

Our work at The Norinchukin Bank won't change the world overnight.

Our focus is on the agriculture, fishery and forestry industries.

**This means that nature is our partner,
and nothing in nature bears fruit overnight.**

**Industries in this sector don't make things
—they produce and nurture life as a legacy for future generations.**

**This is precisely why we are dedicated to serving those who sustain these industries
and their local communities, no matter how small the scale of their operations.**

**As the sole financial institution wholly devoted to this sector
—the very cornerstone of our nation, we strive consistently
to generate solid outcomes in the global financial markets.**

Our history spans more than 90 years.

But that alone is no longer enough.

**We must take on a greater role than ever before
if this sector is to continue developing in response to the changing times.**

**We must harness our financial knowledge to make
new contributions that extended beyond our past functions and scope.**

We must do our utmost to address on-the-ground issues.

**We must respond to the needs not only of producers,
but also to those of processors, distributors and consumers.**

**The life generated by the agriculture, fishery and forestry industries
sprouts the workings of all life well into the future.**

Now is the time for each and every one of us to give our all.

**We aim to make the chain of life that connects us to the future
more bounteous and more certain.**

Dedicated to sustaining all life.

The Norinchukin Bank

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Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of September 30, 2019 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the prospects, business plans, targets, etc. of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

In this report, Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF, and Japan Forest Owners' Cooperatives as JForest.

Message from the Management

Report on Financial Statements for the First Half of Fiscal 2019



Toru Nakaya

Chairman of the Supervisory Committee

Kazuto Oku

President and Chief Executive Officer

In fiscal 2019, as the first year of the Medium-Term Management Plan (FY2019-FY2023), which covers the five years starting in fiscal 2019, The Norinchukin Bank (the Bank) is proceeding steadily with its business operations and is continuing to work toward becoming the leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.

In the first half of fiscal 2019, against the backdrop of the U.S. Federal Reserve cutting interest rates and issues such as U.S.-China trade tension, long-term interest rates declined. The trend of rising stock prices continued in the United States although some adjustment phases were seen. Foreign exchange rates saw a progression of yen appreciation mainly against the U.S. dollar.

Under such circumstances, the Bank undertook appropriate financial management aiming at stable profit. As a result, in the first half of fiscal 2019, the Bank secured Consolidated Ordinary Profits of ¥86.0 billion. At the same time, it maintained its Consolidated Capital Adequacy Ratio at a high level, with a Common Equity Tier 1 Capital Ratio of 18.09%, a Tier 1 Capital Ratio of 21.19%, and a Total Capital Ratio of 21.19%. Looking ahead, with the economic and financial environment expected to remain harsh—e.g., the continuing low-interest global environment such as the prolonged negative interest rate policy in Japan—the

Bank will seek to engage in appropriate financial management.

Looking at business operations going forward, under the basic policy of the Medium-Term Management Plan (FY2019-FY2023)—“More customer-orientation,” “Lead Agriculture, Fishery and Forestry industries,” “Proactive digital innovation,” “Forward looking business transformation” and “Establish a sustainable financial base,” we will work in alliance with the entire cooperative groups within the structure of the “Food and Agriculture Business,” the “Retail Business” and the “Investment Business,” supported by “Corporate & Shared Services,” jointly with JA Bank Medium-Term Management Strategies, JF Marine Bank Medium-Term Management Strategies and the JForest Cooperatives Action Policy. Moreover, the Bank will steadily implement continuous self-reform as a member of JA Group.

JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agriculture, fishery and forestry industries and their rural communities.

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

January 2020

TORU NAKAYA Kazuto Oku

Financial Results for the First Half of Fiscal 2019

Income

On a consolidated basis, Ordinary Profits* came to ¥86.0 billion, down ¥31.1 billion on a year-over-year basis, and Profit Attributable to Owners of Parent was ¥68.1 billion, down ¥17.6 billion on a year-over-year basis.

On a non-consolidated basis, Ordinary Profits came to ¥84.4 billion, down ¥31.4 billion on a year-over-year basis, and Net Income was ¥68.7 billion, down ¥17.8 billion on a year-over-year basis.

