

Dedicated to sustaining all life.

Financial Summary for Fiscal Year 2021



NORINCHUKIN

May 25, 2022

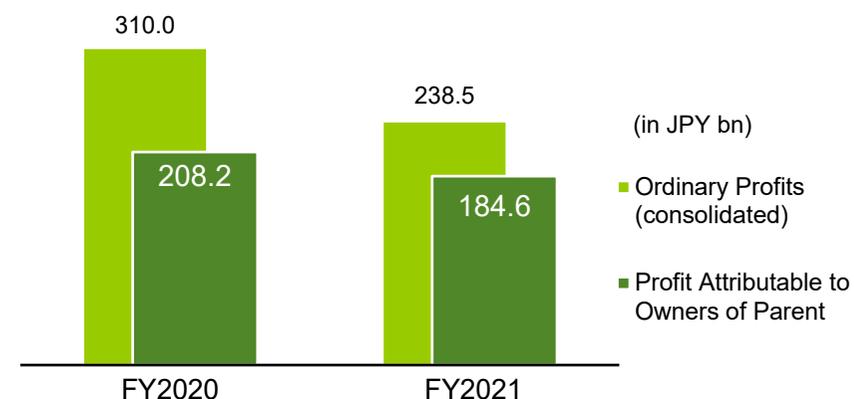
Financial Highlights for FY2021

- **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)

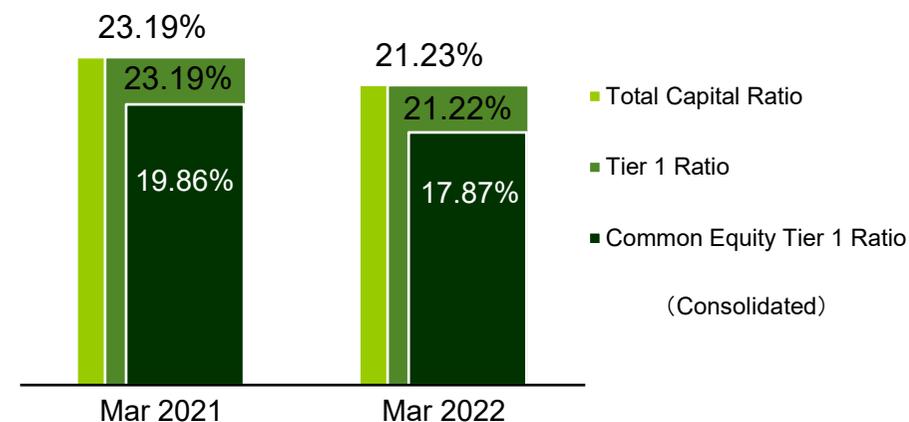
	FY2020	FY2021	Change
Ordinary Profits	310.0	238.5	(71.4)
Profit Attributable to Owners of Parent	208.2	184.6	(23.5)



Capital Position (under Basel III)

[Consolidated]

	Mar 2021	Mar 2022	Change
Common Equity Tier 1 Ratio	19.86%	17.87%	(1.99%)
Tier 1 Ratio	23.19%	21.22%	(1.97%)
Total Capital Ratio	23.19%	21.23%	(1.96%)



Income Statement Summary

[Consolidated] (in JPY bn)

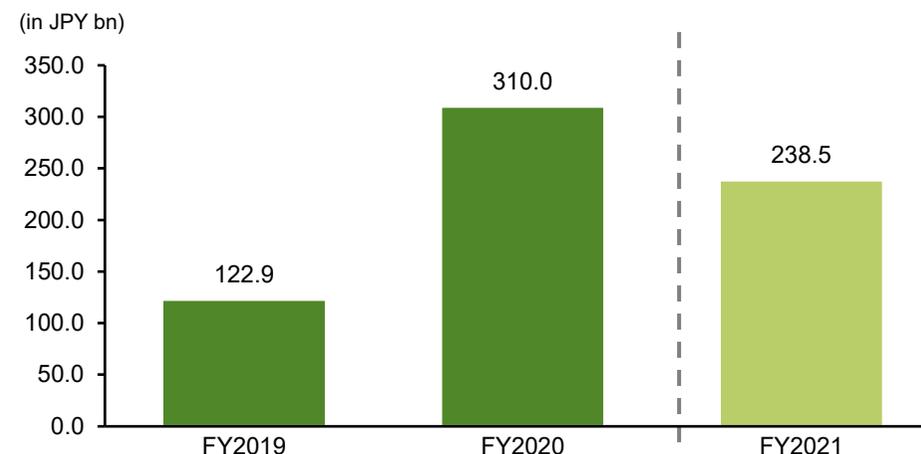
	FY2020	FY2021	Change
1 Ordinary Income	1,358.8	1,242.3	(116.5)
2 Interest Income	847.5	715.7	(131.7)
3 <Interest and Dividends on Securities>	730.5	601.8	(128.7)
4 <Interest on Loans and Bills Discounted>	97.4	97.9	0.5
5 Ordinary Expenses	1,048.8	1,003.7	(45.1)
6 Interest Expenses	631.0	514.5	(116.4)
7 <Expenses on Funding from Members>	313.4	289.7	(23.6)
8 General and Administrative Expenses	151.1	146.0	(5.0)
9 Ordinary Profits	310.0	238.5	(71.4)
10 Income before Income Taxes	293.6	263.5	(30.0)
11 Profit Attributable to Owners of Parent	208.2	184.6	(23.5)

[Non-consolidated] (in JPY bn)

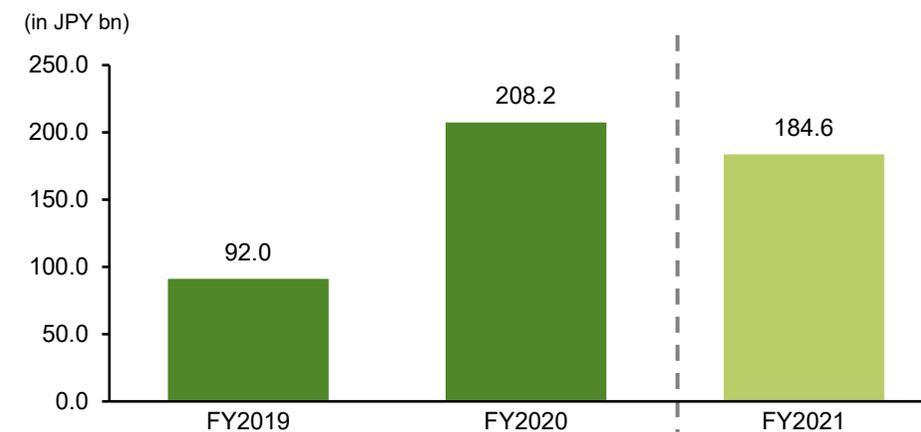
	FY2020	FY2021	Change
12 Ordinary Profits	309.6	219.0	(90.5)
13 Net Income	212.0	172.6	(39.3)
[Reference (Non-consolidated)]			
14 Net Gains/Losses on Sales of Securities	(46.5)	(65.4)	(18.8)
15 Net Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust	195.9	(117.1)	(313.0)
16 Credit Costs ^(Note)	83.1	17.6	(65.4)
17 Write-off of Securities	13.4	2.6	(10.7)

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

Ordinary Profits over Time (Consolidated)



Profit Attributable to Owners of Parent over Time



Balance Sheet Summary

[Consolidated] (in JPY bn)

