate Stock and Preferred Stock is deducted from the denominator in the calculation of net income per share.)

(Notes to Consolidated Statement of Cash Flows)

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

Cash and Due from Banks	¥ 1,020,547 million
Less: Interest-bearing Due from Banks	¥(889,095)million
Cash and Cash Equivalents at the end of the period	¥131,452 million

(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, 2010 are as follows:

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

(Millions of yen)

	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Loans and Bills Discounted	12,470,978		
Reserve for Possible Loan Losses(※1)	(217,279)		
	12,253,698	12,317,184	63,485
(2) Securities			
Held-to-Maturity Debt Securities	14,836,898	15,216,749	379,851
Other Securities	30,519,673	30,519,673	-
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	6,641	6,641	-
Other Money Held in Trust	7,985,654	8,004,381	18,726
(4) Trading Assets(※2)			
Trading Securities	7,807	7,807	-
(5) Monetary Claims Bought(※1)	347,164	347,218	54
(6) Call Loans and Bills Bought	1,078,211	1,078,211	-
(7) Cash and Due from Banks	1,020,547	1,020,547	-
Total Assets	68,056,297	68,518,414	462,117
(1) Deposits	39,558,573	39,558,679	105
(2) Negotiable Certificates of Deposit	672,377	672,377	-
(3) Debentures	5,569,759	5,672,360	102,600
(4) Borrowed Money	1,805,407	1,805,407	-
(5) Call Money and Bills Sold	583,638	583,638	-
(6) Payables under Repurchase Agreements	8,533,702	8,533,702	-
(7) Short-term Entrusted Funds	5,457,886	5,457,886	-
Total Liabilities	62,181,345	62,284,052	102,706
Derivative Instruments (※3)			
Transactions not accounted for as hedge	1,387	1,387	-
Transactions accounted for as hedge	236,329	236,329	-
Total Derivative Instruments	237,716	237,716	-

(※) 1 Loans and Bills Discounted, Money Held in Trust and Monetary Claims Bought are net of Reserve for Possible Loan Losses. Money Held in Trust and Monetary Claims Bought are 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 Liability, Other Assets and Other Liabilities are shown by net position. Receivable and payable 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) 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 maturity, interest rates and other terms.

(2) 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, or the quoted prices provided by brokers or venders, or both.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for investments for "Partnership" and "Limited Partnership" ("Investments in Partnership and Others"), fair value is based on the share of NAV which is valued assets of "Partnership" or "Limited Partnership", if available.

Relevant notes about the fair value of securities of each classification are described in following "Securities".

(3) 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 (1) and (2) above.

Relevant notes concerning the fair value of money held in trust of each classification are described in following "Money Held in Trust".

(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) Monetary Claims Bought

Monetary Claims Bought are valued based on the quoted prices provided by brokers or venders.

(6) Call Loans and Bills Bought

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

(7) 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.

Liability

(1) Deposits

With respect to demand deposits, the payment amounts required on the consolidated balance sheet date (the carrying value) are estimated at the fair value. Time deposits 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) 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 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.

(5) Call Money and Bills Sold, (6) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds

These contractual terms are short-term (1 Year or Less), and the fair value 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.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine: "Assets (2) Other Securities" of fair value of financial instruments exclude the transactions of the table below.

(Millions of yen)

Instruments	Consolidated Balance Sheet Amount
Unlisted Stocks(※1)(※2)	182,469
Bonds(※3)	151,704
Investments in Partnership and Others (※4)	350,903
Total	685,077

(※) 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 Unlisted Stocks was ¥37 million.

3 Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items". With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥51,048 million in accordance with the Bank's internal rules.

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".

(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, 2010)

(Millions of yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	7,592,476	7,840,164	247,687
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	4,590,941	4,809,605	218,663
	Sub total	12,183,418	12,649,769	466,351
Transactions for Fair Value not exceeded Consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	2,653,479	2,566,979	(86,500)
	Sub total	2,653,479	2,566,979	(86,500)
Total		14,836,898	15,216,749	379,851

2. Other Securities (as of September 30, 2010)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	204,209	134,477	69,732
	Bonds	4,474,725	4,460,361	14,364
	Japanese Government Bonds	4,413,931	4,399,829	14,102
	Municipal Government Bonds	1,176	1,126	49
	Corporate Bonds	59,617	59,405	211
	Other	14,208,024	13,705,345	502,679
	Sub total	18,886,960	18,300,184	586,776

Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	132,762	149,536	(16,773)
	Bonds	5,416,522	5,418,859	(2,337)
	Japanese Government Bonds	5,310,470	5,310,930	(460)
	Municipal Government Bonds	11	11	(0)
	Corporate Bonds	106,040	107,917	(1,877)
	Other	6,461,141	7,407,823	(946,682)
	Sub total	12,010,426	12,976,219	(965,793)
Total		30,897,386	31,276,404	(379,017)

3. Securities Recognized for Revaluation Loss

Certain securities (other than trading purpose) which have readily determinable fair values 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 ¥68,188 million (including ¥29,362 million on Stocks and ¥38,826 million on Other).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair values are 50% or less of their acquisition costs (and other)

Securities whose fair values are more than 50% and 70% or less 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, 2010)

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

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2010)

(Millions of Yen)

	Consolidated Balance Sheet Amount	Acquisition Cost	Net Unrealized Gain/Loss	Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	7,992,637	7,823,125	169,512	196,903	27,390

(Note)

"Transactions for Consolidated Balance Sheet Amount exceeded Acquisition Cost" and "Transactions for Consolidated Balance Sheet Amount not exceeded Acquisition Cost" of "Net Unrealized Gain/Loss" is gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Yen)

	First Half of Fiscal 2009 (As of September 30, 2009)	First Half of Fiscal 2010 (As of September 30, 2010)	Fiscal 2009 (As of March 31, 2010)
(Assets)			
Loans and Bills Discounted	**11,803,719**	**12,390,389**	**13,038,081**
Foreign Exchange Assets	**48,560**	**51,352**	**12,925**
Securities	**43,184,997**	**46,060,546**	**44,013,720**
Money Held in Trust	**7,282,229**	**7,998,132**	**6,555,624**
Trading Assets	**14,723**	**24,046**	**13,054**
Monetary Claims Bought	**581,443**	**398,049**	**490,182**
Call Loans	**1,535,386**	**1,078,211**	**1,336,137**
Receivables under Securities Borrowing Transactions	**821,491**	**427,377**	**-**
Cash and Due from Banks	**1,432,573**	**1,011,422**	**2,180,393**
Other Assets	**1,021,395**	**699,887**	**381,057**
Tangible Fixed Assets	**145,852**	**138,195**	**141,131**
Intangible Fixed Assets	**48,892**	**52,617**	**53,191**
Deferred Tax Assets	**241,380**	**115,412**	**202,355**
Customers' Liabilities for Acceptances and Guarantees	**372,007**	**334,287**	**354,512**
Reserve for Possible Loan Losses	**(291,165)**	**(278,644)**	**(295,778)**
Reserve for Possible Investment Losses	**(144)**	**(6,199)**	**(6,199)**
Total Assets	**68,243,344**	**70,495,085**	**68,470,391**
(Liabilities)			
Deposits	**38,214,641**	**39,565,721**	**39,108,744**
Negotiable Certificates of Deposit	**558,269**	**672,377**	**702,799**
Debentures	**5,441,135**	**5,576,231**	**5,611,743**
Trading Liabilities	**12,500**	**15,738**	**12,576**
Borrowed Money	**3,744,582**	**2,010,822**	**2,284,402**
Call Money	**684,000**	**583,638**	**948,151**
Payables under Repurchase Agreements	**8,748,175**	**8,533,702**	**9,667,031**
Payables under Securities Lending Transactions	**154,075**	**479,182**	**98,543**
Foreign Exchange Liabilities	**6**	**0**	**1**
Short-term Entrusted Funds	**4,777,871**	**5,457,886**	**4,277,171**
Other Liabilities	**1,989,940**	**3,034,129**	**1,449,309**
Reserve for Bonus Payments	**3,585**	**3,587**	**3,621**
Reserve for Retirement Benefits	**-**	**1,846**	**899**
Reserve for Directors' Retirement Benefits	**677**	**660**	**764**
Deferred Tax Liabilities for Land Revaluation	**18,701**	**18,434**	**18,439**
Acceptances and Guarantees	**372,007**	**334,287**	**354,512**
Total Liabilities	**64,720,169**	**66,288,249**	**64,538,714**
(Net Assets)			
Paid-in Capital	**3,425,909**	**3,425,909**	**3,425,909**
Common Stock	3,400,909	3,400,909	3,400,909
(including Lower Dividend Rate Stock)	2,975,192	2,975,192	2,975,192
Preferred Stock	24,999	24,999	24,999
Capital Surplus	**25,020**	**25,020**	**25,020**
Capital Surplus Reserve	24,999	24,999	24,999
Other Capital Surplus	20	20	20
Retained Earnings	**850,235**	**901,936**	**818,500**
Legal Reserves	432,066	438,166	432,066
Voluntary Reserves	418,169	463,770	386,434
Special Reserves	-	6,100	-
General Reserves	349,403	349,403	349,403
Reserve for Tax Basis Adjustments of Fixed Assets	6,623	6,426	6,623
Others	7	7	7
Unappropriated Retained Earnings	62,134	101,833	30,399
Total Owners' Equity	**4,301,165**	**4,352,866**	**4,269,430**
Net Unrealized Losses on Other Securities, net of taxes	**(869,460)**	**(204,434)**	**(406,661)**
Net Deferred Gains on Hedging Instruments, net of taxes	**58,922**	**26,445**	**36,940**
Revaluation Reserve for Land, net of taxes	**32,547**	**31,957**	**31,968**
Total Valuation and Translation Adjustments	**(777,990)**	**(146,031)**	**(337,752)**
Total Net Assets	**3,523,174**	**4,206,835**	**3,931,677**
Total Liabilities and Net Assets	**68,243,344**	**70,495,085**	**68,470,391**

