

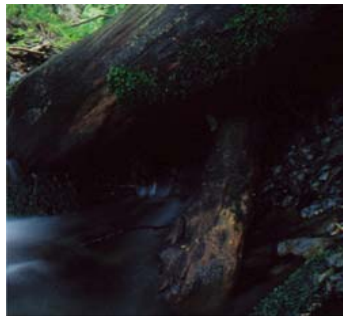
農林中央金庫

The Norinchukin Bank

Financial Summary

for the 1st Half of Fiscal Year 2011

November 18, 2011



Financial Highlights for the 1H of FY2011 (Non-Consolidated)

~ Achieved steady growth in ordinary profits, and maintained a capital adequacy ratio at a high level ~

■ Ordinary Profits: JPY161bn, Net Profits: JPY124.2bn

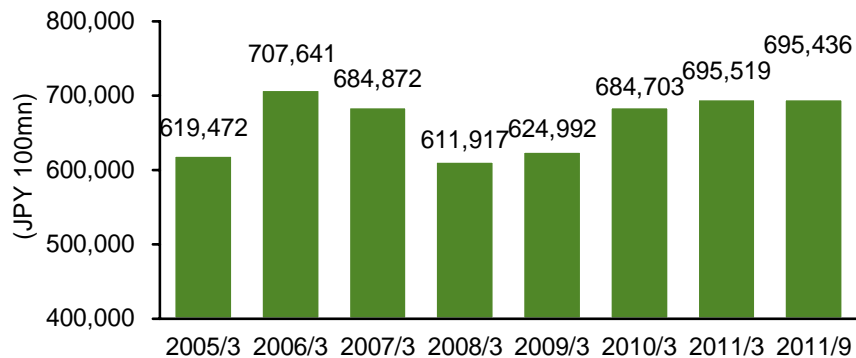
- Delivered consistent profits through steady cash flow
- Still targets JPY50bn to JPY100bn in ordinary profit for FY2011

■ Capital Adequacy Ratio 26.38%, Tier I Ratio 20.15% (Preliminary Figures)

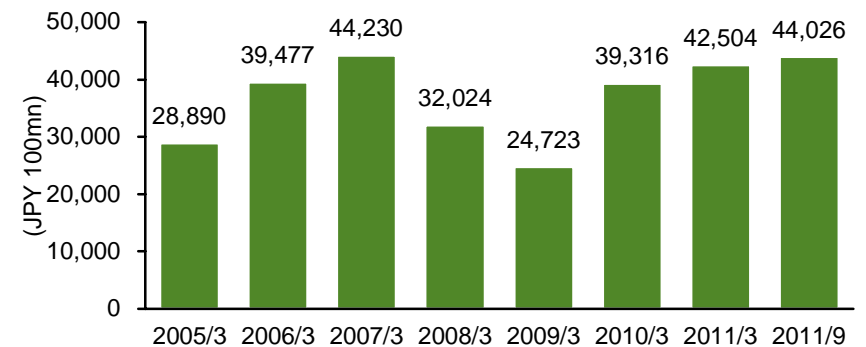
- Capital adequacy and Tier 1 ratios rose by 3.62% and 3.35%, respectively, from March 31, 2011, thanks to the accumulated net profits, lower unrealized losses on securities, and other factors
- Unrealized losses on securities totaled JPY179.5bn (down JPY163.4bn from March 31, 2011)

■ With a stable stream of profits and decreased unrealized losses on securities, net assets grew

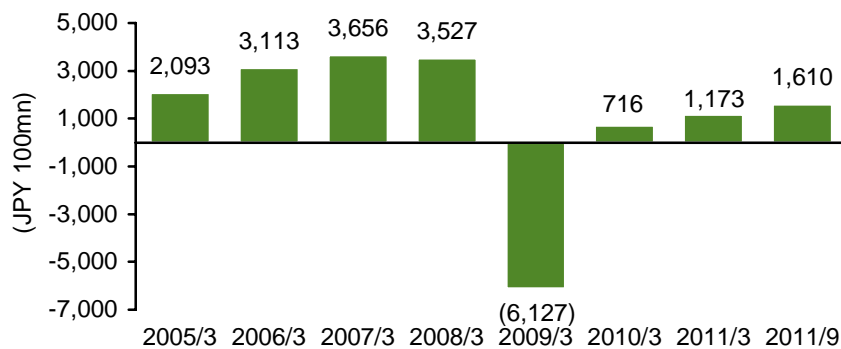
Total Assets



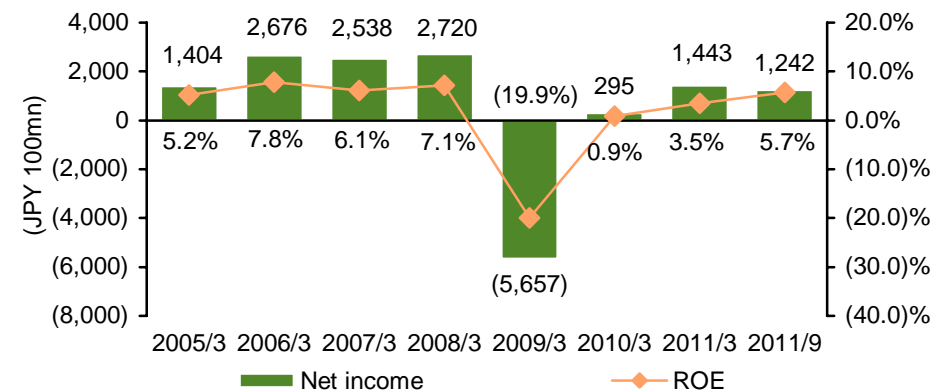
Net Assets



Ordinary Profits



ROE and Net Income



Note: Non-consolidated results as of September 30, 2011. Net assets data for the periods prior to the fiscal year ended March 2006 is based on the total value of asset items in the balance sheet.
Source: The Norinchukin Bank

■ Achieved steady growth through steady cash flow generation

	(JPY in 100mn)	2010/9	2011/9	Change	Change %
1 Ordinary Income		5,704	6,145	441	7.7%
2 Interest Income		3,617	4,127	510	14.1%
3 Other Operating Income		782	455	(326)	(41.8%)
4 Other Ordinary Income (Note1)		1,223	1,496	272	22.3%
5 Ordinary Expenses		4,665	4,535	(129)	(2.8%)
6 Interest Expenses		2,816	2,813	(2)	(0.1%)
7 Other Operating Expenses		960	627	(332)	(34.6%)
8 General and Administrative Expenses		506	566	60	12.0%
9 Other Ordinary Expenses		328	470	142	43.2%
10 Ordinary Profits		1,039	1,610	570	54.9%
11 Extraordinary Profits		130	2	(127)	(98.0%)
12 Extraordinary Losses		2	2	0	30.5%
13 Income before Income Taxes		1,167	1,609	442	37.9%
14 Net Income		834	1,242	408	49.0%

■ Ordinary income grew through increased interest income

➤ Gains on sale of securities: JPY18.2bn (Down JPY39.2bn, year-on-year)

■ Ordinary expenses decreased due to reductions in revaluation and reserve costs as well as losses on sale of securities

➤ Losses on revaluation of securities: JPY38.2bn (Down JPY30bn, year-on-year)

➤ Losses on sale of securities: JPY26.4bn (Down JPY4.6bn, year-on-year)

➤ Credit-related costs: JPY25.7bn in revenues (1H of FY2010: JPY11.9bn in revenues)

■ Both the ordinary profits and net income grew, as interest income increased, while revaluation and reserve costs decreased

Note1: From FY2011, the "Reversal of Loan-loss Reserves" and the "Gain on the Recovery of Receivables Previously Written-off" have been accounted for as "Other Ordinary Income" instead of "Extraordinary Profits".

