

A Message from the Management



Mamoru Moteki
Chairman
The Supervisory Committee

Yoshio Kono
President and Chief Executive Officer

First, we would like to sincerely thank all our stakeholders for their understanding and support for, and cooperation with, the Norinchukin Bank in its day-to-day operations.

This Annual Report for 2010 contains details of the financial position of the Bank for fiscal 2009, as well as a summary of operations over the year at the JA Bank, JF Marine Bank and the Forestry Cooperative System.

We believe that readers of this Report will continue to offer their support to the JA Bank, JF Marine Bank, the Forestry Cooperatives and the Norinchukin Bank itself.

The Basic Role the Norinchukin Bank Fulfills as the Central Organization for Cooperatives

As the central bank for the agricultural, forestry, and fishery cooperatives in Japan, the mission of the Norinchukin Bank is to contribute to the development of these industries and to national economic prosperity by providing smooth access to financial resources. To achieve its mission, with the stable funding base provided by capital from Japan's Agricultural Cooperatives (JA), Fishery

Cooperatives (JF) and Forestry Cooperatives (JForest), as well as JA Bank and JF Marine Bank deposits from cooperative members and customers, the Bank lends funds to members, agricultural, forestry and fisheries workers, and companies related to the agricultural, forestry and fisheries industries as well as to local public organizations. As the ultimate manager of these funds, the Bank also conducts various lending and investment activities in Japan and abroad, efficiently manages funds and stably returns profits to its members.

Moreover, the Bank provides various financial services including a nationwide shared system infrastructure for supporting the cooperative banking business of JA and JF (Japan Fishery Cooperatives), the development of new products, and it responds to the financial needs of cooperative organizations. The Bank also provides operational guidance for the JA and JF cooperative banking business based on relevant rules and regulations and it is building a safety net for the JA Bank System and JF Marine Bank System.

The Bank continues to work to raise trust in its cooperative banking business while recognizing the importance of strengthening the competitiveness of its cooperative banking business.

Business Operations in Fiscal 2009

The Bank is enhancing business operations based on the Business Renewal Plan (fiscal 2009 through 2012), which was instituted in February 2009, for upgrading its financial and risk management methods and for further expanding its role as the central financial organization for cooperatives in Japan. In fiscal 2009, the Bank conducted financial management with the aim of securing steady profits while also reviewing its risk management methods. Thanks to the foregoing and to the market recovery, the Bank's performance was in line with its plan on both the earnings and financial fronts, with ordinary profit of ¥76.6 billion (consolidated) and a fiscal year-end capital adequacy ratio of 19.21% (consolidated).

In order to respond to the needs of customers including farmers, fishermen and foresters as a whole, the Bank has planned various measures to achieve smoother business operations for its members. It is also strengthening its financial services that support the agricultural, forestry and fisheries industries.

In accordance with the "JA Bank Medium-Term Management Strategy" (fiscal 2007 through fiscal 2009), its management and business strategy, not only is the JA Bank taking steps to improve its agricultural financing capabilities, it is also aggressively broadening retail financial service offerings, such as JA Bank loans, the JA Card and

pensions, and is meeting the needs of its cooperative members and other customers. The balance of deposits under the JA Bank system as of March 31, 2010, amounted to ¥84,477.2 billion, a 1.4% increase compared with the previous fiscal year. Seeking to become a financial institution that wins the greater confidence and trust of its customers, we are taking steps to upgrade our business management system and maintaining and raising the Bank's soundness. With respect to important system infrastructure (the JASTEM System) for JA Bank business operations, the Bank is taking a number of measures to achieve secure operation by migrating to a next-generation IT system.

JF Marine Bank is increasing customer convenience with the promotion of primary accounts for household budgets and is reinforcing its financial services to the fisheries industry based on its "JF Marine Bank Medium-Term Business Promotion Policy" (fiscal 2009 through fiscal 2011). The balance of deposits under the JF Marine Bank system as of March 31, 2010, amounted to ¥2,243.4 billion, a 0.1% decrease compared with the previous fiscal year.

With the "Movement to Revitalize Forestlands, the Forestry Industry, and Rural Mountain Villages that Support the Environment and Livelihood," (fiscal 2006 through fiscal 2010), a cooperative campaign, as one of its pillars, the Forestry Cooperatives are providing aid to nurture and improve forest areas based on the Jointly Managed Project.

The Bank's Future Business Management Policies

The Bank recognizes that the achievement of its Business Renewal Plan is the most important task to be addressed. It therefore believes that upgrading its investment and loan operations and risk management, improving its financial standing and strengthening its efforts to respond to the needs of farmers, foresters and fishermen as a whole, in cooperation with all members, are important tasks.

The goal of the Bank is to raise its profile as a financial institution, both in terms of growth of the agricultural, forestry, and fisheries industries and of its members' business, as well as a more globalized approach to investment financing.

August 2010



Mamoru Moteki
Chairman
The Supervisory Committee

Conclusion

The Bank, JA Bank, JF Marine Bank and the Forestry Cooperatives want to become financial institutions and organizations that win the confidence and trust of all of their customers. Moreover, we will work through the business as a whole so that we fulfill our social responsibility by our varied efforts to stimulate the agricultural, forestry and fishing industries and the communities that they serve.

Finally, we would like to ask our readers for their continued support for JA Bank, JF Marine Bank, the Forestry Cooperatives and the Norinchukin Bank itself.



Yoshio Kono
President and Chief Executive Officer

Management Strategy: Q&A

Below is a discussion of measures taken by the Bank, the central organization for cooperatives in Japan, and progress in initiatives under “The Business Renewal Plan.”

