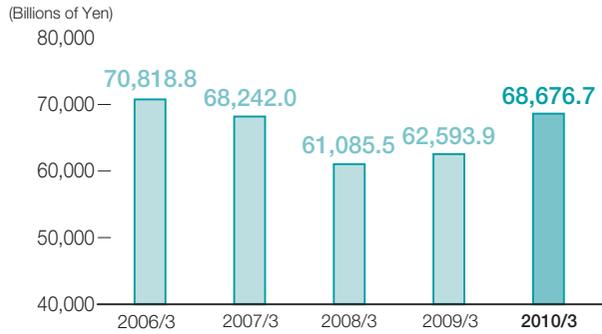
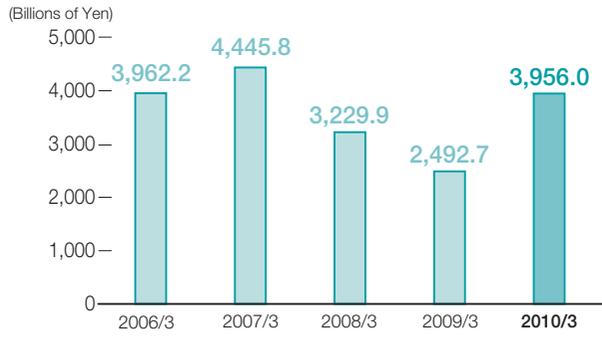


# Financial Highlights (Consolidated)

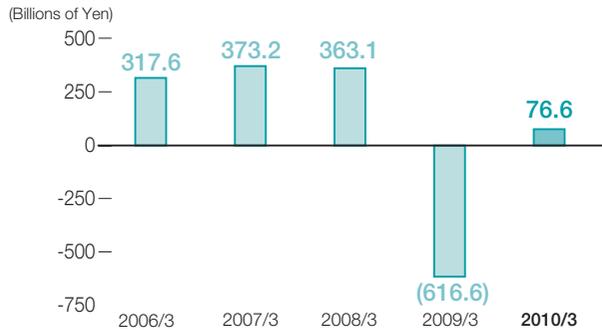
## ▶ Total Assets



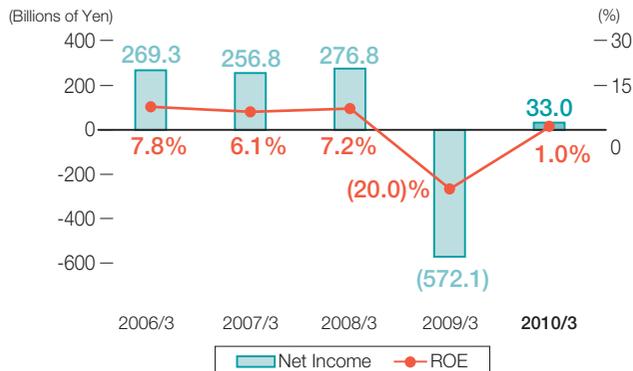
## ▶ Net Assets



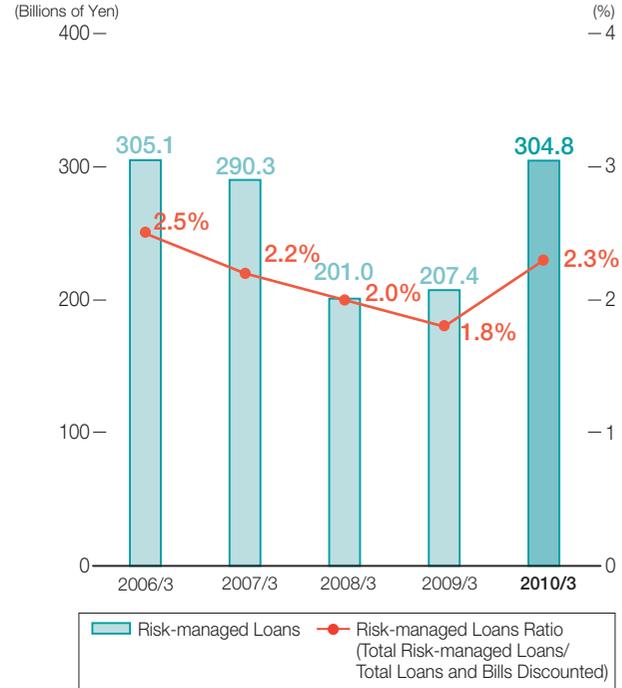
## ▶ Ordinary Profit (Loss)



