



Financial Summary for Fiscal Year 2014

May 22, 2015

農林中央金庫

The Norinchukin Bank

Financial Highlights for FY2014

~ Large profit increase through stable financial management reflecting the favorable market environment, with capital adequacy ratios remaining at a high level ~

Profits

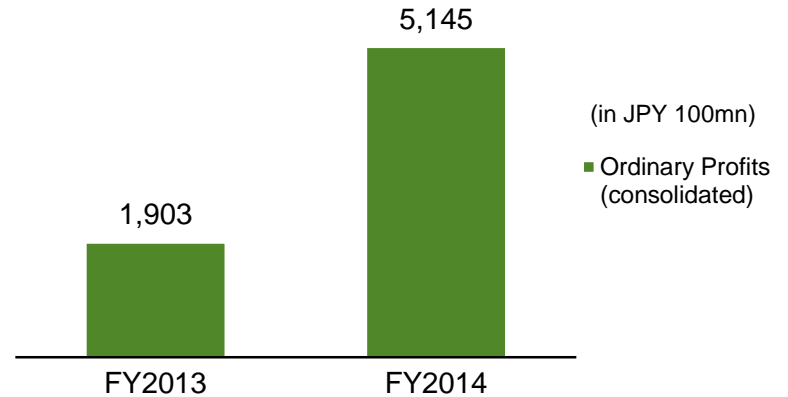
【Consolidated】 (in JPY 100mn)

	FY2013	FY2014	Change
Ordinary Profits	1,903	5,145	3,242
Net Income	1,557	4,113	2,555

【Non-consolidated】

Ordinary Profits ^(Note 1)	1,751	5,043	3,291
Net Income	1,431	4,045	2,613

(Note 1) Ordinary profit target of JPY 100 billion is set in the Medium-Term Management Plan.



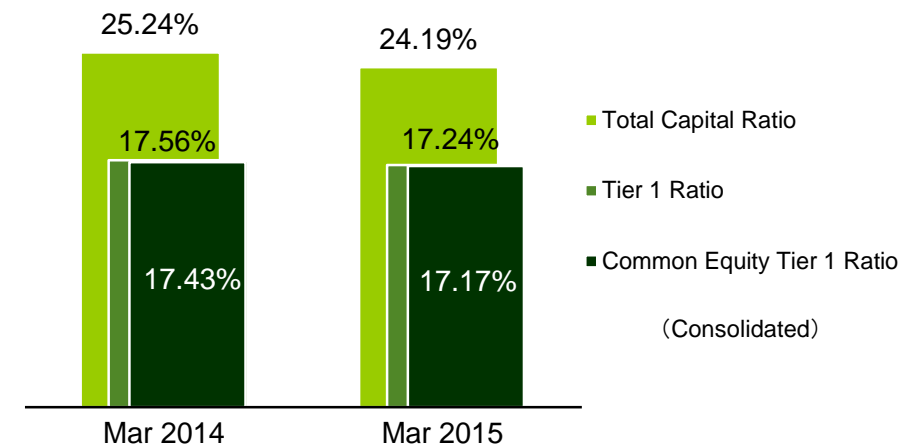
Capital Position (under Basel III)

【Consolidated】

	Mar 2014	Mar 2015 (Preliminary Figure)	Change
Common Equity Tier 1 Ratio	17.43%	17.17%	(0.26%)
Tier 1 Ratio	17.56%	17.24%	(0.32%)
Total Capital Ratio	25.24%	24.19%	(1.05%)

【Non-consolidated】

Common Equity Tier1 Ratio	17.43%	17.18%	(0.25%)
Tier 1 Ratio	17.56%	17.25%	(0.31%)
Total Capital Ratio	25.47%	24.36%	(1.11%)



Income Statement Summary

【Consolidated】

(in JPY 100mn)

	FY2013	FY2014	Change
1 Ordinary Profits	1,903	5,145	3,242
2 Net Income	1,557	4,113	2,555

【Non-consolidated】

(in JPY 100mn)

	FY2013	FY2014	Change
3 Ordinary Income	10,623	13,404	2,781
4 Interest Income	8,008	10,337	2,329
5 Ordinary Expenses	8,871	8,361	(510)
6 Interest Expenses	5,665	6,033	367
7 General and Administrative Expenses	1,207	1,227	20
8 Ordinary Profits	1,751	5,043	3,291
9 Extraordinary Profits/Losses	(31)	(16)	15
10 Income before Income Taxes	1,719	5,026	3,306
11 Net Income	1,431	4,045	2,613

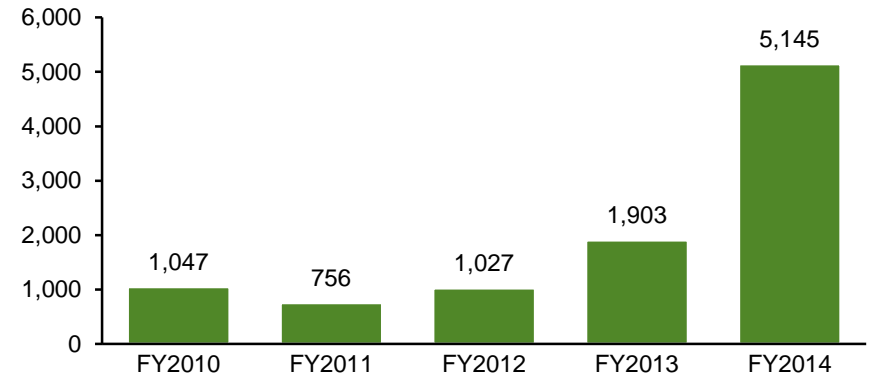
【Reference Information】

12 Gains/Losses on Sale of Securities	(423)	2	426
13 Gains on Sale of Securities	559	409	(149)
14 Losses on Sale of Securities	983	407	(576)
15 Credit-related Expenses ^(Note 1)	1	(511)	(512)
16 Disposal of Securities	10	19	8

(Note 1) Negative numbers for credit-related expenses indicate reversals

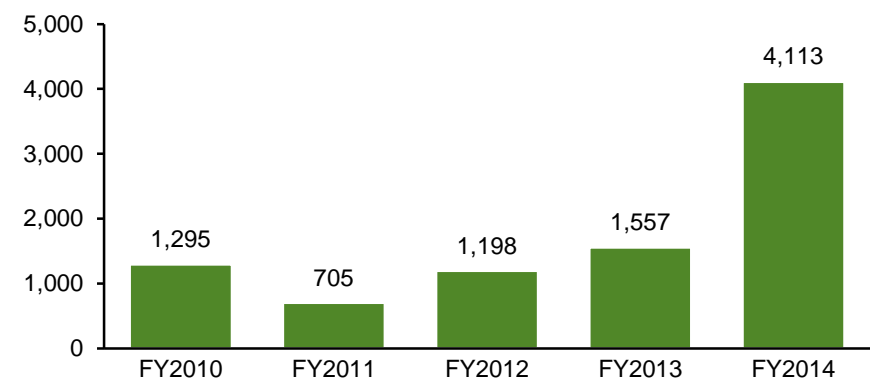
Ordinary Profits over Time (Consolidated)

(in JPY 100mn)



Net Income over Time (Consolidated)

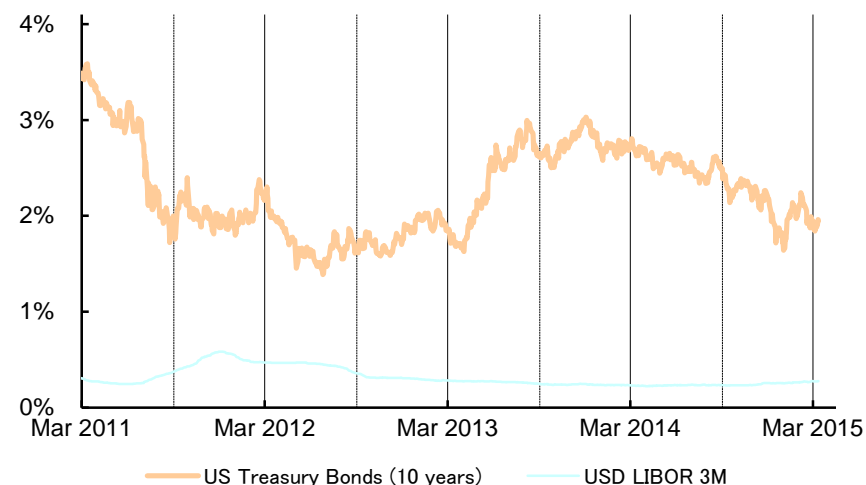
(in JPY 100mn)



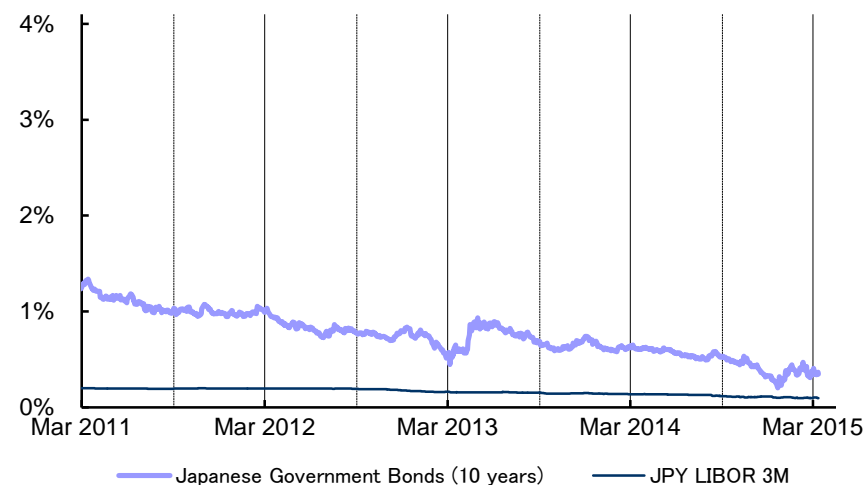
Earnings Yields (Non-consolidated)

