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Financial Summary for the 1st Quarter of Fiscal Year 2024



NORINCHUKIN

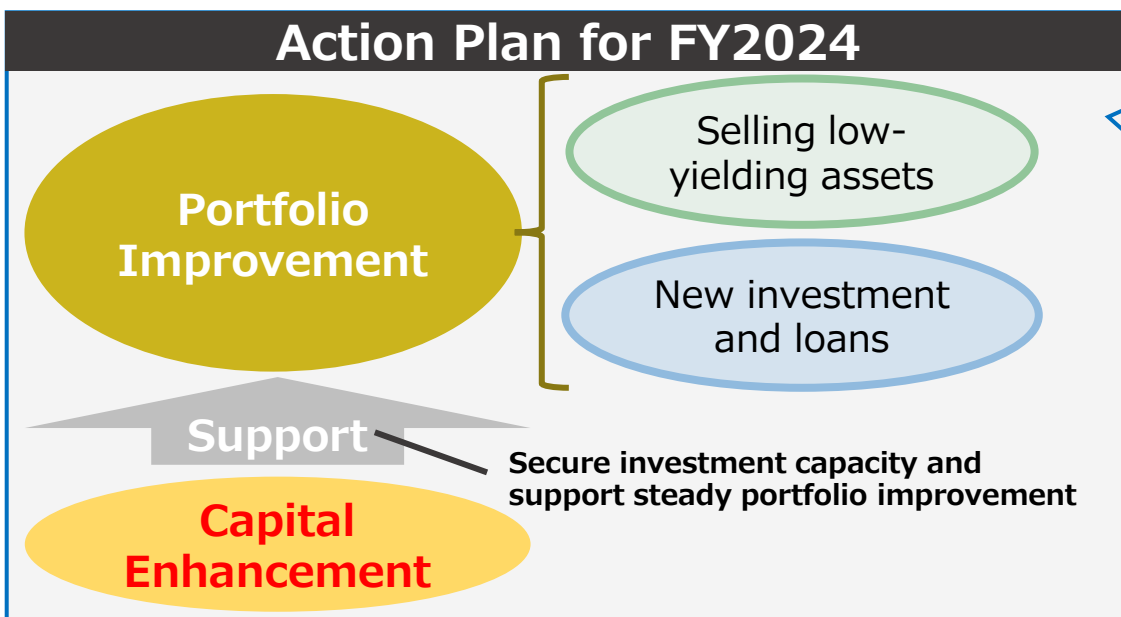
August 1, 2024

Action Plan for FY2024

- With soundness at its first priority, the Bank is improving its investment portfolio during FY2024 to achieve stable profits from FY2025 onward and establish an even more robust profitability base.
- The Bank resolved capital enhancements to secure investment capacity for steady portfolio improvement. (See the next page for details)
- Steady progress of the portfolio improvement has associated sales of low-yielding assets, which resulted in a loss attributable to owners of parent of ¥412.7 billion for the 1st Quarter of FY2024.

Overview

Action Plan for FY2024



Profits(Losses) for the 1st Quarter of FY2024

- Recorded a loss primarily due to low-yielding asset sales

[Consolidated]	(in JPY bn)		
	FY2023 Apr-Jun	FY2024 Apr-Jun	Change
Profit (Loss) Attributable to Owners of Parent	63.8	(412.7)	(476.6)

Goal

Stable profits from FY2025 onward and Establishing an even more robust profitability base

Capital Enhancement

- The Bank has resolved to redeem approximately 0.7 trillion Yen of perpetual subordinated loans and allocate a new issuance of 736.0 billion Yen in lower-dividend rate stocks, both from and to members on September 30, 2024. The Bank is currently under necessary procedures for this capital reallocation.
- The Bank has also resolved to issue approximately 0.6 trillion Yen fixed-term subordinated loans to its members during FY2024.
- With strong trusts from members, the Bank will steadily improve its investment portfolio and establish an even more robust profitability base.

