ANNUAL REPORT

2002

For the Year Ended March 31, 2002

The Norinchukin Bank

The Norinchukin Bank

Profile

The Norinchukin Bank (the "Bank") was established in 1923 as a quasi-governmental financial institution. Privatized in 1959, the Bank is one of Japan's largest and most distinguished banks. As of March 31, 2002, the Bank's consolidated total assets stood at ¥57 trillion, a major stake in global financial markets.

The Bank is the central bank for Japanese agricultural, forestry, and fishery cooperative systems, and most of the Bank's clients have been traditionally engaged in primary-sector businesses. With the client base becoming more and more diversified in recent years, the Bank now serves an increasing number of international clients, including foreign governments and central banks. By supporting these clients through offices in New York, London, Singapore, Hong Kong, and Beijing, the Bank continues to strengthen its leadership role in the domestic and international financial markets.

Contents

Forward-Looking Statements
This material contains forward-looking statements pertaining to the businesses and prospects of the Bank. Such statements are based on our current expectations and are subject to the risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

Consolidated
Financial Highlights

The Norinchukin Bank Group
As of March 31, 2002 and 2001

		Millions of Yen		Millions of U.S. Dollars (Note)
		2002	2001	**2002**
For the Year	Total Income	**¥ 1,619,244**	¥ 1,743,499	**$ 12,152**
	Total Expenses	**1,528,463**	1,602,343	**11,471**
	Income before Income Taxes	**90,781**	141,155	**681**
	Net Income	**70,608**	117,504	**530**
At Year-End	Securities	**23,224,644**	¥22,643,155	**174,294**
	Loans and Bills Discounted	**23,985,896**	22,805,905	**180,007**
	Foreign Exchange Assets	**19,460**	16,616	**146**
	Total Assets	**57,579,985**	60,176,848	**432,120**
	Deposits	**38,255,219**	36,579,290	**287,094**
	Debentures	**5,906,480**	6,535,129	**44,326**
	Foreign Exchange Liabilities	**2,323**	2,090	**17**
	Total Liabilities	**55,696,422**	57,955,924	**417,984**
	Paid-in Capital	**1,124,999**	1,124,999	**8,443**
	Total Shareholders' Equity	**1,881,745**	2,219,584	**14,122**
	Total Liabilities, Minority Interests and Shareholders' Equity	**57,579,985**	60,176,848	**432,120**
	BIS Capital Adequacy Ratio (%)	**10.02%**	11.06%	

Note: Yen amounts have been translated, for convenience only, at ¥133.25 to U.S.$1.00. Billion and trillion are used in the American sense of one thousand million and one million million, respectively.

A Message from the President

Introduction

The Norinchukin Bank (the “Bank”), as the central bank for the Japanese agricultural, forestry, and fishery cooperatives, carries out efficient global portfolio management by credit investment and flexible securities investment, reflecting these cooperative organizations’ stable funding bases.

In fiscal 2001, ended March 31, 2002, The Norinchukin Bank Law was revised in order to maintain the reliability of the overall Japan Agricultural Cooperatives (JA) credit business and strengthen the leadership of the Bank. This revision was implemented in January 2002.

Operating Environment

During fiscal 2001, the operating environment was extremely challenging owing to the prolongation of near-zero interest rates against a background of stagnant economic conditions, declining stock prices, and deterioration in corporate performance in Japan.

Also, before introducing the cap on deposit insurance (payoff), disposal of nonperforming loans and the selection in the banking industry has proceeded.

With the introduction of the payoff, there has been increasing demand for the sound management of financial institutions, and we have been taking further positive steps to secure trust and confidence from our clients.

Performance of the Group in Fiscal 2001

In fiscal 2001, based on strict self-assessments of loans and to improve the Bank's financial position, measures were implemented to dispose of nonperforming loans. In parallel with this, the Bank worked to globally diversify its investments in securities to secure higher earnings. As a result, net income on a consolidated basis amounted to ¥70 billion, equivalent to US$530 million.

The Bank's total assets at the fiscal year-end stood at ¥57 trillion, equivalent to US$432 billion. The consolidated capital adequacy ratio calculated according to BIS requirements was 10.02%, and the Tier I capital adequacy ratio, which is regarded as a measure of the quality of capital, was 6.88%.

Credit costs on a non-consolidated basis for the fiscal year amounted to ¥108 billion, reflecting the general deterioration in corporate performance. The Bank took initiatives to remove nonperforming exposure from its balance sheet and succeeded in eliminating ¥114 billion in fiscal 2001 through direct write-offs and recovery of a portion of its nonperforming assets. The total balance of risk-managed loans as of March 31, 2002, was ¥793 billion, which represented 3.2% of the Bank's total loan assets.

The Bank carries out strict write-offs of nonperforming loans and additions to its adequate reserve for possible loan losses. The Bank also continues to enhance its optimal risk management and further strengthen its mechanisms for securing a return according to credit risk in order to maintain the soundness of its assets and profitability.

Medium-Term Business Strategy

The Bank formulated a medium-term business strategy covering the period from October 2001 to March 2005. Under this strategy, the goals of the Bank and the cooperative credit business as a whole are to continue to sustain their established positions within Japan's financial markets while increasing their presence. To achieve this, the Bank will address the following four issues:

●Realization of Unified Operations of the Cooperative Credit Business

To enhance the competitiveness of the JA credit business and its credibility, the Bank will create a framework (JA Banking System: refer to page 6) where JA, the Prefectural Credit Federations of Agricultural Cooperatives (Shinnoren), and the Bank efficiently and systematically divide their respective roles—with JA responsible for retail banking and Shinnoren and the Bank for providing support.

●Restructuring to Create a Stronger Cooperative Credit Business

The Bank will take a more active role than in the past to restructure the JA credit business and clarify future directions by holding discussions with several Shinnorens to consider the characteristics of each individual Shinnoren. As a result of discussions thus far, the acquisition of a part of the credit business of two Shinnorens during fiscal 2002 has been decided. Consolidation of operations with five other Shinnorens during fiscal 2003 is also on the agenda.

●Maintaining and Strengthening Earnings by Enhancement of Optimal Risk Management

Through optimal risk management, the Bank will efficiently and flexibly conduct the strategic global diversification of its investments. To support this, a business infrastructure related to the stable funding of foreign currencies and systems for foreign currency denominated financial products will be developed. Accordingly, the Bank's overseas branches will conduct business based on the characteristics of markets in the major international financial centers, placing an emphasis on the stable funding of foreign currencies and profits by credit risk management.

In view of the introduction of the New Basel Capital Accord and full-scale mark-to-market accounting, the Bank will develop a flexible financial position that can promptly deal with changes in the operating environment.

●Re-engineering Overall Operations

As well as streamlining its business by facilitating and systematizing its operations, the Bank, in order to enhance overall efficiency, will concentrate its administrative duties and outsource a part of its operations.

In addition, the strategic and flexible allocation of human resources by means of selection and concentration will be carried out. The Bank will strengthen the system of the Internal Audit Division, an independent division responsible for verifying and evaluating internal control systems, and will establish a framework to ensure unremitting improvement in the level of internal control.

Strengthening the Bank's Capital

To achieve its medium-term business strategy, the Bank plans to implement a comprehensive package to strengthen its capital from this fiscal year. First, we will double the Bank's common stock, the most basic capital in Tier I, from the present ¥100 billion to ¥200 billion. Second, we will additionally introduce approximately ¥400 billion in perpetual subordinated loans and begin to raise additional capital for Upper Tier II, which is a high-quality capital among Tier II items. Finally, we will refinance the subordinated loans that were originally accepted in 1997. By implementing these measures, the Bank will comprehensively improve, as well as further strengthen, the quality and quantity of its capital.

A Trusted Financial Institution (Credit Ratings)

As of June 30, 2002, the Bank's long-term debt was rated A1 by Moody's Investors Service and A+ by Standard & Poor's. These are among the highest credit ratings for Japanese financial institutions and are attributed to its stable funding bases, sound asset quality, ample liquidity, and solid capital base.

In Conclusion

We remain totally committed to maintain and enhance our performance, and to work on the further implementation of compliance arrangements in order to continue services as a financial institution fully trusted by its clients. We look forward to your continued support in the years ahead.

August 2002

Hirofumi Ueno

Hirofumi Ueno

President and Chief Executive Officer

Norinchukin Bank
and the New JA Banking System

FRAMEWORK OF THE JA BANKING SYSTEM AND THE UNIQUE SAFETY NET FOR THE COOPERATIVE CREDIT BUSINESS

The Norinchukin Bank Law was revised in June 2001 and went into effect on January 1, 2002. The objective of the revision is to create a sound and highly reliable organization of the JA credit business in line with changes in the business environment. To achieve this, the JA credit business will provide high-quality and sophisticated services to its clients as well as establish effective bankruptcy prevention measures.

JA, Shinnoren, and the Bank (all of which are JA bank members: JA bank is the generic term for JA, Shinnoren, and the Bank) will pursue more unified business operations in order to increase competitiveness and credibility (JA Banking System).

To facilitate unified business operations, JA bank basic policies have been formulated as a code of conduct for JA bank members. To conduct operations of the JA Banking System based on these policies, a JA Bank System Headquarters has been established within the Bank, and a JA Bank Prefectural Headquarters has been set up within each Shinnoren.

Function of the JA Banking System

The specific activities of the JA Banking System are as follows:

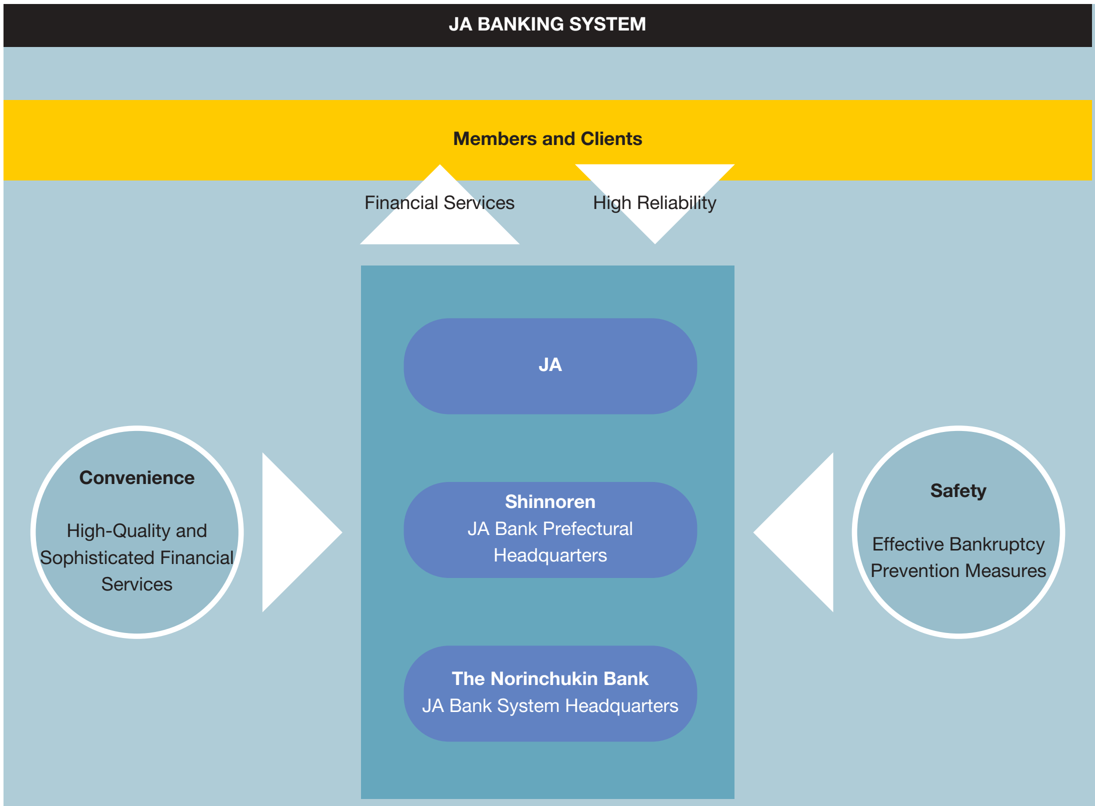
Providing High-Quality and Sophisticated Financial Services

To promote the IT initiatives of the JA bank, a project team for IT planning and development was established within the Bank in July 2000. The team focuses on planning and developing unified, strategic systems. In order to achieve more efficient and streamlined development of the JA banks' computer system, the Bank, as the main coordinator of the system, established The JA Bank Computer System Co., Ltd., in March 2002. In addition, the Bank is focusing on R&D of new products and marketing methods for customer satisfaction by introducing Customer Relationship Management (CRM). Information networks linking JA, Shinnoren, and the Bank were also created to enable these three entities to pursue product development and business operations in line with customers' needs. The JA bank will work closely with the JA mutual insurance business in preparation for the defined contribution pension plan, which is due to be introduced in October 2002.

Establishing Effective Bankruptcy Prevention Measures

To give clients peace of mind when using the JA bank, the Bank will take legal measures to improve business at a stage earlier than that required by law under the prompt corrective action policy. The JA Bank System Headquarters will periodically monitor the financial conditions of JA and Shinnoren. If capital ratios and business execution systems fail to meet certain standards, the JA Bank System Headquarters will enact measures depending on the degree of the problem, including those to improve business. Furthermore, the JA Bank System Headquarters will take immediate measures, such as business transfer or the implementation of changes in organizational structure, when business improvement is considered difficult.

To further enhance the effectiveness of JA audits, the JA National Audit Organization was established as a specialized agency in April 2002. The JA Bank System Headquarters is committed to increasing trust in the JA Banking System by further strengthening close coordination with the Prefectural Unions of Agricultural Cooperatives (refer to page 12) and the JA National Audit Organization.



Summary of the Unique Safety Net for the Cooperative Credit Business

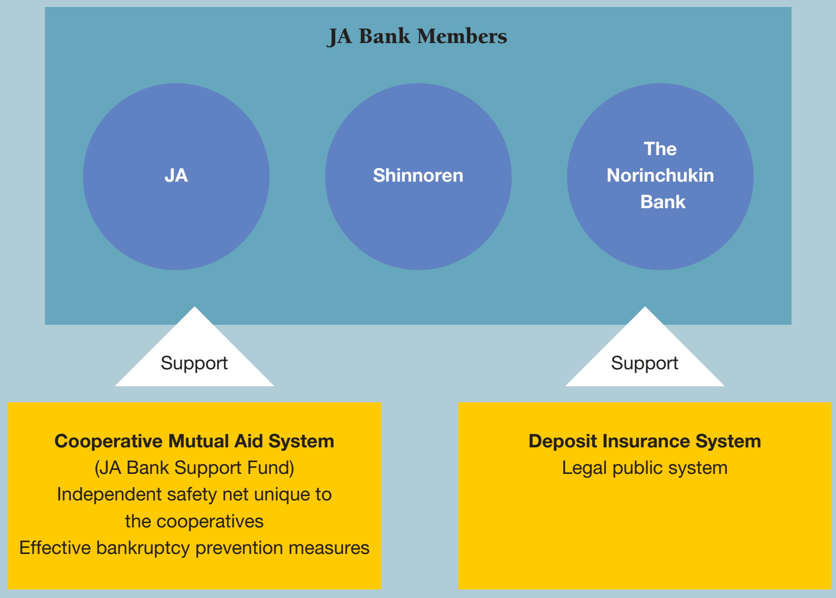
JA is supported by the Deposit Insurance System, a legal public system and, in addition to this, the Cooperative Mutual Aid System, an independent safety net unique to the JA bank and unseen in other banks. This double safety net enables the JA bank to provide its clients with safe, high-quality financial services.

The Deposit Insurance System is funded by deposit insurance premiums paid annually by JA, Shinnoren, and the Bank. This system protects depositors if a JA becomes insolvent and cannot cover deposit payments. The system is comparable to the Deposit Insurance System targeting other banks.

The Cooperative Mutual Aid System, an independent system unique to the JA bank, is a system designed to prevent bankruptcies. In order to provide necessary support (capital injection) as one of the early improvement measures under this system, the JA Bank Support Fund has been newly established based on contributions made by the JA bank. If a JA experiences management difficulties, the said fund will support the concerned JA in close cooperation with the Deposit Insurance System.

The Fishery Cooperatives Law was revised in June 2002. When implemented in January 2003, a system of mutual aid similar to the bankruptcy prevention measures in the JA Banking System will also be implemented in the fishery cooperative business.

SAFETY NET FOR THE COOPERATIVE CREDIT BUSINESS



Shareholding Member Cooperatives

The Bank's capital is composed of common stocks, lower dividend rate stocks, and preferred stocks. Common stocks are the most basic means of fund-raising for the Bank, and these are purchased by all of the shareholding member cooperatives. Lower dividend rate stocks are one of the forms of common stocks that are underwritten by specified members for specific purposes and are subject to special conditions under which the equity dividend rate is lower than that of common stocks. As of the end of fiscal 2001, the balance of lower dividend rate stocks purchased by Shinnoren and the Prefectural Credit Federations of Fishery Cooperatives (Shingyoren) stood at ¥1 trillion. Preferred stocks are equity funds purchased by non-members with no voting rights. In the past, the Bank issued a total of ¥50 billion in such stocks on a private offering.

Subordinated loans—contained in the Tier II classification under the BIS requirements and borrowed from Shinnoren and Shingyoren—amount to more than ¥490 billion and serve to enhance the Bank's overall capital position.

As mentioned above, the Bank's shareholders are primarily members of the cooperative system.

Funding

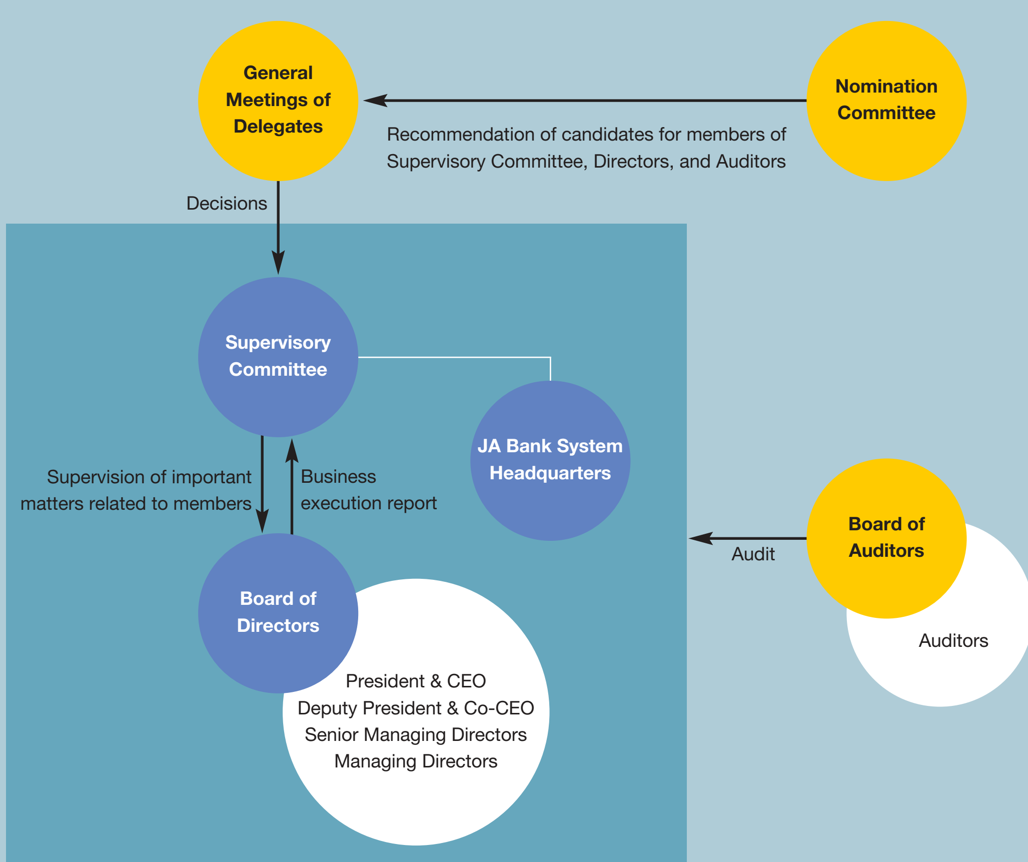
Funding for the Bank mainly consists of deposits and Norinchukin Bank debentures. Deposits differ from those of other banks in respect that they are primarily made up of funds collected from cooperative members. In particular, deposits made by JA and Fishery Cooperatives (Gyokyo) members, who are directly involved in the agriculture, forestry, and fishery industries as well as local residents, are entrusted to the Bank via Shinnoren and Shingyoren.

This unique structure is the reason for the long-term stability of the Bank's funding system.

Revision of Management System of The Norinchukin Bank (Corporate Governance Structure)

Under the revision of The Norinchukin Bank Law, the Bank is able to provide the necessary guidance to JA in order to reorganize and strengthen the JA credit business, as well as carry out its original duties as a financial institution, stipulated in The Norinchukin Bank Law. To achieve this, a Supervisory Committee, as a new organization of the Bank, has been introduced. The Supervisory Committee is empowered to make decisions regarding the basic policies of the Bank and those related to the reorganization and enhancement of the cooperative credit business, as well as important matters related to the agricultural, forestry, and fishery cooperatives, including specific action plans. Meanwhile, the directors of the Bank are entrusted with the authority to approve and execute matters related to the financial duties conducted by the Bank.

MANAGEMENT SYSTEM OF THE NORINCHUKIN BANK (CORPORATE GOVERNANCE STRUCTURE)



Milestones in the Bank's 79-Year History

History of the Bank's Development

1923
- The Bank established with government funds under special legislation as the central bank for Industrial Cooperatives

1938
- "Gyokyo" joins the Bank

1943
- Forestry Cooperatives ("Shinrinkumiai") join the Bank
- The Bank's name officially changed to the Norinchukin Bank

1950
- The first Norinchukin Bank debentures issued

1959
- Redemption of the government's equity stake completed, thereby becoming a private bank

1974
- Foreign exchange operations begin

1977
- Investment and trading in foreign currency denominated bonds begin

1982
- A representative office opens in New York (the Bank's first overseas foothold)

1984
- The New York Representative Office upgraded to branch status

1985
- A representative office opens in London

1986
- Fiduciary services for corporate bonds begin
- Norinchukin International plc opens in London

1989
- The Bank's U.S. dollar denominated notes issued in the Euromarket

1990
- A representative office opens in Singapore

1991
- The London Representative Office upgraded to branch status

1993
- The Singapore Representative Office upgraded to branch status
- Norinchukin Securities Co., Ltd., established
- Norinchukin Investment Trust Management Co., Ltd., established

1995
- Preferred stocks issued, opening the way for capital increases through the participation of ordinary investors
- The Norinchukin Trust & Banking Co., Ltd., established

1996
- Operations of Norinchukin Asset Management Co., Ltd., begin
- Laws concerning the integration of the Bank and Shinnoren enacted

1998
- Issuance of ¥1 trillion in lower dividend rate stock to Shinnoren and Shingyoren and ¥0.5 trillion in subordinated loan transaction completed
- Substantial reorganization of the market risk investment sections, updating them to match global asset management styles
- A representative office opens in Hong Kong
- A representative office opens in Beijing

2000
- Norinchukin-Zenkyoren Asset Management Co., Ltd., formed through the reorganization of the former Norinchukin Asset Management Co., Ltd.

