

Message from the Management



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

On this occasion, we have published this annual report, which contains details of the business performance for fiscal 2015, as well as a summary, etc., of the general situation at JA Bank, JF Marine Bank and JForest Group, so we ask that you please have a look through it.

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

As the national-level financial institution for agricultural, fishery and forestry cooperatives in Japan, the mission of The Norinchukin Bank (“the Bank”) is to contribute to the development of the agriculture, fishery and forestry industries and to national economic prosperity by facilitating access to financial resources. With the capital provided by Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forestry Cooperatives

(JForest), etc., as well as the stable funding base through customer deposits at JA Bank and JF Marine Bank, the Bank, to achieve its mission, lends funds to its members, agricultural, fishery and forestry workers, and companies related to the agriculture, fishery and forestry industries. 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 services for supporting the cooperative banking business of JA and JF, including the planning and implementation of policies, development of human resources, and provision of business infrastructure. The Bank also provides operational guidance for the cooperative banking business based on relevant rules and regulations, and is working to build a safety net for the JA Bank and JF Marine Bank Systems. The Bank continues to work to improve trust in its cooperative banking business, while playing the important role of strengthening and expanding the cooperative banking business.

New Medium-Term Management Plan Formulation

The environment surrounding the Bank and cooperatives is becoming increasingly harsh amid such developments as the revision of the Agricultural Co-operatives Act, the broad agreement on the Trans-Pacific Partnership (TPP) and the tightening of international financial regulations. On the other hand, public interest in and expectations for the agriculture, fishery and forestry industries are higher than ever before, including their transformation into growing industries.

In light of the situation surrounding the Bank and co-

operatives and the basic role of The Norinchukin Bank we have formulated a new Medium-Term Management Plan (FY2016-FY2018) comprising management and business management policies for the next three years.

JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agriculture, fishery and forestry industries and their rural communities.

Finally, we would like to ask you all for your continued support for JA Bank, JF Marine Bank, JForest Group and The Norinchukin Bank.

July 2016



Choe Okuno
Chairman of the Supervisory Committee



Yoshio Kono
President and Chief Executive Officer

Message from the CEO

Toward a leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities

Business Performance in Fiscal 2015

In fiscal 2015, as the final year of the Medium-Term Management Plan (fiscal 2013 through fiscal 2015), the Bank implemented a series of initiatives in line with the following four policies:

1. Proactive efforts on new initiatives contributing to the development of the agriculture, fishery and forestry industries, food production and consumption, and revitalization of local communities
2. Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business
3. Strengthening of profitability through appropriate risk management
4. Building up of organizational strengths through strategic use and enhancement of management resources

For “Proactive efforts on new initiatives contributing to the development of the agriculture, fishery and forestry industries, food production and consumption, and revitalization of local communities,” placing emphasis on encouraging new initiatives supporting reconstruction of disaster-affected areas of the Great East Japan Earthquake in 2011, strengthening of the ability to cater to leaders supporting the sustainable development of the agriculture, fishery and forestry industries, enhancement of the profitability of these industries, and revitalization of local communities through the agriculture, fishery and forestry industries.

For “Planning and implementation of further initiatives for strengthening and expanding the cooperative banking business,” we planned and implemented initiatives that contribute to expand the user base, strive to further initiatives to enhance business management arrangements and management foundation, built and operated business infrastructures which support the implementation of business strategies, and reinforced initiatives for the development of cooperative banking related human resources who can put business strategies into practice.

For “Strengthening of profitability through appropriate

risk management,” we engaged in flexible and strategic asset allocation, secured a solid earnings base through stable funding, pursued new investment opportunities to enhance profitability, strengthened corporate finance, and implemented risk management that contributes to enhanced competitiveness.

For “Building up of organizational strengths through strategic use and enhancement of management resources,” we engaged in the development of human resources into key personnel at the Bank and cooperatives, the appropriate allocation of management resources, and the strengthening of compliance and business management systems. Regarding financial management, we maintained ordinary profit, exceeding targets as a result of efforts to secure profit and strengthen financial conditions targeting the realization of sustainable and stable returns for all members.

In addition, as for self-reform efforts pursued by JA Bank as a whole in the context of an “in-depth initiative that will contribute to increased agricultural income and the revitalization of local communities”, we implemented, in concrete terms, the “Support Program for Increasing Agricultural Income and Revitalizing Local Communities” totaling support in the amount of ¥100 billion and provided assistance including support that contributes to lower management cost for leaders that are expanding in scale, addition of higher value to agricultural products and expansion of sales channels.

Furthermore, working on “arrangement of the business environment so that JA can make best efforts in agricultural businesses,” we engaged in such activities as the optimization of JA and the presentation of a basic scheme for the cooperative banking business agent model scheme, and “provision of financial services that connect agriculture and local communities/users in order to contribute

to local communities,” we provided financial services that help increase consumption of Japanese agricultural and livestock products, deployed mobile branches in vehicles in JA, in underpopulated areas and engaged in other initiatives one after the other.



Financial Results and Capital Adequacy in Fiscal 2015

In fiscal 2015, the Bank recorded an ordinary profit of ¥324.9 billion and net income of ¥271.2 billion (both on a consolidated basis), and thus achieved the target profit

level (around ¥100.0 billion).

The Bank's capital adequacy ratios on a consolidated basis were maintained at a high level, with a Common Equity Tier 1 Capital Ratio of 18.94%, a Tier 1 Capital Ratio of 18.99% and a Total Capital Ratio of 25.07%.

Summary of Earnings

(Billions of Yen)

	FY2013	FY2014	FY2015
Ordinary Profit	190.3	514.5	324.9
Net Income	155.7	411.3	271.2
Net Assets	5,976.5	7,308.1	7,186.7
Common Equity Tier 1 Capital Ratio	17.43%	17.17%	18.94%
Tier 1 Capital Ratio	17.56%	17.24%	18.99%
Total Capital Ratio	25.24%	24.19%	25.07%

Reviewing the Previous Medium-Term Management Plan

Towards becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities,” the Bank had been engaging in the Medium-Term Management Plan (FY2013-FY2015).

We assess that the Bank has progressed generally as planned for the past three years. The earnings reached a record high in FY2014 primarily due to a favorable market environment, and generally solid progress has been made with regard to supporting reconstruction of disaster-affected areas of the Great East Japan Earthquake in 2011, and strengthening the cooperative banking business.

The environment surrounding the Bank and cooperatives is becoming increasingly harsh amid such developments as the revision of the Agricultural Cooperatives Act, the broad agreement on the Trans-Pacific Partnership (TPP) and the tightening of international financial regulations.