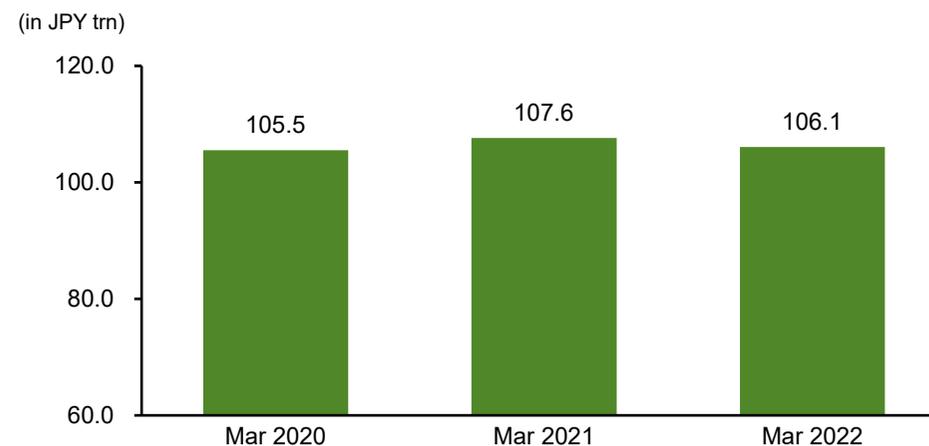
	Mar 2021	Mar 2022	Change
1 Loans and Bills Discounted	22,102.5	23,341.8	1,239.3
2 Securities	48,093.8	46,748.5	(1,345.2)
3 Money Held in Trust	10,638.5	10,867.9	229.3
4 Cash and Due from Banks	20,066.9	18,140.5	(1,926.4)
5 Others	6,745.8	7,039.4	293.5
6 Total Assets	107,647.8	106,138.3	(1,509.4)
7 Deposits ^(Note)	66,529.9	64,694.5	(1,835.3)
8 Debentures	355.4	360.2	4.8
9 Payables under Repurchase Agreements	17,073.9	19,327.6	2,253.7
10 Others	15,732.9	14,461.1	(1,271.7)
11 Total Liabilities	99,692.2	98,843.6	(848.5)
12 Total Net Assets	7,955.5	7,294.6	(660.8)

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

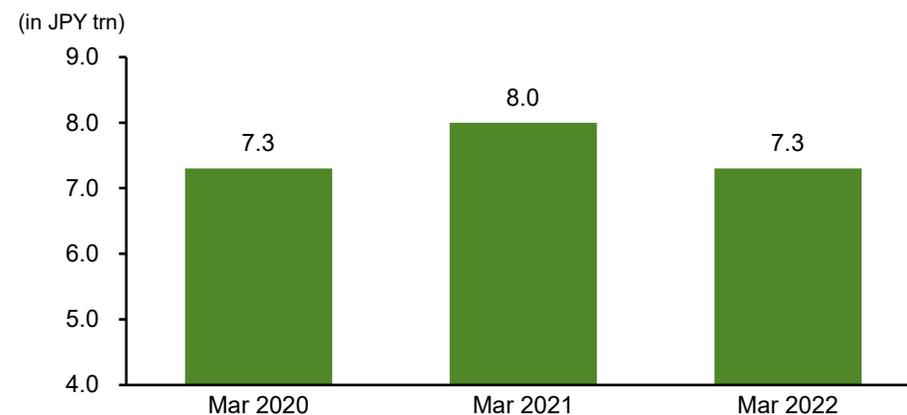
[Non-consolidated] (in JPY bn)

	Mar 2021	Mar 2022	Change
13 Total Assets	105,238.1	103,366.3	(1,871.7)
14 Total Liabilities	97,412.0	96,221.8	(1,190.2)
15 Total Net Assets	7,826.0	7,144.5	(681.4)
16 Gains/Losses on Revaluation of Securities	2,683.9	1,041.0	(1,642.8)

Total Assets over Time (Consolidated)

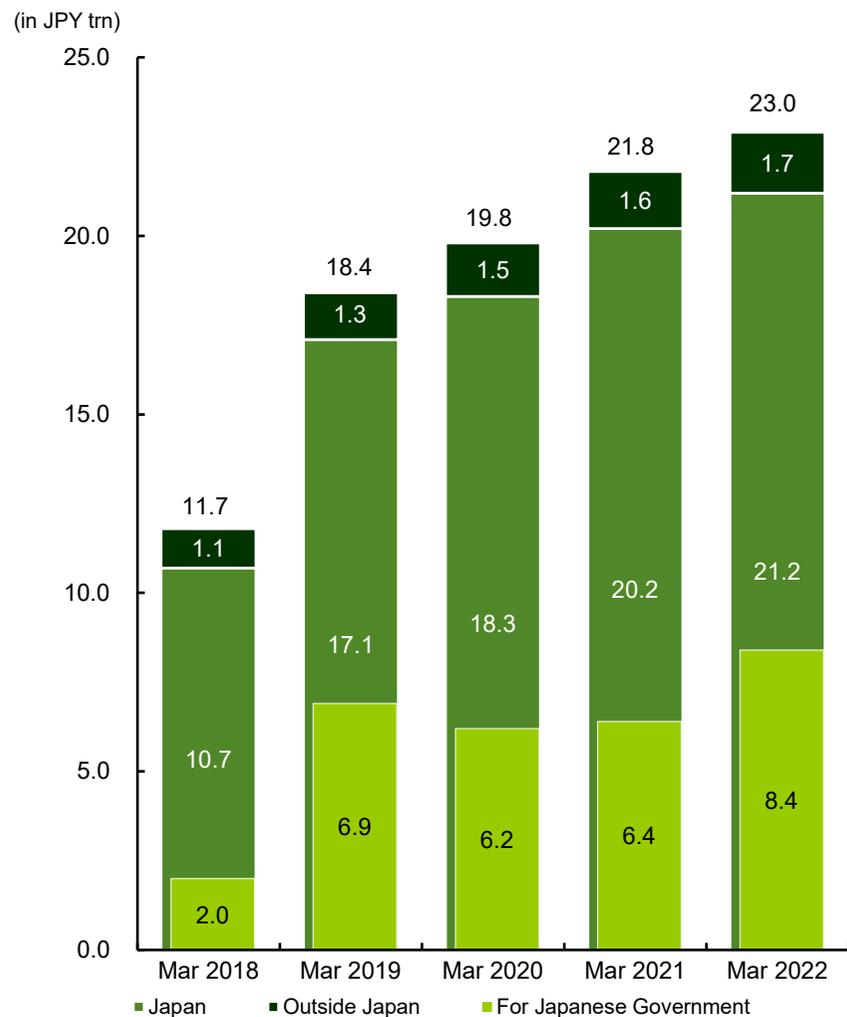


Net Assets over Time (Consolidated)