The Bank’s Role and the Business Renewal Plan

Question

1 Could you please explain the objectives of the Bank’s Business Renewal Plan?

As a nationwide financial institution for Japan's agricultural, forestry, and fishery cooperatives, two pillars support the Bank’s basic role: The first pillar is the stable return of profits to members including the Japan agricultural cooperatives (JA), the Japan fishery cooperatives (JF), and the Japan forestry cooperatives (JForest). With capital provided by members and the stable funding base provided by the JA Bank, and the JF Marine Bank systems, the Bank returns profits gained through the efficient and stable management of lending, securities, and its other banking businesses, to its members.

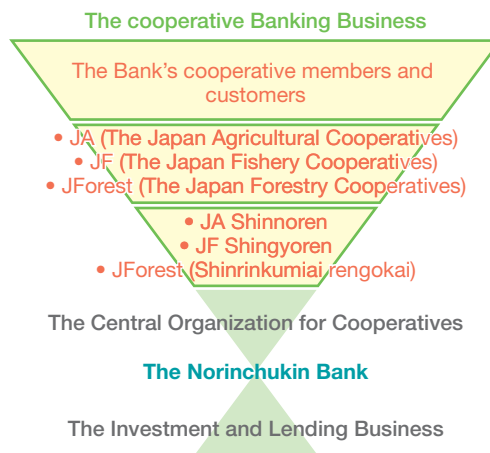
As for the second pillar, the Bank, as the central financial organization for cooperatives, is taking measures to strengthen business planning and operations at the JA Bank and the JF Marine Bank systems. At the same time, as a specialized financial institution based on the agricultural, forestry and fisheries industries, it is supporting people in these industries and providing them with financial capabilities suitable to their needs.

In fiscal 2009, the Bank initiated the four-year Business Renewal Plan with the goals of reforming fund management, reorienting the organization toward its members’ interests and strengthening the role it plays as the central organization for cooperatives. The plan was instituted following losses incurred in fiscal 2008 due to the effects of the financial crisis and the realization of large capital increases through investments from its member cooperatives. However, the plan’s objective is the contribution to the further development of the agricultural, forestry and fisheries industries by

consistently distributing earnings to its members and by carrying out its mission as the central organization for cooperatives in Japan.

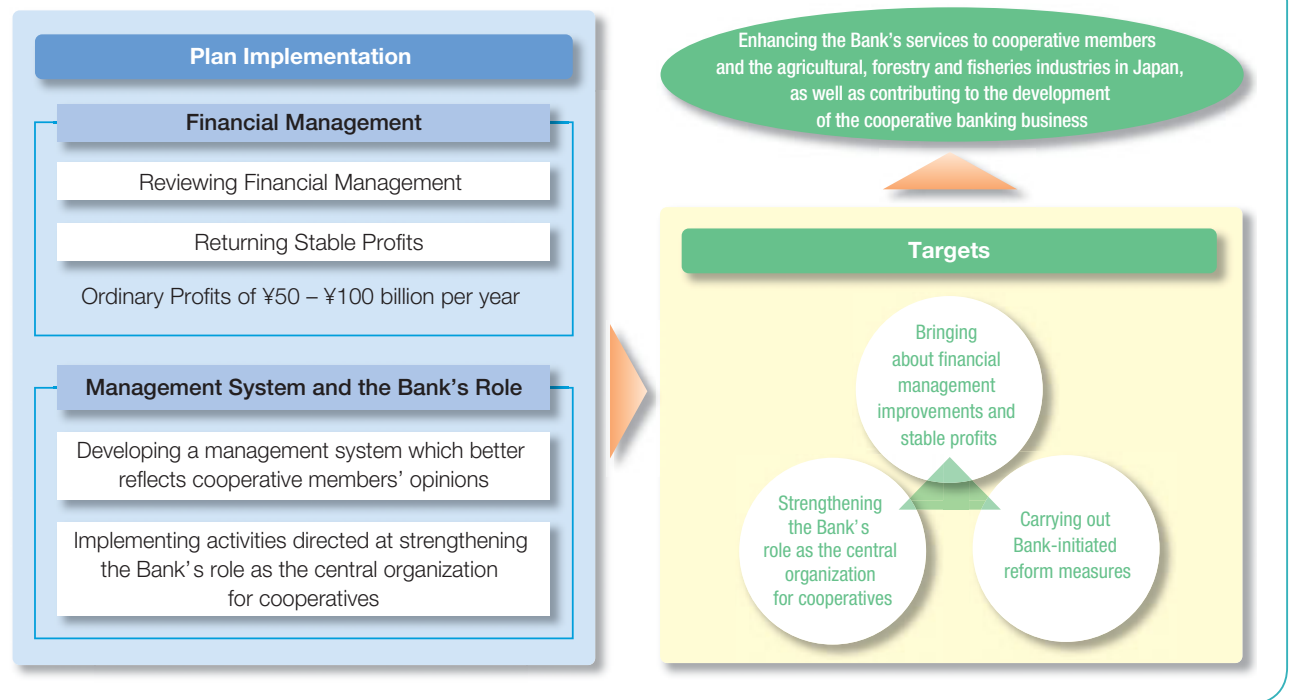
With the base of funds and capital it has raised from its members, the Bank intends to manage its funds in a more stable manner, secure an ordinary profit of ¥50 to ¥100 billion (on a non-consolidated basis) — the earnings target for the period of the plan — and return stable profits to its members. It also intends to further strengthen its capabilities as the central organization for cooperatives.

The Bank’s Role



With the stable base of funds and capital it has raised from members, the Bank contributes to both its members and to the agricultural, forestry and fishing industries as well as to the cooperative banking business by returning the profits earned from its investment and lending businesses to its members.

