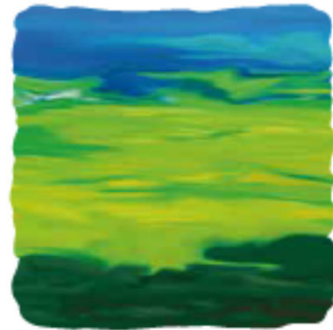


Dedicated to sustaining all life.

Financial Summary for Fiscal Year 2020



NORINCHUKIN

May 26, 2021

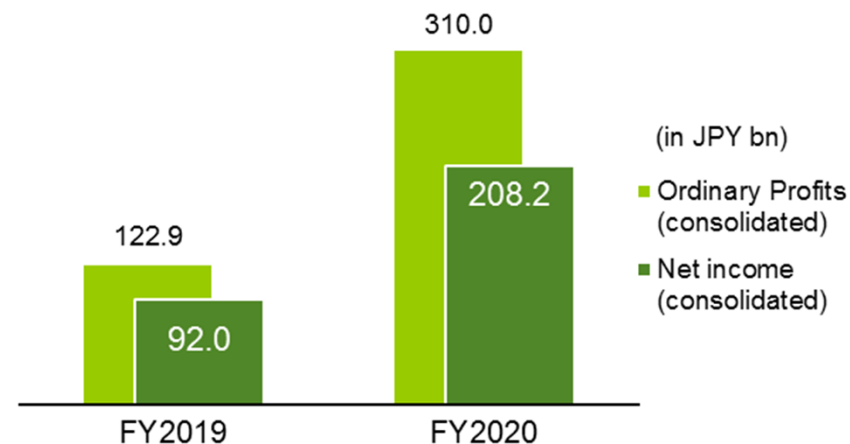
Financial Highlights for FY2020

- ~ 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)

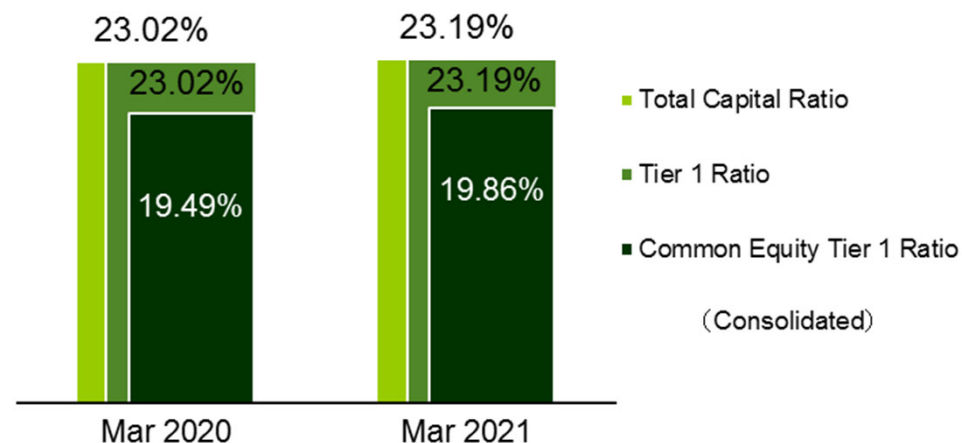
	FY2019	FY2020	Change
Ordinary Profits	122.9	310.0	187.0
Net Income	92.0	208.2	116.2



Capital Position (under Basel III)

【Consolidated】

	Mar 2020	Mar 2021	Change
Common Equity Tier 1 Ratio	19.49%	19.86%	0.37%
Tier 1 Ratio	23.02%	23.19%	0.17%
Total Capital Ratio	23.02%	23.19%	0.17%



Income Statement Summary

【Consolidated】 (in JPY bn)

	FY2019	FY2020	Change
1 Ordinary Income	1,544.5	1,358.8	(185.6)
2 Interest Income	1,246.6	847.5	(399.0)
3 <Interest and Dividends on Securities>	1,092.0	730.5	(361.4)
4 <Interest on Loans and Bills Discounted>	126.3	97.4	(28.9)
5 Ordinary Expenses	1,421.6	1,048.8	(372.7)
6 Interest Expenses	1,155.1	631.0	(524.1)
7 <Expenses on Funding from Members>	336.4	313.4	(23.0)
8 General and Administrative Expenses	153.3	151.1	(2.2)
9 Ordinary Profits	122.9	310.0	187.0
10 Income before Income Taxes	123.9	293.6	169.6
11 Profit Attributable to Owners of Parent	92.0	208.2	116.2

【Non-consolidated】 (in JPY bn)

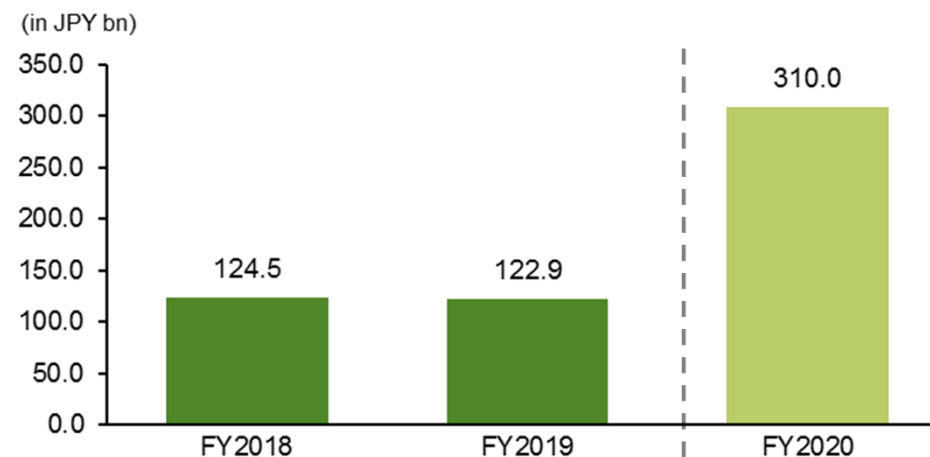
	FY2019	FY2020	Change
12 Ordinary Profits	116.5	309.6	193.0
13 Net Income	89.4	212.0	122.6