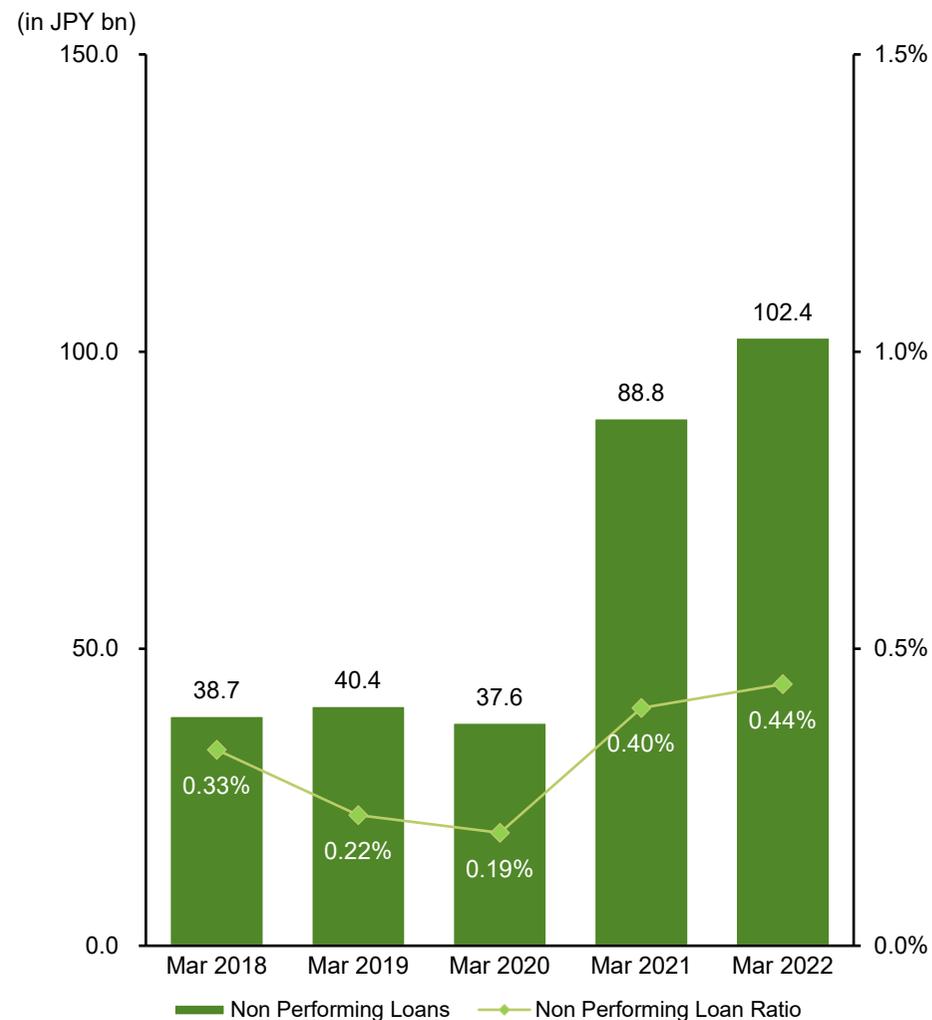


Loan and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time



Non-performing Loans(Note) over Time

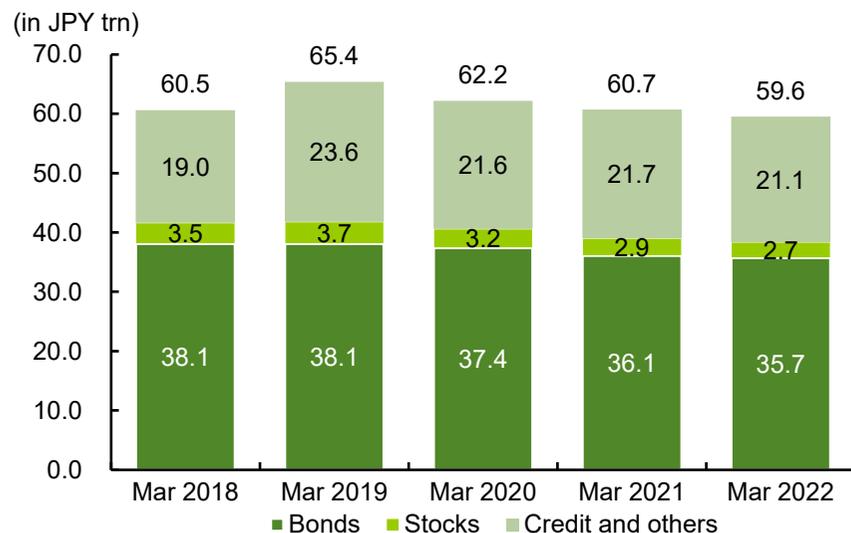


(Note) Non-performing Loans (NPL): Sum of claims classified under “Bankrupt or de facto bankrupt”, “Doubtful” and “Special attention” under the Norinchukin Bank Act (revised effective from the end of March 2022). (same definitions as the mandatory disclosure exposures under the Financial Revitalization Act)

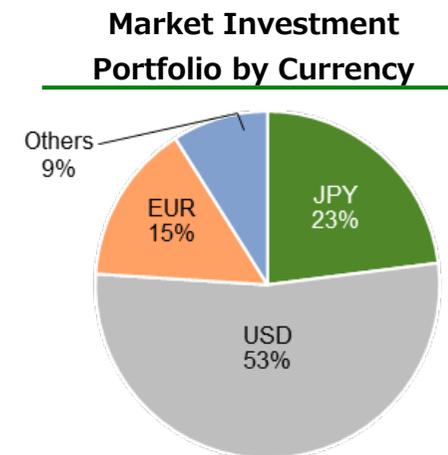
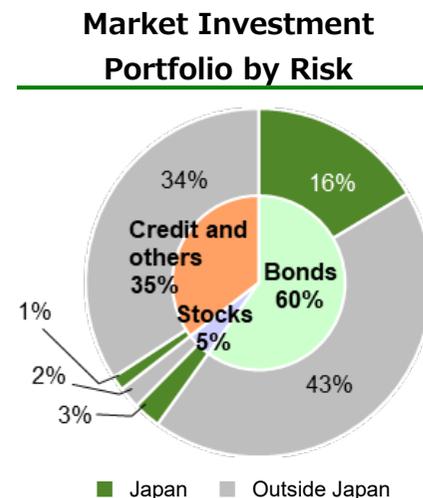
Non-performing Loan Ratio: The ratio of NPLs to the Bank’s total claims (i.e. NPLs and normal loans)

Market Investment Portfolio (Non-consolidated)

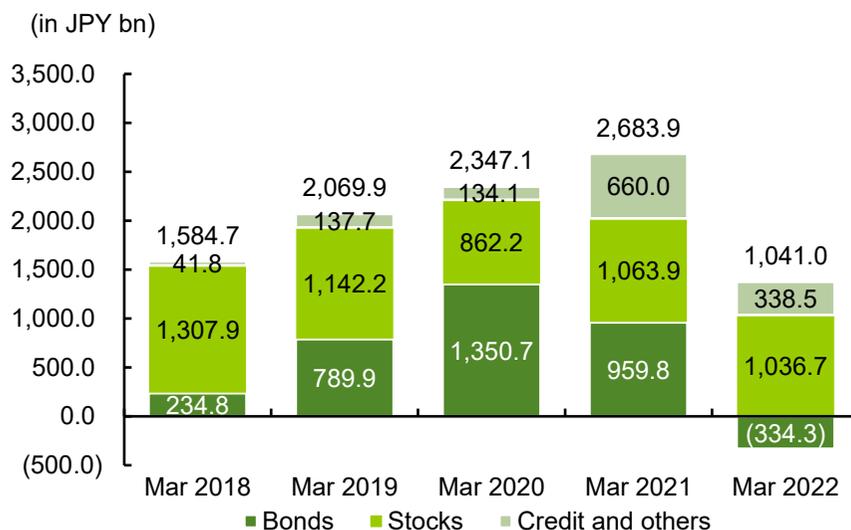
Market Investment Portfolio over Time



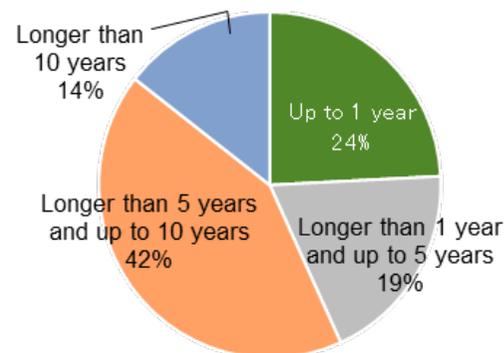
Market Investment Portfolio (Mar 2022)