Business Renewal Plan (FY2009 – FY2012)



Business Renewal Plan I: Towards “A Review of the Management of the Bank’s Finances and the Stable Return of Profits”

Q₂ Question

What were the Bank’s non-consolidated financial results for fiscal 2009?

In fiscal 2009, the first year of the Business Renewal Plan, despite the increased costs of write-offs and provisions to reserves, reflecting the harshness of the real economy, financial markets returned to equilibrium, we secured stable cash flows and achieved an ordinary profit of ¥71.6 billion, which is within the target level of ¥50 to ¥100 billion of ordinary profit which we established in the Business Renewal Plan. While future economic conditions in Japan and abroad remain uncertain, the Bank is committed to achieving proper financial management, and aims to continue to secure ¥50 to ¥100 billion in ordinary profit during the Plan’s term.

	(Billions of Yen)	
	FY2008	FY2009
Ordinary Income	(612.7)	71.6
Net Income (Loss)	(565.7)	29.5

(Ref: Data on the market value of securities held by the Bank)		
Valuation Difference for Securities, etc.	(2,092.9)	(605.8)

↑ ¥1,487.0 billion improvement due to a rebound in market conditions.

The Bank’s capital adequacy ratio stands at 19.26%, and its Tier I regulatory capital ratio is 13.88%, both year-on-year increases. Moving forward, the Bank will maintain them at levels where it is possible to carry out stable financial management, even when there is market turmoil.

In light of the global financial crisis, the strengthening of regulations relating to bank capital adequacy levels is currently being investigated under the leadership of the Basel Committee on Banking

Supervision. The Bank will respond appropriately to any progress made in international deliberations which

result in stronger regulations and create a more robust international financial system.

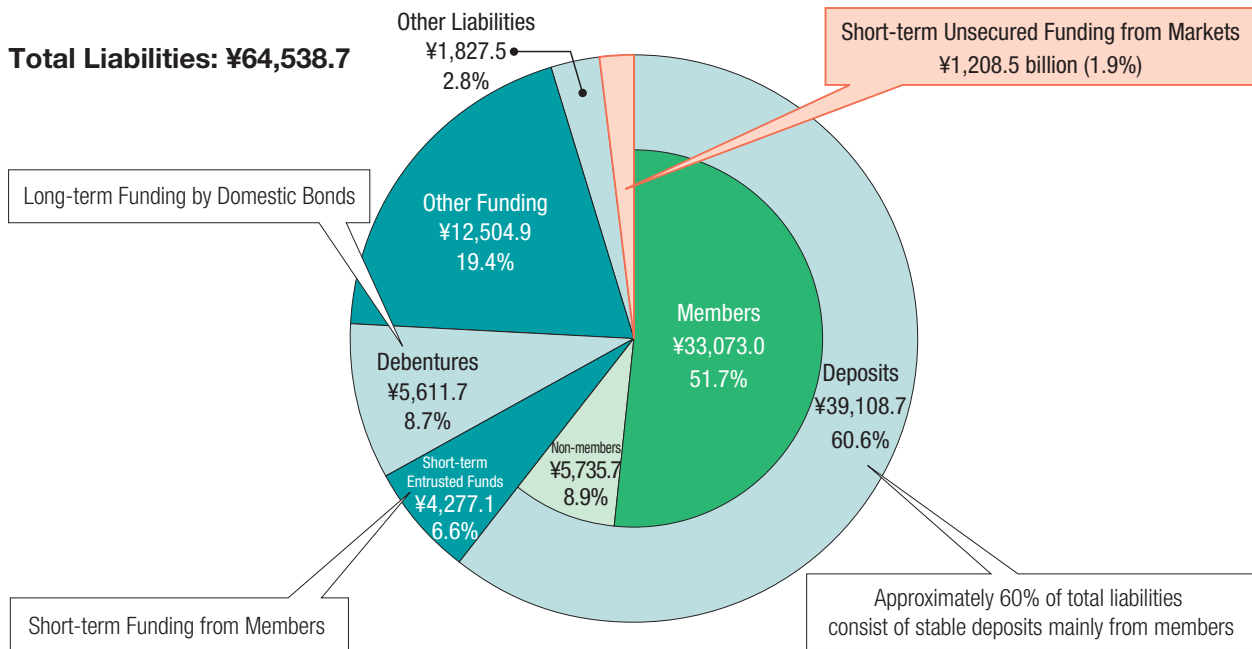
(Billions of Yen)

	FY2008	FY2009	Change from previous fiscal year end
Tier I Capital	2,300.6	3,790.8	1,490.2
Capital Stock and Capital Surplus	3,446.3	3,450.9	4.5
Earned Surplus	788.6	819.4	30.8
Unrealized Losses on Other Securities	(1,871.8)	(406.6)	1,465.2
Deductions	1,770.0	1,774.5	4.4
Total Capital	3,743.5	5,260.5	1,517.0
Risk Weighted Assets	23,917.1	27,307.5	3,390.4
BIS Capital Adequacy Ratio (%)	15.65	19.26	+3.61
Tier I Ratio (%)	9.61	13.88	+4.27

(Reference) Bank Feature: Secure Liquidity Amid Stable Funding Base

As the chart below shows, unsecured fund procurement from short-term financial markets accounted for only 1.9% (¥1,208.5 billion) of interest-bearing debt held by the Bank. The financial position of the Bank, the cornerstone of Japan's cooperative banking system, is completely different to that of investment banks, funds and other financial institutions, which tend to be dependent on the short-term financial markets. The Bank is always able to procure stable funding at low interest rates.