Non-consolidated Statements of Operations

(Millions of Yen)

	First Half of Fiscal 2009 (Six Months ended September 30, 2009)	First Half of Fiscal 2010 (Six Months ended September 30, 2010)	Fiscal 2009 (Year ended March 31, 2010)
Ordinary Income	**734,097**	**570,448**	**1,257,221**
Interest Income	380,884	361,792	714,561
Interest on Loans and Bills Discounted	50,778	44,307	98,426
Interest and Dividends on Securities	310,542	302,890	566,443
Fees and Commissions	5,949	7,762	12,758
Trading Income	99	274	106
Other Operating Income	174,424	78,244	245,431
Other Ordinary Income	172,740	122,373	284,363
Ordinary Expenses	**622,036**	**466,522**	**1,185,565**
Interest Expenses	355,681	281,660	647,953
Interest on Deposits	70,075	29,841	110,870
Fees and Commissions	5,974	5,338	11,546
Trading Expenses	719	31	776
Other Operating Expenses	84,272	96,008	173,669
General and Administrative Expenses	56,480	50,612	107,812
Other Ordinary Expenses	118,906	32,870	243,806
Ordinary Profits	**112,061**	**103,925**	**71,655**
Extraordinary Profits	**854**	**13,047**	**2,179**
Extraordinary Losses	**939**	**222**	**3,444**
Income before Income Taxes	**111,975**	**116,750**	**70,390**
Income Taxes - Current	**16,988**	**33,464**	**5,035**
Income Taxes - Deferred	**33,113**	**(138)**	**35,794**
Total Income Taxes	**50,101**	**33,325**	**40,829**
Net Income	**61,874**	**83,425**	**29,561**
Unappropriated Retained Earnings Brought Forward	**-**	**18,397**	**-**
Transfer from Land Revaluation Reserve	**260**	**11**	**838**
Unappropriated Retained Earnings	**62,134**	**101,833**	**30,399**

Notes to Non-Consolidated Financial Statements

Amounts less than one million yen are rounded down.

Significant accounting policies

1. Trading Assets / Liabilities and Trading Income/ Expenses

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 non-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 non-consolidated statements 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 non-consolidated balance sheet date.

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.

2. Securities

(1) Held-to-maturity debt securities are valued at amortized cost (straight-line method), as determined by the moving average method. Stocks of subsidiaries (as defined in Article 56-2 of The Norinchukin Bank Law for rules on subsidiaries) are valued at cost determined by the moving average method. Other securities that have readily determinable fair value are valued at fair value, which is determined at the quoted market price if available, or other reasonable value at the non-consolidated balance sheet date (the cost of securities sold is calculated primarily by the moving average method). Other securities which are extremely difficult to determine the fair value are valued at cost determined by the moving average method or are valued at amortized cost. Net Unrealized Gains or Losses on Other Securities, net-of-taxes, are reported separately in Net Assets.