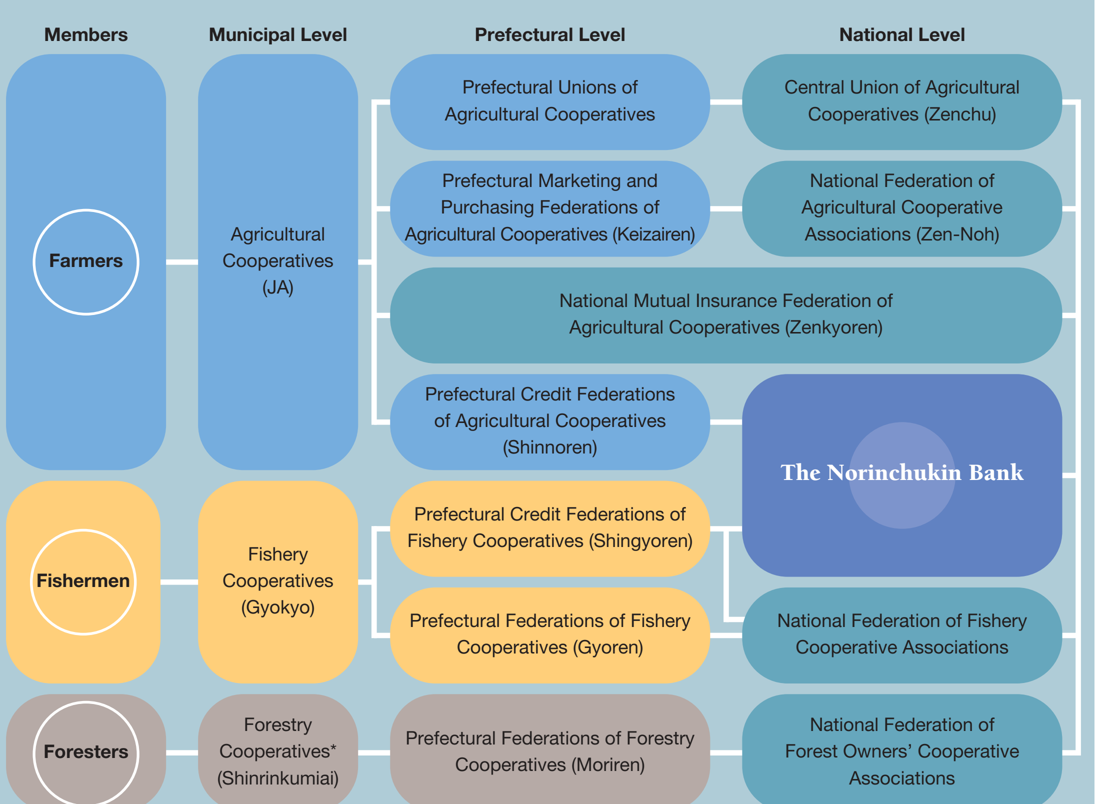
2001
- The Norinchukin Bank Law is revised

Outline of the Cooperative System

The cooperative system, as shown in the chart below, is a multi-tiered structure with a base comprising farmers, fishermen, and foresters organized into JA, Gyokyo, and the Forestry Cooperatives (Shinrinkumiai) at the municipal level. These cooperatives, in turn, organize prefectural organizations, and the entire structure is capped by national-level organizations, including the Bank. Organizations at the prefectural and national levels perform specialized business functions, including consulting, sales and purchasing, financing, and mutual insurance services. (However, Shinrinkumiai and the Prefectural Federations of Forestry Cooperatives (Moriren) do not provide such financing functions.) The three levels of the cooperative system are closely linked through capital subscriptions, management, and business ties and occupy a major position within the Japanese economy.

The Bank serves as the central bank for the cooperatives, extending loans throughout the cooperative system, and receives the majority of its funding from the cooperatives as well as prefectural federations. The Bank acts as an intermediary, making adjustments in the supply and demand for funds within the cooperative system, returning profits to the system, and providing funds to other national-level federations in the system.

STRUCTURE OF THE AGRICULTURAL, FORESTRY, AND FISHERY COOPERATIVE SYSTEM



Forestry Cooperatives do not take deposits.

Enhancement of the JA Organization

To deal with changes in the environment for agriculture, cooperative members and the JA Group (JA, Shinnoren, the Bank, and other related cooperatives) have proceeded with the consolidation of individual JA organizations while also taking steps to streamline overall business management and develop functions and systems within the JA structure. As a result, the number of JAs, which exceeded 3,000 as of March 31, 1991, declined to 1,056 as of April 1, 2002.

In June 1998, a report entitled *Basic Approach to the Reorganization of the Cooperative Credit Business Organization* was compiled. In this report, the following four schemes were assumed as directions for the reorganization of the cooperative credit business, including graduated action plans:

(1) To realize two levels of organization through the integration of the Bank and Shinnoren,
(2) To realize one JA per prefecture by combining Shinnoren and JA in the same prefecture,
(3) To realize a more efficient and focused Shinnoren, and
(4) To realize interregional Shinnoren where Shinnoren of several different prefectures are integrated.

In response to this report, the specific implementations of this reorganization have been debated in each prefecture.

As a result of discussions held to date, the acquisition of a part of the credit business of Miyagi Prefectural Shinnoren and Tochigi Prefectural Shinnoren during fiscal 2002 has been decided upon. This was approved at the general meeting of delegates of the Bank in June 2002. At present, preparations for the acquisition are progressing for Miyagi Prefectural Shinnoren, due to be carried out on October 15, 2002, and for Tochigi Prefectural Shinnoren, on May 6, 2003. In addition, consideration is under way for consolidating operations with five additional Shinnorens during fiscal 2003.

In the future, the Bank aims at creating a cooperative credit business that lives up to the expectations and proves worthy of the trust it receives from its clients. The Bank will continue to support the development of the functions and systems of JA and realize streamlined and more efficient management of its own business.

Flow of Funds Through the Cooperative System

Funding

The Bank's primary sources of funds are deposits, the majority of which are obtained from the cooperative system and the issuance of Norinchukin Bank debentures. Deposits of JA and Gyokyo are obtained from members of these cooperatives in primary-sector industries and from other residents of local communities. These deposits are entrusted to the Bank via Shinnoren and Shingyoren.

Deposits placed with JA and Gyokyo are lent to cooperative members for financing their business operations or as general-purpose loans. Of the remainder, in principle, two-thirds or more are entrusted to Shinnoren and Shingyoren at the prefectural level. These organizations extend loans to agricultural and fishery cooperative organizations, corporations related to the primary sector, and local governments within their own prefectures. One-half or more of the remaining funds are deposited with the Bank. This structure is supported by strong ties with the members of Shinnoren, JA, and other related partners.

The Bank is also one of the few financial institutions in Japan that can float bank debentures and raise funds from individual and institutional investors.

Use of Funds

The Bank's abundant funds, procured from the above-mentioned sources, are used intensively for loans and investment in securities. A portion of earnings is also distributed to the members of the cooperative credit system.

The Bank's clients for loans are classified mainly into three categories:

- *Cooperative organizations of the agricultural, forestry, and fishery cooperative system and entities engaged in agriculture, forestry, and fishing,*
- *Companies and organizations contributing to the development of the primary sector, and*
- *Public institutions contributing to welfare.*

In particular, the Bank, since its establishment, has positioned loans to member organizations of the cooperative system, related corporations of those members, and entities in the primary sector as the basis of its activities. The Bank has provided an original cooperative low-interest rate fund, named the Agriculture, Forestry, and Fishery Promotion Fund. The Bank has financially supported the development of primary-sector industries and cooperative organizations, with the aim of training the next generation of personnel who will participate in the agriculture, forestry, and fishery industries, and promoted the development of ecological agriculture. The Bank also provides financial resources to regional public-sector organizations and public corporations in order to build a stronger industrial base in local communities and raise the standard of living and well-being of local residents.

In addition, drawing on its ample financial resources and accumulated know-how, the Bank, as Japan's largest institutional investor, is an active participant in the securities and money markets, and particularly plays a leading role in short-term money markets. Besides these activities, the Bank has been expanding its overseas investments and loans as well as supporting the development of the overseas operations of member organizations and primary-sector-related industries.

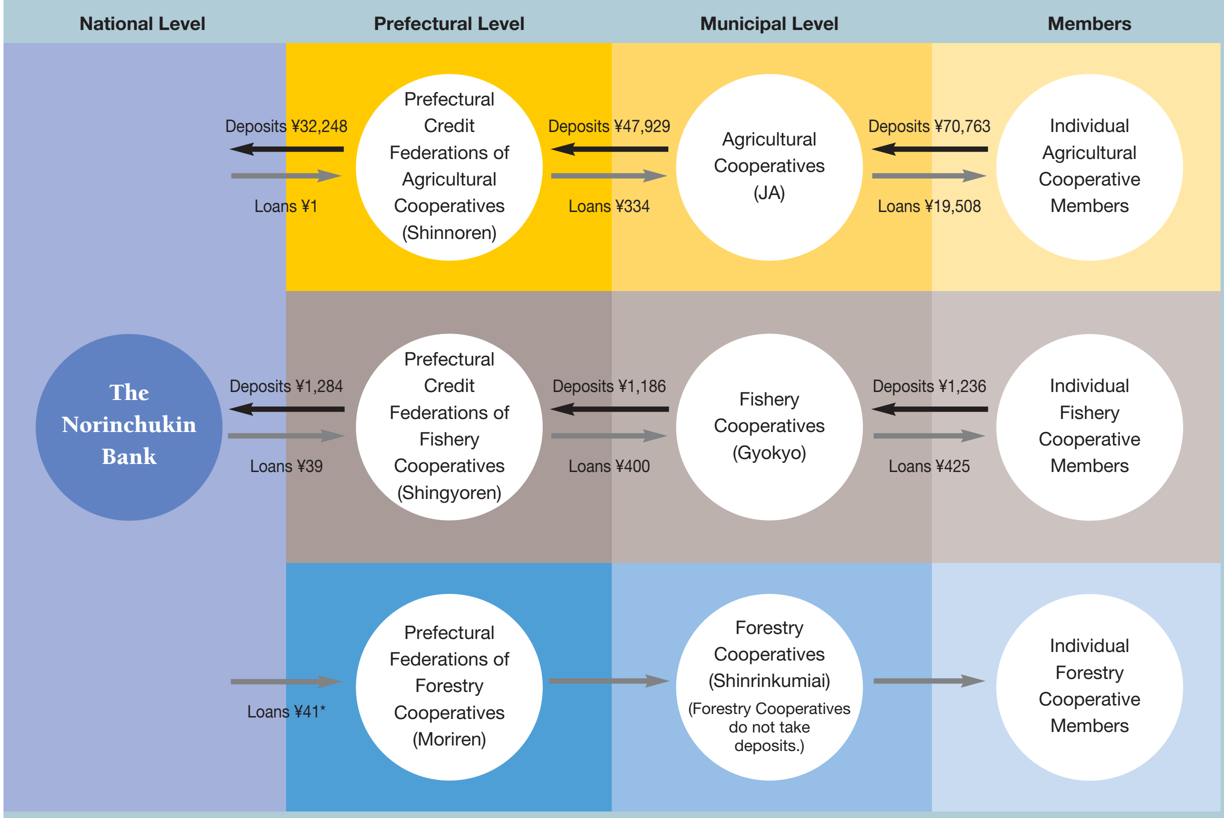
Flow of Funds within the Cooperative System in Fiscal 2001

JA deposits rose 2.0% over the previous year and stood at ¥73,537 billion at the fiscal year-end. This increase was attributed to encouraged saving despite the decline in agricultural income caused by the weakness in agricultural crop prices and lower income from non-agricultural sources, reflecting deterioration in employment conditions.

Total JA loans decreased 3.4% from a year earlier, to ¥21,256 billion, as a result of weak demand for funds due to sluggish consumer spending. The fiscal year-end outstanding securities held at the JA level rose 6.2% on a year-on-year basis, to ¥4,067 billion.

LOANS AND DEPOSITS IN THE COOPERATIVE CREDIT SYSTEM (Billions of Yen)

(As of March 31, 2002)



* Loans to the national federation and to municipal-level cooperatives are included.

FINANCIAL POSITION OF THE COOPERATIVE CREDIT SYSTEM (Billions of Yen)

(As of March 31, 2002)

	Deposits	Debentures	Borrowings	Cash and Due from Banks	Securities	Loans	Assets
JA	¥73,537	¥ —	¥635	¥49,422	¥ 4,067*	¥21,256	¥75,524
Gyokyo	1,301	—	282	1,179	19	449	1,662
Shinnoren	50,472	—	27	32,685	13,471*	5,353	55,194
Shingyoren	2,380	—	40	1,451	212*	803	2,631
The Norinchukin Bank	38,357	5,946	493	3,842	23,276	24,233	56,527

**Money held in trust is included.*

In response to these trends at the JA level, the balance of deposits with Shinnoren rose 2.3%, to ¥50,472 billion. Loans from Shinnoren, however, dropped 0.3% from a year earlier, to ¥5,353 billion, owing to weakness in loan demand. On the other hand, securities held at the Shinnoren level at the fiscal year-end were ¥13,471 billion, representing an increase of 8.7% over the previous year-end.

As a result, remaining funds ultimately deposited with the Bank through the cooperative credit system amounted to substantially more than ¥30 trillion.

Fiscal 2001 Performance

Loans

As of March 31, 2002, the balance of loans and bills discounted in the consolidated settlement of the Bank amounted to ¥23,985 billion, accounting for 41.6% of total assets.

The cooperative credit business, which includes the Bank, plays a key role for the primary sector. As a financial institution based on this sector, the Bank provides cooperative lending mainly to cooperative organizations and companies in the agriculture, forestry, and fishery industries. However, the balance of cooperative lending at the end of fiscal 2001 amounted to ¥1,063 billion, accounting for a relatively small 4.4% of the Bank's total loans. This is because cooperative lending is carried out mostly at the JA and Shinnoren levels and is only supplemented by the Bank.

In addition, the Bank provides various financial services to corporations that are engaged in public activities, such as local governments and public corporations, government-affiliated corporations, and other entities, including electric power, gas, railway, and aviation companies, as well as companies associated with agriculture, forestry, and fisheries.

The Bank's clients cover a wide range of industries. These include not only companies that are directly associated with the primary sector, such as those involved in the processing of agricultural, forestry, and fishery products, the manufacturing of materials required by the primary sector, and the distribution of those products, but also companies that are engaged in other types of business.

With the strong fund-raising capacities of the cooperative organizations and know-how cultivated as a world-leading institutional investor, the Bank has been consistently responding to the financial needs of its clients. The Bank provides not only loans but also varieties of financial products; i.e., commitment line contracts, securitization of accounts receivables and real estate, non-recourse loans, syndicated loans, and fund-raising in domestic and international capital markets with corporate bonds and commercial paper (CP). From its perspective as an institutional investor, the Bank also actively targets these financial products for investment.

The Bank also provides the following financial services: Proposals for measures to hedge interest rate risk using derivatives, provision of information based on its position as the core entity of the cooperative credit business, management advice regarding initial public offerings (IPOs), and corporate electronic banking services to reduce labor input and enhance the efficiency of cash management.

Market Operations

Systems for Market Operations

The Bank is one of the largest financial institutions in Japan, while at the same time, one of the leading global institutional investors. Financial assets that are managed in the financial markets, including securities and short-term money-market funds, represent a large share of our total assets.

The market operations section is managed under a mutual checking system in which the front, middle, and back offices work independently. The front office manages domestic and overseas assets as one portfolio and categorizes them by asset type, such as bonds and equities, to achieve an efficient and effective system of management.

The Bank aims to secure a flexible and stable financial position in the management of its market portfolio. Based on analyses of macro-economic conditions, financial markets, and risk-return, the Bank seeks to make optimal asset allocations for long-term investment, while appropriately managing its portfolio through global asset diversification from the viewpoint of strategic risk-taking and risk control.

Securities Investment

At the end of fiscal 2001, outstanding securities under the management of the Bank were ¥23,224 billion, up 2.5%, or ¥581 billion, from the previous year-end.

Investment in bonds, a core management asset, accounts for a significant portion of the operating assets of the Bank due to the risk-return characteristics. When making investment decisions, the Bank gives full attention not only to interest rate risk but also to credit and liquidity risks. We invest in various types of bonds, including Japanese government bonds and foreign bonds, to enhance the efficiency of our bond portfolio.

In equity investments, the Bank gives attention to risk-return characteristics as well as their correlation with other portfolios and manages its portfolio from a long-term perspective. Specifically, to attain value-added asset management that outperforms the market benchmark, the Bank employs an efficient bottom-up approach to stock selection and diversifies its portfolio by investing in both domestic and overseas markets.

In recent years, the markets for asset-backed securities (ABS) and other marketable credit risk financial products have expanded. By implementing complete risk analyses, the Bank has been active in global credit investment. The Bank is also steadily proceeding with so-called alternative investments—non-traditional financial assets (those other than stocks and bonds)—by utilizing external investment managers.

Short-Term Money Market Operations

The Bank actively participates in both domestic and overseas short-term money markets using its vast supply of funds as one of the largest financial institutions in Japan.

Under a harsh environment of ultralow interest rates, the Bank works to efficiently manage its available funds, principally obtained from the cooperative credit business, while at the same time giving full consideration to various types of risks. Domestically, the Bank is active in such interbank markets as the call market and is a major investor in the repurchase agreement (repo), treasury bill (TB), and finance bill (FB) markets. The Bank continually maintains a leading role in these markets and plays an important part in expanding their market functions.

Backed by its strong credit standing in foreign currency markets, the Bank raises the stable level of funds necessary for globally diversified investment.

Meanwhile, the Bank accurately controls settlement liquidity. In addition, it is actively involved in and making contributions toward participation in Continuous Linked Settlement (CLS), a new system for foreign currency settlements, by developing a network necessary for managing settlements in U.S. dollars, euros, and other major currencies.

Trading Operations

In the trading of financial products, the Bank responds to the needs of its clients through transactions in Japanese government bonds, CP, and derivatives. The Bank works to increase its dealing profits through various methods, such as arbitrage transactions and options, for each financial product.

The Bank also participates in foreign currency markets as a representative of the cooperative credit business. To reflect our primary emphasis on accurately responding to the demands of members of the cooperative credit business and clients in primary-sector-related industries, we have formed an efficient dealing team characterized by high expertise and functionality.

Capital Markets Business

In response to the increasingly diversified and global nature of the fund-raising needs of its clients, the Bank assists in raising funds from capital markets by acting as a commissioned bank for bond issues and provides strong support for clients through diversified business operations. These include assistance for IPOs and advice on bond floatation.

The Bank supports stable fund management by offering investment products from both domestic and overseas markets primarily to members of the cooperative system as well as to domestic and international investors.

In the domestic capital market, Norinchukin Securities Co., Ltd., assists clients in raising funds by offering, underwriting, and selling public and corporate bonds. The company also responds to the investment needs of the cooperative members, institutional investors, and industrial corporations with a wide range of financial products in the secondary market.

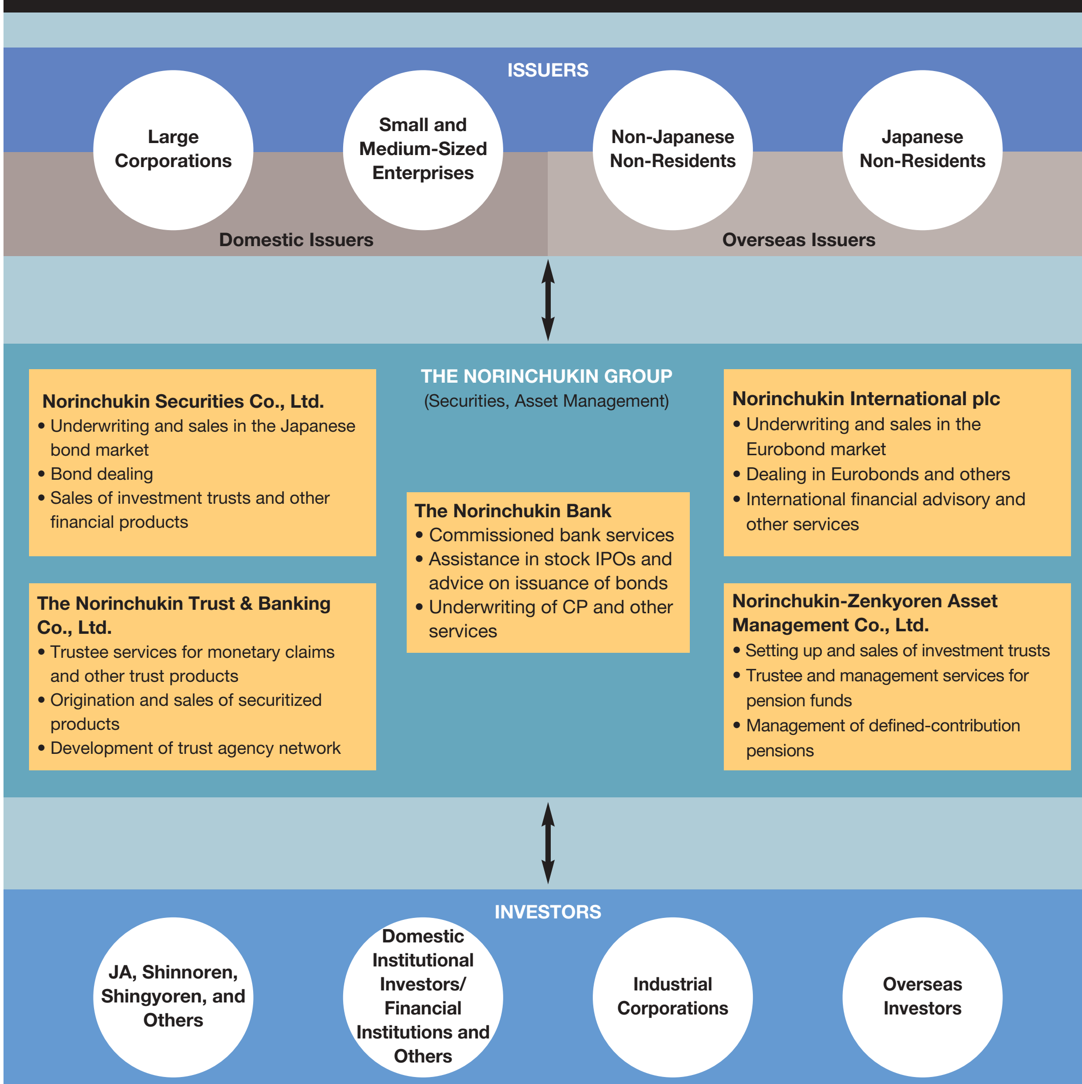
In overseas capital markets, Norinchukin International plc (NOIL), based in London, is primarily responsible for helping clients meet their fund-raising needs, while at the same time offering high-quality overseas investment products to investors. NOIL plays a role in assisting the Bank in raising foreign currency through the sale of repos and certificates of deposit (CDs). Norinchukin Securities and NOIL work closely together, securing a strong presence in domestic and overseas capital markets by expanding business activities through a network linking the world's markets.