► Funding Breakdown (As of the end of March 2010, on a non-consolidated basis) (¥billion)



Note: Other Funding includes Payables under Repurchase Agreements (secured), Payables under Securities Lending Transactions and Borrowed Money (secured, subordinated loans). Other Liabilities includes Acceptances & Guarantees and Reserves. Short-term Unsecured Funding from Markets includes Trading Liabilities, Negotiable Certificates of Deposit, and Call Money.

Question 3

Tell us how you are managing assets to achieve stable earnings.

In light of the turmoil in global financial markets in fiscal 2008, investment and lending were reviewed under the three themes of fund management, capital adequacy management and organizational reorientation. We have implemented specific policies that include

stronger commitment to its asset management policies by its executives, a stronger credit risk examination framework and stricter monitoring of outsourcing asset management companies.

Fund Management Plan

- **Qualitative reform of the pattern of globally diversified investments:**

A shift from diversified investment based on a case-by-case matching of risk and return models, to a new model which takes into account the likelihood of market price fluctuations and the availability of market liquidity.

- **Overhaul of risk management methods:**

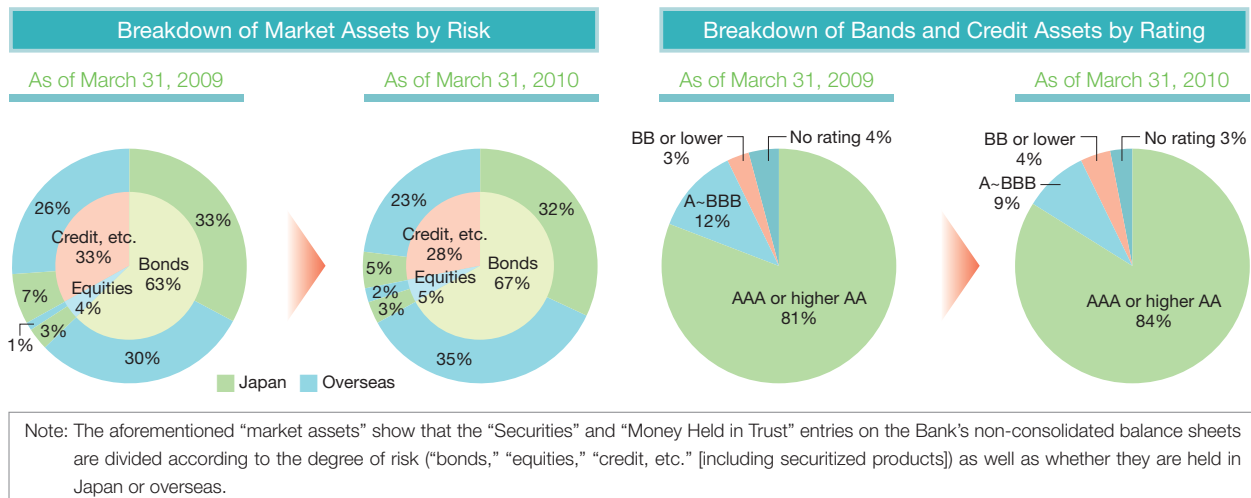
Having learned the lessons of overconfidence in our diversified investment model, we will select only lower-risk credit assets based on a sophisticated and rigorous analysis of stress scenarios.

Capital Adequacy Management

We will maintain suitable capital adequacy levels while giving due consideration to safe fund management and the strengths of particular business models. We will also maintain a high level of capital adequacy in anticipation of severe future stress and a tougher regulatory environment.

Organizational Reorientation

The Bank will achieve qualitative reform of globally diversified investments and reform its systems in order to further improve its analysis and credit-screening capabilities.



Because the Bank's market assets have been maintained under secure management policies which are, in turn, based on the Business Renewal Plan, "bonds," particularly Japanese and overseas short- and medium-term government bonds, have increased, although "credit, etc." has decreased.

Furthermore, by maintaining investments in assets with strong ratings — with over 80% of them rated at AAA or AA — we have been able to increase the ratio of AAA to AA rated holdings even further.

Question

4 What comments can you offer regarding securitized products?

As of March 31, 2010, the total exposure to securitized products held by the Bank stood at ¥5,457.1 billion, a year-on-year decline of ¥712.8 billion, due to redemption and other factors.

Since 2009, rating agencies have aggressively downgraded their ratings for securitized products; nevertheless, approximately 80% of the securitized products held by the Bank are rated at AAA or AA.

The Bank mainly holds primary securitized products

such as asset-backed securities (ABSs) and collateralized loan obligations (CLOs), and most of these securitized products held by the Bank paid interest when due and were fully repaid at maturity.

Moreover, the balance of sub-prime loan products within our overall securitized product portfolio declined to ¥108.8 billion (a ¥30.6 billion decrease), only 2.0% of the total. This amount has virtually no material impact on the Bank's financial position.

Securitized Products Held by the Bank (Fiscal 2009, Non-consolidated)

- Securitized product exposure: ¥5,457.1 billion

Of which **78.3%** is rated AA or higher, and **62.0%** is rated AAA or higher

From 2009, ratings agencies introduced more stringent ratings for securitized products. Despite this, securitized products held by the Bank continued to retain their high ratings.