【Reference (Non-consolidated)】

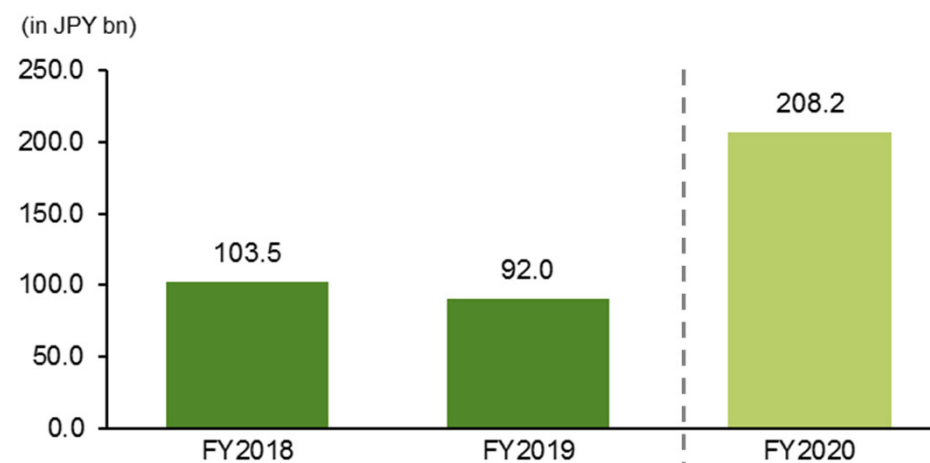
14 Net Gains/Losses on Sales of Securities	67.9	(46.5)	(114.5)
15 Credit Costs ^(Note)	2.4	83.1	80.7
16 Write-off of Securities	1.8	13.4	11.5

(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 2020	Mar 2021	Change
1	Loans and Bills Discounted	20,058.8	22,102.5	2,043.7
2	Securities	54,533.2	48,093.8	(6,439.4)
3	Money Held in Trust	5,996.6	10,638.5	4,641.9
4	Cash and Due from Banks	19,505.0	20,066.9	561.9
5	Others	5,388.1	6,745.8	1,357.6
6	Total Assets	105,482.0	107,647.8	2,165.7
7	Deposits ^(Note)	66,431.6	66,529.9	98.2
8	Debentures	784.4	355.4	(428.9)
9	Payables under Repurchase Agreements	15,726.5	17,073.9	1,347.3
10	Others	15,277.6	15,732.9	455.2
11	Total Liabilities	98,220.3	99,692.2	1,471.8
12	Total Net Assets	7,261.6	7,955.5	693.9

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

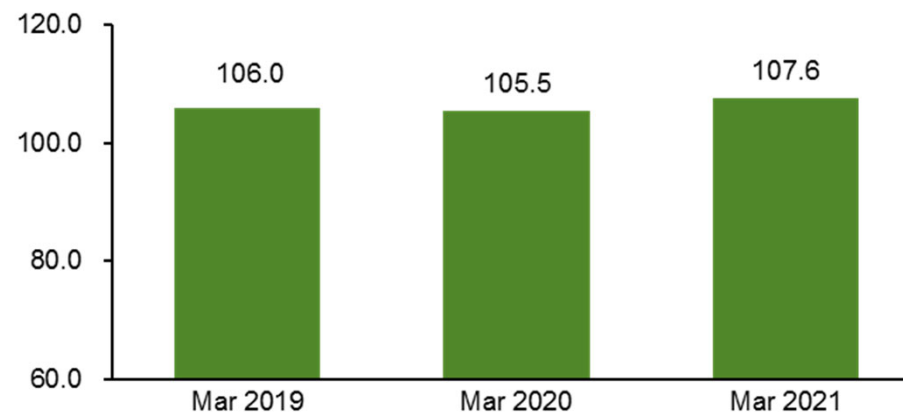
【Non-consolidated】

(in JPY bn)

		Mar 2020	Mar 2021	Change
13	Total Assets	103,403.5	105,238.1	1,834.5
14	Total Liabilities	96,228.6	97,412.0	1,183.4
15	Total Net Assets	7,174.8	7,826.0	651.1
16	Gains/Losses on Revaluation of Securities	2,347.1	2,683.9	336.7

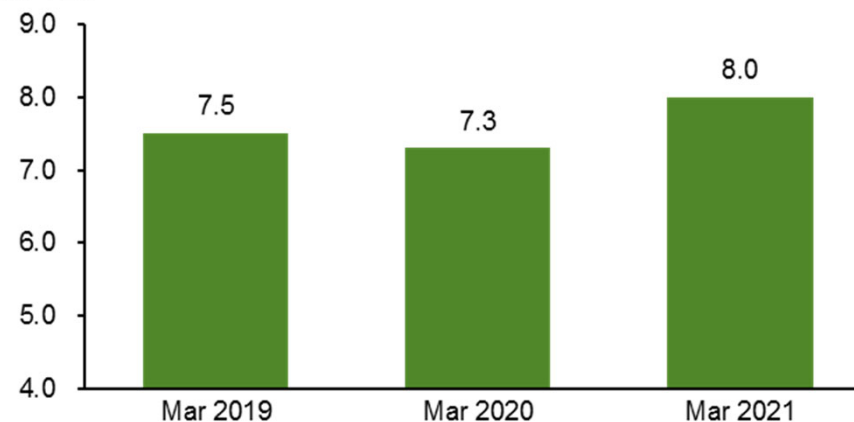
Total Assets over Time (Consolidated)

(in JPY trn)



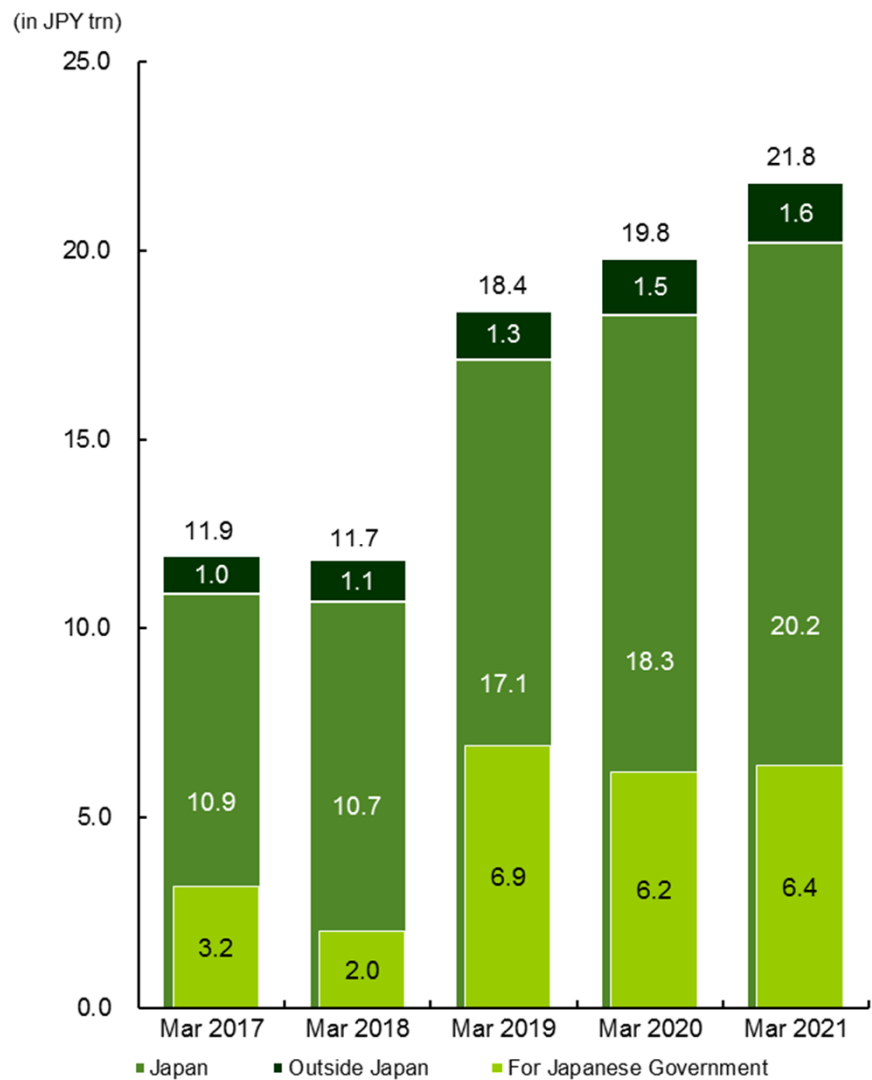
Net Assets over Time (Consolidated)

