

Business Outline

SECURITIES INVESTMENT

• The Bank's Basic Asset Management Stance

The Bank is one of the largest financial institutions in Japan and, at the same time, is one of Japan's leading institutional investors. The Bank's total balance of securities and money held in trust is approximately ¥45 trillion and accounts for a major portion of the Bank's total assets under management.

The basic concept in the Bank's management of its securities is "globally diversified investment." The objective of this approach is to realize a high return in the medium-to-long term through investing in a diversified risk type asset while minimizing the risks in cases such as rising interest rates and declining stock prices.

In terms of geographical area, the Bank invests in Japan, the United States, Europe, and other regions.

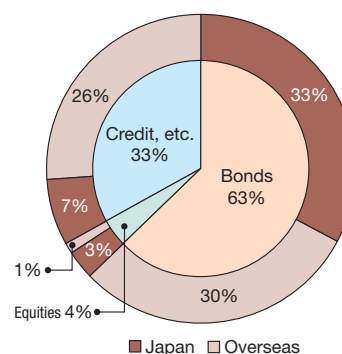
The Bank classifies its assets as bonds, equities, credit assets, and alternative investments, depending on the investment allocation.

The Bank conducts research related to these asset categories from a broad range of perspectives and adjusts its asset allocation flexibly in response to changes in market conditions.

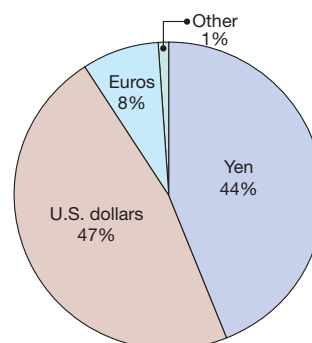
In pursuing returns on investments, the Bank makes use of external investment companies.

It should be noted that the Bank carefully reviews the investment processes, compliance systems, management philosophy and strategies, asset management record, and other matters concerning any external investment company that is under consideration. After selection, the Bank closely monitors the external investment company's performance from both quantitative and qualitative perspectives. The Bank also systematically examines the external investment company's performance on a continuing basis in order to decide whether or not to renew their mandates.

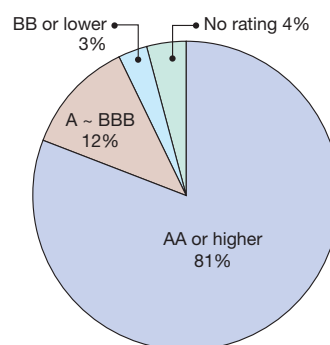
► Breakdown of Market Assets by Risk



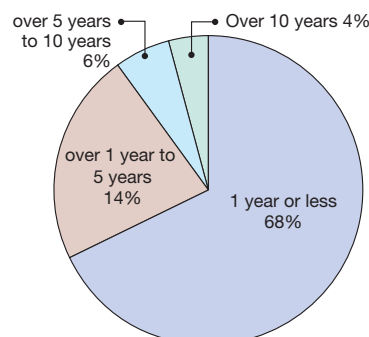
► Breakdown of Market Assets by Currency



► Breakdown of Bonds and Credit Assets by Rating



► Breakdown of Bonds and Credit Assets by Maturity



* All data are as of March 31, 2009, on a non-consolidated basis.



• Investment Stance by Asset Type

Investment in bonds, a core invested asset, accounts for a major portion of the Bank's assets due to their risk-return characteristics and other attributes. When making investment decisions, the Bank gives full attention not only to interest rate risk but also to credit and liquidity risks. The Bank has built up an efficient bond portfolio through investments in various types of bonds, including Japanese government bonds, bonds issued by other government agencies, mortgage-backed bonds, and foreign corporate bonds.

In selecting equity investments, the Bank considers risk-return characteristics as well as correlations with other asset classes and manages its portfolio with a long-term perspective. While the Bank's strategy for equity investments focuses on passive investing linked to various stock indices, the Bank complements this strategy with active investing aimed at generating returns above those obtained from the index-linked passive approach through diversified investment in domestic and foreign stocks.

In credit and alternative investments, the Bank selects low-risk assets based on an analysis of the global credit cycle, risk versus return in various investment asset classes, and the analysis of correlations with conventional assets (stocks and bonds).

It is also important to note that in the management of foreign currency assets, the Bank takes steps to limit the foreign exchange risk in most of these investments by employing various tools, such as the raising of funds in foreign currencies.