- Unrealized losses on securitized products: ¥189.7 billion

An **improvement of ¥167.7 billion**, due to market stabilization

- Total value of products with sub-prime loan exposure: ¥108.8 billion

Now accounting for only **2.0%** of the total value of securitized products

Investment on Securitized Products (Non-consolidated) (as of March 31, 2010) ~Securitization exposures (Note1)~

- The majority of securitization exposures were highly-rated and primary securitized products (ABS)

1. Exposures by Product (Note 2)

(Billions of Yen)

	AAA	AA	A	BBB	below BBB	Total	Change from previous fiscal year end
ABS	2,461.9	1.7	57.7	8.0	1.8	2,531.4	(118.0)
RMBS (Note 3)	452.0	32.5	13.8	11.6	39.2	549.4	(103.1)
CMBS	121.8	150.3	96.4	62.9	50.8	482.4	(120.4)
CDO	349.0	703.6	362.4	151.4	233.4	1,800.0	(394.7)
CLO	284.4	635.6	349.4	113.5	185.5	1,568.6	(339.4)
Resecuritized Products (Note 4)	62.1	52.6	8.6	34.4	44.6	202.4	(14.8)
CBO and Others	2.5	15.3	4.3	3.4	3.2	28.8	(40.4)
Others	—	—	—	0.2	93.5	93.7	23.4
Total	3,384.9	888.2	530.5	234.2	419.0	5,457.1	(712.8)

2. Unrealized Gains/Losses and Total Losses by Product

(Billions of Yen)

	AAA	AA	A	BBB	below BBB	Total	Change from previous fiscal year end	Losses (Note 5)
ABS	(31.4)	(0.1)	(2.5)	0.0	(0.3)	(34.3)	34.4	—
RMBS (Note 3)	0.3	(1.4)	0.3	(1.3)	(2.6)	(4.7)	31.2	(10.0)
CMBS	(17.1)	(7.2)	(9.6)	(8.0)	(3.1)	(45.2)	(1.1)	(25.1)
CDO	(9.4)	(37.9)	(38.2)	(16.8)	(2.8)	(105.3)	103.2	(9.0)
CLO	(7.3)	(31.9)	(42.0)	(11.7)	(6.8)	(99.9)	53.1	(0.5)
Resecuritized Products (Note 4)	(1.9)	(4.2)	1.7	(7.3)	3.9	(7.7)	35.9	(10.7)
CBO and Others	(0.1)	(1.7)	2.0	2.2	—	2.3	14.1	(2.2)
Others	—	—	—	—	—	—	—	(0.6)
Total	(57.6)	(46.7)	(50.0)	(26.2)	(8.9)	(189.7)	167.7	(44.8)

3. Exposure by Currency

(Billions of Yen)

	Exposures	Change from previous fiscal year end	Unrealized Gains/Losses	Change from previous fiscal year end	Gains/Losses (Note 5)
U.S. dollars	3,900.9	(468.3)	(117.9)	136.7	(44.9)
Euro	716.4	(91.5)	(51.8)	28.4	3.7
Pounds sterling	43.9	(0.3)	(1.9)	0.3	(0.2)
Yen	795.8	(152.6)	(18.0)	2.1	(3.3)
Total	5,457.1	(712.8)	(189.7)	167.7	(44.8)

Notes: 1. Securitized Products are defined internally based on the definition in Basel II. Includes Sub-prime related products.

2. The amount of securitization exposure is net exposure after write-off and revaluation. For some CMBS, the amount of exposure ¥124.1 billion (Unrealized losses: ¥1.2 billion, losses: ¥1.9 billion) which should be included in Specialized Lending (SL) under Basel II, is not included here.

3. Includes Sub-prime RMBS. Not include mortgage-backed securities related with US Government sponsored entities.

4. Re-securitized Products such as ABS-CDO, CDO of CDO's. Includes ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.

5. Total value of revaluation losses and unrealized losses of financial instruments with embedded derivatives as of fiscal year ended March 31, 2010.

Reference Calculating the Fair Value of Securitization Exposure

Securitization exposure includes investment securities, monetary claims bought and outstanding loans, as well as accrued income and undrawn commitments.

As for securitized products which are rarely traded (such as credit card debt securities ABS in ABS' and CLO in CDOs), the Bank has determined that the quoted prices provided by brokers or vendors are no longer regarded as fair value, and values such bonds at rationally estimated amounts at the end of the fiscal year.

The Bank's independent middle office comprehensively verifies the accuracy of fair value calculations.

Business Renewal Plan II: Toward a “Reorientation of the Organization to the Interests of its Members and a Strengthened Role as the Central Organization for Cooperatives”

Question

5 What specific steps are being taken to reorient the organization toward the interests of its members and strengthen its role as the central organization for cooperatives?

As the central organization for cooperatives in Japan, the Bank views the reorientation of the organization toward the interests of its members and its strengthened role as the central organization for cooperatives as major pillars of the Business Renewal Plan. We are committed to stronger planning and business management and better provision of financial services for agricultural, forestry and fisheries to raise the profile of

the Bank by leveraging the brand recognition of the JA Bank and JF Marine Bank, of which the Bank itself is a member. We will work to deepen our integration with JA, JF, Shinnoren and Shingyoren.

Since the commencement of the Business Renewal Plan, the Bank has implemented the following measures and policies:

Key Initiatives to Strengthen the Bank’s Capabilities

■ Increasing Disclosure

We consider it our obligation to all our members and other stakeholders to explain, as and when appropriate, the financial position of the Bank and report on progress made with regard to the Bank’s Business Renewal Plan. The Bank has been disclosing such information on a quarterly basis since 2009, and will continue to expand opportunities to disclose information to our member cooperatives.

■ Strengthening the Exchange of Personnel

The Bank believes that all employees of the Bank, from executives on down, need to understand how business is done on the front lines of the cooperative banking business and to improve their work performance. Accordingly, it is necessary, as part of the Business Renewal Plan, to further strengthen the exchange of personnel with JA and Shinnoren. In practical terms, this means JA and Shinnoren accept employees from the Bank, who can learn from face-to-face retail businesses with customers in their localities, and incorporate such experiences into their planning and policy-making. At the same time, the Bank proactively accepts seconded staff and trainees from JA and Shinnoren.

