The Norinchukin Bank

U.S. Resolution Plan

Section 1: Public Section

December 18, 2018

The Norinchukin Bank

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Introduction

The Norinchukin Bank (the "Bank") is a foreign banking organization duly organized and existing under the laws of Japan. In the United States, the Bank has a New York state-licensed branch in New York, New York (the "New York Branch" or the "Branch") and holds a controlling interest in GRV Securities LLC, a broker-dealer subsidiary located in Chicago, IL (the "BROKER-DEALER") , JA Mitsui Leasing Capital Corporation, a non-bank commercial leasing entity located in New York, NY ("MITSUI LEASING") and Mitsui Rail Capital LLC, an entity located in Chicago, IL that provides freight leasing services to railroads and shippers (the "MITSUI RAIL CAPITAL").

The Bank has developed a U.S. resolution plan (the "U.S. Resolution Plan") as required by Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and its implementing Joint Rule issued by the Board of Governors of the Federal Reserve System (the "FRB") and the Federal Deposit Insurance Corporation (the "FDIC" and, together with the FRB, the "Agencies") (the "Resolution Plan Rule").[1] Section 165(d) and the Resolution Plan Rule specify that any foreign bank or company that is, or is treated as, a bank holding company under section 8(a) of the International Banking Act of 1978 (the "IBA") and that has US$50 billion or more in total, global consolidated assets must submit annually to the Agencies, a plan for the rapid and orderly resolution of the Bank's U.S. operations in the event of material financial distress or failure. The Resolution Plan Rule requires the Bank to provide a strategic analysis of how the Bank's U.S. operations can be resolved under the U.S. Bankruptcy Code[2] or other applicable insolvency regime within a reasonable period of time and in a manner that would mitigate the risk of serious adverse effects to U.S. financial stability. Since the Bank is treated as a bank holding company under Section 8(a) of the IBA, it is a "foreign-based covered company" subject to the Resolution Plan Rule.

The Bank's U.S. Resolution Plan includes information on its U.S. operations that are domiciled in the United States or conducted in whole or in material part in the United States. All financial and other information included in this Resolution Plan is as of March 31, 2018, the Bank's fiscal year-end, and the exchange rate of ￥106.25 = U.S.$1, the approximate rate of exchange prevailing on March 31, 2018, has been used for translation purposes unless otherwise stated.

By letter dated January 29, 2018 (the "January 29 Letter"), the Agencies informed the Bank that they had jointly determined, as authorized under subsection __.4(k) of the Resolution Plan Rule, to reduce the informational content that the Bank is required to provide in its resolution plan submissions ("Reduced Plans") due by December 31, 2018, and each of the following two dates by which the Bank is required to submit a resolution plan. The January 29 Letter further stated that the Bank's exemption from certain informational requirements of the Resolution Plan Rule and its authorization to submit Reduced Plans for

[1] 12 C.F.R. 243 and 12 C.F.R. 381.

[2] 11 U.S.C. §101 *et seq.*

its next three resolution plan submissions are subject to two conditions: (i) the Bank's total U.S. non-branch assets must remain below $50 billion; and (ii) the Bank has not experienced a material event specified in subsection __.3(b)(2) of the Resolution Plan Rule. The Bank has determined that, as of the date of this submission, it continues to meet the Conditions for Reduced Plans as defined and described in the January 29 Letter.

Overview of the Bank

The Bank was established in 1923 as the central bank for Japan's industrial cooperatives. It was renamed The Norinchukin Bank in 1943 and is now a private financial institution that is governed by the Norinchukin Bank Law.

Japan Agricultural Cooperatives (the "JA"), Japan Fishery Cooperatives (the "JF") and Japan Forestry Cooperatives (the "JForest") were created with the aim of improving the economic and social positions of farmers, foresters and fishermen through the cooperative efforts of their respective individual members.

The Bank is a national-level cooperative financial institution whose membership (i.e. shareholders) is comprised of municipal cooperatives, prefectural federations and other organizations. Furthermore, the Bank plays a major role in Japanese society as a contributor to the development of the nation's economy and as a supporter of the advancement of the agricultural, fisheries and forestry industries by providing financial services for its members in accordance with the provisions of Article 1 of the Norinchukin Bank Law.