(in JPY trn)

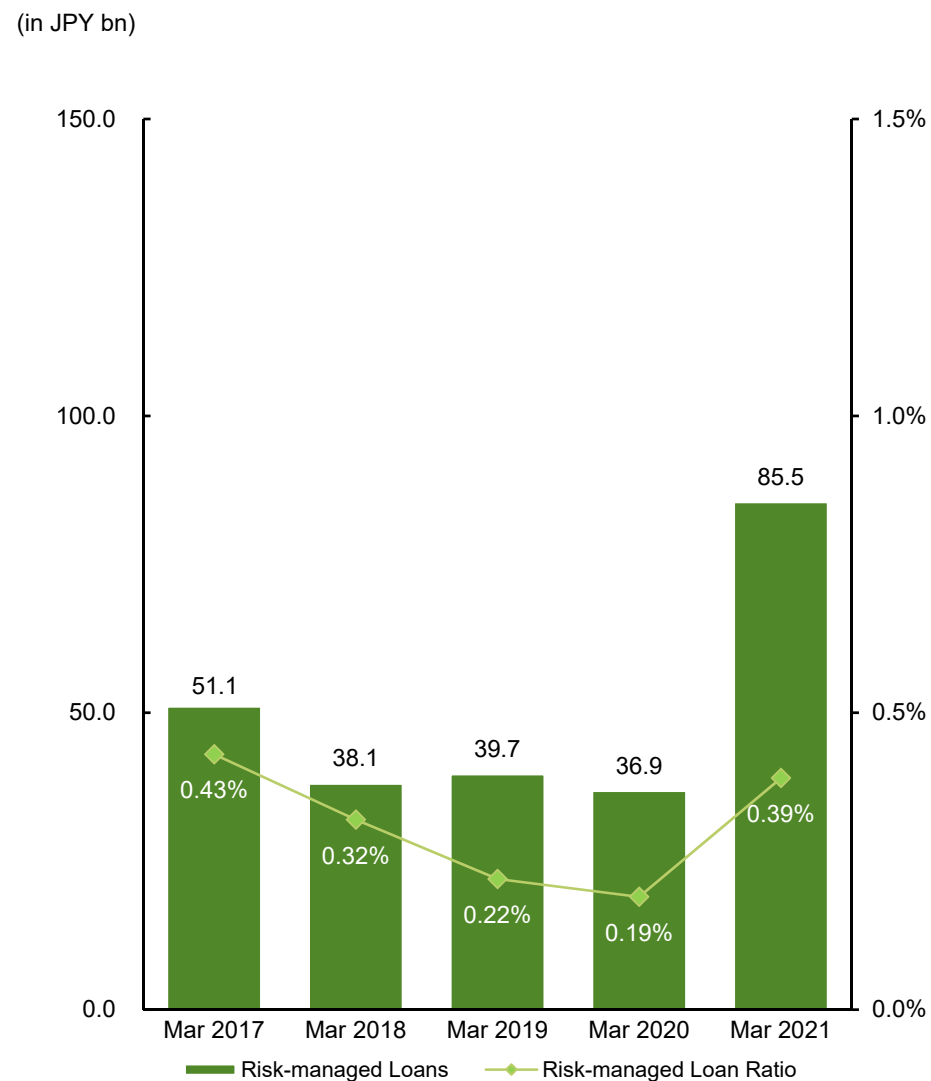


Loan and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time

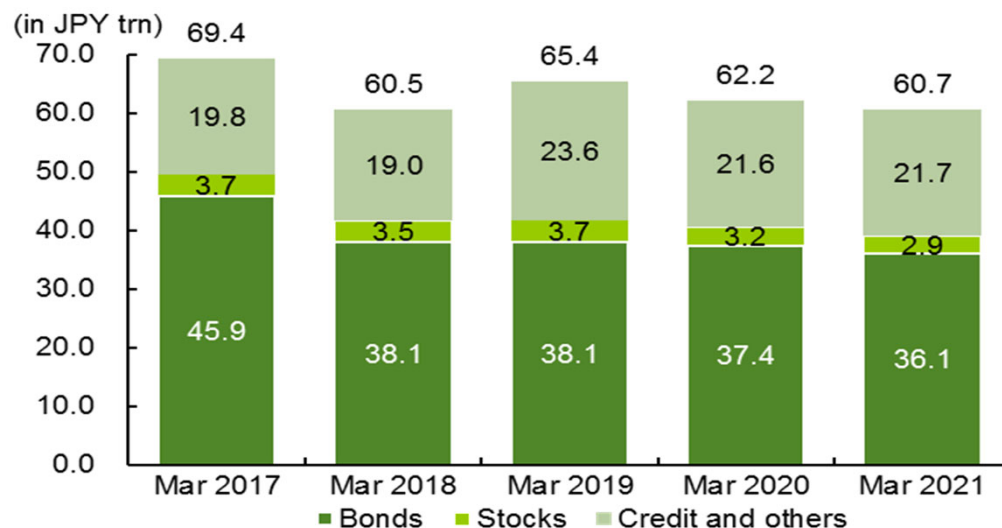


Risk-managed Loans over Time

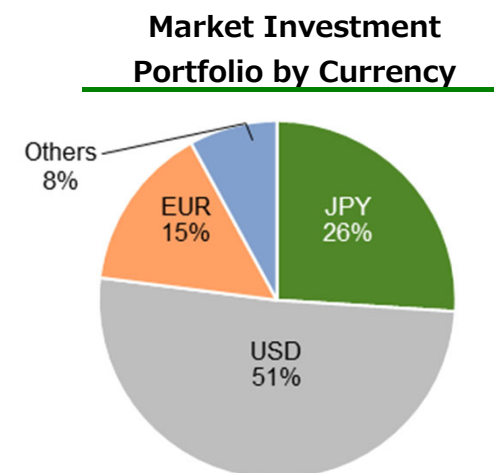
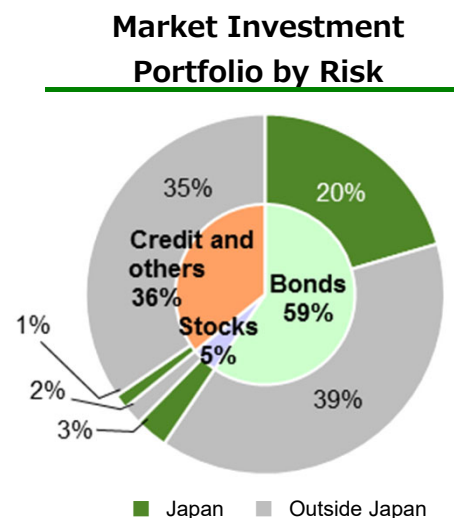