Note: Non-consolidated results as of September 30, 2011
Source: The Norinchukin Bank

■ Spreads improved (0.30%→0.46%)

	Average (in JPY 100mn)			Override (%)		
	2010/9	2011/9	Change	2010/9	2011/9	Change
1 (Spread)				0.30	0.46	0.17
2 (Investment)	692,935	692,850	(85)	1.45	1.54	0.09
3 Loans and Bills Discounted	128,475	143,474	14,998	0.69	0.58	(0.11)
4 Securities	433,515	430,567	(2,947)	2.02	2.21	0.19
5 Yen-denominate Securities	151,323	162,909	11,585	1.18	0.70	(0.48)
6 Foreign-currency-denominated Securities	282,191	267,658	(14,533)	2.46	3.13	0.66
7 Trading Assets	38	3,355	3,317	12.57	0.17	(12.40)
8 Short-term Investment Assets	121,510	78,755	(42,754)	0.13	0.13	0.00
9 (Funding)	692,935	692,850	(85)	1.15	1.08	(0.08)
10 From the Member Banks	392,254	412,514	20,260	0.87	0.76	(0.11)
11 Debentures	55,997	53,351	(2,645)	1.23	1.17	(0.06)
12 From the Markets & Clients	181,392	167,789	(13,603)	0.74	0.80	0.06
13 From the Yen Market	11,235	9,986	(1,249)	0.19	0.18	(0.01)
14 From the Foreign Currency Markets	140,507	134,581	(5,926)	0.34	0.38	0.04

■ Spreads improved, as investment yields rose, while funding yields dropped (up 0.17% year-to-year)

■ Investment yields rose 0.09% (year-to-year) due mainly to higher investment yields on foreign currency-denominated securities

■ Funding yields fell 0.08% (year-to-year), as yen-interest rates dropped

■ While total assets remained relatively constant, net assets grew by JPY152.2bn

	March 31 2011	Sept. 30 2011	Change	Change %
(Assets)				
1 Loans and Bills Discounted	140,023	147,605	7,581	5.4%
2 Securities	430,700	395,398	(35,301)	(8.2%)
3 Money Held in Trust	77,510	69,892	(7,617)	(9.8%)
4 Cash and Due from Banks	18,280	40,205	21,925	119.9%
5 Others	29,004	42,333	13,329	46.0%
6 Total Assets	695,519	695,436	(83)	(0.0%)
(Liabilities)				
7 Deposits	409,570	418,067	8,497	2.1%
8 Negotiable Cert. of Deposit	7,681	11,639	3,958	51.5%
9 Debentures	54,216	52,466	(1,749)	(3.2%)
10 Borrowed Money	20,756	17,230	(3,525)	(17.0%)
11 Others	160,791	152,005	(8,785)	(5.5%)
12 Total Liabilities	653,015	651,409	(1,605)	(0.2%)
(Net Assets)				
13 Paid-in Capital	34,259	34,259	-	-
14 Capital Surplus	250	250	-	-
15 Retained Earnings	9,681	10,714	1,033	10.7%
16 Others	(1,686)	(1,197)	489	-
17 Total Net Assets	42,504	44,026	1,522	3.6%

■ Total assets remained relatively constant (Down JPY8.3bn from March 31, 2011) with increases in both "Loans and Bills Discounted" and "Cash and Due from Banks", and decreases in "Securities" and "Money Held in Trust" as a result of rising yen

■ While deposits from the member banks increased, total liabilities decreased by JPY160.5bn from March 31, 2011, due to reductions in "Borrowed Money" and other funding

■ A growth of JPY152.2bn in net assets from March 31, 2011 is attributable to the accumulation of net profits and the reduction in unrealized losses on securities

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

■ Unrealized losses on securities decreased by JPY163.4bn from March 31, 2011

(Net Unrealized Gains/ Losses: in JPY 100mn)	March 31 2011	Sept. 30 2011	Change
【Securities】			
1 Stocks	423	540	116
2 Bonds	13	413	399
3 Japanese Government Bonds	29	423	393
4 Municipal Government Bonds	0	0	0
5 Corporate Bonds	(16)	(10)	5
6 Others	(4,488)	(5,114)	(626)
7 Foreign Bonds	(1,135)	690	1,825
8 Foreign Stocks	(33)	(13)	20
9 Others	(3,318)	(5,791)	(2,472)
10 Investment Trusts	(3,290)	(5,799)	(2,508)
11 Subtotal ①	(4,050)	(4,160)	(110)
【Money Held in Trust】			
12 Other Money Held in Trust ②	1,199	2,454	1,254
【Securities reclassified into other holding purpose classification】			
13 "Other Securities" reclassified into "Held-to-Maturity Debt Securities" ③	(578)	(88)	490
14 Total (①+②+③)	(3,429)	(1,795)	1,634

■ Amid downward trend in interest rates in both the domestic and overseas markets, unrealized profits (losses) on bonds, foreign bonds, and money held in trust increased (decreased). In total, unrealized losses decreased by JPY 163.4bn from March 31, 2011

Note: The difference between the amount of held-to-maturity debt securities recorded on the B/S and their fair value is JPY 235.7bn (an increase) As of September 30, 2011, non-consolidated basis

Source: The Norinchukin Bank

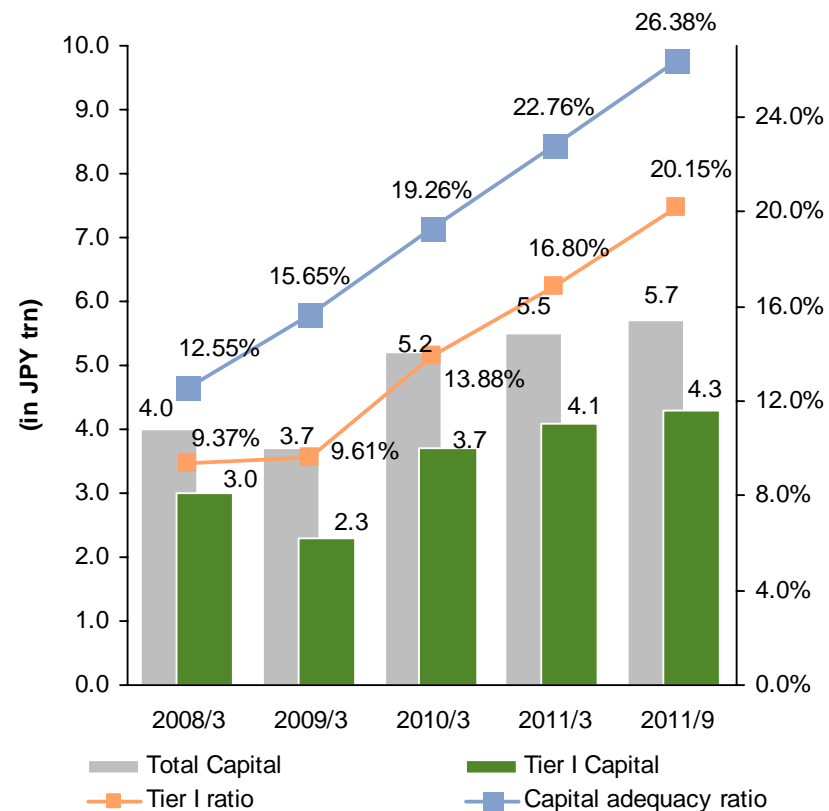
Capital Position (Non-Consolidated, Preliminary Figures)

■ Capital adequacy and Tier I ratios were robust at 26.38% and 20.15%, respectively

Capital Breakdown (in JPY 100mn)

	March 31 2011	Sept. 30 2011	Change
1 Tier I capital	41,336	43,731	2,395
2 Capital stock and capital surplus	34,509	34,509	-
3 Earned surplus	9,474	10,717	1,242
4 Unrealized losses on other securities	(2,216)	(1,234)	982
5 Tier II capital	17,596	15,549	(2,046)
6 Perpetual subordinated bonds and loans	14,860	14,860	-
7 Dated subordinated bonds, loans, and preferred stock	2,543	500	(2,043)
8 Deductions	2,949	2,041	(908)
9 Total Capital	55,982	57,239	1,257
10 Risk-weighted assets	245,938	216,943	(28,995)
11 BIS Capital Adequacy Ratio	22.76%	26.38%	3.62%
12 Tier I Ratio	16.80%	20.15%	3.35%

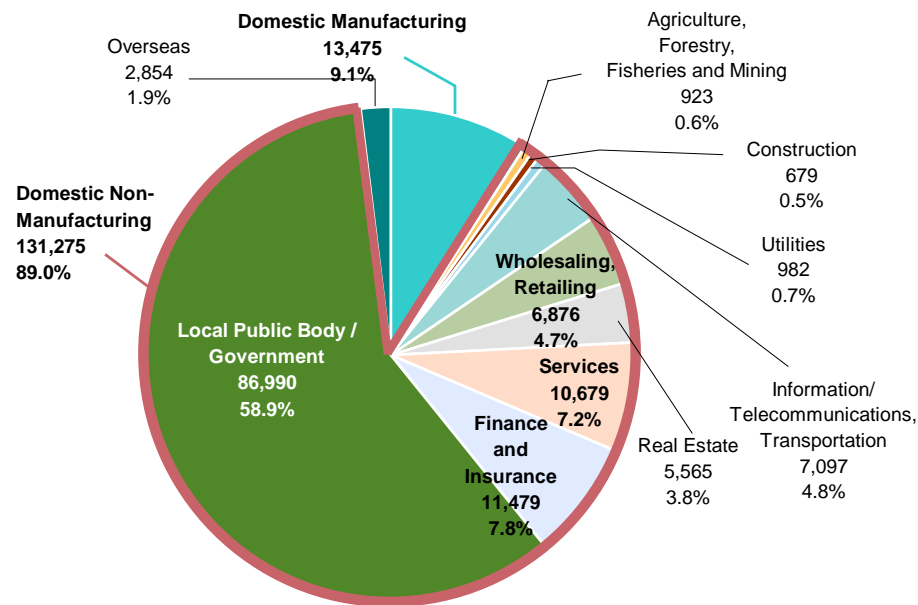
The Bank's Capital Adequacy Ratio Over Time



Note: Non-consolidated results as of September 30, 2011
Source: The Norinchukin Bank

■ As a result of its unique profile, the Bank is able to maintain a highly-sound loan portfolio