	Average (in JPY trn)		Earnings (in JPY 100mn)		Yield		
	FY2014	YOY Change	FY2014	YOY Change	FY2014	YOY Change	
【Investment】							
1	Loans and Bills Discounted	18.5	1.7	637	(29)	0.34%	(0.05%)
2	Securities	56.7	1.9	11,051	2,981	1.95%	0.47%
3	Yen-denominated Securities	17.7	(0.2)	1,962	121	1.11%	0.08%
4	Foreign Currency-denominated Securities	38.9	2.2	9,088	2,860	2.33%	0.63%
5	Short-term Investment Assets	2.9	(0.0)	61	3	0.21%	0.01%
【Funding】							
6	From Member Banks	49.8	3.0	3,209	172	0.64%	(0.01%)
7	Debentures	3.8	(0.5)	187	(118)	0.49%	(0.21%)
8	Funding from Markets	25.8	2.9	416	32	0.16%	(0.01%)
9	From the Yen Market	1.6	0.5	23	2	0.14%	(0.03%)
10	From Foreign Currencies Markets	24.2	2.4	393	29	0.16%	(0.00%)

(Reference) US Dollar Interest Rates over Time



(Reference) Yen Interest Rates over Time



Balance Sheet Summary

【Consolidated】

(in JPY 100mn)

	Mar 2014	Mar 2015	Change
1 Total Assets	831,436	945,497	114,060
2 Total Liabilities	771,671	872,415	100,744
3 Total Net Assets	59,765	73,081	13,316

【Non-consolidated】

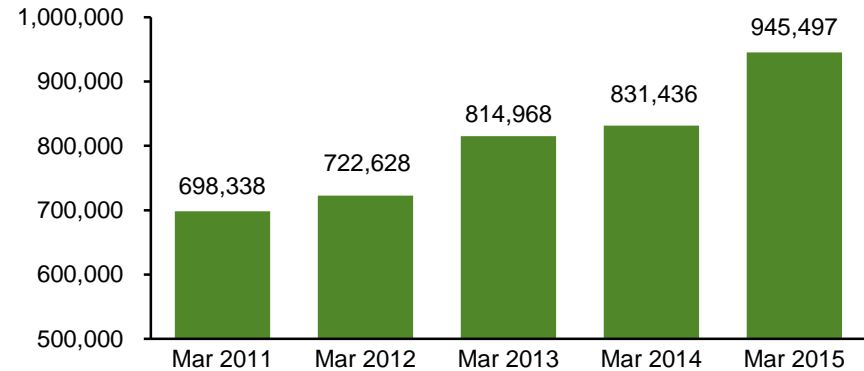
(in JPY 100mn)

	Mar 2014	Mar 2015	Change
4 Loans and Bills Discounted	172,950	199,357	26,406
5 Securities	529,014	597,385	68,371
6 Money Held in Trust	46,499	45,060	(1,438)
7 Cash and Due from Banks	59,674	72,786	13,111
8 Others	15,423	21,595	6,171
9 Total Assets	823,562	936,184	112,621
10 Deposits ^(Note 1)	526,819	560,989	34,169
11 Debentures	40,375	35,643	(4,732)
12 Payables under Repurchase Agreements	125,826	177,076	51,249
13 Others	71,320	90,157	18,836
14 Total Liabilities	764,343	863,866	99,523
15 Total Net Assets	59,219	72,318	13,098
16 Gains/Losses on Revaluation of Securities	17,920	32,256	14,335

(Note 1) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose.

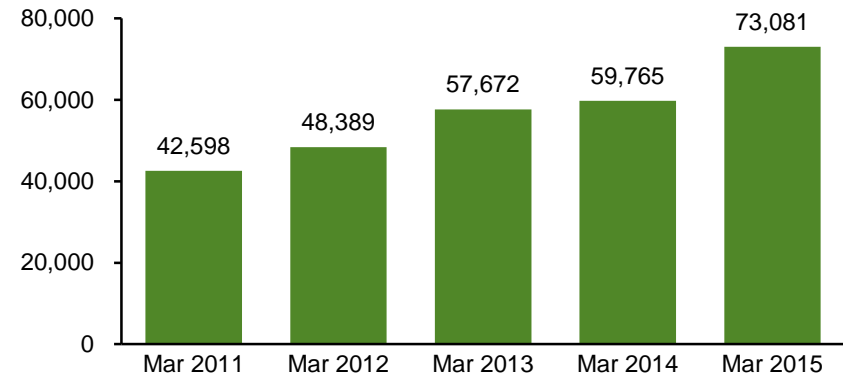
Total Assets over Time (Consolidated)

(in JPY 100mn)



Net Assets over Time (Consolidated)

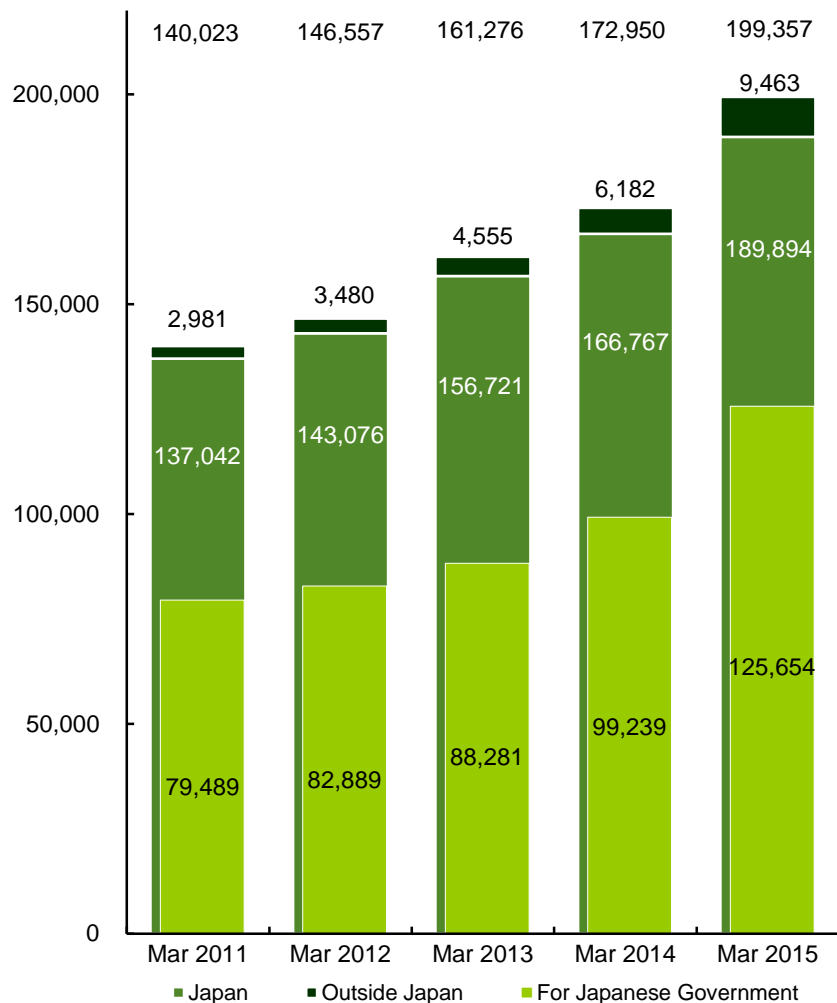
(in JPY 100mn)



Loans and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time

(in JPY 100mn)



Outstanding Loan Balance by Sector

(in JPY 100mn)

	Balance		Ratio
	Mar 2015	Change from Mar 2014	
1 Corporate Organizations	5,745	(476)	3%
2 Corporations	57,794	(208)	29%
Exc loans to IAAs (Note 1)	51,561	4,295	26%
3 Others	135,816	27,090	68%
4 Government	125,654	26,415	63%
5 Total	199,357	26,406	100%

(Note 1) Excluding loans to Independent Administrative Agencies, etc.

Risk-managed Loans over Time

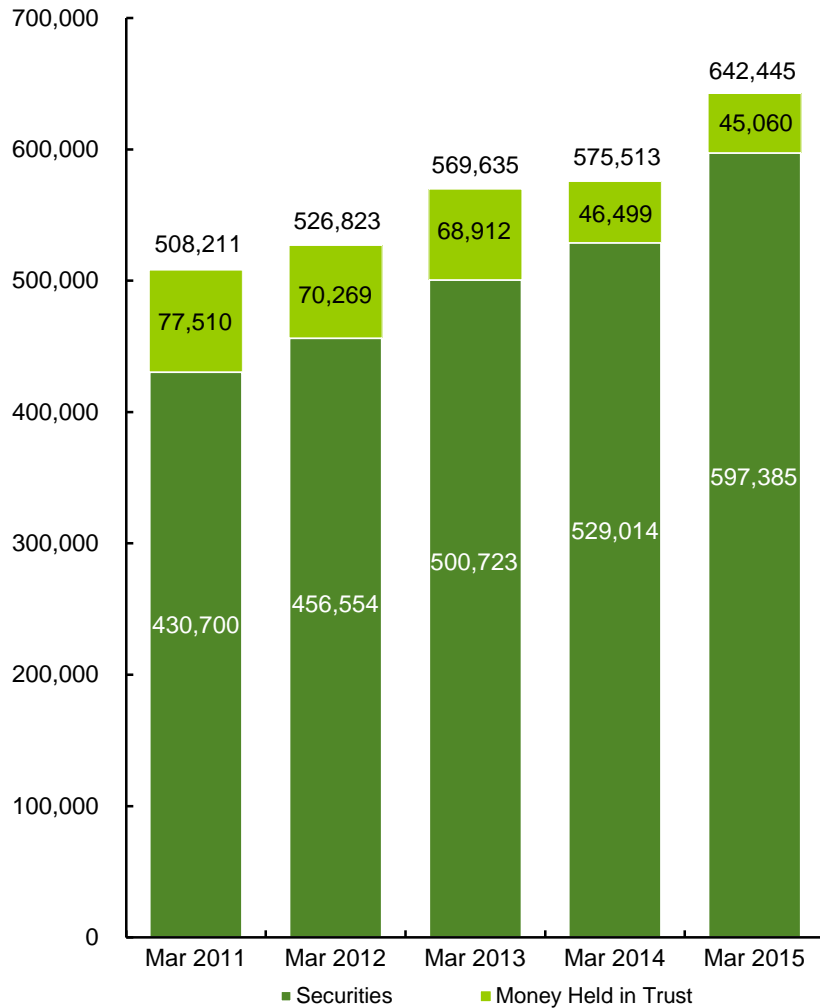
(in JPY 100mn)