Asset management support for investors is provided by Norinchukin-Zenkyoren Asset Management Co., Ltd. The company is responsible for managing the assets of the cooperative members and responds to a broad range of clients' asset-management needs through securities investment trust and investment advisory business.

The Norinchukin Trust & Banking Co., Ltd., offers both administrative and management services for the members of the cooperative business and other clients, ranging from monetary assets to real estate. Specific services include fund trusts, securities trusts, securities investment trusts, monetary claims trusts, and land trusts.

By utilizing the management know-how and networks acquired from its experience as a leading institutional investor in the domestic and international markets, the Group provides sound asset management and asset administration services to the members of the cooperative business as well as to other clients.

OUTLINE OF THE OPERATIONS OF THE NORINCHUKIN GROUP



International Operations

To appropriately respond to the growing diversity as well as the globalization of domestic and overseas financial and capital markets, the Bank has established offices in the world's key financial centers to expand the scope and depth of the international financial services it offers.

The Bank uses this global network to efficiently manage the substantial funds of the cooperative system in international financial and capital markets in its money market activities and securities investments.

As of March 31, 2002, the balance of securities under the management of the Bank's international business section on a non-consolidated basis was approximately ¥11.6 trillion. The Bank draws on its ample yen funds to make short-term investments in overseas financial markets and raises stable flows of foreign currencies based on its strong credit standing.

The Bank provides comprehensive financial services in the field of overseas lending. By making full use of the functions of its Head Office and overseas offices, it offers services that respond to the various needs of its clients, including assistance in entering overseas markets, fund-raising, and the provision of information. The Bank's total credit exposure to non-residents as of March 31, 2002, including off-balance-sheet transactions, amounted to ¥2,336 billion. Of the Bank's total lending, the share of loans to overseas Japanese subsidiaries and non-Japanese companies with high credit standings has been rising, and further diversification of the loan portfolio by region and industry has been in operation.

Financial deregulation and globalization has resulted in more diversified and complex risks for financial institutions, calling for the increased need for risk management. In its international operations, the Bank must deal with risks that are different from those in domestic markets, including exchange and country risks. The Bank is further enhancing its risk management systems and promoting global portfolio diversification that gives due consideration to risk-return.

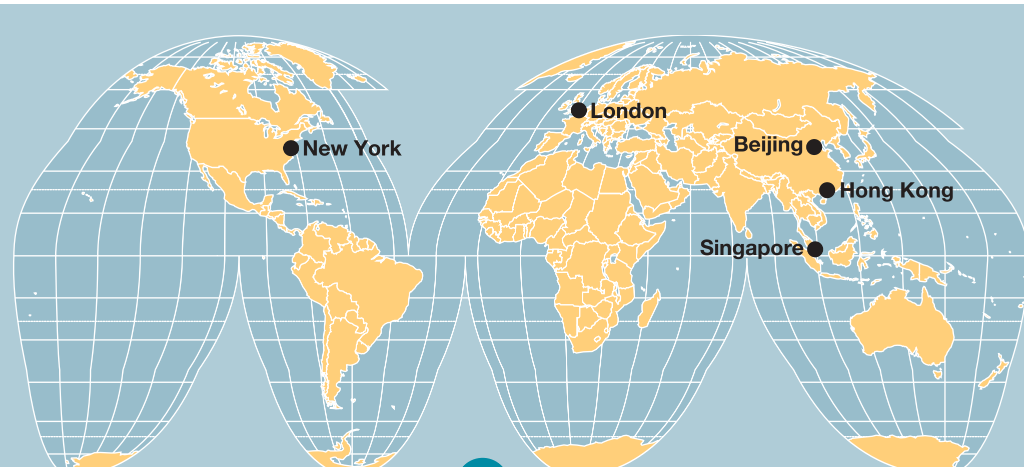
Overseas Networks

The Bank has overseas branches in New York, London, and Singapore for the purpose of maintaining footholds in major international financial markets. These branches focus on loan and money market operations, and are continuing to develop their activities by capitalizing on the special features of their respective markets. Especially in their respective money market operations, these branches play an extremely important role in raising stable flows of foreign currencies, which are essential for the implementation of the Bank's overall strategy, globally diversified investments.

The New York Branch has steadily expanded its business operations since its inception in 1984. In money market operations, taking advantage of being based in the mother market for U.S. dollars, and with its status as a member of the Government Securities Clearing Corporation (GSCC), the branch constantly raises dollar funds on favorable terms through repos and other transactions. The branch also has a solid performance in market dealing. In its lending operations, the Bank regards the United States as the largest market for credit investment for non-Japanese clients and is continuing to expand these types of investments while enhancing risk management systems. The New York Branch works closely with the Head Office in providing financial services to the U.S. subsidiaries of Japanese companies. Taking advantage of the Bank's higher credit rating, compared with other Japanese banks, the branch has shown steady results to date.

The London Branch was opened in 1991 and is the Bank's largest base for funding foreign currencies. The branch provides steady flows of foreign currencies by enhancing its strong relations with various other financial institutions. It has also benefited from London's strategic position as the center of the euro market and has delivered results by utilizing the abundant yen funds of the Head Office. The branch is working to selectively expand its credit investments for non-Japanese clients, targeting mainly borrowers in the unified euro market, while paying attention to diversification of industries and other criteria. The branch also supports Japanese clients in developing their business operations in Europe.

The Singapore Branch started operations in 1993. In the area of credit investments for non-Japanese clients, in addition to expanding its portfolio of loans to local financial institutions and private enterprises affiliated with major financial groups, the branch is also developing such



relationships in the Oceania region, while paying due attention to risk. The branch also provides loans to Japanese-affiliated companies operating in surrounding Asian countries. In addition, in its money market activities, the branch plays an important role, along with the London Branch, in funding foreign currencies for the Bank and is engaged in strengthening its relationships with various financial institutions.

The three branches introduced a new front office system in fiscal 2001 to enhance their risk management systems.

Besides these branches, the Bank also maintains representative offices in Hong Kong and Beijing, as information centers in the East Asia region. Both representative offices were established in 1998 and are engaged in gathering information on business activities, such as food products and agriculture.

In future globally diversified investment, the Bank expects these overseas offices to play even more important roles as leading-edge centers for the funding of foreign currencies, short-term fund management in yen, and lending to non-residents.

Social Contributions

The Bank dedicates itself to preserve the natural environment in harmony with people and industry as well as to make towns more attractive for residents and visitors. For more than 30 years, the Bank has been hosting a nationwide flower campaign with the catchphrase “Green town and flowers in windows.”

Each year, the Bank makes contributions of flower seeds, bulbs, flower beds, and other gardening items to public facilities, including local public bodies, parks, and schools.

The Bank also sponsors an annual, nationwide flower-drawing competition for elementary school pupils. In 2001, which marked the 33rd anniversary of this event, the Bank received a total of 87,557 entries from 1,086 elementary schools across the nation. By encouraging elementary school children to draw pictures of flowers, the Bank hopes to heighten the children’s awareness of the environment.

In the future, the Bank plans to contribute even further to the protection and preservation of nature and the environment, and improve people’s quality of life through events not merely limited to themes based on “flowers.”

The Norinchukin Foundation, Inc.

The Bank created the Norinchukin Foundation, Inc., in 1994 to commemorate the 10th anniversary of the establishment of its New York Branch. The objectives of the Foundation are to preserve nature, educate children, and promote cultural activities to improve the quality of life in the states of New York, Connecticut, and New Jersey. Each year, the Foundation donates proceeds exclusively to non-profit organizations that are involved in charities and environmental, educational, or cultural activities.

Directors and Auditors

(As of June 26, 2002)

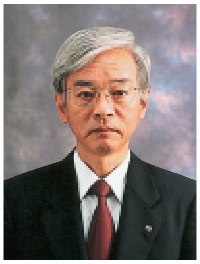
Hirofumi Ueno
President & Chief Executive Officer

Iwao Ohtawa
Deputy President & Co-Chief Executive Officer

International & Market-Related Business

Michisato Sakamoto
Senior Managing Director

Kimikazu Noumi
Senior Managing Director



Hajime Tsurumi
Managing Director

Yasuo Okada
Managing Director

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Hirofumi Ueno

Deputy President & Co-Chief Executive Officer
Iwao Ohtawa

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Iwao Ohtawa

BOARD OF AUDITORS

Yasutada Sasaki
Shuji Komoto
Norito Shiraiwa
Masaoki Kojima
Yasuhiko Kishi

Financial Information

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Financial Review

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2002

Net interest income rose ¥57 billion over the previous fiscal year, to ¥155 billion, equivalent to US$1,164 million, owing to the decline in funding costs as a result of the drop in interest rates. Net income on securities increased ¥40 billion on a year-on-year basis, to ¥154 billion, due to increased earnings from Japanese government bonds. Net income from fees and commissions, however, declined ¥15 billion from the previous year, to ¥15 billion.

General and administrative expenses rose ¥5 billion on a year-on-year basis, to ¥112 billion. Credit costs increased ¥84 billion, to ¥115 billion, as the Bank appropriately wrote off nonperforming loans and added to its reserve for possible loan losses in line with the strict self-assessment of its assets. The addition to the reserve for possible loan losses was ¥80 billion.

As a result, on a consolidated basis, the Bank's net income in fiscal 2001 was ¥70 billion, equivalent to US$530 million.

Principal Statement of Income Items

	Millions of Yen		
Fiscal years ended March 31	**2002**	2001	Difference
Net Interest Income	**¥155,185**	¥ 97,620	¥ 57,565
Net Income on Securities	**154,515**	113,628	40,887
Net Income from Fees and Commissions	**15,630**	30,791	(15,161)
General and Administrative Expenses	**112,838**	107,000	5,838
Credit Costs	**115,885**	31,186	84,699
Transfer to Reserve for Possible Loan Losses	**80,003**	(24,578)	104,581
Write-off of Loans	**34,062**	24,272	9,790
Other	**1,819**	31,492	(29,673)
Other	**(5,826)**	37,302	(43,128)
Income before Income Taxes	**90,781**	141,155	(50,374)
Income Taxes	**19,702**	22,999	(3,297)
Current	**41,353**	778	40,575
Deferred	**(21,651)**	22,221	(43,872)
Net Income	**70,608**	117,504	(46,896)

REVIEW OF BALANCE SHEET ITEMS

Funding

Deposits, excluding negotiable certificates of deposit (NCDs), rose to ¥38,068 billion, equivalent to US$285 billion, up ¥2,073 billion from the previous year, as a result of an increase in deposits at the prefectural level. The deposits from cooperatives are allocated in compliance with applicable laws as follows:

•Two-thirds of the funds, after loans are deducted from deposits of JA and Gyokyo, are deposited with Shinnoren and Shingyoren.

•One-half of the funds, after loans are deducted from deposits at the Shinnoren and Shingyoren levels, are deposited with the Bank.

This system provides a stable source of funding for the Bank.

Breakdown of Deposits (On a Non-Consolidated Basis)

	Billions of Yen	
As of March 31	**2002**	2001
Organizations Which Have Capital Subscription in the Bank	**¥34,244**	¥31,582
Financial Institutions and Public Funds	**2,702**	3,112
Other	**1,121**	1,300
Total	**¥38,068**	¥35,995

Note: The above figures exclude NCDs.

Loans and Bills Discounted

By focusing on a lending policy that takes risk-return into account, the Bank's loans and bills discounted on a consolidated basis totaled ¥23,985 billion, equivalent to US$180 billion, an increase of ¥1,180 billion from the previous fiscal year. Risk-managed loans on a consolidated basis rose ¥56 billion, to ¥823 billion, from the previous year as a result of deterioration in corporate performance. The reserve for possible loan losses stood at ¥367 billion, up ¥49 billion from the previous year.

Breakdown of Loans by Industry (On a Consolidated Basis)

	Billions of Yen (%)			
As of March 31	**2002**		2001	
Foods	**¥ 554**	**(2.3%)**	¥ 558	(2.4%)
Pulp and Paper	**231**	**(0.9)**	233	(1.0)
Chemicals	**403**	**(1.6)**	388	(1.7)
Other Manufacturing	**971**	**(4.0)**	879	(3.8)
Agriculture, Forestry and Fisheries	**184**	**(0.7)**	202	(0.8)
Construction	**236**	**(0.9)**	270	(1.1)
Electricity, Gas and Water	**270**	**(1.1)**	274	(1.2)
Transportation and Telecommunications	**944**	**(3.9)**	840	(3.6)
Wholesale, Retail and Restaurant	**2,056**	**(8.5)**	2,102	(9.2)
Services	**1,579**	**(6.5)**	1,377	(6.0)
Finance and Insurance	**9,880**	**(41.1)**	11,151	(48.8)
Other Non-Manufacturing	**6,672**	**(27.8)**	4,525	(19.8)
Total	**¥23,985**	**(100.0%)**	¥22,805	(100.0%)

Risk-Managed Loans (On a Consolidated Basis)

As of March 31	Billions of Yen	
	2002	2001
Loans to Borrowers under Bankruptcy Proceedings	**¥ 24**	¥ 6
Loans with Principal or Interest Payments More Than Six Months in Arrears	**357**	344
Loans with Principal or Interest Payments More Than Three Months in Arrears	**1**	3
Restructured Loans	**439**	414
Total	**¥823**	¥767

Risk-Managed Loans (On a Non-Consolidated Basis)

As of March 31	Billions of Yen	
	2002	2001
Loans to Borrowers under Bankruptcy Proceedings	**¥ 23**	¥ 5
Loans with Principal or Interest Payments More Than Six Months in Arrears	**345**	330
Loans with Principal or Interest Payments More Than Three Months in Arrears	**1**	0
Restructured Loans	**423**	398
Total	**¥793**	¥735

Notes: 1. Loans to Borrowers under Bankruptcy Proceedings are loans for which payment of principal or interest has not been received for a substantial period and, for this and other reasons, there are no prospects for recovery or repayment of the principal or interest, and thereby no interest has been accrued (excluding loans written off and hereinafter referred to as non-accrual loans), which are subject to the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No. 97, 1965), items (i) through (v) of Article 96, Section 1, Part 3 or Part 4 of the same article. Loans with Principal or Interest Payments More Than Six Months in Arrears are non-accrual loans other than Loans to Borrowers under Bankruptcy Proceedings and other loans for which interest payments have been rescheduled to assist the borrowers' restructuring (Restructured Loans).

2. Loans with Principal or Interest Payments More Than Three Months in Arrears are defined as loans for which principal or interest has been in arrears for three months or more from the day following the contract payment date. They exclude Loans to Borrowers under Bankruptcy Proceedings and Loans with Principal or Interest Payments More Than Six Months in Arrears.

3. Restructured Loans are those for which the terms and conditions of the original loan agreement are redrawn for the favor of the borrower, including reducing interest rates, rescheduling interest and principal payments or waiving claims on the borrower. Such loans exclude Loans to Borrowers under Bankruptcy Proceedings, Loans with Principal or Interest Payments More Than Six Months in Arrears and Loans with Principal or Interest Payments More Than Three Months in Arrears.

Disclosed Claims by the Financial Revitalization Law (On a Non-Consolidated Basis)

	Billions of Yen	
As of March 31	**2002**	2001
Claims on Obligors under Legal Bankruptcy Proceedings and Obligors Substantially in Bankruptcy	**¥ 29**	¥ 11
Claims on Obligors with Bankruptcy Imminent	**339**	324
Claims on Obligors under Close Observation	**428**	404
Total	**¥ 797**	¥ 740
Claims on Ordinary Obligors	**¥23,818**	¥22,706

Note: Under Article 6 of the Law Concerning Emergency Measures for Early Stabilization of Financial Functions (Law No. 132, 1998), banks are required to classify obligors regarding: Securities Lent, Loans and Bills Discounted, Foreign Exchange Assets, Unaccrued Interest and Suspense Payments of Other Assets and Customers' Liabilities for Acceptances and Guarantees, according to their financial conditions and management performance. The definition of the classifications is as follows:

Although the Bank is not subject to the provisions of this law, it classifies its obligors and discloses the value of claims on each obligor in accordance with the law.

(1) Claims on Obligors under Legal Bankruptcy Proceedings and Obligors Substantially in Bankruptcy

Claims on obligors who are bankrupt or in the process of bankruptcy, reorganization or similar financial restructuring procedures as well as those in a similar condition.

(2) Claims on Obligors with Bankruptcy Imminent

Claims on obligors who are not yet bankrupt but whose financial position and management performance are deteriorating. It is highly likely that the principal and interest will become uncollectible.

(3) Claims on Obligors under Close Observation

Claims in this category basically include Loans with Principal or Interest Payments More Than Three Months in Arrears and Restructured Loans.

(4) Claims on Ordinary Obligors

Claims on obligors with no particular financial or operating problems and include all claims other than those under (1) through (3) above.

Reserve for Possible Loan Losses (On a Consolidated Basis)

	Billions of Yen	
As of March 31	**2002**	2001
Reserve for Possible Loan Losses	**¥367**	¥318

Reserve for Possible Loan Losses (On a Non-Consolidated Basis)

	Billions of Yen	
As of March 31	**2002**	2001
General	**¥174**	¥157
Specific	**195**	157
Provision for Losses on Specified Overseas Debts	**5**	7
Total	**¥375**	¥323

Shareholders’ Equity

The Bank’s capital adequacy ratio as of March 31, 2002, was 10.02% on a consolidated basis, and 10.22% on a non-consolidated basis. The most noteworthy feature of the Bank’s capital structure is a high percentage of Tier I capital—the most basic component of capital, including paid-in capital and earned surplus—which is made possible through the strong support of the cooperative membership system. On both a consolidated and non-consolidated basis, the Tier I capital ratio, which is regarded as a measure of the quality of a financial institution’s capital, was close to 7%. The Bank held ¥1 trillion in lower dividend rate stocks in Tier I capital from Shinnoren and Shingyoren, and its subordinated loan balance in Tier II capital stood at ¥0.49 trillion at the fiscal year-end. Overall, the Bank’s capital position has been strengthened.

The capital adequacy ratio of the Bank in line with the BIS’s capital adequacy requirements is as follows.

BIS Capital Adequacy Ratio (On a Consolidated Basis)

	Billions of Yen, %	
As of March 31	**2002**	2001
Shareholders’ Equity:		
Tier I	**¥ 1,691**	¥ 1,649
Tier II	**771**	1,016
Amount to be Deducted*	**1**	1
Total	**¥ 2,460**	¥ 2,664
Risk-Adjusted Assets:		
On-Balance-Sheet	**¥22,170**	¥21,104
Off-Balance-Sheet	**707**	645
Assets Equivalent to Market Risk	**1,673**	2,336
Total	**¥24,550**	¥24,086
BIS Capital Adequacy Ratio (%):		
Tier I	**6.88%**	6.84%
Tier I + Tier II	**10.02**	11.06

Note: The capital adequacy ratio of the Bank is based on the computational formula specified in Directive No. 15, Criteria for Judging the Management Soundness of the Norinchukin Bank, *issued in 2001 by the Financial Services Agency and Ministry of Agriculture, Forestry and Fisheries (hereinafter, the Directive). The Bank observes BIS capital adequacy requirements and has been in compliance with market risk regulations.*

** This amount is equivalent to the investment stipulated in Directive 7, Clause 1, Section 2.*

BIS Capital Adequacy Ratio (On a Non-Consolidated Basis)

	Billions of Yen, %	
As of March 31	**2002**	2001
Shareholders' Equity:		
Tier I	**¥ 1,670**	¥ 1,634
Tier II	**785**	1,028
Amount to be Deducted*	**0**	0
Total	**¥ 2,455**	¥ 2,662
Risk-Adjusted Assets:		
On-Balance-Sheet	**¥21,770**	¥20,751
Off-Balance-Sheet	**607**	624
Assets Equivalent to Market Risk	**1,631**	2,294
Total	**¥24,009**	¥23,670
BIS Capital Adequacy Ratio (%):		
Tier I	**6.95%**	6.90%
Tier I + Tier II	**10.22**	11.24

Note: *The capital adequacy ratio of the Bank is based on the computational formula specified in Directive No. 15,* Criteria for Judging the Management Soundness of the Norinchukin Bank, *issued in 2001 by the Financial Services Agency and Ministry of Agriculture, Forestry and Fisheries (hereinafter, the Directive). The Bank observes BIS capital adequacy requirements and has been in compliance with market risk regulations.*

** This amount is equivalent to the investment stipulated in Directive 7, Clause 1, Section 2.*

Risk Management

The business environment for financial institutions has changed drastically in recent years. Under this environment, prompted by the growing diversity of their operations, such institutions are required to establish optimal risk management systems in order to perform their social responsibilities as they maintain and improve the soundness of their operations.

The Bank has structured its risk management systems, which are intended to effectively control credit risk, market risk, and other various risks in management operations with the following three key objectives in mind. The first is to make accurate decisions through committees comprised of management and the general managers of various divisions, i.e., the Credit Risk Management Committee, Market Risk Management Committee, and Credit Committee. The second is to carry out the Bank's business promptly and efficiently. The third is to properly monitor risk management activities and provide feedback on quantitative data on risk volumes so as to reflect these in decision making.

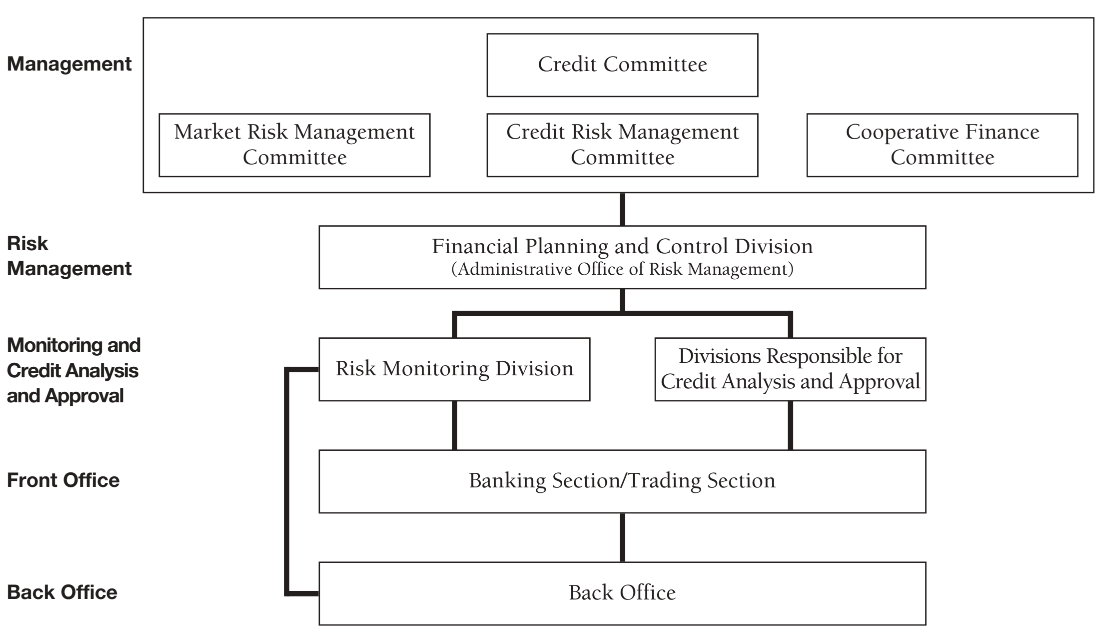
Looking forward, the Bank will place a top priority on sophistication of individual and integrated risk management, and continue to pursue the policy of substantially enhancing its risk management systems.

