

Financial Statements for the First Half 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 Half of Fiscal 2021 (for the six months ended September 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	%
1H Fiscal 2021	631,258	6.6	133,666	53.8	93,880	43.3
1H Fiscal 2020	592,268	(28.7)	86,911	1.0	65,506	(3.9)

(Note) Comprehensive Income for 1H Fiscal 2021 312,647 millions of Yen (63.1) % for 1H Fiscal 2020 847,403 millions of Yen 113.0 %

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1H Fiscal 2021	108,129,448	8,158,989	7.5
Fiscal 2020	107,647,809	7,955,581	7.4

(Ref) Net Assets – Non-controlling Interests for 1H Fiscal 2021 8,149,164 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) 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 “Changes in Accounting Policies” (page 8).

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

(for the six months ended September 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	%
1H Fiscal 2021	618,427	5.7	126,785	38.0	90,199	24.5
1H Fiscal 2020	585,337	(28.7)	91,850	8.8	72,471	5.5

(2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1H Fiscal 2021	105,539,941	8,020,501	7.6
Fiscal 2020	105,238,114	7,826,026	7.4

(Ref) Net Assets for 1H Fiscal 2021 8,020,501 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 semi-annual audit procedure.

Consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2020 (As of March 31, 2021)	First Half of Fiscal 2021 (As of September 30, 2021)
(Assets)		
Loans and Bills Discounted	22,102,545	22,482,347
Foreign Exchange Assets	290,017	262,293
Securities	48,093,847	44,269,680
Money Held in Trust	10,638,598	9,933,627
Trading Assets	7,310	6,991
Monetary Claims Bought	302,918	291,382
Call Loans and Bills Bought	60,890	1,750,000
Receivables under Resale Agreements	548,061	399,692
Cash and Due from Banks	20,066,967	23,408,093
Other Assets	2,885,756	2,364,627
Tangible Fixed Assets	165,914	166,467
Intangible Fixed Assets	57,724	54,994
Net Defined Benefit Asset	112,151	112,521
Deferred Tax Assets	3,771	4,106
Customers' Liabilities for Acceptances and Guarantees	2,446,587	2,742,268
Reserve for Possible Loan Losses	(134,983)	(119,462)
Reserve for Possible Investment Losses	(270)	(183)
Total Assets	107,647,809	108,129,448
(Liabilities)		
Deposits	65,652,162	66,127,970
Negotiable Certificates of Deposit	3,100,259	2,475,328
Debentures	355,479	407,854
Trading Liabilities	5,137	4,313
Borrowed Money	5,092,464	4,891,121
Payables under Repurchase Agreements	17,073,926	18,069,526
Foreign Exchange Liabilities	0	13
Short-term Entrusted Funds	877,743	1,627,147
Other Liabilities	4,543,028	2,954,407
Reserve for Bonus Payments	7,552	7,565
Net Defined Benefit Liability	29,486	29,149
Reserve for Directors' Retirement Benefits	1,459	911
Deferred Tax Liabilities	498,333	628,091
Deferred Tax Liabilities for Land Revaluation	8,607	4,790
Acceptances and Guarantees	2,446,587	2,742,268
Total Liabilities	99,692,228	99,970,459
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	24,993	23,399
Retained Earnings	2,146,592	2,137,269
Total Owners' Equity	6,211,784	6,200,867
Net Unrealized Gains on Other Securities	1,948,587	2,118,712
Net Deferred Losses on Hedging Instruments	(280,135)	(229,459)
Revaluation Reserve for Land	14,312	14,538
Foreign Currency Transaction Adjustments	(16)	331
Remeasurements of Defined Benefit Plans	49,260	44,173
Total Accumulated Other Comprehensive Income	1,732,008	1,948,296
Non-controlling Interests	11,787	9,824
Total Net Assets	7,955,581	8,158,989
Total Liabilities and Net Assets	107,647,809	108,129,448

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

(Millions of Yen)

	First Half of Fiscal 2020 (Six Months ended September 30, 2020)	First Half of Fiscal 2021 (Six Months ended September 30, 2021)
Ordinary Income	592,268	631,258
Interest Income	431,003	289,330
Interest on Loans and Bills Discounted	50,967	46,492
Interest and Dividends on Securities	371,889	235,484
Fees and Commissions	15,341	13,974
Trading Income	323	-
Other Operating Income	39,287	56,732
Other Ordinary Income	106,313	271,221
Ordinary Expenses	505,357	497,592
Interest Expenses	342,366	256,284
Interest on Deposits	20,219	5,258
Fees and Commissions	9,385	6,449
Trading Expenses	1	54
Other Operating Expenses	28,911	154,183
General and Administrative Expenses	70,733	72,059
Other Ordinary Expenses	53,959	8,560
Ordinary Profits	86,911	133,666
Extraordinary Profits	-	584
Extraordinary Losses	183	107
Income before Income Taxes	86,728	134,142
Income Taxes - Current	180,183	(3,251)
Income Taxes - Deferred	(159,504)	43,058
Total Income Taxes	20,678	39,806
Profit	66,049	94,335
Profit Attributable to Non-controlling Interests	543	455
Profit Attributable to Owners of Parent	65,506	93,880