Market Investment Portfolio (Non-consolidated)

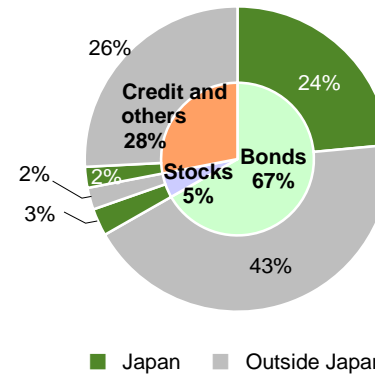
Security/Money Held in Trust over Time

(in JPY 100mn)

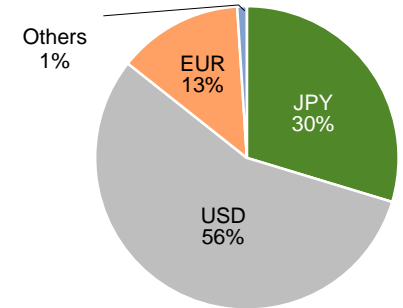


Market Investment Portfolio (Mar 2015)

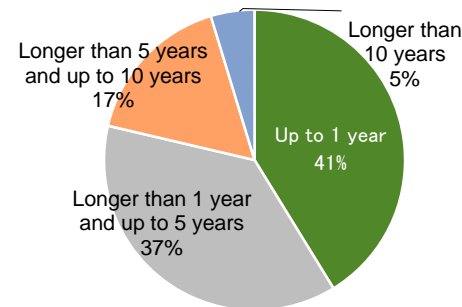
Market Investment Portfolio by Risk



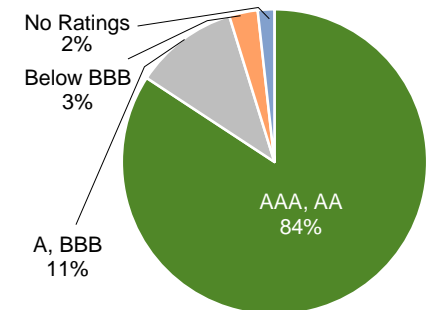
Market Investment Portfolio by Currency



Bond and Credit Portfolio by Rate Reset Maturity



Market Investment Portfolio by Rating



Net Unrealized Gains and Losses on Securities (Non-consolidated)

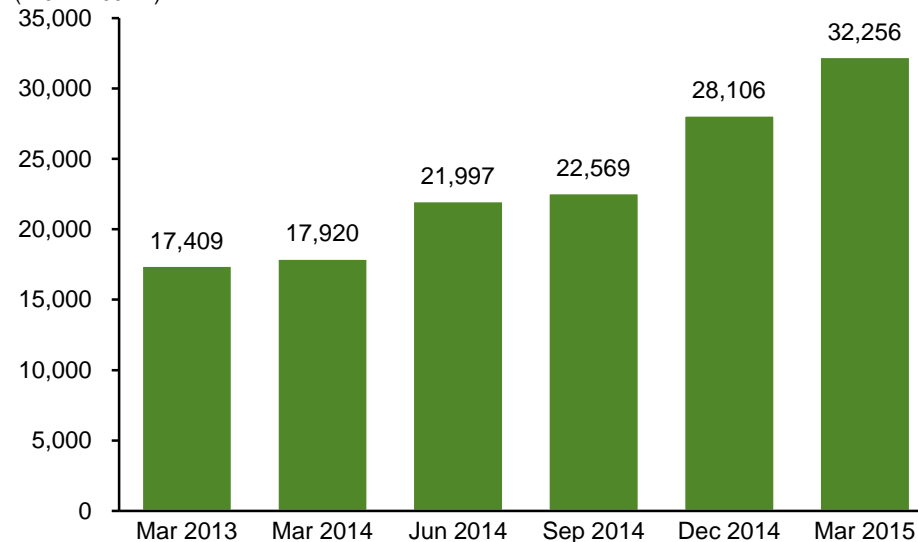
(in JPY 100mn)

	Mar 2014	Sep 2014	Mar 2015	Change from Mar 2014
1 Stocks	1,951	2,550	4,042	2,091
2 Bonds	2,857	3,044	3,346	488
3 Japanese Government Bonds ^(Note 1)	2,856	3,043	3,345	489
4 Municipal Government Bonds	0	0	0	(0)
5 Corporate Bonds	0	0	0	(0)
6 Others	10,540	14,111	21,594	11,054
7 Foreign Bonds ^(Note 1)	3,093	5,493	9,829	6,735
8 Foreign Stocks	142	152	179	37
9 Investment Trusts	7,136	8,238	11,246	4,110
10 Others	168	227	339	170
11 Money Held in Trust	2,571	2,863	3,272	701
12 Total	17,920	22,569	32,256	14,335

(Note 1) Include securities reclassified into held-to-maturity securities from other holding purpose classification

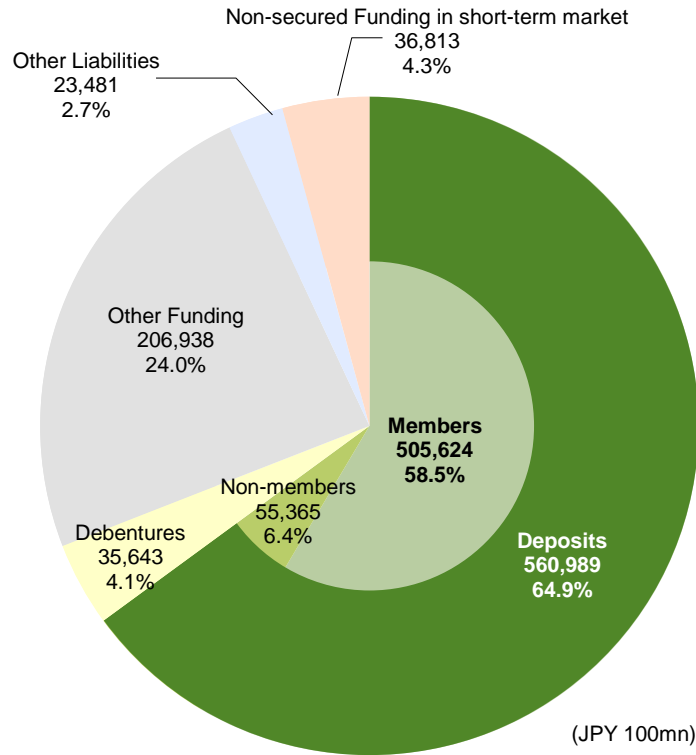
Net Unrealized Gains and Losses on Securities over Time

(in JPY 100mn)



Funding (Non-consolidated)

Breakdown of Funding

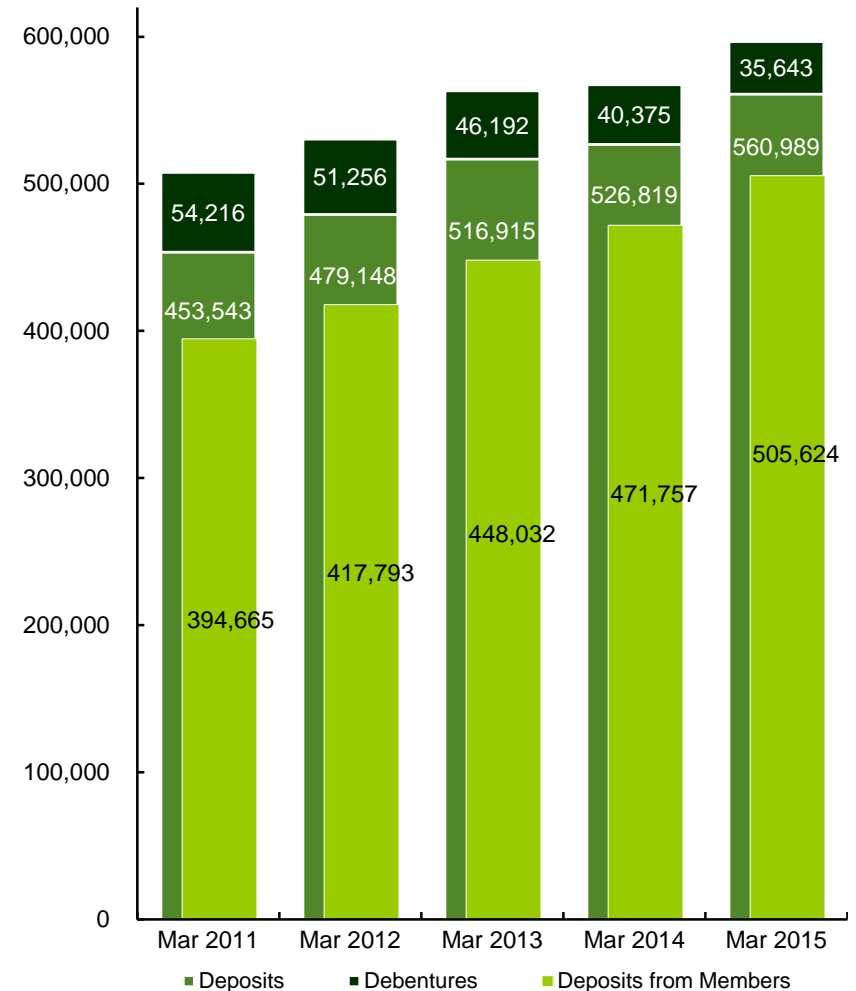


Total Liabilities: 863,866

(Note) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose. Other funding includes borrowed money (secured and subordinated loans) such as payables under repurchase agreements and payables under securities lending transactions. Other liabilities include acceptance & guarantees and reserves. Short-term unsecured funding from markets include trading liabilities, negotiable certificates of deposits, and unsecured call money.