Outline of Capital Enhancement

(in trillion yen)

Preliminary impact estimation of capital enhancement (for reference)

【Consolidated】

Common Equity Tier 1 Ratio	push up effect of approx. <u>2.7%</u>
Total Capital Ratio	push up effect of approx. <u>2.3%</u>

※Calculated based on the consolidated value of risk assets as of the end of March 2024

Before

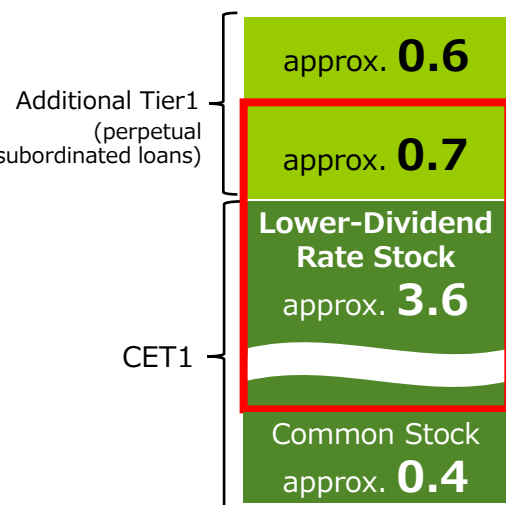
Mar 2024



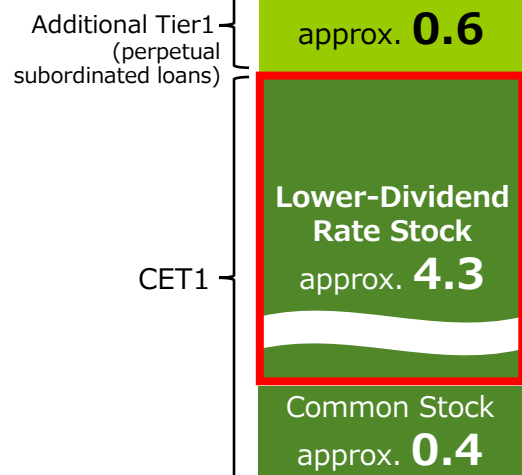
After Capital Enhancement

~Sep 2024

~Mar 2025

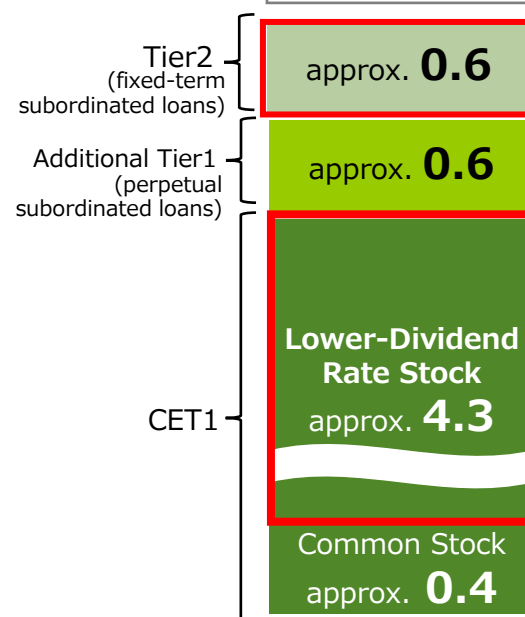


Present



Issuance of lower-dividend rate stocks increases CET1 capital

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Issuance of fixed-term subordinate loans increases total capital, through Tier2 capital

Income Statement Summary

[Consolidated] (in JPY bn)