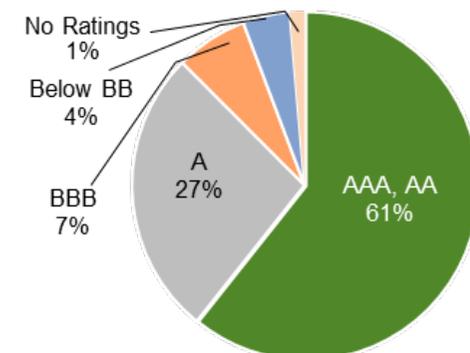
Net Unrealized Gains and Losses over Time



Bond and Credit Portfolio By Rate Reset Maturity

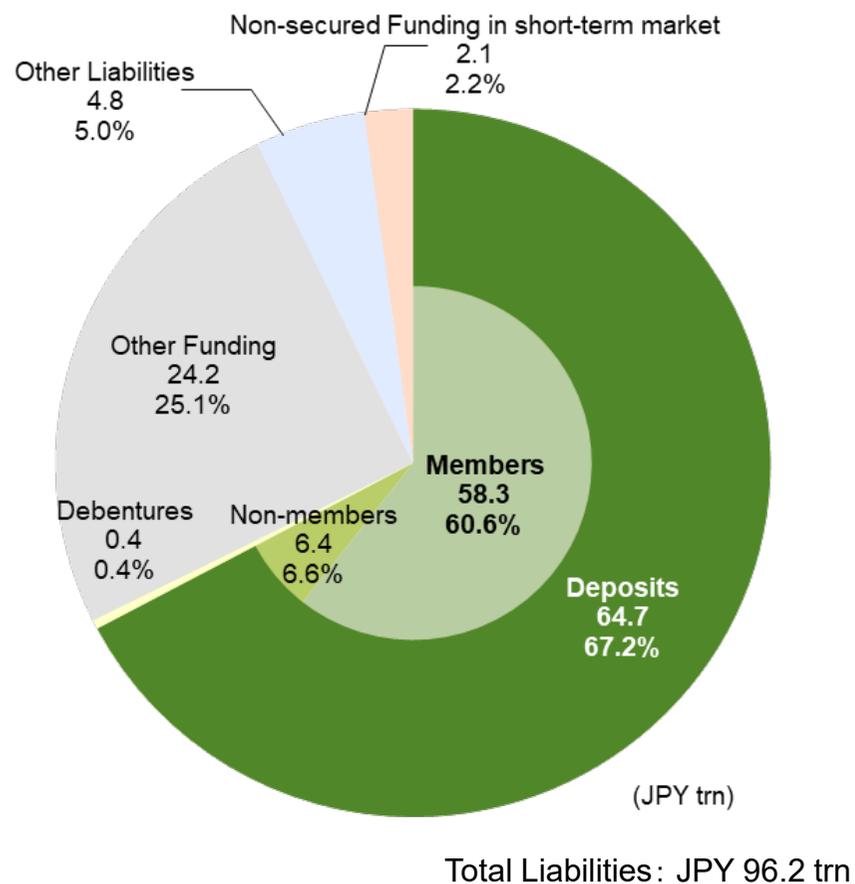


Market Investment Portfolio by Rating



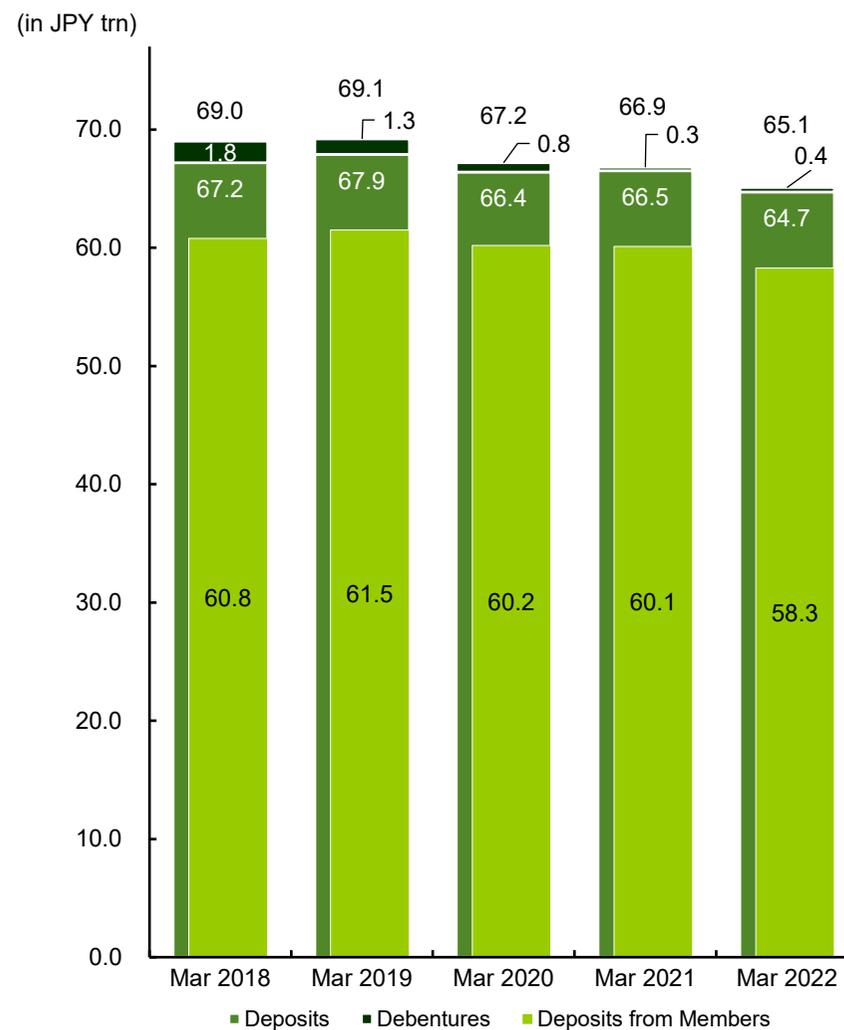
Funding (Non-consolidated)

Breakdown of Funding



(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 Debentures over Time



Earning Yields (Non-consolidated)

	Average (in JPY trn)		Earnings (in JPY bn)		Yield	
	FY2021	YOY Change	FY2021	YOY Change	FY2021	YOY Change
[Investment]						
1 Loans and Bills Discounted	22.3	1.3	76.4	(7.1)	0.34%	(0.06%)
2 Securities	51.3	(4.0)	807.9	(243.3)	1.57%	(0.32%)
3 JPY-denominated Securities (including Net Gains/Losses on Sales) (Note1)	13.9	(3.5)	(14.9)	(189.9)	(0.11%)	(1.11%)
4 Foreign Currency-denominated Securities (including Net Gains/Losses on Sales) (Note2)	37.3	(0.5)	822.8	(53.4)	2.20%	(0.11%)
5 Short-term Investment Assets	4.4	3.0	(0.6)	(1.1)	(0.01%)	(0.05%)

(Note1) JPY-denominated Securities (Excluding Net Gains/Losses on Sales) :0.65% (YOY change +0.05%)

(Note2) Foreign Currency-denominated Securities (Excluding Net Gains/Losses on Sales) :2.41% (YOY change+0.30%)

[Funding]

6 From Member Banks	59.6	(0.2)	289.7	(23.6)	0.49%	(0.04%)
7 Debentures	0.3	(0.2)	1.2	0.6	0.35%	0.23%
8 Funding from Markets	33.2	0.7	25.6	(53.4)	0.08%	(0.17%)
9 JPY Funding	3.6	(0.0)	(0.3)	0.5	(0.01%)	0.01%
10 Foreign Currencies Funding	25.8	0.7	(10.4)	(53.9)	(0.04%)	(0.21%)

(Reference)