Market Investment Portfolio (Non-consolidated)

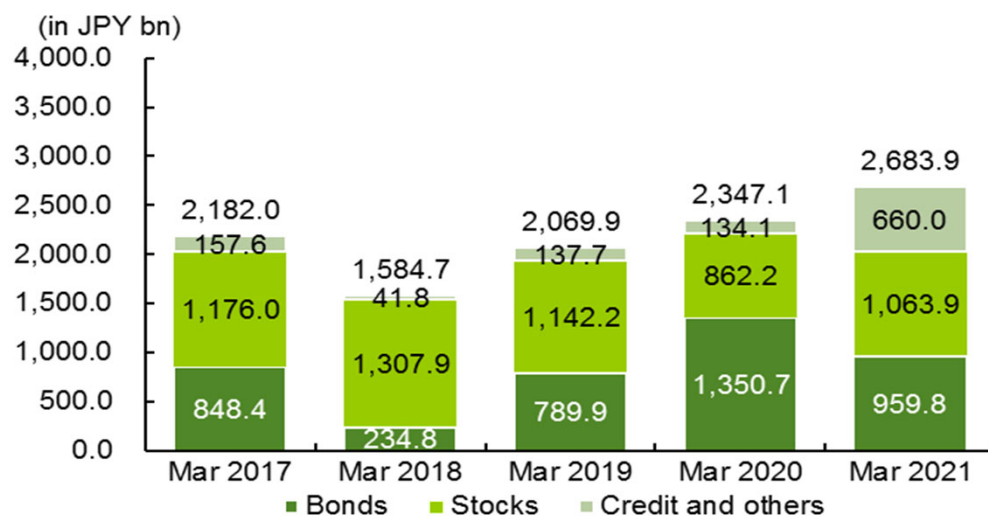
Market Investment Portfolio over Time



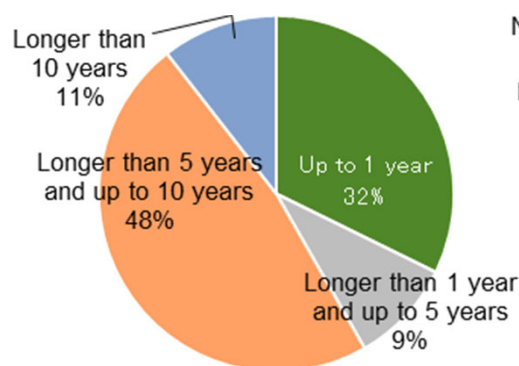
Market Investment Portfolio (Mar 2021)



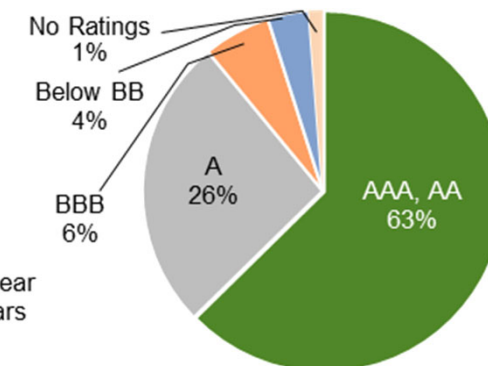
Net Unrealized Gains and Losses over Time



