

Dedicated to sustaining all life.

Financial Summary for the 1st Half of Fiscal Year 2021



NORINCHUKIN

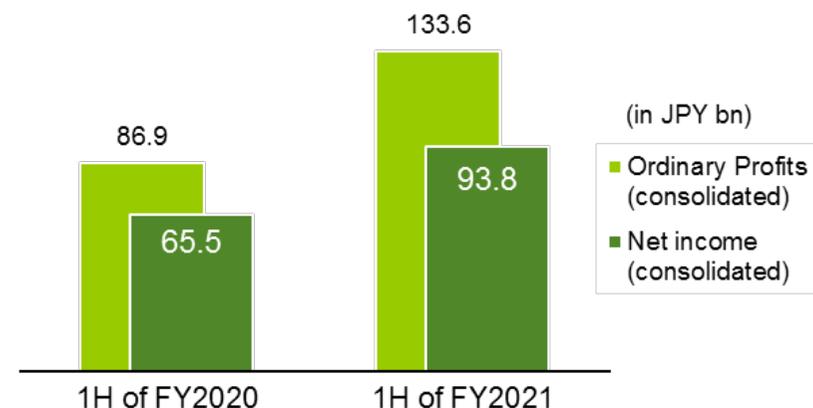
November 17, 2021

Financial Highlights for the 1st Half of FY2021

- Steady profits secured through financial management adjusting to market environment
- The Bank continues to boast a high level of capital adequacy ratios

Profits

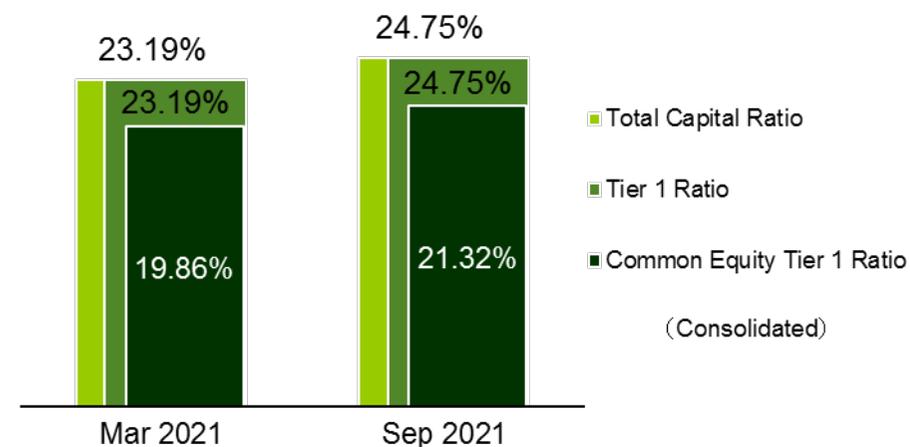
[Consolidated]	(in JPY bn)		
	1H of FY2020	1H of FY2021	Change
Ordinary Profits	86.9	133.6	46.7
Net Income	65.5	93.8	28.3



Capital Position (under Basel III)

<Under Basel III>
[Consolidated]

	Mar 2021	Sep 2021	Change
Common Equity Tier 1 Ratio	19.86%	21.32%	1.46%
Tier 1 Ratio	23.19%	24.75%	1.56%
Total Capital Ratio	23.19%	24.75%	1.56%



Income Statement Summary

[Consolidated]

(in JPY bn)

	1H of FY2020	1H of FY2021	Change
1 Ordinary Income	592.2	631.2	38.9
2 Interest Income	431.0	289.3	(141.6)
3 <Interest and Dividends on Securities>	371.8	235.4	(136.4)
4 <Interest on Loans and Bills Discounted>	50.9	46.4	(4.4)
5 Ordinary Expenses	505.3	497.5	(7.7)
6 Interest Expenses	342.3	256.2	(86.0)
7 <Expenses on Funding from Members>	157.4	146.6	(10.7)
8 General and Administrative Expenses	70.7	72.0	1.3
9 Ordinary Profits	86.9	133.6	46.7
10 Income before Income Taxes	86.7	134.1	47.4
11 Profit Attributable to Owners of Parent	65.5	93.8	28.3

[Non-consolidated]

(in JPY bn)

	1H of FY2020	1H of FY2021	Change
12 Ordinary Profits	91.8	126.7	34.9
13 Net Income	72.4	90.1	17.7

[Reference (Non-consolidated)]

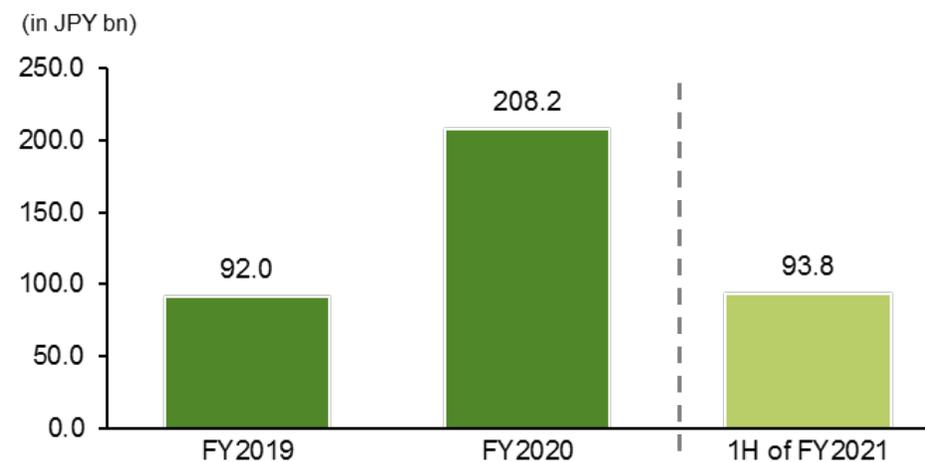
14 Net Gains/Losses on Sales of Securities	20.4	11.3	(9.0)
15 Net Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust	5.0	(75.0)	(80.1)
16 Credit Costs ^(Note)	46.0	(13.5)	(59.6)
17 Write-off of Securities	7.0	2.0	(4.9)

(Note) Negative numbers for credit-related expenses indicate reversals

Ordinary Profits over Time (Consolidated)



Net Income over Time (Consolidated)



Balance Sheet Summary

[Consolidated] (in JPY bn)

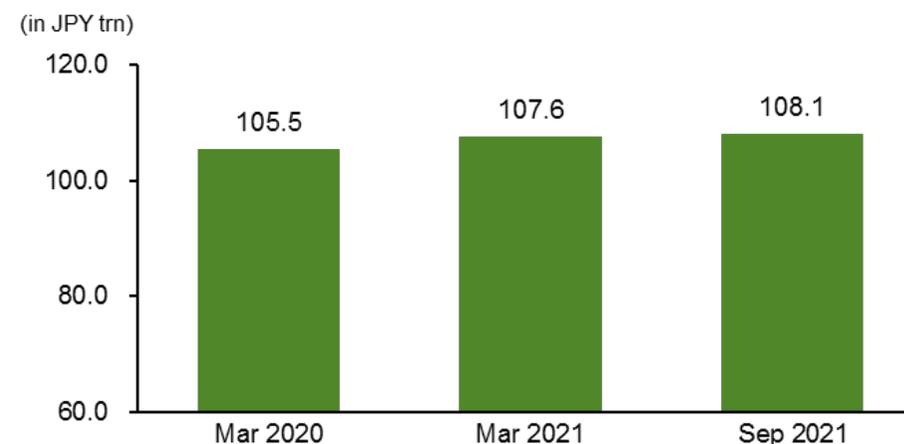
	Mar 2021	Sep 2021	Change
1 Loans and Bills Discounted	22,102.5	22,482.3	379.8
2 Securities	48,093.8	44,269.6	(3,824.1)
3 Money Held in Trust	10,638.5	9,933.6	(704.9)
4 Cash and Due from Banks	20,066.9	23,408.0	3,341.1
5 Others	6,745.8	8,035.6	1,289.8
6 Total Assets	107,647.8	108,129.4	481.6
7 Deposits ^(Note)	66,529.9	67,755.1	1,225.2
8 Debentures	355.4	407.8	52.3
9 Payables under Repurchase Agreements	17,073.9	18,069.5	995.5
10 Others	15,732.9	13,737.9	(1,994.9)
11 Total Liabilities	99,692.2	99,970.4	278.2
12 Total Net Assets	7,955.5	8,158.9	203.4

(Note) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose.