CREDIT RISK MANAGEMENT

The Bank defines credit risk transactions as an important source of earnings in terms of corporate strategy. For all credit risk assets, including loans, the Bank conducts credit risk analyses on individual transactions and manages its credit risk portfolio from an overall perspective to secure earnings that counterbalance the credit risk.

Three committees are the center of the Bank's credit risk management system. The first of these, the Credit Committee, is a venue for the deliberation of the basic framework of credit risk management. The basic framework entails the credit ceiling system by country and individual company, internal rating system, and self-assessment. The Credit Committee reviews policies on the integrated management of credit risks in response to the basic framework and measures to be taken in an event of a contingency. The Credit Risk Management Committee debates specific policies for credit risk transactions other than those related to cooperative lending. The Cooperative Finance Committee deliberates specific policies on credit risk transactions for cooperative lending in order to fulfill the Bank's mission of providing effective and efficient financing.

Risk Management System



The specific policies that are discussed by the Credit Risk Management Committee, the Cooperative Finance Committee, and the Market Risk Management Committee (mentioned below) must follow the basic framework of credit risk management.

The Risk Monitoring Division, independent from the front offices, monitors the credit risk portfolio.

The Bank has been strengthening its credit analysis capabilities and has set up several divisions in charge of analyzing members of the cooperative system, primary-sector-related industries and public entities, and non-resident clients. These divisions exchange information when necessary and collaborate with one another to maintain internal cooperation.

To conduct credit analyses on corporations that are mainly primary-sector-related industries and public corporations, the Bank has established the Corporate Credit Risk Management Division, which is separated from the Corporate Business Management and Strategy Division. The division conducts industry-based credit analyses, making full use of the Bank's expertise it has cultivated in industry finance.

Specifically, to realize greater accuracy, each credit administrator in charge of a certain industry assesses each client and business through comparisons with competitors in the same business, a method that makes active use of industry research functions. With regard to the credit of non-resident borrowers, the Bank has adopted a country ceiling system that takes into account risks that differ from those of domestic loans, such as analyses of political and social conditions of each country. In addition to a business-type-based credit administration by the International Credit Risk Management Division, a special region-based credit administrator evaluates loan applications, thereby carrying out optimal risk management.

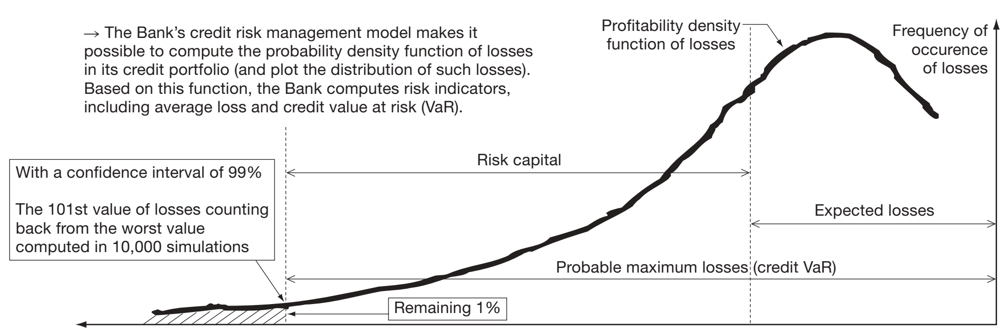
Markets for so-called products involving the liquidation of assets, which are backed by account receivables, real estate, and other assets, have been expanding in recent years. Aside from credit risk examination of individual borrowers, credit administrators specializing in the structure of investment products have been assigned and are focusing on a proper understanding of the risks associated with such products.

Under these credit administrations, the Bank conducts optimal credit risk management based on strict screening standards and its own methods for analyses of financial position and cash flow. By implementing a full training curriculum, the Bank seeks to better the credit risk management skills of credit analysts, who carry out primary credit analysis at business offices.

While strengthening conventional credit analysis methods, the Bank also introduces management methods that examine the overall portfolio in order to attain an optimal structure. Specifically, the Bank sets credit limits based on its internal credit ratings and controls risk volume by observing company ceilings. It also aims at setting lending rates according to internal credit ratings and the collateralization of loans in order to counterbalance the credit risk.

As in the case of market risks, the Bank also promotes activities to use statistical methods to calculate the risk volume of credit risks and further enhances its risk management by using a management method based on risk-return.

Basic Outline of the Bank's Credit Risk Management Model



Measurement of Credit Risk

Credit risk refers to losses incurred by a lender, whose asset values (including off-balance-sheet assets) lessen or disappear as a result of a deterioration in the financial conditions of its borrowers.

For credit risk associated with lending and corporate bond investment, the Bank manages such risk by examining how its credit exposure is distributed according to the credit standing of its borrowers and confirms that there are no excessive concentrations of risk in its assets. It is important for the Bank to ensure a return on its earning assets that counterbalances the risk and costs involved. With this in mind, the Bank monitors the overall distribution of its credit exposure and profitability, while setting credit limits based on credit ratings to structure an appropriate asset portfolio.

As with market risk, the Bank also addresses an econometric model of risk that incorporates statistical methods. Based on CreditMetrics™ developed by J.P. Morgan Chase & Co., the Bank has introduced a model that suits the Japanese economic structure and characteristics of its credit transactions. The Bank has also been organizing credit-related data, including the historic trends of credit ratings, default ratios, and percentages of debt collection. The Bank sought the distribution of loss frequency that could be obtained by simulations related to the current credit risk portfolio and calculated the risk volume of both expected loss and probable maximum loss. Making use of these risk indicators, the Bank conducts integrated management of all its credit risk assets from a portfolio perspective and aims to enhance its overall performance.

External consultants have given quantitative and qualitative evaluations on these systems for measuring risk volume and have proven their effectiveness.

Together with these schemes, the Bank has been building an infrastructure related to credit risk management using sophisticated system technology.

As for off-balance-sheet transactions, the Bank measures the following exposures on a daily basis:

- The current exposure, i.e., the cost to reconstruct the transactions in case the counterparty of the transaction declares default due to bankruptcy
- The potential exposure, i.e., the deemed additional amount corresponding to the increased risk of the current exposure in the future

As seen above, the Bank comprehensively manages credit risks for both on-balance and off-balance-sheet transactions.

MARKET RISK MANAGEMENT SYSTEM

The Bank defines financial market operations as an important source of income as well as a means to hedge risks. Interest rate and price fluctuation risks are properly controlled using comprehensive risk management systems in order to generate profits and stabilize financial positions.

To insure the implementation of these management strategies, the Bank has created a mutual checking system where decision-making functions, execution, and monitoring are systematically separated and organized into independent units. These activities are carried out to realize sufficient risk management.

Asset-Liability Management

The optimal management of risks in banking operations is indispensable for the stability of financial institutions. The Bank began risk management at an early stage through asset-liability management (ALM) that places emphasis on a balance of maintaining financial soundness and strengthening profitability. Both static and dynamic interest rate sensitivities of cash flow are analyzed, and basis point values are calculated. Based on the analyses conducted from various angles, the Bank makes an effort to build a flexible financial structure that can respond promptly to changes in financial conditions.

Market Portfolio

In banking operations, the Bank places special emphasis on analyzing and managing market risk in view of the importance of its market portfolio for securities.

Important decisions on market transactions are made at the managerial level. The Market Risk Management Committee, composed of members of management as well as the general managers of related divisions, considers, discusses, and authorizes final decisions concerning specific policies related to market transactions.

Divisions managing market portfolios buy and sell securities and hedge risks based on policies set by the Market Risk Management Committee. These activities are efficiently executed while monitoring market trends to enable new proposals for trading strategies.

The Risk Monitoring Division measures whether the operations conducted by the front offices follow policies set by the Market Risk Management Committee. In addition to measuring the risk potential, the division is also responsible for monitoring transactions. Monitoring results, carried out on a daily basis, are reported to management.

The Bank has adopted an alarm system, called the “Check Point System,” as a tool for risk management. This system requires the Market Risk Management Committee, including the management, to discuss actions when the risk volume in the overall portfolio reaches a certain level stipulated in the Bank’s tolerance limits. An alarm is activated when the risk volume radically changes in the short term and exceeds a certain level. In such cases, it is obligatory that the committee should meet and discuss appropriate actions. This system enables the Bank to manage risk quickly and properly, and we are committed to establishing an even more optimal risk management system in the future.

Methods for Measuring Market Risk of Market Portfolio

Balancing cash flows in line with interest rate fluctuations is important in banking operations. The Bank calculates the interest rate sensitivity of its assets and liabilities and measures cash flow fluctuations of assets and liabilities (as measured by the changes in interest margins or unrealized gains and losses in the case where the standard interest rate moves by one percentage point). This scheme is combined with scenario-based simulation methods to measure the impact of interest rate changes on cash flows in overall banking operations (accounts).

In addition, the Bank regularly carries out measurement of the risk volume by taking account of price fluctuation risk involved with bonds, stocks, foreign currency exchange, and simulations under stress conditions for the overall banking account to determine the impact of market changes on the value of held assets.

Trading

Front offices carry out transactions within predetermined positions and loss limits in terms of risk-return to achieve profit targets in trading activities conducted for the purpose of realizing profits from short-term market fluctuations.

When positions or losses exceed predetermined limits, a warning is issued from the Risk Monitoring Division to the front offices and, depending on the level of excess, measures are taken to improve the situation, reduce the volume of transactions, or suspend transactions altogether.

Methods for Measuring Market Risk of Trading

The Bank measures the risk in its trading operations by employing such methods as basis point value (BPV), slope point value (SPV), option risk parameters, and VaR, to monitor compliance with risk limits.

The internal model for measuring risk volumes was developed by the Bank and is used to measure the level of market risk and capital required by the BIS's capital adequacy requirements. The validity of the model has been proven by objective quantitative and qualitative audits conducted by an external certified public accounting firm.

OTHER RISK MANAGEMENT SYSTEMS

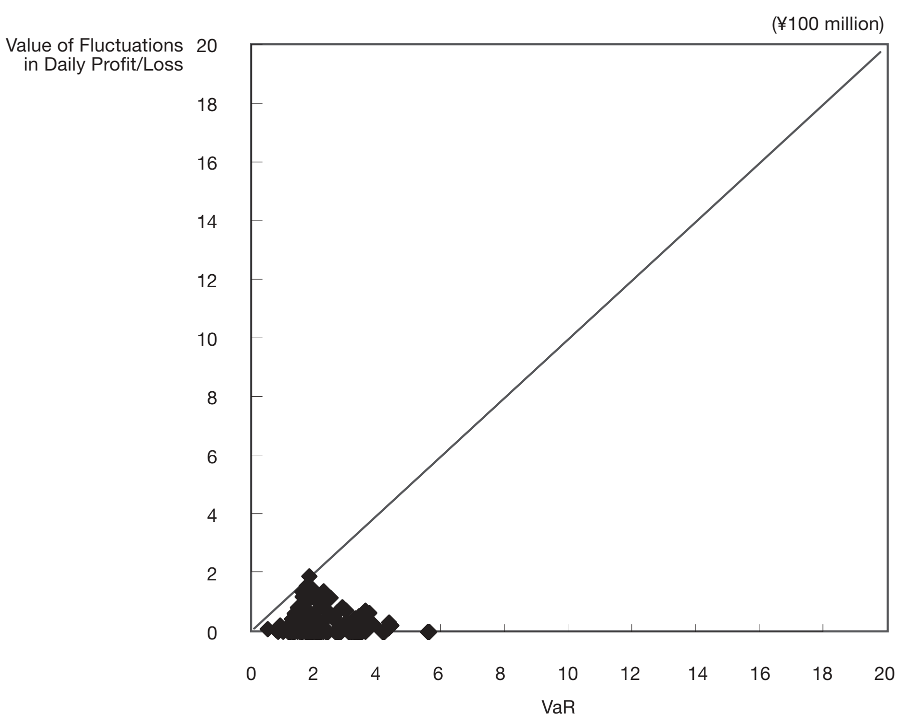
The Bank's management of liquidity risk is based on its stable funding capabilities and its holdings of assets with high liquidity. The Bank implements policies for yen and foreign currencies to take all possible measures depending on financial conditions, in accordance with the procedures stipulated in its *Risk Management Policy*.

Other than the above, there are a number of other inherent risks that may have a major impact on management, such as settlement risk in financial transactions and operational risks. Necessary management in line with each type of risk property is based on methods and approaches stipulated in the *Risk*

Changes of Interest Rate VaR (1 day) of the Trading Division

	VaR (¥100 Million)
June 29, 2001	¥3.0
September 28, 2001	2.0
December 28, 2001	1.8
March 29, 2002	1.8

Results of Back Testing (Trading Divisions, Interest Rate VaR (1 day))



From April 1, 2001, to March 31, 2002 (consisting of 245 business days), the negative value of daily profit and loss did not exceed VaR (1-day holding period) on any day, as shown in the diagram above. (No dots are marked above the 45-degree line.) The model has been proven valid within the specified probability range (one-tailed confidence interval of 99% and two-tailed confidence interval of 98%).

Management Policy. The Bank is committed to further explore this area to take further steps to strengthen risk management systems.

INTERNAL AUDIT SYSTEMS

The Bank established the Internal Audit Division, which is responsible for verifying and evaluating management and operations of overall managerial activities in progress in terms of appropriateness and effectiveness of internal controls. Based on the division's reports on these verifications and evaluations, the Bank contributes to maintain and improve the appropriateness of its business operations.

These internal audits are conducted not only in each one of the Bank's divisions but also in consolidated subsidiaries. To implement highly efficient and effective internal audits, the Internal Audit Division may decide on the frequency and depth of the internal audit depending on the subject and the types and levels of risk involved.

These internal audits particularly examine compliance with laws, the current status and challenges related to risk management, the execution system and status of operations, the condition of systems, and the clerical processing status. Along with these activities, the Internal Audit Division is working to enhance its specialist capabilities.

BASIC POLICIES AND OPERATING PROCEDURES FOR COMPLIANCE

To secure further confidence and trust from society, the Bank makes incessant efforts to ensure its compliance with ordinances and maintains a high level of transparency in its operations through disclosure and accountability. These efforts are based on the principle of self-discipline and self-reliance.

Since the Ethical Charter was enacted in March 1998, the Bank has been actively promoting compliance. To provide a manual for implementing the *Ethical Charter and the Code of Conduct* in daily business, the Bank enacted the *Code of Conduct for the Bank's Management and Staff*, the contents of which were disseminated within the Bank. In addition, the *Comments on Ordinances to Be Observed by the Bank's Management and Staff* and the *Summary of the Bank's Compliance Arrangements* were organized and included in the *Compliance Manual*. This manual was also distributed to all members of the management and staff.

The Bank's compliance arrangements are mainly managed by the Compliance Committee, the division in charge of compliance (the Compliance Management Department of the Legal Division), and personnel in charge of compliance assigned to each division or branch of the Bank.

The Compliance Committee (chaired by the Deputy President & Co-CEO) deliberates on basic matters related to the compliance of the Bank. The matters deliberated at the Compliance Committee are discussed and approved by the Board of Directors.

The Compliance Management Department of the Legal Division, which was established in October 2000, acts as the secretariat for the Compliance Committee, contacts and consults with personnel in charge of compliance at each division or branch, and carries out education and training within the Bank. The Bank formulates the "Compliance Program," specific action plans to realize compliance, including promotional and educational activities through the creation of and training for compliance arrangements. The Bank annually reviews the program upon approval from the Board of Directors to enable more-systematic compliance activities that are an integral part of the Bank's operations.

The Bank, as a financial institution always trusted and respected by its clients, will continue to further enhance its compliance activities in the future.

Consolidated Financial Statements

The Norinchukin Bank and Its Subsidiaries

Consolidated Balance Sheets

As of March 31, 2002 and 2001

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
ASSETS				
	Cash and Due from Banks	**¥ 3,907,483**	¥ 5,748,472	**$ 29,324**
	Call Loans and Bills Purchased	**411,236**	854,602	**3,086**
	Receivables under Resale Agreements	**42,106**	—	**316**
	Commercial Paper and Other Debt Purchased	**477,849**	401,074	**3,586**
	Trading Assets	**1,374,769**	2,277,541	**10,317**
	Money Held in Trust	**2,403,131**	2,179,160	**18,035**
	Securities	**23,224,644**	22,643,155	**174,294**
	Loans and Bills Discounted (Note 4)	**23,985,896**	22,805,905	**180,007**
	Foreign Exchange Assets	**19,460**	16,616	**146**
	Other Assets	**1,434,038**	2,977,570	**10,763**
	Premises and Equipment	**222,803**	222,996	**1,672**
	Deferred Debenture Discounts	**457**	2,173	**3**
	Deferred Tax Assets	**108,855**	7,908	**817**
	Customers' Liabilities for Acceptances and Guarantees	**335,001**	358,593	**2,514**
	Reserve for Possible Loan Losses	**(367,748)**	(318,921)	**(2,760)**
	Total Assets	**¥57,579,985**	¥60,176,848	**$432,120**

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY				
Liabilities	Deposits	**¥38,255,219**	¥36,579,290	**$287,094**
	Debentures	**5,906,480**	6,535,129	**44,326**
	Call Money and Bills Sold	**3,359,646**	4,015,342	**25,213**
	Payables under Repurchase Agreements	**3,135,033**	—	**23,527**
	Trading Liabilities	**213,298**	223,562	**1,601**
	Borrowings (Note 8)	**871,438**	903,676	**6,540**
	Foreign Exchange Liabilities	**2,323**	2,090	**17**
	Other Liabilities	**3,554,970**	9,179,230	**26,680**
	Group Mutual Aid Reserves	**18,832**	35,605	**141**
	Reserve for Retirement Benefits	**9,380**	8,621	**70**
	Other Reserves	**8**	9	**0**
	Deferred Tax Liabilities	**—**	79,493	**—**
	Deferred Tax Liabilities Related to Land Revaluation	**34,788**	35,277	**261**
	Acceptances and Guarantees	**335,001**	358,593	**2,514**
	Total Liabilities	**55,696,422**	57,955,924	**417,984**
Minority Interests	Minority Interests	**1,816**	1,339	**14**
	Total Minority Interests	**1,816**	1,339	**14**
Shareholders' Equity	Paid-in Capital	**1,124,999**	1,124,999	**8,443**
	Capital Surplus	**25,020**	25,020	**188**
	Land Revaluation Excess	**82,700**	83,863	**621**
	Retained Earnings	**573,017**	532,938	**4,300**
	Net Unrealized Gains on Securities, net of Taxes	**76,772**	455,326	**576**
	Cumulative Translation Adjustment	**(764)**	(2,564)	**(6)**
	Total Shareholders' Equity	**1,881,745**	2,219,584	**14,122**
	Total Liabilities, Minority Interests and Shareholders' Equity	**¥57,579,985**	¥60,176,848	**$432,120**

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

Consolidated Statements of Income

For the fiscal years ended March 31, 2002 and 2001

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
Income	Interest and Dividend Income:			
	Interest on Loans and Discounts	**¥ 209,251**	¥ 258,722	**$ 1,570**
	Interest on and Dividends from Securities	**681,464**	684,662	**5,114**
	Other	**132,923**	226,682	**998**
	Fees and Commissions	**23,366**	252,750	**175**
	Trading Revenue	**1,212**	5,538	**9**
	Other Operating Income	**459,044**	151,761	**3,445**
	Other Income	**111,981**	163,381	**841**
	Total Income	**1,619,244**	1,743,499	**12,152**
Expenses	Interest Expense:			
	Interest on Deposits	**132,164**	190,233	**992**
	Interest on Debentures	**67,061**	80,053	**503**
	Interest on Borrowings and Rediscounts	**12,954**	122,759	**97**
	Amortization of Discounts on Debentures	**2,739**	4,149	**21**
	Other	**653,535**	675,250	**4,904**
	Fees and Commissions	**7,736**	221,959	**58**
	Trading Losses	**760**	2,422	**6**
	Other Operating Expenses	**290,699**	80,405	**2,182**
	General and Administrative Expenses	**112,838**	107,000	**847**
	Other Expenses	**247,973**	118,108	**1,861**
	Total Expenses	**1,528,463**	1,602,343	**11,471**
	Income before Income Taxes and Minority Interests	**90,781**	141,155	**681**
	Income Taxes:			
	Current	**41,353**	778	**310**
	Deferred	**(21,651)**	22,221	**(162)**
		19,702	22,999	**148**
	Minority Interests	**470**	651	**3**
	Net Income	**¥ 70,608**	¥ 117,504	**$ 530**

	Yen		U.S. Dollars (Note 1)
	2002	2001	**2002**
Net Income per Share	**¥60.28**	¥107.17	**$0.45**

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

Consolidated Statements of Retained Earnings

For the fiscal years ended March 31, 2002 and 2001

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2002	2001	**2002**
Balance at the Beginning of the Year	**¥532,938**	¥446,631	**$3,999**
Additions:			
Transfer from Land Revaluation Excess	**1,163**	37	**9**
Deductions:			
Dividends	**31,691**	31,235	**238**
Net Income for the Year	**70,608**	117,504	**530**
Balance at the End of the Year	**¥573,017**	¥532,938	**$4,300**

