

Operations of the Bank

The Bank is a nationwide financial institution that is funded by Japan agricultural cooperatives (JA), fishery cooperatives (JF), forestry cooperatives (Morikumi) and these federations.

Background and Basic Philosophy

The Bank was established in 1923 as the central bank for industrial cooperatives. It was renamed “The Norinchukin Bank” in 1943. The Bank is now a private financial institution chartered under “the Norinchukin Bank Law.”

JA, JF and Morikumi work to improve the economic and social positions of those engaged in the agricultural, forestry and fisheries industries under the slogan “one for all and all for one.” As a nationwide cooperative financial institution whose membership (shareholders) consists of municipal cooperatives, prefectural and national federations, the Bank’s basic philosophy is to contribute to the expansion of the nation’s economy by supporting the advancement of the agricultural, forestry and fisheries industries by function as a conduit for financing for its members.

Overview of Operations

Fund Procurement

The Bank procures funds mainly through deposits and the Norinchukin Bank debentures. Deposits come mainly from savings received through JA and JF from their members. The Bank also issues three types of bonds—*Warino* (one-year discount debentures), *Ritsuno* and *Ritsuno wide* (both of them are five-year coupon debentures)—as authorized under the Norinchukin Bank Law. Due to this stable procurement base, the Bank’s total assets (non-consolidated basis) climbed to ¥61,947 billion (US\$577 billion) as of March 31, 2005, making it one of Japan’s largest banks.

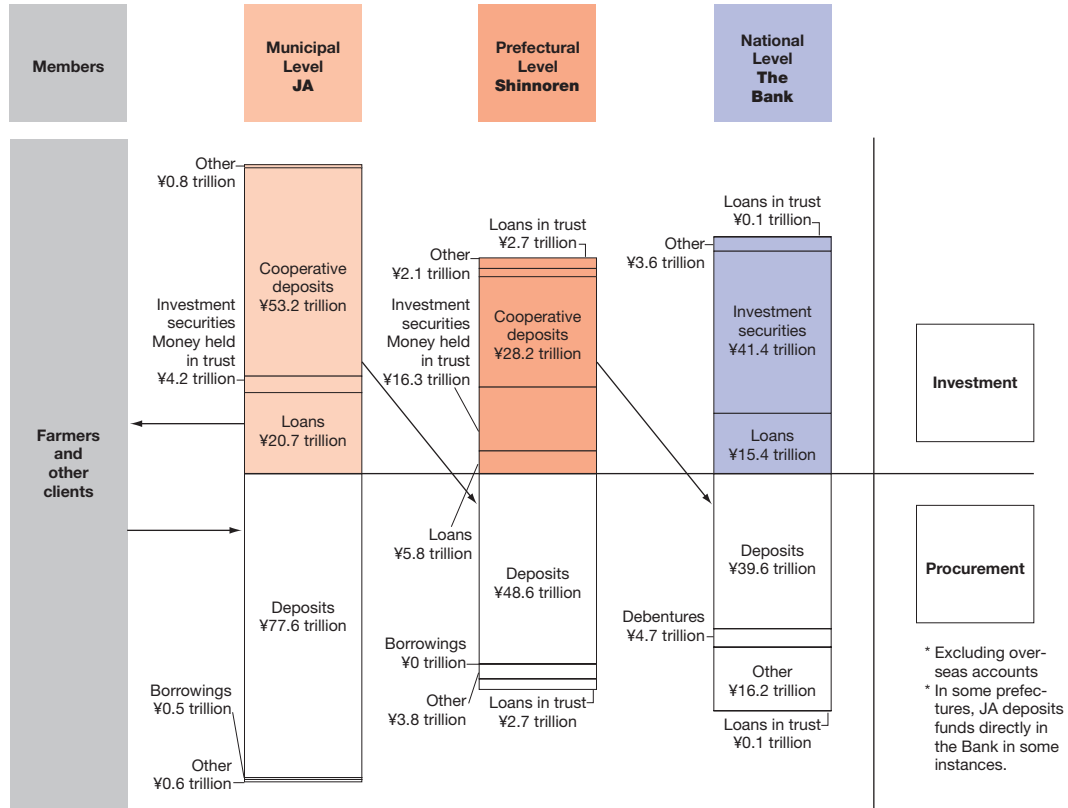
Fund Management and Other Operations

The Bank provides loans to those engaged in the agricultural, forestry and fisheries industry corporations related to the primary sector and local governments. The Bank also participates in securities markets as one of Japan’s leading institutional investors based on its wealth of investable funds and sophisticated know-how. In addition, the Bank provides financial assistance to support the development of the overseas operations of customers, engages in both domestic and foreign exchange business, acts as a national revenue agent for the Bank of Japan, and handles loans in trust of the Agriculture, Forestry and Fisheries Finance Corporation.

The Bank is dedicated to providing all its members with stable returns through the efficient management of funds. At the same time, it is committed to playing a vital role as a nationwide institution that provides its members with various financial services through a common national infrastructure.

The Norinchukin Bank provides financial services to its members and others as a nationwide, cooperative organization.

FLOW OF FUNDS WITHIN JA CREDIT BUSINESS (AS OF MARCH 31, 2005)



OVERALL BALANCE AT THE THREE LEVELS OF THE JA CREDIT BUSINESS SYSTEM (AS OF MARCH 31, 2005)