The Bank's funds are derived from member deposits (the majority of funds held at the Bank are deposits of individual members of JA and JF) and the issuance of Norinchukin Bank debentures. The Bank also raises funds in financial markets. These financial resources are then loaned to farmers, fishermen, foresters, corporations connected to the agricultural, fisheries and forestry industries, local governments and public entities. In addition to the aforementioned activities, the Bank efficiently manages its funds through investments in securities and other financial instruments. The Bank returns stable profits on investment and lending activities to its members and provides various other financial services. Through these various services and activities, the Bank plays a major role as the national-level financial institution for cooperatives.

Article 1 of the Norinchukin Bank Law
As a financial institution based on agricultural, fisheries and forestry cooperatives as well as other members of the agriculture, fisheries and forestry cooperative system, the Bank contributes to the development of the nation's economy by supporting the advancement of the agricultural, fisheries and forestry industries by providing financial services for the member organizations of the cooperative system.

The Bank's primary business activities include: (a) finance for cooperative organizations; (b) corporate finance; (c) securities investment; (d) deposit services; and (e) settlement services. The Bank conducts these operations through a number of specialized business units, all of which are identified in the Organizational Diagram, as set forth in the Bank's Annual Report for fiscal 2018.

To respond accurately to changes in the globalization of domestic and overseas capital and financial markets, the Bank maintains branches in the world's key international financial centers. In addition to branches in New York, London and Singapore, the Bank has representative offices in Beijing and Hong Kong.

In the United States, the Bank operates the New York Branch. In addition, the Bank has a controlling interest in the BROKER-DEALER, MITSUI LEASING and MITSUI RAIL CAPITAL.

I. Summary of the Resolution Plan

A. Overview of U.S. Resolution Plan

The Bank has limited operations in the United States which are primarily conducted through the New York Branch. The Bank's U.S. Resolution Plan is intended to provide the Agencies with an explanation of the Bank's plan for the rapid and orderly resolution of its U.S. operations in the event of the material financial distress or failure of the Bank's operations in the United States. The U.S. Resolution Plan includes the information required by theResolution Plan Rule, including a description of the Bank's banking operations and core business lines, that are conducted in whole or in material part in the United States.

B. Names of Material Entities

Under the Resolution Plan Rule, a "material entity" is a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. "Critical operations" are those operations, including associated services, functions and support the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Agencies, would pose a threat to the financial stability of the United States. "Core business lines" are those business lines, including associated operations, services, functions and support that, in the covered company's view, upon failure would result in a material loss of revenue, profit, or franchise value.

The Bank has determined that it does not have any critical U.S. operations that, upon their failure or discontinuance, would pose a threat to the financial stability of the United States. Overall, the relatively limited scope, nature and volume of the Bank's U.S. operations are such that their failure or discontinuance would not pose a threat to the stability of the U.S. financial system.

The Bank has identified its New York Branch as the only "material entity" for purposes of the U.S. Resolution Plan. The New York Branch is licensed by the New York State Department of Financial Services (the "NYDFS"). It is not insured by the FDIC and primarily engages in the following activities:

(a) short-term U.S. dollar funding in support of Head Office securities investment activities through repurchase ("repo") transactions and unsecured funding such as time deposit / Certificate of Deposit ("CDs") issuance;

(b) wholesale corporate lending to Japanese agricultural, forestry and fishery co-operative members and subsidiaries of Japanese companies located mainly in the United States and Canada; and

(c) Head Office investments supporting function and research and information-gathering about the U.S. economy and financial markets.

The short-term U.S. dollar funding activities of the New York Branch are significant to the investment activities of the Bank. The Bank follows a liquidity policy that requires it to have in place at all times a range of liquidity and funding sources that would enable it to replace the short-term U.S. dollar funding provided by the New York Branch. However, because it is advantageous to the Bank to be able to directly access U.S. dollar funding markets in the United States for reasons of liquidity and cost as compared with accessing the markets in other locations, and the U.S. dollar funding by the New York Branch represents a significant percentage of U.S. dollar funding by the Bank as a whole, the Bank has determined that the New York Branch is a "material entity" as such term is defined for purposes of the Resolution Plan Rule.