Outstanding Loan Balance by Industry (in JPY 100mn)

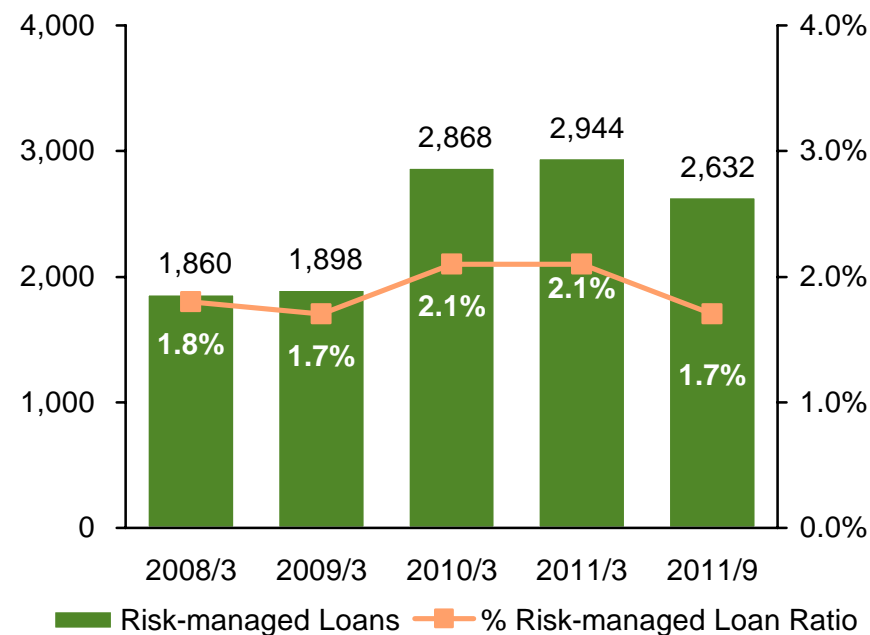


Total: 147,605

Outstanding loan balance by borrower (in JPY 100mn)

Item	Outstanding Amount	%
1 Cooperative Organizations	4,714	3%
2 Corporations Related to the Primary Sector	31,477	21%
3 Others(Public Local Body, Government, Financial Institution and Others)	111,413	76%
4 Total	147,605	100%

Risk-managed Loans over Time (in JPY 100mn)

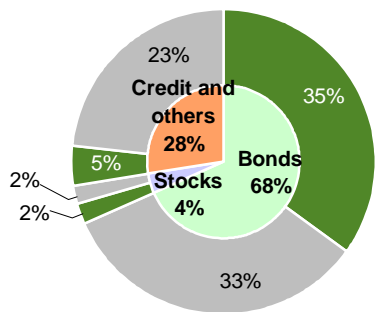


Note: As of September 30, 2011, non-consolidated basis.
Source: The Norinchukin Bank

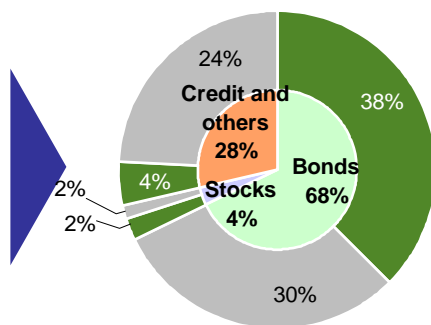
Under the concept of globally diversified investment, the Bank focused on developing an optimal asset mix for the main asset classes of bonds, stocks and credit assets while also taking into account geographic and currency diversification.

Market Investment Portfolio by Risk

March, 2011



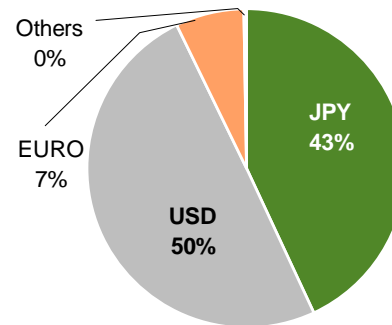
September, 2011



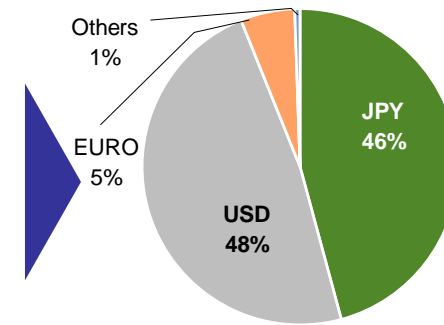
■ Japan ■ Outside Japan

Market Investment Portfolio by Currency

March, 2011

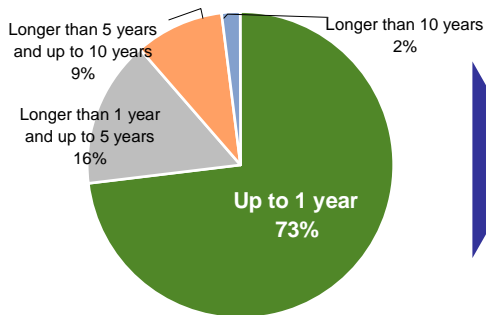


September, 2011

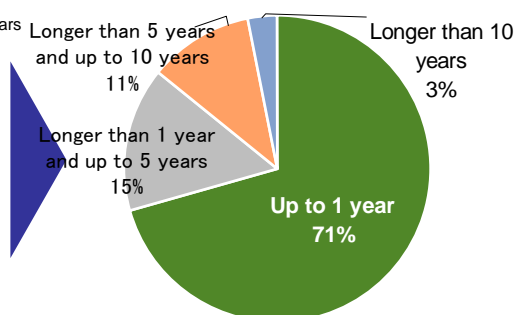


Bond and Credit Portfolio by Rate Reset Maturity

March, 2011

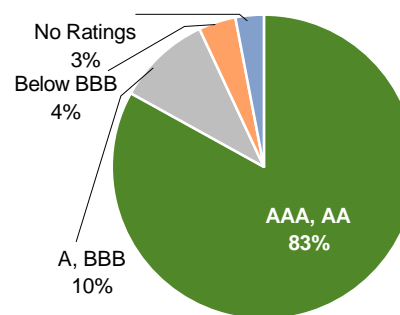


September, 2011

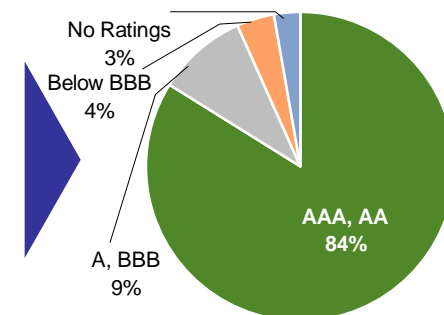


Market Investment Assets by Rating

March, 2011



September, 2011



Note: As of September 30, 2011, non-consolidated basis.
Source: The Norinchukin Bank

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

■ The majority of securitization exposures (Note1)(Note2) were highly-rated primary securitized products (ABS)

1. Exposures by product

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change From March End
1 ABS	16,538	-	370	-	0	16,909	(2,855)
2 RMBS (Note 3)	7,473	238	191	72	357	8,333	3,630
3 CMBS	662	259	1,004	636	452	3,014	(509)
4 CDO	1,804	3,831	2,352	786	1,311	10,086	(2,944)
5 CLO	1,797	3,357	1,999	551	812	8,519	(2,813)
6 Resecuritized Products (Note 4)	-	378	321	204	468	1,374	(80)
7 CBO and Others	7	94	31	30	29	192	(51)
8 Others	-	-	-	444	565	1,009	(133)
9 Total	26,479	4,329	3,919	1,938	2,686	39,353	(2,812)

2. Unrealized Gains/Losses and Total Profits/Losses by product

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change From March End	Profits/ Losses (Note 5)
10 ABS	(133)	-	(12)	-	0	(146)	46	-
11 RMBS (Note 3)	10	29	15	1	4	61	(56)	(14)
12 CMBS	(122)	(15)	(48)	(64)	4	(247)	71	(19)
13 CDO	(57)	(188)	(193)	(35)	20	(454)	100	(21)
14 CLO	(56)	(174)	(228)	(56)	2	(513)	138	(9)
15 Resecuritized Products (Note 4)	-	(1)	16	0	17	34	(20)	(3)
16 CBO and Others	0	(12)	18	19	0	25	(17)	(7)
17 Others	-	-	-	-	-	-	-	-
18 Total	(302)	(174)	(239)	(99)	29	(786)	162	(54)

3. Exposures by currency

(JPY in 100mn)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Profits/ Losses (Note 5)
1 USD	27,641	(1,105)	(462)	48	(32)
2 Euro	4,464	(2,011)	(238)	63	2
3 GBP	1,375	1,038	(9)	2	-
4 JPY	5,872	(734)	(75)	47	(24)
5 Total	39,353	(2,812)	(786)	162	(54)

Note 1: Securitized products are defined internally based on the definition in Basel II. Includes Sub-prime-related products.