11 Foreign Currencies Funding (Including Currency Swaps, etc.)	42.6	(0.7)	58.0	(107.1)	0.14%	(0.24%)
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(Reference) US Dollar Interest Rates over Time

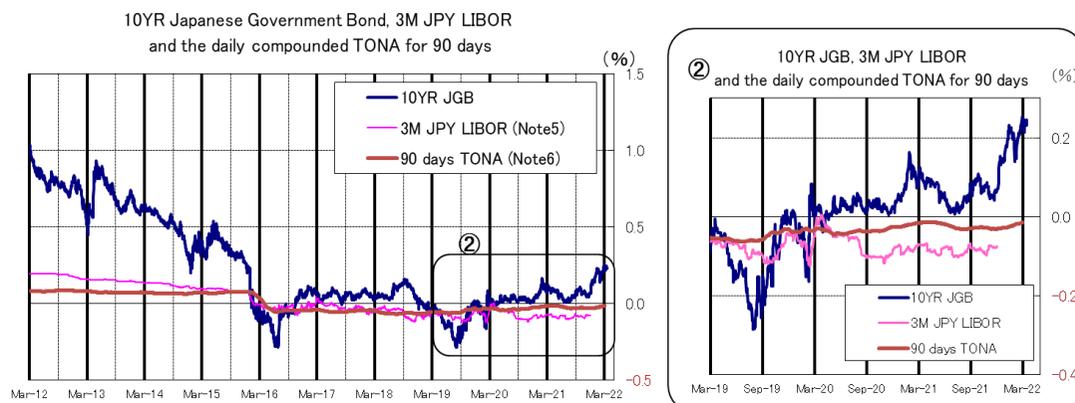


Source: Bloomberg

(Note3) CME Term SOFR Reference Rate

(Note4) SOFR-based calculation since October 2021 (LIBOR-based calculation prior to October 2021)

(Reference) Yen Interest Rates over Time



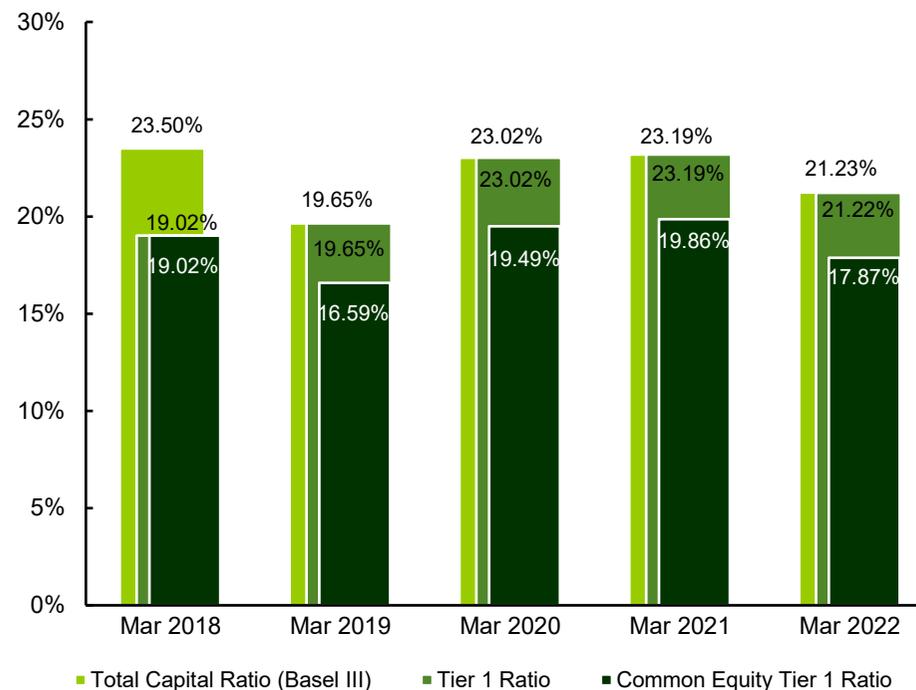
(Note5) JPY LIBOR publication was ceased at the end of December 2021.

(Note6) calculated by compounding overnight unsecured call rates announced daily by the Bank of Japan.

Capital Position

[Consolidated]		(in JPY bn)		
		Mar 2021	Mar 2022	Change
1	Tier 1 Capital	9,189.4	8,314.0	(875.3)
2	Common Equity Tier 1 Capital (CET1)	7,872.4	6,999.5	(872.9)
3	Capital Stock and Capital Surplus	4,015.2	4,015.2	-
4	Earned Surplus	2,041.3	2,143.2	101.8
5	Unrealized Gains on Other Securities	1,948.5	758.9	(1,189.5)
6	Additional Tier 1 Capital	1,316.9	1,314.5	(2.4)
7	Tier 2 Capital	1.1	0.9	(0.2)
8	Subordinated Bonds and Loans	0.9	-	(0.9)
9	Total Capital	9,190.5	8,314.9	(875.6)
10	Risk-weighted Assets	39,622.4	39,163.5	(458.9)
11	Common Equity Tier 1 Ratio	19.86%	17.87%	(1.99%)
12	Tier 1 Ratio	23.19%	21.22%	(1.97%)
13	Total Capital Ratio	23.19%	21.23%	(1.96%)

Capital Ratios over Time (Consolidated)



Leverage Ratio (Consolidated)

		Mar 2021	Mar 2022
14	Leverage Ratio <small>(Note1)</small>	10.19%	9.15%

(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)

		FY2021	1Q	2Q	3Q	4Q
15	Liquidity Coverage Ratio <small>(Note2)</small>		389%	487%	538%	426%
			Mar 2021		Mar 2022	
16	Net Stable Funding Ratio <small>(Note3)</small>		-			129%

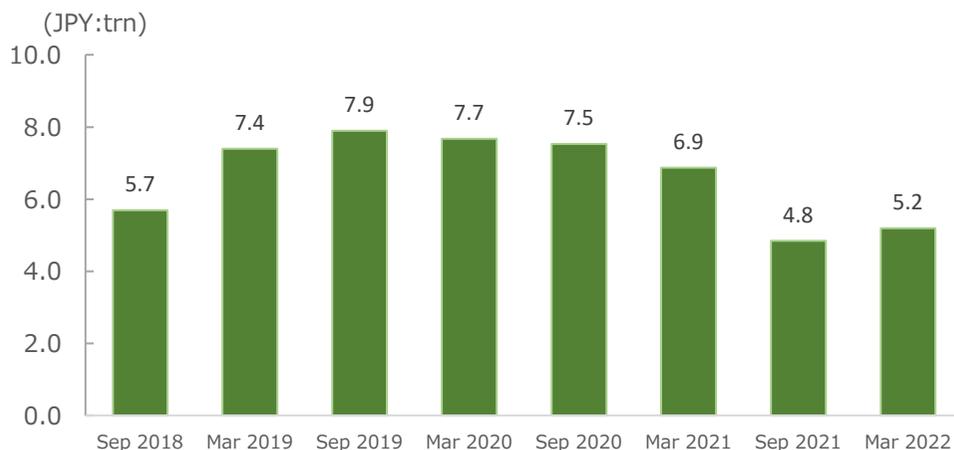
(Note2) Item 15: simple averages of observations over the previous quarter
 (Note3) Item 16: disclosure requirement in Japan started from FY 2021

Appendix

The Bank's Investment in CLOs

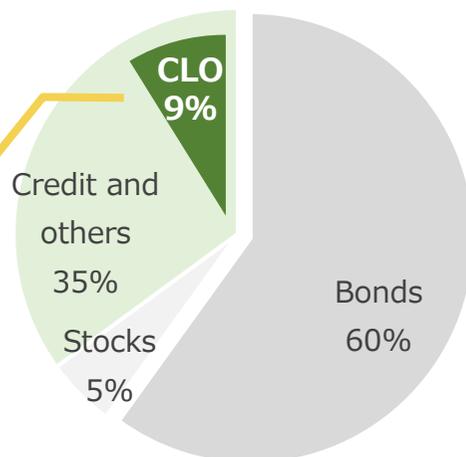
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