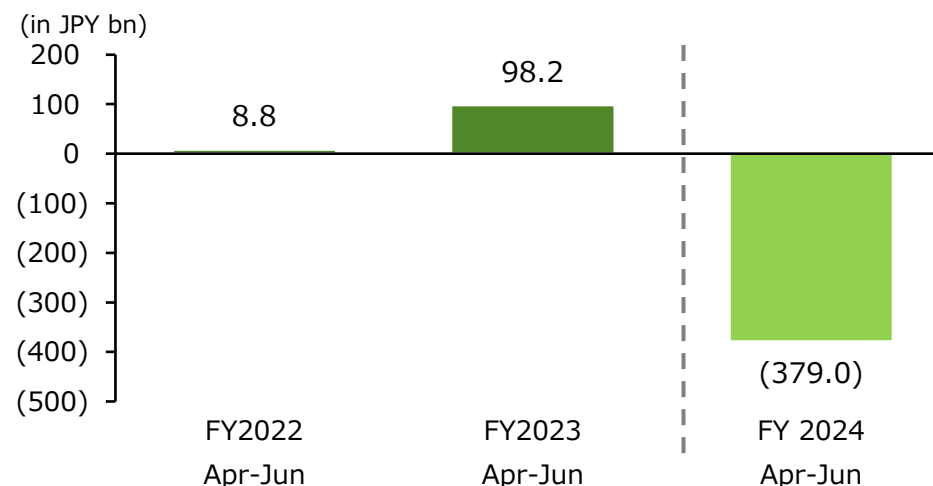
	FY2023 Apr-Jun	FY2024 Apr-Jun	Change
1 Ordinary Income	752.3	622.2	(130.1)
2 Interest Income	508.5	518.0	9.4
3 <Interest and Dividends on Securities>	388.6	368.6	(20.0)
4 <Interest on Loans and Bills Discounted>	93.1	113.0	19.8
5 Ordinary Expenses	654.0	1,001.3	347.2
6 Interest Expenses	571.4	695.2	123.7
7 <Expenses on Funding from Members>	64.9	76.2	11.2
8 General and Administrative Expenses	43.8	47.8	3.9
9 Ordinary Profits (Losses)	98.2	(379.0)	(477.3)
10 Income (Loss) before Income Taxes	98.2	(377.7)	(476.0)
11 Profit (Loss) Attributable to Owners of Parent	63.8	(412.7)	(476.6)

[Non-consolidated] (in JPY bn)

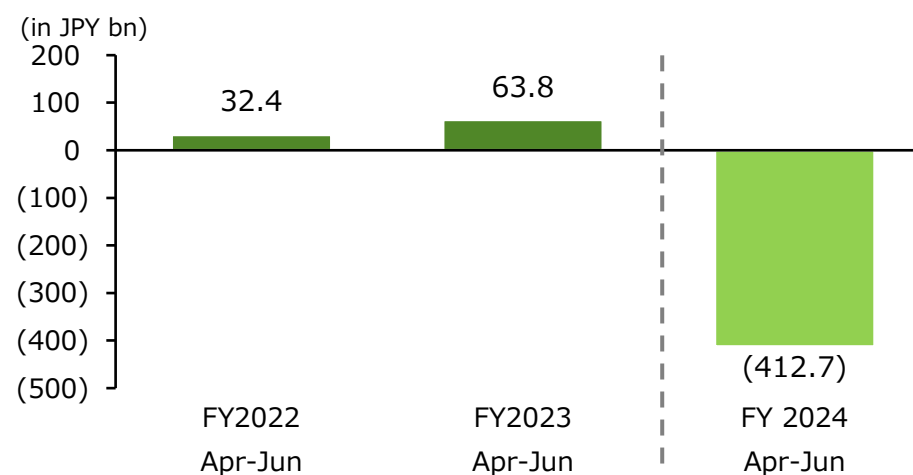
	FY2023 Apr-Jun	FY2024 Apr-Jun	Change
12 Ordinary Profits (Losses)	105.7	(379.6)	(485.4)
13 Net Income (Loss)	74.4	(412.2)	(486.7)
[Reference (Non-consolidated)]			
14 Net Gains/Losses on Sales of Securities	142.2	(168.7)	(311.0)
15 Net Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust	62.6	(32.6)	(95.2)
16 Credit Costs ^(Note)	6.5	2.0	(4.5)
17 Write-off of Securities ^(Note)	-	9.1	9.1

