

Dedicated to sustaining all life.

# Financial Summary for the 1<sup>st</sup> Quarter of Fiscal Year 2023



**NORINCHUKIN**

**August 3, 2023**

# Income Statement Summary

[Consolidated] (in JPY bn)

	FY2022 Apr-Jun	FY2023 Apr-Jun	Change
1 Ordinary Income	777.6	752.3	(25.3)
2 Interest Income	355.2	508.5	153.3
3 <Interest and Dividends on Securities>	313.9	388.6	74.7
4 <Interest on Loans and Bills Discounted>	33.5	93.1	59.6
5 Ordinary Expenses	768.8	654.0	(114.8)
6 Interest Expenses	174.2	571.4	397.1
7 <Expenses on Funding from Members>	65.8	64.9	(0.9)
8 General and Administrative Expenses	37.9	43.8	5.9
9 Ordinary Profits	8.8	98.2	89.4
10 Income before Income Taxes	32.2	98.2	65.9
11 Profit Attributable to Owners of Parent	32.4	63.8	31.4

[Non-consolidated] (in JPY bn)

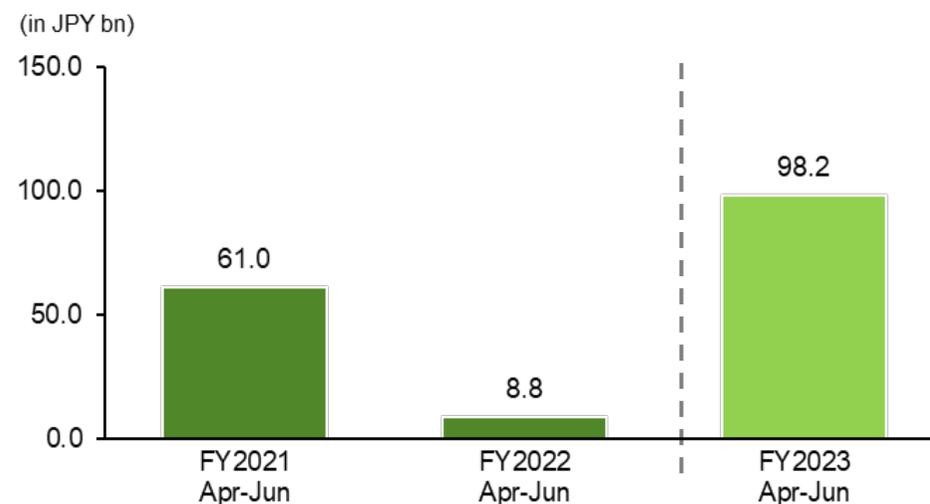
	FY2022 Apr-Jun	FY2023 Apr-Jun	Change
12 Ordinary Profits	14.5	105.7	91.2
13 Net Income	40.4	74.4	33.9

[Reference (Non-consolidated)]

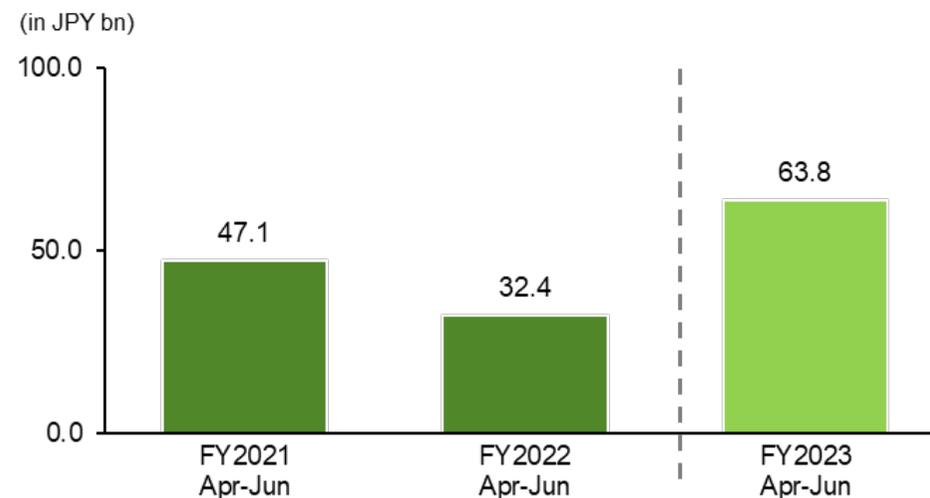
14 Net Gains/Losses on Sales of Securities	(39.9)	142.2	182.2
15 Net Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust	(10.6)	62.6	73.3
16 Credit Costs <sup>(Note)</sup>	(0.4)	6.5	6.9
17 Write-off of Securities	0.0	-	(0.0)