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

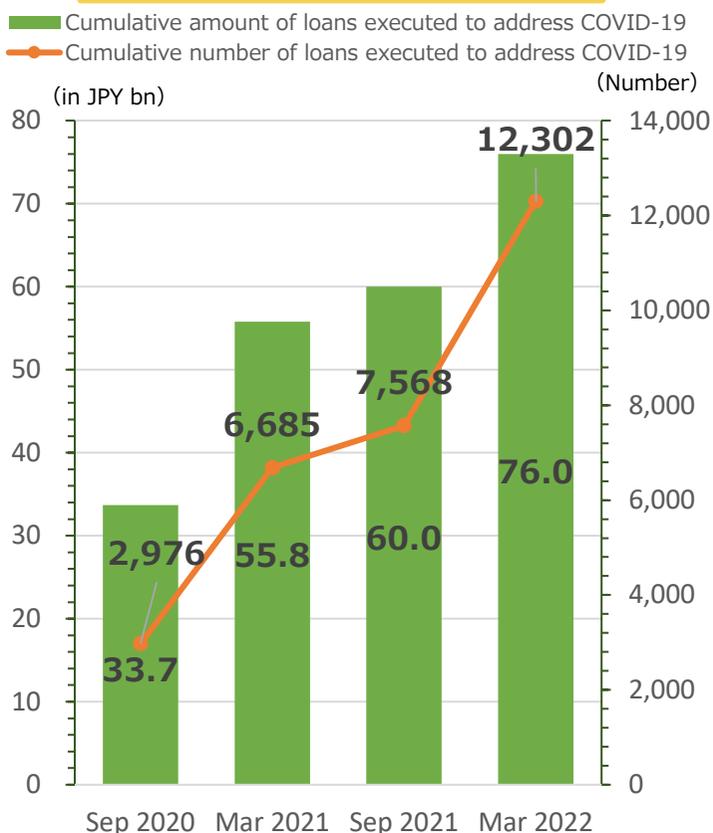
- Periodical review on the compliance status of tests and underlying asset quality
- Frequent communication with the managers

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

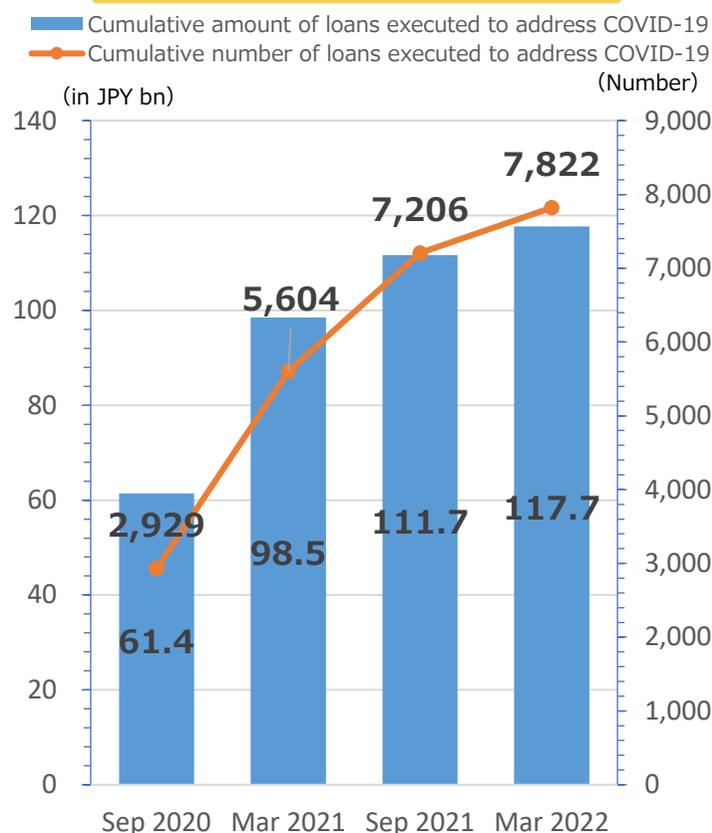
Loans to address COVID-19

JA Bank



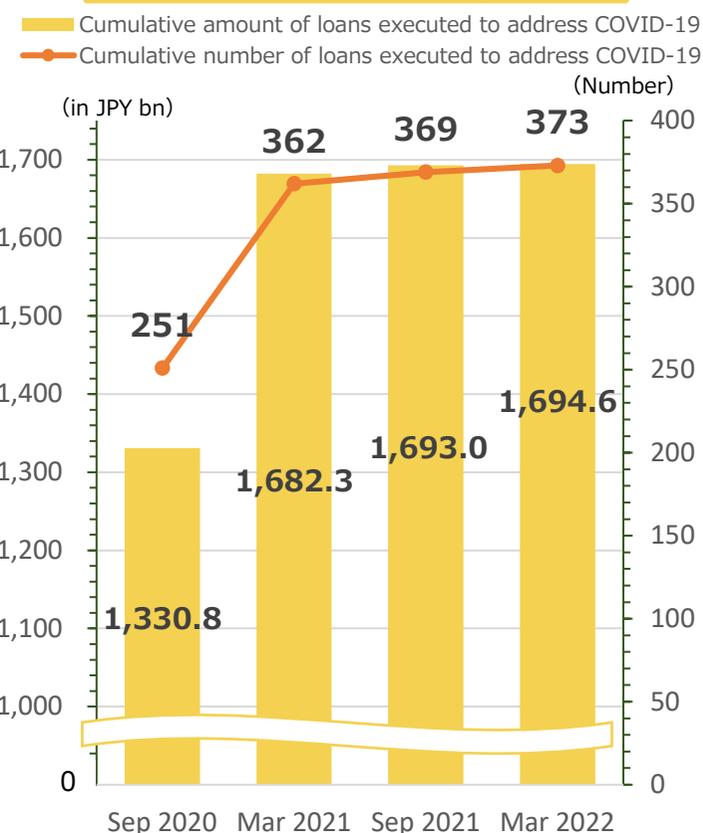
*JA Bank's loans consist of loans from JA, Shinnoren and The Norinchukin Bank to address COVID-19 and lending business outsourced by Japan Finance Corporation

JF Marine Bank



*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)

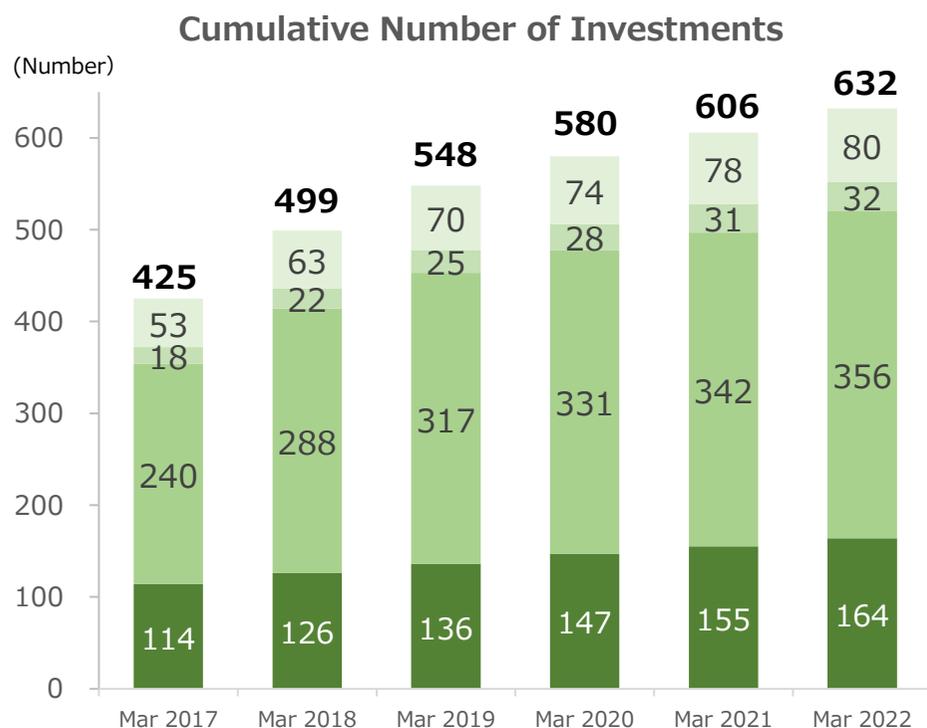


*The Bank's loans for corporations to address COVID-19
 *Data aggregated from branch/divisional reports