Bond and Credit Portfolio By Rate Reset Maturity

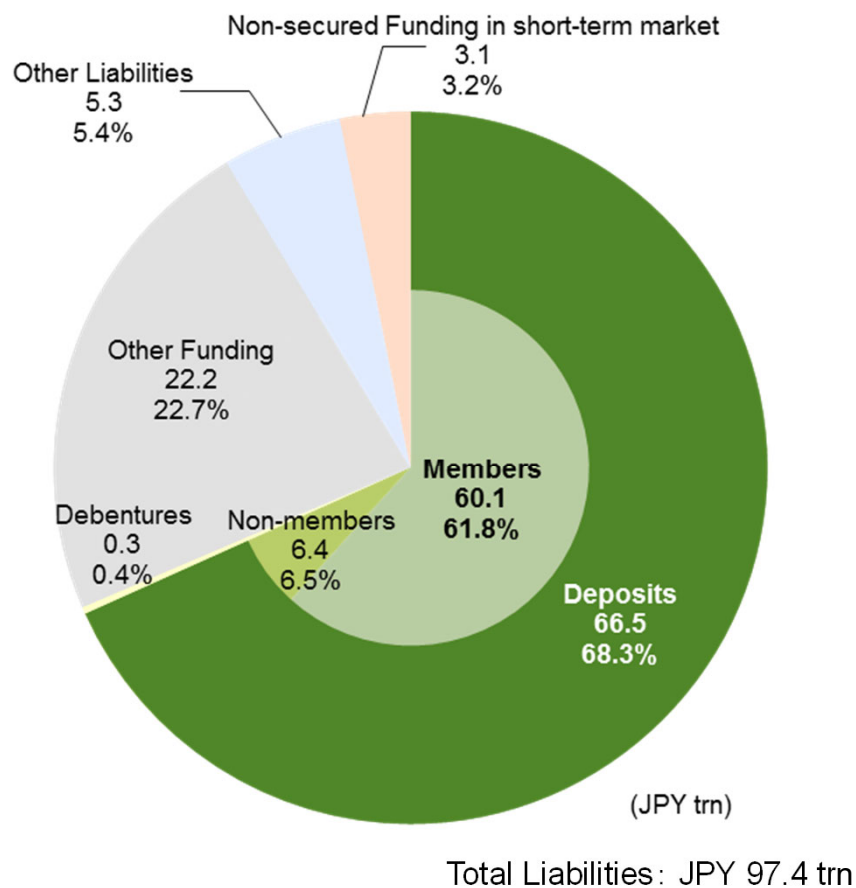


Market Investment Portfolio by Rating



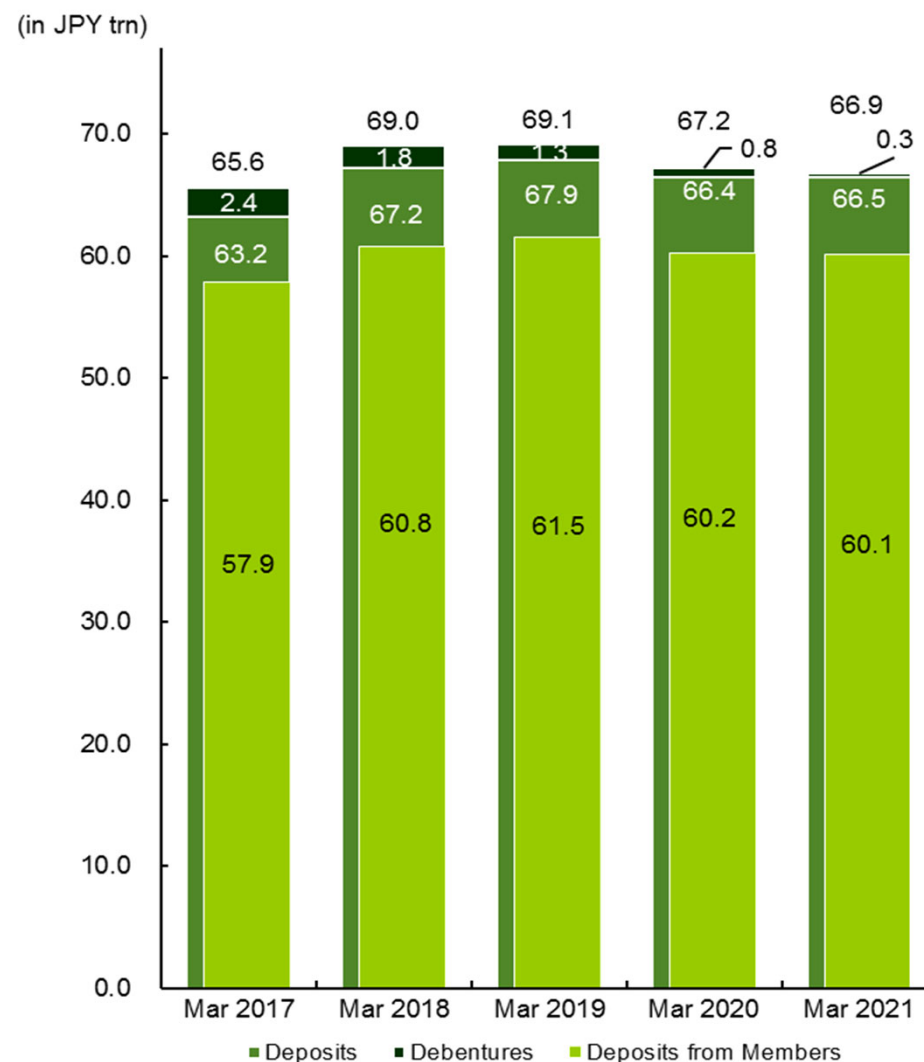
Funding (Non-consolidated)

Breakdown of Funding



(Note) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose. Other funding includes borrowed money (secured and subordinated loans) such as 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.

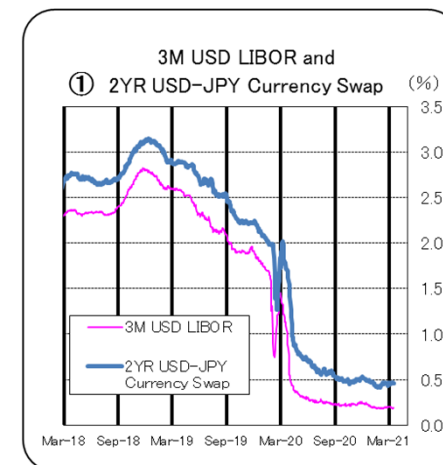
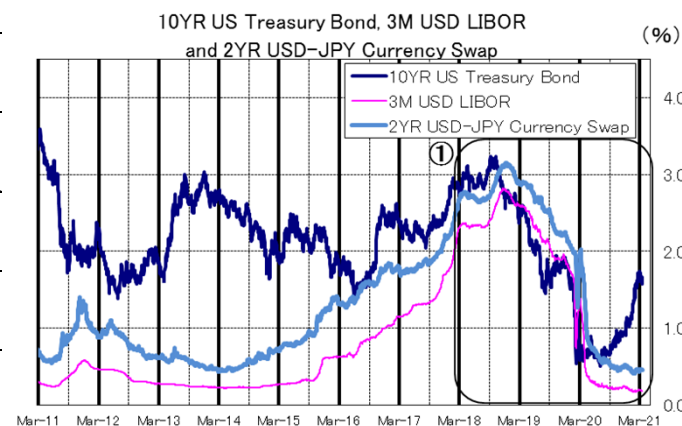
Deposits and Debtentures over Time



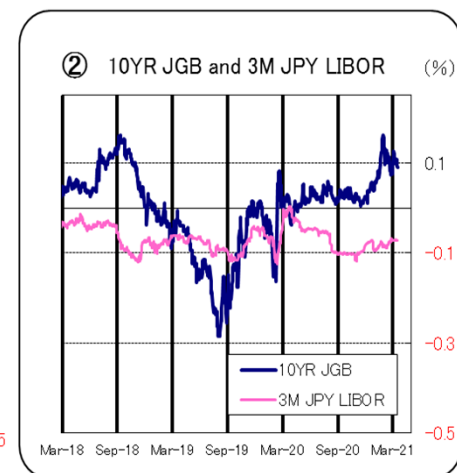
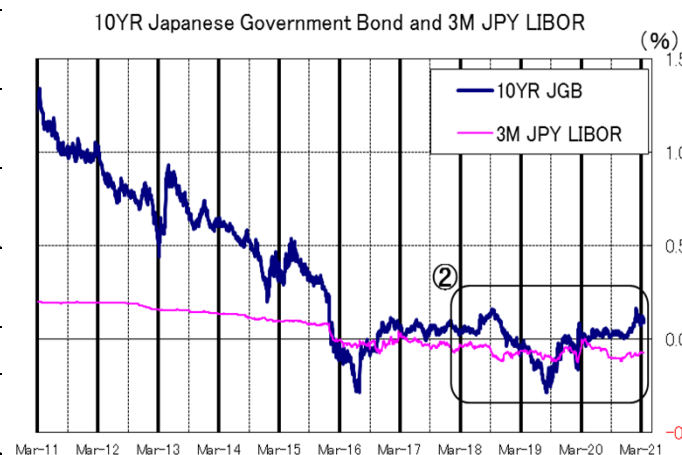
Earning Yields (Non-consolidated)