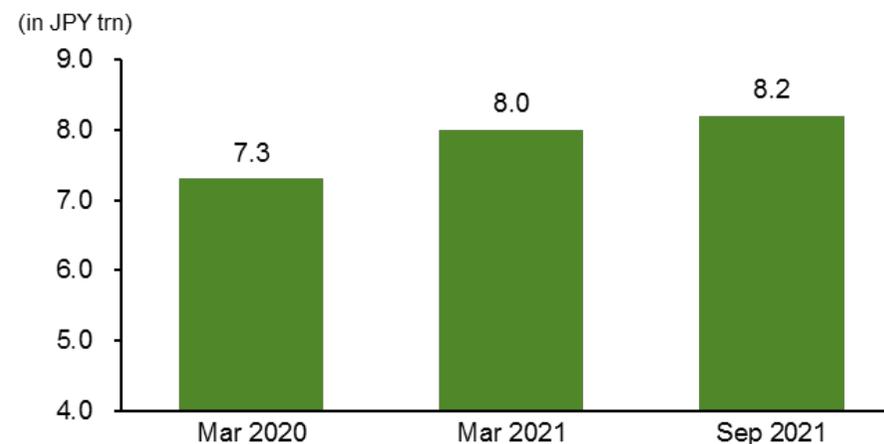
[Non-consolidated] (in JPY bn)

	Mar 2021	Sep 2021	Change
13 Total Assets	105,238.1	105,539.9	301.8
14 Total Liabilities	97,412.0	97,519.4	107.3
15 Total Net Assets	7,826.0	8,020.5	194.4
16 Gains/Losses on Revaluation of Securities	2,683.9	2,921.4	237.5

Total Assets over Time (Consolidated)

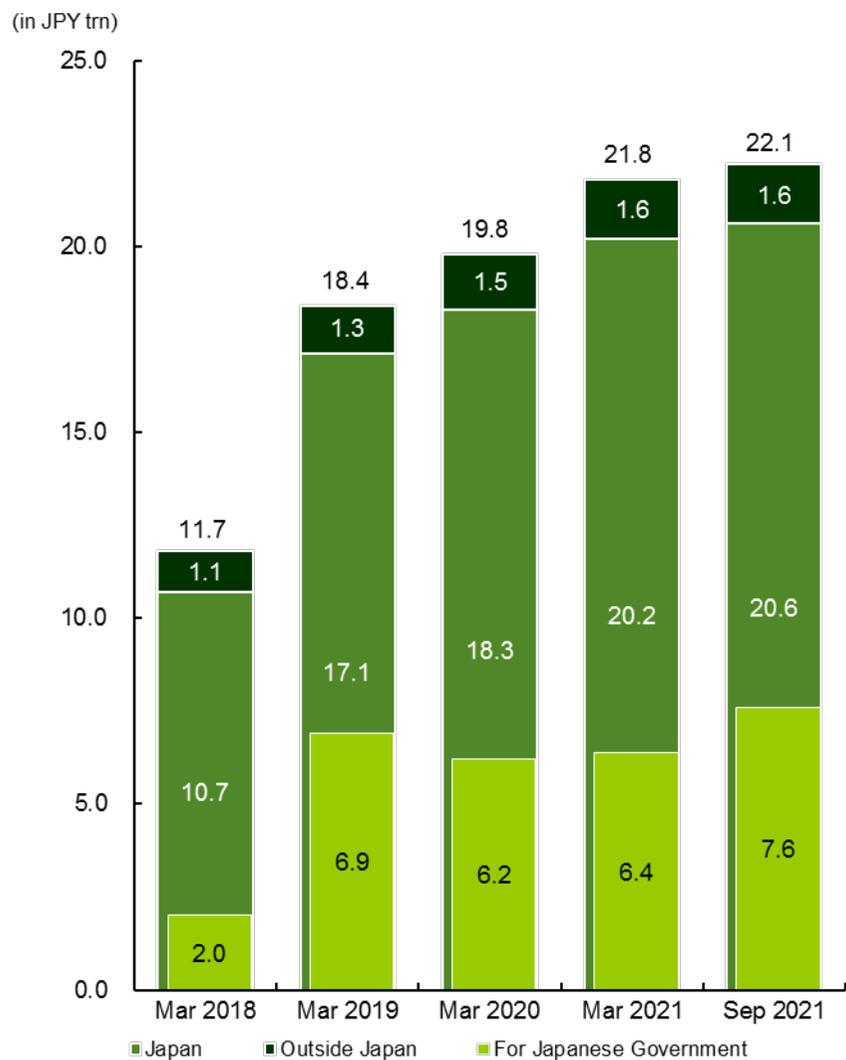


Net Assets over Time (Consolidated)