Equity Financing to Agricultural Corporations

- Cumulative equity investments to agricultural corporation etc. reached **632 deals** and **JPY 11.0 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)

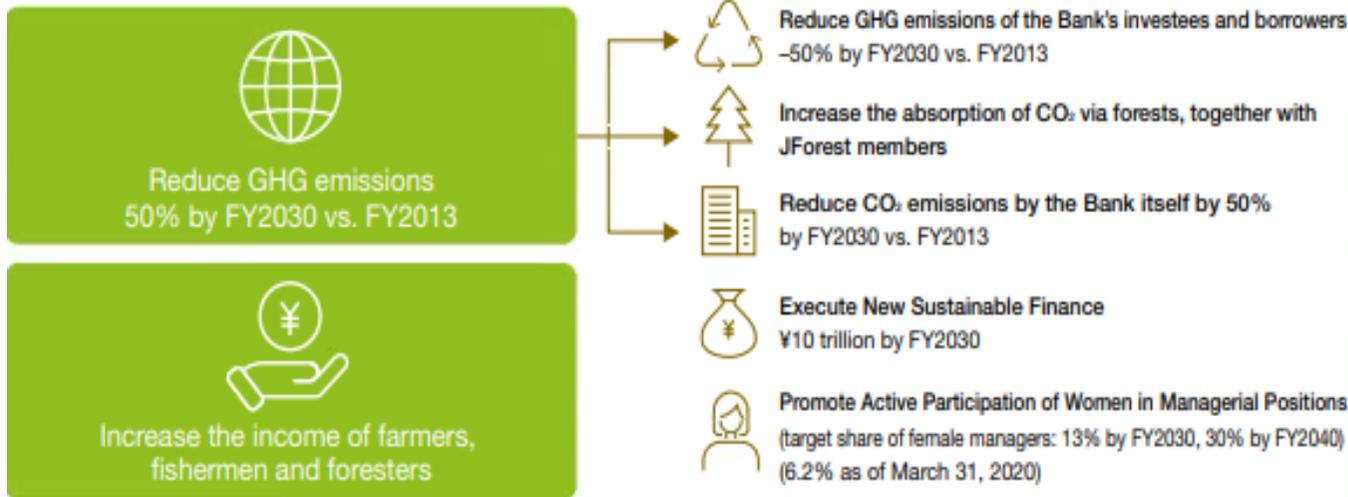
Reconstruction Fund

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 during FY2021 reached approximately JPY 1.5 trillion

Medium/Long-Term Goals by FY2030



Sustainable Finance

New finance of FY2021	Medium/Long-Term Goal*	Progress Rate
1.5 JPY trillion (approx.)	10 JPY trillion	15% (approx.)

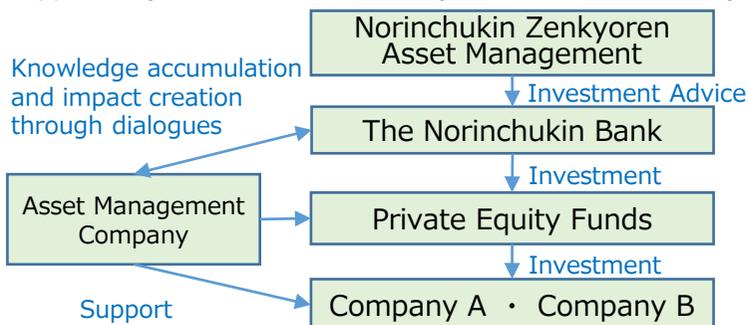
* Cumulative amount of new finance from FY2021 to FY2030 (10 years)

Breakdown

Examples of Sustainable Finance Initiatives

Case1: Impact Investment Program

- The Bank started the equity investment program to create positive impacts on the environment and society. (up to JPY 15 billion in FY2022)
- As the first phase, the Bank invested in a private equity fund that targets "climate action", "creation of economic opportunity", "education", "Industry4.0", and "health/safety".



Case2: ESG Loan Project Example (Loan to an Onshore Fish Farmer)

- Through onshore sea-water aquaculture, a fish-farming startup aims to supply fresh trouts ("trouts salmon") of domestic produce, which contributes to reducing environmental impact and biodiversity, as well as the stable supply of domestic fishery products and regional revitalization.



- The Bank provides a sustainability loan for the business contributing to the realization of a sustainable environment and society.

(Fish cage during the proof-of-concept project)

Investments & Loans

Market Investment Assets etc.	0.9 JPY trillion
Project Finance	0.4 JPY trillion
ESG Loans	0.1 JPY trillion

Funding

Green Bonds	0.1 JPY trillion
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Initiatives for Medium/Long-Term Goals by FY2030

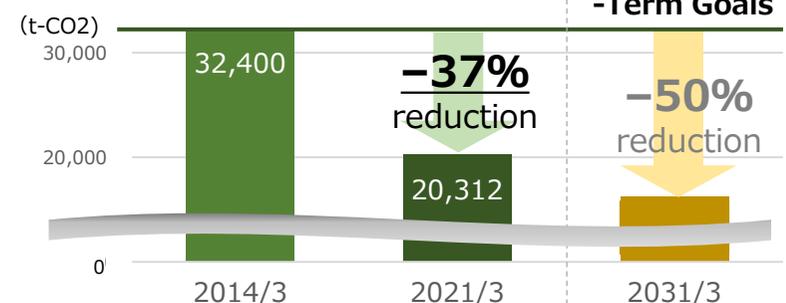
- The Bank developed initiatives to reduce GHG emissions, increase the income of farmers, fishermen and foresters and promote active participation of women in managerial positions
- The Bank strengthened the governance system to enhance its sustainable management

Major Initiatives in FY2021

Reduce GHG emissions

- Launched GHG measurement support service to the Bank's investees and borrowers to accelerate their decarbonization management efforts
- Engaged with the investees and borrowers using risk scenario analysis related to climate change
- Ensured CO2 absorption volume in cooperation with members by appropriate forest maintenance nationwide
- Reduced the Bank's CO2 emissions by approximately **37%** (as of March 2021, compared to March 2014)

CO2 emissions by the Bank

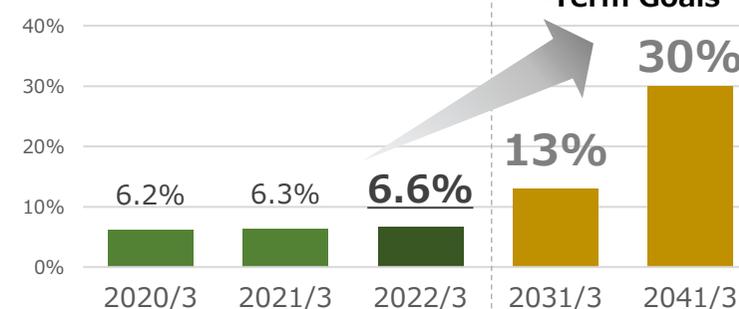


Medium/Long-Term Goals

Increase the Income of Farmers, Fishermen and Foresters

- Offered management consulting to AFF corporations
- Developed various supports to AFF corporations and Food & Agriculture-related corporations to build the value chains