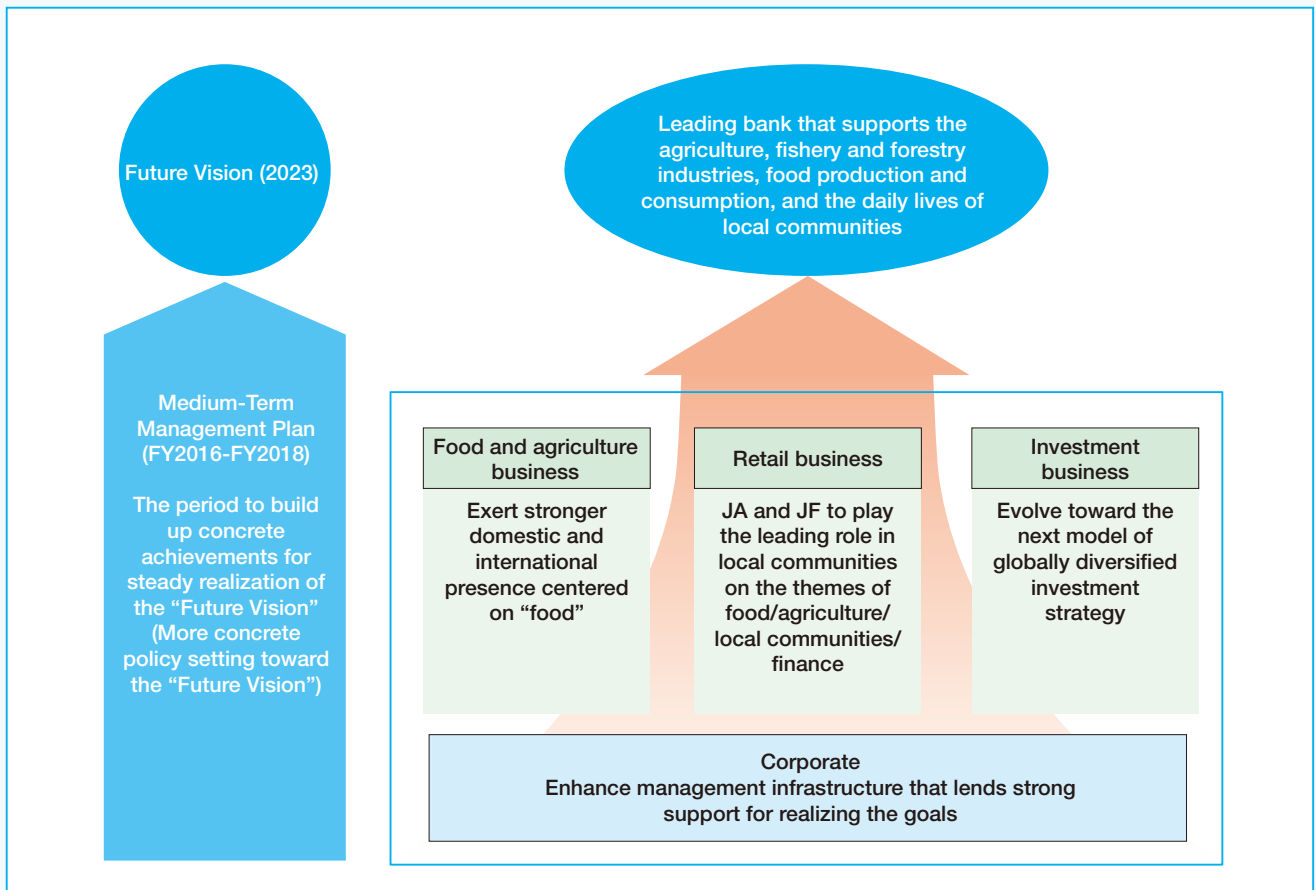
Over the next three years, the Bank will proactively work on management issues while accurately ascer-

taining the change for these substantial turning points. Based on the view that it will be a crucial period in which the Bank will be put to the test, we have formulated a new Medium-Term Management Plan (fiscal 2016 through 2018).

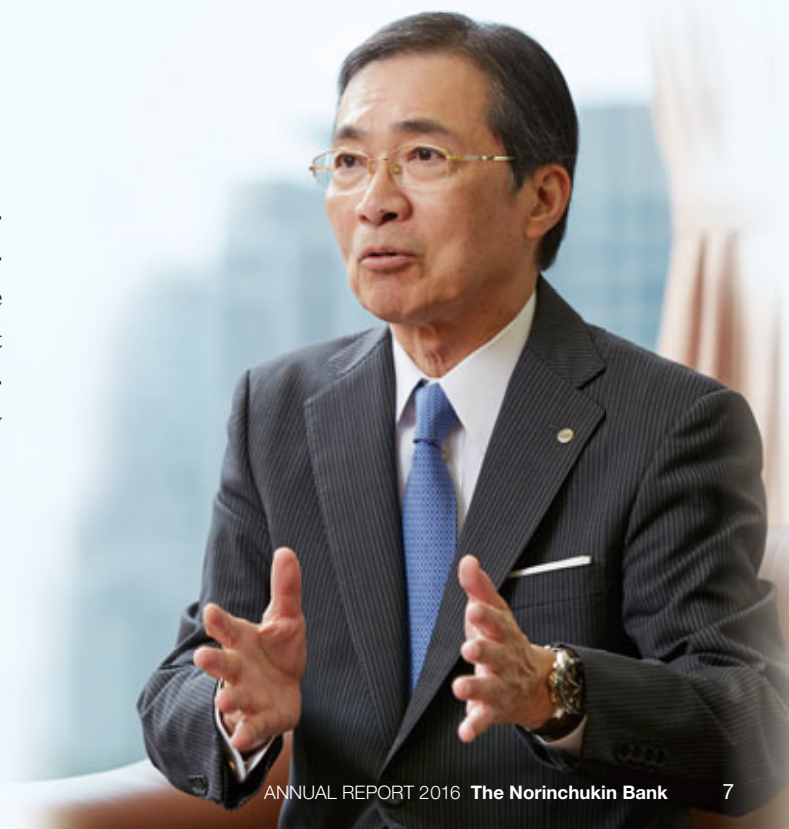
Basic Policy of a New Medium-Term Management Plan

Under the next three-year Medium-Term Management Plan that begins this fiscal year as the first year, we aim to achieve three objectives of “contributing fully as the bank rooted with the agriculture, fishery and forestry industries and food businesses, turning the agriculture, fishery and forestry industries into growing industries, “reinforcing the cooperative banking business platform,” and “achieving stable returns to our members through the sophistication of the current globally diversified investment strategy,” namely, by establishing the three business areas of “food and agriculture business,” “retail business,” and “investment business,” which we defined as the basic policy for overall control and enhancement of the supporting corporate functions.

Basic Policy of “Medium-Term Management Plan (FY2016-FY2018)”



Based on our mission to realize turning the agriculture, fishery and forestry industries into growing industries with certainty, we will continue to challenge self-reform towards becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.”



Specific Initiatives of Food and Agriculture Business

Among these, for the “food and agriculture business,” we aim to further contribute to turning the agriculture, fishery and forestry industries into growing industries by leveraging our strengths in Japan and overseas networks as a financial institution developing business globally, many years of transactions with food and agriculture-related companies and deep connections with farmers, fishermen and foresters.

The “food and agriculture business” has been positioned as a key business area in this Medium-Term Management Plan so that the initiatives for the sustainable development of the agriculture, fishery and forestry industries in Japan and the transformation of these industries into growing industries will be developed into a business segment comparable to our conventional retail and investment businesses.

Specific actions to be taken in expanding the “food and agriculture business” will involve further developing initiatives that create bonds with a wide range of stakeholders including cooperatives, leaders and the business community by serving as a bridge between agricultural, fishery and forestry workers and the business community, and at the same time, building up initiatives based on a flexible, future-oriented perspective while cherishing existing and conventional norms and frameworks.

Headquarters System Introduction

In addition, the Bank defined the “food and agriculture business,” the “retail business” and the “investment business” as three business areas and introduced a headquarters system from the perspective of achieving quick decision-making, policy development and implementation and the flexible use of management resources within initiatives to enhance corporate functions that control these three businesses.