Note 2: The amount of securitization exposure is the net exposure after write-off and revaluation. For some CMBS, the amount of exposure JPY41.2bn (Revaluation losses: JPY 0.9bn, Losses: JPY 0.3bn), which should be included in Specialized Lending (SL) under Basel II, is not included here.

Note 3: Includes Sub-prime RMBS. Does not include mortgage-backed securities related with US Government sponsored entities.

Note 4: Re-securitized and Cubic Products such as ABS-CDO, and CDO of CDO's. Include ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.

Note 5: The total value of revaluation profits/ losses and unrealized gains/losses on financial instruments with embedded derivatives as of FYE 2011/9.

Note: As of September 30, 2011, non-consolidated basis.

Source: The Norinchukin Bank

Investments in Sub-prime Loan-related Products and Other Products (Non-consolidated, Preliminary figures)

■ Net exposure to sub-prime loan-related products was JPY68.7bn (after JPY 1.4bn in revaluation losses and JPY 11.2bn in unrealized profits)

1. Investment in Sub-prime Loan Related Products (Note1) (in JPY 100mn)

(1) Sub-prime Loan related products (Sub-prime RMBS: securitized instruments) (Note2)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Profits/Losses
1 AAA	68	(14)	30	(11)	-
2 AA	74	(16)	31	(13)	-
3 A	130	(48)	16	(27)	-
4 BBB	-	(12)	-	(5)	-
5 below BBB	357	(76)	4	(10)	(14)
6 Total	630	(167)	83	(67)	(14)

(2) ABS-CDO and CDO of CDO's including sub-prime RMBS (resecuritized instruments and cubic instruments) (Note3)(Note4)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Profits/Losses
7 AAA	-	-	-	-	-
8 AA	-	-	-	-	-
9 A	46	(16)	19	0	-
10 BBB	9	9	8	8	-
11 below BBB	0	(11)	-	(10)	-
12 Total	56	(18)	28	(2)	-

(3) Total of sub-prime loan related products (Total of (1) to (2))

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Profits/Losses
13 AAA	68	(14)	30	(11)	-
14 AA	74	(16)	31	(13)	-
15 A	177	(64)	36	(28)	-
16 BBB	9	(2)	8	3	-
17 below BBB	357	(87)	4	(21)	(14)
18 Total	687	(186)	112	(70)	(14)

Note 1: The Bank has not engaged in any Sub-prime loan-related lending.

Note 2: Ratios by vintage (Issuance year) are 100%, 0%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 3: Ratios by vintage (Issuance year) are 100%, 0%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 4: ABS-CDO and CDO of CDO's which contain RMBS even if only in small quantities. Includes only a few sub-prime RMBS.

Note 5: The Bank has exposure to securitized products (CDOs) including monoline-CDS, other than financial products guaranteed by monolines.

Note 6: Non-guaranteed grades for non-recourse loans and CLO are all above investment grades. No sub-prime related loan products are included in guaranteed products.

Note 7: Loans which are internally defined as those used mainly for LBOs. The reserve for possible loan losses amounts to JPY 9.2bn.

Note 8: The Bank has JPY 1,869.7bn of mortgaged-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

Note: As of September 30, 2011, non-consolidated basis.

Source: The Norinchukin Bank

2. Investment in Monoline Products (Note 5)(in JPY 100mn)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End
1 Monoline Wrapped Financial Instruments (Note6)	260	(44)	(65)	16
2 Monoline usage in Securitization business	-	-	-	-
3 Total	260	(44)	(65)	16

3. Investment in Leveraged Loans (Note 7) (in JPY 100mn)

	Exposures	Change From March End
4 Domestic	299	29
5 Overseas	493	(287)
6 Total	793	(257)

4. Trading of Sub-prime loan related products

The Bank has not originated, underwritten nor traded ABCP, SIV, or leveraged loans. The Bank does not own any sub-prime loan related products in its trading account and is not involved in any unconsolidated off-balance sheet transactions. The Bank, however, sponsors 1 SPC for providing liquidity to its domestic customers (Exposures : JPY68.0bn)

5. Investment in Bonds Issued by US Housing-related GSEs (Note 8) (in JPY 100mn)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End
7 Agency Mortgage Bonds	32,322	(3,777)	1,200	665
8 Agency Bonds	14,914	(5,477)	(428)	345
9 Total	47,237	(9,255)	771	1,011

[Reference]

• Sub-prime loan-related products within fund investment

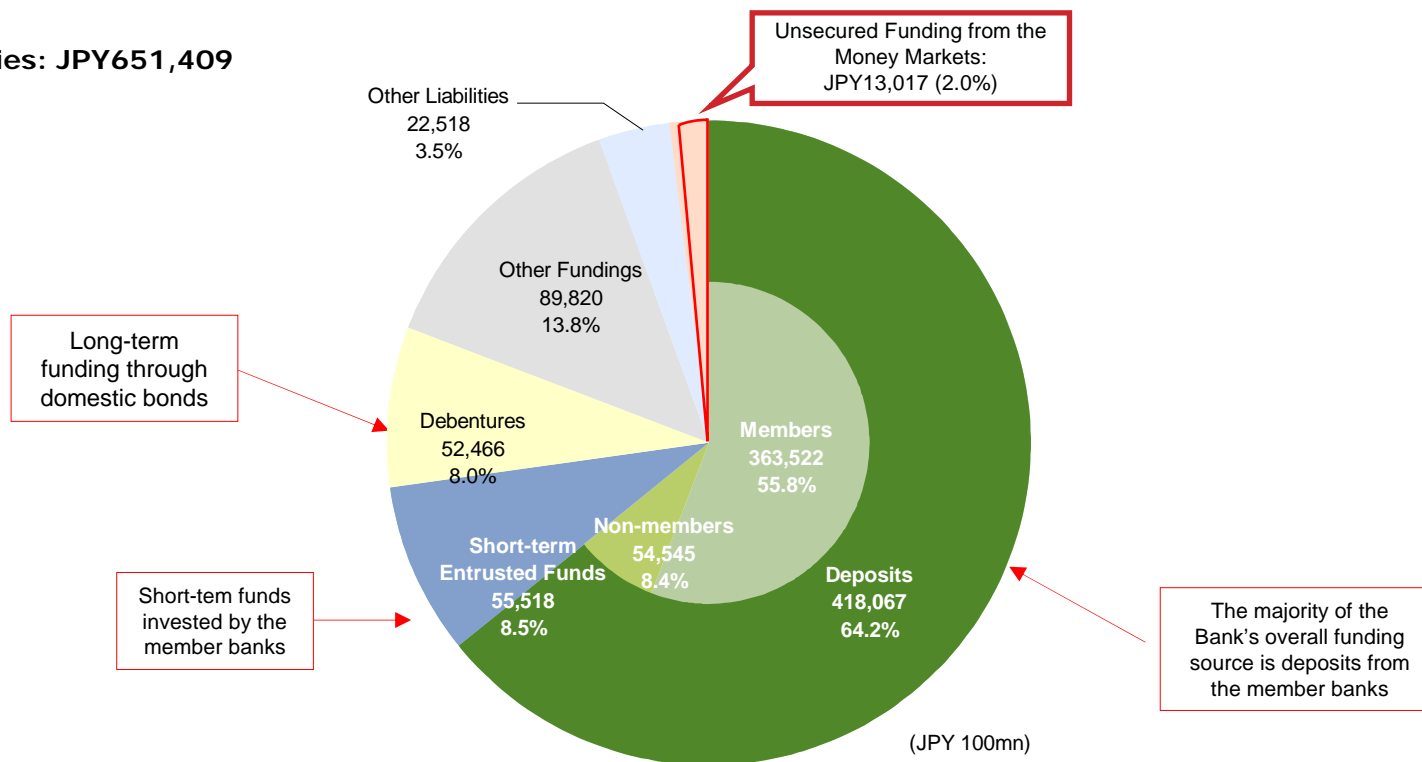
The Bank does not own any funds which invest in sub-prime loan-related products (note)

(Note) Internal research basis for funds which the Bank can look through the individual assets within each fund.

■ Stable funding through deposits from the member banks

Breakdown of funding

Total Liabilities: JPY651,409



Note1: "Other Funding" includes "Borrowed Money" (secured, subordinated loans) such as "Payables under Repurchase Agreements" and "Payables under Securities Lending Transactions". "Other Liabilities" includes "Acceptances & Guarantees" and "Reserves". "Short-term Unsecured Funding from Money Markets" includes "Trading Liabilities", "Negotiable Certificates of Deposit", and "Call Money and Bills Sold".

