

Our work at The Norinchukin Bank won't change the world overnight.

Our focus is on the agriculture, fishery and forestry industries.

**This means that nature is our partner,
and nothing in nature bears fruit overnight.**

**Industries in this sector don't make things
—they produce and nurture life as a legacy for future generations.**

**This is precisely why we are dedicated to serving those who sustain these industries
and their local communities, no matter how small the scale of their operations.**

**As the sole financial institution wholly devoted to this sector
—the very cornerstone of our nation, we strive consistently
to generate solid outcomes in the global financial markets.**

Our history spans more than 90 years.

But that alone is no longer enough.

**We must take on a greater role than ever before
if this sector is to continue developing in response to the changing times.**

**We must harness our financial knowledge to make
new contributions that extended beyond our past functions and scope.**

We must do our utmost to address on-the-ground issues.

**We must respond to the needs not only of producers,
but also to those of processors, distributors and consumers.**

**The life generated by the agriculture, fishery and forestry industries
sprouts the workings of all life well into the future.**

Now is the time for each and every one of us to give our all.

**We aim to make the chain of life that connects us to the future
more bounteous and more certain.**

Dedicated to sustaining all life.

The Norinchukin Bank

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Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of September 30, 2020 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the prospects, business plans, targets, etc. of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

In this report, Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF, and Japan Forest Owners' Cooperatives as JForest.

Message from the Management

Report on Financial Statements for the First Half of Fiscal 2020



NAKAYA Toru

Chairman of the Supervisory Committee

OKU Kazuto

President and Chief Executive Officer

We hereby express sincere condolences to those experiencing various impacts from the spread of COVID-19 and offer our tremendous respect and appreciation to healthcare, logistics and retail workers and producers who are working daily.

The vision set forth under the Medium-Term Management Plan (FY2019-FY2023) of The Norinchukin Bank (the Bank) is to “become the leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.” In fiscal 2020, by making the pursuit of this vision its perpetual endeavor, the Bank is proceeding steadily with its business operations to achieve its goals without fail even in an increasingly severe business environment.

In the first half of fiscal 2020, against the backdrop of each country’s financial easing policy, short-term interest rates declined. Concerning stock prices, each country’s financial policy and measures helped reverse the drastic plunge in stock prices caused by the global conservative investment trend since the beginning of March 2020. Foreign exchange rates saw a progression of moderate yen appreciation mainly against the U.S. dollar.

Under such circumstances, the Bank undertook appropriate financial management aiming at stable profit. As a result, in the first half of fiscal 2020, the Bank secured Consolidated Ordinary Profits of ¥86.9 billion. At the same time, it maintained its Consolidated Capital Adequacy Ratio at a high level, with a Common Equity Tier 1 Capital Ratio of 20.55%, a Tier 1 Capital Ratio of 23.85%, and a Total Capital Ratio of 23.85%. Looking ahead, with the economic and financial environment expected to remain harsh—e.g., the continuing low-interest global environment such as the prolonged negative interest rate policy in Japan—the Bank will seek to engage in appropriate financial management.

Looking at business operations going forward, under the basic policy of the Medium-Term Management Plan (FY2019-FY2023), we will work in alliance with the entire cooperative groups within the structure of the “Food and Agriculture Business,” the “Retail Business” and the “Investment Business,” supported by “Corporate & Shared Services,” jointly with JA Bank Medium-Term Management Strategies, JF Marine Bank Medium-Term Management Strategies and the JForest Cooperatives Action Policy. Moreover, the Bank will steadily implement continuous self-reform as a member of JA Group. Furthermore, positioning this fiscal year as the “First Year of Sustainability Management,” each officer and employee of the Bank strives to familiarize and practice steadily the Bank’s proprietary sustainability perspective in operating daily business.

JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agriculture, fishery and forestry industries and their rural communities.

The impact of the spread of COVID-19 on actual economies has begun unfolding with considerable uncertainty as to when this crisis ends. In such an environment, the Bank will continue to provide maximum support for the various agriculture, fishery and forestry industry-related stakeholders affected by this problem, as the mission of a financial institution that operates on the foundational agriculture, fishery and forestry industries and related local communities.

Finally, we would like to ask you all for your continued support for JA Bank, JF Marine Bank, JForest Group and The Norinchukin Bank.

January 2021

TORU NAKAYA Kazuto Oku

Financial Results for the First Half of Fiscal 2020

Income

On a consolidated basis, Ordinary Profits* came to ¥86.9 billion, up ¥0.8 billion on a year-over-year basis, and Profit Attributable to Owners of Parent was ¥65.5 billion, down ¥2.6 billion on a year-over-year basis.