Deposits and Debtentures over Time

(in JPY 100mn)



Capital Position

【Consolidated】

(in JPY 100mn)

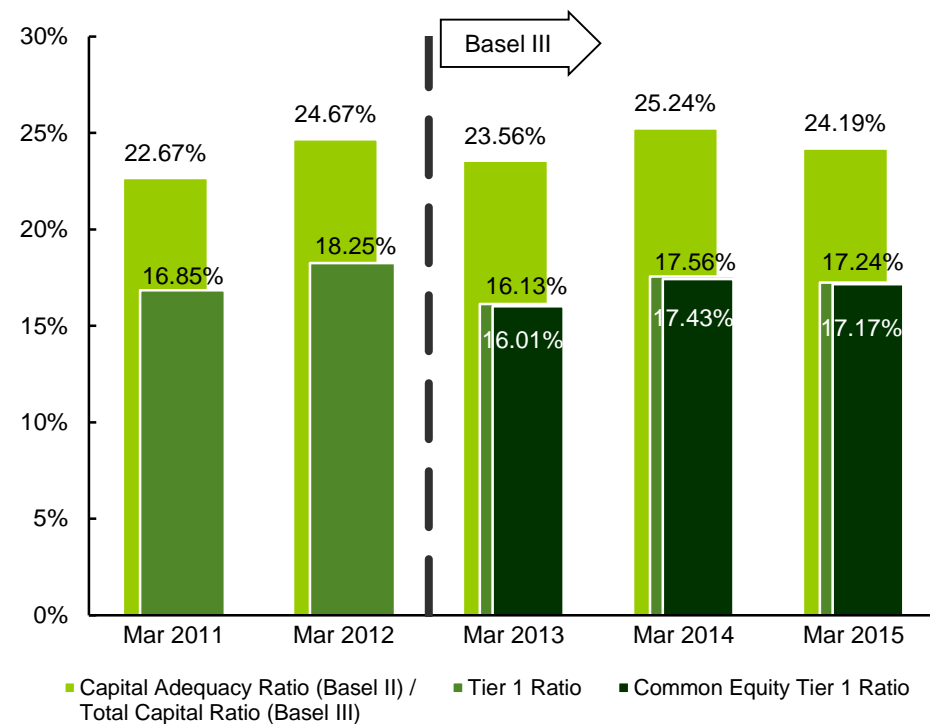
	Mar 2014	Mar 2015 (Preliminary Figure)	Change
1 Tier 1 Capital	48,568	58,111	9,542
2 Common Equity Tier 1 Capital (CET1)	48,208	57,887	9,679
3 Total Capital	69,792	81,524	11,732
4 Risk-weighted Assets	276,469	337,009	60,540
5 Common Equity Tier 1 Ratio	17.43%	17.17%	(0.26%)
6 Tier 1 Ratio	17.56%	17.24%	(0.32%)
7 Total Capital Ratio	25.24%	24.19%	(1.05%)
8 CET 1 Ratio on Fully Loaded Basis	19.49%	21.13%	1.64%

【Non-consolidated】

	Mar 2014	Mar 2015 (Preliminary Figure)	Change
9 Tier 1 Capital	48,201	57,726	9,525
10 Common Equity Tier 1 Capital (CET1)	47,841	57,489	9,647
11 Capital Stock and Capital Surplus	34,009	34,009	0
12 Earned Surplus	11,313	14,534	3,220
13 Unrealized Gains on Other Securities	2,604	9,352	6,747
14 Additional Tier 1 Capital	359	237	(121)
15 Tier 2 Capital	21,713	23,781	2,068
16 45% of Unrealized Gains on Other Securities	6,451	8,709	2,257
17 Subordinated Bonds and Loans	15,360	15,360	0
18 Total Capital	69,914	81,508	11,594
19 Risk-weighted Assets	274,469	334,589	60,119
20 Common Equity Tier 1 Ratio	17.43%	17.18%	(0.25%)
21 Tier 1 Ratio	17.56%	17.25%	(0.31%)
22 Total Capital Ratio	25.47%	24.36%	(1.11%)

(Note) Item 8 is on Basel III fully loaded basis.

Capital Ratio over Time (Consolidated)



Leverage Ratio

【Consolidated】

	Mar 2015
1 Leverage Ratio	6.08%

Appendices

Medium-Term Management Plan (FY2013 - FY2015)

Future Vision for the 100th Anniversary (2023)

Leading Bank that Supports the Agriculture, Fishery and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

[Four Future Visions]

1. The Bank that provides financial solutions for sustainable development of the agriculture, fishery and forestry industries and local communities
2. The Bank that develops network-based banking service that values ties and relationships
3. The Bank that demonstrates its presence in domestic and global financial markets to support the agriculture, fishery and forestry industries, food production and consumption and local communities
4. The Bank, as a team of professionals, that takes on challenges with no fear of change

Medium-Term Management Plan (FY2013 - FY2015) - Period that determines future visions -

Basic Concept I : Challenges in New Initiatives that Contribute to the Agriculture, Fishery and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

1. Proactive efforts on new initiatives contributing to the development of the agriculture, fishery and forestry industries, food production and consumption, and revitalization of local communities
 - Support to leaders in the agriculture, fishery and forestry industries
 - Support for enhanced business management
 - Support for the revitalization of local communities
 - Reconstruction initiatives following the Great East Japan Earthquake

2. Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business
 - Strengthening of services based on users' perspective
 - Prevention of misconduct and elimination of anti-social elements
 - Initiatives for developing cooperative banking-related human resources

Basic Concept II : Strengthening of Profitability and Organizational Strengths that Leads to Enhanced Competitiveness of the Bank and the Cooperative System

3. Strengthening of profitability through appropriate risk management
 - Flexible and strategic asset allocation
 - Pursuing new investment opportunities for increased profitability
 - Implementation of risk management that contributes to enhanced competitiveness

4. Building up of organizational strengths through strategic use and enhancement of management resources
 - Initiatives for cultivating human resources who will play a key role in the Bank and the cooperative system and for the improvement of business infrastructures
 - Stable return of profits based on adequate financial management
 - Strengthening of compliance and business management arrangements

JA Bank Initiatives



Initiatives Based on JA Bank Mid-Term Strategies (FY 2013 – FY 2015)



Future Visions in 10 Years Time

- The Bank that Contributes to Food Production and Consumption, and Local Communities More than Ever
- The Bank Chosen and Trusted by Customers

Enhancement of the Role as the Main Bank for the Agricultural Industry

Visits by JA to farmers using JA Bank as their main bank

About 90,000 farmers visited by JA nationwide



Enhancement of responsiveness to agricultural funding needs

Expansion of interest subsidy programs

Development of human resources for agricultural finance

Provision of training related to agricultural finance
Agriculture Financial Planner certification (6,458
certificate holders nationwide)



Cultivation and Development of Human Resources

Organizational change leadership training for directors and employees



Training for directors of JA

Provision of Financial Services for Daily Living Meeting Customer Needs

Support for asset building

Provision of various types of JA Bank loans

Improvement of convenience for customers



いつか、わたしの人生になる。



Campaign poster to increase designated bank accounts for salaries

Customer Protection and Strengthening of Compliance System

Efforts for improving the reliability of business processing

Enhancement of customer protection

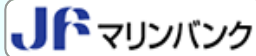
Prevention of misconduct



Efforts to enhance the steadiness of business operations

JF Marine Bank and JForest Group Initiatives

JF Marine Bank



Become a Trusted Provider of Financial Services for Fishing Communities

Enhancement of financial functions for the fishery industry

Expansion of interest subsidy program for the Fisheries Modernization Loan

Development of financial consultants who can provide financial services to the fishery industry



Promotion of the Use of JF Marine Bank as the Main Bank

Promotion of IC cash card issuance

Nation-wide campaign



A novelty good for the campaigns

Development of Human Resources

Organization of training for general managers of JF branches that conduct banking business



Training session for general managers

JForest Group



Movement to Expand the Use of Domestic Lumber and Revitalize Forestland and the Forestry Industry

Support for Initiatives through Funds

Nochu Potential Forest Productivity Fund

Nochu Operation Sophistication Summit Meeting

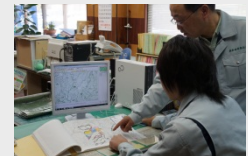


Expansion of Domestic Lumber Use and Consolidation of Management

Support for woody biomass power generation projects

Provision of low-interest loans to distribution and sales businesses

Subsidization of expenses for GPS/GIS introduction



Development of human resources

Organization of training programs for directors of forestry cooperatives

Development of the Agriculture, Fishery and Forestry Industries and Efforts to Revitalize Local Communities

1. Support to Leaders in the Agriculture, Fishery and Forestry Industries

Fund Supply for Leaders' Needs

Fund provision to leaders - Investments through fund products-

- Funds have been provided to agricultural corporations expected to lead the agricultural sector through the Agri-Seed Fund, which caters to technically competent agricultural corporations, and the Support Fund for Business Entities of Agricultural Leaders, which caters to the needs of relatively large agricultural corporations seeking to expand business scale through the use of abandoned farmland and farmland accumulation

Product	No. of Investments	Amount (JPY MM)
Agri-Seed Fund	148	1,189
Support Fund for Business Entities of Agricultural Leaders	9	218

(Cumulative total as of March 31, 2015)

Investment project in Aomori Prefecture

- Funds have been invested in an agricultural corporation that produces cherries, grapes and others and operates farm shops for tourists.
- Funds have contributed to the revitalization of local communities through business expansion and employment creation of the corporation. (March 2015)



Investment project in Kagoshima Prefecture

- Funds have been invested in an agricultural corporation that produces and sells cabbages, radishes, burdocks and others.
- Funds have contributed to the increase in incomes of farmers through capital investments to enhance productivity. (January 2015)



Provision of loans to leaders - Loans for agricultural corporations -

- The Agri-Seed Loan, which does not require collateral or a guarantor, in principle, has become available for agricultural corporations expected to become future leaders in local agriculture.
- The number of Agri-Seed Loan recipients has steadily increased to 61 with the loan outstanding totaling JPY 758 million (as of March 31, 2015).