■ The System for Market Asset Management

Major decisions relating to the Bank's portfolios of market investments are reached systematically by the Market Portfolio Management Committee and the Credit Portfolio Management Committee, both of which are composed of board members and the heads of related departments. Moreover, in departments which are engaged in market transactions, the Bank has created a mutual checking system with separate front office departments (responsible for the execution of transactions), middle office departments (responsible for monitoring), and back office departments (responsible for processing and settlements).

The front office departments execute transactions based on the policies drawn up by each Portfolio Management Committee. Their functions also include focusing on optimizing the efficiency of transactions, close and constant monitoring of market trends, developing proposals for new transaction plans, and other activities. To put the Bank's concept of globally diversified investment into practice, the front office departments work to create a more efficient and effective management system where domestic and international investments are integrated within the categories of bonds, equities, and other investment instruments.

The middle office departments are responsible for checking the appropriateness of the activities of the front office departments, as well as the measurement of risk volumes, utilizing various methods such as stress tests.

■ Short-Term Money Market Transactions

In its role as the national level financial institution for Japan's agricultural, forestry, and fishery cooperatives, the Bank exercises efficient control over available cash, principally surplus funds of the cooperative system, and manages these funds in domestic money markets. The

Bank is a leading and active participant in the short-term money markets in Japan.

In addition, as a leading institutional investor, the Bank makes diversified investments in international capital markets and makes active use of foreign currency markets to fund these investments.

The proper management of liquidity risk is a prerequisite for the continuity of the Bank's operations and for the stable management of its portfolio. Accordingly, the Bank pays close attention to the cash flow of the cooperative banking system as a whole, as well as trends in domestic and international markets.

In Japan's domestic market, the Bank is an active participant not only in the interbank market but also in the repo and other money markets. The Bank also assumes a leadership position in these markets and plays a major role in working to expand market functionality.

Through its participation in the Research Committee for Revitalization of Short-Term Financial Markets and other organizations, the Bank also contributes to improvements in market practices.

In foreign currency markets, backed by its well-founded credit standing, the Bank conducts stable and efficient transactions, which are necessary for globally diversified investments. The management of foreign currency funds is conducted through teamwork among the Bank's head office and its three overseas branches in New York, London, and Singapore, utilizing various funding tools.

Additionally, the Bank accurately controls liquidity risk and settlement risk while simultaneously providing settlement functions at the Bank of Japan on behalf of cooperative organizations. The Bank also takes part in the Continuous-Linked Settlement (CLS) System, a framework for foreign currency settlement, and thus participates in and contributes to the creation of a network necessary for managing settlements in U.S. dollars, euros, and other major currencies.

■ Foreign Exchange Transactions

The Bank, as the market participant representing the cooperative banking system, has formed an efficient and highly skilled dealing team with the primary aim of responding to the needs of its customers, including cooperative organizations and companies related to the agricultural, forestry, and fisheries industries.

■ Trading Operations

The Bank trades in financial derivatives and various other financial products in order to meet the needs of its customers, while improving its dealing profitability from trading operations through arbitrage transactions, options, and a range of other techniques.

CORPORATE FINANCE

As a financial institution rooted in the agricultural, forestry, and fisheries industries, the Bank provides a wide selection of financial services for private enterprises that are connected to these sectors and to public enterprises.

In addition to companies in the food product and pulp and paper industries that process agricultural, forestry, and fisheries products, the chemical and machinery industries that supply production materials for the agricultural, forestry, and fisheries industries; trading, supermarket and restaurant industries that supply products to end consumers; and other industries directly involved in the agricultural, forestry, and fisheries industries, the Bank also deals with customers in a wide range of other fields, including leasing, credit, IT and telecommunications, real estate, and service industry.

The Bank provides its customers with a diverse range of financial services drawing on its strong base, backed by the JA Bank System and the JF Marine Bank

System, and its refined expertise as one of Japan's leading institutional investors. The Bank's basic investment policy is to contribute to the socioeconomic development of Japan as well as to the development of Japan's agricultural, forestry, and fisheries industries. Through these contributions, the Bank hopes to grow and develop together with its customers.

FINANCE FOR COOPERATIVE ORGANIZATIONS

As the main bank for the agricultural, forestry, and fisheries industries, the Bank has created a unique cooperative financing system called Agricultural, Forestry, and Fisheries Support Funding. The aim of this system is to provide financial support for the development of Japan's agricultural, forestry, and fisheries industries, as well as related cooperative organizations. This is accomplished through initiatives such as developing core workers in the agricultural, forestry, and fisheries sectors and promoting environmentally friendly agriculture.