Key Initiatives to Strengthen the Bank’s Capabilities in Relation to the Cooperative Banking Business

■ The Promotion of JA Bank and JF Marine Bank Business Strategies

In April 2010, we initiated the three-year “JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012) and have taken steps to become a bank that “contributes to agriculture and day-to-day prosperity, is the bank of choice, and continues to grow” as our basic objective. (Please see page 27 for further details)

The JF Marine Bank is working to improve the customer experience through the promotion of primary accounts for household budgets and is reinforcing the provision of financial services to the fisheries industry based on its “JF Marine Bank Medium-Term Business Promotion Policy (fiscal 2009 through fiscal 2011).” In addition, it is disposing of nonperforming loans and strengthening its approach to risk management so that it is reassuring to customers, while taking steps toward achieving low-cost management and building a stable and responsible JF cooperative banking business system (the JF Marine Bank Safety System).

Question

Q6 What can you tell us about the JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012)?

In March 2010, the JA Bank initiated the three-year “JA Bank Medium-Term Management Strategy.” The theme of this strategy is to strengthen the Bank’s “capabilities as the main bank for the agricultural industry and for household budgets.” The JA bank will deploy its efforts along two lines: First, it will start over from

ground zero to reengineer the Bank as the main bank for Japan’s agricultural industry, and second, it will contribute to the household budgets of local cooperative members as well as raise the level of customer satisfaction.

Strengthening its Role as the Main Bank for the Agricultural Industry

As a specific measure in strengthening its role as the main bank for the agricultural industry, its most important task, the Bank is visiting more than 100,000 of its members, not only small- and medium-sized enterprises, individuals and farmers, the core members of the cooperative, but also large farming households and agricultural corporations nationwide and providing them with professional advice and support. As part of this effort, we have set up Agricultural Financial Centers in prefectural Shinnoren, provided agricultural financial leaders with personnel training including 1,592 core financial leaders at 717 nationwide JA Banks as of April 1, 2010.

We will continue to support customer visits in cooperation with JA and provide loans and advice to large agricultural corporations.

As part of responding to the need for stable capital funding at agricultural corporations, we established the Agri-Seed Fund in April 2010 (Please see page 19 for further details). To develop core farmers, in fiscal 2010, the JA Bank Agri-Support Project established the JA Bank Business to Encourage Employment in Agriculture, which partially subsidizes the costs of core farmers to train new applicants (trainees) for employment in agriculture.

Strengthening its Role as the Main Bank for Household Budgets

To strengthen its role as the main bank for household budgets, the Bank places a priority on the following products—pensions, credit cards and loans. With regard to pensions, the Bank is enhancing its counseling services for pension accounts with the aim of increasing its share of such accounts in each region. Services are being upgraded to JA standards and preferential services for home loan borrowers are being

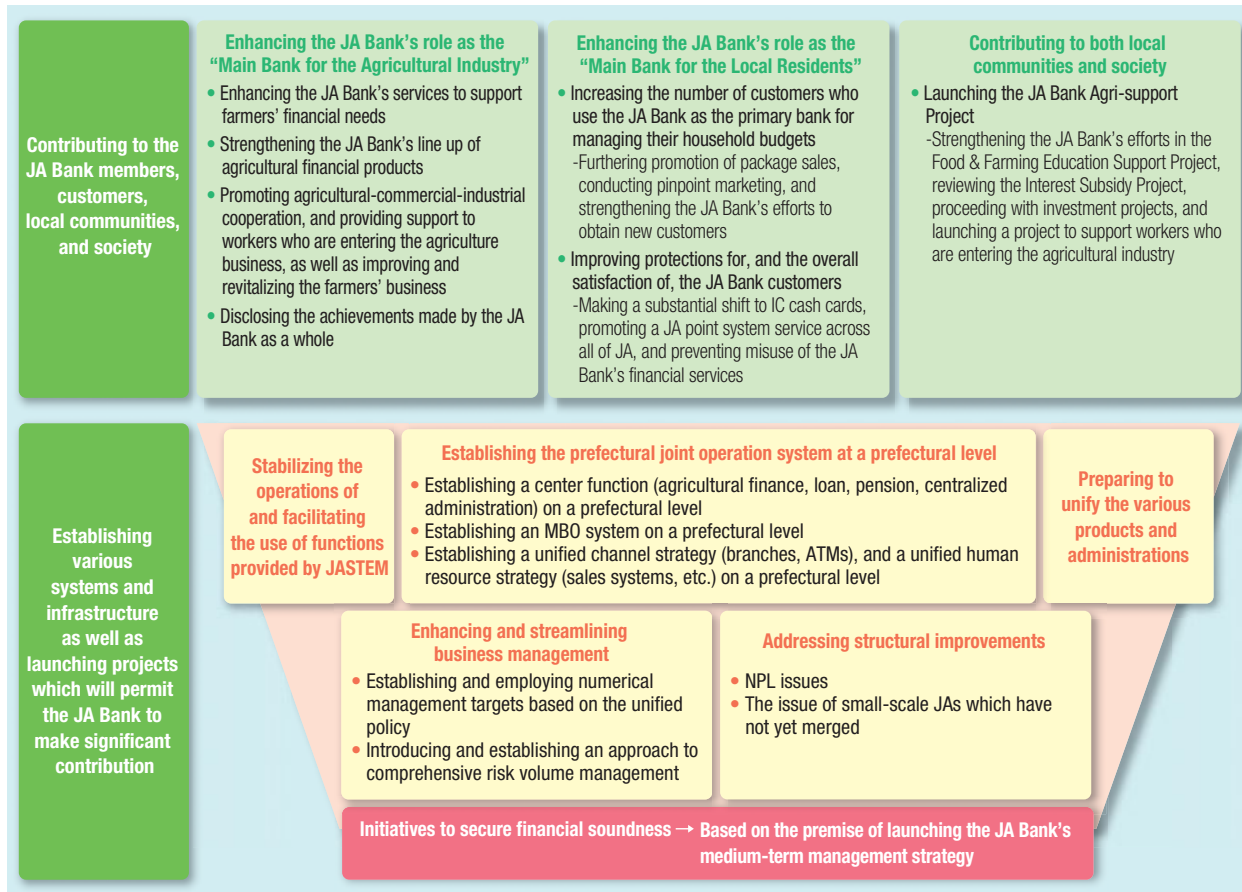
improved through the introduction of our own comprehensive point service for JA Card holders, which enables customers to accumulate points at JA produce stands.