Farms of borrowers

Support for Developing Farm Operators

Efforts for developing young and next-generation farm operators

- Activities of Agri Future Japan have been supported as part of efforts to develop next-generation farm operators. Operations of Japan Institute of Agricultural Management and seminars targeted at young farmers have been supported.
- Nineteen students of the inaugural class, who are expected to be next-generation leaders, graduated from the institute in March of 2015.



Graduation ceremony for the inaugural class of the institute

Development of the Agriculture, Fishery and Forestry Industries and Efforts to Revitalize Local Communities

2. Support for Enhanced Business Management

Initiatives for “Sixth Industrialization”

Out of 53 projects funded through some of 52 sixth industrialization sub-funds nationwide, 9 projects received investments from the JA Sixth Industrialization Fund, the largest number to date (as of March 31, 2015, including projects for which investment decisions were made)

Investment Project in Ibaraki Prefecture (January 2015)

- An investment in a business enterprise jointly invested by JA that has an advantage in the production of prepared food with local agricultural products and a corporation that has sales capacity to the restaurant industry
- Both of the increases in incomes of farmers and the price-competitive domestic prepared food production have been realized by exclusive direct contract to purchase all mustard spinaches and spinaches from farmers. It aims to take a market share from imported prepared foods that have increased the share in the domestic market.
- A project to contribute to the stable production and the increase in incomes of farmers through the boosted consumption of specialties produced in Ibaraki.



Processing process



Product image

Investment Project in Fukushima Prefecture (March 2015)

- An investment in a business enterprise jointly invested by a corporation that produces and sells vegetable seedlings and JA Zen-Noh. In addition, the Bank has offered Tohoku Agriculture, Fishery and Forestry Industries Support Loan as part of Reconstruction Support Program.
- Closed facilities and large-size plastic greenhouses have been constructed in order to produce vegetable seedlings that have resistance to replant failures and agricultural pests by giving vaccines and grafting techniques.
- It seeks to contribute to enhance productivity and increase incomes of vegetable farmers. In addition, it aims to reconstruct and support disaster-affected areas and revitalize local communities through job creation of about 100 in the prefecture.



Product image (vegetable seedling)



Large-size plastic greenhouses for raising seedling

Efforts for Export Promotion and Enhancement of Sales Capabilities through Organizing Business Conferences, Business Matching Sessions, etc.

- Provision of support for domestically produced agricultural, livestock and marine products using opportunities of export business conferences and seminars
- Establishment of the JA Group Export Promotion Council as an effort to promote agricultural exports nationwide
- Supporting farmers, fishermen and foresters for market expansion and network building by organizing national and local business conferences and reconstruction support conferences and by offering business matching service on an individual basis



Export seminar (May 2014)



Business conference in Kinki Area (2014)



(Nov. Business conference in Chugoku Area (Feb. 2015)

Development of the Agriculture, Fishery and Forestry Industries and Efforts to Revitalize Local Communities

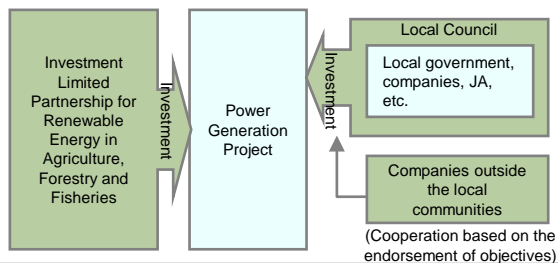
3. Support for the Revitalization of Local Communities

Promotion of Renewable Energy Use

- Support for setting up renewable energy businesses that help create recycling-oriented society by leveraging resources in rural areas, revitalizing local economies and securing employment

Establishment of the Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries (June 2014)

- The Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries was jointly established by the Bank and JA Zenkyoren to support launching renewable energy projects that contribute to local revitalization.
- Among renewable energy projects operated by parties related to agricultural, mountain and fishery villages, the Fund targets at those that will contribute to local revitalization and are expected to conduct business in a stable manner.
- Fund size: JPY1bn
- Two investments made in FY 2014
 - The woody biomass power generation business using unused lumber
 - A business that combines resuming agricultural operation in abandoned farmland and operation of a solar power generation



Group-Wide Initiatives for the Revitalization of Local Communities

- Provision of subsidies to food and farming education activities and publication and donation of textbooks
- Support to activities of JF Women's Group
- Donation of wooden products made of local lumber



9.76million food and farming education textbooks donated to date

Fund for Future Agriculture, Fishery and Forestry Industries

- Provision of support for "Projects of the agriculture, fishery and forestry industries for the future" by the Fund for Future Agriculture, Fishery and Forestry Industries.
- In fiscal 2014, the fund selected six projects from the local agriculture, fishery and forestry industries that take on a challenge for imaginative activities.

Project 1: JA in Niigata Prefecture

- They aim to increase consumption and enhance productivity of vegetables growable under heavy snow in order to bolster profitability of local agriculture.



Project 2: Tokyo Based Corporation that Manages Cooking Schools

- This corporation aims to promote local production for local consumption and offer information on local products by purchasing foodstuffs used in domestic schools from local farmers, fishermen and JAs as ingredients traceable back to produced areas and producers.



Reconstruction Initiatives following the Great East Japan Earthquake

Reconstruction Support Program (Financial Support Program, Business & Management Support Program)

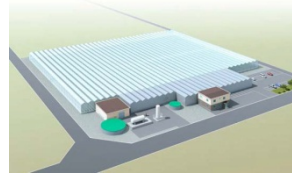
Reconstruction Support for Farmers, Fishermen, Foresters and Local Communities

Financial Support

- Provision of long-term low-interest reconstruction loans, capital injection, interest subsidies for disaster funds extended by JA Bank and JF Marine Bank, and lease subsidies to those who acquire machinery on a continuing basis
- Provision of necessary funds as reconstruction loans to construction projects to build municipality-owned wooden houses for affected people utilizing local lumber in cooperation among local forestry cooperatives in Miyagi Prefecture
- Provision of necessary funds as reconstruction loans and funds to business corporations in coastal areas of Fukushima Prefecture largely affected by the earthquake in order to start full-year production and distribution of fresh tomatoes at plant factories



Ceremony for the completion of frameworks of public wooden houses for disaster sufferers



Rendering of a plant factory

Non-Financial Support

- Provision of materials for resumption of agricultural operations (fertilizers, soil conditioners and herbicides)
- Provision of subsidies to the events to recover sales of local marine products and strengthen brand recognition (business conferences and promotion activities)
- Donation of wooden products made of local lumber



Ceremony to give assistance to recover sales of local marine products

Reconstruction Support to Members and Customers

<Business Recovery and Reconstruction for Members>

- Dispatch of employees to JA and JF affected by the disaster on a continuing basis, and provision of guidance and advice
- Support for the business recovery of disaster-stricken JA and JF based on a plan to help strengthen the cooperative banking business, and for initiatives to rebuild local communities

<Provision of Financial Services to Affected Customers>

- Support to disaster-affected customers to restore their lives through the provision of the Reconstruction Support Loan by JA and JF, interest subsidies, etc.
- Support to disaster-affected customers coping with “double loan problems” and response to the project to promote collective relocation for disaster prevention

(As of March 31, 2015)

Product	Number of Track Record	Amount
Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan (Reconstruction Loan)	87 loans	JPY 32.2 BN
Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund (Reconstruction Fund)	29 investments	JPY 0.6 BN
Lease subsidies	806 subsidies	JPY 3.4 BN
Interest subsidies for disaster funds extended by JA Bank and JF Marine Bank	3,916 subsidies	JPY 15.4 BN

Self-Reform of JA Bank

1. Self-Reform of JA Group

Announced by JA Zenchu (Central Union of Agricultural Cooperatives) on November 6, 2014.

Basic Goals

Increase in income of farmers

Increase in agricultural production volume

Local revitalization

JA Group, as locally rooted cooperatives on the axis of food and agriculture, will work on self-reform aiming for the basic goals above in order to meet various needs of farmers, support agricultural leaders and realize “sustainable agriculture” and “affluent and comfortable local communities” together with farmers and community residents.