This financial support, which is directly linked to the development of the agricultural, forestry, and fisheries sectors, is provided mainly to JA, JF, the Japan forestry cooperatives, and other cooperative organizations, and

has been positioned as the core lending business of the Bank since its establishment.

Loans to the Agricultural Sector

Japan's agricultural sector is facing a challenging operating environment because of the tight balance between food supply and demand worldwide and Japan's low rate of food self-sufficiency. The New Agricultural Administration for the 21st Century 2008, enacted by the Japanese government in May 2008, obliges the government to encourage efforts by consumers, producers, and businesses to address challenges relating to food, agriculture, and rural areas and to thereby increase the rate of food self-sufficiency. Providing financing to core farmers has become one important means towards accomplishing this goal.

The Bank provides financial support for the promotion of agriculture, through schemes that include loans directly relating to agricultural production and to the processing, distribution, and sales of crops, as well as Agribusiness Loans which provide operating capital flexibly in line with the creditworthiness of borrowers, and through funding under institutional arrangements such as the Agriculture Modernization Loans.

Outline of Types of Loans (As of March 31, 2009)

	General Loan Funding	Funding under Institutional Arrangements
Agriculture	Agriculture Promotion Fund Agribusiness Loans Livestock, Fruit, Gardening, and Related Agriculture Fund Agriculture and Livestock Processing Funds, etc.	Agriculture Modernization Loans Agricultural Management Assistance Support Fund Agricultural Management Improvement Promotion Fund (Super-S Fund) Intermediate and Mountainous Region Revitalization Fund, etc.
Fisheries	Fisheries Development Fund Fisheries Management Fund for Fishing Vessels, Nets, Tools, and Landing Facilities Fisheries Processing and Distribution Fund for Processing, Refrigeration and Cold Storage, etc.	Fisheries Modernization Fund Fisheries Management Improvement Promotion Fund Intermediate and Mountainous Region Revitalization Fund, etc.
Forestry	Forestry Development Fund Forestry Management Fund for Afforestation, Tree Cultivation, and Forest Product Cultivation Processing and Distribution Fund for Raw Materials, Lumber, Chips, and Other Forest Products Mountain Village Environment Improvement Fund, Forestry Industry Participants Fund, etc.	Forestry Development Promotion Fund Intermediate and Mountainous Region Revitalization Fund, etc.

■ Loans to the Fisheries Sector

The fisheries industry is faced with a challenging operating environment, owing to a range of issues, including the tightening of international standards aimed at preserving natural resources and the environment, a decline in fisheries resources in the territorial waters surrounding Japan, low prices of marine products, and rising fuel costs. In response to these circumstances, the fishery cooperative organizations are expected, under Japan's Basic Fisheries Law, to implement initiatives for conducting proper resource management in fisheries operations and work towards the revitalization of fisheries operations.

The Bank offers financial support for the development of the fisheries industry. This includes providing financing for the production of marine products, including catching, aquatic farming, and other activities for the processing and distribution of these products, as well as providing access to financing schemes, such as those for the modernization of the fisheries industry.

■ Loans to the Forestry Sector

Issues confronting the forestry sector include the rising percentage of aging planted forestlands and the increasing need for thinning and other operations to take proper care of forested areas. In particular, interest among Japanese citizens in preserving the nation's forests is increasing because of the many roles forests play in providing sources of water and preserving the natural environment. Moreover, forests are expected to play an environmentally significant role in both absorbing greenhouse gases and, hence, forestalling global warming. For these reasons, proper management of forestlands has become an important issue. A further consideration is the growing international demand for forest resources relative to the supply of these resources; this is drawing increasing attention from domestic sources.

The Bank also provides support for the development of Japan's forestry and timber industries. This includes supplying funds to the forestry cooperative organization and forest owners, who are the key agents in improving the condition of forests in Japan, to both finance the cultivation of forestland and offer financing for the producers, processors, and distributors of timber.