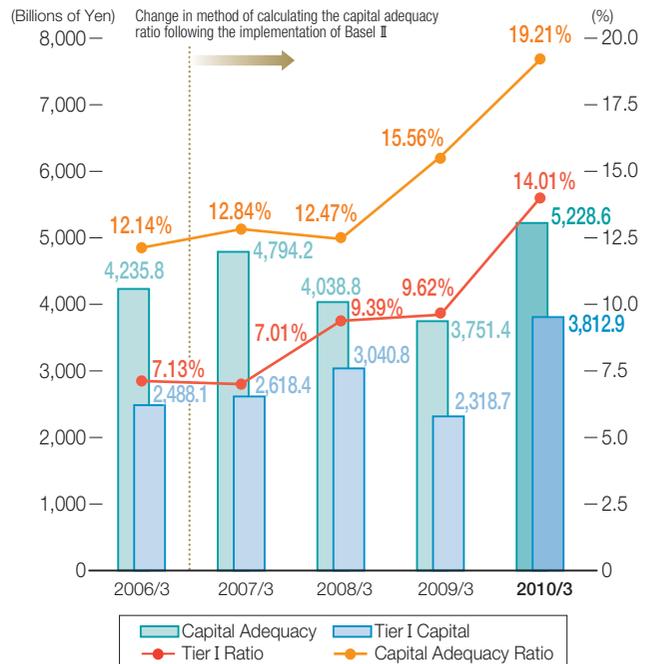
## ▶ ROE and Net Income (Loss)



## ▶ Risk-managed Loans



## ▶ Capital Adequacy Ratio



# Financial Review

## ■ Financial Results for the fiscal year ended March 31, 2010 (Consolidated)

The Norinchukin Bank's ("the Bank") financial results on a consolidated basis as of March 31, 2010 include the results of 8 consolidated subsidiaries and 6 affiliates (up 1 company from the previous year-end) which are accounted for by the equity method.

The following is a summary of Financial Results for the Fiscal 2009.

### • Balance of Assets and Liabilities

Consolidated Total Assets increased by ¥6,082.7 billion from the previous fiscal year-end to ¥68,676.7 billion, and consolidated Total Net Assets increased by ¥1,463.3 billion from the previous fiscal year-end to ¥3,956.0 billion.

On the asset side, Loans and Bills Discounted increased by ¥2,074.9 billion to ¥13,097.6 billion, and Securities increased by ¥4,454.1 billion from the previous fiscal year-end to ¥43,994.7 billion.

On the procurement side, Deposits increased by ¥1,608.8 to ¥39,101.6 billion, and Debentures increased by ¥353.7 billion from the previous fiscal year-end to ¥5,605.7 billion.

### • Income (Loss)

Consolidated Ordinary Profits\*, were ¥76.6 billion, a ¥693.2 billion increase compared with consolidated Ordinary Losses\* of ¥616.6 billion for the previous fiscal year. Consolidated Net Income was ¥33.0 billion, up ¥605.1 billion from consolidated Net Loss of ¥572.1 billion for the previous fiscal year.

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

### • Capital Adequacy Ratio

The Bank's Consolidated Capital Adequacy Ratio (Basel II standard) was 19.21% as of March 31, 2010.

## Key Management Indicators (Consolidated)

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

	2006/3	2007/3	2008/3	2009/3	2010/3	2010/3
Total Income	¥ 1,811.2	¥ 2,639.9	¥ 2,703.8	¥ 1,438.0	¥ 1,270.5	\$ 13,662
Total Expenses	1,445.0	2,250.8	2,278.5	2,048.1	1,194.8	12,848
Net Income (Loss)	269.3	256.8	276.8	(572.1)	33.0	356
Total Net Assets (Note 2)	3,962.2	4,445.8	3,229.9	2,492.7	3,956.0	42,538
Total Assets	70,818.8	68,242.0	61,085.5	62,593.9	68,676.7	738,459
Capital Adequacy Ratio (% , BIS) (Note 3)	12.14	12.84	12.47	15.56	19.21	19.21

Notes: 1. U.S. dollars have been converted at the rate of ¥93.00 to U.S.\$1, the effective rate of exchange at March 31, 2010.

2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes and Minority Interests in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry, and Fisheries No.16, 2001) issued on April 28, 2006, which came into effect from the fiscal year ended March 31, 2007.

3. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio at the fiscal year ended March 31, 2006.

## ■ Financial Results for the fiscal year ended March 31, 2010 (Non-consolidated)

### • Balance of Assets and Liabilities

Total Assets of the Bank increased by ¥5,971.1 billion to ¥68,470.3 billion from the previous fiscal year-end. Total Net Assets at the end of the fiscal year increased by ¥1,459.3 billion to ¥3,931.6 billion from the previous fiscal year-end.

On the asset side, Loans and Bills Discounted was ¥13,038.0 billion, and Securities was ¥44,013.7 billion. On the liability side, Deposits was ¥39,108.7 billion, and Debentures was ¥5,611.7 billion.

### • Income (Loss)

On the economic climate, financial market was recomposed by some financial authorities' policies, while weak real economy was actualized lately. In this earning environment, the Bank accumulated interest income steadily under the conservative financial management, and net interest of the Bank were ¥129.0 billion, up ¥68.4 billion from the previous fiscal year.