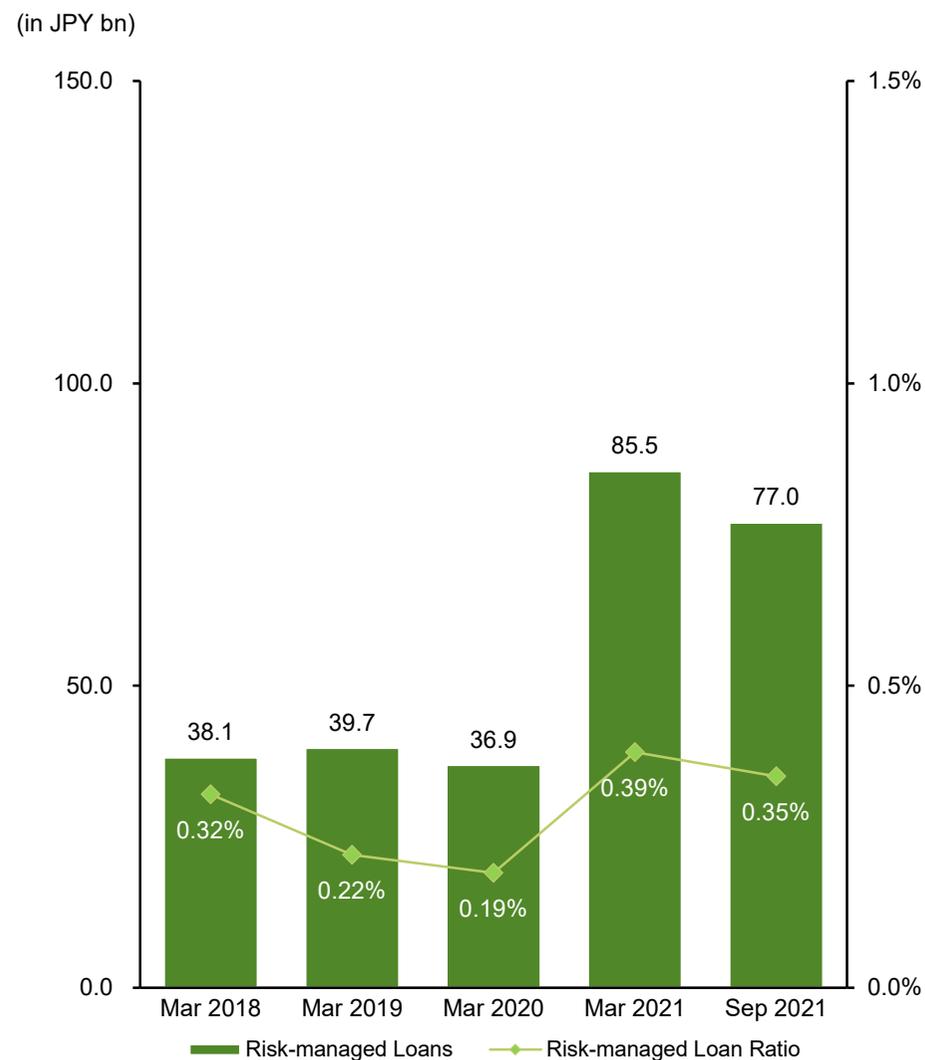


Loan and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time

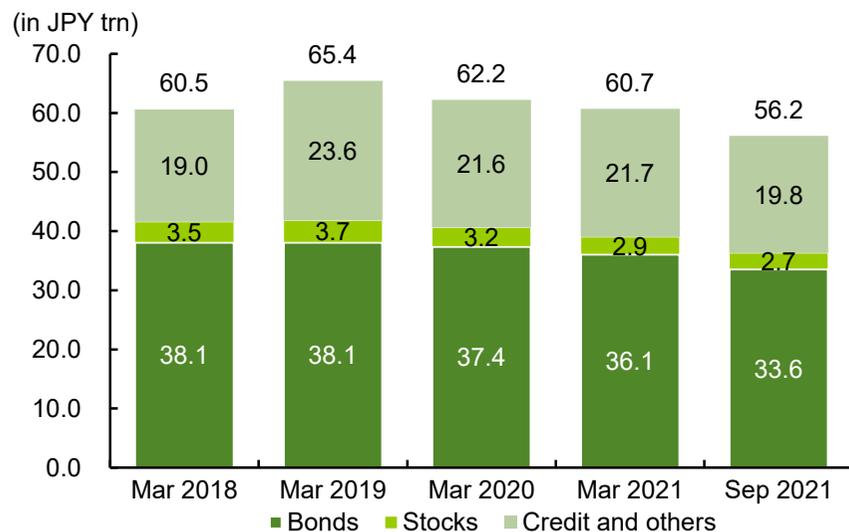


Risk-managed Loans over Time



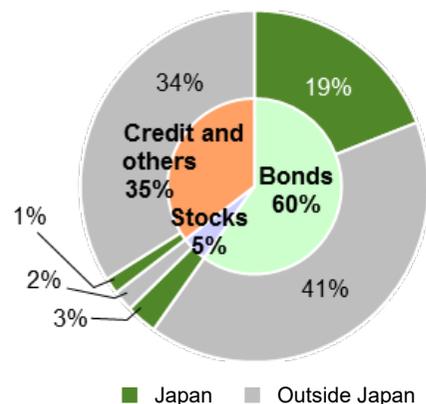
Market Investment Portfolio (Non-consolidated)

Market Investment Portfolio over Time

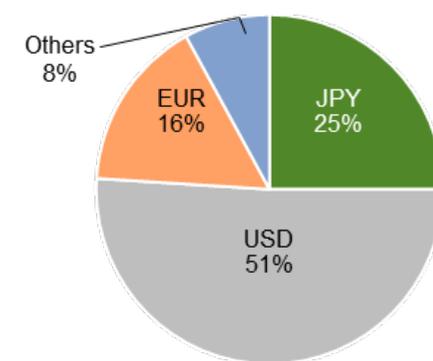


Market Investment Portfolio (Sep 2021)

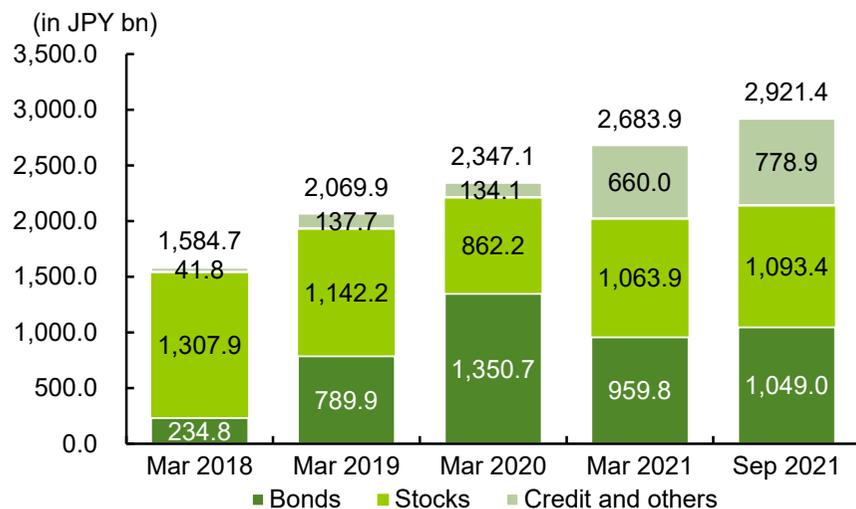
Market Investment Portfolio by Risk



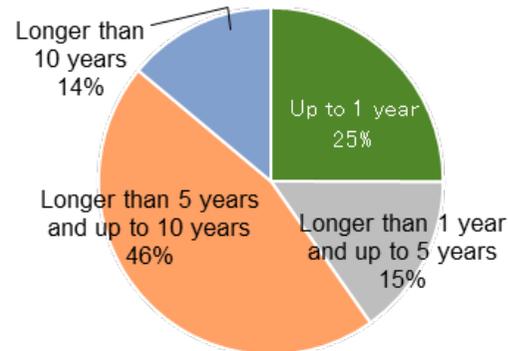
Market Investment Portfolio by Currency



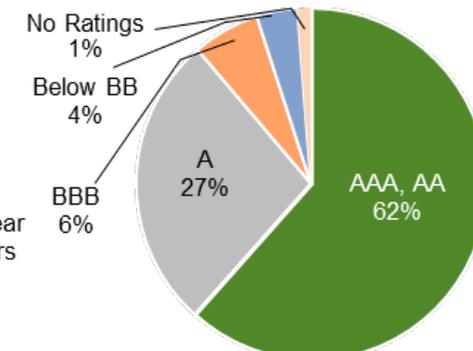
Net Unrealized Gains and Losses over Time



Bond and Credit Portfolio By Rate Reset Maturity

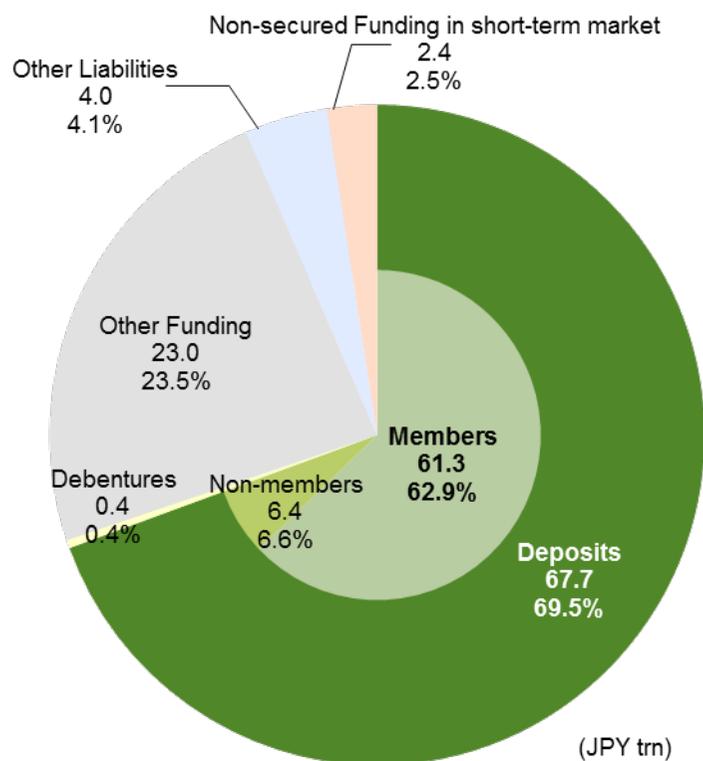


Market Investment Portfolio by Rating



Funding (Non-consolidated)

