

Financial Statements for the Third Quarter of Fiscal 2022

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 Third Quarter of Fiscal 2022 (for the nine months ended December 31, 2022)

(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	%
3Q Fiscal 2022	1,759,661	86.4	167,668	(24.1)	159,370	1.5
3Q Fiscal 2021	944,263	7.7	220,870	48.7	157,010	43.5

(Note) Comprehensive Income for 3Q Fiscal 2022 (1,834,237) millions of Yen (−%) for 3Q Fiscal 2021 367,643 millions of Yen (64.6)%

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
3Q Fiscal 2022	99,335,021	5,318,703	5.3
Fiscal 2021	106,138,351	7,294,687	6.9

(Ref) Net Assets – Non-controlling Interests for 3Q Fiscal 2022 5,308,506 millions of Yen for Fiscal 2021 7,284,694 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 “Matters Related to Summary Information (Notes)” (page 3).

2. Non-consolidated Financial Results for the Third Quarter of Fiscal 2022

(for the nine months ended December 31, 2022)

(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	%
3Q Fiscal 2022	1,734,224	87.8	154,099	(26.1)	152,853	1.9
3Q Fiscal 2021	923,603	6.9	208,481	39.5	150,066	32.1

(2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
3Q Fiscal 2022	96,282,587	5,107,043	5.3
Fiscal 2021	103,366,368	7,144,559	6.9

(Ref) Net Assets for 3Q Fiscal 2022 5,107,043 millions of Yen for Fiscal 2021 7,144,559 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.

Matters Related to Summary Information (Notes)

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 Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Norinchukin Bank (“the Bank”) and its consolidated subsidiaries have adopted Implementation Guidance on Accounting Standard for Fair Value Measurement (The Accounting Standards Board of Japan (ASBJ) Guidance No.31, revised on 17th June 2021) at the beginning of the first quarter of this fiscal year.

As a result, the change had no impact on the consolidated financial statements in this period.

Quarterly Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2021 (As of March 31, 2022)	Third Quarter of Fiscal 2022 (As of December 31, 2022)
(Assets)		
Loans and Bills Discounted	23,341,865	17,730,528
Foreign Exchange Assets	375,980	350,529
Securities	46,748,553	40,308,767
Money Held in Trust	10,867,985	10,341,011
Trading Assets	2,466	10,468
Monetary Claims Bought	387,819	341,283
Receivables under Resale Agreements	366	174
Cash and Due from Banks	18,140,525	23,219,403
Other Assets	3,178,992	2,618,980
Tangible Fixed Assets	151,442	133,151
Intangible Fixed Assets	52,174	51,829
Net Defined Benefit Asset	119,913	120,487
Deferred Tax Assets	4,315	491,536
Deferred Tax Assets for Land Revaluation	-	1,600
Customers' Liabilities for Acceptances and Guarantees	2,915,891	3,765,277
Reserve for Possible Loan Losses	(149,942)	(150,008)
Total Assets	106,138,351	99,335,021
(Liabilities)		
Deposits	64,009,893	64,117,210
Negotiable Certificates of Deposit	2,140,966	2,447,345
Debentures	360,280	415,527
Trading Liabilities	1,692	6,808
Borrowed Money	4,924,931	4,402,725
Call Money and Bills Sold	-	1,500,000
Payables under Repurchase Agreements	19,327,671	11,799,507
Foreign Exchange Liabilities	-	94
Short-term Entrusted Funds	684,692	1,379,172
Other Liabilities	4,150,052	4,156,677
Reserve for Bonus Payments	7,554	4,014
Net Defined Benefit Liability	21,742	20,815
Reserve for Directors' Retirement Benefits	1,043	1,141
Deferred Tax Liabilities	295,753	-
Deferred Tax Liabilities for Land Revaluation	1,499	-
Acceptances and Guarantees	2,915,891	3,765,277
Total Liabilities	98,843,664	94,016,317
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	23,399	23,399
Retained Earnings	2,236,608	2,313,836
Treasury Preferred Stock	-	(50,770)
Total Owners' Equity	6,300,206	6,326,664
Net Unrealized Gains (Losses) on Other Securities	758,987	(1,188,920)
Net Deferred Gains (Losses) on Hedging Instruments	177,259	136,029
Revaluation Reserve for Land	5,970	(2,099)
Foreign Currency Transaction Adjustments	517	1,550
Remeasurements of Defined Benefit Plans	41,753	35,281
Total Accumulated Other Comprehensive Income	984,488	(1,018,158)
Non-controlling Interests	9,992	10,197
Total Net Assets	7,294,687	5,318,703
Total Liabilities and Net Assets	106,138,351	99,335,021