(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 2023	Jun 2023	Change
1 Loans and Bills Discounted	17,414.1	18,110.2	696.1
2 Securities	39,725.7	47,638.0	7,912.3
3 Money Held in Trust	8,419.3	10,637.0	2,217.6
4 Cash and Due from Banks	22,430.6	21,247.4	(1,183.2)
5 Others	6,515.0	7,712.1	1,197.1
6 <b>Total Assets</b>	<b>94,504.9</b>	<b>105,344.9</b>	<b>10,839.9</b>
7 Deposits <sup>(Note)</sup>	64,606.8	67,307.1	2,700.3
8 Debentures	454.0	452.9	(1.0)
9 Payables under Repurchase Agreements	10,613.4	14,584.0	3,970.5
10 Others	13,157.0	17,529.4	4,372.4
11 <b>Total Liabilities</b>	<b>88,831.4</b>	<b>99,873.6</b>	<b>11,042.2</b>
12 <b>Total Net Assets</b>	<b>5,673.5</b>	<b>5,471.2</b>	<b>(202.2)</b>

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

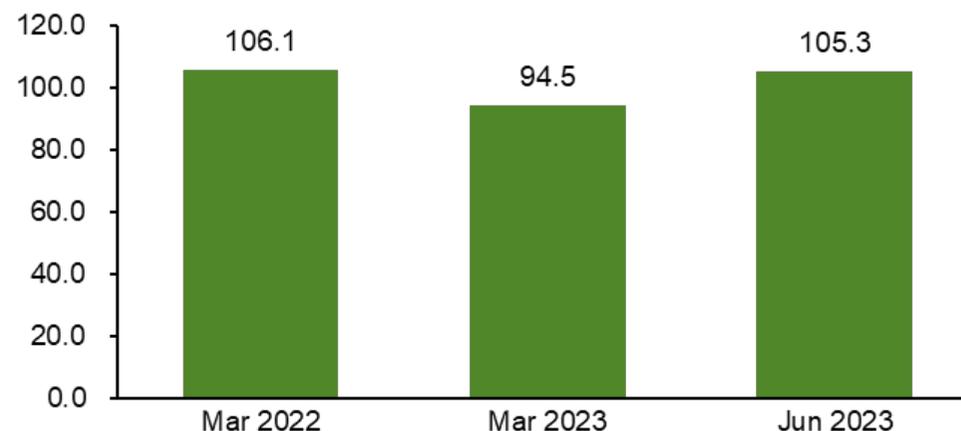
[Non-consolidated]

(in JPY bn)

	Mar 2023	Jun 2023	Change
13 <b>Total Assets</b>	<b>91,425.4</b>	<b>102,198.4</b>	<b>10,773.0</b>
14 <b>Total Liabilities</b>	<b>85,955.3</b>	<b>96,926.9</b>	<b>10,971.6</b>
15 <b>Total Net Assets</b>	<b>5,470.0</b>	<b>5,271.5</b>	<b>(198.5)</b>
16 Gains/Losses on Revaluation of Securities	(946.2)	(1,225.7)	(279.4)