DEPOSIT OPERATIONS

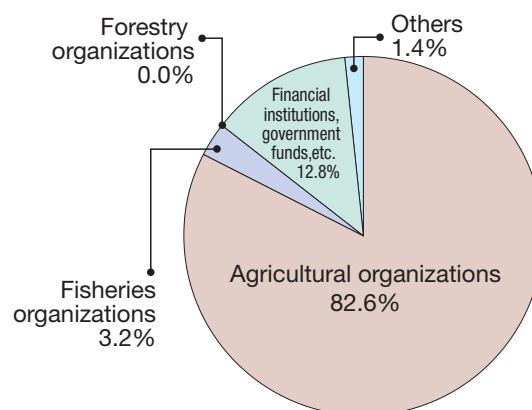
■ Features of the Bank's Deposits

Deposits from cooperative members account for the majority of the Bank's deposits. Other deposits consist primarily of those from companies involved in the agricultural, forestry, and fisheries industries and non-profit organizations, such as local public bodies. This is due to the Bank's role as a nationwide cooperative financial institution for the agricultural, forestry, and fisheries industries.

• Deposits from the JA Bank and the JF Marine Bank members

Savings deposited with JA and JF by their members and other local people are used to finance members and

► Balance of deposits with the Bank



(As of March 31, 2009)

Total: ¥37.5015 trillion

* Excludes negotiable certificates of deposit

local people, companies, local public bodies, and other such organizations. Surplus funds are then deposited with Shinnoren or Shingyoren. These funds in turn are used by Shinnoren or Shingyoren to finance agricultural and fisheries organizations, companies involved in the agricultural and fisheries industries, local public bodies, and other such organizations. Surplus funds are then deposited with the Bank.

In its capacity as a nationwide cooperative banking institution, the Bank is responsible for the central management of stable funds deposited in this manner.

To enable members and local people to deposit their valued savings with a sense of security, JA, JF, Shinnoren, Shingyoren, and the Bank are protected under the Agricultural and Fishery Cooperative Savings Insurance System, a public system which provides coverage for depositors.

NORINCHUKIN BANK DEBENTURES

In accordance with the Norinchukin Bank Law, the Bank is authorized to issue Norinchukin Bank Debentures as a source of funding. The Bank regularly issues two types of debentures; the Ritsuki Norinsai, which is primarily issued to institutional investors as a five-year investment product, and the Zaikeisai, which is issued as a savings product.

The balance of issued and outstanding debentures as of March 31, 2009 was ¥5,255.0 billion. The funds that have been raised through the issuance of Norinchukin Bank Debentures have been used for purposes which include financing the agricultural, forestry, and fisheries industries as well as financing companies related to these industries.

SETTLEMENTS

The Cooperative Financial Institutions, comprising JA, Shinnoren, JF, Shingyoren, and the Bank, have one of the largest networks among all the private financial institutions in Japan, with approximately 9,500 branches (as of March 31, 2009). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated by the Bank, Shinnoren, and Shingyoren.

• Cash dispenser and ATM network

Through the JA savings net services and JF savings net services, the Cooperative Financial Institutions are developing a nationwide network of ATM machines and cash dispensers. In addition, by joining the Multi-Integrated Cash Service (MICS), cross-sector online alliance service of cash dispenser and ATM operators, the institutions are involved in the alliance of seven private sectors (majorbanks, regional and trust banks, second-tier regional banks, shinkin banks, credit associations and labor banks). This enables withdrawals of savings and balance inquiries at cash dispensers and ATMs all over Japan not only at the institutions, but also at almost all other financial institutions. Cash dispenser and ATM online alliances are also in place with Japan Post Bank and Seven Bank.

• Networks with business partners in Japan and overseas

In addition to the Cooperative Settlement Data Transmission System, the Bank has formed a network which focuses on providing a Total Online System for its customers. It also offers a diversified range of sophisticated services, such as provision of remittance services through the “farm banking” system for cooperative banking customers, and carries out Society for Worldwide Interbank Financial Telecommunications (SWIFT) settlements between the Bank’s Head Office, or overseas branches, and overseas financial institutions.

▶ Number of cash dispensers and ATMs

	No. of organizations*	No. of stores*	No. of ATMs and cash dispensers installed
Norinchukin (the Bank)	1	30	0
Shinnoren	36	60	658
JA	751	8,910	11,693
Shingyoren	30	151	281
JF	167	317	115
Total	985	9,468	12,747

* Number of organizations and branches that handle domestic exchange operations, as of March 31, 2009

HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

■ The Bank’s Domestic Offices

The domestic offices of the Bank comprise the head office, 21 branches located throughout Japan, and three representative offices (as of July 21, 2009).