Note2: As of September 30, 2011, non-consolidated basis

Source: The Norinchukin Bank

Summary: Income Statement and Balance Sheet (Consolidated)

Both the consolidated ordinary profits and net income grew

	(in JPY 100mn)	2010/9	2011/9	Change	Change (%)
1 Ordinary Income <small>(Note1)</small>		5,781	6,178	396	6.9%
2 - Interest Income		3,640	4,139	498	13.7%
3 Ordinary Expenses		4,739	4,594	(144)	(3.1%)
4 - Interest Expenses		2,816	2,813	(2)	(0.1%)
5 - General and Administrative Expenses		542	602	60	11.2%
6 Ordinary Profits		1,041	1,583	541	52.0%
7 Extraordinary Profits		130	26	(104)	(79.5%)
8 Extraordinary Losses		3	2	(0)	(25.0%)
9 Income before Income Taxes		1,168	1,607	438	37.5%
10 Net Income		829	1,239	409	49.3%

	(in JPY 100mn)	2011/3	2011/9	Change	Change (%)
(Assets)					
1 Loans and Bills Discounted		140,827	148,342	7,515	5.3%
2 Securities		430,417	395,189	(35,228)	(8.2%)
3 Money Held in Trust		77,518	69,902	(7,615)	(9.8%)
4 Cash and Due from Banks		18,376	40,336	21,960	119.5%
5 Others		31,198	46,732	15,533	49.8%
6 Total Assets		698,338	700,504	2,165	0.3%
(Liabilities)					
7 Deposits		409,493	417,971	8,477	2.1%
8 Negotiable Cert. of Deposit		7,681	11,639	3,958	51.5%
9 Debentures		54,163	52,408	(1,754)	(3.2%)
10 Borrowed Money		18,660	17,180	(1,480)	(7.9%)
11 Short-term Entrusted Funds		43,972	55,518	11,546	26.3%
12 Others		121,769	101,668	(20,100)	(16.5%)
13 Total Liabilities		655,740	656,387	646	0.1%
(Net Assets)					
14 Paid-in Capital		34,259	34,259	-	-
15 Capital Surplus		250	250	-	-
16 Retained Earnings		9,723	10,753	1,029	10.6%
17 Others		(1,634)	(1,145)	489	-
18 Total Net Assets		42,598	44,117	1,518	3.6%

Note1: From FY2011, the "Reversal of Loan-loss Reserves" and the "Gain on the Recovery of Receivables Previously Written-off" have been accounted for as "Ordinary Income" instead of "Extraordinary Profits".

Source: The Norinchukin Bank

Appendices

The New Medium-Term Management Plan (FY2011 ~ FY2012)

~An Outline of the New Medium-Term Management Plan~

- A stable return of profits to its member banks, and at the same time, expand its role as the central organization as well as financial institution for cooperatives
- A commitment to support reconstruction of the areas affected by the Great East Japan Earthquake

The New Medium-Term Management Plan (FY2011 ~ FY2012)

Expanding its Role as the Central Organization for Cooperatives

Reconstruction Support Program
-Financial Support Program, and
Business & Management Support Program-

Initiatives Addressed by All Member Banks
-Business Support, Human Resource Development,
and Emissions Trading-

JA Bank
-Implementation of the JA Bank Medium-Term Strategies:
Serving as the Main Bank for Agricultural Industry
and Customers

JF Marine Bank
-Banking services for Fisheries Industry, and
Credit Safety Net -

Forestry Business
-Forest Restoration Support-

Financial, Risk, and Capital Management Policies

Top Management Priority: A Stable Return of Profits
(Non-Consolidated) Ordinary Income Target:
JPY50bn to JPY100bn Per Annum

Continuing Adequate Risk and Portfolio Management Practices

Cultivating New and High-quality
Investment Opportunities and Fields,
under the Globally-diversified Investment Policies

Maintaining a Capital Adequacy Ratio at around 20%

~An Overview of the Reconstruction Support Program~

The Great East Japan Earthquake brought extensive damage to the primary industry workers, JA (agriculture), JF (fisheries), and Jforest (forestry). In response, the Bank established the "Reconstruction Support Program" through which all-out and multi-faceted support is provided for the restoration of agriculture, fisheries, and forestry industries

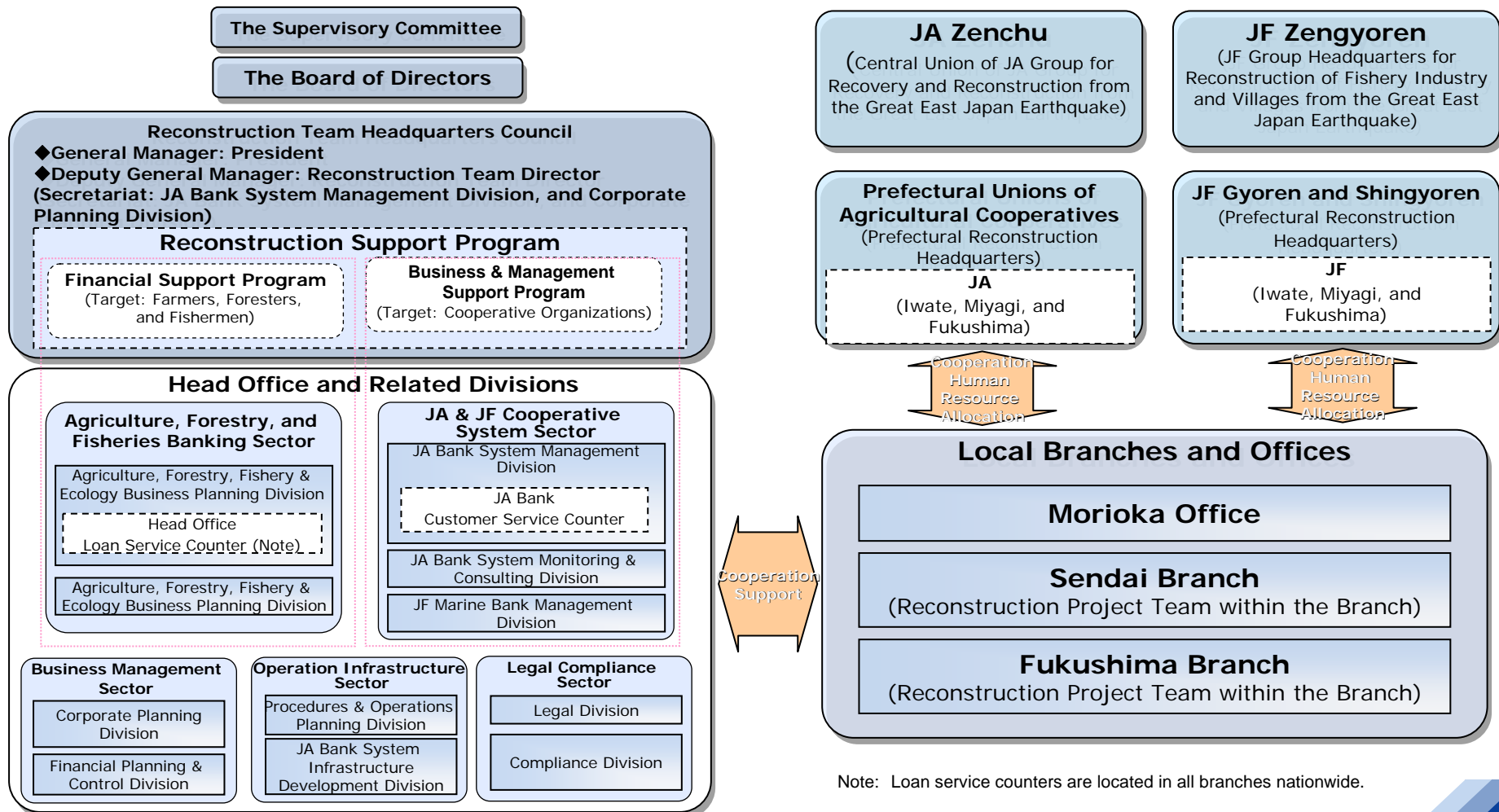
<Overview of the Reconstruction Support Program>

- This program will be carried out over multiple years (4 years or so), and will be JPY1 trillion in size (low-interest loans). The Bank plans to provide JPY30 billion in assistance. In order to facilitate reconstruction efforts, the Bank has also provided physical support by sending its staff to the affected areas.