Total credit cost increased by ¥78.7 billion to ¥152.9

billion from the previous fiscal year for additional reserve due to worsening business performance of our clients.

As for net gains on securities, net gains on sales were increased by ¥239.4 billion to ¥149.6 billion from the previous fiscal year by quickly responding to the fluctuation in the financial markets, meanwhile expenses for holding securities were decreased by ¥199.5 billion to ¥147.1 billion from the previous fiscal year.

As a result of the factors mentioned above, the Bank's Ordinary Profits were ¥71.6 billion, up ¥684.3 billion from the previous fiscal year and Net Income was ¥29.5 billion, up ¥595.2 billion from the previous fiscal year. The Bank's net operating profits were ¥69.3 billion and net operating profits (before provision of general reserve for possible loan losses) were ¥93.4 billion.

### • Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio (Basel II standard) was 19.26% as of March 31, 2010.

### Key Management Indicators (Non-consolidated)

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

	2006/3	2007/3	2008/3	2009/3	2010/3	2010/3
Total Income	¥ 1,796.1	¥ 2,624.4	¥ 2,691.4	¥ 1,426.7	¥ 1,259.4	\$ 13,542
Total Expenses	1,435.2	2,241.3	2,274.9	2,030.7	1,189.0	12,785
Net Income (Loss)	267.6	253.8	272.0	(565.7)	29.5	318
Paid-in Capital	1,465.0	1,484.0	2,016.0	3,421.3	3,425.9	36,838
Total Net Assets (Note 2)	3,947.7	4,423.0	3,202.4	2,472.3	3,931.6	42,276
Total Assets	70,764.1	68,487.2	61,191.7	62,499.2	68,470.3	736,241
Deposits	40,483.4	41,253.6	38,813.3	37,501.5	39,108.7	420,524
Debentures	4,787.7	4,471.3	4,822.1	5,255.0	5,611.7	60,341
Loans and Bills Discounted	11,948.7	12,804.4	9,795.6	10,947.8	13,038.0	140,194
Securities	45,607.4	43,750.5	36,262.3	39,558.8	44,013.7	473,266
Capital Adequacy Ratio (% , BIS) (Note 3)	12.10	12.84	12.55	15.65	19.26	19.26

Notes: 1. U.S. dollars have been converted at the rate of ¥93.00 to U.S.\$1, the effective rate of exchange at March 31, 2010.

2. Total Net Assets includes Net Deferred Gains or Losses on Hedging Instruments, net of taxes in order to comply with the revision of "The Norinchukin Bank Law Enforcement Regulations" (Cabinet Office, the Ministry of Agriculture, Forestry, and Fisheries No.16, 2001) issued on April 28, 2006, which came into effect from the fiscal year ended March 31, 2007.

3. The calculation of the Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No.4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006, which came into effect from the fiscal year ended March 31, 2007. The former standards were applied in calculating the Capital Adequacy Ratio at the fiscal year ended March 31, 2006.

## **06 | MANAGEMENT STRATEGY**

This section introduces the reader to the Bank's business performance and measures to contribute to the development of the agricultural, forestry and fisheries, reform of fund operations and CSR activities under the "Business Renewal Plan."

## **23 | THE CURRENT STATE OF THE COOPERATIVE BANKING BUSINESS AND NORINCHUKIN BANK'S ROLE**

This section describes the business environment of Japan's agricultural, forestry, and fishery industries, the current operational state of the JA Bank System and the JF Marine Bank, and the role of the Norinchukin Bank in the cooperative banking business, together with the activities of affiliated cooperative organizations.

## **38 | CAPITAL AND RISK MANAGEMENT**

The Bank's capital adequacy, the most important management factor for financial institutions, is explained in this section, focusing on the Bank's conformity with the Basel II requirements. This section also introduces readers to the Bank's risk management system.

## **57 | MANAGEMENT SYSTEMS**

This section describes the various management systems that the Bank has put in place to facilitate fulfillment of its social responsibilities, such as systems for corporate governance, internal control, internal auditing, legal compliance, information security, the creation of a healthy and productive workplace, preservation of the natural environment, and social contributions.

## **72 | BUSINESS OUTLINE**

This section explains how the Norinchukin Bank functions both as a financial institution, with a nationwide network, which is part of the cooperative banking business and supports the nation's primary industrial sector, and one of the country's leading institutional investors. Details of the Bank's unique business operations are also introduced.

## **82 | FINANCIAL STATEMENTS, CAPITAL ADEQUACY, AND CORPORATE INFORMATION**

This section contains financial data relating to the Bank's business performance and its conformity with the Basel II capital adequacy requirements, as well as data on the Bank's organizational structure, its directors, its history, shareholders, and lists of the Bank's branches and of the Norinchukin Bank Group companies.