C. Description of Core Business Lines

Core business lines means those business lines of the Bank, including associated operations, services, functions and support that, in the view of the Bank, upon failure would result in a material loss of revenue, profit or franchise value. The Bank has concluded that the short-term funding activities of the New York Branch do not constitute a core business line, although the New York Branch is a Material Entity that is significant to Head Office investment operations. The New York Branch performs several functions related to the Bank's short-term dollar funding activities, including engaging in repo transactions, issuing CDs and accepting wholesale deposits. Such activities are described in detail in the confidential section of the Bank's U.S. Resolution Plan.

While the New York Branch supports other business activities, those activities are not significant contributors to revenues, profitability or franchise value of the Bank. Similarly, the activities of the BROKER-DEALER, MITSUI LEASING and MITSUI RAIL CAPITAL, as more fully described in the confidential section, are not core business lines of the Bank for the same reasons and therefore they are not material nonbanking entities. If the activities of the Bank's nonbank subsidiaries were terminated suddenly and immediately (because of an economic event affecting the Bank and its U.S. operations), the effect of such a sudden loss of revenue to the Bank (including the Branch) from the BROKER-DEALER, MITSUI LEASING and MITSUI RAIL CAPITAL would be *de minimis*.

D. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. Financial Information

The following table sets forth the consolidated balance sheet of the Bank, as of March 31, 2018. Please refer to the Bank's Annual Report 2018 for further details[3].

[3] The Bank's 2018 Annual Report is available at: [http://www.nochubank.or.jp/en/ir/annual_report/pdf/ar_2018.pdf].

Consolidated Balance Sheet

The Norinchukin Bank and Subsidiaries
As of March 31, 2018

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2018	2017	**2018**
Assets			
Cash and Due from Banks (Notes 29, 31 and 32)	**¥ 28,756,371**	¥ 22,939,086	**$270,648**
Call Loans and Bills Bought (Note 31)	**630,000**	146,220	**5,929**
Receivables under Securities Borrowing Transactions	**—**	1,173	**—**
Monetary Claims Bought (Notes 31 and 32)	**354,872**	257,888	**3,339**
Trading Assets (Notes 3, 31 and 32)	**8,582**	10,715	**80**
Money Held in Trust (Notes 9, 31 and 33)	**7,439,710**	6,983,612	**70,020**
Securities (Notes 4, 9, 20, 31 and 32)	**52,321,859**	62,079,090	**492,441**
Loans and Bills Discounted (Notes 5, 9, 19 and 31)	**11,858,949**	12,058,289	**111,613**
Foreign Exchange Assets (Note 6)	**324,698**	224,101	**3,055**
Other Assets (Notes 7, 9 and 31)	**1,585,342**	1,001,888	**14,920**
Tangible Fixed Assets (Note 8)	**122,356**	117,791	**1,151**
Intangible Fixed Assets (Note 8)	**43,480**	31,141	**409**
Net Defined Benefit Asset (Note 16)	**52,510**	45,596	**494**
Deferred Tax Assets (Note 17)	**2,026**	7,010	**19**
Customers' Liabilities for Acceptances and Guarantees (Note 18)	**1,474,730**	1,215,882	**13,879**
Reserve for Possible Loan Losses (Note 31)	**(47,716)**	(56,730)	**(449)**
Reserve for Possible Investment Losses	**(4)**	(10)	**(0)**
Total Assets	**¥104,927,769**	¥107,062,747	**$987,555**
Liabilities and Net Assets			
Liabilities			
Deposits (Notes 10 and 31)	**¥ 65,799,561**	¥ 61,886,185	**$619,289**
Negotiable Certificates of Deposit (Note 31)	**2,920,656**	3,689,270	**27,488**
Debentures (Notes 11 and 31)	**1,766,498**	2,412,824	**16,625**
Call Money and Bills Sold (Note 31)	**—**	3,365	**—**
Payables under Repurchase Agreements (Notes 9 and 31)	**15,080,638**	19,645,010	**141,935**
Payables under Securities Lending Transactions (Note 9)	**—**	1,013	**—**
Trading Liabilities (Notes 12 and 31)	**5,034**	6,150	**47**
Borrowed Money (Notes 9, 13 and 31)	**4,641,504**	4,371,611	**43,684**
Foreign Exchange Liabilities (Note 14)	**38**	2	**0**
Short-term Entrusted Funds (Note 31)	**1,405,187**	1,257,432	**13,225**
Other Liabilities (Notes 15 and 31)	**4,569,727**	4,929,423	**43,009**
Reserve for Bonus Payments	**7,591**	7,894	**71**
Net Defined Benefit Liability (Note 16)	**35,481**	38,624	**333**
Reserve for Directors' Retirement Benefits	**1,508**	1,286	**14**
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	**—**	523	**—**
Deferred Tax Liabilities (Note 17)	**464,915**	578,827	**4,375**
Deferred Tax Liabilities for Land Revaluation	**8,607**	8,607	**81**
Acceptances and Guarantees (Note 18)	**1,474,730**	1,215,882	**13,879**
Total Liabilities	**98,181,681**	100,053,934	**924,062**
Net Assets			
Paid-in Capital (Note 21)	**3,480,488**	3,480,488	**32,757**
Capital Surplus	**24,993**	24,993	**235**
Retained Earnings	**1,988,359**	1,910,262	**18,713**
Treasury Preferred Stock	**—**	(150)	**—**
Total Owners' Equity	**5,493,842**	5,415,594	**51,706**
Net Unrealized Gains on Other Securities	**1,152,861**	1,584,281	**10,850**
Net Deferred Gains (Losses) on Hedging Instruments	**59,823**	(26,550)	**563**
Revaluation Reserve for Land	**14,312**	14,312	**134**
Foreign Currency Transaction Adjustments	**(110)**	(53)	**(1)**
Remeasurements of Defined Benefit Plans (Note 16)	**15,876**	12,635	**149**
Total Accumulated Other Comprehensive Income	**1,242,763**	1,584,624	**11,696**
Non-controlling Interests	**9,482**	8,594	**89**
Total Net Assets	**6,746,088**	7,008,813	**63,492**
Total Liabilities and Net Assets	**¥104,927,769**	¥107,062,747	**$987,555**