(2) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	First Half of Fiscal 2020 (Six Months ended September 30, 2020)	First Half of Fiscal 2021 (Six Months ended September 30, 2021)
Profit	66,049	94,335
Other Comprehensive Income	781,353	218,311
Net Unrealized Gains (Losses) on Other Securities	763,692	170,215
Net Deferred Gains (Losses) on Hedging Instruments	17,272	50,660
Revaluation Reserve for Land	-	2,247
Foreign Currency Transaction Adjustments	19	338
Remeasurements of Defined Benefit Plans	(672)	(5,109)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	1,042	(39)
Total Comprehensive Income	847,403	312,647
Attributable to:		
Owners of Parent	846,846	312,189
Non-controlling Interests	557	458

Consolidated Statement of Capital Surplus and Retained Earnings

(Millions of Yen)

	First Half of Fiscal 2020 (Six Months ended September 30, 2020)	First Half of Fiscal 2021 (Six Months ended September 30, 2021)
(Capital Surplus)		
Balance at the Beginning of the Fiscal Year	24,993	24,993
Additions:	-	-
Deductions:	-	1,594
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests	-	1,594
Balance at the End of the Period	24,993	23,399
(Retained Earnings)		
Balance at the Beginning of the Fiscal Year	2,013,599	2,146,592
Additions:	65,506	95,901
Profit Attributable to Owners of Parent	65,506	93,880
Reversal of Revaluation Reserve for Land	-	2,020
Deductions:	75,241	105,223
Dividends	75,241	105,223
Balance at the End of the Period	2,003,865	2,137,269

Consolidated Statement of Cash Flows

(Millions of Yen)

	First Half of Fiscal 2020 (Six Months ended September 30, 2020)	First Half of Fiscal 2021 (Six Months ended September 30, 2021)
I Cash Flows from Operating Activities:		
Income before Income Taxes	86,728	134,142
Depreciation	11,558	11,549
Equity in Losses (Earnings) of Affiliates	(2,224)	(4,020)
Net Increase (Decrease) in Reserve for Possible Loan Losses	48,432	(15,731)
Net Increase (Decrease) in Reserve for Possible Investment Losses	(229)	(87)
Net Increase (Decrease) in Reserve for Bonus Payments	166	13
Net Decrease (Increase) in Net Defined Benefit Asset	(424)	(370)
Net Increase (Decrease) in Net Defined Benefit Liability	(290)	(337)
Net Increase (Decrease) in Reserve for Directors' Retirement Benefits	(102)	(548)
Interest Income	(431,003)	(289,330)
Interest Expenses	342,366	256,284
Losses (Gains) on Securities	(20,977)	72,101
Losses (Gains) on Money Held in Trust	(20,080)	(33,002)
Foreign Exchange Losses (Gains)	156,473	(192,903)
Losses (Gains) on Disposal of Fixed Assets	183	(476)
Net Decrease (Increase) in Trading Assets	718	319
Net Increase (Decrease) in Trading Liabilities	(965)	(824)
Net Decrease (Increase) in Loans and Bills Discounted	(1,016,977)	(382,007)
Net Increase (Decrease) in Deposits	(242,087)	475,808
Net Increase (Decrease) in Negotiable Certificates of Deposit	(644,119)	(624,931)
Net Increase (Decrease) in Debentures	(256,424)	52,375
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowed Money)	(795,744)	(190,106)
Net Decrease (Increase) in Interest-bearing Due from Banks	648,678	338,950
Net Decrease (Increase) in Call Loans and Bills Bought and Other	(648,595)	(1,529,001)
Net Increase (Decrease) in Call Money and Bills Sold and Other	1,787,627	995,599
Net Increase (Decrease) in Short-term Entrusted Funds	1,097,157	749,404
Net Decrease (Increase) in Foreign Exchange Assets	(259,951)	27,724
Net Increase (Decrease) in Foreign Exchange Liabilities	0	13
Interest Received	476,873	284,690
Interest Paid	(216,597)	(105,560)
Other, Net	176,554	(6,186)
Subtotal	276,721	23,551
Income Taxes (Paid) Refunded	(19,022)	(234,995)
Net Cash Provided by (Used in) Operating Activities	257,699	(211,444)
II Cash Flows from Investing Activities:		
Purchases of Securities	(6,276,898)	(6,425,729)
Proceeds from Sales of Securities	1,105,738	3,545,509
Proceeds from Redemption of Securities	5,072,229	6,782,099
Increase in Money Held in Trust	(448)	(276,722)
Decrease in Money Held in Trust	443,475	373,040
Purchases of Tangible Fixed Assets	(572)	(2,038)
Purchases of Intangible Fixed Assets	(3,418)	(4,615)
Proceeds from Sales of Tangible Fixed Assets	-	0
Net Cash Provided by (Used in) Investing Activities	340,105	3,991,542
III Cash Flows from Financing Activities:		
Proceeds from Share Issuance to Non-controlling Shareholders	-	60
Purchase of Treasury Shares of Subsidiaries	-	(3,605)
Dividends Paid	(75,241)	(105,223)
Dividends Paid to Non-controlling Shareholders	(685)	(470)
Net Cash Provided by (Used in) Financing Activities	(75,926)	(109,239)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	(223)	1,897
V Net Increase (Decrease) in Cash and Cash Equivalents	521,655	3,672,756
VI Cash and Cash Equivalents at the Beginning of the Fiscal Year	18,491,970	19,121,793
VII Cash and Cash Equivalents at the End of the Period	19,013,625	22,794,550