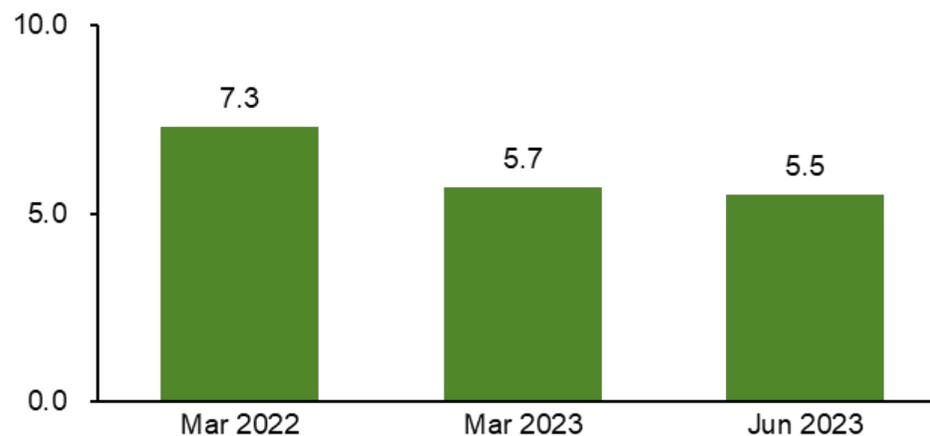
## Total Assets over Time (Consolidated)

(in JPY trn)



## Net Assets over Time (Consolidated)

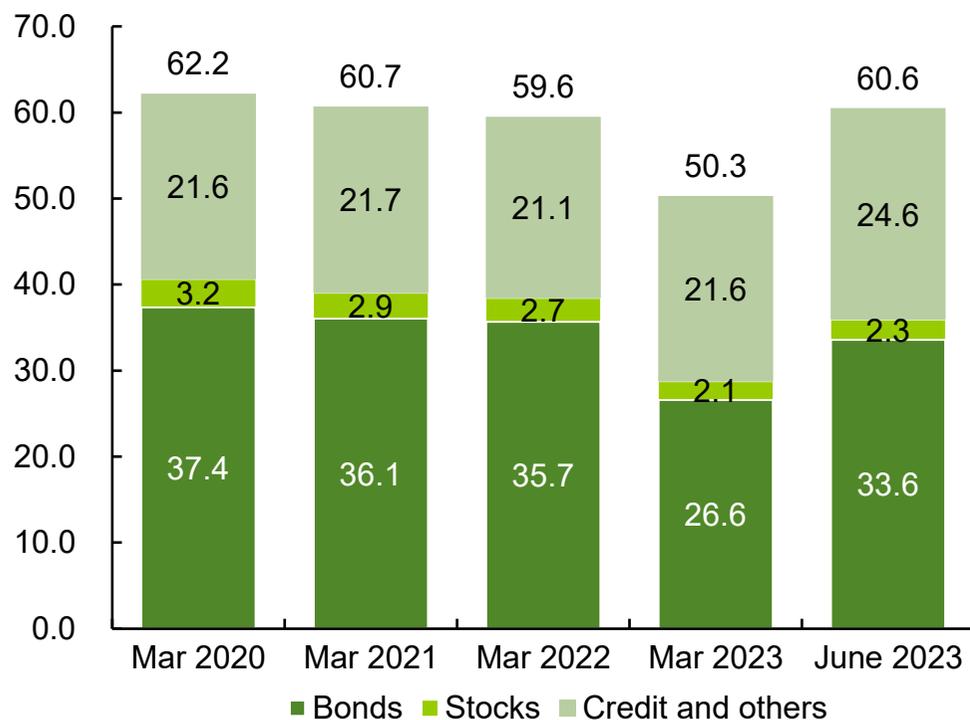
(in JPY trn)



