

# Financial Statements for the First Quarter of Fiscal 2021

Name : **The Norinchukin Bank**

(URL <https://www.nochubank.or.jp/> )

Name of the President: OKU Kazuto, President & Chief Executive Officer

The Person Responsible for Inquiries : CHIBA Yuji, General Manager of Financial Planning & Control Division

(Note) Amounts less than one million Yen are rounded down.

## 1 Consolidated Financial Results for the First Quarter of Fiscal 2021 (for the three months ended June 30, 2021)

### (1) Consolidated Results of Operations (Accumulated Period)

(Percentage represents change from the same period of the preceding year)

	Ordinary Income		Ordinary Profits		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q Fiscal 2021	342,861	18.3	61,001	85.9	47,116	52.8
1Q Fiscal 2020	289,781	(36.3)	32,816	(57.0)	30,832	(48.5)

(Note) Comprehensive Income for 1Q Fiscal 2021 249,726 millions of Yen (63.3) % for 1Q Fiscal 2020 680,795 millions of Yen 195.5%

### (2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1Q Fiscal 2021	108,318,193	8,099,613	7.5
Fiscal 2020	107,647,809	7,955,581	7.4

(Ref) Net Assets – Non-controlling Interests for 1Q Fiscal 2021 8,087,651 millions of Yen for Fiscal 2020 7,943,793 millions of Yen

(Note) Net Assets Ratio is computed by dividing (Net Assets – Non-controlling Interests) by Total Assets.

Net Assets Ratio above is not the one calculated 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).

## ※ Notes

### (1) Changes in Significant Subsidiaries during the Period

(Changes in specified subsidiaries in accordance with changes in the scope of consolidation) : None

### (2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements

: None

### (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

- ① Changes in Accounting Policies due to revisions of Accounting Standards : Yes
- ② Changes in Accounting Policies other than ① above : None
- ③ Changes in Accounting Estimates : None
- ④ Restatements : None

(Note) The details are reported in Qualitative Information and Financial Statements “2 Other information” (page 3).

## 2 Non-consolidated Financial Results for the First Quarter of Fiscal 2021

(for the three months ended June 30, 2021)

### (1) Non-consolidated Results of Operations (Accumulated Period)

(Percentage represents change from the same period of the preceding year)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q Fiscal 2021	338,366	17.4	59,942	46.6	47,986	20.3
1Q Fiscal 2020	288,256	(36.1)	40,896	(47.0)	39,877	(35.6)

### (2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1Q Fiscal 2021	105,817,864	7,962,469	7.5
Fiscal 2020	105,238,114	7,826,026	7.4

(Ref) Net Assets for 1Q Fiscal 2021 7,962,469 millions of Yen for Fiscal 2020 7,826,026 millions of Yen

(Note) Net Assets Ratio is computed by dividing Net Assets by Total Assets.

Net Assets Ratio above is not the one calculated 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).

※ This report is out of the scope of the external auditor's quarterly review.

## ***Qualitative Information and Financial Statements***

### 1 Qualitative information relating to the Financial Results for the First Quarter of Fiscal 2021

#### (1) Qualitative information relating to the Results of Operations

The Norinchukin Bank (“the Bank”) has been managing operations to secure steady accumulation of interest income, and then the Bank’s Consolidated Ordinary Profits were ¥61.0 billion, up ¥28.1 billion on a year-over-year basis and Profit Attributable to Owners of Parent was ¥47.1 billion, up ¥16.2 billion on a year-over-year basis.

The non-consolidated interest income of the Bank totaled to ¥1.8 billion, down ¥55.1 billion on a year-over-year basis.

The total credit costs were ¥5.9 billion in net earnings mainly from the reversal of the reserve due to the decrease in the assets to be reserved.

As for securities investments, net gains/losses on sales were net gains of ¥28.9 billion, up ¥23.9 billion on a year-over-year basis and the expenses of provisions and impairments for price-decline of securities and other reasons increased by ¥1.2 billion to ¥1.9 billion on a year-over-year basis.