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

The exchange rate as of March 31, 2018 was approximately ￥106.25 = U.S.$1, whereas that of March 31, 2017 was approximately ￥112.17 = U.S.$1.

Consolidated financial information is prepared in accordance with Japanese Generally Accepted Accounting Principles or JGAAP

As reported for US regulatory purposes, the New York Branch's total assets as of March 31, 2018 were approximately US$79.1 billion, which are used for Head Office investments. Those assets were funded through repos, CDs and deposits.

2. Capital Adequacy

At March 31, 2018, the Bank's consolidated capital ratios, as computed under the Basel III guidelines, were maintained at a high level, with a Common Equity Tier 1 Capital Ratio of 19.02%, a Tier 1 Capital Ratio of 19.02% and a Total Capital Ratio of 23.50%. These ratios were well in excess of regulatory minima established by the Bank's home country regulator, the JFSA.

3. Major Funding Sources; Liquidity Risk Management

The Bank's non-consolidated Total Liabilities of JPY 103 trillion consists of Deposits of JPY 66 trillion, Payables under Repurchase Agreements of JPY 15 trillion and Debentures of JPY 2 trillion. The majority of Deposits comes from Funding from Member Banks of JPY 59 trillion.

In addition to Deposits, the Bank procures funds from the financial markets. Taking into consideration factors such as the high market liquidity, as well as the Bank's ability to tolerate the occurrence of a risk event and the Bank's efficient use of its balance sheet, the Bank uses two tools as its core foreign currency funding sources: JPY-backed funding (currency swaps and forex forwards) utilizing yen, which is the Bank's core funding tool, and repo funding backed by high-quality and highly-liquid assets. The bank also tries to diversify funding sources by using unsecured funding (e.g. CDs) as a supplementary tool.

〇Each Branch's Role in Foreign Currency Funding

In foreign currency funding markets, backed by its high credit standing, the Bank conducts transactions in a stable and efficient manner, such as foreign currency funding transactions to support its globally diversified investments. Foreign currency funding utilizing various funding tools is managed jointly by teams in the Bank's Head Office and its three overseas branches in New York, London and Singapore.

〇Liquidity Risk Management

The Bank defines liquidity risk as the following: "The risk towards financial losses incurred from a difficulty in securing funds required for activities of the Bank, or from being forced to procure funds at significantly higher funding costs than normal as a result of a maturity mismatch between investment and funding procurement, or as a result of an unforeseen fund outflow from the Bank (cash flow risk)." It is also defined as: "The risk towards financial losses arising from being unable to execute transactions in the market due to market turmoil, or from being forced to execute transactions under significantly less favorable conditions than normal occasions (market liquidity risk)." The Bank manages liquidity risk based on these definitions.