• The Roles of The Domestic Branches

The principal business roles of the domestic branches and offices are to: (1) act as fund-receiving centers for deposits made by the Bank’s members; (2) make loans to agricultural, forestry, and fisheries industry participants, corporations with relationships to the agricultural, forestry, and fisheries industries as well as local governments and their entities; and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

• Branch Network Operation Policy

To manage the Bank’s domestic branches and offices more effectively and efficiently, we are following a policy of dividing the country into regional blocs and concentrating lending activities for each bloc in a small number of loan centers. The policy also involves the reorganization of branches and offices.

In May 2009, the Otemachi Office was closed (its operations were transferred to the head office at Yurakucho, Chiyoda-ku, Tokyo). In July 2009, our Niigata Branch was closed (its operations were taken over by our Toyama Branch), while our Takamatsu Branch took over the operations of the Tokushima Office, Matsuyama Branch, and Kochi Branch, all of which were closed.

■ The Bank’s Overseas Branches and Representative Offices

To respond accurately to the changes in the globalization of domestic and overseas capital and financial markets, the Bank maintains branches in the world’s key international financial centers, and works to expand and enhance its international finance business.

In addition to branches in New York, London, and Singapore, the Bank has representative offices in Beijing and Hong Kong.

The Norinchukin Group of Companies

The Bank, in line with its overall strategy for the cooperative banking business, forms strategic operating and capital alliances with companies in other industries and works together with the companies of the Norinchukin Group, which are engaged in a wide range of business activities.

■ The Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd. provides trust products and services for cooperative organizations, corporations, and other customers. Assets under management and administration by this company exceed ¥12 trillion. Norinchukin Trust & Banking also focuses on asset management for JA cooperative members, including the provision of inheritance trust services.

■ Companies that Support the Organizational Base of the Cooperative Banking Business

- Norinchukin Research Institute Co., Ltd. is the think tank of the agricultural, forestry, and fishery cooperatives and supports the cooperative banking business through its survey and research activities.
- Kyodo Seminar Co., Ltd. is responsible for training employees of the agricultural and fishery cooperative financial institutions, conducting training courses and correspondence courses, and publishing training materials for the management and staff of cooperative financial institutions. In FY2008, more than 10,000 people took part in correspondence training courses offered by Kyodo Seminar Co., Ltd. and about 9,000 people undertook certification exams.

■ Companies that Complement the Business Base of the Cooperative Banking Business

- Kyodo Housing Loan Co., Ltd. provides mortgages in partnership with more than 200 companies in the fields of housing and real estate sales, housing manufacturing, and other related areas, in addition to providing guarantee services for the JA Bank's mortgages. The company also handles Flat 35 mortgages in alliance with the Japan Housing Finance Agency.
- The Cooperative Servicing Co., Ltd., is responsible for the management and recovery of nonperforming loans and is part of the Cooperative Safety Net.
- Norinchukin-Zenkyoren Asset Management Co., Ltd., responds to the asset management needs of a range of financial institutions and institutional investors, including the agricultural cooperative organizations, through the development and offering of investment funds. This company is also responsible for offering the principal investment trust products sold in the branches and offices of the agricultural cooperative financial institutions.
- Mitsubishi UFJ Nicos Co., Ltd., a credit card company of the top-class in Japan. This company was newly accounted for using the equity method in August 2008. We expect to be able to offer more substantial services to users of the JA card.
- The Agribusiness Investment & Consultation Co., Ltd., makes investments and provides other financial support for agricultural corporations, with the dual objectives of helping them to secure financial stability and supporting their development.

■ Companies that Work to Modernize and Improve the Efficiency of the Cooperative Banking Business Operations

- Nochu Information System Co., Ltd. is entrusted with the tasks of developing and operating the Bank's various computer systems, including the backbone of the Bank's operating system. This company also plays a major role in the Bank's IT strategy.

The company is responsible for all developmental and operational aspects of the nationwide JASTEM System, the JA Bank's mission-critical system (a large retail system, managing approximately 47 million accounts and 12,000 ATMs). The JA Bank Computer System Co., Ltd. was responsible for the JASTEM System. However, the company merged with Nochu Information System Co., Ltd. in April 2008, in an effort to further reinforce the system's operational structure at both the JA Bank and the Norinchukin Bank.

■ Others

- Private Equity Funds Research and Investment Co., Ltd. is a private equity fund ratings and management company that was jointly established with Nomura Holdings Inc., among others, with the aim of creating a diverse range of profit opportunities.
- Ant Capital Partners Co., Ltd., manages and operates private equity funds. This company was newly accounted for using the equity method in November, 2008.
- Norinchukin Finance (Cayman) Limited is a special-purpose company which is located overseas and was established with the objective of raising capital for the Bank.