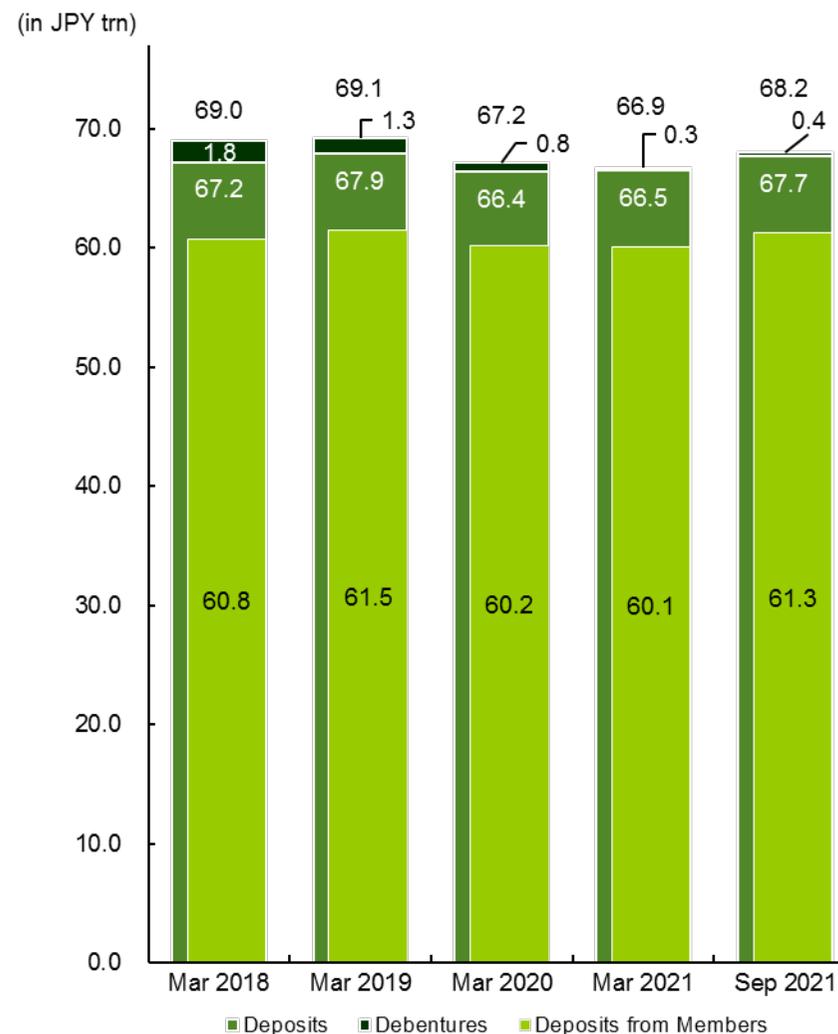
Breakdown of Funding



Total Liabilities: JPY 97.5 trn

(Note) Deposits include deposits and entrusted funds (the majority are deposits from members) for accounting purpose. Other funding includes borrowed money (secured and subordinated loans), payables under repurchase agreements and payables under securities lending transactions. Other liabilities include acceptances & guarantees and reserves. Short-term unsecured funding from markets include trading liabilities, negotiable certificates of deposit, and unsecured call money.

Deposits and Debtentures over Time



Earning Yields (Non-consolidated)

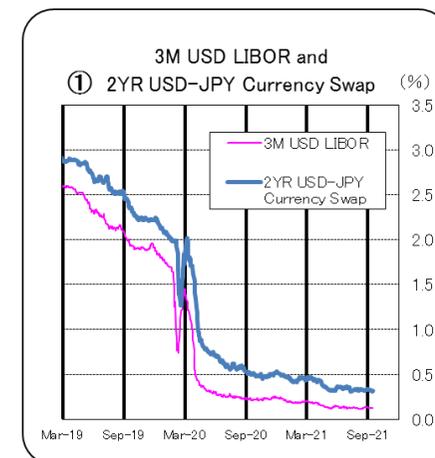
[Investment]	Average (in JPY tm)		Earnings (in JPY bn)		Yield	
	1H of FY2021	YOY Change	1H of FY2021	YOY Change	1H of FY2021	YOY Change
1 Loans and Bills Discounted	21.8	2.1	37.3	(7.0)	0.34%	(0.11%)
2 Securities	51.5	(4.6)	403.4	(89.5)	1.56%	(0.19%)
3 JPY-denominated Securities (including Net Gains/Losses on Sales) (Note1)	14.7	(3.3)	(11.0)	(52.8)	(0.15%)	(0.61%)
4 Foreign Currency-denominated Securities (including Net Gains/Losses on Sales) (Note2)	36.8	(1.2)	414.5	(36.7)	2.25%	(0.12%)
5 Short-term Investment Assets	4.1	2.6	(0.0)	(0.2)	(0.00%)	(0.03%)

(Note1) JPY-denominated Securities (Excluding Net Gains/Losses on Sales) :0.66% (YOY change +0.03%)
 (Note2) Foreign Currency-denominated Securities (Excluding Net Gains/Losses on Sales) :2.27% (YOY change+0.12%)

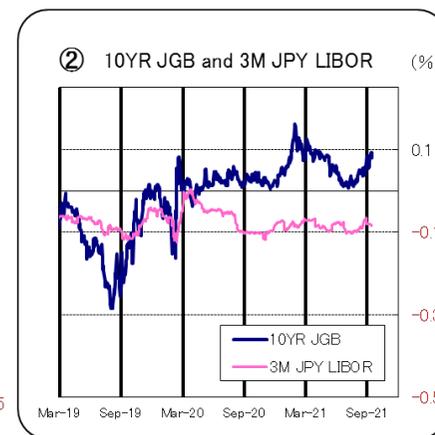
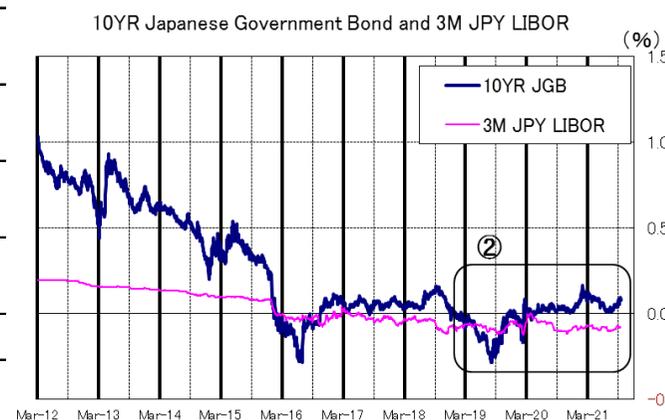
[Funding]						
6 From Member Banks	60.3	0.2	146.6	(10.7)	0.48%	(0.04%)
7 Debentures	0.3	(0.3)	0.1	(0.3)	0.10%	(0.04%)
8 Funding from Markets	31.4	(0.5)	11.5	(44.4)	0.07%	(0.28%)
9 JPY Funding	3.6	(0.2)	(0.1)	0.4	(0.01%)	0.02%
10 Foreign Currencies Funding	24.2	(0.5)	(6.5)	(44.7)	(0.05%)	(0.36%)

(Reference)						
11 Foreign Currencies Funding (Including Currency Swaps, etc.)	40.6	(2.1)	26.6	(89.9)	0.13%	(0.41%)

(Reference) US Dollar Interest Rates over Time



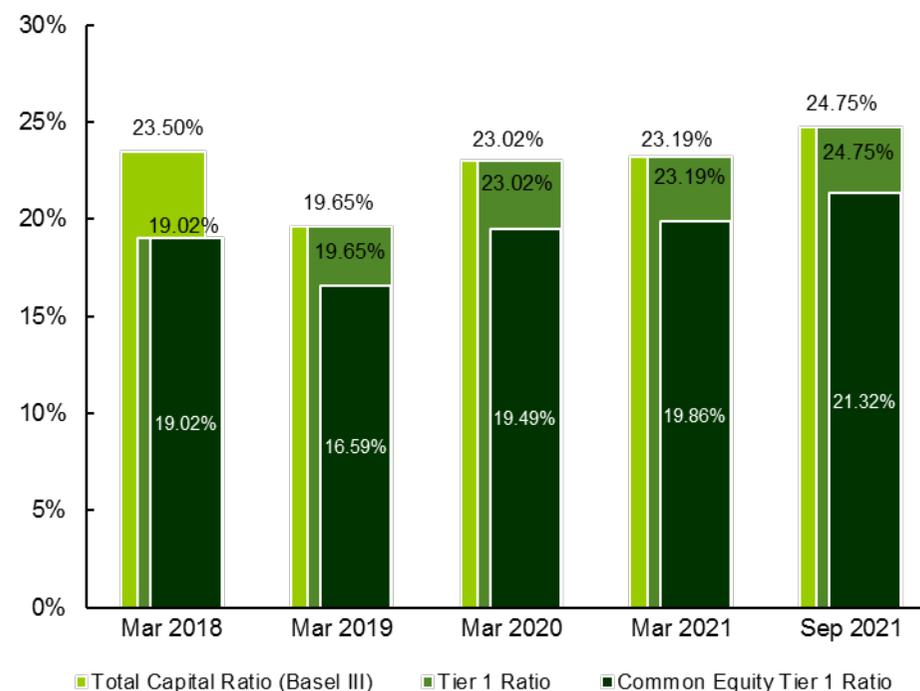
(Reference) Yen Interest Rates over Time