2. Self-Reform of JA Bank

Self-reform as JA Bank in consideration of self-reform of JA Group

Reforms in Cooperation with other National-Level Federations

Further responses to contribute to increase in income of farmers and revitalization of local communities

Cooperation among
National-level federations

**Support Program for Increasing
Agricultural Income
and Revitalizing Local Communities**

Offering selectable support measures

Reforms as JA Bank

Arrangement of business environment so that JA can make best efforts in agricultural businesses

1. Provision of agent model scheme
 - As one of JA's option
2. Streamlining of credit business operations
 - Sophistication of functions and management systems of JA's branches
 - Aggregation of clerical operations

Provision of financial services that connect agriculture and local communities/users in order to contribute to local communities

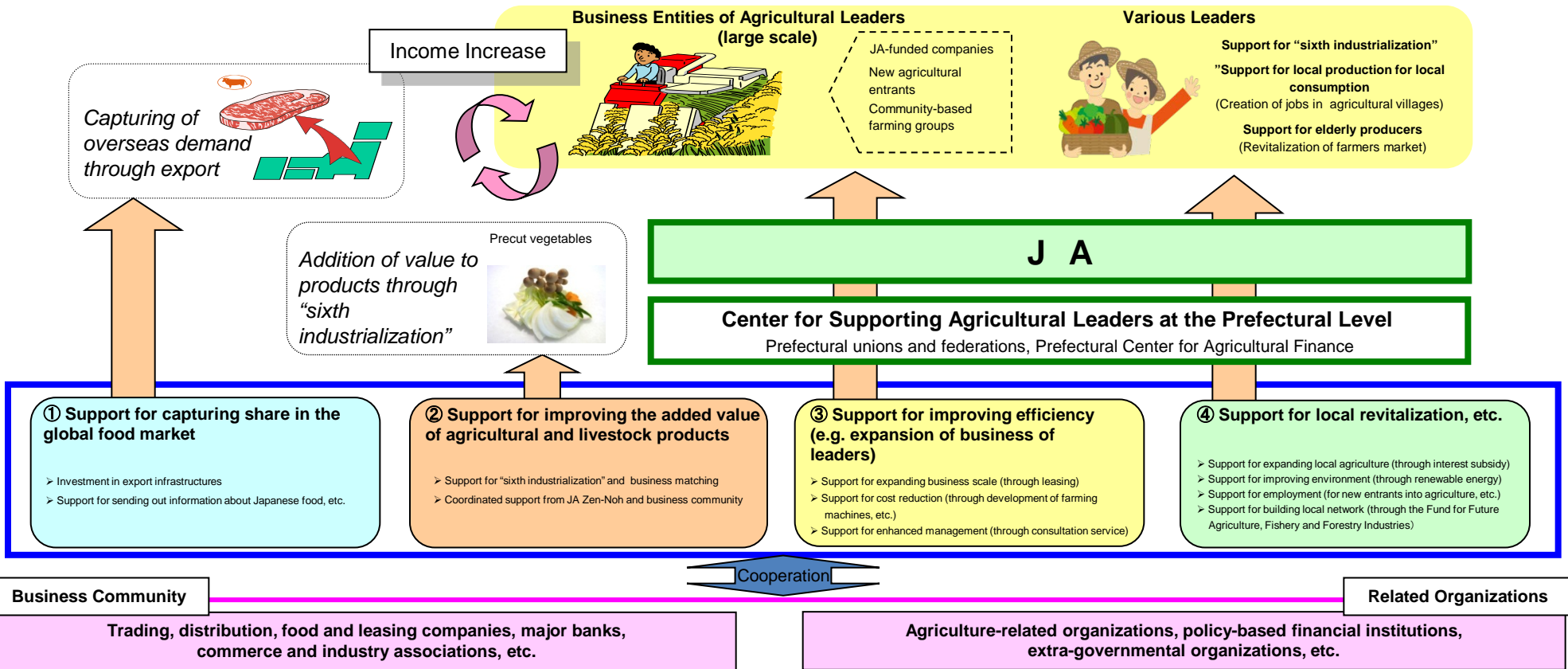
1. Development and sales of financial products that contribute to increase in consumption of domestic agricultural products
2. Provision of financial services that contribute to maintenance of community base of agricultural villages and areas
 - Deployment of mobile branches for JAs in underpopulated areas
 - Supports for agriculture and local activation events

Self-Reform of JA Bank

3. Establishment of the Support Program for Increasing Agricultural Income and Revitalizing Local Communities

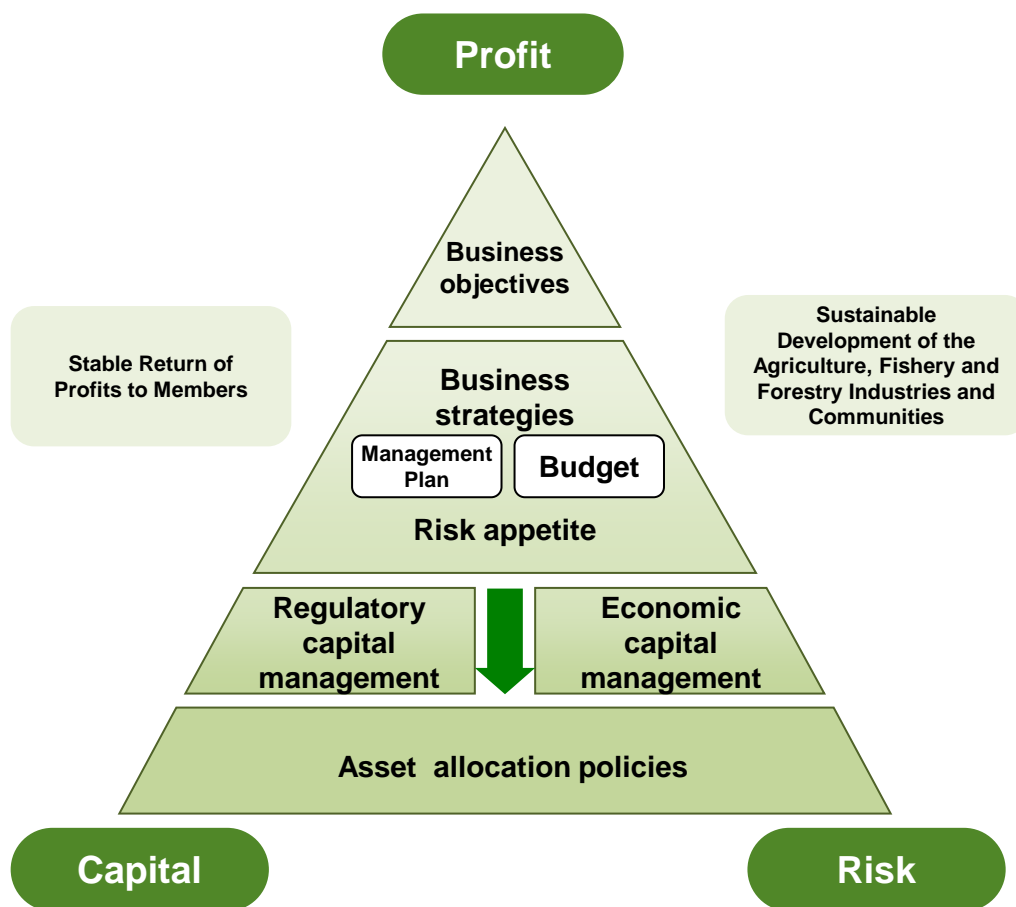
Business Size of JPY 2 trillion and Project Cost of JPY 100 billion (FY2014 - FY2018)

National-level federations within JA Group will cooperate in providing comprehensive support to farmers for achieving increased income and sustainable agricultural management. Specifically, support will be provided for initiatives for export promotion, "sixth industrialization," value addition, initial investment cost reduction to alleviate burden on agricultural leaders, management support for agricultural leaders, development and securement of agricultural entrants.



Internal Capital Adequacy Assessment

The Bank conducts Internal Capital Adequacy Assessment Process (ICAAP) to manage its capital resources so that profits, capital and risk are managed in a consistent and efficient manner.



ICAAP

- A process for demonstrating the appropriate management of risks that a company is facing so that it can achieve its business objectives, and for the appropriate maintenance and control of a sufficient level of internal capital to cover these risks

Risk Appetite

- In implementing the Bank's strategies, risk appetite reflects specific views on risk-taking, and defines what types of risk and magnitude of risk the Bank is willing to accept.
- To return profits in a stable manner to its members, the Bank seeks to take on risk through globally diversified investment by maintaining sufficient capital.
- The Bank's portfolio management strategy (asset allocation policy) for executing globally diversified investments is viewed as the manifestation of risk appetite

Business Operations Consistent with the Risk Appetite

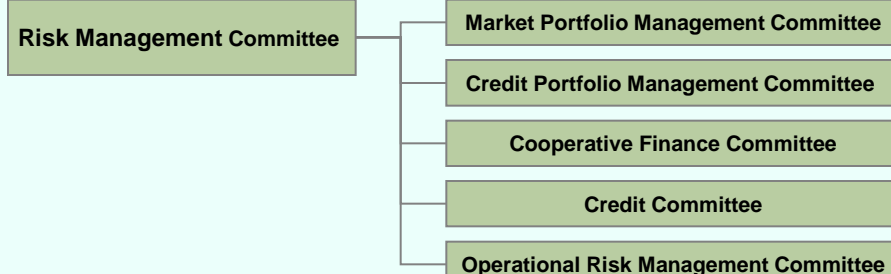
- The Bank develops its budgets and management plans that are consistent with its risk appetite, and performs financial and business management in a fine balance with risks and its capital position.
- To maintain a sufficient level of capital, the Bank performs stress tests on a regular basis and manages its capital adequacy by monitoring checkpoints

Risk Management System

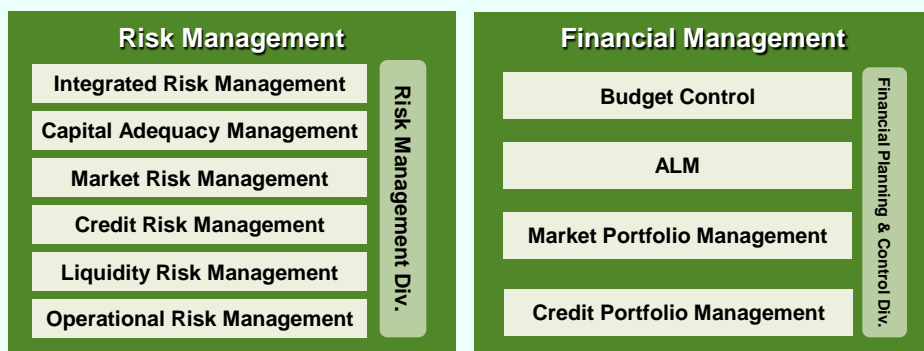
The Bank has employed an “integrated risk management” system with a central focus on economic capital management.