Amounts less than one million yen are rounded down.

Notes to Accounting Policies

Consolidated Financial Statements are under Japanese GAAP (Generally Accepted Accounting Policies).

Notes to Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None.

(Change in Accounting Policies)

(Adoption of Accounting Standard for Revenue Recognition and Others)

The Norinchukin Bank (“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 half 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 half 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.

(Securities)

Information relating to Securities is provided as below. The Securities include negotiable certificates of deposit in Cash and Due from Banks and trust beneficiary interest in Monetary Claims Bought.

1. Held-to-Maturity Debt Securities (as of September 30, 2021)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Difference
Transactions for Fair Value exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	929,117	939,465	10,347
	Municipal Government Bonds	-	-	-
	Corporate Bonds	100,832	101,333	500
	Other	6,152,273	6,190,215	37,941
	Foreign Bonds	6,082,905	6,120,795	37,890
	Other	69,368	69,419	50
	Subtotal	7,182,223	7,231,013	48,790
Transactions for Fair Value not exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	499,623	498,596	(1,027)
	Municipal Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Other	1,148,962	1,147,361	(1,601)
	Foreign Bonds	1,070,227	1,068,710	(1,517)
	Other	78,735	78,651	(83)
	Subtotal	1,648,586	1,645,957	(2,628)
Total		8,830,809	8,876,970	46,161

2. Other Securities (as of September 30, 2021)

(Millions of Yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Stocks	712,878	237,617	475,260
	Bonds	5,983,191	5,892,428	90,762
	Japanese Government Bonds	5,625,855	5,536,024	89,830
	Municipal Government Bonds	43,349	43,334	15
	Corporate Bonds	313,987	313,069	917
	Other	19,916,199	18,146,446	1,769,752
	Foreign Bonds	14,996,912	14,080,943	915,968
	Foreign Stocks	19,704	7,686	12,018
	Investment Trusts	4,749,588	3,908,258	841,330
	Other	149,993	149,557	436
	Subtotal	26,612,269	24,276,492	2,335,776
Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost	Stocks	13,575	16,013	(2,438)
	Bonds	2,517,054	2,542,275	(25,220)
	Japanese Government Bonds	1,499,172	1,522,334	(23,161)
	Municipal Government Bonds	113,441	114,407	(966)
	Corporate Bonds	904,440	905,532	(1,092)
	Other	5,464,708	5,571,126	(106,417)
	Foreign Bonds	3,375,838	3,429,167	(53,329)
	Foreign Stocks	-	-	-
	Investment Trusts	2,083,273	2,136,361	(53,088)
	Other	5,596	5,596	(0)
	Subtotal	7,995,338	8,129,415	(134,077)
Total	34,607,607	32,405,908	2,201,699	

3. Securities Recognized for Revaluation Loss

Securities other than those for trading purposes (except Stocks and others with no market prices and Investments in Partnership) are revalued to their fair value, and the difference between the book value and the fair value is treated as a realized loss for the period (“revaluation loss”), if the fair value has significantly deteriorated from the book value unless a recovery in the fair value is deemed probable.

The amount of revaluation loss for the period was ¥1,998 million, including ¥1,989 million on Stocks and ¥8 million on Investment Trusts .