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

Ordinary Profits over Time (Consolidated)



Profits Attributable to Owners of Parent over Time (Consolidated)



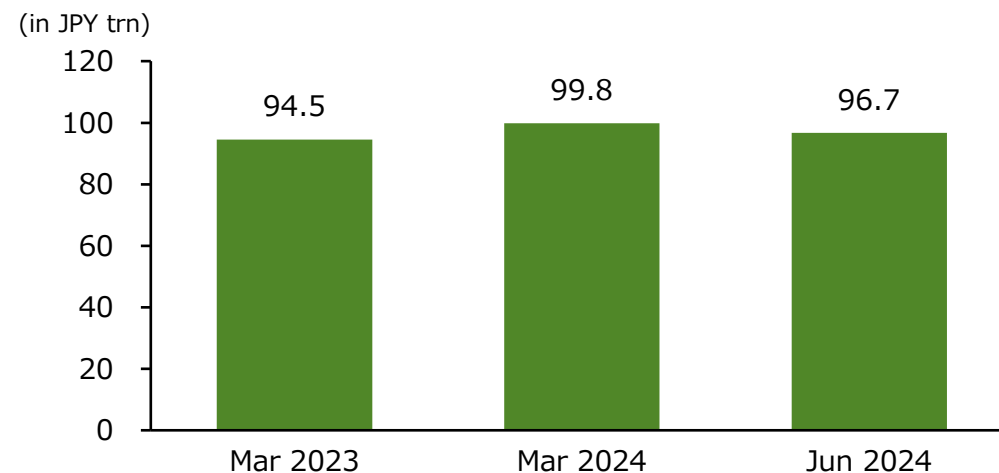
Balance Sheet Summary

[Consolidated]		(in JPY bn)		
		Mar 2024	Jun 2024	Change
1	Loans and Bills Discounted	17,599.2	18,394.2	794.9
2	Securities	43,800.2	42,813.1	(987.1)
3	Money Held in Trust	10,649.7	10,034.5	(615.2)
4	Cash and Due from Banks	21,255.9	18,195.6	(3,060.2)
5	Others	6,499.6	7,333.3	833.7
6	Total Assets	99,804.8	96,770.8	(3,033.9)
7	Deposits ^(Note)	64,407.5	64,106.4	(301.0)
8	Debentures	379.5	403.8	24.3
9	Payables under Repurchase Agreements	13,215.4	12,054.1	(1,161.3)
10	Others	17,362.0	16,221.1	(1,140.9)
11	Total Liabilities	95,364.5	92,785.5	(2,579.0)
12	Total Net Assets	4,440.3	3,985.3	(454.9)

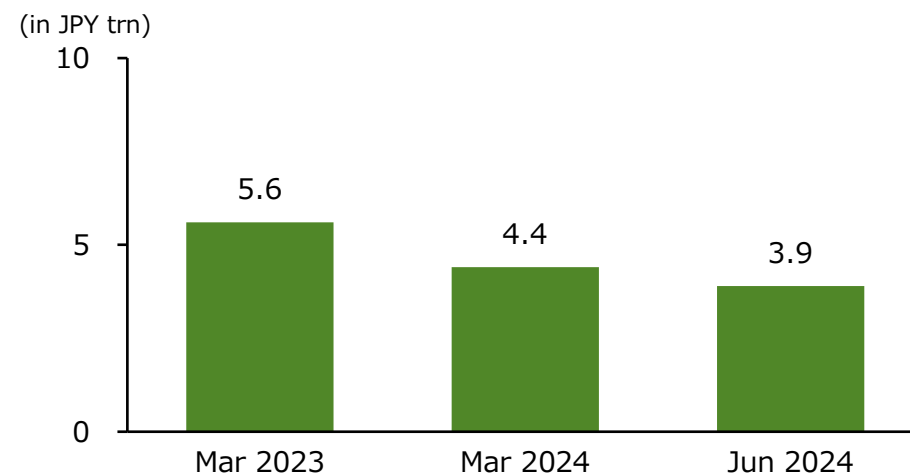
(Note) Deposits include entrusted funds (majority of which is short-term funds received from members)