Specifically, we established a structure to promote these three business areas also at the organizational level by launching four headquarters, three of which are front-office headquarters, namely, “Food & Agri Banking Business” (in charge of the “food and agriculture business”), “Retail Banking Business” (in charge of promoting and strengthening JA Bank and JF Marine Bank’s “retail business”) and “Global Investments” (in charge of the “investment business” aimed at the further evolution of the “globally diversified investments”), and one of which is “Corporate & Shared Services” (in charge of the management infrastructure that supports the aforementioned three headquarters).

The Bank will make every effort to meet member expectations and realize strong results in each of these areas.

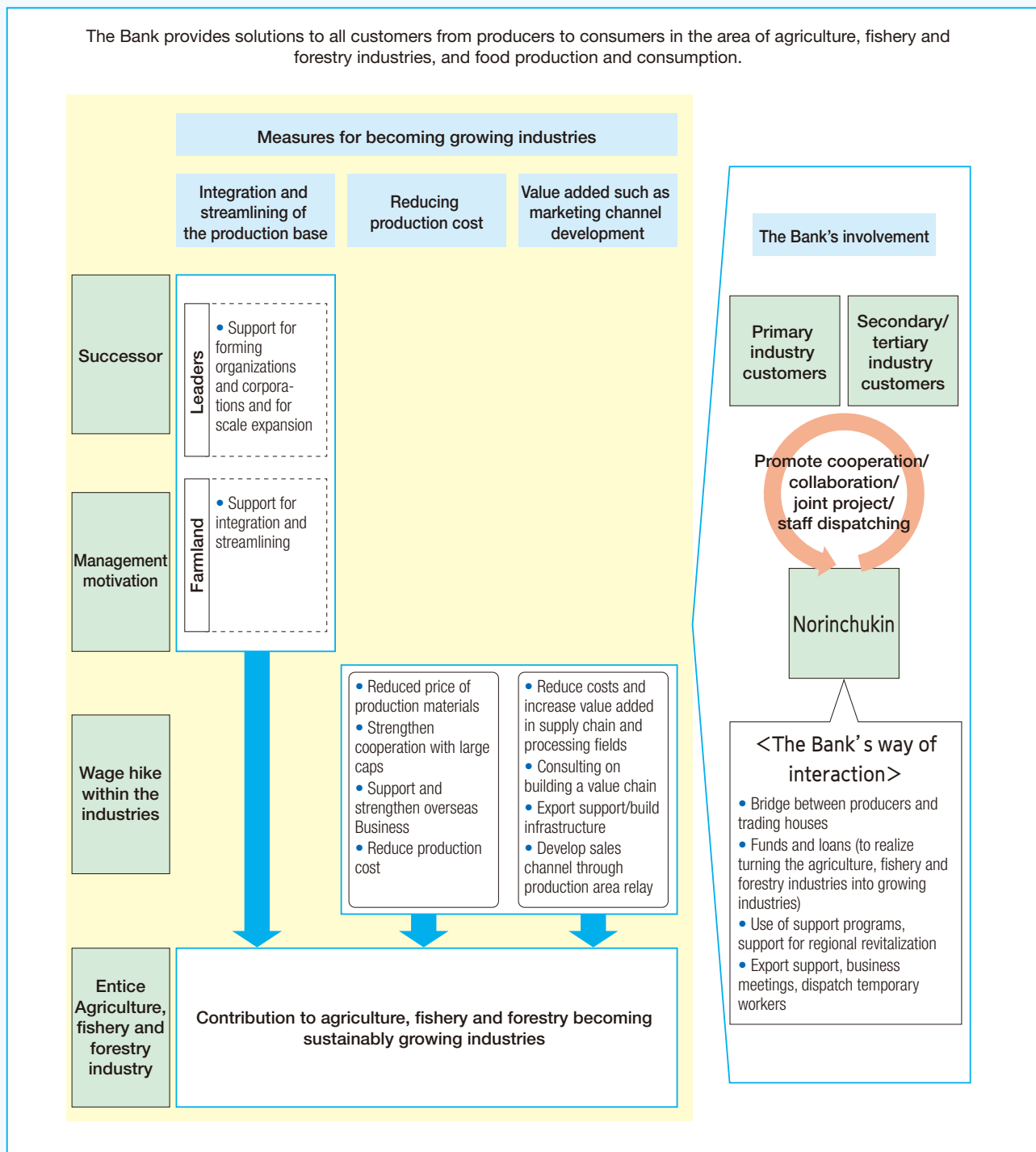
Targeted Management Objectives

Within the period of the Medium-Term Management Plan, the Bank aims to achieve ordinary profit of around ¥150.0 billion.

Looking ahead, the economic and financial environment is expected to remain harsh given the prospect of interest rate hikes in the United States, the introduction of the negative interest rate policy in Japan and the continued high cost of foreign currency funding, among others. The Bank will strive to achieve targets based on appropriate financial management.



Illustration of Specific Initiatives in Food and Agri-Business



In Conclusion

In 2023, the Bank will commemorate 100 years since its founding. To become a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities” depicted in its Future Vision toward

the 100th Anniversary, all directors and employees of the Bank are committed to yielding concrete results in their respective positions and thereby contributing to the transformation of the agriculture, fishery and forestry industries into continuous growing industries. We ask our members and all others concerned for understanding and support.

Messages from the Each Business Head

Toward a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities”

In June 2016, the Bank introduced a new headquarters system.

Food & Agri Banking Business



Masataka Miyazono
Head of Food & Agri Banking Business

Major Initiative Issues

- Turning the agriculture, fishery and forestry industries into growing industries (Integration and streamlining of the production base, reducing production cost, value added such as marketing channel development)
- Playing a key role as a bridge between the agriculture, fishery and forestry workers and the business community

The Food & Agri Banking Business is in charge of expanding the “food and agriculture business,” which has been newly positioned as a pillar of the Bank’s business in its Medium-Term Management Plan launched this fiscal year. In the “food and agriculture business”, we take advantage of our deep connections with agricultural, fishery and forestry workers, our dealings with food/agriculture-related companies over many years and our various networks in Japan and overseas to take a centralized approach to diverse issues faced by both parties, with the aim to further contribute to the transformation of the agriculture, fishery and forestry industries into growing industries as well as the growth and development of client companies.

The Bank will realize two major goals in “the food and agriculture business” area. The first is that the Bank and cooperatives will become reliable financial institutions for leaders who play leading roles in the future of the agriculture, fishery and forestry industries in Japan. The Bank will build up initiatives that contribute to strengthening leaders’ management, etc., including not only a financial but also a non-financial support.

The other goal is to fulfill the Bank’s role as a coordinator connecting the business community needs and the agriculture, fishery and forestry workers. More than ever, the Bank will continue to provide various solutions that enable producers and the business community to further respond to consumer needs.

Retail Banking Business



Kazuhiko Otake
Head of Retail Banking Business

Major Initiative Issues

- Expand retail banking by identifying changes in organizational base and customer needs
- Achieve JA Bank self-reforms and satisfaction of its members, etc.

The Retail Banking Business plays a major role in operations related to strengthening and expanding the JA Bank and JF Marine Bank businesses of agricultural and fishery cooperative organizations and increasing reliability of those businesses etc.

In addition to competition with other sectors, competition for JA Bank and JF Marine Bank in retail financing is becoming increasingly fierce, coupled with structural problems such as changes in the organizational base due in part to the aging of its members and changes in customer needs.

Under these circumstances, JA Bank formulated the JA Bank Medium-Term Strategies to be implemented from fiscal 2016 to fiscal 2018. Having set the future vision of JA Bank at becoming an “entity that is needed more in regions by contributing to food, agriculture and local communities,” we will contribute to “increasing agricultural income” and “revitalizing local communities” by providing high-quality, sophisticated financial services.