As a result, with all of the factors mentioned above, the Bank recorded ¥59.9 billion in Ordinary Profits, up ¥19.0 billion and ¥47.9 billion in Net Income, up ¥8.1 billion on a year-over-year basis, respectively. The Bank’s net operating losses stood at ¥102.2 billion.

#### (2) Qualitative information relating to the Financial Conditions

Consolidated Total Assets at the end of the period increased by ¥670.3 billion to ¥108,318.1 billion from the previous fiscal year-end.

Total Assets of the Bank at the end of the period increased by ¥579.7 billion to ¥105,817.8 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥136.4 billion to ¥7,962.4 billion from the previous fiscal year-end.

As to the balances of the major accounts on the assets side, Loans and Bills Discounted at the end of the period decreased by ¥330.4 billion to ¥21,493.5 billion from the previous fiscal year-end, and Securities at the end of the period decreased by ¥955.7 billion to ¥47,535.7 billion from the previous fiscal year-end. For those on the liabilities side, Deposits at the end of the period decreased by ¥92.3 billion to ¥65,583.1 billion, and Debentures at the end of the period decreased by ¥30.0 billion to ¥331.4 billion from the previous fiscal year-end, respectively.

### 2 Other information

#### (1) Changes in Significant Subsidiaries during the Period

None

#### (2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements

None

#### (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements of Quarterly Consolidated Financial Statements

##### (Changes in Accounting Policies)

##### (Adoption of Accounting Standard for Revenue Recognition and Others)

The Bank and its consolidated subsidiaries (the Group) have adopted Accounting Standard for Revenue Recognition (The Accounting Standards Board of Japan (ASBJ) Statement No.29, issued on 31st March 2020) and others at the beginning of the first quarter of this fiscal year

and recognize revenue when promised goods or services are transferred to customers, in an amount that reflects the consideration to which the Group expect to be entitled in exchange for those goods or services.

Upon the adoption of the accounting standard, the Group elected the transition method described by proviso to article 84 of the accounting standard, and have recognized a cumulative effect in case where the Group would have retrospectively elected the new accounting policy, which was adjusted to retained earnings at the beginning of the first quarter of this fiscal year, and have adopted the new accounting policy to the beginning balance of retained earnings in the fiscal year.

As a result, the impact on the consolidated financial statements in this period was immaterial.

### 3 Quarterly Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2021	As of June 30, 2021
(Assets)		
Loans and Bills Discounted	22,102,545	21,810,919
Foreign Exchange Assets	290,017	252,056
Securities	48,093,847	47,218,026
Money Held in Trust	10,638,598	10,444,183
Trading Assets	7,310	6,423
Monetary Claims Bought	302,918	280,203
Call Loans and Bills Bought	60,890	2,552,120
Receivables under Resale Agreements	548,061	259
Cash and Due from Banks	20,066,967	20,372,051
Other Assets	2,885,756	2,529,323
Tangible Fixed Assets	165,914	166,592
Intangible Fixed Assets	57,724	55,196
Net Defined Benefit Asset	112,151	112,379
Deferred Tax Assets	3,771	3,597
Customers' Liabilities for Acceptances and Guarantees	2,446,587	2,642,973
Reserve for Possible Loan Losses	(134,983)	(128,068)
Reserve for Possible Investment Losses	(270)	(46)
<b>Total Assets</b>	<b>107,647,809</b>	<b>108,318,193</b>
(Liabilities)		
Deposits	65,652,162	65,566,540
Negotiable Certificates of Deposit	3,100,259	3,105,004
Debentures	355,479	325,689
Trading Liabilities	5,137	5,825
Borrowed Money	5,092,464	4,883,601
Payables under Repurchase Agreements	17,073,926	16,994,745
Foreign Exchange Liabilities	0	39
Short-term Entrusted Funds	877,743	2,176,643
Other Liabilities	4,543,028	3,887,616
Reserve for Bonus Payments	7,552	3,932
Net Defined Benefit Liability	29,486	28,831
Reserve for Directors' Retirement Benefits	1,459	884
Deferred Tax Liabilities	498,333	589,891
Deferred Tax Liabilities for Land Revaluation	8,607	6,360
Acceptances and Guarantees	2,446,587	2,642,973
<b>Total Liabilities</b>	<b>99,692,228</b>	<b>100,218,580</b>
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	24,993	24,993
Retained Earnings	2,146,592	2,088,485
<b>Total Owners' Equity</b>	<b>6,211,784</b>	<b>6,153,677</b>
Net Unrealized Gains on Other Securities	1,948,587	2,159,871
Net Deferred Losses on Hedging Instruments	(280,135)	(289,598)
Revaluation Reserve for Land	14,312	16,559
Foreign Currency Transaction Adjustments	(16)	410
Remeasurements of Defined Benefit Plans	49,260	46,731
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,732,008</b>	<b>1,933,973</b>
Non-controlling Interests	11,787	11,961
<b>Total Net Assets</b>	<b>7,955,581</b>	<b>8,099,613</b>
<b>Total Liabilities and Net Assets</b>	<b>107,647,809</b>	<b>108,318,193</b>