Capital Position

[Consolidated]		(in JPY bn)		
		Mar 2021	Sep 2021	Change
1	Tier 1 Capital	9,189.4	9,484.9	295.5
2	Common Equity Tier 1 Capital (CET1)	7,872.4	8,170.9	298.4
3	Capital Stock and Capital Surplus	4,015.2	4,015.2	-
4	Earned Surplus	2,041.3	2,137.2	95.9
5	Unrealized Gains on Other Securities	1,948.5	2,118.7	170.1
6	Additional Tier 1 Capital	1,316.9	1,314.0	(2.9)
7	Tier 2 Capital	1.1	1.2	0.0
8	Subordinated Bonds and Loans	0.9	0.9	-
9	Total Capital	9,190.5	9,486.1	295.5
10	Risk-weighted Assets	39,622.4	38,314.6	(1,307.7)
11	Common Equity Tier 1 Ratio	19.86%	21.32%	1.46%
12	Tier 1 Ratio	23.19%	24.75%	1.56%
13	Total Capital Ratio	23.19%	24.75%	1.56%

Capital Ratios over Time (Consolidated)



Leverage Ratio (Consolidated)

[Consolidated]		Mar 2021	Sep 2021
14	Leverage Ratio (Note1)	10.19%	10.88%

(Note1) Item 14: pursuant to the FSA Japan and MAFF regulatory revision (as of June 30, 2020), the deposit to the Bank of Japan is excluded from total exposure amount.

Liquidity Ratios (Consolidated)

[Consolidated]		FY2021	1Q	2Q	3Q	4Q
15	Liquidity Coverage Ratio (Note2)	389%		487%		

[Consolidated]		Mar 2021	Sep 2021
16	Net Stable Funding Ratio (Note3)	-	141%

(Note2) Item 15: simple averages of observations over the previous quarter

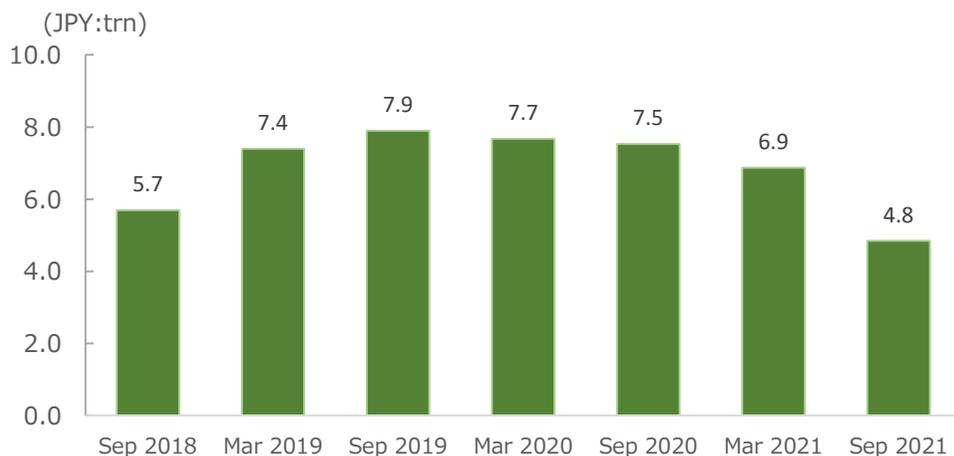
(Note3) Item 16: disclosure requirement in Japan started from September 2021

Appendix

The Bank's Investment in CLOs

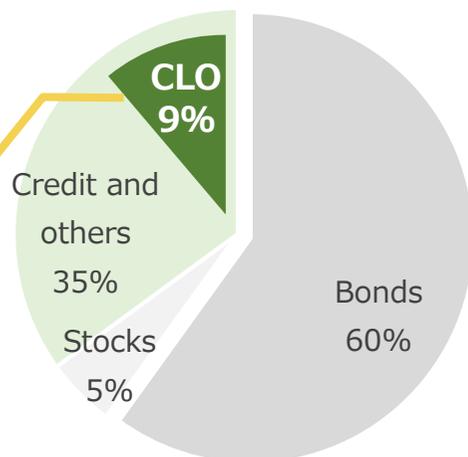
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

The Bank's CLO Holdings over Time



Market Investment Portfolio

- 9% of investment portfolio
- Only triple-A rated and held-to-maturity securities



Due Diligence and Risk Management

Investment Guidelines

- Solely on the most senior, triple-A rated tranche
- Strict requirements on stipulations and underlying assets
- Bank-original, rigorous stress-test scenarios

Investment Process

- Credit review process on each transaction by the Credit Risk Management Division in addition to the analysis by the investment team

Managers

- Collateral managers only with good track-records and disciplined investment style

Monitoring

- Periodical review on the compliance status of tests and underlying asset quality
- Frequent communication with the managers

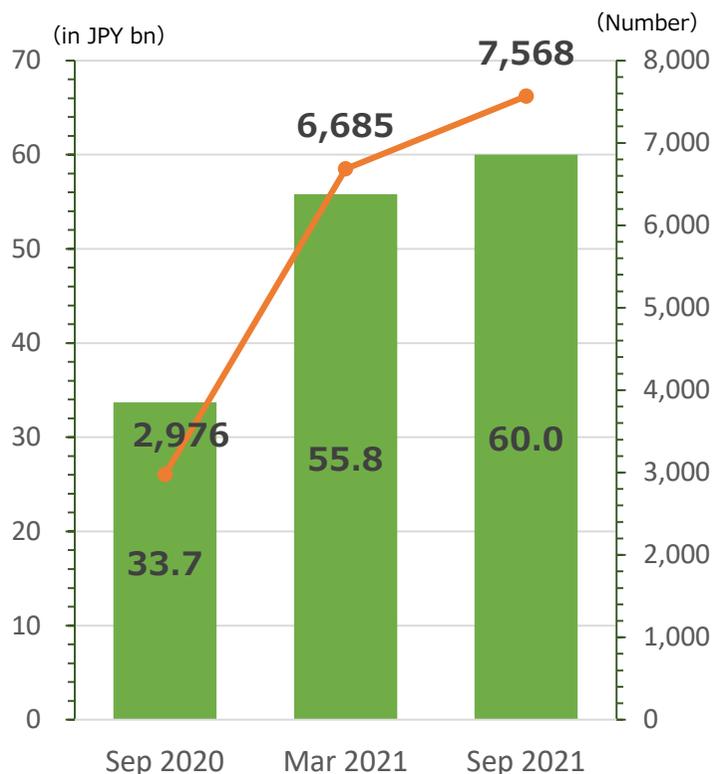
Initiatives to cope with the spread of COVID-19

- Financing needs have extensively occurred among our business partners regardless of industries and scale throughout COVID-19 pandemic
- The Bank established the COVID-19 Emergency Fund in March 2020 and continues appropriate financial support to real economy