In addition, we are taking steps to safeguard our customers and improve their overall experience by eliminating the fee associated with IC Card issuance and expanding the number of commission-free ATMs.

(Basic Objective) Bringing about a “JA Bank which contributes to both agricultural industry and people’s daily lives, as well as one which is chosen by the people, and then continues to grow”

The JA bank will make a united effort with JA, Shinnoren and the Norinchukin Bank to carry out its medium-term strategy (FY2010-FY2012) in order to realize its basic objective

Specific Action Items (Framework) for the JA Bank Medium-Term Management Strategy (FY2010-FY2012)



The JA Bank’s goals after completing its three-year strategy (FY2012)

- Fostering closer relationships with agricultural corporations and large-scale farmers as well as increasing the number of JA Bank customers
- Raising the satisfaction among the JA Bank members (farmers) and customers
- Increasing the number of customers in the next two generations
- Increasing the number of customers, improving the JA Bank’s share of the regional market, and promoting the use of the JA Bank
- Strengthening JA’s and the JA Bank’s regional reputations

Question

7 What key initiatives is the Bank undertaking on behalf of people in the agricultural, forestry and fisheries industries?

We have held business conferences and business matching events that provide value to businesses in the agricultural, forestry and fisheries industries.

We are also reviewing existing funds in order to respond to the future financial needs of workers in the

agricultural, forestry and fisheries industries. Along with this, we have established a framework for fund donation, which is aimed at the development of agricultural corporations.

Business Conferences and Business Matching Events

The JA Group has been holding a National Agricultural and Livestock Producers' Business Conference sponsored by the Central Union of Agricultural Cooperatives (JA Zenchu), JA Zen-Noh, the JA Bank and the National Mutual Insurance Federation of Agricultural Cooperatives (JA Kyosai). At the 4th JA Group National Agricultural and Livestock Producers Business Conference held at the Tokyo International Forum in March 2010, more than 200 organizations from across the nation exhibited, substantially more than in the previous year. The National Federation of Fishery Cooperative Associations exhibit marked the first time that an organization from the marine products sector has participated. More than 4,000 visitors, including buyers, attended the event, which was a

significantly higher number than that in the previous year. We are also working on regional business conferences such as the Hokuriku Business Conference, which was held in November 2009.

Leveraging its distinction of being the nationwide organization for cooperatives, the Bank is reinforcing its efforts at business matching between members and workers in the agricultural, forestry and fisheries industries, and companies. Contracts have been signed for various projects, including corporate participation in agricultural projects. These projects involve the opening of markets for agriculture and livestock as well as the effective utilization of idle land.

The Establishment of the Agri-Seed Fund for Development of Agricultural Corporations

As part of an effort to improve the appeal of agricultural loan products through the JA Bank Medium-Term Management Strategy (fiscal 2010 through fiscal 2012), we set up a new framework (called the Agri-Seed Fund) for providing capital for the development of agricultural corporations, which we began using in April 2010. The Agri-Seed Fund aims to assist in the development of agricultural corporations which aspire to become large-scale farming corporations in local farming communities, through the provision of capital to

those corporations that are technically competent, yet undercapitalized. Specifically, the Agribusiness Investment & Consultation Co., Ltd., a Bank-affiliated corporation, is backed by funds from the JA Bank Agri-Eco-Support Fund and invests in agricultural corporations based on referrals it receives from the JA Bank. In fiscal 2010, ¥1,000 million (in principle, a maximum of ¥10 million per corporation) in funding is planned through this comprehensive framework.

Question

Q8 What efforts are being made to facilitate Bank financing?

The Bank views the provision of an uninterrupted supply of needed funds to customers, including agricultural, forestry and fishery workers as well as to small- and medium-sized enterprises that are soundly managed, as one of its most important functions. The

Bank is acutely aware of its public role and social responsibility and is working to properly execute its business duties. Under this fundamental approach, the Bank is taking the following actions:

Actions to Facilitate Bank Financing (excerpted from the Bank's "Basic Policy for Facilitating Financing" which was released on December 28, 2009)

1. Flexible handling of loan applications from customers
2. Responding to changing conditions with regard to applications for liability relief related to debt liquidation
3. Proactively dealing with customer business consultations and support efforts to improve customer business
4. Aggressive and swift responses to collaboration efforts between agricultural, forestry and fisheries industries and business and industry
5. Responding sincerely and courteously to customer requests

The Bank is setting up the following system to advance the above-mentioned actions:

1. Establish a management committee which is dedicated to the facilitation of financing
To promote facilitated financing, the Board member in charge of credit and alternative portfolio planning will be designated as the committee chairperson and the relevant Board members and general managers will be designated as committee members.
2. Establish an Office for the Promotion of Facilitated Finance
Make this office a specialized unit that plans, promotes

and manages facilitated finance and establish an investment and lending planning division within the Credit & Alternative Portfolio Planning Division.

3. Establish a Complaints and Inquiry Counter
Establish a complaints and inquiry counter in the Financing Facilitation Promotion Office and sales offices in order to enable the Bank to receive customer complaints and issues.
(Main office: Credit & Alternative Portfolio Planning Division, Financing Facilitation Promotion Office—
TEL: 03-5222-2143)
4. Establish the Position of Manager of Facilitated Finance
Put the Credit & Alternative Portfolio Planning Division Manager in charge of the Management of Facilitated Finance and assign Managers for Facilitated Finance in each sales office.

As the central financial organization of the Japanese agricultural, forestry and fishery cooperatives, the Bank, in cooperation with relevant institutions, provides guidance and counseling so that JA Bank and JF Bank members are adequately prepared for facilitated finance.

Question

Q9 How will the next version of the JASTEM System work?

JASTEM is a centralized, nationwide online transaction processing system operated by JA Bank. It is one of the largest mass-retail type systems of its kind in Japan, covering 722 different JA product and service

categories (as of July 1, 2010), with data processing capabilities covering approximately 46 million accounts and data from approximately 12,000 ATMs.

The JASTEM System was set up to take over joint

operation of online systems that were managed by individual prefectural and regional units under the nationwide Shinnoren network. The system went online in October 1999. In 2002, the Bank took over development and operation of the system and, later, units from every prefecture in Japan began to join.

In order to provide services that are more satisfying to JA Bank customers, JASTEM system operation is scheduled for launch between January 2010 and May 2011 in a four-phase migration progressively covering

all prefectures and regions of Japan. With the completion of the second-phase migration in May 2010, the next version of JASTEM migrated to a total of 20 prefectures and is now operating stably.

JA Bank customers in prefectures that have not yet migrated to the new system are asked to understand that the migration will involve repeated suspension of ATM and other services, which will cause inconvenience, so we ask for their understanding and cooperation.

Question 10 What is the Bank's approach to corporate social responsibility (CSR)?

The Bank has long been committed to CSR activities.

In March 2005, the Bank contributed ¥1 billion to establish the Norinchukin 80th Anniversary Forest Rejuvenation Fund (FRONT80) and began supporting initiatives to revitalize private-sector forestry. Then, in fiscal 2007, the Bank contributed approximately ¥10 billion to the JA Bank Agri-Eco-Support Fund, founded by the JA Bank, and the JA Bank Agri-Support Project has evolved via this fund.

In fiscal 2008, the Bank deepened its CSR commitment through the establishment of a CSR Committee and a dedicated office and has published a CSR Report every year since 2008. Under the Business Renewal Plan, contributing to the development of the agricultural, forestry and fisheries industries and to environmental protection has been designated a management priority. While broadening the scope of the Bank's CSR activities in our capacity as the central organization for cooperatives in Japan, we are also committed to supporting, 1) member cooperatives, 2) the agricultural, forestry and fisheries industries, and 3) the community at large.

Policy for CSR Initiatives

The Norinchukin Bank is a financial institution rooted in the agricultural, forestry, and fisheries cooperatives of Japan as well as an active participant in global markets. To win trust from our wide range of stakeholders and to contribute to the sustainable development of the Japanese economy and society, we have determined that public trust in the Bank depends on a strong internal management system, including "A thoroughgoing compliance with laws and regulations" as well as "Human resources policies that enable a diversity of staff to play an active role." In all aspects of the Bank's activities, we continue to actively participate in:

1. Contribution to the Bank's shareholders and members
2. Contribution to the promotion of the agricultural, forestry and fisheries industries
3. Contribution to society

We proactively conduct CSR activities in order to make contributions by means of these three pillars.

JA Bank Agri-Support Project

In line with its policy of deploying more extensive measures for Japan's agricultural and farming villages, which are facing major agricultural system reform, as well as fulfilling its duties to society, the JA Bank has initiated the JA Bank Agri-Support Project.

Summary of Activities

Development of projects that contribute to promoting agriculture:

- Providing support for core farmers
- Offering assistance for activities that contribute to agriculture as well as regional communities

Business Entity

Limited liability intermediary corporation JA Bank Agri Eco Support Fund

Total Project Cost

Approx. ¥10 billion (provided by the Bank) over a three-year period beginning from fiscal 2007

Initiatives in Fiscal 2009

Providing support for core farmers

Interest Subsidiary Project:

Implemented a maximum 1% interest subsidiary for agricultural-related loans provided by JA

Granted subsidies for 48,000 agricultural loans provided by the Bank to customers for a total amount of ¥838 million.

Investment Project: Support via funding of corporations in the agricultural and environmental fields

Invested ¥2 billion through the Agri Eco Support Fund, which was established to support corporations actively engaged in promoting agriculture and contributing to the environment and society. Investments have been made in 17 corporations thus far and total ¥785 million.

Project to Encourage Employment in Agriculture:

Support for Core Farmers to Train New Farmers (Trainees) for Employment in Agriculture

From April 2010, financial aid has been provided to farmers and JA who accept new trainees in order to train them to become core farmers in the future.

Offering assistance for activities that contribute to agriculture and regional communities

JA Bank Food & Farming Education Support Project:

Provides financial assistance for JA's food and farming education and creating and donating textbooks

Textbook Donation Project:

JA Bank has created original textbooks for senior elementary school students on the subjects of food, farming, environmental and financial and economic education, and donated them to 21,000 schools, 97% of all elementary schools nationwide. These textbooks are used in classes together with prefecture-produced textbooks.

Educational Activities Aid Project:

Financial aid for JA's food and farming education-related activities are targeted at children throughout Japan. A program plan covering approx. 2,000 activities amounting to ¥725 million was accepted in fiscal 2009.