Program	Available to	JA Bank, JF Marine Bank, Forestry Cooperatives
Financial Support Program	Agriculture, Fishery, and Forestry Cooperatives	Financial Support (Interest Subsidies, Reconstruction and Recovery Loans (Low-Interest Loans, and others))
Business & Management Support Program	Member Organizations	Business Recovery (Support for Recovery of Infrastructure such as the Branches, ATMs and Terminals)
		Business Support (Support for Strengthening the Business Base of the Member Banks)

~The Bank's Reconstruction Support System~

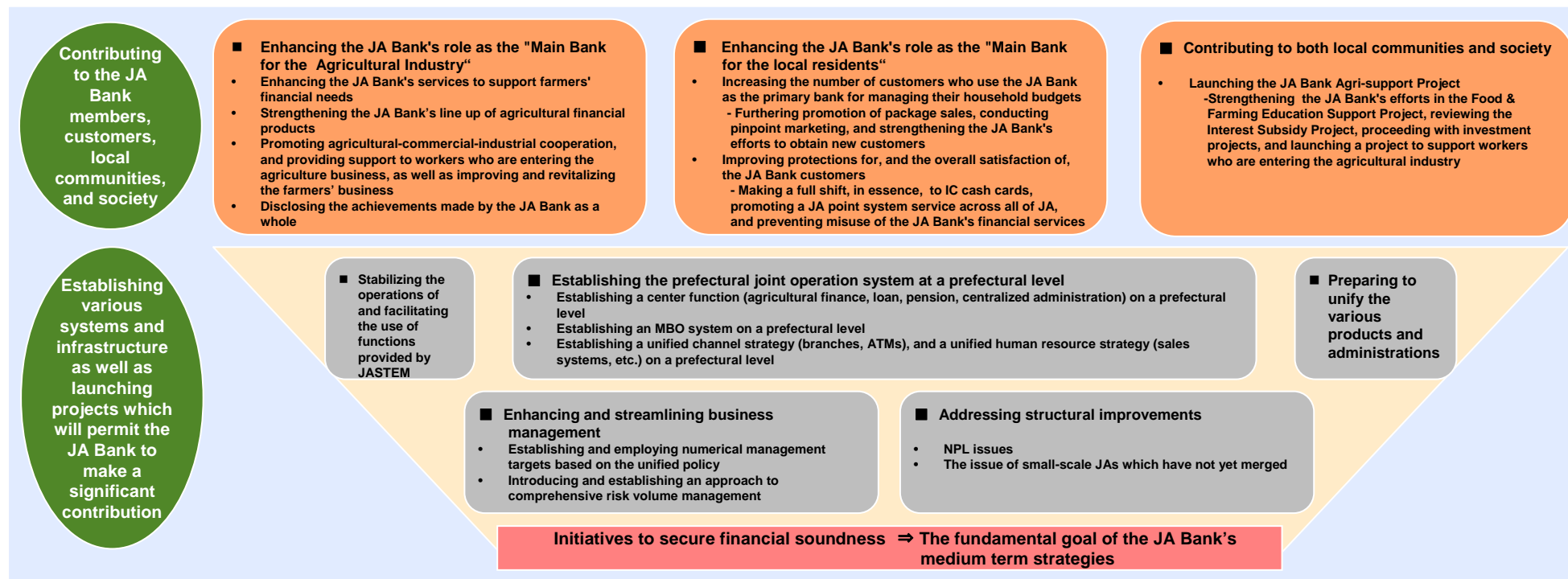
The Bank has positioned reconstruction support as its highest priority in its new Medium-Term Management Plan. In order to coordinate the collective efforts of our head office and branches, the Bank established a reconstruction team headquarters council headed by the President, designated a reconstruction team director, and allocated a massive amount of manpower to carry out the reconstruction program.



~ (Basic Objective) Bringing about a "JA Bank which contributes to both agricultural industry and people's daily lives, as well as one which is chosen by the people, and then continues to grow" ~

■ JA Bank will work in unison with JA, Shinnoren, and the Norinchukin Bank in carrying out its medium-term strategy (FY2010 to FY2012) towards achieving the principal goals

■ Specific Action Items (Framework) for the JA Bank's Medium-term Strategies (FY2010~FY2012)



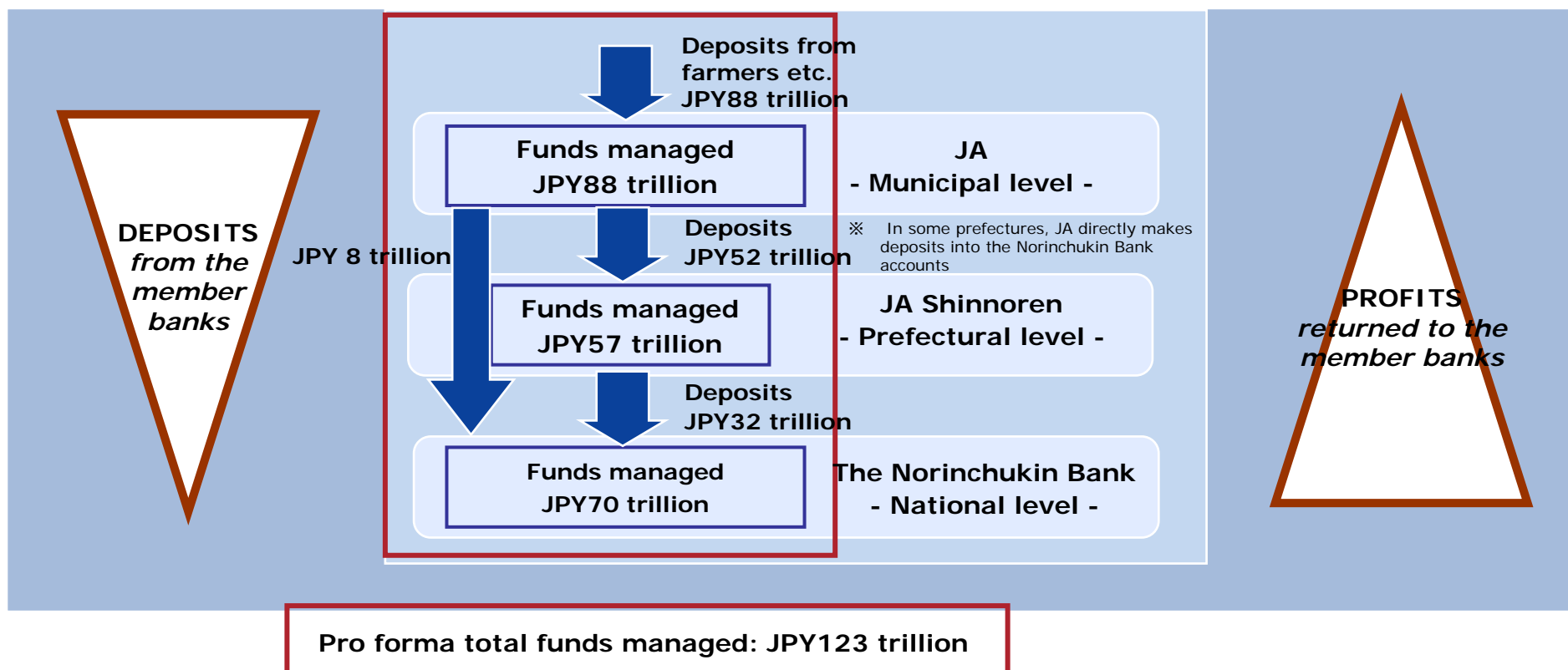
■ The JA Bank's goals for FY2012

- Fostering closer relationships with agricultural corporations and large-scale farmers as well as increasing the number of JA Bank customers
- Raising the satisfaction among the JA Bank members (farmers) and customers
- Increasing the number of customers across the next two generations
- Increasing the number of customers, improving the JA Bank's regional share, and promoting the use of the JA Bank
- Strengthening JA's and the JA Bank's regional reputations

~ Flow of funds within the JA Bank Group ~

- JA Bank Group = JA (municipal level) + JA Shinnoren (prefectural level) + The Norinchukin Bank (national level)

Flow of funds in the JA Bank Group



Note: As of September 30, 2011

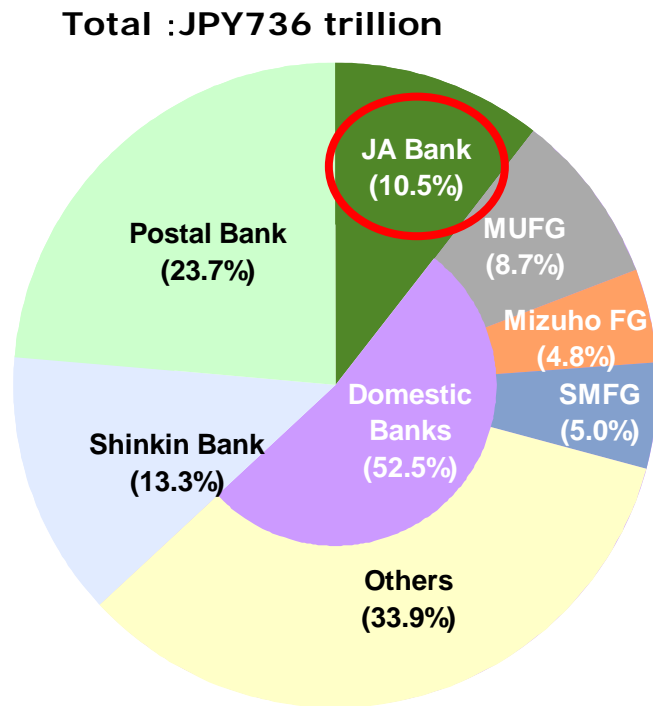
Pro forma total funds managed = Funds managed (JPY88trn+JPY57trn+JPY70trn) – Deposits (JPY52trn+JPY8trn+JPY32trn).