[Non-consolidated]		(in JPY bn)		
		Mar 2024	Jun 2024	Change
13	Total Assets	96,416.7	93,244.0	(3,172.6)
14	Total Liabilities	92,205.1	89,556.6	(2,648.5)
15	Total Net Assets	4,211.5	3,687.4	(524.0)
16	Gains/Losses on Revaluation of Securities	(1,769.8)	(1,855.5)	(85.6)

Total Assets over Time (Consolidated)



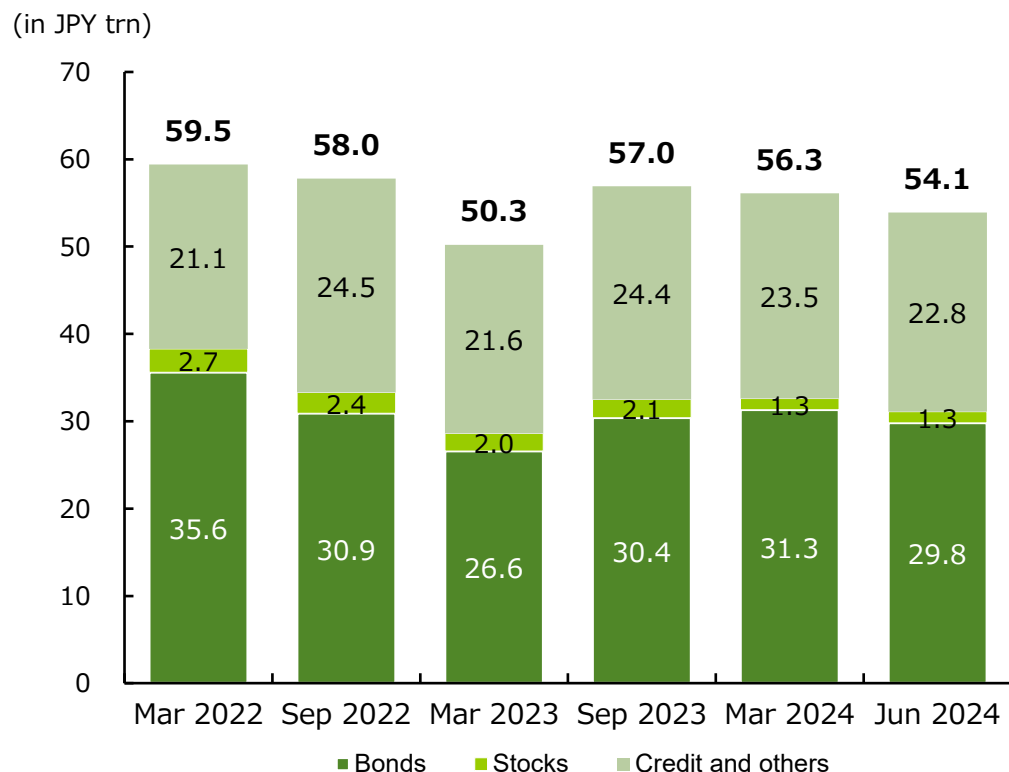
Net Assets over Time (Consolidated)