	Average (in JPY tm)		Earnings (in JPY bn)		Yield	
	FY2020	YOY Change	FY2020	YOY Change	FY2020	YOY Change
【Investment】						
1 Loans and Bills Discounted	20.9	1.8	83.5	(32.3)	0.40%	(0.21%)
2 Securities	55.3	(0.7)	1,051.2	(225.7)	1.90%	(0.38%)
3 Yen-denominated Securities (including Net Gains/Losses on Sales)	17.4	0.8	175.0	193.1	1.00%	1.11%
4 Foreign Currency-denominated Securities (including Net Gains/Losses on Sales)	37.9	(1.5)	876.2	(418.9)	2.31%	(0.97%)
5 Short-term Investment Assets	1.4	0.0	0.4	(10.5)	0.03%	(0.77%)
【Funding】						
6 From Member Banks	59.9	(0.8)	313.4	(23.0)	0.52%	(0.03%)
7 Debentures	0.5	(0.4)	0.6	(1.1)	0.12%	(0.06%)
8 Funding from Markets	32.5	2.2	79.0	(295.9)	0.24%	(1.00%)
9 From the Yen Market	3.7	(0.3)	(0.9)	(0.0)	(0.02%)	(0.00%)
10 From Foreign Currencies Markets	25.1	2.3	43.4	(295.6)	0.17%	(1.32%)
(Reference)						
11 Foreign Currencies Funding (Including Currency Swaps, etc.)	43.3	1.0	165.1	(584.9)	0.38%	(1.39%)

(Reference) US Dollar Interest Rates over Time



(Reference) Yen Interest Rates over Time



Capital Position

【Consolidated】

(in JPY bn)

	Mar 2020	Mar 2021	Change
1 Tier 1 Capital	8,599.0	9,189.4	590.3
2 Common Equity Tier 1 Capital (CET1)	7,280.7	7,872.4	591.7
3 Capital Stock and Capital Surplus	4,015.2	4,015.2	-
4 Earned Surplus	1,938.3	2,041.3	103.0
5 Unrealized Gains on Other Securities	1,701.6	1,948.5	246.9
6 Additional Tier 1 Capital	1,318.3	1,316.9	(1.4)
7 Tier 2 Capital	1.2	1.1	(0.0)
8 Subordinated Bonds and Loans	0.9	0.9	-
9 Total Capital	8,600.3	9,190.5	590.2
10 Risk-weighted Assets	37,344.9	39,622.4	2,277.4
11 Common Equity Tier 1 Ratio	19.49%	19.86%	0.37%
12 Tier 1 Ratio	23.02%	23.19%	0.17%
13 Total Capital Ratio	23.02%	23.19%	0.17%

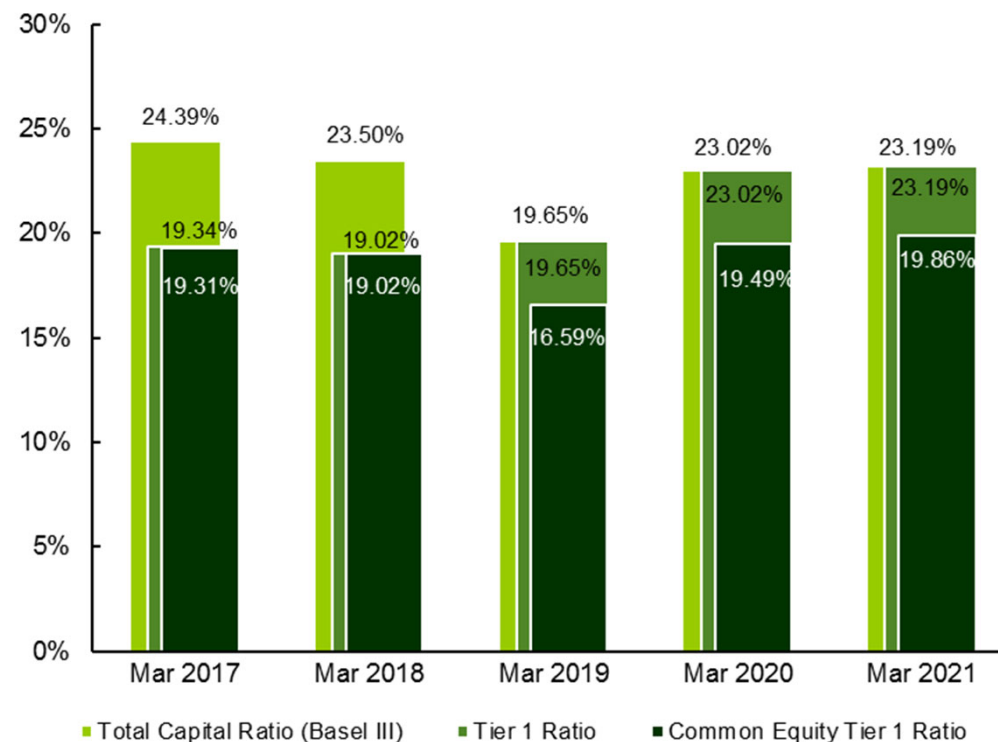
Leverage Ratio (Consolidated)

【Consolidated】

	Mar 2020	Mar 2021
14 Leverage Ratio	8.04%	10.19% (Note)

(Note) 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.

