

**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 maintain a century-long dedication to  
serving those who sustain these industries and their local communities,  
no matter how small the scale of their operations.**

**And 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.**

**But that is no longer enough.**

**We must take on a greater role than ever before so that  
the agriculture, fishery and forestry industries 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, 2023 (unless otherwise stated), as well as forward-looking statements pertaining to the forecasts, estimations, 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 might affect our businesses and could cause actual results to differ materially from those currently anticipated.

In this report, agriculture, fishery and forestry are collectively referred to as "AFF," 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 2023



**YAMANO Toru**

Chairman of the Supervisory Committee

**OKU Kazuto**

President and Chief Executive Officer

We would like to sincerely thank all our stakeholders for supporting the day-to-day operations of The Norinchukin Bank (“the Bank”).

The vision set forth under the Medium-Term Management Plan (FY2019–FY2023) of the Bank is to “become the leading bank that supports the agriculture, fishery and forestry (“AFF”) industries, food production and consumption, and the daily lives of local communities.” In fiscal 2023, by making the pursuit of this vision its perpetual endeavor, the Bank is proceeding steadily with its business operations.

During the first half of fiscal 2023, the financial markets faced rising interest rates mainly in the United States and Europe, as concerns continued about inflation rates hovering high against a backdrop of persistent employment and consumer demand, although the pace of price increases slowed due to monetary tightening via interest rate hikes by central banks in various countries. Stock markets remained steady, and the foreign exchange market saw a significant appreciation of the dollar against the yen due to differences in monetary policy between Japan and the United States.

As this volatile and uncertain market environment continues, we have conducted financial operations, prioritizing prudential soundness. As a result, in the first half of fiscal 2023, the Bank secured Consolidated Ordinary Profits of ¥185.5 billion, as well as a Consolidated Capital Adequacy Ratio as represented by a Common Equity Tier 1 Capital Ratio of 14.02%, a Tier 1 Capital Ratio of 18.12%, and a Total Capital Ratio of 18.13%. As the continuation of volatile and uncertain economic and financial environments is expected, the Bank will continue to engage in appropriate financial management.

Looking at business operations, the Bank is determined to continue to fulfill its overall mission of being committed to the development of the AFF industries in line with its Purpose. To achieve that, the Bank will steadily implement five specific missions: contribute to the global environment; contribute to the AFF industries and local communities; enhance the members’ management base; secure a sustainable financial/profit base; and maximize organizational vitality. These missions will be pursued in alliance with all the cooperative groups, 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 AFF industries and their rural communities and the resolution of environmental and social issues.

Global price increases due to changes in international situations have had a significant impact on many industries including the AFF industries. The Bank will continue to provide maximum support for the various AFF industry-related stakeholders affected by this problem, as the mission of a financial institution that operates in the foundational AFF industries and related local communities.

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

January 2024

# Financial Results for the First Half of Fiscal 2023

## Income

On a consolidated basis, Ordinary Profits\* came to ¥185.5 billion, down ¥0.9 billion on a year-over-year basis, and Profit Attributable to Owners of Parent was ¥144.3 billion, down ¥25.4 billion on a year-over-year basis.

On a non-consolidated basis, Ordinary Profits came to ¥176.9 billion, down ¥6.2 billion on a year-over-year basis, and Net Income was ¥141.2 billion, down ¥29.7 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 2023 were ¥101,953.9 billion, up ¥7,448.9 billion from the previous fiscal year-end. Total Net Assets came to ¥4,704.2 billion, down ¥969.2

billion from the previous fiscal year-end.

On a non-consolidated basis, Total Assets were ¥98,691.6 billion, up ¥7,266.2 billion from the previous fiscal year-end. On the assets side, Loans and Bills Discounted were ¥17,318.3 billion, and Securities were ¥44,431.9 billion. On the liabilities side, Deposits amounted to ¥65,289.1 billion and Debentures were ¥435.2 billion.

## Capital Adequacy Ratio (Basel III Standard)

On a consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 14.02%, its Tier 1 Capital Ratio was 18.12%, and its Total Capital Ratio was 18.13%.

On a non-consolidated basis, the Bank's Common Equity Tier 1 Capital Ratio was 13.66%, its Tier 1 Capital Ratio was 17.85%, and its Total Capital Ratio was 17.86%.

## Key Management Indicators

<Consolidated>

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

	First Half of Fiscal 2021	Fiscal 2021	First Half of Fiscal 2022	Fiscal 2022	First Half of Fiscal 2023	First Half of Fiscal 2023
Total Income	¥ 631.8	¥ 1,268.6	¥ 1,315.1	¥ 2,201.7	¥ 1,598.3	\$ 10,686
Total Expenses	497.7	1,005.0	1,105.1	2,138.4	1,362.0	9,106
Profit Attributable to Owners of Parent	93.8	184.6	169.8	50.9	144.3	965
Total Comprehensive Income	312.6	(551.6)	(1,706.5)	(1,479.3)	(904.4)	(6,047)
Total Net Assets	8,158.9	7,294.6	5,497.1	5,673.5	4,704.2	31,451
Total Assets	108,129.4	106,138.3	101,392.5	94,504.9	101,953.9	681,646
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	21.32	17.87	12.59	17.82	14.02	14.02
Tier 1 Capital Ratio (%)	24.75	21.22	15.78	21.98	18.12	18.12
Total Capital Ratio (%)	24.75	21.23	15.78	22.03	18.13	18.13

Notes: 1. U.S. dollars have been converted at the rate of ¥149.57 to U.S.\$1, the effective rate of exchange at September 30, 2023.

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.

## &lt;Non-Consolidated&gt;

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

	First Half of Fiscal 2021	Fiscal 2021	First Half of Fiscal 2022	Fiscal 2022	First Half of Fiscal 2023	First Half of Fiscal 2023
Total Income	¥ 619.0	¥ 1,239.1	¥ 1,305.6	¥ 2,174.8	¥ 1,581.0	\$ 10,570
Total Expenses	491.7	994.7	1,099.0	2,128.4	1,353.3	9,048
Net Income	90.1	172.6	170.9	43.2	141.2	944
Paid-in Capital	4,040.1	4,040.1	4,040.1	4,040.1	4,040.1	27,012
Total Net Assets	8,020.5	7,144.5	5,302.1	5,470.0	4,480.1	29,953
Total Assets	105,539.9	103,366.3	98,443.3	91,425.4	98,691.6	659,836
Deposits	66,140.4	64,019.8	63,604.3	63,832.3	65,289.1	436,512
Debentures	413.3	363.7	470.9	455.0	435.2	2,910
Loans and Bills Discounted	22,146.1	22,955.4	18,948.0	16,902.5	17,318.3	115,787
Securities	44,597.6	47,057.2	44,262.6	40,062.6	44,431.9	297,064
Capital Adequacy Ratio (BIS) (Note 2)						
Common Equity Tier 1 Capital Ratio (%)	21.40	17.85	12.58	17.53	13.66	13.66
Tier 1 Capital Ratio (%)	24.91	21.27	15.86	21.76	17.85	17.85
Total Capital Ratio (%)	24.91	21.27	15.86	21.80	17.86	17.86

Notes: 1. U.S. dollars have been converted at the rate of ¥149.57 to U.S.\$1, the effective rate of exchange at September 30, 2023.

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.