Board of Directors

Management Committees



Risk Management



1. Board of Directors

- The Board of Directors sets business objectives in the form of medium-term management plans, risk appetite, management plans and budgets based on them. It also determines a risk management framework for their implementation.
- Based on feedbacks from internal and external audits, the board keeps track of the risk management regimes.

2. Management Committees

- The Risk Management Committee discusses and determines important issues associated with the management of economic and regulatory capital and the handling of respective risks.
- Based on the determination, each relevant committee, such as the Market Portfolio Management Committee and Credit Portfolio Management Committee, sets concrete portfolio management policies.

3. Risk Management

- As part of its integrated risk management efforts, the Bank has established individual units to watch over market risk, credit risk, liquidity risk and operational risk as well as a unit to supervise such units. Their roles and responsibilities have been clearly defined.
- Through its integrated risk management efforts, the Bank, under its risk management framework, has established its financial management practices flexible enough to ensure that it maintains sound and profitable business performance and, at the same time, to strike an optimal balance among risk, profit, and capital in volatile markets and in constantly changing economic and financial environments.

Investments in Securitized Products (Non-consolidated, Preliminary Figures)

1 Investment in Securitized Products (Notes 1 and 2)

						(JPY in 100mn)				
						Total	Change from Mar 2014	Unrealized Gains /Losses	Change from Mar 2014	
						AAA	AA	A	BBB	Below BBB
1	ABS	12,770	-	-	-	12,770	▲2,240	7	30	
2	RMBS	22,374	269	106	91	22,893	▲3,495	9	21	
3	Subprime RMBS	-	-	-	-	-	-	-	-	
4	CMBS	689	-	-	-	689	▲24	▲152	▲26	
5	CDO	13,984	3,004	475	431	17,975	6,253	▲173	42	
6	CLO	13,512	2,667	401	372	16,953	6,192	▲174	41	
7	Resecuritized Products	471	336	74	58	1,021	60	1	0	
8	Subprime-related products (Note 3)	-	-	-	-	-	-	-	-	
9	Others	-	-	-	-	40	▲449	-	-	
10	Total	49,818	3,274	582	522	54,368	43	▲308	68	

Exposures by Currency

		(JPY in 100mn)			
		Exposures	Change from Mar 2014	Unrealized Gains /Losses	Change from Mar 2014
1	USD	33,305	535	▲285	36
2	EUR	12,646	▲3,073	▲2	43
3	GBP	2,964	1,888	-	-
4	AUD	1,624	1,624	-	-
5	JPY	3,826	▲931	▲20	▲11
6	Total	54,368	43	▲308	68

2 Investment in Monoline Products (Note 4)

		(JPY in 100mn)			
		Exposures	Change from Mar 2014	Unrealized Gains /Losses	Change from Mar 2014
1	Monoline Wrapped Financial Instruments	183	▲25	▲38	7

4 その他

The Bank has not originated, underwritten nor traded ABCP, SIV, or leveraged loans. The Bank does not own any products related to them in its trading account and is not involved in any unconsolidated off-balance sheet transactions. The Bank does not have a balance on loans internally defined as those used mainly for LBOs.

3 Investment in Bonds Issued by US Housing-related GSEs (Note 5)

		(JPY in 100mn)			
		Exposures	Change from Mar 2014	Unrealized Gains /Losses	Change from Mar 2014
1	Agency Mortgage Bonds	17,548	▲978	799	208
2	Agency Bonds	13,717	▲2,266	89	414
3	Total	31,266	▲3,244	889	622

(Note 1) Securitized products are defined internally based on the definition under the Basel capital framework. Does not include mortgage-backed securities related to US government sponsored entities.

(Note 2) The amount of securitization exposure is the net exposure after write-off and revaluation. Had a positive impact on the income for FY2014 (JPY7.0bn).

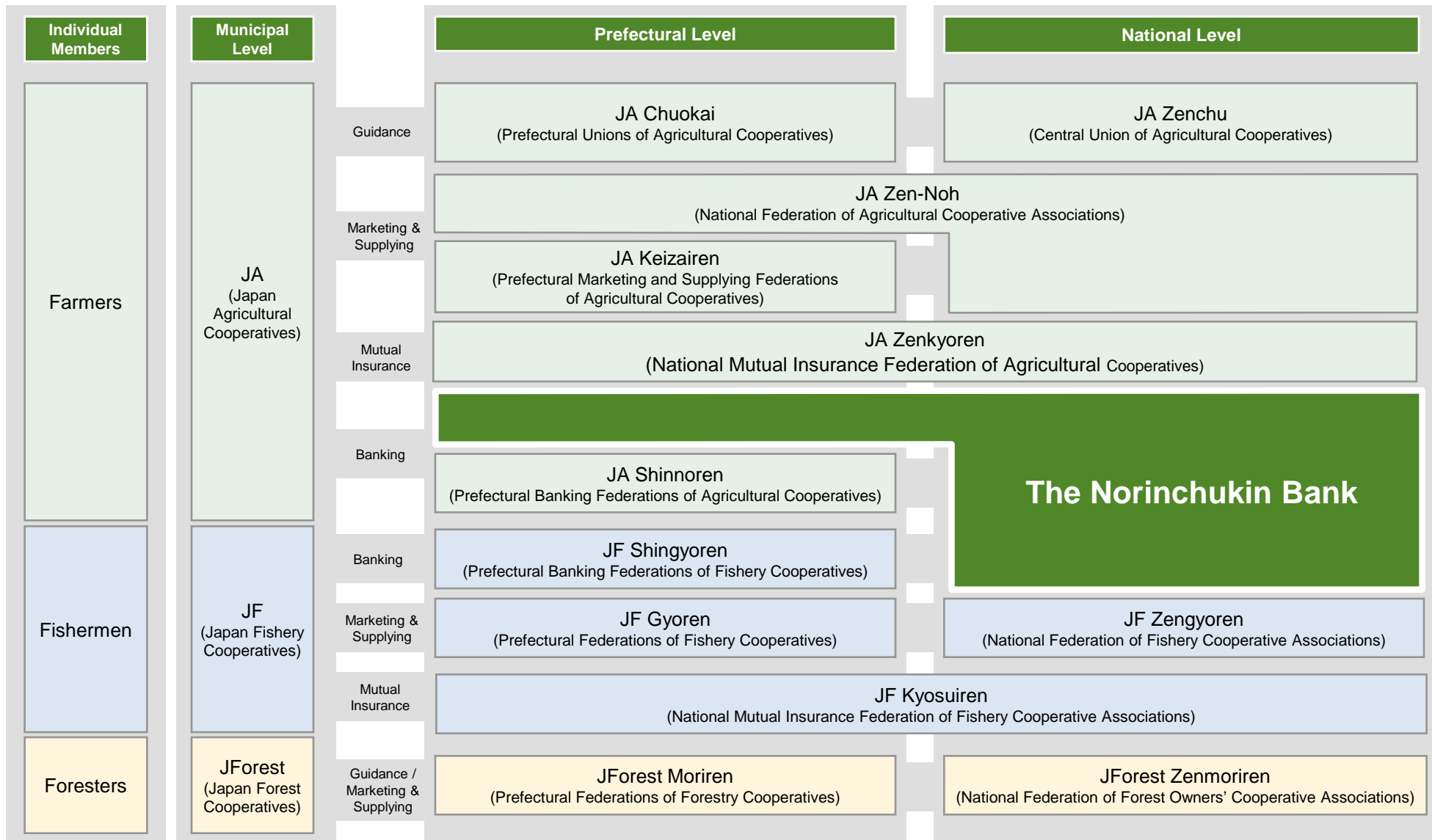
(Note 3) Resecuritized products such as ABS-CDO, and CDO of CDO's. Include resecuritized products (i. e. products containing at least one securitized product as an underlying asset) under the Basel capital framework totaling JPY278.0bn.

(Note 4) The Bank has exposure to securitized products (CDOs) including monoline-CDS, in addition to financial products guaranteed by monolines.

(Note 5) The Bank has JPY1,146.1bn of mortgage-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