## (2) Consolidated Statements of Operations and Comprehensive Income

### Consolidated Statement of Operations

(Millions of Yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
<b>Ordinary Income</b>	<b>289,781</b>	<b>342,861</b>
Interest Income	235,707	115,248
Interest on Loans and Bills Discounted	27,266	23,212
Interest and Dividends on Securities	204,415	88,368
Fees and Commissions	7,908	6,625
Trading Income	318	9
Other Operating Income	17,513	39,618
Other Ordinary Income	28,334	181,359
<b>Ordinary Expenses</b>	<b>256,964</b>	<b>281,859</b>
Interest Expenses	190,102	127,523
Interest on Deposits	13,991	2,972
Fees and Commissions	4,086	4,471
Trading Expenses	0	110
Other Operating Expenses	11,704	107,602
General and Administrative Expenses	35,836	36,560
Other Ordinary Expenses	15,234	5,591
<b>Ordinary Profits</b>	<b>32,816</b>	<b>61,001</b>
<b>Extraordinary Losses</b>	<b>140</b>	<b>31</b>
<b>Income before Income Taxes</b>	<b>32,676</b>	<b>60,970</b>
<b>Income Taxes - Current</b>	<b>23,088</b>	<b>183</b>
<b>Income Taxes - Deferred</b>	<b>(21,461)</b>	<b>13,030</b>
<b>Total Income Taxes</b>	<b>1,627</b>	<b>13,213</b>
<b>Profit</b>	<b>31,049</b>	<b>47,756</b>
<b>Profit Attributable to Non-controlling Interests</b>	<b>216</b>	<b>640</b>
<b>Profit Attributable to Owners of Parent</b>	<b>30,832</b>	<b>47,116</b>

## Consolidated Statement of Comprehensive Income

(Millions of Yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
<b>Profit</b>	<b>31,049</b>	<b>47,756</b>
<b>Other Comprehensive Income</b>	<b>649,745</b>	<b>201,969</b>
Net Unrealized Gains (Losses) on Other Securities	675,634	212,461
Net Deferred Gains (Losses) on Hedging Instruments	(26,614)	(9,469)
Revaluation Reserve for Land	-	2,247
Foreign Currency Transaction Adjustments	51	427
Remeasurements of Defined Benefit Plans	(334)	(2,540)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	1,008	(1,156)
<b>Total Comprehensive Income</b>	<b>680,795</b>	<b>249,726</b>
Attributable to:		
Owners of Parent	680,568	249,081
Non-controlling Interests	226	644