The appropriate management of cash flow risk is a prerequisite for the Bank's business continuity and stable portfolio management. After considering the characteristics of the Bank, such as its steady fund procurement structure, which is primarily centered on deposits from its membership, together with its certain assets holding of low market liquidity, and examining its funding procurement capability under stressed environments, the Bank takes initiatives to diversify and enhance the varieties of funding instruments, placing emphasis on the stability of cash flow. Cash flow management is conducted on an aggregated basis by the Head Office and the branches. For this purpose, various operating limits including currency, funding instruments and individual funding office are established taking into consideration the global market conditions, and these operating limits are approved by the Risk Management Committee. The Bank's specific cash flow management plan is reviewed on a quarterly basis together with the Bank's investment portfolio projection and its expected funding procurement capacity, and it is approved by the Portfolio Management Committee. Execution strategies are discussed every week based on the predetermined cash flow management plan. The Bank conducts appropriate cash flow management in response to circumstances by constantly monitoring market conditions. The execution status is continuously reviewed each and every month.

Market liquidity risk is considered to be an important factor for investment decisions in order to maintain a flexible asset allocation framework that enables prompt responses to changes in market conditions. Investment strategies are also prepared through the assessment of the market liquidity (cash-convertibility) of each type of financial product. Market liquidity risk is applied to the evaluation of stabilities on funding procurement as well. For this reason, the middle office regularly reviews and analyzes the market liquidity of financial products, considering the market size of each asset class and product. The results of these analyses are reported to the Risk Management Committee and the Portfolio Management Committee.

The New York Branch executes transactions in the U.S. markets in cooperation with the Bank's funding desk in accordance with the Bank's risk management policies and limits.

The operational status of liquidity risk management is also regularly reported to the Bank's Board of Directors.

E. Description of Derivative and Hedging Activities

The derivatives activities of the Bank are split between entering into transactions for the purpose of satisfying the business or risk management needs of clients, on the one hand, and entering into transactions to accommodate the hedging needs of the Bank. The Bank enters into forex forwards both for the Bank's own account, including portfolio investment, and to hedge its exposure under foreign exchange transactions entered into with its customers. Interest rate swaps are used both to hedge risk inherent in swaps entered into with its customers and to hedge the Bank's investment portfolio in Tokyo. Currency swaps are used for the Bank's own account, including portfolio investment.

The use of derivatives for hedging helps minimize unplanned fluctuations in earnings, fair values of assets and liabilities, and cash flows caused by interest rate, foreign currency and other market volatility. These derivatives are qualified as fair value hedges or cash flow hedges for accounting purposes.

The Bank also offers limited kinds of derivatives, which consist of interest rate and foreign exchange contracts entered into with its customers to assist them with their risk management objectives. To a much lesser extent, the Bank takes positions executed for its own account based upon market expectations or to benefit from price differentials that arise as a result of fluctuations in the price of financial instruments and market conditions. These are treated as free-standing derivatives.

The New York Branch engages in certain U.S. dollar denominated interest rate swaps and futures for hedging purposes.

The Bank is not considered a Swap Dealer nor a Major Swap Participant as defined in the Dodd-Frank Act and related regulations mainly because most of the derivatives the Bank enters into are for hedging purposes.

F. Memberships in Material Payment, Clearing, and Settlement systems

The Bank, acting through its New York Branch, is a member of certain U.S. payment, clearing and settlement systems that enable the Bank to access systems necessary to service its customers and clients. The following is a list of the Bank's memberships in material payment, clearing and settlement systems:

Entity Holding Membership	Type	System
The Norinchukin Bank, New York Branch	Payment	Fedwire Funds Service (Fedwire)
	Messaging	Society for Worldwide Interbank Financial Telecommunication (SWIFT)
	Settlement & Clearing	Fixed Income Clearing Corporation (FICC)

G. Description of Non-U.S. Operations

As described elsewhere herein, the Bank is a global banking organization that provides services mainly to corporate clients through its domestic and overseas operations. Please see the section captioned "Overview of the Bank" above. Further information on the Bank's business is set forth in the "Business Outline" section of the Bank's Annual Report for 2018.