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

Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2002 and 2001

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2002	2001	**2002**
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	**¥ 90,781**	¥ 141,155	**$ 681**
Depreciation of Premises and Equipment	**7,813**	7,203	**59**
Depreciation of Leased Assets	**192,173**	181,546	**1,442**
Equity in Earnings of Affiliates	**(95)**	(191)	**(1)**
Increase (Decrease) in Reserve for Possible Loan Losses	**48,826**	(539,382)	**366**
(Decrease) Increase in Group Mutual Aid Reserves	**(16,773)**	15,611	**(126)**
Decrease in Reserve for Contingent Losses Related to Loans Sold	**—**	(505)	**—**
Decrease in Reserve for Supporting Specific Borrowers	**—**	(840)	**—**
Decrease in Reserve for Possible Losses on Securities	**—**	(189)	**—**
Decrease in Reserve under Special Laws	**(1)**	(3)	**(0)**
Increase (Decrease) in Reserve for Retirement Benefits	**758**	(10,485)	**6**
Interest Income Recognized in Statement of Income	**(1,023,640)**	(1,170,066)	**(7,682)**
Interest Expense Recognized in Statement of Income	**868,455**	1,072,446	**6,517**
Gains on Securities	**(98,906)**	(79,971)	**(742)**
Losses (Gains) on Money Held in Trust	**16,399**	(20,174)	**123**
Foreign Exchange Gains	**(739,946)**	(1,244,447)	**(5,553)**
Losses on Sales of Premises and Equipment	**589**	933	**4**
(Gains) Losses on Sales of Leased Assets	**(2,675)**	1,244	**(20)**
Net Decrease (Increase) in Trading Assets	**902,772**	(564,534)	**6,775**
Net (Decrease) Increase in Trading Liabilities	**(10,263)**	28,726	**(77)**
Net Increase in Loans	**(1,179,991)**	(1,252,175)	**(8,855)**
Net Increase in Deposits	**2,050,936**	2,608,761	**15,392**
Net (Decrease) Increase in Negotiable Certificates of Deposit	**(374,907)**	484,244	**(2,814)**
Net Decrease in Debentures	**(628,649)**	(434,587)	**(4,718)**
Net Decrease in Borrowings (Excluding Subordinated Borrowings)	**(32,237)**	(159,322)	**(242)**
Net Decrease in Interest-Bearing Due from Banks	**1,798,128**	351,963	**13,494**
Net Decrease in Call Loans and Bills Purchased and Other	**324,461**	1,900,939	**2,435**
Net Decrease in Cash Collateral Paid under Bond Borrowing Transactions	**68,486**	95,048	**514**
Net Increase in Call Money and Bills Sold and Other	**2,479,336**	2,769,623	**18,607**
Net (Decrease) Increase in Short-Term Entrusted Fund	**(2,741,493)**	1,042,056	**(20,574)**
Net (Decrease) Increase in Cash Collateral Received under Bond Lending Transactions	**(428,451)**	1,040,018	**(3,215)**
Net (Increase) Decrease in Foreign Exchanges Assets	**(2,844)**	9,231	**(21)**
Net Increase in Foreign Exchanges Liabilities	**233**	945	**2**
Interest Income (Cash Basis)	**1,140,293**	1,229,623	**8,558**
Interest Expense (Cash Basis)	**(964,911)**	(1,076,996)	**(7,241)**
Other—Net	**(945,452)**	321,338	**(7,096)**
Subtotal	**799,206**	6,748,788	**5,998**
Income Taxes	**(4,490)**	(38,859)	**(34)**
Net Cash Provided by Operating Activities	**¥ 794,716**	¥ 6,709,928	**$ 5,964**
Cash Flows from Investing Activities:			
Purchase of Securities	**(8,910,198)**	¥(16,753,548)	**(66,868)**
Proceeds from Sales of Securities	**4,831,042**	5,209,447	**36,255**
Proceeds from Redemption of Securities	**3,802,648**	5,569,048	**28,538**
Increase in Money Held in Trust	**(1,564,450)**	(1,160,811)	**(11,741)**
Decrease in Money Held in Trust	**1,260,547**	495,350	**9,460**
Purchases of Premises and Equipment	**(12,401)**	(13,174)	**(93)**
Proceeds from Sales of Premises and Equipment	**2,198**	6,687	**16**
Purchase of Leased Assets	**(226,161)**	(209,733)	**(1,697)**
Proceeds from Sales of Leased Assets	**11,085**	11,420	**83**
Purchase of Stocks of Subsidiaries (effecting changes in the scope of consolidation)	**(60)**	—	**(0)**
Net Cash Used in Investing Activities	**¥ (805,749)**	¥ (6,845,314)	**$ (6,047)**
Cash Flows from Financing Activities:			
Dividend Paid	**¥ (31,691)**	¥ (31,235)	**$ (237)**
Dividend Paid to Minority Interests	**—**	(1)	**—**
Net Cash Used in Financing Activities	**¥ (31,691)**	¥ (31,236)	**$ (237)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**¥ 28**	¥ 56	**$ 0**
Net Decrease in Cash and Cash Equivalents	**(42,696)**	(166,565)	**(320)**
Cash and Cash Equivalents at the Beginning of the Year	**295,161**	461,727	**2,215**
Cash and Cash Equivalents at the End of the Year	**¥ 252,465**	¥ 295,161	**$ 1,895**

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

Notes to the Consolidated Financial Statements

The Norinchukin Bank and its Consolidated Subsidiaries

1. Basis of Presentation

The consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank ("the Bank") and its consolidated subsidiaries in accordance with the provisions set forth in The Norinchukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements filed with the Ministry of Agriculture, Forestry and Fisheries of Japan have been reclassified for the convenience of readers.

The consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥133.25=U.S.$1, the approximate rate of exchange prevailing on March 31, 2002, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen figures disclosed in the consolidated financial statements are expressed in millions of yen and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the annual report.

Certain amounts in prior periods have been reclassified to conform to the current presentation.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

Scope of Consolidation

Subsidiaries

Subsidiaries are, in general, the companies in which the Bank 1) holds, directly and/or indirectly, more than 50% of the voting shares; 2) holds, directly and/or indirectly, 40% or more of the voting shares and, at the same time, exercises effective control over the decision-making body by directing business policy, deciding on financial and operating policies; or 3) holds more than 50% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, has effective control over the decision-making body, unless evidence exists which shows that the Bank does not have such control.

The number of subsidiaries as of March 31, 2002 increased to 13, following the establishment of a new subsidiary. All subsidiaries are consolidated. The major consolidated subsidiaries are as follows:

Norinchukin Securities Co., Ltd.
The Norinchukin Trust & Banking Co., Ltd.
Norinchukin International plc
The Co-op Leasing Co., Ltd.

Affiliates

Affiliates are, in general, the companies other than subsidiaries in which the Bank 1) holds, directly and/or indirectly, 20% or more of the voting shares; 2) holds, directly and/or indirectly, 15% or more of the voting shares and also is able to influence the decision-making body through sharing of personnel, provision of finance and technology, and other relationships; or 3) holds more than 20% of the voting shares together with those entities that would vote or agree to vote with the Bank due to their close relationship with the Bank through sharing of personnel, provision of finance and technology and other relationships and, at the same time, is able to influence the decision-making body in a material degree, unless evidence exists which shows that the Bank does not have such influence.

The number of affiliates as of March 31, 2002 was 3, of which, Norinchukin-Zenkyoren Asset Management Co., Ltd. and The Cooperative Servicing Co., Ltd. are accounted for under the equity method. The remaining immaterial affiliate is carried at cost.

Any difference between the fair value of net assets acquired and acquisition cost is charged or credited to income in the year of acquisition.

The consolidated financial statements include the accounts of the Bank and its subsidiaries, after the elimination of all significant intercompany transactions, balances, and unrealized gains and losses.

The financial statements of a consolidated subsidiary, whose fiscal year-end is December 31, are included in the consolidated financial statements on the basis of its respective fiscal year after making appropriate adjustments for significant transactions during the period from its fiscal year-end to the date of the Bank's fiscal year-end.

All other subsidiaries' fiscal year-ends are March 31.

(2) Transactions for Trading Purposes

Transactions that are influenced by short-term fluctuations in market and other indicators, such as interest rates, foreign exchange rates and securities markets and transactions such as those that are undertaken to take advantage of inter-market and other differences (hereinafter referred to as "Transactions for Trading Purposes") are recorded as Trading Assets and Trading Liabilities in the Consolidated Balance Sheet on a trade date basis.

Gains and losses arising from Transactions for Trading Purposes are recorded on a trade date basis.

Securities, monetary claims and certain other items held for trading purposes are valued at the market price prevailing at the end of the fiscal year. 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 fiscal year.

Trading Revenue and Trading Losses include interest received and paid during the fiscal year, gains or losses resulting from any change in the value of securities and monetary claims between the end of the previous fiscal year and the end of this fiscal year, and gains or losses resulting from any change in the value of derivatives between the end of the previous fiscal year and the end of this fiscal year, assuming they were settled at the end of the fiscal year.

(3) Financial Instruments

(a) Securities

Held-to-maturity debt securities are valued at amortized cost, as determined by the moving average method. Other securities that have a market quotation are valued at the market price prevailing at the end of the fiscal year (the attributable cost of securities sold is determined by the moving average method). Other securities without a market quotation are valued at cost as determined by the moving average method or are valued at amortized cost. Investments in affiliates that are not accounted for by the equity method are valued at cost, as determined by the moving average method. The value of money held in trust, primarily held for the purpose of investing in securities, was calculated consistently with the previous fiscal year, by valuing the underlying securities held using the same methods employed to value Securities directly held by the Bank.

The net unrealized gain or loss on other securities and other money held in trust is reported separately in Shareholders' Equity, on a net-of-tax basis.

(b) Derivatives and Hedge Accounting

The Bank utilizes a macro hedging methodology using derivatives to manage the overall interest rate risk arising on various financial assets and liabilities held, such as loans and deposits. This macro hedging methodology is the risk management method, the "Risk Adjusted Approach" described in the "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), under which the deferral method of hedge accounting is used. Hedge effectiveness is assessed by checking (1) whether the total market risk arising on derivative instruments used for hedging purposes is within the established risk limit as set out in the risk management policy and (2) whether interest rate risk from hedged items has been mitigated.

In accordance with the "Tentative Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 20), the fair value method for hedge accounting is applied for hedges of foreign currency risk arising from other securities denominated in foreign currency (other than debt securities), provided that (1) the securities denominated in foreign currency are identified as hedged items in advance and (2) spot and forward liabilities that exceed acquisition costs of the foreign currency securities designated as hedged items exist on a foreign currency basis.

For certain other assets or liabilities, the Bank applies the deferral method, fair value method or the accruals method specifically allowed for certain interest rate swaps. Under the deferral method, the recognition of income or expenses arising on a hedging instrument is deferred to when the income or expenses arising on the hedged item is recognized. Under the fair value method, any change in the fair value of the hedged item or hedging instrument is recognized as income or expenses.

The Bank's consolidated subsidiaries do not adopt hedge accounting.

(c) Securities Purchased under Resale Agreements and Securities Sold under Repurchase Agreements

Effective from this fiscal year, the Bank and its consolidated subsidiaries adopted the new Japanese accounting standard for financial instruments, " The Opinion Concerning the Establishment of an Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council in January 22, 1999 (the "New Financial Instruments Standard").

Securities purchased under resale agreements and securities sold under repurchase agreements were previously accounted for as purchase or sale transactions. Under the New Financial Instruments Standard they are accounted for as finance transactions and disclosed as Receivables under Resale Agreements and Payables under Repurchase Agreements, respectively. As a result, Other Liabilities has decreased by ¥362,499 million as compared with the amount that would have been reported if the New Financial Instruments Standard had not been applied. Those transactions executed overseas, which were previously included in Call Loans and Bills Purchased and/or Call Money and Bills Sold as financing transactions are included in Receivables under Resale Agreements and/or Payables under Repurchase Agreements, respectively from this fiscal year.

(4) Premises and Equipment

Depreciation of premises and equipment of the Bank is calculated using the reducing-balance method.

However, in accordance with the revision to Article 48-1 of the Corporate Tax Laws, depreciation on buildings acquired after April 1, 1998 (excluding annex facilities of buildings) is to be calculated on a straight-line basis.

The useful lives of premises and equipment are as follows:

Buildings: 15–50 years
Equipment: 5–15 years

The estimated useful life of computers of the Bank was previously 6 years. Personal computers (other than those utilized for servers) are depreciated over 4 years and other computers are depreciated over 5 years from this fiscal year. This change has no material impact on Income before Income Taxes and Minority Interests.

Depreciation of premises and equipment of the consolidated subsidiaries is calculated using mainly the reducing-balance method over the estimated economic useful lives.

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes has been revalued as of March 31, 1998. The unrealized gain arising on revaluation, net of deferred tax was reported as Land Revaluation Excess and included in Shareholders' Equity on the Consolidated Balance Sheet. The related deferred tax liability is included in Liabilities as Deferred Tax Liabilities Related to Land Revaluation.

The land price used for the revaluation was determined based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

The difference (unrealized loss) between the book value of land after the revaluation undertaken in accordance with Article 10 of the Law Concerning the Revaluation of Land and the fair value was ¥29,740 million and ¥27,127 million as of March 31, 2002 and March 31, 2001, respectively.

(5) Costs of Computer Software Developed or Obtained for Internal Use

The cost of computer software developed or obtained for internal use is capitalized and amortized using the straight-line method over its estimated useful life of 5 years.

(6) Debentures

Discounts on debentures are amortized over the life of the debenture. Debenture expenses are charged to income as incurred.

(7) Foreign Currency Translation

Assets/liabilities denominated in foreign currency and accounts of overseas branches in the Bank are translated into Japanese yen primarily using the exchange rates in effect at the consolidated balance sheet date.

Up to the previous fiscal year, the Bank had followed Accounting Standards relating to Foreign Currency Transactions for Banks in accordance with the "Tentative Auditing Treatment relating to Continuous Adoption of Accounting Standards for Foreign Currency Transactions in the Banking Industry" (JICPA April 10, 2000). However, from this fiscal year the Bank has adopted the revised "Accounting Standards for Foreign Currency Transactions" (Business Accounting Deliberation Council October 22, 1999) except for the application of the "Tentative Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 20). This change has no material impact on Income before Income Taxes and Minority Interests.

In accordance with the JICPA Industry Audit Committee Report No. 20, regarding foreign currency swaps relating to funding transactions, the swap nominal amounts are translated into yen using the exchange rates in effect at the consolidated balance sheet date and are disclosed in the Consolidated Balance Sheet on a net basis. Premiums or discounts reflecting interest rate differentials between the two currencies are charged to or credited to the Consolidated Statement of Income on an accrual basis over the period from the spot transaction's settlement date to the forward transaction's settlement date, and disclosed as accrued income or accrued expenses on the Consolidated Balance Sheet included in Other Assets and Other Liabilities.

Such foreign currency swaps are entered into for the purpose of funding or investment, where (1) the nominal amounts of funding or investment are equal to the amounts of foreign exchange purchased or sold as spot transactions and (2) future payments or proceeds from investment or funding respectively, together with the contractual interest payment or receipt denominated in foreign currency, are equal to the amounts of foreign exchange sold or purchased forward.

Assets/liabilities denominated in foreign currency of consolidated subsidiaries are translated into Japanese yen using respective exchange rates in effect at the balance sheet date.

(8) Reserve for Possible Loan Losses

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

a. The reserve for loans to debtors that are legally or substantially bankrupt is provided based on the remaining amount 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. With respect to loans secured with collateral or guarantees to borrowers who are legally or substantially in bankruptcy, the remaining amount of the loan after the deduction of the amount of collateral or the execution of guarantees is directly written off. The amount of such direct write-offs was ¥125,563 million for the fiscal year ended March 31, 2002.

b. The reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt, is provided based on the amount necessary, taking into account the overall solvency assessment of the debtor and after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

c. The reserve for loans other than the above is provided primarily based on the default rate which the Bank has calculated based on actual defaults experienced in the past.

d. The specific reserve for loans to countries with financial problems 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 Business Units based on the Bank's internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from Business Units, audits these self-assessments. The reserves described above are determined based upon the results of these audits.

The Reserve for Possible Loan Losses determined by the Bank's consolidated subsidiaries is computed primarily in the same method employed by the Bank.

(9) Group Mutual Aid Reserves

In accordance with Article 6-2 of the enforcement ordinance of The Norinchukin Bank Law, the Group Mutual Aid Reserves serve as stabilization funds for use in the event of a cooperative credit institution experiencing financial distress. The reserves correspond to the total amount of deposits held at agricultural cooperatives and other factors specified under the National Agricultural Cooperatives Credit Business Mutual Aid System.

(10) Reserve for Retirement Benefits

The Reserve for Retirement Benefits, which is provided for the payment of employees' retirement benefits, represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets taking into account adjustments for unrecognized prior year service costs and unrecognized actuarial differences at the end of the fiscal year.

Any change in plan benefits that impacts the benefit plan is charged to income in the year of change. Any actuarial differences are amortized over 10 years beginning one fiscal year after the year when the difference is identified.

(11) Accounting for Finance Leases

Accounting for finance leases where the ownership of assets is not transferred to the lessee is consistent with the same accounting principles as for operating leases. Rental expenses under operating leases are charged to income.

(12) Consumption Taxes

Consumption tax and local consumption tax incurred by the Bank and its consolidated subsidiaries are excluded from transaction amounts.

(13) Income Taxes

The income taxes of the Bank comprise corporate income taxes, local inhabitant taxes and enterprise taxes. Deferred income taxes are provided for in respect of temporary differences between the tax and accounting basis of recording assets and liabilities in the financial statements.

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

In the Consolidated Statement of Cash Flows, Cash and Cash Equivalents comprise cash and non-interest-bearing due from banks, included in Cash and Due from Banks on the Consolidated Balance Sheet.

(15) Enterprise Taxes

Enterprise taxes, other than those taxes determined by an assessment of profit, are recorded in Other Expenses.

(16) Net Income per Share

Net Income per Share is computed based upon the weighted average number of shares outstanding during the fiscal year.

The total dividend for Lower Dividend Rate Stock and Preferred Stock is deducted from the numerator and the aggregate number of these stocks is deducted from the denominator in the calculation of net income per share.

3. Securities

The maturity profile of other securities is as follows:

	Millions of Yen			
	1 Year or Less	Over 1 Year– 5 Years	Over 5 Years– 10 Years	Over 10 Years
Bonds	¥2,456,728	¥2,975,538	¥3,669,849	¥ 966,458
Japanese Government Bonds	2,312,575	2,084,427	3,266,058	937,316
Municipal Government Bonds	15,529	316,160	86,240	904
Corporate Bonds	128,623	574,950	317,550	28,238
Other	362,312	2,037,044	3,842,654	2,023,275
Total	¥2,819,040	¥5,012,583	¥7,512,504	¥2,989,734

	Millions of U.S. Dollars			
	1 Year or Less	Over 1 Year– 5 Years	Over 5 Years– 10 Years	Over 10 Years
Bonds	$18,437	$22,331	$27,541	$ 7,253
Japanese Government Bonds	17,355	15,643	24,511	7,034
Municipal Government Bonds	117	2,373	647	7
Corporate Bonds	965	4,315	2,383	212
Other	2,719	15,287	28,838	15,184
Total	$21,156	$37,618	$56,379	$22,437

4. Loans and Bills Discounted

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Loans on Deeds	**¥11,825,794**	¥ 8,941,589	**$ 88,749**
Promissory Notes	**9,085,594**	10,727,510	**68,185**
Overdrafts	**2,995,699**	3,029,984	**22,482**
Bills Discounted	**78,807**	106,820	**591**
Total	**¥23,985,896**	¥22,805,905	**$180,007**

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Loans to Borrowers under Bankruptcy Proceedings	**¥ 24,568**	¥ 6,145	**$ 184**
Loans with Principal or Interest Payments More Than Six Months in Arrears	**357,239**	344,118	**2,681**
Loans with Principal or Interest Payments More Than Three Months in Arrears	**1,859**	3,225	**14**
Restructured Loans	**439,410**	414,240	**3,298**
Total	**¥823,078**	¥767,732	**$6,177**

(1) The Bank does not accrue interest on “Loans to Borrowers under Bankruptcy Proceedings” and “Loans with Principal or Interest Payments More Than Six Months in Arrears”.
(2) “Loans with Principal or Interest Payments More Than Three Months in Arrears” are loans which are past-due by 3 months or more and which are other than “Loans to Borrowers under Bankruptcy Proceedings” and “Loans with Principal or Interest Payments More Than Six Months in Arrears”.
(3) “Restructured Loans” are loans whereby, in order to support the borrowers’ rehabilitation and facilitate the collection of the loan, the terms of the loans are restructured in favor of the borrowers by reducing the interest rate, suspending payments of interest or principal, waiving principal repayments, etc.

5. Assets Pledged

Assets pledged as collateral comprise the following:

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Trading Assets	**¥ 650,929**	¥ —	**$ 4,885**
Securities	**3,919,445**	2,279,670	**29,414**
Other Assets	**139,408**	149,853	**1,046**

Liabilities related to the above pledged assets are as follows:

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Call Money and Bills Sold	**¥ 182,600**	¥2,317,761	**$ 1,370**
Payables under Repurchase Agreements	**3,135,033**	—	**23,527**
Borrowings	**102,041**	114,180	**766**
Other Liabilities	**1,292,757**	—	**9,702**

In addition, Securities totaling ¥4,150,444 million and ¥3,449,421 million as of March 31, 2002 and March 31, 2001, respectively, were pledged as collateral for settlement of exchange and derivative transactions or as variation margin for futures transactions.

6. Accumulated Depreciation on Premises and Equipment

The amount of accumulated depreciation on premises and equipment was ¥101,434 million and ¥93,444 million as of March 31, 2002 and March 31, 2001, respectively.

7. Commitments to Overdrafts and Loans

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 ¥3,993,897 million. The amount, which the Bank and its consolidated subsidiaries could cancel at any time without penalty, is ¥2,494,932 million.

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 its internal rules and acts to secure loans as necessary.

8. Borrowings

Borrowings include subordinated loans of ¥490,143 million as of March 31, 2002 and March 31, 2001, respectively.

9. Reconciliation to Cash and Cash Equivalents

The reconciliation of Cash and Due from Banks in the Consolidated Balance Sheets to Cash and Cash Equivalents at the end of year is as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Cash and Due from Banks	**¥3,907,483**	¥5,748,472	**$29,324**
Less:			
Due from Banks except Non-interest-bearing Due from Banks	**3,655,018**	5,453,311	**27,429**
Cash and Cash Equivalents at the End of the Year	**¥ 252,465**	¥ 295,161	**$ 1,895**

10. Securities Loaned

Securities Loaned under unsecured short-term financing agreements (Saiken Taishaku Torihiki) totaling ¥840,978 million, are included in Securities.

Securities Borrowed under unsecured short-term financing agreements (Saiken Taishaku Torihiki) that can be sold or repledged by the Bank, securities repledged out, securities loaned, and securities held were ¥1,302,095 million, ¥37,126 million and ¥178,878 million, respectively as of March 31, 2002.

Up to the previous fiscal year, Securities Borrowed under unsecured short-term financing agreements and Securities Received relating to securities borrowed with cash collateral submitted were recognized as Securities in Custody in Other Assets and Securities Borrowed in Other Liabilities as the same amounts, respectively. After the adoption of the New Financial Instruments Standard, these balances are not recorded on the Consolidated Balance Sheet.

11. Retirement Benefit Plans

The Bank is funding a defined benefit pension plan and in addition has a lump-sum payment pension plan. Additional retirement benefits are paid to employees in certain cases. To fund the lump-sum payment pension plan the Bank has established a retirement benefit trust.

The reserve for retirement benefits as of March 31, 2002 is analyzed as follows:

	Millions of Yen	Millions of U.S. Dollars
As of March 31	2002	2002
Projected Benefit Obligations	¥(71,644)	$(537)
Plan Assets	50,277	377
Unfunded Retirement Benefit Obligations	(21,368)	(160)
Unrecognized Transition Amount	—	—
Unrecognized Prior Service Cost	—	—
Unrecognized Actuarial Differences	13,541	101
Net Amounts Reported in the Balance Sheet	(7,826)	(59)
Prepaid Pension Cost	1,554	11
Reserve for Retirement Benefits	¥ (9,380)	$ (70)

Note: Certain consolidated subsidiaries adopt the simplified method to calculate projected benefit obligations.