As of March 31, 2015, non-consolidated basis

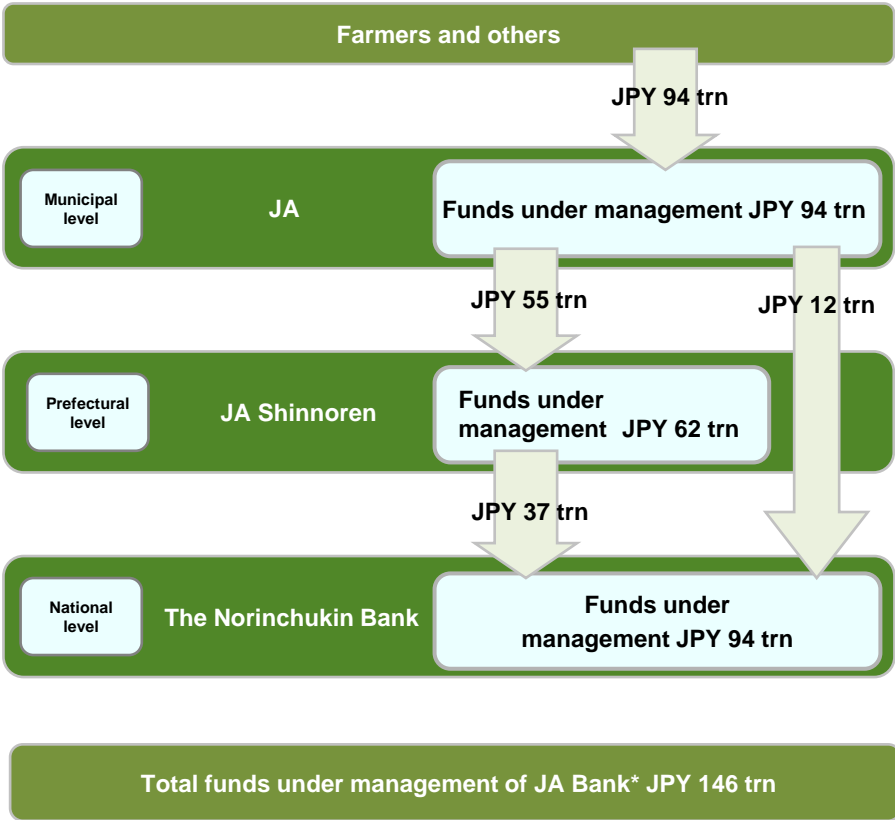
Structure of the Cooperative System



Business Base of JA Bank

JA Bank = JA + JA Shinnoren + The Norinchukin Bank

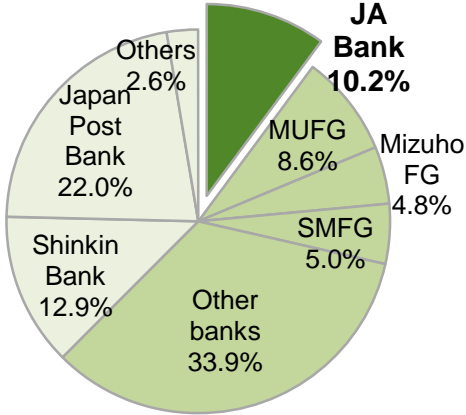
Flow of Funds in JA Bank (As of March 31, 2015)



* Total funds under management (JPY trn) =
Funds under management (94+62+94) – Deposits (55+12+37)

JA Bank accounts for 10% of the total amount of retail deposits and savings in the Japan.

Retail Deposits and Savings in the Japan (As of September 30, 2014)

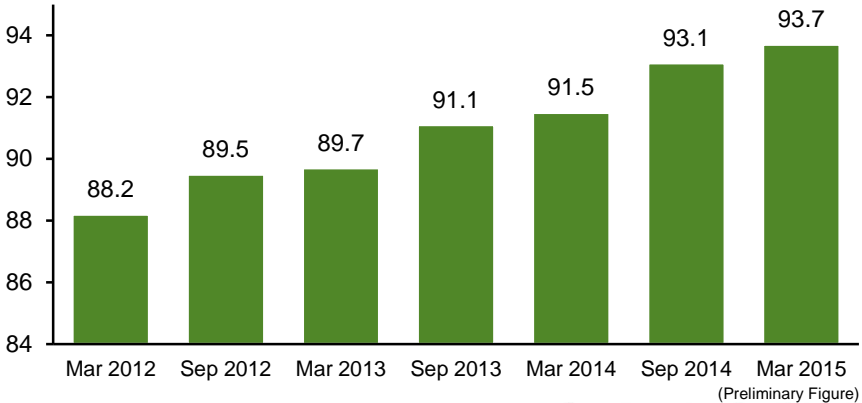


Total: JPY 809 trn

Prepared by The Norinchukin Bank based on materials of the Bank of Japan and financial summaries of other financial institutions. Retail deposit and saving balances for JA Bank, domestic banks and Shinkin Banks and only saving balance for Japan Post Bank.

Increasing amount of deposits and savings of JA Bank

JA Bank Deposits and Savings (JPY trillion)



JA Bank Branch Network

- Strong business base and network with 681 JA nationwide with 8,117 branches
- One of the largest ATM networks in the industry with about 91,000 charge free ATMs (including affiliated ATMs) nationwide*

Nationwide	
JA	681
Branch	8,117

Koshinetsu	
JA	56
Branch	584

Hokkaido	
JA	109
Branch	285

Hokuriku	
JA	46
Branch	327

Tohoku	
JA	81
Branch	826

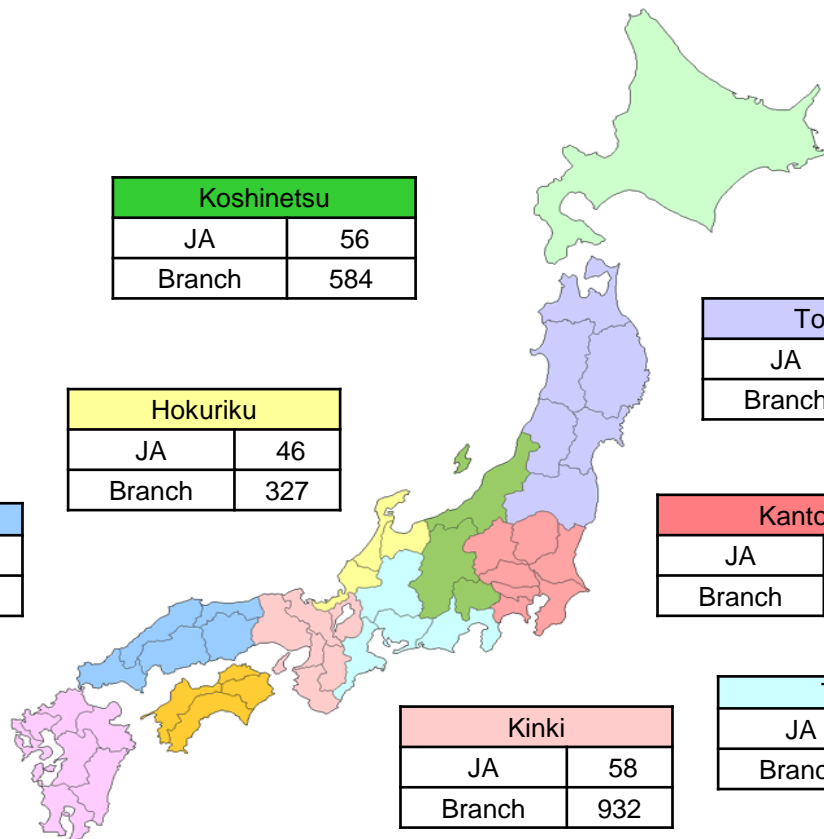
Chugoku	
JA	38
Branch	812

Kanto	
JA	114
Branch	1,452

Kyushu	
JA	79
Branch	1,077

Kinki	
JA	58
Branch	932

Tokai	
JA	57
Branch	1,286



Shikoku	
JA	43
Branch	536

* The numbers mean JAs and branches that handle domestic exchange transactions as of April 1, 2015. The number of ATMs includes charge-free affiliated ATMs for withdrawal transactions (only weekday daytime) as of September 30, 2014.

Agricultural Loans

- JA Bank supports the agricultural industry by offering a variety of loan products designed to accommodate various financial needs of farmers and agricultural organizations.

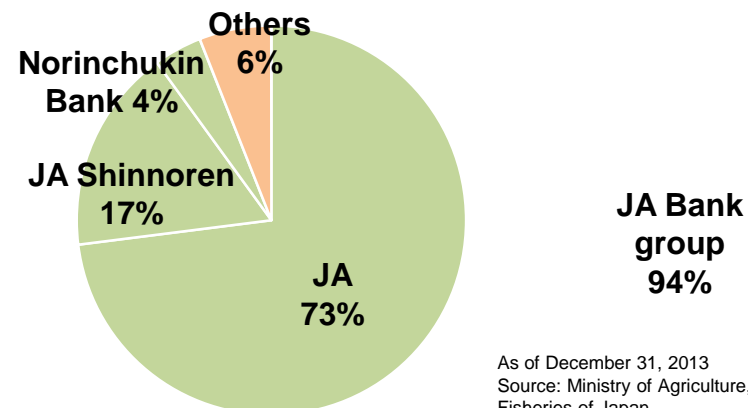
- JA Bank has the top share in the transaction volumes of two major policy-based loans (Agricultural Modernization Loans and Japan Finance Corporation's Agricultural Loans).

JA Bank Group's Agricultural Loans by Type

(JPY 100 mn)

	March 31, 2014
Proper Agricultural Loans	15,377
Agricultural Policy Loans	5,428
Agricultural Modernization Loans	1,668
Other Policy-Based Loans	3,760
Total	20,805

Share of the Agricultural Modernization Loans

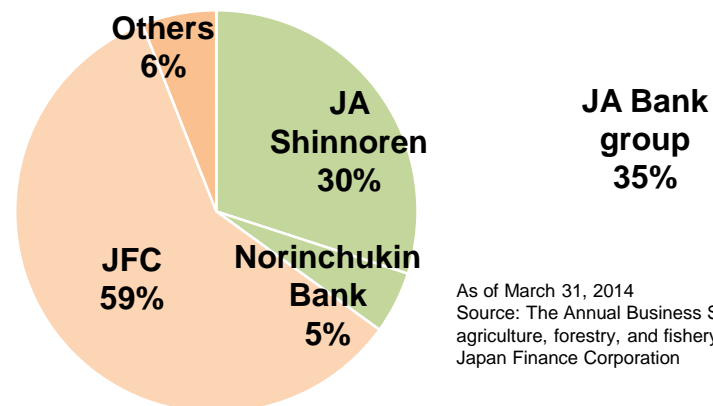


JA Bank Group's Entrusted Agricultural Loans

(JPY 100 mn)

	March 31, 2014
Loans Entrusted by Japan Finance Corporation	5,103
Others	9
Total	5,112

Share of Transaction Volume of Japan Finance Corporation's Agricultural Loan



Proper Agricultural Loans represent non-policy-based loans funded by JA Bank. Agricultural policy loans include 1) loans which are extended directly or indirectly by local public organizations and 2) loans to which interest subsidies are granted by local public organizations and are extended at low interest rates by JA. Other policy-based loans include Super S Loans and loans which are intended for reduction of financial burden on agricultural business owners.
Source: The Norinchukin Bank

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