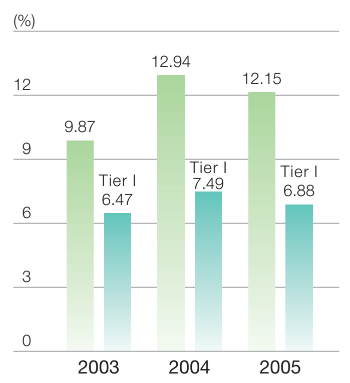
Equity Capital

Capital Adequacy Ratio

To meet the diverse needs of customers and cooperative organizations in the midst of the globalization of financial markets, the Bank has made the enhancement of equity capital as a top management priority within the context of guaranteeing a capital adequacy ratio that will enable it to compete internationally. As a result of efforts toward this objective, the Bank's consolidated capital adequacy ratio (based on the nine consolidated entities) as of March 31, 2005, was 12.15%, and on a non-consolidated basis, the ratio was 12.09%.

CAPITAL ADEQUACY RATIO (CONSOLIDATED)



Enhancing the Quality of Capital

Although the Bank's capital adequacy ratio declined year to year both on a consolidated and non-consolidated basis, which reflected the Bank's proactive efforts to acquire superior-quality assets with the intent of sustaining earnings over the longer term, Tier I capital (base capital) improved due to a solid rise in retained earnings.

Management remains committed to maintaining the soundness of the Bank and adding further to retained earnings to ensure that it is able to fully address the needs of its members, users and markets, both in Japan and overseas. Based on this commitment, with the understanding and cooperation of its shareholders, the Bank will increase its equity capital by approximately ¥440 billion (US$4,087 million) during fiscal 2005.

Specifically, the Bank will increase common stock, the most basic component of Tier I capital. The Bank will also issue perpetual subordinated loans, classified as Upper Tier II capital, which is relatively high-quality capital within Tier II (supplementary capital). As a consequence, the Bank will further enhance its equity capital in terms of both quality and quantity.

Strong Capital Base

The Bank is rated by the two largest ratings institutions in the United States—Moody's Investors Service and Standard & Poor's. It has received top-class ratings among Japanese financial institutions. The Bank sees the main factor for its high ratings as the strong capital base afforded by the strong membership in its cooperative system.

Major commercial banks in Japan have accepted injections of public funds to rejuvenate their financial capabilities and to ensure the smooth provision of credit. In contrast, the Bank has not applied for any public funds.

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

As of March 31	Billions of Yen 2005	Billions of Yen 2004	Millions of U.S. Dollars 2005
Shareholders' Equity:			
Tier I	**¥ 2,021**	¥ 1,910	**$ 18,840**
Tier II	**1,571**	1,413	**14,647**
Amount to be Deducted	**—**	—	**—**
Total	**¥ 3,593**	¥ 3,324	**$ 33,487**
Risk-Adjusted Assets:			
On-Balance Sheet	**¥26,229**	¥22,625	**$244,454**
Off-Balance Sheet	**1,000**	765	**9,327**
Assets Equivalent to Market Risk	**2,465**	2,425	**22,979**
Total	**¥29,696**	¥25,816	**$276,760**
BIS Capital Adequacy Ratio:			
Tier I	**6.80%**	7.40%	
Tier I + Tier II	**12.09%**	12.87%	

Note: The capital adequacy ratio of the Bank is based on the computational formula specified in Directive No. 7, Criteria for Judging the Management Soundness of the Norinchukin Bank, issued in 2003 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.

BIS Capital Adequacy Ratio (On a Consolidated Basis)

As of March 31	Billions of Yen 2005	Billions of Yen 2004	Millions of U.S. Dollars 2005
Shareholders' Equity:			
Tier I	**¥ 2,039**	¥ 1,928	**$ 19,004**
Tier II	**1,573**	1,414	**14,668**
Amount to be Deducted	**12**	12	**118**
Total	**¥ 3,600**	¥ 3,330	**$ 33,554**
Risk-Adjusted Assets:			
On-Balance Sheet	**¥26,165**	¥22,540	**$243,856**
Off-Balance Sheet	**1,000**	765	**9,327**
Assets Equivalent to Market Risk	**2,465**	2,430	**22,979**
Total	**¥29,632**	¥25,735	**$276,162**
BIS Capital Adequacy Ratio:			
Tier I	**6.88%**	7.49%	
Tier I + Tier II	**12.15%**	12.94%	

Note: The capital adequacy ratio of the Bank is based on the computational formula specified in the Directive. The Bank observes BIS capital adequacy requirements and has been in compliance with market risk regulations.