On a non-consolidated basis, Ordinary Profits came to ¥91.8 billion, up ¥7.4 billion on a year-over-year basis, and Net Income was ¥72.4 billion, up ¥3.7 billion on a year-over-year basis.

**Ordinary Profits represent Ordinary Income less Ordinary Expenses.
Ordinary Income represents Total Income less certain special income, and Ordinary Expenses represent Total Expenses less certain special expenses.*

Balance of Assets and Liabilities

On a consolidated basis, Total Assets at the end of the first half of fiscal 2020 was ¥106,746.4 billion, up ¥1,264.4 billion from the previous fiscal year-end. Total Net Assets came to ¥8,033.1 billion, up ¥771.4 billion from the previous fiscal year-end.

On a non-consolidated basis, Total Assets was ¥104,538.0 billion, up ¥1,134.4 billion from the previous fiscal year-end. On the assets side, Loans and Bills Discounted was ¥20,837.2 billion, and Securities was ¥50,545.8 billion. On the liabilities side, Deposits amounted to ¥65,415.5 billion, and Debentures was ¥534.5 billion.

Capital Adequacy Ratio (Basel III Standard)

On a consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 20.55%, its Tier 1 Capital Ratio was 23.85%, and its Total Capital Ratio was 23.85%.

On a non-consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 20.64%, its Tier 1 Capital Ratio was 24.01%, and its Total Capital Ratio was 24.01%.

Key Management Indicators

<Consolidated>

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	First Half of Fiscal 2018	Fiscal 2018	First Half of Fiscal 2019	Fiscal 2019	First Half of Fiscal 2020	First Half of Fiscal 2020
Total Income	¥ 911.0	¥ 1,732.1	¥ 832.6	¥ 1,546.3	¥ 592.2	\$ 5,597
Total Expenses	793.8	1,607.8	745.0	1,422.3	505.5	4,777
Profit Attributable to Owners of Parent	85.8	103.5	68.1	92.0	65.5	619
Total Comprehensive Income	(8.3)	238.5	397.9	(111.1)	847.4	8,008
Total Net Assets	6,666.6	7,473.2	7,770.7	7,261.6	8,033.1	75,920
Total Assets	108,041.1	105,953.9	108,398.2	105,482.0	106,746.4	1,008,850
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	16.62	16.59	18.09	19.49	20.55	20.55
Tier 1 Capital Ratio (%)	16.63	19.65	21.19	23.02	23.85	23.85
Total Capital Ratio (%)	20.60	19.65	21.19	23.02	23.85	23.85

Notes: 1. U.S. dollars have been converted at the rate of ¥105.81 to U.S.\$1, the effective rate of exchange at September 30, 2020.

2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

<Non-Consolidated>

(Billions of Yen/Millions of U.S. Dollars (Note 1))

	First Half of Fiscal 2018	Fiscal 2018	First Half of Fiscal 2019	Fiscal 2019	First Half of Fiscal 2020	First Half of Fiscal 2020
Total Income	¥ 902.2	¥ 1,709.1	¥ 822.3	¥ 1,520.9	¥ 585.3	\$ 5,531
Total Expenses	786.4	1,591.9	736.4	1,403.1	493.6	4,665
Net Income	86.5	100.6	68.7	89.4	72.4	684
Paid-in Capital	3,480.4	4,040.1	4,040.1	4,040.1	4,040.1	38,183
Total Net Assets	6,576.6	7,381.8	7,683.4	7,174.8	7,953.1	75,164
Total Assets	106,408.0	104,176.8	106,479.7	103,403.5	104,538.0	987,978
Deposits	67,074.1	66,821.5	66,139.6	65,656.0	65,415.5	618,235
Debentures	1,515.5	1,262.2	1,015.2	791.4	534.5	5,051
Loans and Bills Discounted	13,821.1	18,438.0	18,989.9	19,828.8	20,837.2	196,930
Securities	54,003.4	55,751.1	55,547.3	54,694.3	50,545.8	477,703
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	16.78	16.73	18.27	19.56	20.64	20.64
Tier 1 Capital Ratio (%)	16.81	19.86	21.45	23.15	24.01	24.01
Total Capital Ratio (%)	20.84	19.86	21.45	23.15	24.01	24.01

Notes: 1. U.S. dollars have been converted at the rate of ¥105.81 to U.S.\$1, the effective rate of exchange at September 30, 2020.

2. The calculation of the Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.