In addition to further enhancing and providing financial functions for the fishery industry, JF Marine Bank will promote initiatives aimed at strengthening its business base, soundness and management capabilities in pursuit of a stronger control structure to enable the provision of stable and appropriate financial functions.

Through these initiatives, the Bank aims to “JA and JF to play the leading role in local communities on the themes of food/agriculture/local communities/finance” as indicated in the Medium-Term Management Plan.

In this section, heads of each business explain the major initiative issues and basic policies involved in the shift to a headquarters system.

Global Investments



Katsuyuki Touyama
Head of Global Investments

Major Initiative Issues

- Further evolve globally diversified investments
- Enhance stable profitability
- Steadily comply with international financial regulations, etc

Global Investments is in charge of investments in securities and other financial instruments based on appropriate risk management in accordance with the basic concept of “globally diversified investments” aimed at realizing a stable return of profits in the medium and long run as the ultimate manager of funds entrusted by members to JA Bank and JF Marine Bank.

Given the mounting uncertainties in the outlook for financial market conditions, it is necessary to keep an eye on the impact of the negative interest rate policy, the continued high cost of foreign currency funding and other such developments, while careful financial management remains necessary at this juncture. In addition, there is a trend towards tougher international financial regulations, so it is fair to say that the task of gaining an accurate grasp of and complying with regulations is a major challenge for the Bank, which secures profits through overseas financial markets and assets.

Under these circumstances, Global Investments has set its future vision at “evolve toward the next model of globally diversified investments strategy” in this Medium-Term Management Plan. We are committed to securing profits that contribute to stable return of profits through the further evolution of “globally diversified investments” by making such efforts as expanding our earnings base and enhancing our foreign currency funding ability, while assuming an appropriate balance with risks and compliance with regulations.

Corporate & Shared Services



Kazuto Oku
Head of Corporate & Shared Services

Major Initiative Issues

- Develop business/IT infrastructure so that competitive edge can be ensured
- Pursue sophistication of risk management framework
- Fulfill “antenna” and “navigator” functions in management and the organization as a whole

The role of Corporate & Shared Services is to support and control three business areas of the “food and agriculture business,” “retail business,” and “investment business” areas.

Under the new headquarters system, it is extremely important to achieve quick decision-making, policy development and implementation, the flexible use of management resources and the clearer implementation of PDCA in each headquarter to execute missions in the three business areas and realize the future vision. Corporate & Shared Services have supported including the provision of platform, etc., for smoothly conducting business activities in these three business areas, and at the same time, from the perspective of overall optimization, contribute to the facilitation of organizational and operational management of the Bank as a whole, including Group companies, in an attempt to strengthen our strategic structure and overall control function in a so-called cross-functional manner.

By properly fulfilling our role as a “navigator” of the Bank as a whole in the manner described above, we will build up concrete achievements to steadily fulfill our Future Vision toward the 100th anniversary, that is, becoming a “leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.”

Bank Initiatives

Self-Reform of the JA Bank Effort

With the situation surrounding the agriculture industry becoming increasingly severe, in light of the Government's "agricultural cooperative reform" movement, etc., in 2014 the JA Group formulated "Self-Reform of JA Group" as self-reform. As a member of JA Group, for JA Bank to also contribute more than ever to agriculture and local communities, we are implementing "Self-Reform of JA Bank" efforts during an intensive period for the initiative up to fiscal 2018.

The "Self-Reform of JA Bank" is comprised of "three pillars": (1) further responses to contribute to increase in income of farmers and revitalization of local communities especially the "Support Program for Increasing Agricultural Income and Revitalizing Local Communities (business size of ¥2 trillion, total amount of ¥100 billion)"; (2) arrangement of the business environment so that JA can make best efforts in agricultural businesses; and (3) provision of financial services that connect agriculture and local communities/users in order to contribute to local communities. Until now, we have conducted: establishing the "Agricultural Equipment Lease Support Program (Agri-Seed Lease)" to support agricultural leaders' scale expansion and streamlining; support for holding seminars and consultations to assist further advanced management for farmers, as

well as establishing consultation counters nationwide and strengthening management consultation functions through the first issue of PR magazine "Agriculture Report Magazine" etc.; rationalizing banking business operation through the introduction of equipment to streamline cash business at all JA business' service locations; and establishing JA Bank's "No to Ayumu Project" (Project for Making Progress with Agriculture) to plan and sell financial products linked to expanded consumption of agricultural products. In addition, we have solidified the framework including initiatives toward export promotion of agricultural products, sixth industrialization support toward agriculture value-adding and support expansion for agricultural entrants, and begun sequential implementation of initiatives while at the same time we are establishing the infrastructure for the placement of mobile branches in vehicles, and we will continue to further strengthen these initiatives.

Both JA Bank and the Bank will work as hard as possible toward the steady implementation of the "Self-Reform of JA Bank" effort, and contribute to the development of agriculture and local communities by continuing to enhance the provision of financial services and securing sound management.

Initiatives toward Turning the Agricultural, Fishery and Forestry Industries into Growing Industries

Initiatives toward Turning the Agricultural, Fishery and Forestry Industries into Growing Industries

The Bank conducts initiatives to further exert its role as the central organization for agricultural, fishery and forestry cooperatives, focusing on contribution to its members and the agriculture, fishery and forestry industries as a matter of the highest priority. The Bank is implementing various financial and nonfinancial mea-

asures to achieve the practices of food and agriculture business indicated in the Medium-Term Management Plan started from fiscal 2016, which contribute to turning the agricultural, fishery and forestry industries into growing industries.

Provision of Various Financial Tools (Loans and Investments)

● Provision of Loans

For agricultural corporations run by those expected to be agricultural leaders of tomorrow, we offer the Agricultural Corporation Development Loan (Agri-Seed Loan), etc. for operating funds for agricultural products and the processing of farm products without collateral or guarantee in principle.

Product	Number of loans	Loaned amount
Agri-Seed Loan (since December 2009)	95	¥1,531 million

*Cumulative total as of March 31, 2016

In addition to direct financing as mentioned above, the Bank reduces interest burdens on agricultural workers, for example by providing subsidies to borrowers of JA Bank’s agricultural loans to cover up to one percent of the interest cost. In fiscal 2015, 90,000 loans, totaling ¥1.6 billion, were provided, and in the cumulative total up to fiscal 2015, ¥8.2 billion in subsidies were granted for 480,000 agricultural loans.



Greenhouse for green onions of an Agri-Seed Loan recipient



Olive orchards of an Agri-Seed Loan recipient

● Enhancement of Capital Funding Schemes

Since 2010, as a framework to supply capital to agricultural corporations, the Bank, in collaboration with The Agribusiness Investment & Consultation, Ltd. and JA Bank Agri-Eco Support Fund, established the Agri-Seed Fund, which invests in agricultural corporations that are technically competent yet undercapitalized, stabilizing their finances and supporting the development of their business. The total number of investments has reached 197 and the agricultural corporations which have received investments have stably grown as core leaders of their areas and industries.

In June 2013, the Bank established the Support Fund for Business Entities of Agricultural Leaders to meet the business expansion needs of agricultural corporations which plan on the utilization of abandoned farmland, farmland accumulation and the sixth industrialization. The fund has so far made nine.