(2) Securities included in Money Held in Trust are valued using the same methods described in 1. and 2. (1) above.

3. Derivatives

Derivative transactions (other than transactions for trading purposes) are recorded at fair value.

4. Depreciation

(1) Tangible Fixed Assets (other than Lease Assets)

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 annex facilities of buildings) is calculated using the straight-line method, and the applicable share of estimated annual depreciation cost for the period is recorded based on the following range of useful lives.

Buildings:	15 years to 50 years
Others:	5 years to 15 years

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

Depreciation of Intangible Fixed Assets of the Bank 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.

(3) 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.

5. Reserves

(1) Reserve for Possible Loan Losses

Reserve for loans to debtors who are legally or substantially bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws is provided based on the remaining book value of the loans after the direct write-off described below and the deduction of the amount expected to be collected through the disposal of collateral or the execution of guarantees. Reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt ("doubtful debtors"), is determined after taking into account a comprehensively evaluated repayment ability of debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

Reserve for loans to debtors with restructured loans (see Note 5. to Non-consolidated Balance Sheet below) is provided based on the Discounted Cash Flow Method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the Discounted Cash Flow Method, reserve is measured as the difference between the book value of the loan and its present value of expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

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. 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.

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 ¥63,822 million at the end of the period.

(2) 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.

(3) Reserve for Bonus Payments

Reserve for Bonus Payments represents estimated cost of payment of employees' bonuses attributable to the period.

(4) Reserve for Employees' Retirement Benefits

Reserve for Employees' Retirement Benefits, which is provided for the payment of employees' retirement benefits, is recorded as the required amount accrued at the end of the period, based on the estimated present value of projected benefit obligations ("PBO") and the estimated plan assets at the end of the fiscal year. In the case that plan assets exceed the amounts of the PBO adjusted by unrecognized prior service cost and actuarial differences, the excess portion is recorded as prepaid pension costs in Other Assets.

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 which the difference had been incurred

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 had been incurred.

(5) Reserve for Directors' Retirement Benefits

Reserve for Directors' Retirement Benefits for the payments of retirements benefits for directors and corporate auditors is recognized as the required amount accrued at the end of the period.

6. 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 non-consolidated balance sheet date except for stocks of subsidiaries denominated in foreign currencies which are translated into Japanese yen using the respective exchange rates at the time of their acquisition.

7. Accounting for Finance Leases

Finance leases where the ownership of assets is not transferred to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for by the same accounting method as for operating leases.

8. Hedge Accounting

(1)Hedge of Interest Rate Risk

The Bank applies the deferred method of hedge accounting to 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). 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.

Deferred hedge gains or losses were recorded in the non-consolidated balance sheet as a result of applying the hedge accounting method described in "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), to the macro hedges under which the Bank used derivatives to manage the overall interest rate risk arising from various financial assets and liabilities, such as loans and deposits. Such deferred hedge gains or losses are amortized into Interest Income or Interest Expenses as calculated based on the maturity and notional amount of the hedging instruments, beginning in the fiscal year ended March 31, 2004.

The unamortized balance of deferred hedge losses under the macro hedges as of September 30, 2010 was ¥358 million (before deducting the tax effect).

(2) Hedge of Foreign Exchange Rate Risk
The Bank applies the deferred method of hedge accounting to the hedges 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). 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 deferred 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.

(3) 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 non-consolidated statement of operations or are deferred in the non-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.

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

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

(Notes to Non-consolidated Balance Sheet)
1. Investments in Subsidiaries and Affiliates ¥132,440 million

2. Securities include securities loaned under unsecured lending agreements (Saiken Taishaku Torihiki) of ¥147,074 million as of September 30, 2010.

Securities borrowed under unsecured borrowing agreements (Saiken Taishaku Torihiki) and securities purchased under resale agreements and cash-collateralized borrowing agreements, which can be sold or re-pledged by the Bank, include securities re-pledged out of ¥21,974 million and securities held without re-pledge of ¥1,548,726 million as of September 30, 2010, respectively.

3. Loans and Bills Discounted include Loans to borrowers under bankruptcy proceedings of ¥6,100 million and delinquent loans of ¥215,514 million.