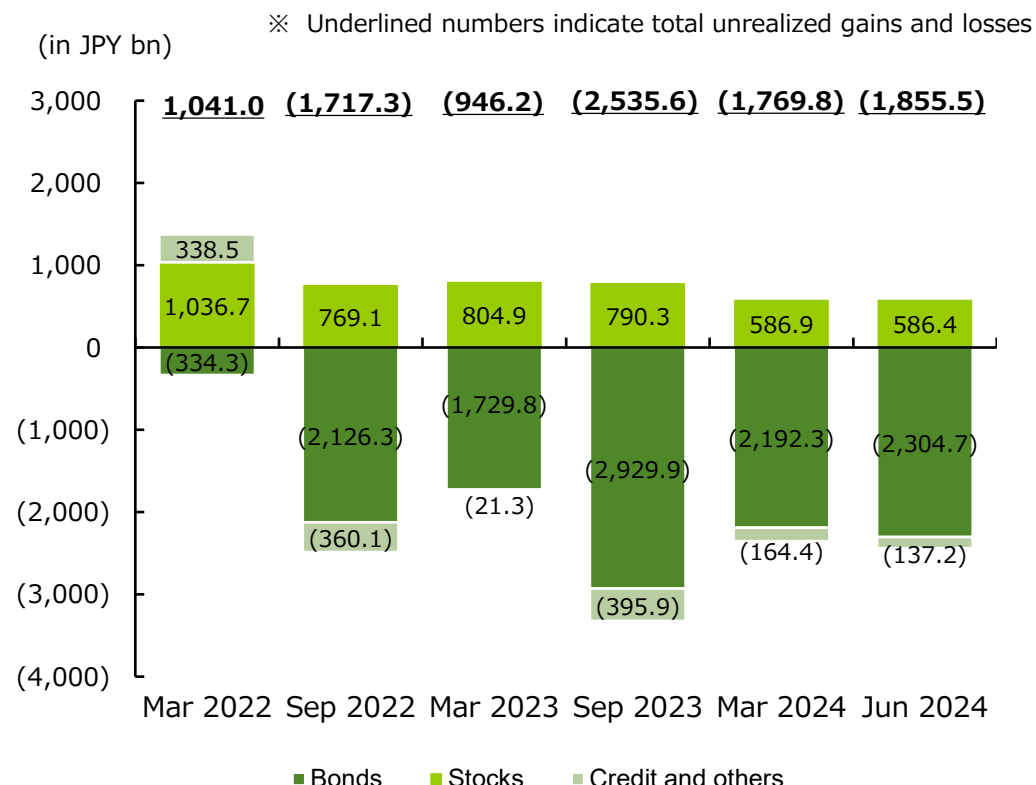
Market Investment Portfolio (Non-consolidated)

- Market investment portfolio decreased due to the sales of low-yielding assets (primarily US and EU government bonds) as part of its ongoing portfolio improvement.
- Net unrealized losses marked JPY 1,855.5 billion, a modest expansion from previous quarter mainly due to the rise in global interest rates and the depreciation of the yen during the quarter.