Product	Number of investments	Invested amount
Agri-Seed Fund (since April 2010)	197	¥1,524 million
Support Fund for Business Entities of Agricultural Leaders (since June 2013)	14	¥407 million

*Cumulative total as of March 31, 2016



Tropical orchids of an Agri-Seed Fund recipient



Cattle barn of an Agri-Seed Fund recipient

Types of Loans (As of March 31, 2016)

	General Loan		Policy-based Loan
Agriculture	Agri-Seed Loan	Agriculture, Forestry, Fishery & Ecology Business Loan Management Improvement Support Loan	Agriculture Modernization Loan Agricultural Management Assistance Support Loan New Farming Fund for Young Persons Agricultural Management Improvement Promotion Loan (New Super S Fund) Mountainous Region Revitalization Loan etc.
Fishery		Reconstruction Loan (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan) Disaster Funds	Fisheries Modernization Loan Fisheries Management Improvement Promotion Loan Mountainous Region Revitalization Loan etc.
Forestry			Forestry Development Promotion Loan Mountainous Region Revitalization Loan etc.

● Stronger Collaboration with the Japan Agricultural Corporations Association

In February 2014, the Bank entered into a comprehensive partnership agreement with the Japan Agricultural Corporations Association, a public interest incorporated association with about 1,800 pioneering agricultural corporation members nationwide. The partnership enables the association’s members to more easily address issues they face, including their capital investments, management streamlining and value-adding to agricultural and livestock products, as well as provides a wide range of supports for the creation of new customers and export of products by utilizing the Bank’s network. Specifically, the Bank launched the National Federation Labor Support Conference and started initiatives aimed at securing human resources, which is a challenge in agriculture. Progress is also being made in terms of nationwide expansion: for example, in Akita Prefecture, the Bank’s Akita Branch and Akita Agricultural Corporations Association concluded a partnership agreement.

In addition, from the perspective of human resources development, we held seminars targeted at specific persons, such as seminars for female managers and employees and seminars for prospective executives of agricultural corporations (e.g., farm foremen) and worked towards the business progress of agricultural corporations.



Seminar for female managers and employees

Support for Capturing Share in the Global Food Market

● Export Support Initiatives

In fiscal 2015, the Government announced its aim to double exports of domestic agricultural, livestock and marine products by 2020. Amid attempts to promote exports throughout Japan and enable its members and agricultural, fishery and forestry workers, etc., to steadily export more than ever, the Bank provides a package that includes (1) provision of information to producers (released the export PR publication “*Yushutsu-no-Ibuki*” quarterly), (2) provision of export practical management know-how (two export seminars held in June 2015 and March 2016 in Tokyo), (3) provision of local sales opportunities (conducted overseas practical sales meeting at Japanese department store in Singapore, February 2016) and (4) provision of opportunities for business negotiations with local buyers (exhibited at the HKTDC Food Expo, Food & Hotel Asia).

● Establishment of Export Promotion Support Fund

In March 2016, the Bank collaborated with Mizuho Bank to establish a private equity fund “Gulf Japan Food Fund” with aim of providing financial support for expanding Japanese agricultural, fishery and forestry products’ export needs and the six Middle East Gulf states’ food security needs, etc. Through investment in the joint venture newly established through the collaboration between Japanese companies and Middle East companies, the Bank aims at value-adding and market creation from new alliances and partnerships while growing and promoting these business.



Yushutsu-no-Ibuki
(Hong Kong edition)



Singapore practical sales meeting

Support for Improving the Added Value of Agricultural and Livestock Products

● Business Conferences and Business Matching Initiatives

The Bank capitalizes on the characteristics of the cooperative system as a nationwide system to identify the business needs of cooperative organizations, agricultural, fishery and forestry workers and corporate clients, and provide business matching services and conferences to lead to constant business transactions among them.

In fiscal 2015, the Bank held nationwide and block business conferences, etc., and provided participating sellers’ groups with the opportunity to expand sales channels. In addition, the Bank provided assistance in promoting the understanding of distribution and retail industries and acquiring expertise in business negotiations, etc. by holding seminars for enhancing business negotiation skills.



JA Group Japanese Agricultural and Livestock Products Business Conference



Business capability strengthening seminars

Nationwide and Block Business Conferences Held in Fiscal 2015

Venue	Date	Name	Number of sellers	Number of buyers	Number of meetings
Fukuoka	June 2015	JA/JF Group Kyushu Business Conference	67	90	426
Osaka	November 2015	JA/JF Group Kinki Business Conference	82	161	400
Ishikawa	January 2016	JA/JF Group Hokuriku and Shinshu Discover the Charm of Food Business Conference	25	26	134
Tokyo	February 2016	JA Bank Shikoku Business Conference	45	120	288
Miyagi	February 2016	Tohoku Reconstruction Support Business Conference Sponsored by JA Group	60	75	167
Tokyo	March 2016	JA Group Japanese Agricultural and Livestock Products Business Conference	144	1,873	—

● Agriculture, Forestry and Fisheries Cooperative Fund (JA Sixth Industrialization Fund, JF Sixth Industrialization Fund and JForest Sixth Industrialization Fund)

JA Group, including the Bank, laid out a policy to exercise its comprehensive and organizational strength as a group in an integrated manner to promote the sixth industrialization of the agriculture, fishery and forestry industries.

In May 2013, the Agriculture, Forestry, and Fisheries Cooperative Fund (JA Sixth Industrialization Fund; JF Sixth Industrialization Fund; JForest Sixth Industrialization Fund), a sub-fund jointly capitalized by Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE-J) and cooperative organizations, was established. Various financial, business and management supports, along

with support for the development of business plans, have been provided to agricultural, fishery and forestry businesses which are committed to the sixth industrialization, as well as entities constituted by JA and partner companies. Since establishment, decisions have been made to make investments in 11 entities (as of March 31, 2016), the largest number of investments made among 51 similar sub-funds nationwide.

In fiscal 2015, the Agriculture, Forestry and Fisheries Cooperative Fund made its first investment in fisheries operators, and along with business matching with partner companies and collaboration with a regional bank-affiliated fund, made the decision to invest in a processor of Kyoyasai (traditional vegetables of Kyoto Prefecture), etc. The Bank will continue to contribute to the further development of the local agricultural, fishery and forestry industries through the utilization of the fund.