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

	(Millions of Yen)	
	Third Quarter of Fiscal 2021 (Nine Months ended December 31, 2021)	Third Quarter of Fiscal 2022 (Nine Months ended December 31, 2022)
Ordinary Income	944,263	1,759,661
Interest Income	495,545	966,239
Interest on Loans and Bills Discounted	70,870	151,882
Interest and Dividends on Securities	413,287	768,773
Fees and Commissions	21,799	24,811
Trading Income	20	365
Other Operating Income	82,615	484,755
Other Ordinary Income	344,282	283,489
Ordinary Expenses	723,393	1,591,993
Interest Expenses	383,318	889,519
Interest on Deposits	8,084	89,906
Fees and Commissions	12,619	13,263
Trading Expenses	234	90
Other Operating Expenses	213,882	437,751
General and Administrative Expenses	104,318	117,022
Other Ordinary Expenses	9,018	134,346
Ordinary Profits	220,870	167,668
Extraordinary Profits	584	24,238
Extraordinary Losses	612	1,033
Income before Income Taxes	220,841	190,873
Income Taxes - Current	3,382	52,295
Income Taxes - Deferred	59,687	(21,766)
Total Income Taxes	63,069	30,528
Profit	157,771	160,344
Profit Attributable to Non-controlling Interests	760	974
Profit Attributable to Owners of Parent	157,010	159,370

(2) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Third Quarter of Fiscal 2021 (Nine Months ended December 31, 2021)	Third Quarter of Fiscal 2022 (Nine Months ended December 31, 2022)
Profit	157,771	160,344
Other Comprehensive Income	209,872	(1,994,582)
Net Unrealized Gains (Losses) on Other Securities	94,554	(1,947,705)
Net Deferred Gains (Losses) on Hedging Instruments	119,980	(41,319)
Revaluation Reserve for Land	2,247	-
Foreign Currency Transaction Adjustments	414	950
Remeasurements of Defined Benefit Plans	(7,678)	(6,495)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	354	(11)
Total Comprehensive Income	367,643	(1,834,237)
Attributable to:		
Owners of Parent	366,879	(1,835,207)
Non-controlling Interests	764	969

Quarterly Non-Consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2021 (As of March 31, 2022)	Third Quarter of Fiscal 2022 (As of December 31, 2022)
(Assets)		
Loans and Bills Discounted	22,955,497	17,199,035
Foreign Exchange Assets	375,980	350,529
Securities	47,057,256	40,632,849
Money Held in Trust	10,864,800	10,338,359
Trading Assets	2,466	10,468
Monetary Claims Bought	387,819	341,283
Cash and Due from Banks	18,070,056	23,127,464
Other Assets	3,129,171	2,604,410
Tangible Fixed Assets	149,530	131,200
Intangible Fixed Assets	49,732	47,820
Prepaid Pension Cost	57,465	67,731
Deferred Tax Assets	-	532,048
Deferred Tax Assets for Land Revaluation	-	1,600
Customers' Liabilities for Acceptances and Guarantees	415,117	1,039,919
Reserve for Possible Loan Losses	(147,046)	(140,652)
Reserve for Possible Investment Losses	(1,481)	(1,481)
Total Assets	103,366,368	96,282,587
(Liabilities)		
Deposits	64,019,836	64,129,055
Negotiable Certificates of Deposit	2,140,966	2,436,678
Debentures	363,780	416,777
Trading Liabilities	1,692	6,808
Borrowed Money	4,868,429	4,346,236
Call Money	-	1,500,000
Payables under Repurchase Agreements	19,327,671	11,799,507
Foreign Exchange Liabilities	-	94
Short-term Entrusted Funds	684,692	1,379,172
Other Liabilities	4,104,171	4,102,822
Reserve for Bonus Payments	5,665	2,904
Reserve for Retirement Benefits	15,031	14,723
Reserve for Directors' Retirement Benefits	730	842
Deferred Tax Liabilities	272,524	-
Deferred Tax Liabilities for Land Revaluation	1,499	-
Acceptances and Guarantees	415,117	1,039,919
Total Liabilities	96,221,809	91,175,543
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	25,020	25,020
Retained Earnings	2,157,550	2,228,262
Treasury Preferred Stock	-	(50,770)
Total Owners' Equity	6,222,769	6,242,711
Net Unrealized Gains (Losses) on Other Securities, net of taxes	756,155	(1,191,028)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	159,663	57,460
Revaluation Reserve for Land, net of taxes	5,970	(2,099)
Total Valuation and Translation Adjustments	921,789	(1,135,667)
Total Net Assets	7,144,559	5,107,043
Total Liabilities and Net Assets	103,366,368	96,282,587