Assumptions used in the above calculation are as follows:

Discount Rate	Primarily 2.5%
Expected Rate of Return on Plan Assets	4.0%
Method of Attributing the Projected Benefits to Periods of Service	Straight-line Basis
Amortization of Unrecognized Prior Service Cost	Year Incurred
Amortization of Transition Amount	Year Incurred
Amortization of Unrecognized Actuarial Differences	Primarily 10 Years

12. Other Income and Expenses

Up to the previous fiscal year, income and expenses relating to lease transactions conducted by the consolidated subsidiary (The Co-op Leasing Co., Ltd.) were reported as Fees and Commissions (Income) and Fees and Commissions (Expenses). This Income and Expenses is included in Other Operating Income and Other Operating Expenses from this fiscal year. Consequently, Fees and Commissions (Income) and Fees and Commissions (Expenses) decreased by ¥230,327 million and ¥211,837 million, respectively as compared with the amount that would have been reported if the basis of presentation had not been changed.

Other Expenses includes Transfer to Reserve for Possible Loan Losses of ¥80,003 million, Write-off of Loans of ¥34,062 million, Losses on Revaluation of Stocks and Other securities of ¥10,138 million and Losses on Money Held in Trust of ¥67,796 million, respectively.

13. Segment Information

(a) Segment Information by Type of Business

Fiscal year ended March 31, 2002	Millions of Yen Banking Business	Leasing	Other	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income:						
(1) Ordinary Income from Third-parties	**¥ 1,355,998**	**¥233,059**	**¥ 28,806**	**¥ 1,617,864**	**¥ —**	**¥ 1,617,864**
(2) Inter-segment Ordinary Income	**8,736**	**2,932**	**14,471**	**26,139**	**(26,139)**	**—**
Total	**1,364,734**	**235,992**	**43,277**	**1,644,004**	**(26,139)**	**1,617,864**
Ordinary Expenses	**1,281,554**	**236,010**	**37,864**	**1,555,429**	**(27,693)**	**1,527,736**
Ordinary Profit (Loss)	**¥ 83,180**	**¥ (18)**	**¥ 5,412**	**¥ 88,574**	**¥ 1,553**	**¥ 90,128**
II. Assets	**¥56,527,488**	**¥677,006**	**¥1,593,805**	**¥58,798,300**	**¥(1,218,314)**	**¥57,579,985**
Depreciation	**7,353**	**192,216**	**417**	**199,987**	**—**	**199,987**
Capital Expenditure	**9,088**	**226,658**	**232**	**235,979**	**—**	**235,979**

Fiscal year ended March 31, 2001	Millions of Yen Banking Business	Leasing	Other	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income:						
(1) Ordinary Income from Third-parties	¥ 1,417,662	¥229,614	¥ 43,252	¥ 1,690,529	¥ —	¥ 1,690,529
(2) Inter-segment Ordinary Income	17,815	2,836	21,181	41,833	(41,833)	—
Total	1,435,477	232,451	64,434	1,732,363	(41,833)	1,690,529
Ordinary Expenses	1,296,496	234,375	84,458	1,615,331	(41,734)	1,573,596
Ordinary Profit (Loss)	¥ 138,980	¥ (1,924)	¥ (20,024)	¥ 117,031	¥ (99)	¥ 116,932
II. Assets	¥58,945,522	¥663,047	¥1,559,343	¥61,167,913	¥(991,064)	¥60,176,848
Depreciation	6,863	181,581	304	188,750	—	188,750
Capital Expenditure	9,506	209,749	1,466	220,721	—	220,721

Fiscal year ended March 31, 2002	Millions of U.S. Dollars					
	Banking Business	Leasing	Other	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income:						
(1) Ordinary Income from Third-parties	$ 10,176	$1,749	$ 216	$ 12,141	$ —	$ 12,141
(2) Inter-segment Ordinary Income	65	22	109	196	(196)	
Total	10,241	1,771	325	12,337	(196)	12,141
Ordinary Expenses	9,618	1,771	284	11,673	(208)	11,465
Ordinary Profit (Loss)	$ 623	$ (0)	$ 41	$ 664	$ 12	$ 676
II. Assets	$424,221	$5,081	$11,961	$441,263	$(9,143)	$432,120
Depreciation	55	1,443	3	1,501	—	1,501
Capital Expenditure	68	1,701	2	1,771	—	1,771

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Expenses represents Total Expenses less certain special expenses.
3. The Bank and its consolidated subsidiaries have organized their principal operations into "Banking Business", "Leasing", and "Other". "Other" represents securities, trust banking, non-bank and credit card businesses.

(b) Segment Information by Location

Fiscal year ended March 31, 2002	Millions of Yen						
	Japan	The Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income:							
(1) Ordinary Income from Third-parties	¥ 1,485,818	¥ 18,073	¥ 70,678	¥ 43,293	¥ 1,617,864	¥ —	¥ 1,617,864
(2) Inter-segment Ordinary Income	57,492	45,398	207,531	133,899	444,323	(444,323)	—
Total	1,543,311	63,472	278,210	177,193	2,062,187	(444,323)	1,617,864
Ordinary Expenses	1,442,391	55,741	281,294	173,740	1,953,167	(425,431)	1,527,736
Ordinary Profit (Loss)	¥ 100,919	¥ 7,731	¥ (3,084)	¥ 3,453	¥ 109,019	¥ (18,891)	¥ 90,128
II. Assets	¥64,056,117	¥1,674,195	¥7,290,351	¥4,313,316	¥77,333,981	¥(19,753,995)	¥57,579,985

Fiscal year ended March 31, 2001	Millions of Yen						
	Japan	The Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
I. Ordinary Income:							
(1) Ordinary Income from Third-parties	¥ 1,468,689	¥ 36,801	¥ 121,215	¥ 63,822	¥ 1,690,529	¥ —	¥ 1,690,529
(2) Inter-segment Ordinary Income	46,114	72,651	195,204	135,879	449,850	(449,850)	—
Total	1,514,804	109,453	316,420	199,701	2,140,379	(449,850)	1,690,529
Ordinary Expenses	1,405,109	105,777	313,673	197,352	2,021,911	(448,315)	1,573,596
Ordinary Profit (Loss)	¥ 109,695	¥ 3,676	¥ 2,746	¥ 2,349	¥ 118,468	¥ (1,535)	¥ 116,932
II. Assets	¥57,003,342	¥1,982,476	¥7,170,021	¥4,770,084	¥70,925,925	¥(10,749,076)	¥60,176,848

Fiscal year ended March 31, 2002	Japan	The Americas	Europe	Asia	Total	Elimination and Corporate Assets	Consolidated
	Millions of U.S. Dollars						
I. Ordinary Income:							
(1) Ordinary Income from Third-parties	$ 11,151	$ 135	$ 530	$ 325	$ 12,141	$ —	$ 12,141
(2) Inter-segment Ordinary Income	431	341	1,558	1,005	3,335	(3,335)	—
Total	11,582	476	2,088	1,330	15,476	(3,335)	12,141
Ordinary Expenses	10,825	418	2,111	1,304	14,658	(3,193)	11,465
Ordinary Profit (Loss)	$ 757	$ 58	$ (23)	$ 26	$ 818	$ (142)	$ 676
II. Assets	$480,722	$12,564	$54,712	$32,370	$580,368	$(148,248)	$432,120

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Expenses represents Total Expenses less certain special expenses.
3. The Bank reported "Ordinary Income" and "Ordinary Profit (Loss)" that corresponds to Sales and Operating Profit for non-financial companies, for the Bank's head office, branches and the consolidated subsidiaries according to the classification of country or region. The geographic classification was effected by geographical proximity, similarities in economic activities and inter-relationships among these activities.
4. "The Americas" includes the United States. "Europe" includes the United Kingdom and "Asia" includes Singapore.

Ordinary Income from International Operations

Fiscal years ended March 31	Ordinary Income from International Operations	Consolidated Ordinary Income	Ratio of Ordinary Income from International Operations over Consolidated Ordinary Income
	Millions of Yen		Percentage
2002	**¥1,052,332**	**¥1,617,864**	**65.0%**
2001	949,831	1,690,529	56.2%
	Millions of U.S. Dollars		Percentage
2002	**$7,897**	**$12,142**	**65.0%**

Notes: 1. Ordinary Income represents Total Income less certain special income.
2. Ordinary Expenses represents Total Expenses less certain special expenses.
3. "Ordinary Income from International Operations" is shown in place of Overseas Sales for non-financial companies.
4. "Ordinary Income from International Operations" comprises foreign currency transactions, yen-denominated trade bills, yen-denominated transactions with non-Japanese residents, transactions in the offshore market in Japan, transactions by overseas branches of the parent and transactions by overseas consolidated subsidiaries (excluding Inter-segment Ordinary Income between consolidated entities).
The composition of this substantial volume of transactions is not broken down by counter-party. Therefore, segment information by country and region has not been presented.

14. Fair Value of Securities

For the Fiscal Year Ended March 31, 2002

Trading Securities

March 31, 2002	Carrying Value	Unrealized Loss Recognized as expenses	Carrying Value	Unrealized Loss Recognized as expenses
	Millions of Yen		Millions of U.S. Dollars	
Trading Securities	¥1,306,115	¥(331)	$9,802	$(2)

Note: The above analysis of Trading Securities includes Trading Securities, Negotiable Certificates of Deposit and Commercial Paper disclosed as "Trading Assets" in the Consolidated Balance Sheet.

Held-to-maturity Debt Securities that have a Fair Value

	Millions of Yen				
	Carrying	Fair	Net Unrealized Gain		
March 31, 2002	Value	Value		Gain	Loss
Japanese Government Bonds	¥8,183	¥8,346	¥163	¥163	¥—
Total	¥8,183	¥8,346	¥163	¥163	¥—

	Millions of U.S. Dollars				
	Carrying	Fair	Net Unrealized Gain		
March 31, 2002	Value	Value		Gain	Loss
Japanese Government Bonds	$61	$63	$2	$2	$—
Total	$61	$63	$2	$2	$—

Note: Fair value is based on fair prices at the end of the fiscal year ended March 31, 2002.

Other Securities held at Fair Value

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Gain/Loss		
March 31, 2002	Cost	Value		Gain	Loss
Stocks	¥ 375,179	¥ 484,918	¥109,739	¥126,499	¥ 16,759
Bonds	9,836,413	10,030,796	194,383	198,070	3,686
Japanese Government Bonds	8,442,712	8,600,378	157,665	158,304	638
Municipal Government Bonds	404,538	417,930	13,391	13,563	172
Corporate Bonds	989,161	1,012,488	23,326	26,202	2,875
Other	12,815,908	12,658,903	(157,004)	431,481	588,485
Total	¥23,027,500	¥23,174,618	¥147,119	¥756,051	¥608,932

	Millions of U.S. Dollars				
	Acquisition	Carrying	Net Unrealized Gain/Loss		
March 31, 2002	Cost	Value		Gain	Loss
Stocks	$ 2,816	$ 3,639	$ 823	$ 949	$ 126
Bonds	73,819	75,278	1,459	1,487	28
Japanese Government Bonds	63,360	64,543	1,183	1,188	5
Municipal Government Bonds	3,036	3,136	100	102	2
Corporate Bonds	7,423	7,599	176	197	21
Other	96,179	95,001	(1,178)	3,238	4,416
Total	$172,814	$173,918	$1,104	$5,674	$4,570

Notes: 1. The above analysis of Other Securities held at fair value includes "Securities", Negotiable Certificates of Deposit disclosed as "Cash and Due from Banks", and Commercial Paper disclosed as "Commercial Paper and Other Debt Purchased" in the Consolidated Balance Sheet.

2. Carrying values of securities held on the Consolidated Balance Sheet are stated based on the quoted market price at the end of the fiscal year ended March 31, 2002.

Other Securities Sold during the Fiscal Year

March 31, 2002	Millions of Yen			Millions of U.S. Dollars		
	Sales Proceeds	Gains on Sales	Losses on Sales	Sales Proceeds	Gains on Sales	Losses on Sales
Other Securities	¥4,969,631	¥271,711	¥91,664	$37,296	$2,039	$688

Carrying Value of Securities without a Fair Value

March 31	Millions of Yen 2002	Millions of U.S. Dollars 2002
Other Securities:		
Unlisted Stocks (excluding Over-the-counter Stocks)	¥ 12,846	$ 96
Foreign Securities	71,723	538
Other	531,936	3,992

For the Fiscal Year Ended March 31, 2001

Trading Securities

March 31, 2001	Millions of Yen		Millions of U.S. Dollars	
	Carrying Value	Unrealized Gain Recognized as income	Carrying Value	Unrealized Gain Recognized as income
Trading Securities	¥2,184,216	¥407	$17,629	$3

Note: The above analysis of Trading Securities includes Trading Securities, Negotiable Certificates of Deposit and Commercial Paper disclosed as "Trading Assets" in the Consolidated Balance Sheet.

Held-to-maturity Debt Securities that have a Fair Value

March 31, 2001	Millions of Yen				
	Carrying Value	Fair Value	Net Unrealized Gain	Gain	Loss
Japanese Government Bonds	¥8,121	¥8,297	¥176	¥176	¥—
Total	¥8,121	¥8,297	¥176	¥176	¥—

March 31, 2001	Millions of U.S. Dollars				
	Carrying Value	Fair Value	Net Unrealized Gain	Gain	Loss
Japanese Government Bonds	$66	$67	$1	$1	$—
Total	$66	$67	$1	$1	$—

Note: Fair value is based on fair prices at the end of the fiscal year ended March 31, 2001.

Other Securities held at Fair Value

	Millions of Yen				
	Acquisition	Carrying	Net Unrealized Gain		
March 31, 2001	Cost	Value		Gain	Loss
Stocks	¥ 395,802	¥ 566,436	¥170,634	¥ 183,260	¥ 12,626
Bonds	8,558,341	8,810,956	252,614	253,316	701
Japanese Government Bonds	7,369,823	7,573,788	203,965	204,213	247
Municipal Government Bonds	444,705	462,771	18,065	18,111	46
Corporate Bonds	743,813	774,396	30,583	30,991	407
Other	13,005,500	13,255,035	249,535	632,775	383,240
Total	¥21,959,644	¥22,632,429	¥672,784	¥1,069,352	¥396,568

	Millions of U.S. Dollars				
	Acquisition	Carrying	Net Unrealized Gain		
March 31, 2001	Cost	Value		Gain	Loss
Stocks	$ 3,195	$ 4,572	$1,377	$1,479	$ 102
Bonds	69,075	71,113	2,039	2,045	6
Japanese Government Bonds	59,482	61,128	1,646	1,648	2
Municipal Government Bonds	3,589	3,735	146	146	0
Corporate Bonds	6,003	6,250	247	250	3
Other	104,968	106,982	2,014	5,107	3,093
Total	$177,237	$182,667	$5,430	$8,631	$3,201

Notes: 1. The above analysis of Other Securities held at fair value includes "Securities," Negotiable Certificates of Deposit disclosed as "Cash and Due from Banks," and Commercial Paper disclosed as "Commercial Paper and Other Debt Purchased" in the Consolidated Balance Sheet.

2. Carrying values of securities held on the Consolidated Balance Sheet are stated based on the quoted market price at the end of the fiscal year ended March 31, 2001.

Other Securities Sold during the Fiscal Year

	Millions of Yen			Millions of U.S. Dollars		
	Sales	Gains	Losses	Sales	Gains	Losses
March 31, 2001	Proceeds	on Sales	on Sales	Proceeds	on Sales	on Sales
Other Securities	¥5,209,352	¥171,706	¥36,922	$42,045	$1,386	$298

Carrying Value of Securities without a Fair Value

	Millions of Yen	Millions of U.S. Dollars
March 31	2001	2001
Other Securities:		
Unlisted Stocks (excluding Over-the-counter Stocks)	¥14,976	$121
Foreign Securities	89,619	723
Other	74,239	599

15. Fair Value of Money Held in Trust

For the Fiscal Year Ended March 31, 2002

Other Money Held in Trust (Money Held in Trust other than that held for the purpose of investment or held to maturity)

	Millions of Yen				
March 31, 2002	Acquisition Cost	Carrying Value	Net Unrealized Loss	Gain	Loss
Other Money Held in Trust	¥2,441,137	¥2,403,131	¥(38,005)	¥41,973	¥79,978

	Millions of U.S. Dollars				
March 31, 2002	Acquisition Cost	Carrying Value	Net Unrealized Loss	Gain	Loss
Other Money Held in Trust	$18,320	$18,035	$(285)	$315	$600

Note: Carrying values of other money held in trust disclosed on the Consolidated Balance Sheet are based on the quoted market price of the underlying assets as at the end of the fiscal year ended March 31, 2002.

For the Fiscal Year Ended March 31, 2001

Other Money Held in Trust (Money Held in Trust other than that held for the purpose of investment or held to maturity)

	Millions of Yen				
March 31, 2001	Acquisition Cost	Carrying Value	Net Unrealized Loss	Gain	Loss
Other Money Held in Trust	¥2,204,835	¥2,179,160	¥(25,675)	¥69,084	¥94,760

	Millions of U.S. Dollars				
March 31, 2001	Acquisition Cost	Carrying Value	Net Unrealized Loss	Gain	Loss
Other Money Held in Trust	$17,795	$17,588	$(207)	$558	$765

Note: Carrying values of other money held in trust disclosed on the Consolidated Balance Sheet are based on the quoted market price of the underlying assets as at the end of the fiscal year ended March 31, 2001.

16. Fair Value of Derivative Instruments

For the Fiscal Year Ended March 31, 2002

Interest Rate-Related Derivative Instruments

	Millions of Yen			
March 31, 2002	Contract Amount or Notional Principal Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 266,447	¥ —	¥ 240	¥ 240
Purchased	196,636	—	(34)	(34)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	41	—	42	42
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec: Fix.–Pay: Flt.	7,425,814	5,127,178	148,069	148,069
Rec: Flt.–Pay: Fix.	3,501,976	2,616,641	(158,498)	(158,498)
Rec: Flt.–Pay: Flt.	131,600	31,600	178	178
Interest Rate Options:				
Sold	24,000	15,000	(1,220)	(1,220)
Purchased	78,000	78,000	2,316	2,245
Other:				
Sold	214,400	66,900	(36)	398
Purchased	184,325	47,500	(11)	(321)
Total	¥ /	¥ /	¥ (8,953)	¥ (8,899)

March 31, 2002	Millions of U.S. Dollars			
	Contract Amount or Notional Principal Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	$ 2,000	$ —	$ 2	$ 2
Purchased	1,476	—	(0)	(0)
Interest Rate Options:				
Sold	—	—	—	—
Purchased	0	—	0	0
Over-the-counter Transactions				
Forward Rate Agreements:				
Sold	—	—	—	—
Purchased	—	—	—	—
Interest Rate Swaps:				
Rec: Fix.–Pay: Flt.	55,728	38,478	1,111	1,111
Rec: Flt.–Pay: Fix.	26,281	19,637	(1,189)	(1,189)
Rec: Flt.–Pay: Flt.	988	237	1	1
Interest Rate Options:				
Sold	180	113	(9)	(9)
Purchased	585	585	17	17
Other:				
Sold	1,609	502	(0)	3
Purchased	1,383	356	(0)	(3)
Total	$ /	$ /	$ (67)	$ (67)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value: The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo International Financial Futures Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

March 31, 2002	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain
Over-the-counter Transactions				
Currency Swaps	¥89,202	¥81,861	¥2,626	¥2,626
Total	¥ /	¥ /	¥2,626	¥2,626

March 31, 2002	Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain
Over-the-counter Transactions				
Currency Swaps	$669	$614	$20	$20
Total	$ /	$ /	$20	$20

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges (see Note 3 below).

2. Determination of fair value:
Fair value is determined based on the discounted net present value of currency-related derivative instruments.

3. Currency swaps accounted for under the accrual method are excluded from the above analysis.

The Bank and its consolidated subsidiaries held no currency swaps accounted for under the accrual method, as allowed by the "Tentative Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 20), for the fiscal year ended March 31, 2002.

The above analysis excludes foreign exchange forward contracts and currency options, which are 1) revalued at the exchange rates prevailing at the end of the fiscal year ended March 31, 2002 and changes in fair value which are included in the Consolidated Statement of Income, and 2) designated to receivables or payables denominated in foreign currency and recorded on the Consolidated Balance Sheet, or eliminated for consolidation purposes.

The above mentioned transactions related to currency derivatives are as follows:

March 31, 2002	Millions of Yen	Millions of U.S. Dollars
	Contract Amount or Notional Amount	Contract Amount or Notional Amount
Over-the-counter Transactions		
Forwards:		
Sold	¥841,929	$6,318
Purchased	944,174	7,086
Currency Options:		
Sold	29,430	221
Purchased	35,030	263

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no stock-related derivative instruments during the fiscal year ended March 31, 2002.

Bond-Related Derivative Instruments

March 31, 2002	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Bond Futures:				
Sold	¥32,373	¥—	¥(47)	¥(47)
Purchased	4,134	—	4	4
Total	¥ /	¥ /	¥(42)	¥(42)

March 31, 2002	Millions of U.S. Dollars			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Bond Futures:				
Sold	$243	$—	$(0)	$(0)
Purchased	31	—	0	0
Total	$ /	$ /	$(0)	$(0)

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges.

2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments during the fiscal year ended March 31, 2002.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments during the fiscal year ended March 31, 2002.

For the Fiscal Year Ended March 31, 2001

Interest Rate-Related Derivative Instruments

March 31, 2001	Millions of Yen			
	Contract Amount or Notional Principal Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	¥ 38,013	¥ 2,301	¥ 1,423	¥ 1,423
Purchased	53,798	10,009	749	749
Over-the-counter Transactions				
Interest Rate Swaps:				
Rec: Fix.–Pay: Flt.	4,414,206	3,220,510	194,282	194,282
Rec: Flt.–Pay: Fix.	4,292,797	3,206,273	(195,326)	(195,326)
Rec: Flt.–Pay: Flt.	141,978	134,975	304	304
Rec: Fix.–Pay: Fix.	2,927	2,927	588	588
Interest Rate Options:				
Sold	—	—	—	—
Purchased	40,000	40,000	1,333	1,333
Other:				
Sold	335,890	178,950	162	1,096
Purchased	323,940	173,390	(226)	(1,119)
Total	¥ /	¥ /	¥ 3,292	¥ 3,332

March 31, 2001	Millions of U.S. Dollars			
	Contract Amount or Notional Principal Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Interest Rate Futures:				
Sold	$ 307	$ 19	$ 11	$ 11
Purchased	434	81	6	6
Over-the-counter Transactions				
Interest Rate Swaps:				
Rec: Fix.–Pay: Flt.	35,627	25,993	1,568	1,568
Rec: Flt.–Pay: Fix.	34,647	25,878	(1,576)	(1,576)
Rec: Flt.–Pay: Flt.	1,146	1,089	2	2
Rec: Fix.–Pay: Fix.	24	24	5	5
Interest Rate Options:				
Sold	—	—	—	—
Purchased	323	323	11	11
Other:				
Sold	2,711	1,444	1	9
Purchased	2,615	1,399	(2)	(9)
Total	$ /	$ /	$ 27	$ 27

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges.
2. Determination of fair value: The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo International Financial Futures Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, option pricing model or other models as appropriate.