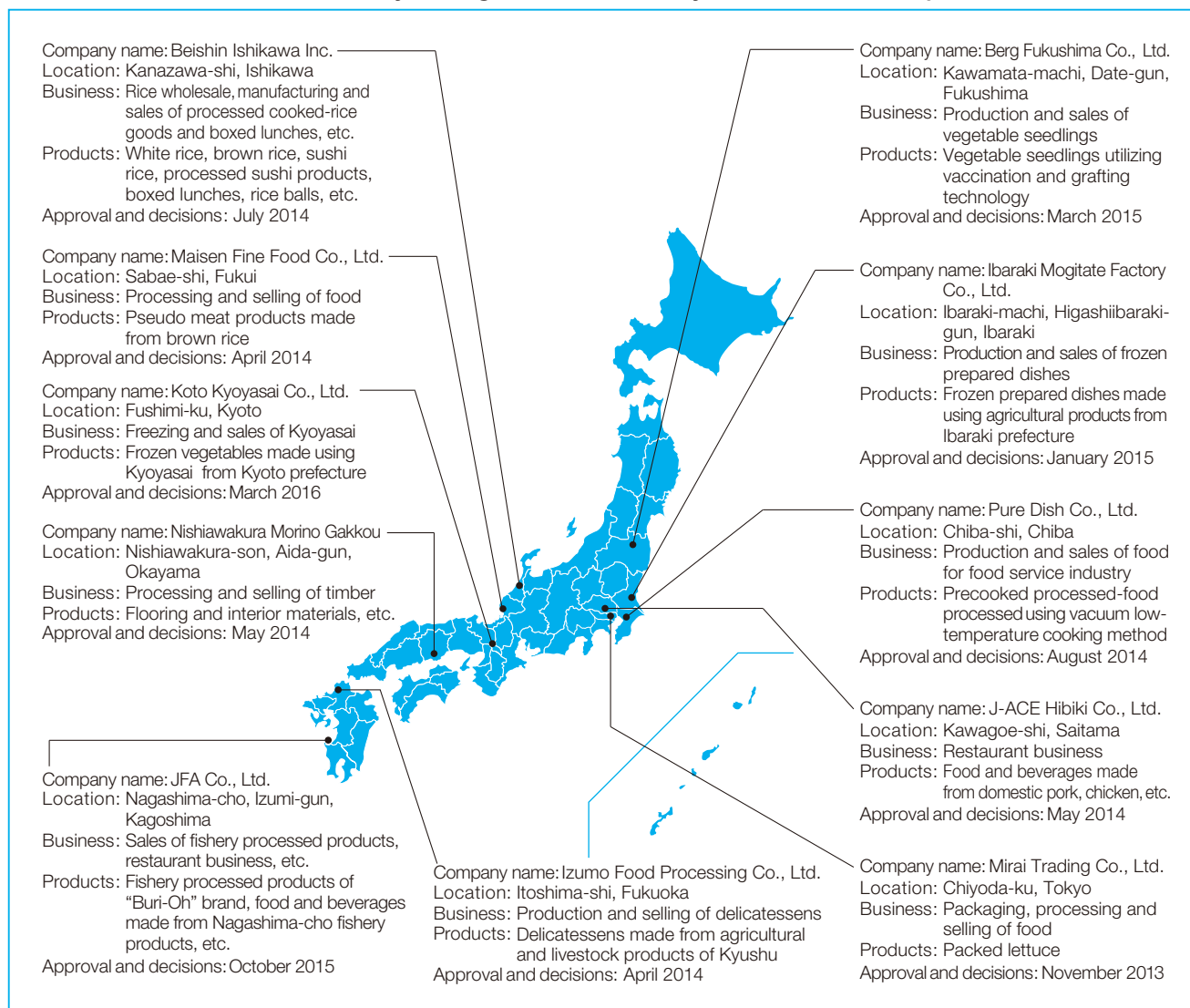


Fund recipient's business involving sale of processed marine products and restaurant operation



Fund recipient's business involving freezing, processing and sale of Kyoyasai, etc.

Overview of Investments Made by the Agricultural, Forestry and Fisheries Cooperative Fund



● Initiatives in a Study Group for the "Enhanced Competitiveness of Food and Agriculture Business"

As a framework to examine the possibility for future collaboration, including the sixth industrialization and export toward the strengthening of the competitiveness of Japanese agriculture and food related industries, three parties—the Bank, JA Zen-Noh and Mizuho Bank—established the Study Group for the Enhanced

Competitiveness of Food and Agriculture Business in August 2013. Under themes such as the improvement of producers' income, promotion of local agricultural production and a return to the use of Japanese agricultural and livestock products from imports, the study group will explore concrete measures for adding values to agricultural and livestock products and creating value chains in partnership with food-related industries, through collaboration among the three parties.

Support for Improving Efficiency (e.g. Expansion of Business of Leaders)

● Agricultural Equipment Lease Support Program

To encourage reduction of production costs through producers' scale expansion, etc., agri-seed leasing business was implemented for partial subsidies on leases involving agricultural machinery and equipment, etc. The first solicitation was conducted in July 2015 for rice and vegetable producers, approximately 8,000 subsidies were decided, and the second solicitation was conducted from January to February 2016 adding livestock and dairy to the subsidy target items, for which approximately 4,000 subsidies were decided.



● Project to Reinforce Business Consultation Functions

To strengthen response capabilities to diverse management issues of agricultural corporations, etc., the “management consultation function strengthening business” was launched in September 2015. Specifically, the Bank established consultation counters nationwide and provided subsidies on costs for management seminars conducted in each prefecture and for individual consultations.

Also, from the perspective of enhancing the level of consultation counters nationwide and further strengthening management support, the website “Agriweb” was launched in May 2016. In addition to sending information regularly including basic knowledge and columns, etc., consultant specialists provide free management consultation.



Support for Local Revitalization, etc.

● Initiatives to Agricultural Entrant Support Program

To cultivate future domestic farming core leaders, the Bank implements support for agricultural entrants. In fiscal 2015, the Bank expanded the subsidy business we have implemented towards training provided to potential agricultural entrants and launched a subsidy business towards farming operation costs incurred by independent agricultural entrants aimed at providing support for stabilizing their management soon after becoming an agricultural entrant.



● Initiatives for Food and Farming Education Projects

The Bank provides subsidies for “food and farming education” projects that aim to deepen children’s understanding of agriculture and food and to contribute to the development of local communities. We donate study materials for agriculture and food education, support initiatives to incorporate local agricultural products into school lunch menus, and organize cooking classes from the perspective of local production for local consumption. In fiscal 2015, we donated 1.34 million books to primary schools nationwide and provided approximately 2,000 subsidies, totaling of ¥500 million to local food and farming education activities.

● Initiatives for Renewable Energy Projects

JA Group has a policy to proactively engage in renewable energy projects which will result in the revitalization of local communities in harmony with the agriculture, fishery and forestry industries representing local communities and farmers. The Bank, together with JA Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives), established the “Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries” and set up a structure to provide financial assistance to community-led renewable energy projects.

In fiscal 2014, the first investment decided by the “Investment Limited Partnership for Renewable Energy in Agriculture, Forestry and Fisheries” was a solar power station project working in conjunction with measures to solve the local community’s problem of abandoned farmland, and the second, was a woody biomass power station project run by local people engaged in forestry business.

The Bank will provide not only financial but other support required for commercialization to members of cooperatives and local residents for the renewable energy projects which contribute to the promotion of the agriculture, fishery and forestry industries and revitalization of local communities.



Solar power generation facility of a fund recipient

● Training of Next-Generation Farm Operators

As the main sponsor of AgriFuture Japan, the Bank encourages the training of farm operators of the next generation by providing operational support for the Japan Institute of Agricultural Management and seminar business run by the general incorporated association.

Since the opening of the Japan Institute of Agricultural Management in April 2013, 32 students have graduated and started engaging in farming nationwide. At present, third and fourth year students are studying hard in the school located on one of the floors of the Norinchukin Bank Shinagawa Training Center. In the seminar business, a total of more than 600 persons participated in seminars in fiscal 2015, which were held

in cooperation with not only the agricultural industry but also the business community in three regions, etc. where the Institute has concluded a cooperation agreement, in addition to the Tokyo Metropolitan Area, five prefectures and three blocks comprising Chugoku, Shikoku and Kyushu.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies which practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound agricultural, fishery and forestry industries and for the sixth industrialization. In fiscal 2014, loans totaling ¥200 million were extended based on this system.

Moreover, in 2012, the Bank began acting as a broker of domestic emission credits (J-VER). The J-VER System is the domestic emission trading scheme operated by the government. By acting as a broker of J-VER trading derived from the agriculture, fishery and forestry industries, we aim to support initiatives for environmentally-responsible agricultural and forestry operations such as forest improvement and environmental measures of companies.