Market Investment Portfolio over Time



Net Unrealized Gains and Losses over Time

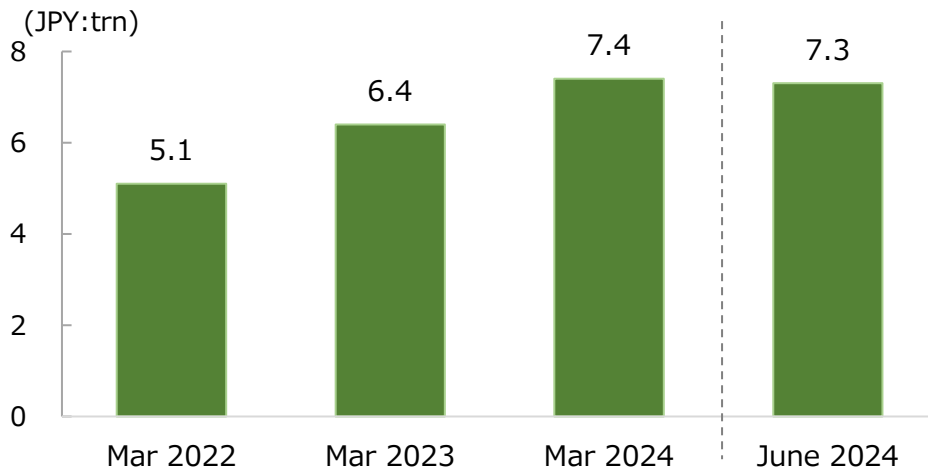


Appendix

The Bank's Investment in CLOs

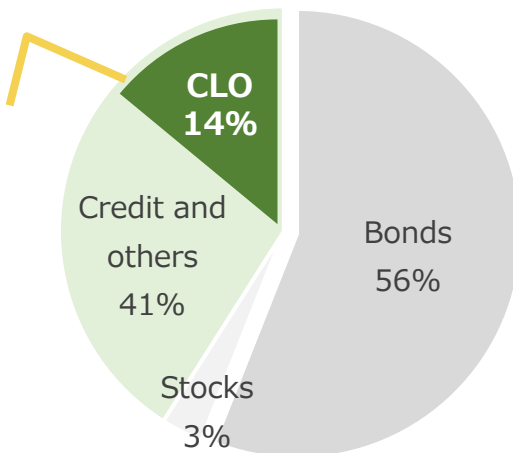
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