The criteria for determining whether the securities' fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair values are equal to or less than 50% of their book value

Securities whose fair values remain between 50% (exclusive) and 70% (inclusive) of their book value for a certain period

(Money Held in Trust)

1. Held-to-Maturity Money Held in Trust (as of September 30, 2021)

The Bank and its consolidated subsidiaries held no held-to-maturity money held in trust.

2. Other Money Held in Trust (Money Held in Trust other than that for trading purposes or held-to-maturity) (as of September 30, 2021)

				(Millions of Yen)	
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference	Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost	Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost
Other Money Held in Trust	9,933,627	9,462,586	471,041	476,936	5,895

(Note)

“Transactions for Consolidated Balance Sheet Amount exceeding Acquisition Cost” and “Transactions for Consolidated Balance Sheet Amount not exceeding Acquisition Cost” are gross valuation of the difference between the acquisition cost and the consolidated balance sheet amount presented in “Difference.”

(Segment Information)

Segment Information is not shown in these statements, since the banking business is the only reportable segment.

(Per Share Information)

Net Assets per Share at the end of the period was ¥1,057.20 (Non-controlling Interests and the residual assets for the holders of lower dividend rate stocks and preferred stocks are deducted from the numerator, and the aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator respectively in the calculation of Net Assets per Share.)

Profit Attributable to Owners of Parent per Share for the period was ¥22.05 (The aggregate number of lower dividend rate stocks and preferred stocks is deducted from the denominator in the calculation of Profit Attributable to Owners of Parent per Share.)

(Significant Subsequent Events)

None.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2020 (As of March 31, 2021)	First Half of Fiscal 2021 (As of September 30, 2021)
(Assets)		
Loans and Bills Discounted	21,824,004	22,146,122
Foreign Exchange Assets	271,190	262,293
Securities	48,491,498	44,597,627
Money Held in Trust	10,637,717	9,931,073
Trading Assets	7,310	6,991
Monetary Claims Bought	302,918	291,382
Call Loans	60,890	1,750,000
Receivables under Resale Agreements	547,931	399,531
Cash and Due from Banks	19,820,208	23,251,918
Other Assets	2,877,505	2,355,296
Tangible Fixed Assets	164,657	164,616
Intangible Fixed Assets	54,299	52,101
Prepaid Pension Cost	41,641	49,294
Customers' Liabilities for Acceptances and Guarantees	269,647	400,171
Reserve for Possible Loan Losses	(131,577)	(116,750)
Reserve for Possible Investment Losses	(1,730)	(1,729)
Total Assets	105,238,114	105,539,941
(Liabilities)		
Deposits	65,675,444	66,140,478
Negotiable Certificates of Deposit	3,100,259	2,475,328
Debentures	361,479	413,354
Trading Liabilities	5,137	4,313
Borrowed Money	5,035,964	4,834,621
Payables under Repurchase Agreements	17,073,926	18,069,526
Foreign Exchange Liabilities	0	13
Short-term Entrusted Funds	877,743	1,627,147
Other Liabilities	4,491,742	2,911,760
Reserve for Bonus Payments	5,901	5,698
Reserve for Retirement Benefits	25,394	25,182
Reserve for Directors' Retirement Benefits	1,015	618
Deferred Tax Liabilities	479,825	606,434
Deferred Tax Liabilities for Land Revaluation	8,607	4,790
Acceptances and Guarantees	269,647	400,171
Total Liabilities	97,412,087	97,519,439
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Common Stock	4,015,198	4,015,198
(including Lower Dividend Rate Stock)	3,589,481	3,589,481
Preferred Stock	24,999	24,999
Capital Surplus	25,020	25,020
Capital Surplus Reserve	24,999	24,999
Other Capital Surplus	20	20
Retained Earnings	2,079,491	2,066,488
Legal Reserves	773,666	816,166
Voluntary Reserves	1,305,825	1,250,322
Special Reserves	333,744	373,771
General Reserves	559,403	559,403
AFF Industries, Community and Environment Reserve Fund	-	10,000
Reserve for Tax Basis Adjustments of Fixed Assets	6,930	6,799
Others	7	7
Unappropriated Retained Earnings	405,739	300,341
Total Owners' Equity	6,144,710	6,131,707
Net Unrealized Gains on Other Securities, net of taxes	1,944,952	2,115,157
Net Deferred Losses on Hedging Instruments, net of taxes	(277,948)	(240,902)
Revaluation Reserve for Land, net of taxes	14,312	14,538
Total Valuation and Translation Adjustments	1,681,316	1,888,793
Total Net Assets	7,826,026	8,020,501
Total Liabilities and Net Assets	105,238,114	105,539,941