Loans to address COVID-19

JA Bank

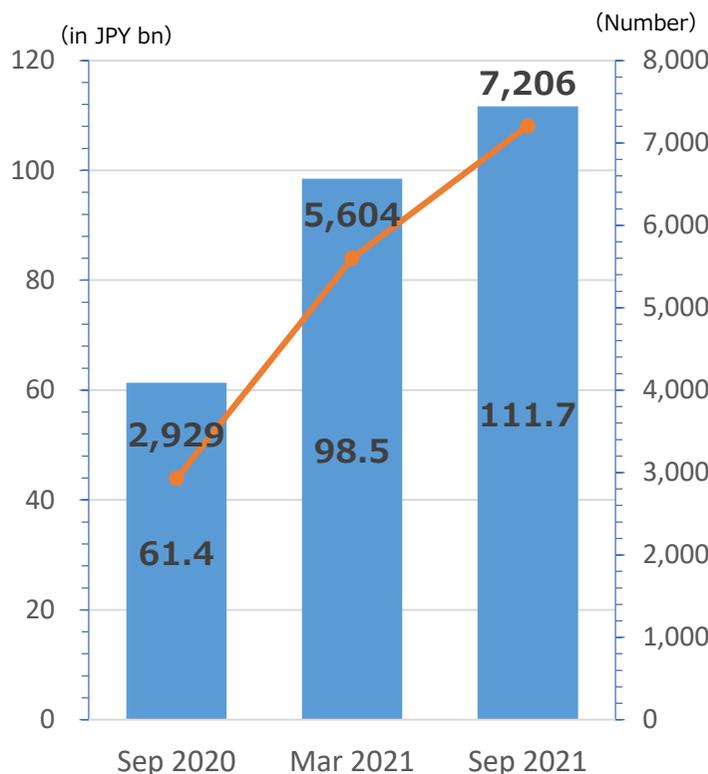
■ Cumulative amount of loans executed to address COVID-19
 ● Cumulative number of loans executed to address COVID-19



*JA Bank's loans consist of loans from JA, Shinnoren and The Norinchukin Bank to address COVID-19 and lending business outsourced by Japan Finance Corporation

JF Marine Bank

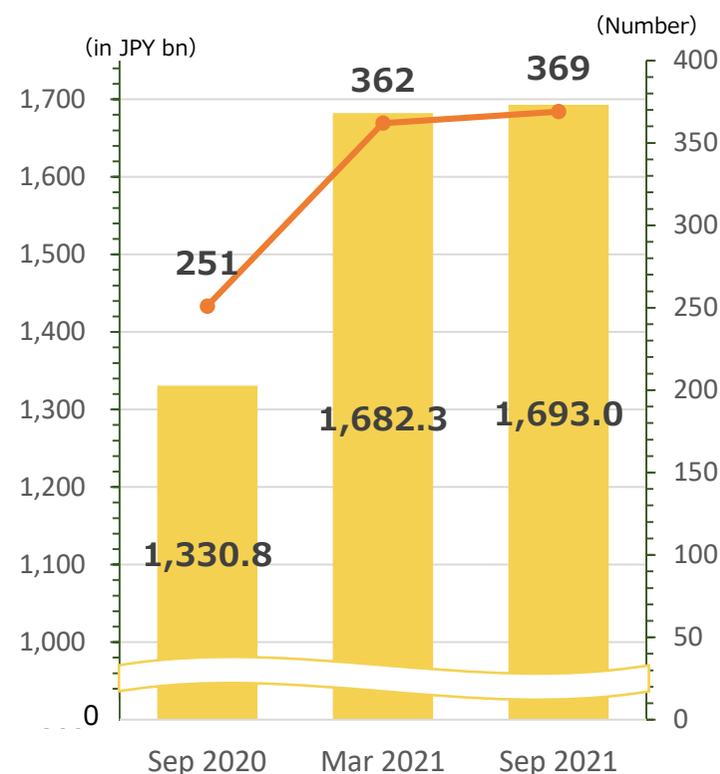
■ Cumulative amount of loans executed to address COVID-19
 ● Cumulative number of loans executed to address COVID-19



*JF Bank's loans consist of loans from JF, Shingyoren and The Norinchukin Bank to address COVID-19 and lending business outsourced by Japan Finance Corporation

The Norinchukin Bank (for ordinary industrial corporation)

■ Cumulative amount of loans executed to address COVID-19
 ● Cumulative number of loans executed to address COVID-19

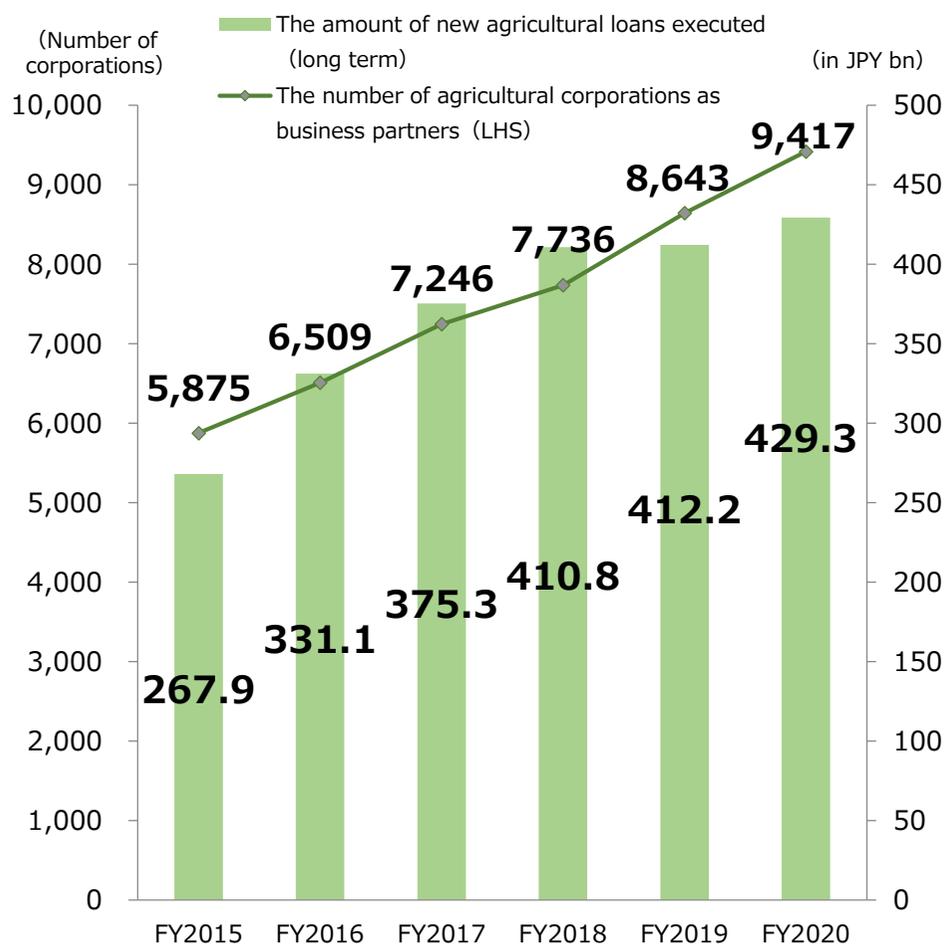


*The Bank's loans for corporations to address COVID-19
 *Data aggregated from branch/divisional reports