4 Quarterly Non-Consolidated Financial Statements  
(1) Non-consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2021	As of June 30, 2021
<b>(Assets)</b>		
Loans and Bills Discounted	21,824,004	21,493,533
Foreign Exchange Assets	271,190	252,056
Securities	48,491,498	47,535,718
Money Held in Trust	10,637,717	10,442,191
Trading Assets	7,310	6,423
Monetary Claims Bought	302,918	280,203
Call Loans	60,890	2,552,120
Receivables under Resale Agreements	547,931	-
Cash and Due from Banks	19,820,208	20,209,822
Other Assets	2,877,505	2,521,807
Tangible Fixed Assets	164,657	164,913
Intangible Fixed Assets	54,299	52,192
Prepaid Pension Cost	41,641	45,491
Customers' Liabilities for Acceptances and Guarantees	269,647	387,454
Reserve for Possible Loan Losses	(131,577)	(124,333)
Reserve for Possible Investment Losses	(1,730)	(1,730)
<b>Total Assets</b>	<b>105,238,114</b>	<b>105,817,864</b>
<b>(Liabilities)</b>		
Deposits	65,675,444	65,583,109
Negotiable Certificates of Deposit	3,100,259	3,105,004
Debentures	361,479	331,439
Trading Liabilities	5,137	5,825
Borrowed Money	5,035,964	4,827,101
Payables under Repurchase Agreements	17,073,926	16,994,745
Foreign Exchange Liabilities	0	39
Short-term Entrusted Funds	877,743	2,176,643
Other Liabilities	4,491,742	3,841,375
Reserve for Bonus Payments	5,901	2,885
Reserve for Retirement Benefits	25,394	24,815
Reserve for Directors' Retirement Benefits	1,015	568
Deferred Tax Liabilities	479,825	568,026
Deferred Tax Liabilities for Land Revaluation	8,607	6,360
Acceptances and Guarantees	269,647	387,454
<b>Total Liabilities</b>	<b>97,412,087</b>	<b>97,855,394</b>
<b>(Net Assets)</b>		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	25,020	25,020
Retained Earnings	2,079,491	2,022,254
<b>Total Owners' Equity</b>	<b>6,144,710</b>	<b>6,087,474</b>
Net Unrealized Gains on Other Securities, net of taxes	1,944,952	2,157,401
Net Deferred Losses on Hedging Instruments, net of taxes	(277,948)	(298,964)
Revaluation Reserve for Land, net of taxes	14,312	16,559
<b>Total Valuation and Translation Adjustments</b>	<b>1,681,316</b>	<b>1,874,995</b>
<b>Total Net Assets</b>	<b>7,826,026</b>	<b>7,962,469</b>
<b>Total Liabilities and Net Assets</b>	<b>105,238,114</b>	<b>105,817,864</b>

## (2) Non-consolidated Statement of Operations

(Millions of Yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
<b>Ordinary Income</b>	<b>288,256</b>	<b>338,366</b>
Interest Income	241,200	119,434
Interest on Loans and Bills Discounted	23,994	18,900
Interest and Dividends on Securities	213,183	96,663
Fees and Commissions	4,167	2,694
Trading Income	318	9
Other Operating Income	16,181	38,316
Other Ordinary Income	26,388	177,912
<b>Ordinary Expenses</b>	<b>247,360</b>	<b>278,424</b>
Interest Expenses	190,060	127,719
Interest on Deposits	13,991	2,853
Fees and Commissions	3,579	5,905
Trading Expenses	0	110
Other Operating Expenses	11,550	107,332
General and Administrative Expenses	31,696	31,823
Other Ordinary Expenses	10,472	5,533
<b>Ordinary Profits</b>	<b>40,896</b>	<b>59,942</b>
<b>Extraordinary Losses</b>	<b>139</b>	<b>30</b>
<b>Income before Income Taxes</b>	<b>40,756</b>	<b>59,911</b>
<b>Income Taxes - Current</b>	<b>22,565</b>	<b>(1,046)</b>
<b>Income Taxes - Deferred</b>	<b>(21,686)</b>	<b>12,971</b>
<b>Total Income Taxes</b>	<b>879</b>	<b>11,924</b>
<b>Net Income</b>	<b>39,877</b>	<b>47,986</b>