Non-consolidated Statement of Operations

(Millions of Yen)

	First Half of Fiscal 2020 (Six Months ended September 30, 2020)	First Half of Fiscal 2021 (Six Months ended September 30, 2021)
Ordinary Income	585,337	618,427
Interest Income	436,553	293,080
Interest on Loans and Bills Discounted	44,423	37,353
Interest and Dividends on Securities	383,987	248,053
Fees and Commissions	7,798	5,287
Trading Income	323	-
Other Operating Income	36,732	54,080
Other Ordinary Income	103,929	265,978
Ordinary Expenses	493,486	491,641
Interest Expenses	342,274	256,926
Interest on Deposits	20,219	5,142
Fees and Commissions	8,478	10,165
Trading Expenses	1	54
Other Operating Expenses	28,603	153,775
General and Administrative Expenses	63,078	62,277
Other Ordinary Expenses	51,050	8,441
Ordinary Profits	91,850	126,785
Extraordinary Profits	-	584
Extraordinary Losses	167	107
Income before Income Taxes	91,683	127,262
Income Taxes - Current	178,645	(6,442)
Income Taxes - Deferred	(159,434)	43,505
Total Income Taxes	19,211	37,062
Net Income	72,471	90,199
Unappropriated Retained Earnings Brought Forward	193,655	208,120
Reversal of Revaluation Reserve for Land	-	2,020
Unappropriated Retained Earnings	266,127	300,341

(Ref) Summary of Performance (Non-Consolidated)

(100 millions of yen)

		First Half of Fiscal 2020 (A)	First Half of Fiscal 2021 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	1	1,211	(478)	(1,689)
Net Interest Income	2	1,133	567	(565)
Net Fees and Commissions Income (Loss)	3	(6)	(48)	(41)
Net Trading Income (Loss)	4	3	(0)	(3)
Net Other Operating Income (Loss)	5	81	(996)	(1,078)
General and Administrative Expenses	6	(630)	(622)	8
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) (※1)	7	580	(1,101)	(1,681)
Gains (Losses) on Bond-Related Transactions	8	23	(953)	(976)
Core Net Operating Profit (Loss) (※2)	9	557	(148)	(705)
Excluding Gains (Losses) from Redemption of Investment Trusts (※3)	10	568	643	74
Provision of General Reserve for Possible Loan Losses	11	(420)	-	420
Net Operating Profit (Loss) (※4)	12	160	(1,101)	(1,261)
Non-Recurring Gains (Losses)	13	758	2,369	1,610
Gains (Losses) on Stock-Related Transactions	14	110	1,045	935
Gains (Losses) on Money Held in Trust-Related Transactions	15	693	1,233	540
Gains on Reversal of Reserves for Possible Loan Losses, and Others	16	(40)	135	175
Other	17	(4)	(46)	(41)
Ordinary Profits	18	918	1,267	349
Credit-Related Costs (※5)	19	(460)	135	596

(※1) Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] = Gross Operating Profit (Loss) [1] + General and Administrative Expenses [6]

(※2) Core Net Operating Profit (Loss) [9] = Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] - Gains (Losses) on Bond-Related Transactions [8]

(※3) “Excluding Gains (Losses) from Redemption of Investment Trusts”[10] = Core Net Operating Profit (Loss) [9] - “Gains (Losses) from Redemption of Investment Trusts”

(※4) Net Operating Profits (Loss) [12] = Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) [7] + Provision of General Reserve for Possible Loan Losses [11]

(※5) Credit-Related Costs [19] = Provision of General Reserve for Possible Loan Losses[11] + Gains on Reversal of Reserves for Possible Loan Losses, and Others [16]

Net Operating Profit (Loss) including Gains (Losses) on Money Held in Trust-Related Transactions

The Bank invests in securities utilizing Money Held in Trust on a large scale. Therefore, the Bank discloses gross operating profit (loss) and net operating profit (loss) below including gains (losses) on Money Held in Trust-related transactions, which are substantially the same as investment in securities.

(100 millions of yen)

		First Half of Fiscal 2020 (A)	First Half of Fiscal 2021 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	20	1,904	755	(1,148)
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) (※1)	21	1,273	132	(1,140)
Net Operating Profit (Loss)	22	853	132	(720)
Core Net Operating Profit (Loss)	23	1,250	1,085	(164)
Core Net Operating Profit (Loss) (Excluding Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust) (※6)	24	1,199	1,836	637

(※6) Core Net Operating Profit (Loss) (Excluding Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust) [24] = Core Net Operating Profit (Loss) [23] - “Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust”