

Financial Statements for the First Quarter of Fiscal 2023

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 First Quarter of Fiscal 2023 (for the three months ended June 30, 2023)

(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	%
1Q Fiscal 2023	752,318	(3.3)	98,288	1,014.7	63,898	97.0
1Q Fiscal 2022	777,665	126.8	8,817	(85.5)	32,431	(31.2)

(Note) Comprehensive Income for 1Q Fiscal 2023 (137,433) millions of Yen (−%) for 1Q Fiscal 2022 (908,272) millions of Yen (−%)

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1Q Fiscal 2023	105,344,905	5,471,246	5.2
Fiscal 2022	94,504,944	5,673,542	6.0

(Ref) Net Assets – Non-controlling Interests for 1Q Fiscal 2023 5,461,254 millions of Yen for Fiscal 2022 5,663,051 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 : None
- ② Changes in Accounting Policies other than ① above : None
- ③ Changes in Accounting Estimates : None
- ④ Restatements : None

2. Non-consolidated Financial Results for the First Quarter of Fiscal 2023

(for the three months ended June 30, 2023)

(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	%
1Q Fiscal 2023	751,402	(3.8)	105,773	627.7	74,466	84.0
1Q Fiscal 2022	781,464	131.0	14,534	(75.8)	40,467	(15.7)

(2) Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note)
	Millions of Yen	Millions of Yen	%
1Q Fiscal 2023	102,198,480	5,271,524	5.2
Fiscal 2022	91,425,426	5,470,089	6.0

(Ref) Net Assets for 1Q Fiscal 2023 5,271,524 millions of Yen for Fiscal 2022 5,470,089 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.

Quarterly Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2022 (As of March 31, 2023)	First Quarter of Fiscal 2023 (As of June 30, 2023)
(Assets)		
Loans and Bills Discounted	17,414,105	18,110,208
Foreign Exchange Assets	584,996	339,607
Securities	39,725,740	47,638,063
Money Held in Trust	8,419,368	10,637,022
Trading Assets	3,635	4,624
Monetary Claims Bought	321,441	303,713
Receivables under Resale Agreements	305,076	132,914
Cash and Due from Banks	22,430,679	21,247,452
Other Assets	1,608,236	3,077,618
Tangible Fixed Assets	134,914	134,172
Intangible Fixed Assets	51,669	51,892
Net Defined Benefit Asset	129,465	129,618
Deferred Tax Assets	307,942	383,402
Deferred Tax Assets for Land Revaluation	1,600	1,600
Customers' Liabilities for Acceptances and Guarantees	3,197,577	3,286,734
Reserve for Possible Loan Losses	(131,441)	(133,741)
Reserve for Possible Investment Losses	(61)	-
Total Assets	94,504,944	105,344,905
(Liabilities)		
Deposits	63,809,449	65,810,751
Negotiable Certificates of Deposit	2,296,478	2,446,578
Debentures	454,034	452,997
Trading Liabilities	2,786	2,390
Borrowed Money	3,988,241	3,802,920
Call Money and Bills Sold	390,000	2,184,100
Payables under Repurchase Agreements	10,613,476	14,584,042
Foreign Exchange Liabilities	28	87
Short-term Entrusted Funds	797,420	1,496,432
Other Liabilities	3,262,753	5,791,711
Reserve for Bonus Payments	7,693	4,093
Net Defined Benefit Liability	10,234	9,722
Reserve for Directors' Retirement Benefits	1,229	1,095
Acceptances and Guarantees	3,197,577	3,286,734
Total Liabilities	88,831,402	99,873,659
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	23,399	23,399
Retained Earnings	2,154,690	2,154,505
Total Owners' Equity	6,218,288	6,218,103
Net Unrealized Gains (Losses) on Other Securities	(678,339)	(879,256)
Net Deferred Gains (Losses) on Hedging Instruments	77,079	78,428
Revaluation Reserve for Land	(2,099)	(2,099)
Foreign Currency Transaction Adjustments	1,451	1,775
Remeasurements of Defined Benefit Plans	46,671	44,303
Total Accumulated Other Comprehensive Income	(555,236)	(756,849)
Non-controlling Interests	10,490	9,992
Total Net Assets	5,673,542	5,471,246
Total Liabilities and Net Assets	94,504,944	105,344,905

Consolidated Statements of Operations and Comprehensive Income

(1) Consolidated Statement of Operations

(Millions of Yen)

	First Quarter of Fiscal 2022 (Three Months ended June 30, 2022)	First Quarter of Fiscal 2023 (Three Months ended June 30, 2023)
Ordinary Income	777,665	752,318
Interest Income	355,260	508,584
Interest on Loans and Bills Discounted	33,506	93,116
Interest and Dividends on Securities	313,909	388,696
Fees and Commissions	6,708	8,970
Trading Income	83	302
Other Operating Income	270,455	120,795
Other Ordinary Income	145,156	113,666
Ordinary Expenses	768,848	654,029
Interest Expenses	174,285	571,468
Interest on Deposits	11,233	69,095
Fees and Commissions	4,610	4,477
Trading Expenses	14	213
Other Operating Expenses	429,364	16,173
General and Administrative Expenses	37,961	43,874
Other Ordinary Expenses	122,611	17,822
Ordinary Profits	8,817	98,288
Extraordinary Profits	24,238	2
Extraordinary Losses	799	57
Income before Income Taxes	32,256	98,233
Income Taxes - Current	11,843	31,424
Income Taxes - Deferred	(12,342)	2,641
Total Income Taxes	(498)	34,066
Profit	32,754	64,167
Profit Attributable to Non-controlling Interests	323	268
Profit Attributable to Owners of Parent	32,431	63,898

(2) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	First Quarter of Fiscal 2022 (Three Months ended June 30, 2022)	First Quarter of Fiscal 2023 (Three Months ended June 30, 2023)
Profit	32,754	64,167
Other Comprehensive Income	(941,026)	(201,600)
Net Unrealized Gains (Losses) on Other Securities	(1,195,227)	(201,858)
Net Deferred Gains (Losses) on Hedging Instruments	255,396	1,167
Foreign Currency Transaction Adjustments	987	323
Remeasurements of Defined Benefit Plans	(2,149)	(2,368)
Share of Other Comprehensive Income of Affiliates accounted for by the equity method	(33)	1,135
Total Comprehensive Income	(908,272)	(137,433)
Attributable to:		
Owners of Parent	(908,593)	(137,713)
Non-controlling Interests	320	279

Quarterly Non-Consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of Yen)

	Fiscal 2022 (As of March 31, 2023)	First Quarter of Fiscal 2023 (As of June 30, 2023)
(Assets)		
Loans and Bills Discounted	16,902,539	17,566,271
Foreign Exchange Assets	584,996	339,607
Securities	40,062,645	47,971,870
Money Held in Trust	8,417,071	10,635,373
Trading Assets	3,635	4,624
Monetary Claims Bought	321,441	303,713
Receivables under Resale Agreements	304,742	132,737
Cash and Due from Banks	22,348,159	21,187,542
Other Assets	1,597,511	3,067,111
Tangible Fixed Assets	132,538	131,807
Intangible Fixed Assets	47,649	47,347
Prepaid Pension Cost	71,996	75,104
Deferred Tax Assets	343,817	422,572
Deferred Tax Assets for Land Revaluation	1,600	1,600
Customers' Liabilities for Acceptances and Guarantees	409,059	436,777
Reserve for Possible Loan Losses	(122,496)	(124,101)
Reserve for Possible Investment Losses	(1,481)	(1,481)
Total Assets	91,425,426	102,198,480
(Liabilities)		
Deposits	63,832,307	65,820,328
Negotiable Certificates of Deposit	2,296,478	2,446,578
Debentures	455,034	453,747
Trading Liabilities	2,786	2,390
Borrowed Money	3,931,746	3,746,592
Call Money	390,000	2,184,100
Payables under Repurchase Agreements	10,613,476	14,584,042
Foreign Exchange Liabilities	28	87
Short-term Entrusted Funds	797,420	1,496,432
Other Liabilities	3,205,231	5,737,959
Reserve for Bonus Payments	5,719	2,838
Reserve for Retirement Benefits	15,150	14,277
Reserve for Directors' Retirement Benefits	898	802
Acceptances and Guarantees	409,059	436,777
Total Liabilities	85,955,337	96,926,955
(Net Assets)		
Paid-in Capital	4,040,198	4,040,198
Capital Surplus	25,020	25,020
Retained Earnings	2,067,877	2,078,260
Total Owners' Equity	6,133,096	6,143,479
Net Unrealized Gains (Losses) on Other Securities, net of taxes	(680,481)	(882,385)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	19,573	12,530
Revaluation Reserve for Land, net of taxes	(2,099)	(2,099)
Total Valuation and Translation Adjustments	(663,007)	(871,954)
Total Net Assets	5,470,089	5,271,524
Total Liabilities and Net Assets	91,425,426	102,198,480

Non-consolidated Statement of Operations

(Millions of Yen)

	First Quarter of Fiscal 2022 (Three Months ended June 30, 2022)	First Quarter of Fiscal 2023 (Three Months ended June 30, 2023)
Ordinary Income	781,464	751,402
Interest Income	369,660	518,083
Interest on Loans and Bills Discounted	27,380	81,193
Interest and Dividends on Securities	334,404	410,893
Fees and Commissions	2,893	4,520
Trading Income	83	302
Other Operating Income	268,991	120,055
Other Ordinary Income	139,834	108,441
Ordinary Expenses	766,930	645,629
Interest Expenses	174,920	571,407
Interest on Deposits	11,230	69,070
Fees and Commissions	7,239	6,340
Trading Expenses	14	213
Other Operating Expenses	428,987	11,803
General and Administrative Expenses	33,276	38,862
Other Ordinary Expenses	122,490	17,002
Ordinary Profits	14,534	105,773
Extraordinary Profits	24,238	2
Extraordinary Losses	798	54
Income before Income Taxes	37,974	105,721
Income Taxes - Current	10,184	29,718
Income Taxes - Deferred	(12,677)	1,536
Total Income Taxes	(2,493)	31,254
Net Income	40,467	74,466

(Ref) Summary of Performance (Non-Consolidated)

(100 millions of yen)

		First Quarter of Fiscal 2022 (A)	First Quarter of Fiscal 2023 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	1	511	1,238	727
Net Interest Income	2	2,154	173	(1,980)
Net Fees and Commissions Income (Loss)	3	(43)	(18)	25
Net Trading Income (Loss)	4	0	0	0
Net Other Operating Income (Loss)	5	(1,599)	1,082	2,682
General and Administrative Expenses	6	(332)	(388)	(55)
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses) (※1)	7	178	850	671
Gains (Losses) on Bond-Related Transactions	8	(961)	968	1,930
Core Net Operating Profit (Loss) (※2)	9	1,140	(118)	(1,259)
Excluding Gains (Losses) from Redemption of Investment Trusts (※3)	10	79	(715)	(795)
Provision of General Reserve for Possible Loan Losses	11	(35)	-	35
Net Operating Profit (Loss) (※4)	12	143	850	707
Non-Recurring Gains (Losses)	13	2	207	205
Gains (Losses) on Stock-Related Transactions	14	561	453	(108)
Gains (Losses) on Money Held in Trust- Related Transactions	15	(561)	(90)	470
Gains on Reversal of Reserves for Possible Loan Losses, and Others	16	39	(65)	(105)
Other	17	(37)	(89)	(51)
Ordinary Profits	18	145	1,057	912
Credit-Related Costs (※5)	19	4	(65)	(69)

(※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 Profit (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)

		First Quarter of Fiscal 2022 (A)	First Quarter of Fiscal 2023 (B)	Difference (B)-(A)
Gross Operating Profit (Loss)	20	(50)	1,147	1,198
Operating Profit (Loss) (before Provision of General Reserve for Possible Loan Losses)	21	(382)	759	1,142
Net Operating Profit (Loss)	22	(418)	759	1,177
Core Net Operating Profit (Loss)	23	578	(209)	(788)
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	685	(836)	(1,521)

(※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”