As shown in the table below, most of the Bank's income comes from its operations in Japan.

Ordinary Income by Geographic Areas
(For the fiscal year ended March 31, 2018, Unit: US$ million)

Geographic Areas	Amount of Ordinary Income Attributable to Geographic Areas
Japan	13,337
Americas	178
Europe	29
Others	103

Notes: 1. Ordinary Income is categorized by countries or areas based on the location of the Bank's head office, branches and its consolidated subsidiaries

Notes: 2. Americas include the United States of America and Cayman Islands. Europe includes the United Kingdom.

H. Material Supervisory Authorities

The consolidated operations of the Bank, including its subsidiaries and overseas offices, are subject to supervision and regulation under the applicable laws and regulations of the countries in which it operates.

The Bank is co-supervised by the Japanese Financial Services Agency (the "JFSA") and the Ministry of Agriculture, Forestry and Fisheries (the "MAFF"). The Bank was organized to serve the needs of agricultural, fisheries and forestry co-operatives and for that reason, is chartered under, and governed by, The Norinchukin Bank Law rather than the Banking Law of Japan. While the supervisory framework and standards for the Bank are substantially equivalent to those of other Japanese commercial banks, the MAFF also supervises the Bank because of its unique role in serving the needs of the agricultural, fisheries and forestry co-operatives. In the event of the Bank's material financial distress or failure, the JFSA and the MAFF would take an important role in the resolution process of the Bank in accordance with Japanese laws.

In the United States, the Bank is deemed to be a bank holding company under Section 8(a) of the International Banking Act of 1978 (the "IBA") as a result of maintaining the New York Branch. The Bank is subject to supervision by the FRB under various federal laws including, among others, the Bank Holding Company Act of 1956, as amended (the "BHC Act"), the IBA, the Foreign Bank Supervision Enhancement Act of 1991 (the "FBSEA"), the Dodd-Frank Act, the Bank Secrecy Act and the USA PATRIOT Act of 2001. The BHC Act generally limits the activities of bank holding companies to banking or managing or controlling banks, and activities that are closely related to banking.[4] The Bank has elected to be treated as a Financial Holding Company (the "FHC") under the Gramm-Leach-Bliley Act, permitting it to engage in a broader array of investment activities than a bank holding company that does not have FHC status. As noted above, the New York Branch is an uninsured branch licensed by the NYDFS. It is subject to ongoing supervision, examination and regulation by the NYDFS and the FRB. The regulation of the New York Branch includes restrictions on the activities that may be conducted by the New York Branch as well as prudential limits such as lending limits and limits on transactions with affiliates. In the event of its insolvency, the New York Branch would be resolved in accordance with applicable provisions of the New York Banking Law.

[4] 12 U.S.C. §1843(a)(2).

I. Principal Officers

The table below lists key officers and directors of the Bank.

Keito Shimbu is in charge of the New York Branch.

Board of Directors

President & Chief Executive Officer

Kazuto Oku

Senior Managing Directors (Representative Directors)

Tetsuya Kanamaru

Shozo Goto

Keito Shimbu

Kazuhiko Otake

Managing Directors

Shinichiro Nakano

Hikaru Yoshida

Audit & Supervisory Board

Kiyotsugu Akimoto

Shigeo Miyachi

Koji Hatsukawa

Ryutaro Edo

Masahiro Muroi

Managing Executive Officers

Satoshi Iwaso

Takahiro Nakajima

Ryo Akiyoshi

Yasuyuki Matsumoto

Hiroshi Yuda

Masanobu Yagi

Shin Kawamoto

Takao Nakashima

Seiki Todaka

Executive Officers

Akiko Ito

Yoshio Kimura

Yoshihiro Ito

Koki Ogino

J. Resolution Planning Corporate Governance Structure and Processes

The Bank has integrated resolution planning into its corporate governance structure and processes to ensure that the U.S. Resolution Plan receives appropriate oversight from designated senior management officials, committees and the Board of Directors.

The Bank has developed the U.S. Resolution Plan in accordance with the corporate governance structure and processes described below. The U.S. Resolution Plan is submitted to the U.S. supervisory agencies (i.e., the Agencies) pursuant to the Regulation.