Source: The Norinchukin Bank

~ Stable JA Savings ~

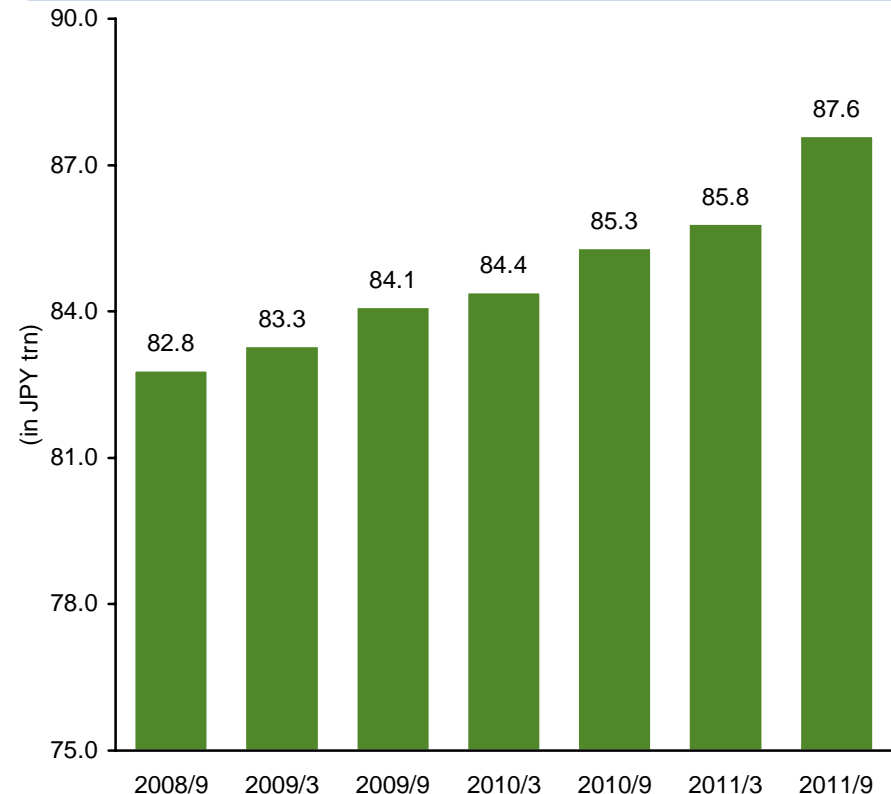
- JA Bank maintains a strong operating base and a network of 8,631 branches (as of March 31, 2011) (715 JAs nationwide, as of April 1st, 2011)
- Historical outstanding balance of JA Bank deposits and savings shows a stable long-term growth

Deposits and Savings (Retail)



Note: As of March 31, 2010
 Prepared by the Norinchukin Bank based on documents published by the Bank of Japan, and financial documents released by Japan Post and other banks.
 The Balances of JA Bank, Domestic Banks and Shinkin Bank represent personal deposits and savings. The balance of the Postal Bank represent the entire deposits and savings.

JA Bank Deposits and Savings Over Time



Note: Retail and non-retail aggregate (public sector, companies and others) deposits and savings
 Source: The Norinchukin Bank

~Support a wide variety of financial needs including capital investments and working capital~

- Supports agricultural industry by offering a variety of loan products which are designed to accommodate various financial needs of farmers and agricultural organization.

- JA Bank has the top share in transaction volume of the two major policy loans: Agricultural Modernization Loans, and Japan Finance Corporation's Agricultural Loans

Agricultural Loans by Type (in JPY100mn)

Type	March 31, 2011
Proper Agricultural Loans	15,179
Agricultural Policy Loans	6,784
Agricultural Modernization Loans	2,058
Other Policy Loans	4,726
Total	21,963

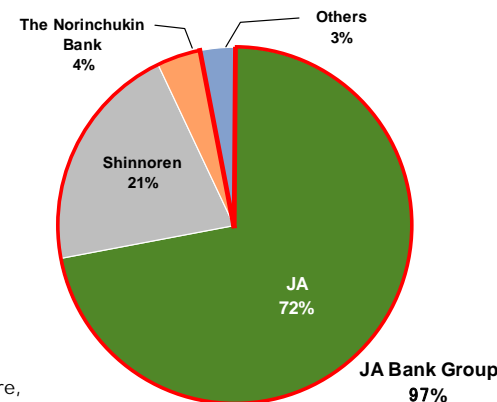
Entrusted Agricultural Loans (in JPY 100mn)

Type	March 31, 2011
Loans Entrusted by the Japan Finance Corporation	6,506
Others	16
Total	6,523

Proper agricultural loans represent non-policy loans funded by the JA Bank. Agricultural policy loans include 1) loans which are extended directly by local public organizations, and 2) loans to which interest subsidies are granted by local public organizations, and for this reason, are extended at low interest rates by JA. Other policy loans include 'Super S Loans' and loans which are intended for reduction of financial burden on agricultural business owners.

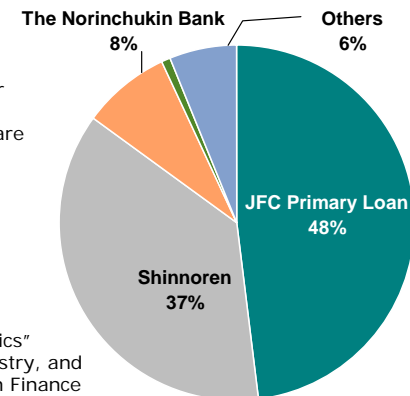
Source: The Norinchukin Bank

The Share of the Agricultural Modernization Loans



As of December 31, 2010
Source: Ministry of Agriculture, Forestry, and Fisheries of Japan

The share of the Japan Finance Corporation's Agricultural Loan Transaction Volume

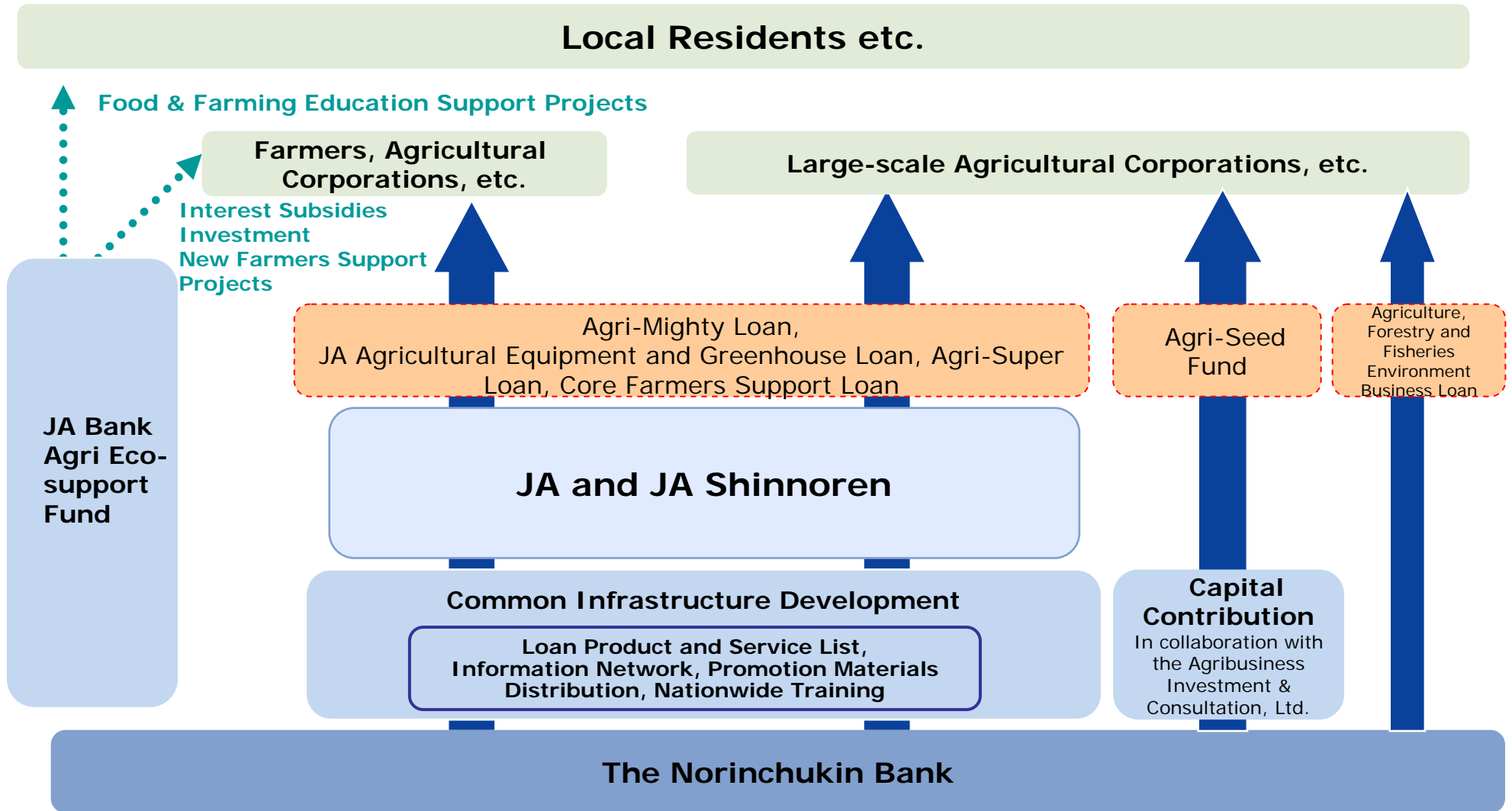


JA acts as the primary contact for the Japan Finance Corporation's Agricultural Loan services which are entrusted to Shinnoren, and the Bank

As of March 31, 2011
Source: "Annual Business Statistics" released by the Agriculture, Forestry, and Fisheries Businesses of the Japan Finance Corporation

The JA Bank Group's Initiatives to Provide Services to Farmers, etc. (1)

~ The Group's Collective Initiatives to Support Core Farmers ~



Agri-Mighty Loan: For capital investment and working capital, JA Agricultural Equipment and Greenhouse Loan: For capital investment in production facilities, Agriculture, Forestry, and Fisheries Environment Business Loan: For capital investment, working capital and other capital associated with production, processing, sales, Agri-Super Loan: For working capital for the managers of rice paddies and arable farms to support their incomes, Core Farmers Support Loan: For working capital for farmers who use the JA Bank's tax support program.

