

**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, 2021 (unless otherwise stated), as well as forward-looking statements pertaining to the forecasts, estimations, 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 might affect our businesses and could cause actual results to differ materially from those currently anticipated.

In this report, agriculture, fishery and forestry are collectively referred to as "AFF," 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 2021



**NAKAYA Toru**

Chairman of the Supervisory Committee

**OKU Kazuto**

President and Chief Executive Officer

We would like to sincerely thank all our stakeholders for supporting the day-to-day operations of The Norinchukin Bank (“the Bank”).

The vision set forth under the Medium-Term Management Plan (FY2019–FY2023) of the Bank is to “become the leading bank that supports the agriculture, fishery and forestry (“AFF”) industries, food production and consumption, and the daily lives of local communities.” In fiscal 2021, 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.

Concerning the financial markets during the first half of fiscal 2021, short-term interest rates remained at a low level against the backdrop of accommodative monetary policies across major jurisdictions. Stock prices rose mainly in the U.S. and European markets, supported by fiscal stimulus and the growing momentum to reopen economies as COVID-19 vaccinations progressed. Foreign exchange rates saw a progression of moderate yen depreciation mainly against the U.S. dollar given the background of a rise in long-term U.S. interest rates.

Under such circumstances, the Bank performed financial operations aiming at accumulating stable profits. As a result, in the first half of fiscal 2021, the Bank secured Consolidated Ordinary Profits of ¥133.6 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 21.32%, a Tier 1 Capital Ratio of 24.75%, and a Total Capital Ratio of 24.75%. Looking ahead, an economic recovery is expected in tandem with the normalization of business activities, despite the risk of other COVID-19 variants. The Bank will engage in appropriate financial management in an economic and financial environment that is expected to

continue to be volatile and uncertain.

Looking at business operations, under the basic policy of the Medium-Term Management Plan (FY2019–FY2023), we will work in alliance with all the 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.

To proceed with the Bank’s sustainable management initiatives, we have defined the Bank’s Purpose as “Dedicated to sustaining all life,” and established the Medium/Long-Term Goals toward 2030 to realize the Purpose. Our efforts are at an early stage, but each officer and employee of the Bank strives to familiarize and practice steadily our unique 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 AFF industries and their rural communities.

Amid the prolonged impact of the COVID-19 pandemic, the Bank will continue to provide maximum support for the various AFF industry-related stakeholders affected by this problem, as the mission of a financial institution that operates in the foundational AFF industries and related local communities.

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

January 2022

TORU NAKAYA Kazuto Oku

# Financial Results for the First Half of Fiscal 2021

## Income

On a consolidated basis, Ordinary Profits\* came to ¥133.6 billion, up ¥46.7 billion on a year-over-year basis, and Profit Attributable to Owners of Parent was ¥93.8 billion, up ¥28.3 billion on a year-over-year basis.

On a non-consolidated basis, Ordinary Profits came to ¥126.7 billion, up ¥34.9 billion on a year-over-year basis, and Net Income was ¥90.1 billion, up ¥17.7 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 2021 were ¥108,129.4 billion, up ¥481.6 billion from the previous fiscal year-end. Total Net Assets came to ¥8,158.9 billion, up ¥203.4 billion from the previous fiscal year-end.

On a non-consolidated basis, Total Assets were ¥105,539.9 billion, up ¥301.8 billion from the previous fiscal year-end. On the assets side, Loans and Bills Discounted were ¥22,146.1 billion, and Securities were ¥44,597.6 billion. On the liabilities side, Deposits amounted to ¥66,140.4 billion and Debentures were ¥413.3 billion.

## Capital Adequacy Ratio (Basel III Standard)

On a consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 21.32%, its Tier 1 Capital Ratio was 24.75%, and its Total Capital Ratio was 24.75%.

On a non-consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 21.40%, its Tier 1 Capital Ratio was 24.91%, and its Total Capital Ratio was 24.91%.

## Key Management Indicators

<Consolidated>

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

	First Half of Fiscal 2019	Fiscal 2019	First Half of Fiscal 2020	Fiscal 2020	First Half of Fiscal 2021	First Half of Fiscal 2021
Total Income	¥ 832.6	¥ 1,546.3	¥ 592.2	¥ 1,358.8	¥ 631.8	\$ 5,644
Total Expenses	745.0	1,422.3	505.5	1,065.2	497.7	4,446
Profit Attributable to Owners of Parent	68.1	92.0	65.5	208.2	93.8	838
Total Comprehensive Income	397.9	(111.1)	847.4	769.8	312.6	2,793
Total Net Assets	7,770.7	7,261.6	8,033.1	7,955.5	8,158.9	72,893
Total Assets	108,398.2	105,482.0	106,746.4	107,647.8	108,129.4	966,045
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	18.09	19.49	20.55	19.86	21.32	21.32
Tier 1 Capital Ratio (%)	21.19	23.02	23.85	23.19	24.75	24.75
Total Capital Ratio (%)	21.19	23.02	23.85	23.19	24.75	24.75

Notes: 1. U.S. dollars have been converted at the rate of ¥111.93 to U.S.\$1, the effective rate of exchange at September 30, 2021.

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.

## &lt;Non-Consolidated&gt;

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

	First Half of Fiscal 2019	Fiscal 2019	First Half of Fiscal 2020	Fiscal 2020	First Half of Fiscal 2021	First Half of Fiscal 2021
Total Income	¥ 822.3	¥ 1,520.9	¥ 585.3	¥ 1,337.1	¥ 619.0	\$ 5,530
Total Expenses	736.4	1,403.1	493.6	1,043.9	491.7	4,393
Net Income	68.7	89.4	72.4	212.0	90.1	805
Paid-in Capital	4,040.1	4,040.1	4,040.1	4,040.1	4,040.1	36,095
Total Net Assets	7,683.4	7,174.8	7,953.1	7,826.0	8,020.5	71,656
Total Assets	106,479.7	103,403.5	104,538.0	105,238.1	105,539.9	942,910
Deposits	66,139.6	65,656.0	65,415.5	65,675.4	66,140.4	590,909
Debentures	1,015.2	791.4	534.5	361.4	413.3	3,692
Loans and Bills Discounted	18,989.9	19,828.8	20,837.2	21,824.0	22,146.1	197,856
Securities	55,547.3	54,694.3	50,545.8	48,491.4	44,597.6	398,442
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	18.27	19.56	20.64	19.84	21.40	21.40
Tier 1 Capital Ratio (%)	21.45	23.15	24.01	23.22	24.91	24.91
Total Capital Ratio (%)	21.45	23.15	24.01	23.23	24.91	24.91

Notes: 1. U.S. dollars have been converted at the rate of ¥111.93 to U.S.\$1, the effective rate of exchange at September 30, 2021.

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.