Capital Ratios over Time (Consolidated)



Liquidity Coverage Ratio (Consolidated)

【Consolidated】

	FY2020	1Q	2Q	3Q	4Q
15 Liquidity Coverage Ratio (Note)	325%	347%	323%	363%	363%

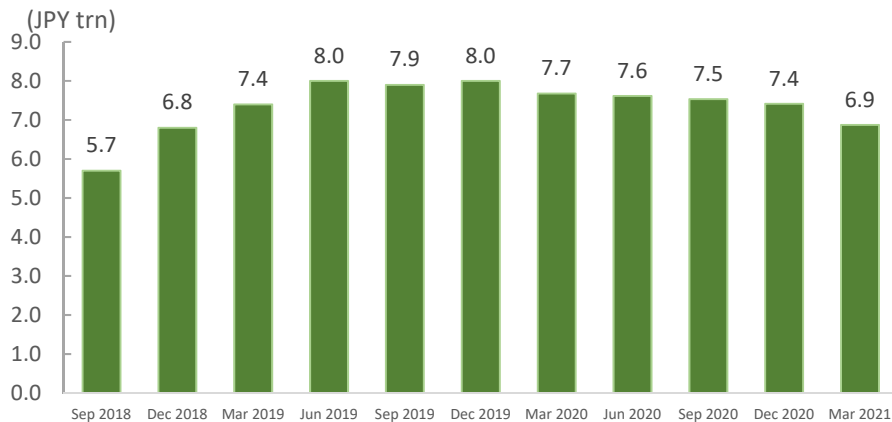
(Note) Item 15: simple averages of observations over the previous quarter

Appendix

Bank's Investment in CLOs

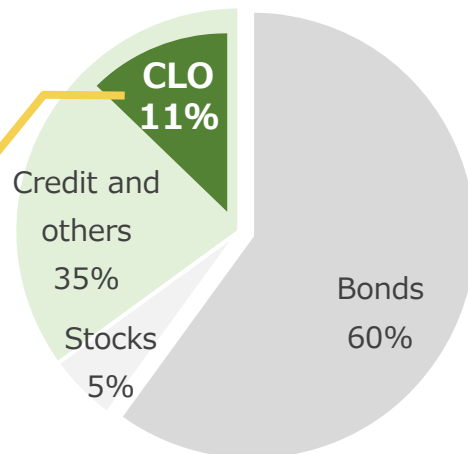
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

Bank's CLO Holdings over Time



Market Investment Portfolio

- 11% 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

Sustainable Management (FY2020 progress)

- To achieve our Sustainability Topics (five focus areas and 14 topics), the Bank set five “Priority Targets” for FY2020, based on sustainability issues surrounding the AFF industries(*) and communities.
- Based of the Priority Targets, the Bank made following achievements as targeted under its management plan. On the other hand, COVID-19 has changed the nature of the issues, requiring the Bank’s further effort.

Vision

By contributing through its businesses to solve environmental and social issues, including climate change and human rights, **the Bank ensures sustainability for the AFF industries and communities, the foundation of our business.**

Contribution for
SDGs targets :



Change in the nature of issues due to the COVID-19 pandemic:
The importance of resilience in Environment, Society, and the AFF Industries is highlighted

Priority Targets for FY2020

- 1 Ensuring sustainability of the AFF (*) industry
- 2 Contribution to build circular society
- 3 Contribution for flourishing local community
- 4 Sustainable finance
- 5 Improving & promoting sustainability management

Main achievements in FY2020

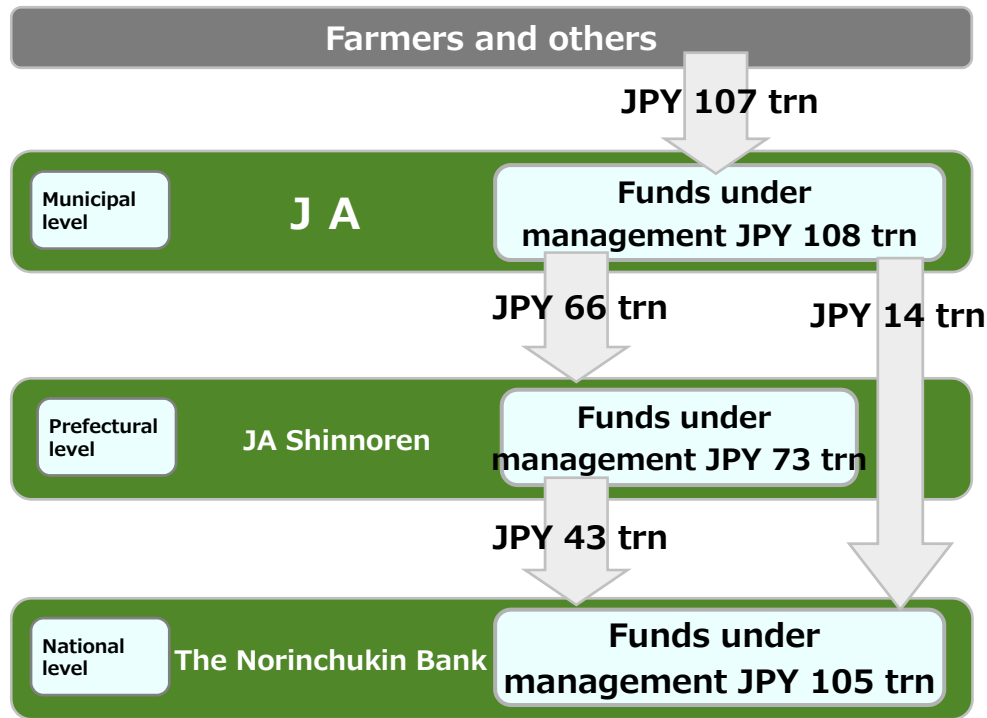
- **ESG-Oriented Investment and Finance**
 - New investment & Loan for FY2020 : ¥609billion (Target: ¥250billion)
 - Outstanding AUM: ¥2.4trillion (as of March 2021)
- **Launch of Sustainability Linked Loans (SLL)**
SLL’s loan conditions vary subject to the achievement of customer’s ESG goals (SPTs)
- **Reinforced Investment & Financing Sector Policies**
 - Prohibited Sector : Cluster munitions manufacturing
 - Restricted Sector : Coal-fired thermal power plant (tightened), palm oil plantation (newly added), Deforestation (newly added)
- **Progressed actions inline with the TCFD recommendation**
 - Conducted scenario analysis related to transition risk

(*) “AFF” means the agriculture, fishery, and forestry industries.

Business Base of JA Bank

JA Bank = JA + JA Shinnoren + The Norinchukin Bank

Flow of Funds in JA Bank (As of Mar. 31, 2021)

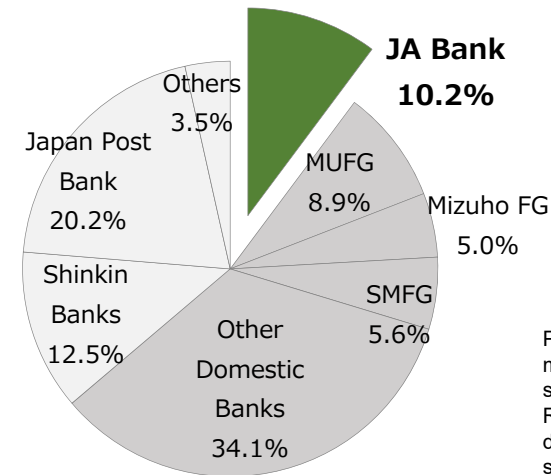


Total funds under management of JA Bank* JPY 163 trn

* 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.