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

Balance of Assets and Liabilities

On a consolidated basis, Total Assets at the end of the first half of fiscal 2019 was ¥108,398.2 billion, up ¥2,444.2 billion from the previous fiscal year-end. Total Net Assets came to ¥7,770.7 billion, up ¥297.4 billion from the previous fiscal year-end.

On a non-consolidated basis, Total Assets was ¥106,479.7 billion, up ¥2,302.9 billion from the previous fiscal year-end. On the assets side, Loans and Bills Discounted was ¥18,989.9 billion, and Securities was ¥55,547.3 billion. On the liabilities side, Deposits amounted to ¥66,139.6 billion, and Debentures was ¥1,015.2 billion.

Capital Adequacy Ratio (Basel III Standard)

On a consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 18.09%, its Tier 1 Capital Ratio was 21.19%, and its Total Capital Ratio was 21.19%.

On a non-consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 18.27%, its Tier 1 Capital Ratio was 21.45%, and its Total Capital Ratio was 21.45%.

Key Management Indicators

<Consolidated>

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

	First Half of Fiscal 2017	Fiscal 2017	First Half of Fiscal 2018	Fiscal 2018	First Half of Fiscal 2019	First Half of Fiscal 2019
Total Income	¥ 756.0	¥ 1,464.4	¥ 911.0	¥ 1,732.1	¥ 832.6	\$ 7,714
Total Expenses	614.1	1,280.5	793.8	1,607.8	745.0	6,903
Profit Attributable to Owners of Parent	106.5	147.6	85.8	103.5	68.1	631
Total Comprehensive Income	230.5	(192.9)	(8.3)	238.5	397.9	3,686
Total Net Assets	7,169.4	6,746.0	6,666.6	7,473.2	7,770.7	71,997
Total Assets	113,201.5	104,927.7	108,041.1	105,953.9	108,398.2	1,004,338
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	18.72	19.02	16.62	16.59	18.09	18.09
Tier 1 Capital Ratio (%)	18.75	19.02	16.63	19.65	21.19	21.19
Total Capital Ratio (%)	23.54	23.50	20.60	19.65	21.19	21.19

Notes: 1. U.S. dollars have been converted at the rate of ¥107.93 to U.S.\$1, the effective rate of exchange at September 30, 2019.

2. The calculation of the Bank's Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.

<Non-Consolidated>

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

	First Half of Fiscal 2017	Fiscal 2017	First Half of Fiscal 2018	Fiscal 2018	First Half of Fiscal 2019	First Half of Fiscal 2019
Total Income	¥ 745.6	¥ 1,425.7	¥ 902.2	¥ 1,709.1	¥ 822.3	\$ 7,619
Total Expenses	608.1	1,268.4	786.4	1,591.9	736.4	6,822
Net Income	104.5	129.9	86.5	100.6	68.7	636
Paid-in Capital	3,480.4	3,480.4	3,480.4	4,040.1	4,040.1	37,433
Total Net Assets	7,098.3	6,654.0	6,576.6	7,381.8	7,683.4	71,189
Total Assets	111,841.2	103,417.6	106,408.0	104,176.8	106,479.7	986,562
Deposits	65,281.2	65,823.8	67,074.1	66,821.5	66,139.6	612,801
Debentures	2,098.9	1,774.4	1,515.5	1,262.2	1,015.2	9,406
Loans and Bills Discounted	11,654.5	11,742.6	13,821.1	18,438.0	18,989.9	175,946
Securities	62,572.5	52,332.7	54,003.4	55,751.1	55,547.3	514,660
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	18.83	19.20	16.78	16.73	18.27	18.27
Tier 1 Capital Ratio (%)	18.88	19.23	16.81	19.86	21.45	21.45
Total Capital Ratio (%)	23.74	23.78	20.84	19.86	21.45	21.45

Notes: 1. U.S. dollars have been converted at the rate of ¥107.93 to U.S.\$1, the effective rate of exchange at September 30, 2019.

2. The calculation of the Bank's Non-Consolidated BIS Capital Adequacy Ratio is based on the formula found in Notification No. 4 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries (Standards for Judging the Soundness of Management of the Norinchukin Bank) issued in 2006.