Because the maintenance of the U.S. Resolution Plan requires an assessment of the impact of various matters that may affect the overall management of the Bank, and the U.S. Resolution Plan must include operational details, the Director in charge of the Corporate Planning Division (i.e., the director responsible for the overall management planning of the Bank) is responsible for overseeing the development, maintenance, implementation, and filing of the U.S. Resolution Plan.

The Board of Directors decides the framework and the planning policies for the U.S. Resolution Plan. The Board of Directors appoints the Director in charge of the Corporate Planning Division as a delegate acting under the express authority of the Board of Directors to approve the U.S. Resolution Plan. The Director responsible for the U.S. Resolution Plan develops and approves of the U.S. Resolution Plan pursuant to such policies, and reports to all the Board Members.

The U.S. Resolution Plan is reviewed once a year as a general rule in accordance with the Resolution Plan Rule, as well as on an as-needed basis, and the Director responsible for the U.S. Resolution Plan determines whether revisions are necessary. When revisions are to be made to the U.S. Resolution Plan, prescribed authorization procedures are to be followed and the revised U.S. Resolution Plan is to be submitted to the U.S. supervisory agencies (i.e., the Agencies) pursuant to the Resolution Plan Rule.

To ensure the effectiveness of the U.S. Resolution Plan, officers responsible for the business operations of the Bank, both in the Head Office and the New York Branch also actively participate in the development of the plan.

K. Material Management Information Systems

The Bank utilizes Management Information Systems ("MIS") and applications to ensure timely access to accurate and comprehensive data, including those for risk management, accounting, and financial and regulatory reporting. In preparing the U.S. Resolution Plan, the Bank has identified key MIS applications and maintains inventories of such systems and applications that are relied on by the New York Branch.

The MIS are primarily used to collect, retain and report information internally, as well as to perform functions necessary to support core business lines. Multiple reports are generated on a periodic basis for use by senior management to assess the financial health, risks and operations of such core business lines. The Bank's MIS are capable of collecting, maintaining, and reporting information in a timely manner to management and to the regulators.

L. High-Level Description of Resolution Strategy

The U.S. Resolution Plan takes into consideration possible strategies for the orderly resolution of the Bank's U.S. operations under applicable resolution regimes in the event of material financial distress or failure. The strategies are designed to be executed within a reasonable period of time and in a manner that avoids or substantially mitigates systemic impact on the U.S. financial stability.

For purposes of its initial resolution plan filed in December of 2013, as permitted by 12 C.F.R. §§ 243.4(a)(4)(i) and 381.4(a)(4)(i), the Bank assumed that the Bank and its legal entities were in material financial distress or failure as a result of an idiosyncratic event specific to the Bank that occurs under baseline conditions when U.S. and global markets are not experiencing financial distress. As required under the cited sections and as discussed in the Confidential Section, the Bank's plan has also taken into account certain adverse and severely adverse scenarios. In accordance with instructions set forth in the January 29 Letter addressed to the Bank by the Agencies, the Bank has assumed for purposes of its 2018 resolution plan that the material financial distress or failure of the Bank occurs under the severely adverse economic conditions provided to the Bank by the FRB pursuant to 12 U.S.C. §5365(i)(1)(B). The Bank's 2018 resolution plan is a Reduced Plan that is exempt from the requirement to consider baseline or adverse economic conditions.

Because the Bank maintains a New York state-licensed branch, the U.S. Resolution Plan contemplates that the Bank would be subject to New York bank insolvency law in the event of the Bank's insolvency.

While not material entities for the purposes of this Resolution Plan, in the event the BROKER-DEALER becomes insolvent, it would be resolved through a combination of a liquidation of assets by the Securities Investor Protection Corporation (the "SIPC") to satisfy any claims associated with customer accounts under the Securities Investor Protection Act of 1970 (the "SIPA"), and a subsequent bankruptcy filing to satisfy any other claims. Each of MITSUI LEASING and MITSUI RAIL CAPITAL would be resolved in accordance with the U.S. Bankruptcy Code if it were to become insolvent.

Of course, in the event that the Bank is in distress because of an economic or financial event affecting the Bank generally, including but not limited to its U.S. operations, the Japanese regulators (the JFSA and the MAFF) would take an important role in the resolution process of the Bank in accordance with Japanese laws.