Loans to borrowers under bankruptcy proceedings are loans whose interest accruals are suspended (excluding the parts written-off for possible loan losses, hereinafter referred to as "Non-accrual Loans") since the loans are determined to be uncollectible considering the period of time past due and other reasons, as stipulated in Article 96-1-3, 4 of Corporate Tax Law (Law No.97, 1965).

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.

4. Loans and Bills Discounted include past due for three months or more of ¥－.

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.

5. Loans and Bills Discounted include restructured loans of ¥79,436 million.

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.

6. The total amount of loans to borrowers under bankruptcy proceedings, delinquent loans, loans past due for three months or more and restructured loans was ¥301,051 million.

The amounts of loans indicated in 3. to 6. above are amounts before deducting the reserves for possible loan losses.

7. Bills Discounted are treated as finance transactions based on JICPA Industry Audit Committee Report No.24. Based on the Report, the Bank has the right to appropriate freely deposited banker's acceptances, commercial notes, documentary bills, and purchased foreign exchange through sales or collateralization. The face value of the total Bills Discounted was ¥5,075 million.

8. Assets pledged as collateral consist of the followings:

Assets Pledged

Loans and Bills Discounted	¥6,779,127 million
Securities	¥13,424,160 million

Liabilities related to the above pledged assets are as follows:

Borrowed Money	¥274,400 million
Call Money	¥405,000 million
Payables under Repurchase Agreements	¥8,533,702 million
Payables under Securities Lending Transactions	¥458,269 million

In addition, Securities (including transactions of Monetary Held in Trust) of ¥9,153,130 million were pledged as collateral for settlement of exchange and derivative transactions or as margins of futures transactions.

Initial margins of futures transactions of ¥1,654 million, cash collateral under financial derivatives transactions of

¥2,737 million and guarantee deposits of ¥5,379 million were included in Other Assets.

9. Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer's request as long as no violation of the conditions stipulated in the commitment agreement exists. The amount of undrawn commitments in relation to such agreements is ¥3,202,555 million as of September 30, 2010. The amount, which the Bank could cancel at any time without penalty, is ¥2,357,488 million as of September 30, 2010.

The amount of undrawn commitments does not necessarily affect the future cash flow of the Bank because the majority of such agreements are terminated without being exercised. Most of these agreements have provisions which stipulate that the Bank may not extend the loan or may decrease the commitment when there are certain changes in the financial condition of the borrower, certain issues relating to collateral and other reasons. At the time of extending loans to customers, the Bank is able to request collateral in the form of premises or securities as necessary. After extending loans, the Bank periodically checks the financial condition of its customers based on predefined policies and procedures and acts to secure loans as necessary.

10. In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes has been revaluated. Unrealized gains arising from revaluation, net of deferred tax, are disclosed as Revaluation Reserve for Land, net of taxes and included in Net Assets on the non-consolidated balance sheet. The related deferred tax liability is recorded as Deferred Tax Liabilities for Land Revaluation.

Date of Revaluation	March 31, 1998
Revaluation Method	Reasonably calculated in accordance with the Appraisal methods stipulated in Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land (No.119 effective as of March 31, 1998)

11. Accumulated Depreciation Deducted from Tangible Fixed Assets ¥99,400 million

12. Borrowed Money includes subordinated borrowings of ¥1,736,422 million which have a special agreement that requires the fulfillment of the payment obligations of such borrowing to be subordinated to other general liabilities.

13. The amount of guaranteed obligations for corporate bonds acquired through private offerings (as in Article 2-3 Financial Instruments and Exchange Law) among those classified as corporate bonds in Securities was ¥12,286 million.

14. Net Assets per Share at the end of the period was ¥285.56 (The residuary assets for 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 in the calculation of net assets per share.)

(Notes to Non-consolidated Statement of Operations)

1. Other Ordinary Expenses includes the write-off of loans of ¥493 million and losses on revaluation of stocks and other securities of ¥29,400 million.

2. Net Income per Share for the period is ¥19.59 (The aggregate number of Lower Dividend Rate Stock and Preferred

Stock is deducted from the denominator in the calculation of net income per share.)