Currency-Related Derivative Instruments

March 31, 2001	Millions of Yen			
	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain
Over-the-counter Transactions				
Currency Swaps	¥201,982	¥98,612	¥3,470	¥3,470
Total	¥ /	¥ /	¥3,470	¥3,470

March 31, 2001	Millions of U.S. Dollars Contract Amount or Notional Amount	 Over 1 Year	 Fair Value	 Unrealized Gain
Over-the-counter Transactions				
Currency Swaps	$1,630	$796	$28	$28
Total	$ /	$ /	$28	$28

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges (see Note 3 below).

2. Determination of fair value:
Fair value is determined based on the discounted net present value of currency-related derivative instruments.

3. Currency swaps accounted for under the accrual method are excluded from the above analysis.
The Bank and its consolidated subsidiaries held no currency swaps accounted for under the accrual method, as allowed by the "Accounting for the Asset Denominated in Foreign Currency and Currency Option Transactions by Banks" (issued by the Japanese Institute of Certified Public Accountants on April 10, 2000), for the fiscal year ended March 31, 2001.
The above analysis excludes foreign exchange forward contracts and currency options, which are 1) revalued at the exchange rates prevailing at the end of the fiscal year ended March 31, 2001 and changes in fair value which are included in the Consolidated Statement of Income, and 2) designated to receivables or payables denominated in foreign currency and recorded on the Consolidated Balance Sheet, or eliminated for consolidation purposes.
The above mentioned transactions related to currency derivatives are as follows:

March 31, 2001	Millions of Yen Contract Amount or Notional Amount	Millions of U.S. Dollars Contract Amount or Notional Amount
Over-the-counter Transactions		
Forwards:		
Sold	¥531,255	$4,288
Purchased	571,626	4,614
Currency Options:		
Sold	33,678	272
Purchased	35,080	283

Stock-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no stock-related derivative instruments during the fiscal year ended March 31, 2001.

Bond-Related Derivative Instruments

March 31, 2001	Millions of Yen Contract Amount or Notional Amount	 Over 1 Year	 Fair Value	 Unrealized Gain (Loss)
Exchange-traded Transactions				
Bond Futures:				
Sold	¥49,705	¥—	¥(11,459)	¥(11,459)
Purchased	39,700	—	15,487	15,487
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	5,500	—	16	4
Total	¥ /	¥ /	¥ 4,043	¥ 4,031

	Millions of U.S. Dollars			
March 31, 2001	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain (Loss)
Exchange-traded Transactions				
Bond Futures:				
Sold	$401	$—	$(92)	$(92)
Purchased	320	—	125	125
Over-the-counter Transactions				
Bond Options:				
Sold	—	—	—	—
Purchased	44	—	0	0
Total	$ /	$ /	$ 33	$ 33

Notes: 1. Derivative instruments are revalued to fair value. Changes in fair value are included in the Consolidated Statement of Income. The above analysis excludes derivative instruments accounted for as hedges.
2. Determination of fair value:
The fair value of exchange-traded derivative instruments is based on closing prices at the Tokyo Stock Exchange or other relevant exchanges. The fair value of over-the-counter traded derivative instruments is determined based on a discounted net present value model, option pricing model or other models as appropriate.

Commodities-Related Derivative Instruments

The Bank and its consolidated subsidiaries held no commodities-related derivative instruments during the fiscal year ended March 31, 2001.

Credit Derivative Instruments

The Bank and its consolidated subsidiaries held no credit derivative instruments during the fiscal year ended March 31, 2001.

ChuoAoyama Audit Corporation

PRICEWATERHOUSECOOPERS

Kasumigaseki Bldg. 32nd Floor
3-2-5, Kasumigaseki, Chiyoda-ku,
Tokyo 100-6088, Japan

Report of Independent Accountants

The Board of Directors
The Norinchukin Bank

We have audited the accompanying consolidated balance sheets of The Norinchukin Bank and its consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, retained earnings and cash flows for the years ended March 31, 2002 and 2001, all expressed in Japanese Yen. Our audits were undertaken in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of The Norinchukin Bank and its consolidated subsidiaries as of March 31, 2002 and 2001 and the consolidated results of their operations and their cash flows for the years ended March 31, 2002 and 2001 in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set out in Note 1 to the accompanying consolidated financial statements.

ChuoAoyama Audit Corporation

ChuoAoyama Audit Corporation

Tokyo, Japan
May 16, 2002

Non-Consolidated Financial Statements

The Norinchukin Bank

Non-Consolidated Balance Sheets

As of March 31, 2002 and 2001

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
ASSETS				
	Cash and Due from Banks	**¥ 3,842,267**	¥ 5,760,290	**$ 28,835**
	Call Loans and Bills Purchased	**408,236**	851,102	**3,064**
	Commercial Paper and Other Debt Purchased	**477,849**	401,074	**3,586**
	Trading Assets (Note 3)	**1,017,604**	1,754,978	**7,637**
	Money Held in Trust	**2,399,565**	2,177,349	**18,008**
	Securities (Note 4)	**23,276,883**	22,693,540	**174,686**
	Loans and Bills Discounted (Note 5)	**24,233,156**	23,016,706	**181,862**
	Foreign Exchange Assets (Note 7)	**19,460**	16,616	**146**
	Other Assets (Note 8)	**572,780**	2,022,263	**4,298**
	Premises and Equipment (Note 9)	**211,228**	211,684	**1,585**
	Deferred Debenture Discounts	**457**	2,173	**3**
	Deferred Tax Assets	**106,817**	—	**802**
	Customers' Liabilities for Acceptances and Guarantees	**336,815**	361,150	**2,528**
	Reserve for Possible Loan Losses	**(375,633)**	(323,408)	**(2,819)**
	Total Assets	**¥56,527,488**	¥58,945,522	**$424,221**

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities	Deposits (Note 11)	**¥38,357,527**	¥36,675,125	**$287,861**
	Debentures (Note 12)	**5,946,139**	6,545,736	**44,624**
	Call Money and Bills Sold	**3,359,646**	3,934,842	**25,213**
	Payables under Repurchase Agreements	**2,937,023**	—	**22,041**
	Trading Liabilities (Note 13)	**81,624**	89,373	**613**
	Borrowings (Note 14)	**493,249**	499,280	**3,702**
	Foreign Exchange Liabilities (Note 15)	**2,323**	2,090	**17**
	Other Liabilities (Note 16)	**3,090,570**	8,480,273	**23,194**
	Group Mutual Aid Reserves	**18,832**	35,605	**141**
	Reserve for Retirement Benefits	**7,009**	6,532	**53**
	Deferred Tax Liabilities	**—**	74,820	**—**
	Deferred Tax Liabilities Related to Land Revaluation	**34,788**	35,277	**261**
	Acceptances and Guarantees (Note 17)	**336,815**	361,150	**2,528**
	Total Liabilities	**54,665,550**	56,740,110	**410,248**
Shareholders' Equity	Paid-in Capital (Note 18)	**1,124,999**	1,124,999	**8,443**
	Legal Reserves	**204,386**	184,386	**1,533**
	Land Revaluation Excess	**82,700**	83,863	**621**
	Retained Earnings (Note 25);			
	Voluntary Reserve	**278,063**	257,009	**2,087**
	Unappropriated Retained Earnings	**95,085**	99,947	**713**
	Net Unrealized Gains on Securities, net of Tax	**76,702**	455,206	**576**
	Total Shareholders' Equity	**1,861,937**	2,205,412	**13,973**
	Total Liabilities and Shareholders' Equity	**¥56,527,488**	¥58,945,522	**$424,221**

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

Non-Consolidated Statements of Income

For the fiscal years ended March 31, 2002 and 2001

		Millions of Yen		Millions of U.S. Dollars (Note 1)
		2002	2001	**2002**
Income	Interest and Dividend Income:			
	Interest on Loans and Discounts	**¥ 204,151**	¥ 251,895	**$ 1,532**
	Interest on and Dividends from Securities	**680,154**	681,395	**5,104**
	Other	**128,074**	211,410	**962**
	Fees and Commissions	**13,736**	14,794	**103**
	Trading Revenue (Note 19)	**1,458**	3,357	**11**
	Other Operating Income (Note 20)	**226,601**	161,888	**1,701**
	Other Income (Note 21)	**111,578**	150,425	**837**
	Total Income	**1,365,755**	1,475,166	**10,250**
Expenses	Interest Expense:			
	Interest on Deposits	**135,117**	192,567	**1,014**
	Interest on Debentures	**67,357**	80,054	**505**
	Interest on Borrowings and Rediscounts	**7,088**	114,159	**53**
	Amortization of Discounts on Debentures	**2,739**	4,149	**21**
	Other	**645,678**	651,149	**4,846**
	Fees and Commissions	**6,960**	7,366	**52**
	Trading Losses (Note 22)	**121**	232	**1**
	Other Operating Expenses (Note 23)	**79,101**	89,184	**594**
	General and Administrative Expenses	**98,745**	92,833	**741**
	Other Expenses (Note 24)	**239,340**	133,779	**1,796**
	Total Expenses	**1,282,250**	1,365,477	**9,623**
	Income before Income Taxes	**83,504**	109,689	**627**
	Income Taxes:			
	Current	**39,691**	64	**298**
	Deferred	**(22,907)**	25,110	**(172)**
	Net Income	**¥ 66,720**	¥ 84,515	**$ 501**

	Yen		U.S. Dollars (Note 1)
	2002	2001	**2002**
Net Income per Share	**¥56.39**	¥74.18	**$0.42**

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

Notes to the Non-Consolidated Financial Statements

The Norinchukin Bank

1. Basis of Presentation

The non-consolidated financial statements have been prepared based on the accounting records maintained by The Norinchukin Bank ("the Bank") in accordance with the provisions set forth in The Norinchukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, that are different in certain respects from the application and disclosure requirements of International Accounting Standards.

Certain items presented in the non-consolidated financial statements filed with the Ministry of Agriculture, Forestry and Fisheries of Japan have been reclassified for the convenience of readers.

The non-consolidated financial statements are intended only to present the non-consolidated financial position and results of operations in accordance with accounting principles and practices generally accepted in Japan.

Amounts in U.S. dollars are included solely for the convenience of readers. The exchange rate of ¥133.25=U.S.$1, the approximate rate of exchange prevailing on March 31, 2002, has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at the aforementioned rate or at any other rate.

The yen figures disclosed in the non-consolidated financial statements are expressed in millions of yen and have been rounded down. Consequently, differences may exist between the sum of rounded figures and the totals listed in the annual report.

Certain amounts in prior periods have been reclassified to conform to the current presentation.

2. Summary of Significant Accounting Policies

(1) Transactions for Trading Purposes

Transactions that are influenced by short-term fluctuations in market and other indicators, such as interest rates, foreign exchange rates and securities markets and transactions such as those that are undertaken to take advantage of inter-market and other differences (hereinafter referred to as "Transactions for Trading Purposes") are recorded as Trading Assets and Trading Liabilities in the Balance Sheet on a trade date basis.

Gains and losses arising from Transactions for Trading Purposes are recorded on a trade date basis.

Securities, monetary claims and certain other items held for trading purposes are valued at the market price prevailing at the end of the fiscal year. 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 fiscal year.

Trading Revenue and Trading Losses include interest received and paid during the fiscal year, gains or losses resulting from any change in the value of securities and monetary claims between the end of the previous fiscal year and the end of this fiscal year, and gains or losses resulting from any change in the value of derivatives between the end of the previous fiscal year and the end of this fiscal year, assuming they were settled at the end of the fiscal year.

(2) Financial Instruments

(a) Securities

Held-to-maturity debt securities are valued at amortized cost, as determined by the moving average method. Other securities that have a market quotation are valued at the market price prevailing at the end of the fiscal year (the attributable cost of securities sold is determined by the moving average method). Other securities without a market quotation are valued at cost as determined by the moving average method or are valued at amortized cost. Investments in subsidiaries and affiliates are valued at cost, as determined by the moving average method. The value of money held in trust, primarily held for the purpose of investing in securities, was calculated consistently with the previous fiscal year, by valuing the underlying securities held using the same methods employed to value Securities directly held by the Bank.

The net unrealized gain or loss on other securities and other money held in trust is reported separately in Shareholders' Equity, on a net-of-tax basis.

(b) Derivatives and Hedge Accounting

The Bank utilizes a macro hedging methodology using derivatives to manage the overall interest rate risk arising on various financial assets and liabilities held, such as loans and deposits. This macro hedging methodology is the risk management method, the "Risk Adjusted Approach" described in the "Tentative Accounting and Auditing Treatment relating to the Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No. 15), under which the deferral method of hedge accounting is used. Hedge effectiveness is assessed by checking (1) whether the total market risk arising on derivative instruments used for hedging purposes is within the established risk limit as set out in the risk management policy and (2) whether interest rate risk from hedged items has been mitigated.

In accordance with the "Tentative Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 20), the deferral method or the fair value method for hedge accounting is applied for hedges of foreign currency risk arising from shares in subsidiaries and affiliates and other securities denominated in foreign currency (other than debt securities), provided that (1) the securities denominated in foreign currency are identified as hedged items in advance and (2) spot and forward liabilities that exceed acquisition costs of the foreign currency securities designated as hedged items exist on a foreign currency basis.

For certain other assets or liabilities, the Bank applies the deferral method, fair value method or the accruals method specifically allowed for certain interest rate swaps. Under the deferral method, the recognition of income or expenses arising on a hedging instrument is deferred to when the income or expenses arising on the hedged item is recognized. Under the fair value method, any change in the fair value of the hedged item or hedging instrument is recognized as income or expenses.

(c) Securities Purchased under Resale Agreements and Securities Sold under Repurchase Agreements

Effective from this fiscal year, the Bank adopted the new Japanese accounting standard for financial instruments, " The Opinion Concerning the Establishment of an Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council in January 22, 1999 (the "New Financial Instruments Standard").

Securities purchased under resale agreements and securities sold under repurchase agreements were previously accounted for as purchase or sale transactions. Under the New Financial Instruments Standard they are accounted for as finance transactions and disclosed as Receivables under Resale Agreements and Payables under Repurchase Agreements, respectively. As a result, Securities has increased by ¥499,998 million and Other Liabilities has decreased by ¥362,499 million as compared with the amount that would have been reported if the New Financial Instruments Standard had not been applied. Those transactions executed overseas, which were previously included in Call Loans and Bills Purchased and/or Call Money and Bills Sold as financing transactions are included in Receivables under Resale Agreements and/or Payables under Repurchase Agreements, respectively from this fiscal year.

(3) Premises and Equipment

Depreciation of premises and equipment of the Bank is calculated using the reducing-balance method.

However, in accordance with the revision to Article 48-1 of the Corporate Tax Laws, depreciation on buildings acquired after April 1, 1998 (excluding annex facilities of buildings) is calculated on a straight-line basis.

The useful lives of premises and equipment are as follows:

Buildings:	15–50 years
Equipment:	5–15 years

The estimated useful life of computers was previously 6 years. Personal computers (other than those utilized for servers) are depreciated over 4 years and other computers are depreciated over 5 years from this fiscal year. This change has no material impact on Income before Income Taxes.

In accordance with the Law Concerning the Revaluation of Land, effective as of March 31, 1998, land used for business purposes has been revalued as of March 31, 1998. The unrealized gain arising on revaluation, net of deferred tax was reported as Land Revaluation Excess and included in Shareholders' Equity on the Balance Sheet. The related deferred tax liability is included in Liabilities as Deferred Tax Liabilities Related to Land Revaluation.

The land price used for the revaluation was determined based on third-party appraisals in accordance with Article 2-5 of the enforcement ordinance for the Law Concerning the Revaluation of Land.

The difference (unrealized loss) between the book value of land after the revaluation undertaken in accordance with Article 10 of the Law Concerning the Revaluation of Land and the fair value was ¥29,740 million and ¥27,127 million as of March 31, 2002 and March 31, 2001, respectively.

(4) Costs of Computer Software Developed or Obtained for Internal Use

The cost of computer software developed or obtained for internal use is capitalized and amortized using the straight-line method over its estimated useful life of 5 years.

(5) Debentures

Discounts on debentures are amortized over the life of the debenture. Debenture expenses are charged to income as incurred.

(6) Foreign Currency Translation

Assets/liabilities denominated in foreign currency and accounts of overseas branches are translated into Japanese yen primarily using the exchange rates in effect at the balance sheet date, except for shares in subsidiaries and affiliates, which are translated into yen using historical exchange rates.

Up to the previous fiscal year, the Bank had followed Accounting Standards relating to Foreign Currency Transactions for Banks in accordance with the "Tentative Auditing Treatment relating to Continuous Adoption of Accounting Standards for Foreign Currency Transactions in the Banking Industry" (JICPA April 10, 2000). However, from this fiscal year the Bank has adopted the revised "Accounting Standards for Foreign Currency Transactions" (Business Accounting Deliberation Council October 22, 1999) except for the application of the "Tentative Accounting and Auditing Treatment relating to Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 20). This change has no material impact on Income before Income Taxes.

In accordance with the JICPA Industry Audit Committee Report No. 20, regarding foreign currency swaps relating to funding transactions, the swap nominal amounts are translated into yen using the exchange rates in effect at the balance sheet date and are disclosed in the Balance Sheet on a net basis. Premiums or discounts reflecting interest rate differentials between the two currencies are charged to or credited to the Statement of Income on an accrual basis over the period from the spot transaction's settlement date to the forward transaction's settlement date, and disclosed as accrued income or accrued expenses on the Balance Sheet included in Other Assets and Other Liabilities.

Such foreign currency swaps are entered into for the purpose of funding or investment, where (1) the nominal amounts of funding or investment are equal to the amounts of foreign exchange purchased or sold as spot transactions and (2) future payments or proceeds from investment or funding respectively, together with the contractual interest payment or receipt denominated in foreign currency, are equal to the amounts of foreign exchange sold or purchased forward.

(7) Reserve for Possible Loan Losses

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

a. The reserve for loans to debtors that are legally or substantially bankrupt is provided based on the remaining amount 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. With respect to loans secured with collateral or guarantees to borrowers who are legally or substantially in bankruptcy, the remaining amount of the loan after the deduction of the amount of collateral or the execution of guarantees is directly written off. The amount of such direct write-offs was ¥86,837 million for the fiscal year ended March 31, 2002.

b. The reserve for loans to debtors who are not currently bankrupt, but are likely to become bankrupt, is provided based on the amount necessary, taking into account the overall solvency assessment of the debtor and after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

c. The reserve for loans other than the above is provided primarily based on the default rate which the Bank has calculated based on actual defaults experienced in the past.

d. The specific reserve for loans to countries with financial problems 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 Business Units based on the Bank's internal rules for the self-assessment of asset quality. The Asset Audit Department, which is independent from Business Units, audits these self-assessments. The reserves described above are determined based upon the results of these audits.

(8) Group Mutual Aid Reserves

In accordance with Article 6-2 of the enforcement ordinance of The Norinchukin Bank Law, the Group Mutual Aid Reserves serve as stabilization funds for use in the event of a cooperative credit institution experiencing financial distress. The reserves correspond to the total amount of deposits held at agricultural cooperatives and other factors specified under the National Agricultural Cooperatives Credit Business Mutual Aid System.

(9) Reserve for Retirement Benefits

The Reserve for Retirement Benefits, which is provided for the payment of employees' retirement benefits, represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets taking into account adjustments for unrecognized prior year service costs and unrecognized actuarial differences at the end of the fiscal year.

Any change in plan benefits that impacts the benefit plan is charged to income in the year of change. Any actuarial differences are amortized over 10 years beginning one fiscal year after the year when the difference is identified.

(10) Accounting for Finance Leases

Accounting for finance leases where the ownership of assets is not transferred to the lessee is consistent with the same accounting principles as for operating leases. Rental expenses under operating leases are charged to income.

(11) Consumption Taxes

Consumption tax and local consumption tax incurred by the Bank are excluded from transaction amounts. Consumption tax and local consumption tax that were paid on the purchase of premises and equipment and that are not deductible as a tax credit are included in Other Assets and are amortized over 5 years.

(12) Income Taxes

The income taxes of the Bank comprise corporate income taxes, local inhabitant taxes and enterprise taxes. Deferred income taxes are provided for in respect of temporary differences between the tax and accounting basis of recording assets and liabilities in the financial statements.

(13) Enterprise Taxes

Enterprise taxes, other than those taxes determined by an assessment of profit, are recorded in Other Expenses.

(14) Net Income per Share

Net Income per Share is computed based upon the weighted average number of shares outstanding during the fiscal year.

The total dividend for Lower Dividend Rate Stock and Preferred Stock is deducted from the numerator and the aggregate number of these stocks is deducted from the denominator in the calculation of net income per share.

3. Trading Assets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Trading Securities	**¥ 35,226**	¥ 440,865	**$ 264**
Derivatives of Trading Securities	**—**	31	**—**
Derivatives of Securities Related to Trading Transactions	**—**	17	**—**
Trading-Related Financial Derivatives	**80,730**	89,108	**606**
Other Trading Assets	**901,647**	1,224,956	**6,767**
Total	**¥1,017,604**	¥1,754,978	**$7,637**

4. Securities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Japanese Government Bonds	**¥ 8,600,368**	¥ 7,573,777	**$ 64,543**
Municipal Government Bonds	**418,834**	463,713	**3,143**
Corporate Bonds	**1,049,362**	794,949	**7,875**
Stocks	**558,996**	640,005	**4,195**
Other	**12,649,321**	13,221,093	**94,930**
Total	**¥23,276,883**	¥22,693,540	**$174,686**

Note: Investments in subsidiaries, totaling ¥77,183 million and ¥76,539 million, were included in Stocks as of March 31, 2002 and March 31, 2001, respectively.

The maturity profile of other securities is as follows:

	Millions of Yen			
	1 Year or Less	Over 1 Year– 5 Years	Over 5 Years– 10 Years	Over 10 Years
Bonds	¥2,456,718	¥2,975,538	¥3,669,849	¥ 966,458
Japanese Government Bonds	2,312,565	2,084,427	3,266,058	937,316
Municipal Government Bonds	15,529	316,160	86,240	904
Corporate Bonds	128,623	574,950	317,550	28,238
Other	362,190	2,035,710	3,842,631	2,023,275
Total	¥2,818,908	¥5,011,249	¥7,512,481	¥2,989,734

	Millions of U.S. Dollars			
	1 Year or Less	Over 1 Year–5 Years	Over 5 Years–10 Years	Over 10 Years
Bonds	$18,437	$22,331	$27,541	$ 7,253
Japanese Government Bonds	17,355	15,643	24,511	7,034
Municipal Government Bonds	117	2,373	647	7
Corporate Bonds	965	4,315	2,383	212
Other	2,718	15,277	28,838	15,184
Total	$21,155	$37,608	$56,379	$22,437

5. Loans and Bills Discounted

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Loans on Deeds	**¥11,898,195**	¥ 9,005,227	**$ 89,292**
Promissory Notes	**9,094,404**	10,743,001	**68,251**
Overdrafts	**3,161,748**	3,161,656	**23,728**
Bills Discounted	**78,807**	106,820	**591**
Total	**¥24,233,156**	¥23,016,706	**$181,862**

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Loans to Borrowers under Bankruptcy Proceedings	**¥ 23,910**	¥ 5,335	**$ 179**
Loans with Principal or Interest Payments More Than Six Months in Arrears	**345,543**	330,778	**2,594**
Loans with Principal or Interest Payments More Than Three Months in Arrears	**143**	1,491	**1**
Restructured Loans	**423,889**	398,056	**3,181**
Total	**¥793,487**	¥735,662	**$5,955**

Notes: 1. The Bank does not accrue interest on "Loans to Borrowers under Bankruptcy Proceedings" and "Loans with Principal or Interest Payments More Than Six Months in Arrears".