The Bank's CLO Holdings over Time



Market Investment Portfolio

- 14% 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

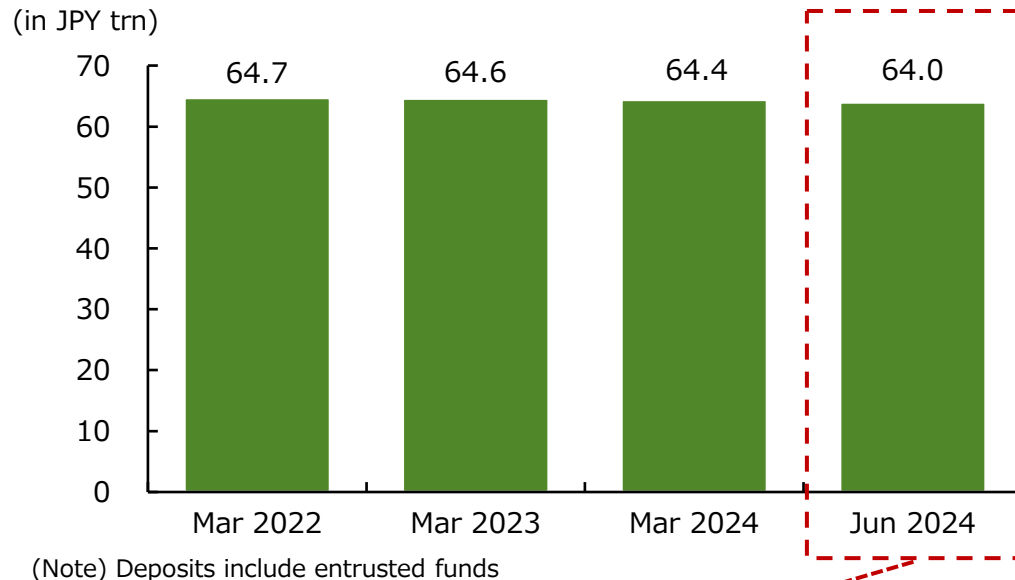
Monitoring

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

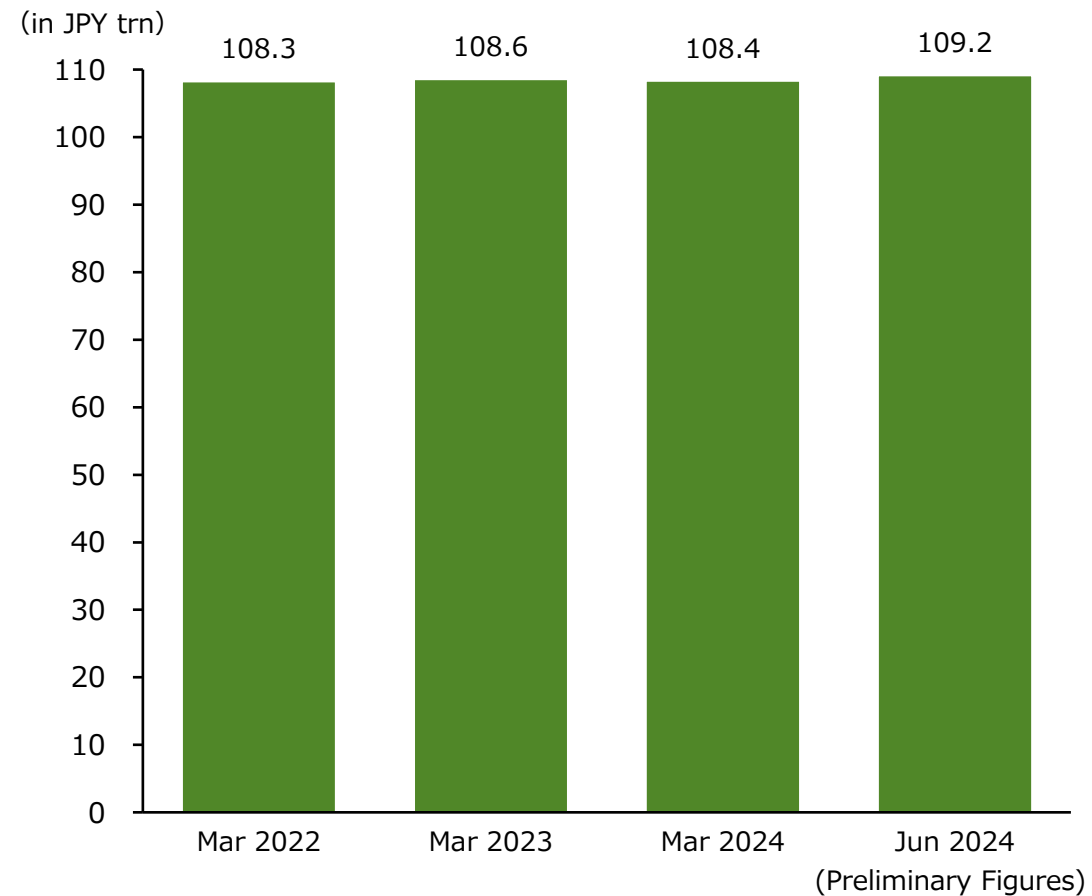
Funding

- The balance of deposits is mainly from the members and remains stable.

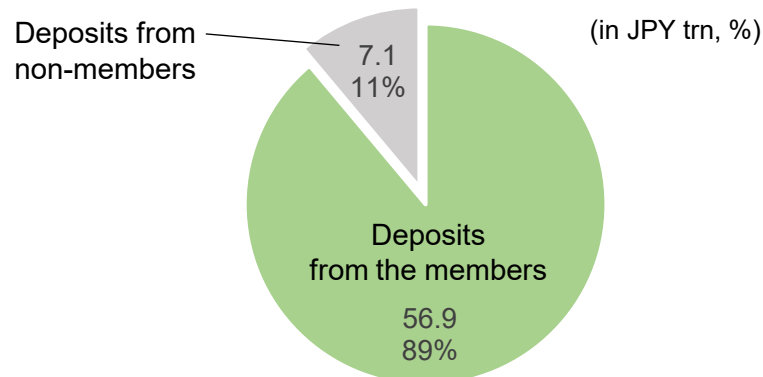
Deposits over Time (Non-consolidated)



(Reference) JA Bank Deposits and Savings



Breakdown of Deposits as of June 30, 2024 (Non-consolidated)



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