~ The Advanced Internal Capital Adequacy Assessment Process ~

- The Internal Capital Adequacy Assessment Process (ICAAP) under Pillar II of the Basel-II Accord

ICAAP

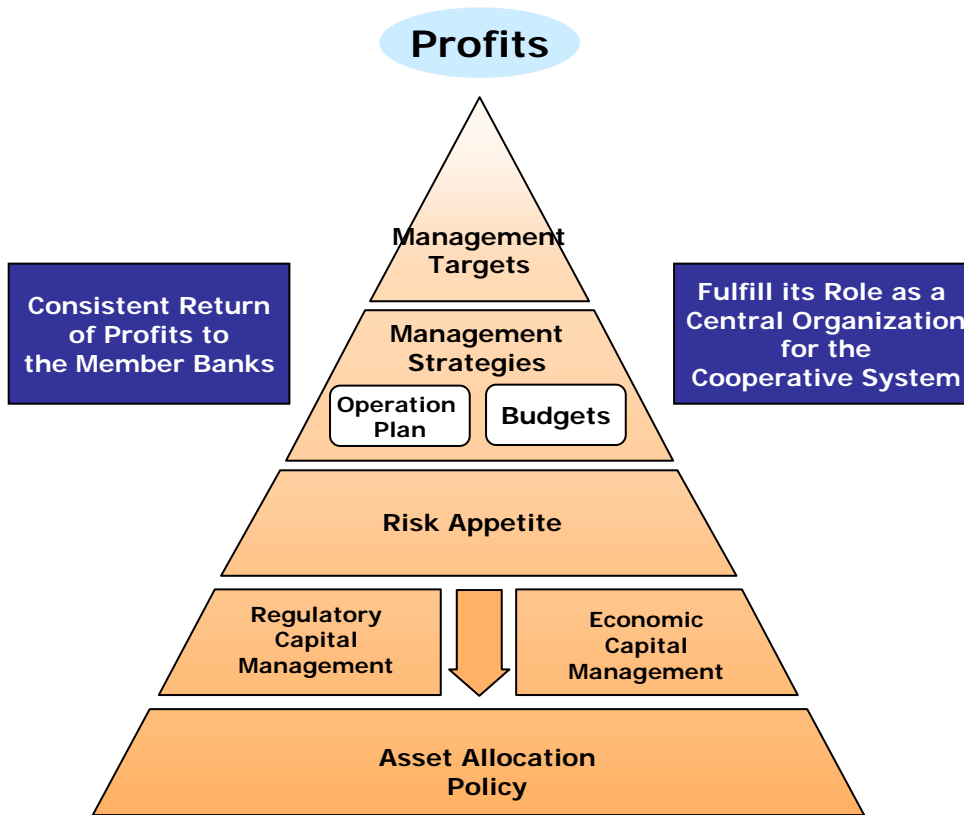
- A process, in line with the spirit of the Final BASEL II Accord, to identify, measure, integrate, and control any risks imminent to the Bank, and to ultimately ensure that the Bank has a system to secure adequate capital to support respective risk characteristics. The process is carried out once a year in principle, and approved in the Board of Directors meeting.

Risk Appetite

- The Bank announces its concrete risk-taking policies including the idea on what types and magnitude of risks the Bank is willing to take in carrying out its business strategies
- The Bank reaffirms that its primary objective is to return profits in a stable manner to its member banks, while maintaining healthy financial status
- The Bank's risk appetite is reflected in its portfolio management policies (allocation policies) which encourage globally-diversified investments

Business Operations Consistent with the Risk Appetite

- The Bank develops its budget and business plans that are consistent with its risk appetite, and pursues financial and business management in a fine balance with risks and its capital position
- The Bank established a check point system under the capital management regime so that its capital adequacy is maintained above the risk appetite-based threshold.

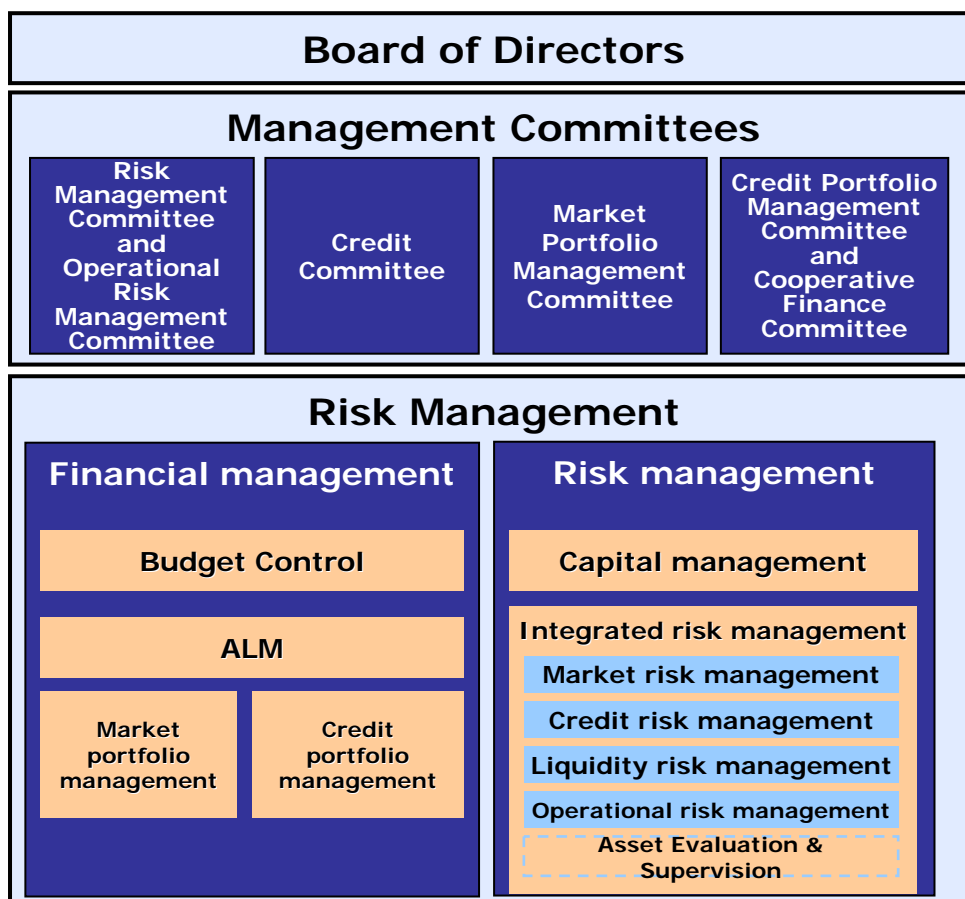


Capital

Risks

~ An Overview of the Advanced Risk Management System ~

- The Bank has employed an “integrated risk management” system, in which risks are managed in an integrated way with a central focus on economic capital management



1. Board of Directors

- The Board sets management objectives in the form of medium-term management plans, annual operation plans, economic capital allocation and management plans, and budget plans. The Board also implements the ICAAP (Internal Capital Adequacy Assessment Process).
- Based on feedbacks from internal and external audits, the Board keeps track of the risk management regime.

2. Management committees

- The Risk Management Committee determines and approves important issues associated with capital and risk management as well as the Bank’s policies towards theoretical prices
- Based on such decisions, the Market and Credit Portfolio Management Committees assess economic and financial environment on a weekly basis, and discuss and determine concrete portfolio management policies in line with the asset allocation policies
- The Risk Management Committee and the Market Portfolio Committee discuss and determine funding and liquidity-related issues

3. Risk management

- The Bank established respective units, and clarified their roles and responsibilities for controlling market, credit, liquidity, and operational risks.
- While the risk management system places its emphasis on examining the risk-capital balance on a continuous basis, the financial management system makes sure that the management targets (e.g. budgets) are achieved through optimal portfolio and ALM management. With these two systems operating side by side, the Bank has established a comprehensive risk management system which also covers the Bank’s financial health and earning power.

Summary of the Cooperative System

~ Structure of the Agricultural, Forestry and Fishery Cooperative System ~