2. "Loans with Principal or Interest Payments More Than Three Months in Arrears" are loans which are past-due by 3 months or more and which are other than "Loans to Borrowers under Bankruptcy Proceedings" and "Loans with Principal or Interest Payments More Than Six Months in Arrears".

3. "Restructured Loans" are loans whereby, in order to support the borrowers' rehabilitation and facilitate the collection of the loan, the terms of the loans are restructured in favor of the borrowers by reducing the interest rate, suspending payments of interest or principal, waiving principal repayments, etc.

6. Assets Pledged

Assets pledged as collateral comprise the following:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Trading Assets	**¥ 362,444**	¥ —	**$ 2,720**
Securities	**3,666,436**	2,242,720	**27,515**

Liabilities related to the above pledged assets were as follows:

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Call Money	**¥ 182,600**	¥2,282,761	**$ 1,370**
Payables under Repurchase Agreements	**2,937,023**	—	**22,041**
Other Liabilities	**986,596**	—	**7,404**

Note: In addition, Securities totaling ¥4,088,464 million and ¥3,435,521 million as of March 31, 2002 and March 31, 2001, respectively, and Other Assets (securities in custody) totaling ¥291,937 million at March 31, 2001 were pledged as collateral for settlement of exchange and derivative transactions or as variation margin for futures transactions.

7. Foreign Exchange Assets

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Foreign Bills Purchased	**¥ 2,687**	¥ 3,251	**$ 20**
Foreign Bills Receivable	**12,436**	10,527	**93**
Due from Foreign Banks	**4,335**	2,836	**33**
Total	**¥19,460**	¥16,616	**$146**

8. Other Assets

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Domestic Exchange Settlement, Debit Account	**¥ 20**	¥ 62	**$0**
Prepaid Expenses	**1,614**	473	**12**
Accrued Income	**178,702**	244,028	**1,341**
Payments for Food Account	**—**	115	**—**
Other	**392,443**	1,777,582	**2,945**
Total	**¥572,780**	¥2,022,263	**$4,298**

9. Premises and Equipment

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Land	**¥146,189**	¥147,995	**$1,097**
Buildings	**48,781**	49,553	**366**
Equipment	**9,256**	9,413	**69**
Other	**7,000**	4,723	**53**
Total Net Book Value	**¥211,228**	¥211,684	**$1,585**
Accumulated Depreciation Deducted	**¥ 91,452**	¥ 86,124	**$ 686**

10. Commitment to Overdrafts and Loans

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 ¥3,854,703 million. The amount, which the Bank could cancel at any time without penalty, is ¥2,333,615 million.

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 its internal rules and acts to secure loans as necessary.

11. Deposits

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Time Deposits	**¥33,282,561**	¥31,405,532	**$249,775**
Notice Deposits	**181,119**	165,377	**1,359**
Ordinary Deposits	**1,885,626**	946,698	**14,151**
Current Deposits	**166,852**	160,460	**1,252**
Negotiable Certificates of Deposit	**288,680**	679,978	**2,166**
Other Deposits	**2,552,685**	3,317,077	**19,158**
Total	**¥38,357,527**	¥36,675,125	**$287,861**

12. Debentures

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
One-Year Discount Debentures	**¥ 872,749**	¥1,571,347	**$ 6,550**
Long-term Coupon Debentures	**5,073,389**	4,974,389	**38,074**
Total	**¥5,946,139**	¥6,545,736	**$44,624**

13. Trading Liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Derivatives of Trading Securities	**¥ 39**	¥ —	**$ 0**
Derivatives of Securities Related to Trading Transactions	**7**	—	**0**
Trading-Related Financial Derivatives	**81,577**	89,373	**613**
Total	**¥81,624**	¥89,373	**$613**

14. Borrowings

Borrowings include subordinated loans of ¥490,143 million as of March 31, 2002 and March 31, 2001, respectively.

15. Foreign Exchange Liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2002**	2001	**2002**
Foreign Bills Sold	**¥ 5**	¥ 10	**$ 0**
Foreign Bills Payable	**216**	28	**1**
Due to Foreign Banks	**2,101**	2,050	**16**
Total	**¥2,323**	¥2,090	**$17**

16. Other Liabilities

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Advances Received for Food Account	**¥ 1,286**	¥ —	**$ 10**
Short-term Entrusted Funds	**1,249,037**	3,990,557	**9,374**
Domestic Exchange Settlement, Credit Account	**1,252**	447	**9**
Accrued Expenses	**106,389**	204,471	**798**
Income Taxes Payable	**48,059**	11,659	**361**
Deferred Income	**4,846**	5,619	**36**
Employees' Deposits	**11,310**	11,112	**85**
Securities Borrowed	**—**	1,125,300	**—**
Collateral for Securities Transactions	**986,596**	1,620,172	**7,404**
Other	**681,791**	1,510,936	**5,117**
Total	**¥3,090,570**	¥8,480,273	**$23,194**

17. Acceptances and Guarantees

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Acceptance of Bills of Exchange	**¥ 20**	¥ 16	**$ 0**
Letters of Credit	**28,361**	74,978	**213**
Guarantees	**308,433**	286,156	**2,315**
Total	**¥336,815**	¥361,150	**$2,528**

Note: All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under Acceptances and Guarantees. A contra account, Customers' Liabilities for Acceptances and Guarantees, is classified as an asset representing the Bank's right of indemnity from customers.

18. Paid-in Capital

As of March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Common Stock	**¥1,100,000**	¥1,100,000	**$8,255**
Preferred Stock	**24,999**	24,999	**188**
Total	**¥1,124,999**	¥1,124,999	**$8,443**

Note: The Common Stock account includes Lower Dividend Rate Stock with a total par value of ¥1,000,000 million.
Lower Dividend Rate Stock is similar to regular common stock but has been issued on the condition that the dividend yield will be set below that relating to common stock.

19. Trading Revenue

Fiscal year ended March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Revenue from Trading Securities and Derivatives	**¥ 42**	¥ 783	**$ 0**
Revenue from Trading-Related Derivatives Transactions	**290**	475	**2**
Other Trading Revenue	**1,125**	2,099	**9**
Total	**¥1,458**	¥3,357	**$11**

20. Other Operating Income

Fiscal year ended March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Gains on Foreign Exchange Transactions	**¥ 663**	¥ 3,610	**$ 5**
Gains on Sales of Bonds	**225,026**	134,405	**1,689**
Gains on Sales of Loans	**137**	197	**1**
Gains on Redemption of Bonds	**773**	23,675	**6**
Other	**0**	—	**0**
Total	**¥226,601**	¥161,888	**$1,701**

21. Other Income

Fiscal year ended March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Gains on Sales of Stocks and Other Securities	**¥ 46,684**	¥ 37,211	**$350**
Gains on Money Held in Trust	**62,152**	72,107	**466**
Gains on Sales of Premises and Equipment	**112**	28	**1**
Recoveries of Claims Written-off	**908**	3	**7**
Reversal of Reserve for Possible Loan Losses	**—**	11,471	**—**
Gains Resulting from the Adoption of the New Accounting Standard for Pensions	**—**	27,996	**—**
Other	**1,719**	1,606	**13**
Total	**¥111,578**	¥150,425	**$837**

22. Trading Losses

Fiscal year ended March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Losses on Securities and Derivatives Related to Trading Transactions	**¥121**	¥232	**$1**
Total	**¥121**	¥232	**$1**

23. Other Operating Expenses

Fiscal year ended March 31	Millions of Yen 2002	Millions of Yen 2001	Millions of U.S. Dollars 2002
Amortization of Debenture Issuance Costs	**¥ 521**	¥ 1,447	**$ 4**
Losses on Sales of Bonds	**60,185**	31,797	**452**
Losses on Redemption of Bonds	**44**	42,372	**0**
Losses on Revaluation of Bonds	**16,122**	—	**121**
Losses on Derivative Instruments	**1,606**	13,504	**12**
Other Operating Expenses	**619**	60	**5**
Total	**¥79,101**	¥89,184	**$594**

24. Other Expenses

	Millions of Yen		Millions of U.S. Dollars
Fiscal year ended March 31	**2002**	2001	**2002**
Transfer to Reserve for Possible Loan Losses	**¥ 80,360**	¥ —	**$ 603**
Transfer to Group Mutual Aid Reserve	**15,001**	15,611	**113**
Write-off of Loans	**26,021**	18,988	**195**
Losses on Sales of Stocks and Other Securities	**31,376**	4,528	**235**
Losses on Revaluation of Stocks and Other Securities	**9,864**	1,339	**74**
Losses on Money Held in Trust	**67,362**	5,831	**506**
Losses on Disposals of Premises and Equipment	**696**	1,681	**5**
Donations for Financial Assistance to an Affiliated Company	**—**	40,639	**—**
Losses Resulting from the Adoption of the New Accounting Standard for Pensions	**—**	26,659	**—**
Other	**8,656**	18,501	**65**
Total	**¥239,340**	¥133,779	**$1,796**

25. Proposed Appropriation of Retained Earnings

	Millions of Yen		Millions of U.S. Dollars
Fiscal year ended March 31	**2002**	2001	**2002**
Unappropriated Retained Earnings at Fiscal Year End	**¥95,085**	¥99,947	**$713**
Additions:			
Transfer from Voluntary Reserve	**294**	34	**2**
Appropriations:			
Transfer to Legal Reserve	**13,600**	20,000	**102**
Transfer to Voluntary Reserve	**14,585**	21,088	**109**
Special Dividends	**17,046**	16,363	**128**
Dividends on Common Stock	**5,000**	5,000	**38**
Dividends on Lower Dividend Rate Stock	**10,000**	10,000	**75**
Dividends on Preferred Stock	**328**	328	**2**
Total	**¥60,559**	¥72,780	**$454**
Unappropriated Retained Earnings to Be Carried Forward	**¥34,819**	¥27,201	**$261**

Note: The Transfer to Legal Reserve, Dividends, Transfer to Other Reserves and Bonuses to Directors are recorded in the fiscal year in which the proposed appropriation of Retained Earnings is approved by the shareholders' meeting.

Pursuant to Article 77-1-5 of the Norinchukin Bank Law concerning the revaluation of net assets to fair value, the portion of Net Unrealized Gains on Securities, net of taxes, and Retained Earnings, restricted not available for distribution, amounts to ¥75,279 million and ¥475,968 million, respectively as of March 31, 2002 and March 31, 2001.

26. Securities Loaned

Securities Loaned under unsecured short-term financing agreements (Saiken Taishaku Torihiki) totaling ¥1,144,021 million, are included in Securities.

Securities Borrowed under unsecured short-term financing agreements (Saiken Taishaku Torihiki) that can be sold or repledged by the Bank, securities repledged out, securities loaned, and securities held were ¥1,185,588 million, ¥57,142 million and ¥22,025 million, respectively as of March 31, 2002.

Up to the previous fiscal year, Securities Borrowed under unsecured short-term financing agreements and Securities Received relating to securities borrowed with cash collateral submitted were recognized as Securities in Custody in Other Assets and Securities Borrowed in Other Liabilities as the same amounts, respectively. After the adoption of the New Financial Instruments Standard, these balances are not recorded on the Balance Sheet.

27. Retirement Benefit Plans

The Bank is funding a defined benefit pension plan and in addition has a lump-sum payment pension plan. Additional retirement benefits are paid to employees in certain cases. To fund the lump-sum payment pension plan the Bank has established a retirement benefit trust.

The reserve for retirement benefits as of March 31, 2002 is analyzed as follows:

	Millions of Yen	Millions of U.S. Dollars
As of March 31	2002	2002
Projected Benefit Obligations	¥(68,573)	$(514)
Plan Assets	49,604	372
Unfunded Retirement Benefit Obligations	(18,969)	(142)
Unrecognized Transition Amount	—	—
Unrecognized Prior Service Cost	—	—
Unrecognized Actuarial Differences	13,513	101
Net Amounts Reported in the Balance Sheet	(5,455)	(41)
Prepaid Pension Cost	1,554	12
Reserve for Retirement Benefits	¥ (7,009)	$ (53)

Assumptions used in the above calculation are as follows:

Discount Rate	2.5%
Expected Rate of Return on Plan Assets	4.0%
Method of Attributing the Projected Benefits to Periods of Service	Straight-line Basis
Amortization of Unrecognized Prior Service Cost	Year incurred
Amortization of Transition Amount	Year incurred
Amortization of Unrecognized Actuarial Differences	10 Years

Kasumigaseki Bldg. 32nd Floor
3-2-5, Kasumigaseki, Chiyoda-ku,
Tokyo 100-6088, Japan

Report of Independent Accountants

The Board of Directors
The Norinchukin Bank

We have audited the accompanying non-consolidated balance sheets of The Norinchukin Bank as of March 31, 2002 and 2001, and the related non-consolidated statements of income for the years ended March 31, 2002 and 2001, all expressed in Japanese Yen. Our audits were undertaken in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the non-consolidated financial position of The Norinchukin Bank as of March 31, 2002 and 2001, and the non-consolidated results of its operations for the years ended March 31, 2002 and 2001, in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set out in Note 1 to the accompanying non-consolidated financial statements.

ChuoAoyama Audit Corporation

ChuoAoyama Audit Corporation

Tokyo, Japan
May 16, 2002

Organization

(As of August 1, 2002)

- Council of Delegates
- Supervisory Committee
  - JA Bank System Headquarters
- Board of Directors
  - President & CEO / Deputy President & Co-CEO / Senior Managing Directors / Managing Directors
- Auditors
- Board of Auditors

President & CEO / Deputy President & Co-CEO / Senior Managing Directors / Managing Directors

- Secretariat
- Office of the Corporate Auditors
- Coordination Div.
- Public Relations Div.
- Legal Div.
  - Compliance Dept.
- Internal Audit Div.
  - Asset Audit Dept.
- Personnel Div.
  - Career Development Dept.
- Corporate Planning Div.
  - Business Development Dept.
  - Branch Administration Dept.
  - International Business Management Dept.
  - Subsidiaries & Affiliates Management Dept.
- Financial Planning & Control Div.
- Task Force For Corporate Management
- Systems Div.
  - Systems Planning Dept.
  - Computer Center
- Procedures and Operations Administration Div.
  - Operations Center
- Premises Div.
- Cooperative Credit System Reorganization Div.
  - Cooperative Rationalization & Reintegration Dept.
- Cooperative Finance Management Div.
  - JA Bank System Monitoring & Advisory Dept.
- JA Bank System Planning & Implementation Div.
- Cooperative Finance Planning & Development Div.
- Personal Asset Management Div.
  - Defined Contribution Pension Dept.
- Agriculture Div.
- Fisheries Div.
- Forestry Div.
- Fixed Income Investment Div.
- Equity Investment Div.
- Credit & Alternative Investment Div.
- Treasury & Forex Div.
  - Derivatives & Fixed Income Dept.
- Securities Business Div.
  - Cooperative Securities Business Coordination Dept.
- Risk Monitoring Div.
- Operations Planning & Solutions Div.
- Treasury & Securities Operations Div.
- International Credit Risk Management Div.
- Corporate Business Management & Strategy Div.
  - Corporate Business Planning & Promotion Dept.
- Corporate Credit Risk Management Div.
  - Industrial Research Dept.
- Corporate Business Div. I
- Corporate Business Div. II
- Corporate Business Div. III
- Corporate Business Div. IV
- Corporate Business Div. V
- Corporate Business Div. VI
- Corporate Business Div. VII
- Corporate Business Div. VIII
- Corporate Business Div. IX
- Cooperative Finance & Administration (Kanto Area) Div.
- Head Office Business Service Div.
- Otemachi Business Service Div.
- Foreign Business Div.

Network

(As of August 1, 2002)

Overseas Branches

New York Branch
Fumiaki Ono, *General Manager*

29th Floor, 245 Park Avenue,
New York, NY 10167-0104, U.S.A.
Telephone: 1-212-697-1717
Fax: 1-212-697-5754
Telex: 6720068 (NOCUBANK)

London Branch
Toshiyuki Nagai, *General Manager*

4th Floor, 155 Bishopsgate,
London EC2M 3YX, U.K.
Telephone: 44-20-7588-6589
Fax: 44-20-7588-6585
Telex: 892698 (NORIN G)

Singapore Branch
Junichi Kobayashi, *General Manager*

80 Raffles Place, #53-01,
UOB Plaza 1, Singapore 048624
Telephone: 65-535-1011
Fax: 65-535-2883
Telex: RS21461 (NOCHU)

Overseas Representative Offices

Hong Kong Representative Office
Uchu Kawakami, *Chief Representative*

34th Floor, Edinburgh Tower,
The Landmark, 15 Queen's Road,
Central, Hong Kong, S.A.R., China
Telephone: 852-2868-2839
Fax: 852-2918-4430

Beijing Representative Office
Kaoru Akiyama, *Chief Representative*

Room 601, Chang Fu Gong Building,
Jia-26, Jianguomen Wai St.,
Beijing, China 100022
Telephone: 86-10-6513-0858
Fax: 86-10-6513-0859

Overseas Subsidiary

Norinchukin International plc
Hideo Futashima, *Managing Director*

3rd Floor, 155 Bishopsgate,
London EC2M 3TF, U.K.
Telephone: 44-207-588-6593
Fax: 44-207-588-6586
Telex: 936122 (NOCUIL G)

Major Domestic Subsidiaries and Affiliate

Norinchukin Securities Co., Ltd.
Toyomu Ueki, *President*

7-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 100-0004, Japan
Telephone: 81-3-5201-2711
Fax: 81-3-5201-2722

The Norinchukin Trust & Banking Co., Ltd.
Kenichi Hara, *President*

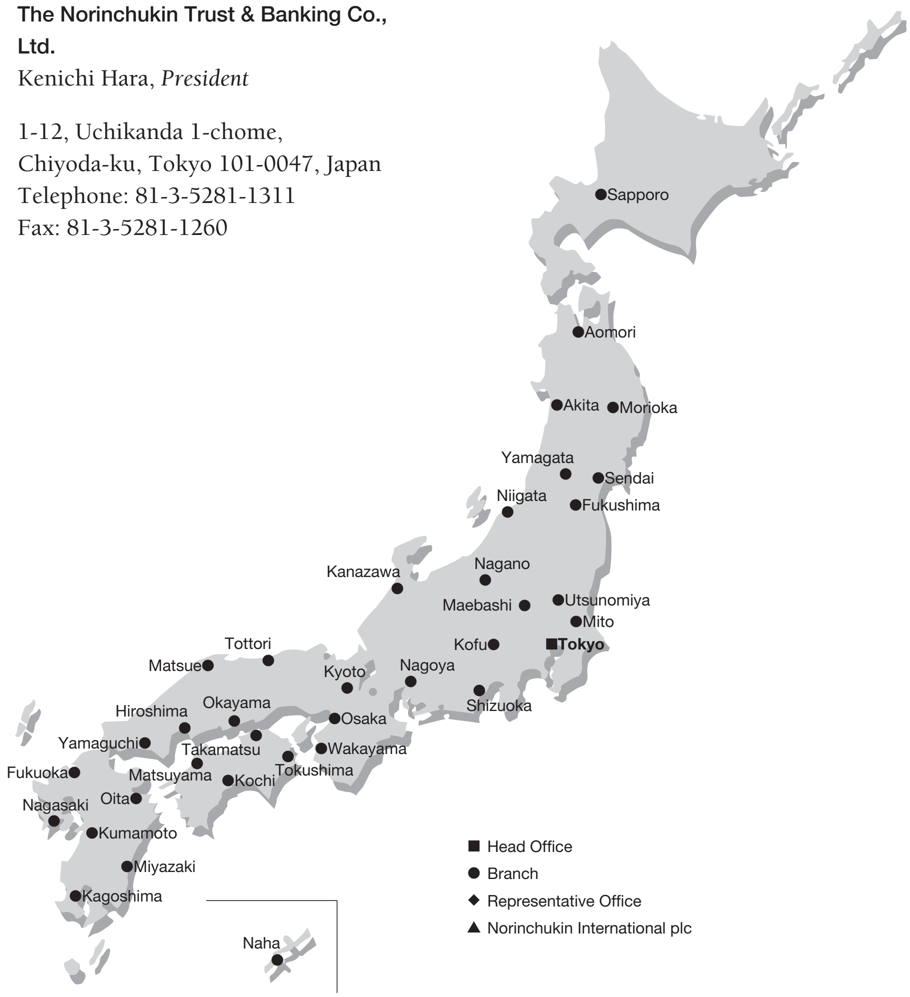
1-12, Uchikanda 1-chome,
Chiyoda-ku, Tokyo 101-0047, Japan
Telephone: 81-3-5281-1311
Fax: 81-3-5281-1260

Norinchukin-Zenkyoren Asset Management Co., Ltd.
Mitsuo Naito, *President*

2-1, Kyobashi 1-chome,
Chuo-ku, Tokyo 104-0031,
Japan
Telephone: 81-3-5202-8700
Fax: 81-3-5202-0901

Norinchukin Research Institute
Naoyuki Kuribayashi,
President

8-3, Otemachi 1-chome,
Chiyoda-ku,
Tokyo 100-0004,
Japan
Telephone: 81-3-3243-7311
Fax: 81-3-3270-2870



Corporate Data

(As of August 1, 2002)

Head Office

13-2, Yurakucho 1-chome, Chiyoda-ku,
Tokyo 100-8420, Japan
Telephone: 81-3-3279-0111
Fax: 81-3-3218-5177
URL: http://www.nochubank.or.jp
Cable address: CCBAF TOKYO
Telex: J23918, J23919, J33573
SWIFT: NOCUJPJT

Paid-in Capital

¥1,124,999 million

Independent Certified Public Accountants

ChuoAoyama Audit Corporation

Date of Establishment

December 20, 1923

Number of Employees*

2,800

Branches in Japan

36

Overseas Network

Branches: 3
Representative Offices: 2
Subsidiary: 1

Number of Shareholders*

5,659

Principal Shareholders

Agricultural Cooperatives and Federations
Forestry Cooperatives and Federations
Fishery Cooperatives and Federations
Other Related Organizations

*As of March 31, 2002

The Norinchukin Bank
13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan

Printed in Japan