(Financial Instruments)

Disclosures Regarding the Fair Value of Financial Instruments and Other Items

"Non-consolidated Balance Sheet Amount", "Fair Value" and "Difference" as of September 30, 2010 are as follows: Unlisted stocks and other financial instruments, the fair value of which is extremely difficult to determine, are excluded from the table below. (ref. Note 2)

(Millions of yen)

	Non-consolidated Balance Sheet Amount	Fair Value	Difference
(1) Loans and Bills Discounted	12,390,389		
Reserve for Possible Loan Losses(※1)	(209,234)		
	12,181,154	12,229,451	48,296
(2) Securities			
Held-to-Maturity Debt Securities	14,828,874	15,208,610	379,736
Other Securities	30,502,927	30,502,927	—
(3) Money Held in Trust(※1)			
Money Held in Trust for Trading Purpose	6,641	6,641	—
Other Money Held in Trust	7,984,512	8,003,234	18,722
(4) Trading Assets(※2)			
Trading Securities	7,807	7,807	—
(5) Monetary Claims Bought(※1)	347,164	347,218	54
(6) Call Loans	1,078,211	1,078,211	—
(7) Cash and Due from Banks	1,011,422	1,011,422	—
Total Assets	67,948,716	68,395,525	446,809
(1) Deposits	39,565,721	39,565,826	105
(2) Negotiable Certificates of Deposit	672,377	672,377	—
(3) Debentures	5,576,231	5,678,928	102,696
(4) Borrowed Money	2,010,822	2,010,822	—
(5) Call Money	583,638	583,638	—
(6) Payables under Repurchase Agreements	8,533,702	8,533,702	—
(7) Short-term Entrusted Funds	5,457,886	5,457,886	—
Total Liabilities	62,400,381	62,503,183	102,802
Derivative Instruments (※3)			
Transactions not accounted for as hedge	1,387	1,387	—
Transactions accounted for as hedge	236,329	236,329	—
Total Derivative Instruments	237,716	237,716	—

(※) 1 Loans and Bills Discounted, Money Held in Trust and Monetary Claims Bought are net of Reserve for Possible Loan Losses. Money Held in Trust and Monetary Claims Bought are presented by net on the non-consolidated balance sheet as the reserve amounts are immaterial.

2 Derivative instruments are excluded from Trading Assets.

3 Derivative instruments within Trading Assets, Trading Liability, Other Assets and Other Liabilities are shown by net position. Receivable and payable 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) 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 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 maturity, interest rates and other terms.

(2) 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, or the quoted prices provided by brokers or venders, or both.

Concerning floating-rate Japanese government bonds which are rarely traded in the current market, the Bank continues to determine that market prices are not deemed as fair value, and that the fair value of these bonds is based on reasonably estimated amounts at the end of the period, which are calculated according to the Discounted Cash Flow method. The price-determining variables include the yield of Japanese government bonds, swaption volatilities and other variables.

As for investments for "Partnership" and "Limited Partnership" ("Investments in Partnership and Others"), fair value is based on the share of NAV which is valued assets of "Partnership" or "Limited Partnership", if available. Relevant notes about the fair value of securities of each classification are described in following "Securities".

(3) 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 (1) and (2) above.

Relevant notes concerning the fair value of money held in trust of each classification are described in following "Money Held in Trust".

(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) Monetary Claims Bought

Monetary Claims Bought are valued based on the quoted prices provided by brokers or venders.

(6) Call Loans

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

(7) 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.

Liability

(1) Deposits

With respect to demand deposits, the payment amounts required on the non-consolidated balance sheet date (the carrying value) are estimated at the fair value. Time deposits 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) 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 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.

(5) Call Money, (6) Payables under Repurchase Agreements, (7) Short-term Entrusted Funds

These contractual terms are short-term (1 Year or Less), and the fair value 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.

(Note 2) The following table lists financial instruments, the fair value of which is extremely difficult to determine:

"Assets (2) Other Securities" of fair value of financial instruments exclude the transactions of the table below.

(Millions of yen)

Instruments	Non-consolidated Balance Sheet Amount
Unlisted Stocks(※1)(※2)	222,777
Bonds(※3)	151,704
Investments in Partnership and Others (※4)	350,903
Total	725,384

(※) 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 Unlisted Stocks was ¥37 million.

3 Out of Bonds (including foreign bonds), real estate backed bonds, which are extremely difficult to estimate cash flow and to determine fair value, are excluded from "Disclosures Regarding the Fair Value of Financial Instruments and Other Items". With respect to doubtful bonds, the Bank has set aside Reserve for Possible Loan Losses of ¥51,048 million, in accordance with the Bank's internal rules.