Share of Female Managers



Medium/Long-Term Goals

Share of Female Managers

- Approximately **6.6%** of female managers at the Bank as of March 31, 2022
- Promoted initiatives toward targets under the leadership of the newly established CDO (see below) in FY 2021

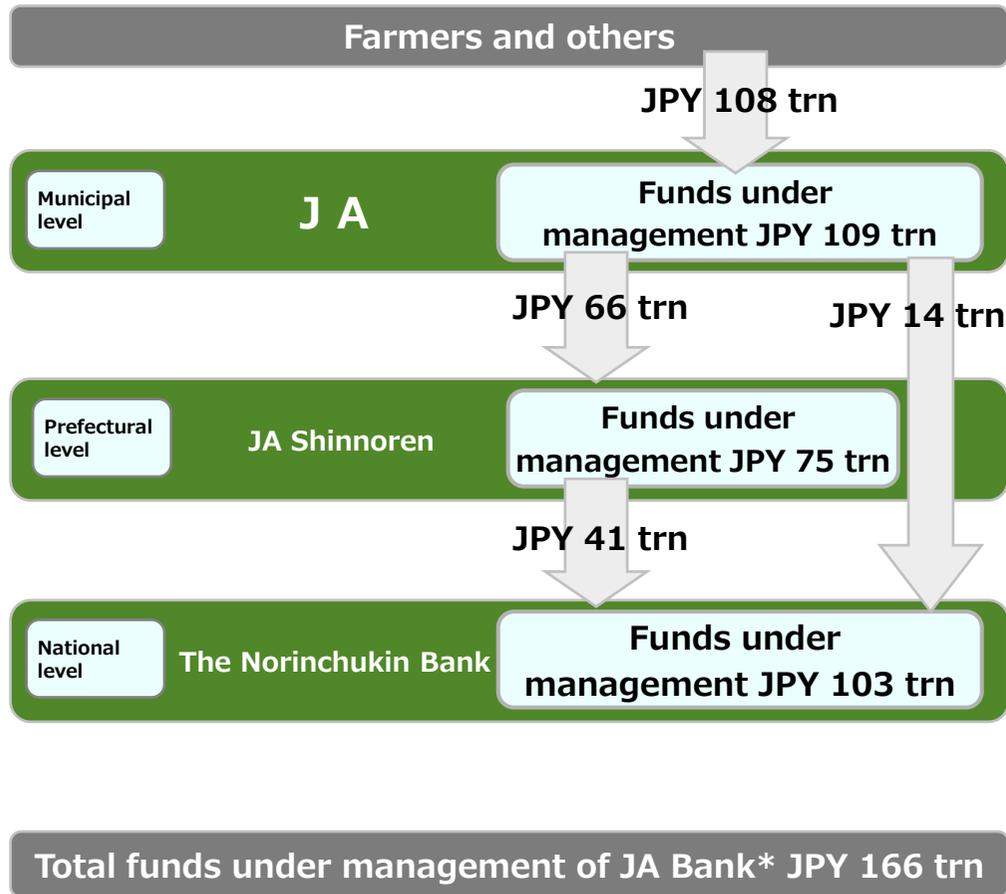
Strengthening the governance system for the Bank's sustainable management

- Assigned two Chief Sustainability Officers (**CO-CSuO**) in Japan and the U.K. (London) responsible for overseeing and promoting global sustainable management
- Established the **Sustainability Advisory Board** that comprises external experts as the advisory body to the Board of Directors about sustainable management
- Assigned Chief Diversity Officer (**CDO**) responsible for promoting women's active participation in workplace and diversity

Business Base of JA Bank

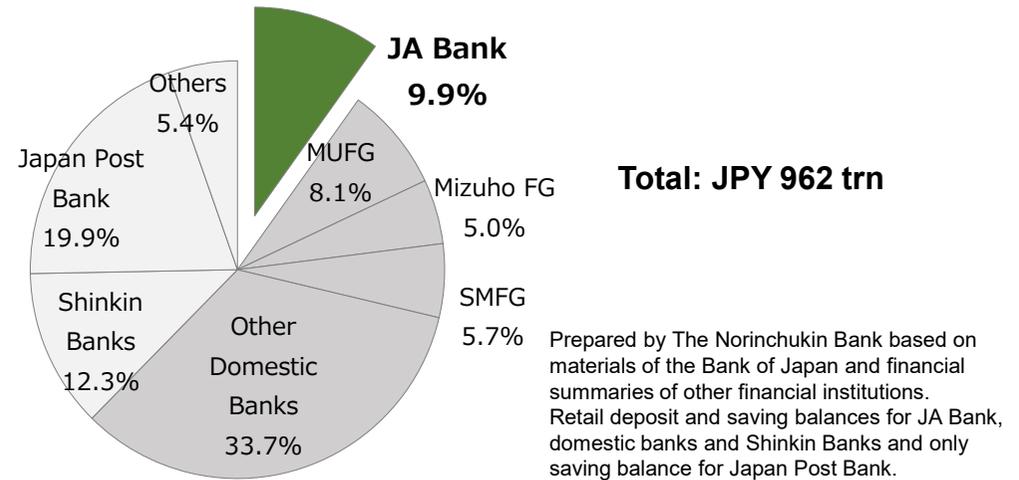
JA Bank = JA + JA Shinnoren + The Norinchukin Bank

Flow of Funds in JA Bank (As of Mar. 31, 2022)

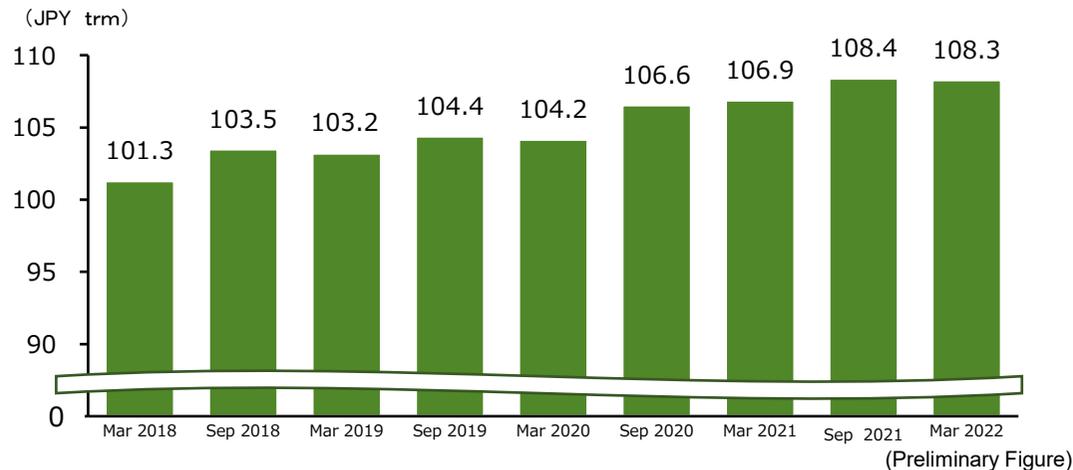


JA Bank accounts for 10% of the total amount of retail deposits and savings in the Japan.

Retail Deposits and Savings in Japan (As of Sep. 30, 2021)



JA Bank Deposits and Savings (JPY trillion)



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