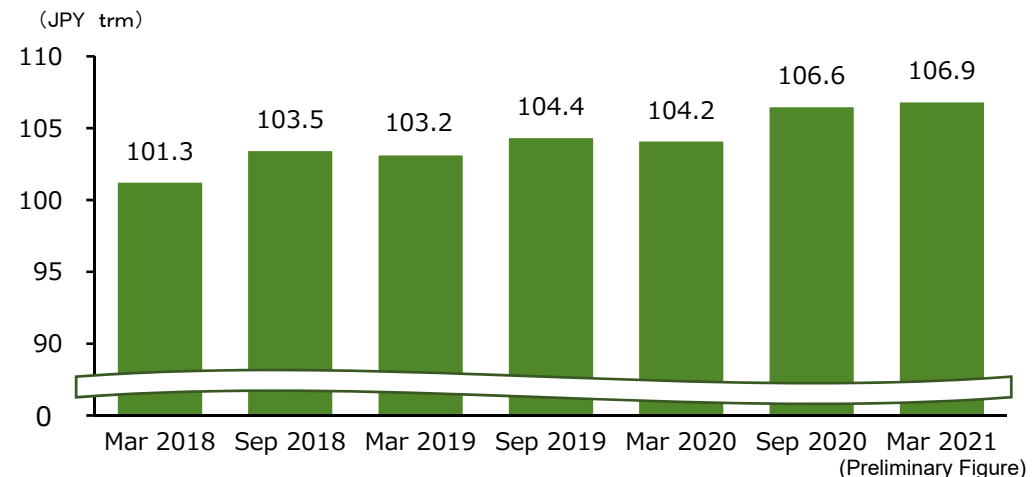
Retail Deposits and Savings in Japan (As of Sep. 30, 2020)



Total: JPY 929 trn

Prepared by The Norinchukin Bank based on materials of the Bank of Japan and financial summaries of other financial institutions. Retail deposit and saving balances for JA Bank, domestic banks and Shinkin Banks and only saving balance for Japan Post Bank.

JA Bank Deposits and Savings (JPY trillion)



Our Purpose, Vision, and Mission

Our Purpose, Vision and Mission

■ The Bank redefined the management plan for FY2021 with Purpose, Vision, and Mission.

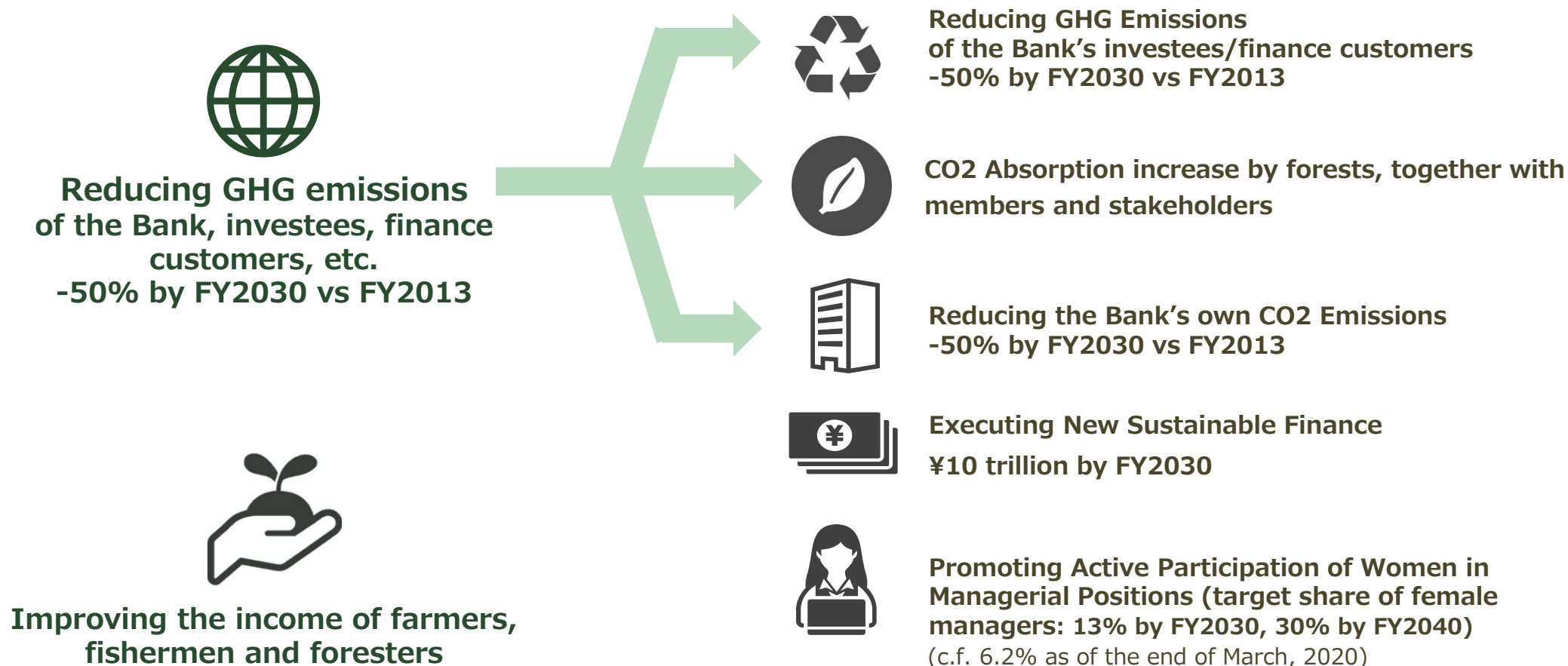


Stakeholders: Members (JA, JF and JForest) / individual cooperative members (i.e. people working in AFF industries)/ our clients including AFF-related companies / local communities / financial institutions, market participants and business partners / government and municipalities / employees

Medium/Long-Term Goals

- The Bank sets the medium/long-term goals for its Management Plan, notably in the areas of reducing GHG emissions by the Bank as well as its investees and finance clients, sustainable finance executions, and female managerial positions.
- Together with members and stakeholders, the Bank seeks CO2 absorption increase by forests through AFF industry activities and income improvement of farmers, foresters and fishermen.

The Norinchukin Bank's Medium/Long-Term Goals



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