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".

(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, 2010)

(Millions of yen)

	Type	Non-consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeded Non-consolidated Balance Sheet Amount	Japanese Government Bonds	7,584,452	7,832,026	247,573
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	4,590,941	4,809,605	218,663
	Sub total	12,175,394	12,641,631	466,236
Transactions for Fair Value not exceeded Non-consolidated Balance Sheet Amount	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	—	—	—
	Corporate Bonds	—	—	—
	Other	2,653,479	2,566,979	(86,500)
	Sub total	2,653,479	2,566,979	(86,500)
Total		14,828,874	15,208,610	379,736

2. Stock of subsidiaries and Affiliates (as of September 30, 2010)

The Bank held no stock of subsidiaries and affiliates.

The following table lists stocks of subsidiaries and affiliates, the fair value of which is extremely difficult to determine :

(Millions of Yen)

	Non-consolidated Balance Sheet Amount
Stocks of Subsidiaries	43,047
Stocks of Affiliates	89,392
Total	132,440

Above transactions are excluded from "Stock of subsidiaries and Affiliates", since there are no market prices and their fair value is extremely difficult to determine.

3. Other Securities (as of September 30, 2010)

(Millions of Yen)

	Type	Non-consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost	Stocks	204,209	134,477	69,732
	Bonds	4,460,801	4,446,626	14,174
	Japanese Government Bonds	4,400,007	4,386,094	13,912
	Municipal Government Bonds	1,176	1,126	49
	Corporate Bonds	59,617	59,405	211
	Other	14,205,854	13,703,203	502,650
	Sub total	18,870,865	18,284,308	586,557
Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost	Stocks	132,762	149,536	(16,773)
	Bonds	5,416,522	5,418,859	(2,337)
	Japanese Government Bonds	5,310,470	5,310,930	(460)
	Municipal Government Bonds	11	11	(0)
	Corporate Bonds	106,040	107,917	(1,877)
	Other	6,460,489	7,407,049	(946,559)
	Sub total	12,009,775	12,975,445	(965,670)
Total		30,880,640	31,259,754	(379,113)

4. Securities Recognized for Revaluation Loss

Certain securities (other than trading purpose) which have readily determinable fair values 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 ¥68,188 million (including ¥29,362 million on Stocks and ¥38,826 million on Other).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:
Securities whose fair values are 50% or less of their acquisition costs (and other)
Securities whose fair values are more than 50% and 70% or less 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, 2010)

The Bank held no held-to-maturity money held in trust.

2. Other Money Held in Trust (other than that for trading purpose or held-to-maturity) (as of September 30, 2010)

(Millions of Yen)

	Non-consolidated Balance Sheet Amount	Acquisition Cost	Net Unrealized Gain/Loss	Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost	Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost
Other Money Held in Trust	7,991,491	7,821,978	169,512	196,903	27,390

(Note)
"Transactions for Non-consolidated Balance Sheet Amount exceeded Acquisition Cost" and "Transactions for Non-consolidated Balance Sheet Amount not exceeded Acquisition Cost" of "Net Unrealized Gain/Loss" is gross valuation of the difference between the acquisition cost and the non-consolidated balance sheet amount.

(Accounting for Income Taxes)

The major components of Deferred Tax Assets and Deferred Tax Liabilities as of September 30, 2010 were as follows:

Deferred Tax Assets	
Reserve for Possible Loan Losses	¥71,273 million
Write-off of Loans	6,580 million
Losses on Revaluation of Securities	158,701 million
Reserve for Employees' Retirement Benefits	8,163 million
Depreciation of Fixed Assets	628 million
Net Unrealized Losses on Other Securities	76,372 million
Deferred Losses on Hedging Instruments	4,711 million
Unrealized Losses on Reclassification	93,811 million
Others	85,152 million
Subtotal	505,395 million
Valuation Allowance	(246,868)million
Total Deferred Tax Assets	¥258,526 million
Deferred Tax Liabilities	
Gain from Contribution of Securities to Employee Retirement Benefit Trust	¥(5,577)million
Deferred Gains on Hedging Instruments	(16,676)million
Unrealized Gains on Reclassification	(61,879)million
Others	(58,981)million
Total Deferred Tax Liabilities	(143,113)million
Net Deferred Tax Assets	¥115,412 million