# Market Investment Portfolio (Non-consolidated)

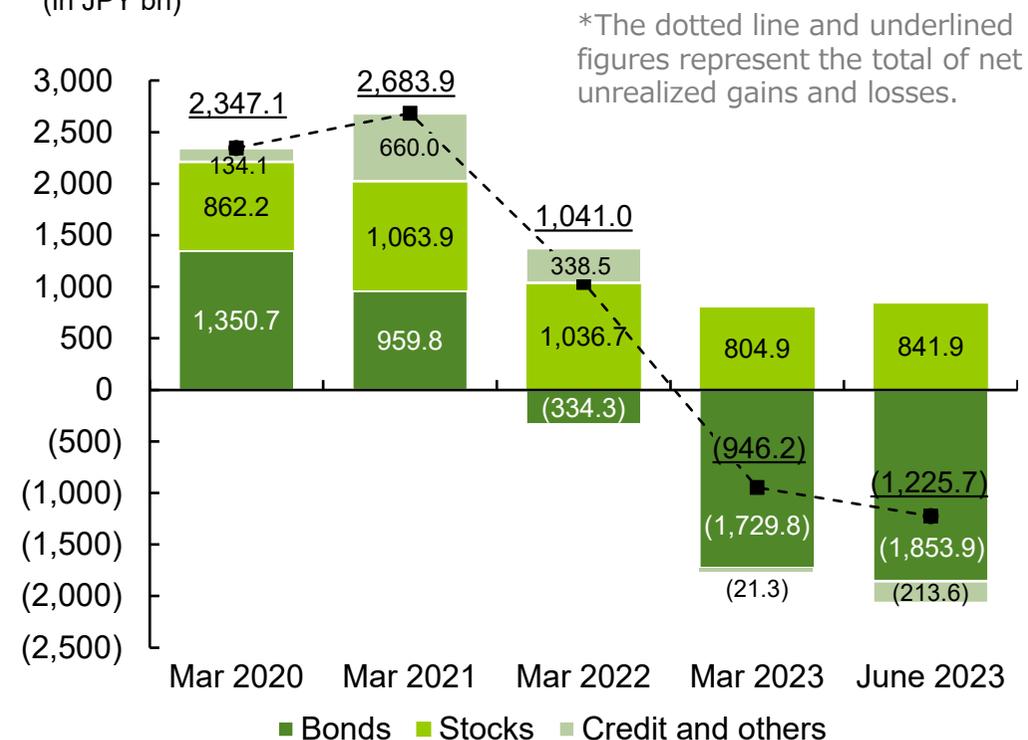
## Market Investment Portfolio over Time

(in JPY trn)



## Net Unrealized Gains and Losses over Time

(in JPY bn)



# Appendix

# The Bank's Investment in CLOs

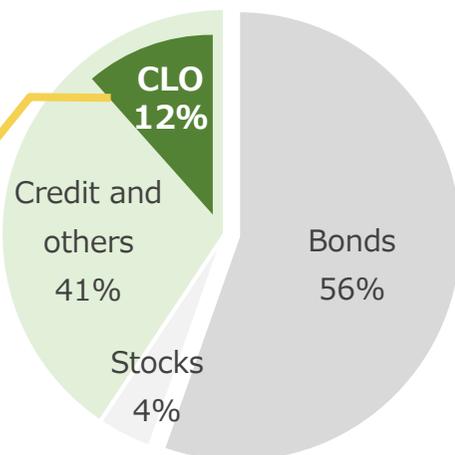
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

## The Bank's CLO Holdings over Time



## Market Investment Portfolio

- 12% 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

# Disclaimer

- The information in this presentation has been prepared by The Norinchukin Bank (the "Bank"). This document does not constitute an offer to sell or the solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction.
- This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and this information is not guaranteed accurate or complete. It should be understood that subsequent developments may affect the information contained in this presentation, which the Bank is not under an obligation to update, revise or affirm. The information in this presentation is subject to change without prior notice and such information may change materially. The Bank does not assume any responsibility for losses incurred directly or indirectly from the use of the information.
- This presentation contains statements that constitute forward-looking statements including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, the Bank uses such words as "aim," "anticipate," "believe," "continue," "endeavor," "estimate," "expect," "initiative," "intend," "may," "plan," "potential," "probability," "project," "risk," "seek," "should," "strive," "target," "will" and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Any forward-looking statements in this document are based on the current assumptions and beliefs of the Bank in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Bank's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements.
- The financial figures for the Bank are prepared in accordance with generally accepted accounting principles in Japan ("J-GAAP").