Non-consolidated Statement of Operations

(Millions of Yen)

	Third Quarter of Fiscal 2021 (Nine Months ended December 31, 2021)	Third Quarter of Fiscal 2022 (Nine Months ended December 31, 2022)
Ordinary Income	923,603	1,734,224
Interest Income	498,428	971,336
Interest on Loans and Bills Discounted	56,109	128,350
Interest and Dividends on Securities	430,486	797,432
Fees and Commissions	9,059	11,913
Trading Income	20	365
Other Operating Income	78,547	478,608
Other Ordinary Income	337,546	272,000
Ordinary Expenses	715,121	1,580,125
Interest Expenses	384,389	891,307
Interest on Deposits	7,969	89,904
Fees and Commissions	16,012	20,749
Trading Expenses	234	90
Other Operating Expenses	213,266	437,225
General and Administrative Expenses	92,212	102,567
Other Ordinary Expenses	9,005	128,184
Ordinary Profits	208,481	154,099
Extraordinary Profits	584	24,238
Extraordinary Losses	284	1,031
Income before Income Taxes	208,781	177,306
Income Taxes - Current	(1,534)	46,595
Income Taxes - Deferred	60,249	(22,143)
Total Income Taxes	58,714	24,452
Net Income	150,066	152,853

(Ref) Summary of Performance (Non-Consolidated)

(100 millions of yen)

		Third Quarter of Fiscal 2021 (A)	Third Quarter of Fiscal 2022 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	1	31	2,412	2,381
Net Interest Income	2	1,450	2,084	634
Net Fees and Commissions Income (Loss)	3	(69)	(88)	(18)
Net Trading Income (Loss)	4	(2)	2	4
Net Other Operating Income (Loss)	5	(1,347)	413	1,761
General and Administrative Expenses	6	(922)	(1,025)	(103)
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) (※1)	7	(890)	1,387	2,277
Gains (Losses) on Bond-Related Transactions	8	(1,401)	(166)	1,235
Core Net Operating Profit (Loss) (※2)	9	511	1,553	1,042
Excluding Gains (Losses) from Redemption of Investment Trusts (※3)	10	1,307	623	(683)
Provision of General Reserve for Possible Loan Losses	11	-	(63)	(63)
Net Operating Profit (Loss) (※4)	12	(890)	1,323	2,214
Non-Recurring Gains (Losses)	13	2,975	217	(2,758)
Gains (Losses) on Stock-Related Transactions	14	1,077	624	(453)
Gains (Losses) on Money Held in Trust- Related Transactions	15	1,797	(388)	(2,186)
Gains on Reversal of Reserves for Possible Loan Losses, and Others	16	144	4	(140)
Other	17	(44)	(23)	21
Ordinary Profits	18	2,084	1,540	(543)
Credit-Related Costs (※5)	19	144	(58)	(203)

(※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)

		Third Quarter of Fiscal 2021 (A)	Third Quarter of Fiscal 2022 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	20	1,829	2,024	194
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses)	21	907	998	91
Net Operating Profit (Loss)	22	907	935	27
Core Net Operating Profit (Loss)	23	2,309	1,164	(1,144)
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	3,031	1,454	(1,576)

(※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”