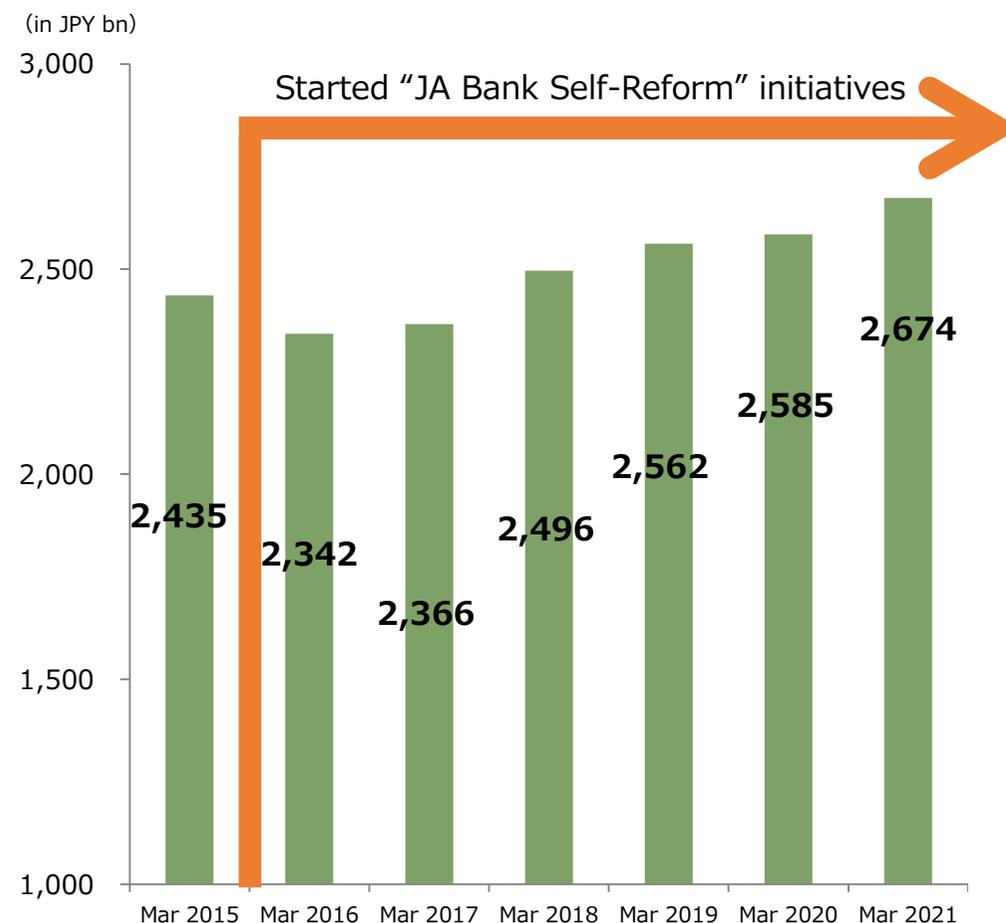
Financing to Agriculture Industry

- JA Bank's financing to agriculture industry continues to expand both in loan amount and client base
- Since the launch of JA Bank Self-Reform, the outstanding balance of agriculture-related loans also shifted to an increase trend

JA Bank's Newly-executed Agricultural Loans and Client Base



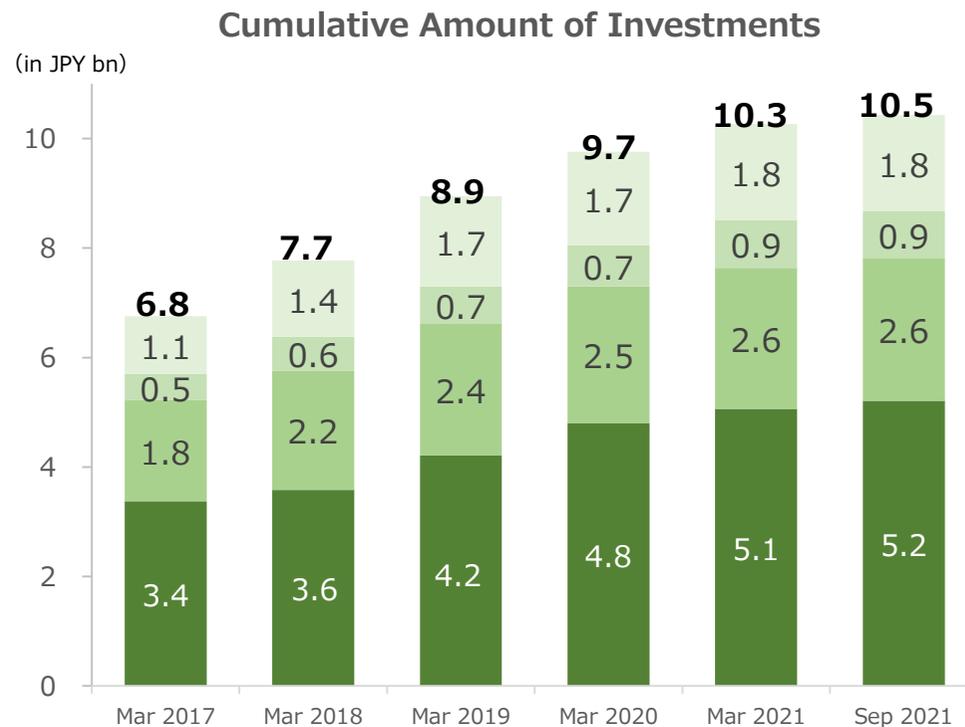
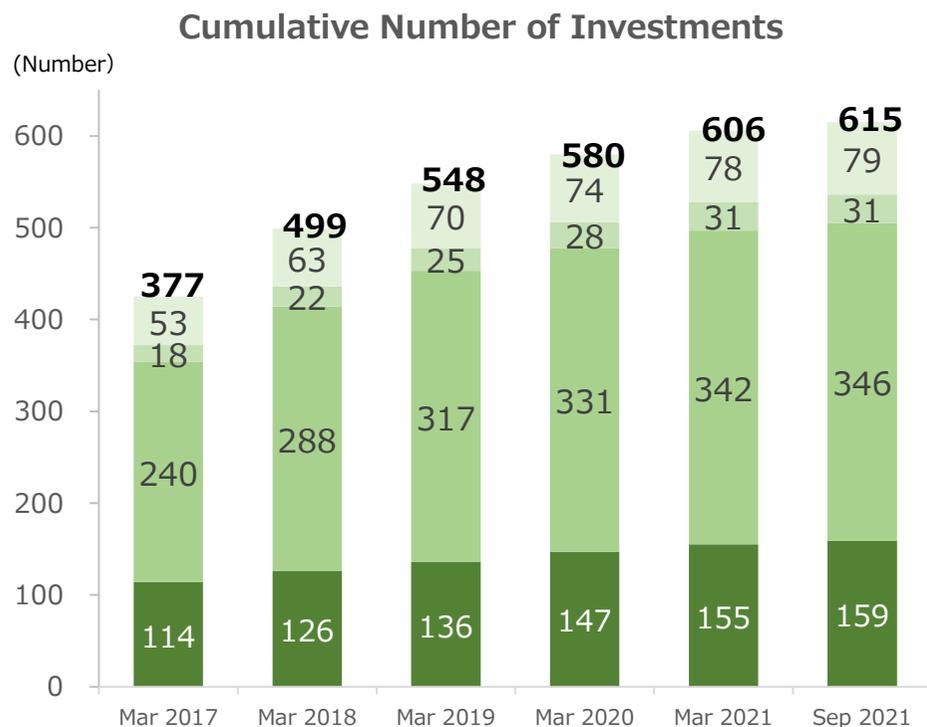
Outstanding Balance of Agriculture-related Loans



Equity Financing to Agricultural Corporations

- Cumulative equity investments to agricultural corporation etc. reached 615 deals and JPY 10.5 billion
- The Bank continues to support financial needs of industry leaders at various growth stage

Investments in agricultural corporations through the Agribusiness Investment & Consultation Co., Ltd.



The Agribusiness Investment & Consultation Co., Ltd.

invests in agricultural corporations nationwide and in companies involved in the supply chains to help secure the financial stability and growth of the agricultural leaders of tomorrow

Agri-Seed Fund

invests in agricultural corporations that have technological expertise but insufficient capital to stabilize their financial position (each investment size capped below less than JPY 10 million)

Support Fund for Business Entities of Agricultural Leaders

invests in agricultural corporations that plan capital expenditures for their business scale expansion (each investment size is JPY 10 million at minimum)

Reconstruction Fund

provides capital support for the agriculture, fishery and forestry business entities which suffered from a natural disaster

Promoting Sustainable Finance

- The Bank set Medium/Long-term Goals to reach by FY2030 and has accelerated its initiatives
- Cumulative sustainable finance since FY2021 reached approximately JPY 600 billion

Medium/Long-Term Goals FY2030



Reduce GHG emissions
50% by FY2030 vs. FY2013



Increase the income of farmers,
fishermen and foresters

-  Reduce GHG emissions of the Bank's investees and borrowers
-50% by FY2030 vs. FY2013
-  Increase the absorption of CO₂ via forests, together with
JForest members
-  Reduce CO₂ emissions by the Bank itself by 50%
by FY2030 vs. FY2013
-  Execute New Sustainable Finance
¥10 trillion by FY2030
-  Promote Active Participation of Women in Managerial Positions
(target share of female managers: 13% by FY2030, 30% by FY2040)
(6.2% as of March 31, 2020)

Sustainable Finance

New finance 1H of FY2021	Medium /Long-Term Goals*	Progress Rate
600 JPY billion (approx.)	10 JPY trillion	6% (approx.)