● Inbound Green Tourism

Four companies comprising the Bank, ABC Cooking Studio Co., Ltd., Recruit Lifestyle Co., Ltd., and Nokyo Tourist Corporation, entered into a comprehensive partnership agreement in April 2016 aimed at contributing to the support for revitalization of local communities and overseas export.

Specifically, the four companies are planning to conduct tours nationwide on a trial basis targeted at domestic tourists and foreigners visiting Japan (inbound tourists) focusing on green tourism.



Reconstruction Support Efforts

■ Outline of the Reconstruction Support Program

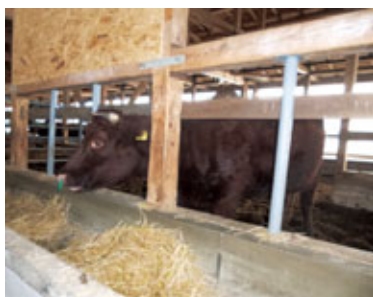
To provide full and multifaceted assistance for the recovery and reconstruction of the agriculture, fishery and forestry industries severely affected by the Great East Japan Earthquake, the Bank established the Reconstruction Support Program (support amount: ¥30.0 billion) in April 2011. The program has provided financial support to affected agricultural, fishery and forestry industry workers and affected members with multifaceted support in keeping with meeting needs and situations in disaster-stricken areas.

1 Reconstruction Support for Farmers, Fishermen, Foresters and Local Communities

For the business reconstruction of disaster-affected farmers, fishermen and foresters, the Bank has provided long-term low-interest reconstruction loans (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan) and reconstruction fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund) through its affiliate, the Agribusiness Investment & Consultation Co., Ltd., as well as assistance to formulate reconstruction plans.

The Bank has been involved in large-scale reconstruction projects in disaster-stricken areas since their conceptual stages and is lending various kinds of support for the reconstruction of local communities. Further, the Bank has been offering a wide variety of financial assistance, such as providing interest subsidies for disaster funds extended by JA (Japan Agricultural Cooperatives) and JF (Japan Fisheries Cooperatives) to agricultural and fishery workers to help ease their interest burden, as well as providing lease subsidies to agricultural workers who acquire farm machinery and horticultural facilities through leasing.

In addition, the Bank has supported to agricultural workers for the cost of production materials and machines necessary to resume operations, fishery workers for the cost of cooling ice used in test operations, projects to promote reconstruction through agricultural, fishery and forestry industries and initiatives to realize advanced agricultural, fishery and forestry industries through reconstruction. The Bank also supports revitalization of disaster-stricken areas, such as by donating wooden products, etc., made using local timber.



Cattle barn of a reconstruction loan recipient



Farm of a reconstruction fund recipient



Support for a direct-sale outlets for agricultural, fishery and forestry products, aiming at local resident's lifestyle infrastructure restoration



Support for newly established agricultural corporations' introduction of new cultivation technologies



Donation of a log house for direct-selling agricultural, fishery and forestry products, etc.



Tohoku Reconstruction Support Business Conference

Product	Number of loans, etc	Amount
Reconstruction Loan (Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan)	Number of loans 121	Loaned amount ¥39.4 billion
Reconstruction Fund (Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund)	Number of investments 41	Invested amount ¥0.8 billion
Lease subsidies	Number of subsidies 1,232	Total lease amount ¥4.8 billion
Interest subsidies to JA/JF disaster funds	Number of support cases 3,959	Loaned amount ¥16.5 billion

*Cumulative total as of March 31, 2016

2 Reconstruction Support to Members and Customers

The Bank has assisted JA (Japan Agricultural Cooperatives) and JF (Japan Fisheries Cooperatives) in increasing capital under the Framework for Special Post-Earthquake Support. The Bank has offered guidance and advice based on its plan to help strengthen the cooperative banking business, for instance, by dispatching its staff. JA has repaid the funds it borrowed to help increase its capital, while JF is making smooth progress in terms of management improvement.

Stable financial functions are provided to JA Bank and JF Marine Bank users with consultation services at JA Bank and utilization of movable terminals at JF Marine Bank. In addition, the Bank has also conducted initiatives to restore customers' lives by supporting the Reconstruction Loan offered by JA Bank and JF Marine Bank and by appropriately responding to the double-loan problems and the project to promote collec-

tive relocation for disaster prevention.

Five years have passed since the Great East Japan Earthquake, and agriculture and fishing operations have resumed in many of the disaster-affected areas. Disparity has arisen among local communities in this situation, and although lifestyle reconstruction efforts are proceeding there are still approximately 110,000 people (as of March 2016) forced to live in temporary housing, and looking at the disaster-affected areas as a whole, the reconstruction process is still only half-way complete.

As the Bank continues to provide sufficient support for reconstruction initiatives in the disaster-affected areas, new developments are being seen, such as the development of agricultural leaders and the expansion of scale, and with an emphasis on encouraging these initiatives, we will continue to provide full and multifaceted support to the reconstruction of agriculture, fishery and forestry industries and local communities.



Support for revitalization of local communities including "town launch" event at a group relocation site for disaster prevention



Subsidies for collection equipment at time of resumption of farming operations



Subsidies for cardboard boxes for cooperative selling

Reconstruction Support Efforts by JA Group, JF Group and JForest Group

JA Group, JF Group and JForest Group have launched a website to introduce their activities to help the agriculture, fishery and forestry industries recover from the vast damage caused by the Great East Japan Earth-

quake and reconstruction initiatives and to record these efforts into the future.

Website name: Record of Reconstruction Initiatives of Agricultural, Fisheries and Forestry Cooperatives (in Japanese only)

Finance Facilitation Initiatives

● Policies on Finance Facilitation

As the financial institution founded on agricultural, fishery and forestry cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in agricultural, fishery and forestry operations and SMEs, and conducts initiatives under basic policies for finance facilitation, including the flexible handling of loan applications from customers, making changes to financing conditions in response to customers' request for reduction of debt repayment burdens, proactive response to management consultation from customers, and support for their initiatives for management improvement.

In addition, in order to proceed with these initiatives properly, the Bank has developed a structure through discussion and reporting at meetings attended by relevant directors, the designation of the department in charge of financing facilitation, the assignment of a financing facilitator at each branch who can collaborate with the department in charge of financing facilitation, and the creation of a customer service counter to respond to complaints and consultations from customers.