*Cumulative amount of new finance from FY2021 to FY2030 (10years)

Examples of Major Initiatives

Green Bonds

- Issued The Bank's first Green Bonds (USD 1 billion)

Green Loans

- Launched Green, Social and Sustainability Loans
- The Bank's first green loan compliant with Green Loan Principles was provided to a pallet rental corporation (See the right column)

Sustainability Linked Loans

- Launched the first syndicate Sustainability Linked Loan Agreement by JA Bank members with a financial services corporation.

Overseas Initiatives

- Financing green mortgage pools formed by Australian nonbank financial institution (the first mortgage pool in Australia whose all underlying loans are eco-friendly)

[Topic] Green loan to a pallet rental corporation

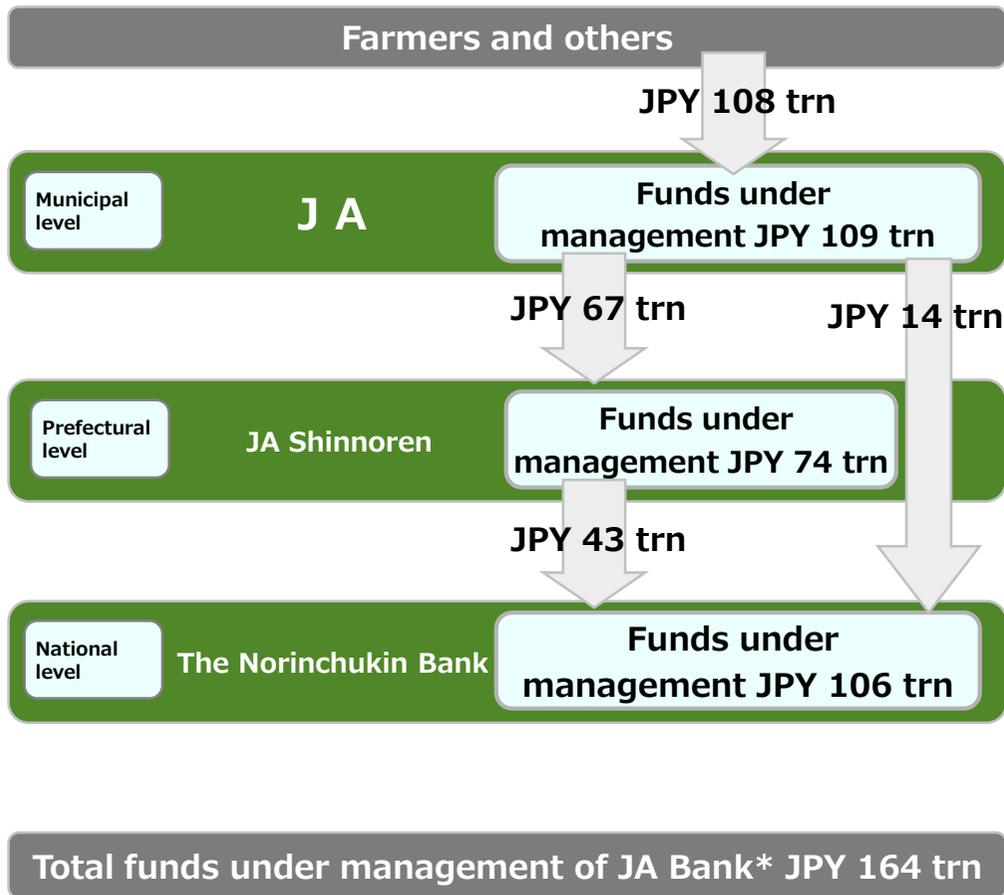
- Logistic pallets are in many case owned by each company. Pallet rental and pool sharing service enables 78% reduction of CO₂ emissions in total by enhanced transport efficiency
- The Bank made the green loan for the pallet purchase



Business Base of JA Bank

JA Bank = JA + JA Shinnoren + The Norinchukin Bank

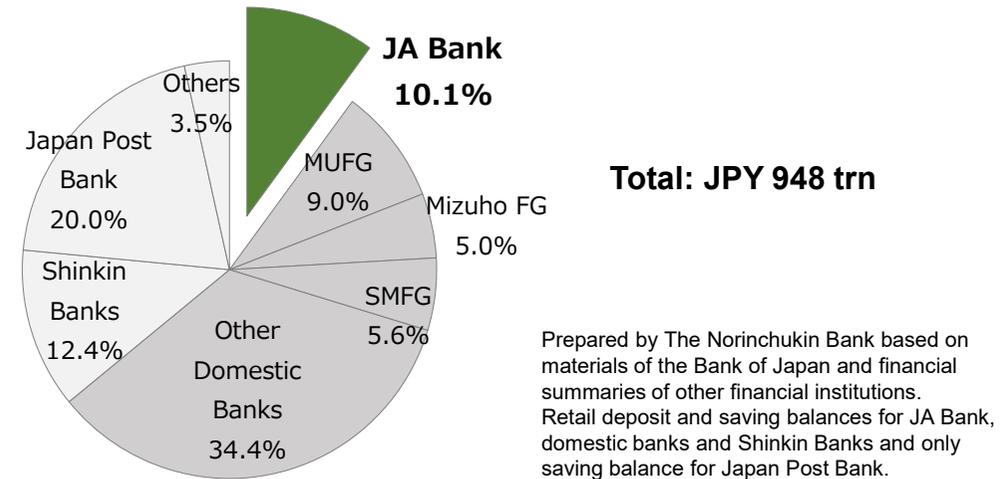
Flow of Funds in JA Bank (As of Sep. 30, 2021)



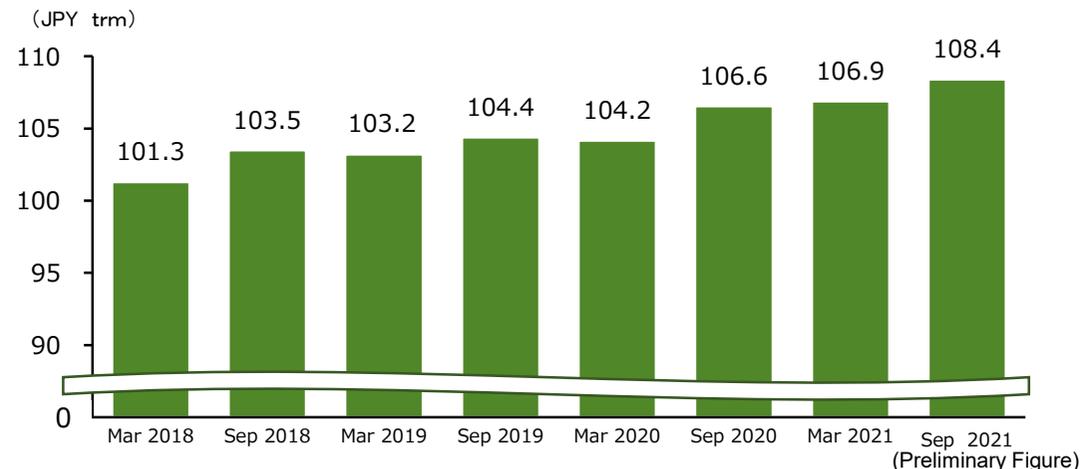
* Total funds under management =
Funds under management - Deposits

JA Bank accounts for 10% of the total amount of retail deposits and savings in the Japan.

Retail Deposits and Savings in Japan (As of Mar. 31, 2021)



JA Bank Deposits and Savings (JPY trillion)



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