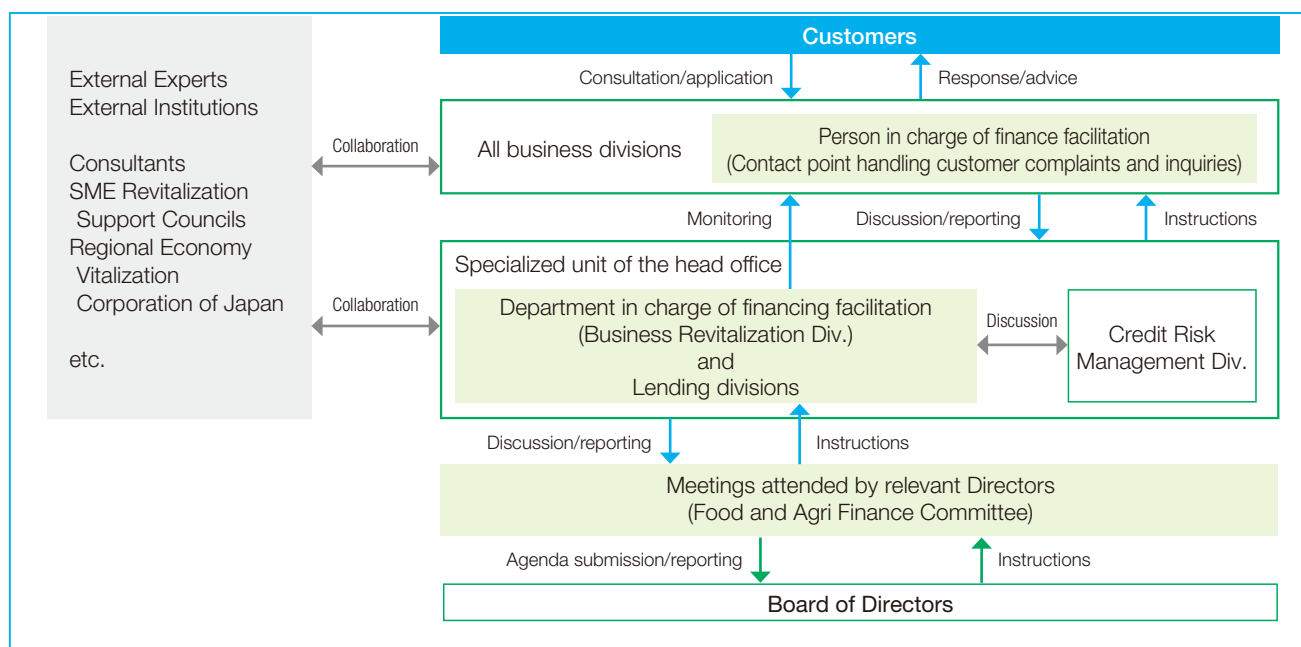
● Management Support Initiatives for Customers

The Bank focuses on providing services to customers who need support for management improvement and business reconstruction with due consideration to the impact on their local communities and other factors, and divisions and branches that handle customer transactions, together with a department in charge of financing facilitation, assist with the customers' efforts in the development and execution of plans, and review their progress and revise them as appropriate. We also collaborate with external parties, including consulting firms, Small- and Medium-size Enterprise Revitalization Support Councils (SMER-SCs) and Regional Economy Vitalization Corporation of Japan (REVIC) as the need arises, using various tools to achieve the best solution.

● Policy to Address the Guidelines for Management Guarantee

Based on the Guidelines for Management Guarantee published in December 2013, the Bank has developed a structure for compliance with the guidelines, and we will continue efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Image of Finance Facilitation System



CSR Initiatives

As the financial institution founded on the platform of agricultural, fishery and forestry cooperatives as well as an institution engaging in global investment and loan activities, the Bank has a basic policy on its CSR (corporate social responsibility) activities to gain the trust of various stakeholders and contribute to the sustainable development of economy and society.

The Norinchukin Group engages in the CSR activities based on the following three policies: (1) contribution to members, (2) contribution to the advancement of the

agriculture, fishery and forestry industries, and (3) contribution to the community at large, in mutual coordination with members in the field in the agriculture, fishery and forestry industries.

In fiscal 2008, the Bank established the CSR Committee and a division dedicated to CSR to enhance the structure for our initiatives, and since then the Bank has been issuing a CSR report every year and actively engaging in the CSR activities.

Major Achievements in Social/Environmental Contribution Activities (Fiscal 2015)

<p>Contribution to the Agricultural Industry</p> <p>Support for future industry leaders</p> <ul style="list-style-type: none"> Interest subsidy scheme for JA's agriculture-related loans Support for business entities in the agriculture and environmental sectors <p>Development of future industry leaders</p> <ul style="list-style-type: none"> Provision of subsidies to training for potential agricultural entrants Provision of subsidies to operating costs for independent agricultural entrants Support to AgriFuture Japan's farm worker development activities (Second class of the Japan Institute of Agricultural Management graduated and started farming in March 2016) <p>Food and Farming Education Projects</p> <ul style="list-style-type: none"> Production and donation of study materials for food and farming education (about 1.34 million books donated to primary schools nationwide and Japanese schools overseas) Support for food and farming education activities (subsidies totaling ¥500 million provided to 2,000 activities)  <p>Textbook of food and farming education</p>	<p>Contribution to the Fishery Industry</p> <p>Interest subsidy scheme for JF Marine Bank's fishery-related loans</p> <p>Support to JF Group's environmental conservation activities, resource-managed fisheries, etc.</p> <ul style="list-style-type: none"> Distribution of waste disposal bags to support beach cleaning activities (150,000 bags) Distribution of pressed seaweed bookmarks for environmental protection studies (180,000 bookmarks) Offering of "eco-friendly chopsticks" made from timber from forest thinning for food and agriculture education activities, etc. <p>Sponsorship to "Zenkoku Yutakana Umizukuri Taikai (National Convention on Actions towards Resource-Rich Seas)"</p> <p>Sponsorship to "Zenkoku Uminoko Art Exhibition (National Children's Art Exhibition on Sea)" and networking events for young and female fishery workers</p> <p>Fisherman supporters activities</p>
<p>Contribution to Local Communities and Society</p> <p>Nationwide deployment of the "Hana Ippai Campaign (flower planting campaign)"</p> <p>Donation of flower bulbs and flower seeds to local authorities, schools, social welfare councils, etc.</p> <p>Participation in environmental beautification campaigns, donations to environmental beautification groups and events, etc.</p> <p>Sponsorship to regional development activities organized by local authorities, cooperative organizations, etc.</p> <p>Special sponsorship to All-Japan University Ekiden Championship</p> <p>Social Welfare and Monetary Donation Activities</p> <ul style="list-style-type: none"> Cooperation in fund raising and monetary donations for the Japanese Red Cross Society Call for blood donation on the streets, donation of security buzzers and schoolbag covers to primary school children, etc. <p>Initiatives outside Japan</p> <ul style="list-style-type: none"> Donation through the Norinchukin Fund (New York) Sponsorship to events introducing Japanese food (London) Donation to event for 50th anniversary of independence (Singapore) Donation to the Community Chest of Hong Kong (Hong Kong) 	<p>Contribution to the Forest Industry</p> <p>Provision of subsidies through the Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund), to trust fund businesses and follow-up businesses</p>  <p>Provision of subsidies for cost of forestry safety equipments</p>
 <p>Cleaning activities (Naha)</p>  <p>Event for 50th anniversary of independence (Singapore)</p>	<p>Environmental and Natural Protection Activities</p> <p>Cooperation in global warming prevention and biodiversity preservation activities</p> <ul style="list-style-type: none"> Promotion of the use of domestic lumber (Donations of wooden products made with using local timber produced) Tree cultivation activities Cooperation in activities of Wild Bird Society of Japan <p>Activities for reducing environmental burden</p> <ul style="list-style-type: none"> Energy-saving measures Promotion of paperless society, resource recycling and purchasing of products conforming to the Act on Promoting Green Purchasing Signing of the Principles for Financial Action towards a Sustainable Society (the Principles for Financial Action for the 21st Century), etc.  <p>Donation of wood products (Cooperative Finance & Administration (Kanto Area) Div.)</p>
	<p>Education and Training Support Activities</p> <p>Establishment of endowed lectures at universities</p> <ul style="list-style-type: none"> Establishment of endowed lectures at and dispatch of lecturers to seven universities (Tokyo, Waseda, Keio, Tokyo University of Science, Hitotsubashi, Kyoto and Hokkaido), participation in symposiums, etc.  <p>Endowed lecture at an university</p>