

Corporate Governance

■ The Norinchukin Bank's Management System

The Bank is both the national-level organization for Japan's AFF cooperatives as well as an institutional investor that plays a major role in the financial and capital markets through investment of large amounts of funds in Japan and overseas. Naturally, the Bank adheres to decisions made within the Council of Delegates comprising representative members of all shareholders. At the same time, the Supervisory Committee and the Board of Directors, as stipulated by the Norinchukin Bank Act, are organized to share duties as well as coordinate the Bank's decision-making, while taking into consideration the internal and external situations of the cooperatives.

■ Supervisory Committee

The Supervisory Committee makes decisions regarding issues to be determined at or reported to the Council of Delegates as well as important issues related to AFF cooperatives. The Supervisory Committee also has the authority to oversee business activities performed by directors. This includes the authority to request that board members attend meetings to explain

their business activities and to request the Council of Delegates to dismiss board members. The Supervisory Committee members have been selected from senior management of member cooperative organizations; people engaged in the AFF industries; and individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of the Bank's members, and are then appointed by the Council of Delegates.

As of July 1, 2021, the Supervisory Committee had 19 members, consisting of which 13 members representing the Bank's member cooperatives (equity holders), elected from among top management of AFF business organizations, five external experts with in-depth knowledge of finance and one board member of the Bank.

Under the jurisdiction of the Supervisory Committee are the Nomination Committee, the Director Compensation Deliberation Committee, the JA Bank Headquarters and the JF Marine Bank Headquarters. (For details, see page 26.)

Supervisory Committee Members

Representatives of the Bank's members (representatives elected from among individuals representing AFF business organizations investing in the Bank):	
Name	Organization
NAKAYA Toru	Representative Director and Chairman of JA Zenchu
OKAWA Ryoichi	Chair of National Council of JA Bank Representatives
ONIKI Haruto	Vice-Chair of National Council of JA Bank Representatives
KISHI Hiroshi	Representative Director and Chairman of JF Zengyoren
ONODERA Keisaku	Chairman of the Supervisory Committee of JA Iwate Shinnoren
SAKAMOTO Tomio	Chairman of the Supervisory Committee of JA Saitama Shinnoren
SAKURAI Hiroshi	Chairman of the Supervisory Committee of JA Gifu Shinnoren
KISHIMOTO Takayuki	Chairman of the Supervisory Committee of JA Osaka Shinnoren
SATO Hiroshi	Chairman of the Supervisory Committee of JA Hiroshima Shinnoren
KURIHARA Shunrou	Chairman of the Supervisory Committee of JA Miyazaki Shinnoren
FUKAYAMA Kazuhiko	Representative Director and Chairman of JF Hokkaido Shingyoren
KUBOTA Tadashi	Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren
MAEKAWA Osamu	Representative Director and Chairman of JForest Kumamoto Moriren

External experts with in-depth knowledge of finance	
Name	Reason for the appointment
BANDO Mariko	Ms. Bando was appointed because she has assumed various posts including Director-General of the Gender Equality Bureau, Cabinet Office of Japan, and President of Showa Women's University and possesses ample occupational experience and is highly knowledgeable in various social fields including finance.
TANABE Masanori	Mr. Tanabe was appointed because he has assumed various posts such as Director-General, Credit Systems Department, Bank of Japan, and Governor of Deposit Insurance Corporation of Japan and possesses in-depth knowledge and ample experience related to finance.
KOBAYASHI Eizo	Mr. Kobayashi was appointed because he has assumed various posts including President & C.E.O., and Chairman of ITOCHU Corporation and possesses in-depth knowledge and ample experience in various social fields including finance.
SATO Takafumi	Mr. Sato was appointed because he has assumed various posts including Director-General in charge of Inspection Bureau and Supervisory Bureau, and Commissioner of the Financial Services Agency of Japan, and possesses in-depth knowledge and ample experience related to finance.
MINAGAWA Yoshitsugu	Mr. Minagawa was appointed because he has assumed various posts including Director-General of the Forestry Agency and Vice-Minister of Agriculture, Forestry and Fisheries of Japan and possesses in-depth knowledge and ample experience related to the AFF industries.
Director of the Bank	
Name	Title
OKU Kazuto	President & Chief Executive Officer

■ Board of Directors

The Board of Directors makes decisions regarding the execution of business activities, excluding those matters under the jurisdiction of the Supervisory Committee, and performs a cross-checking function on the exercise of directors' business affairs. Members of the Board are elected by the Supervisory Committee and assume their positions upon approval of the Council of Delegates. Of the seven board members, one is appointed as a member of the Supervisory Committee. Hence, decisions made by the Supervisory Committee and the Board of Directors are closely coordinated.

■ Audit & Supervisory Board Members/Audit & Supervisory Board

Audit & Supervisory Board Members are elected directly by the Council of Delegates and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business

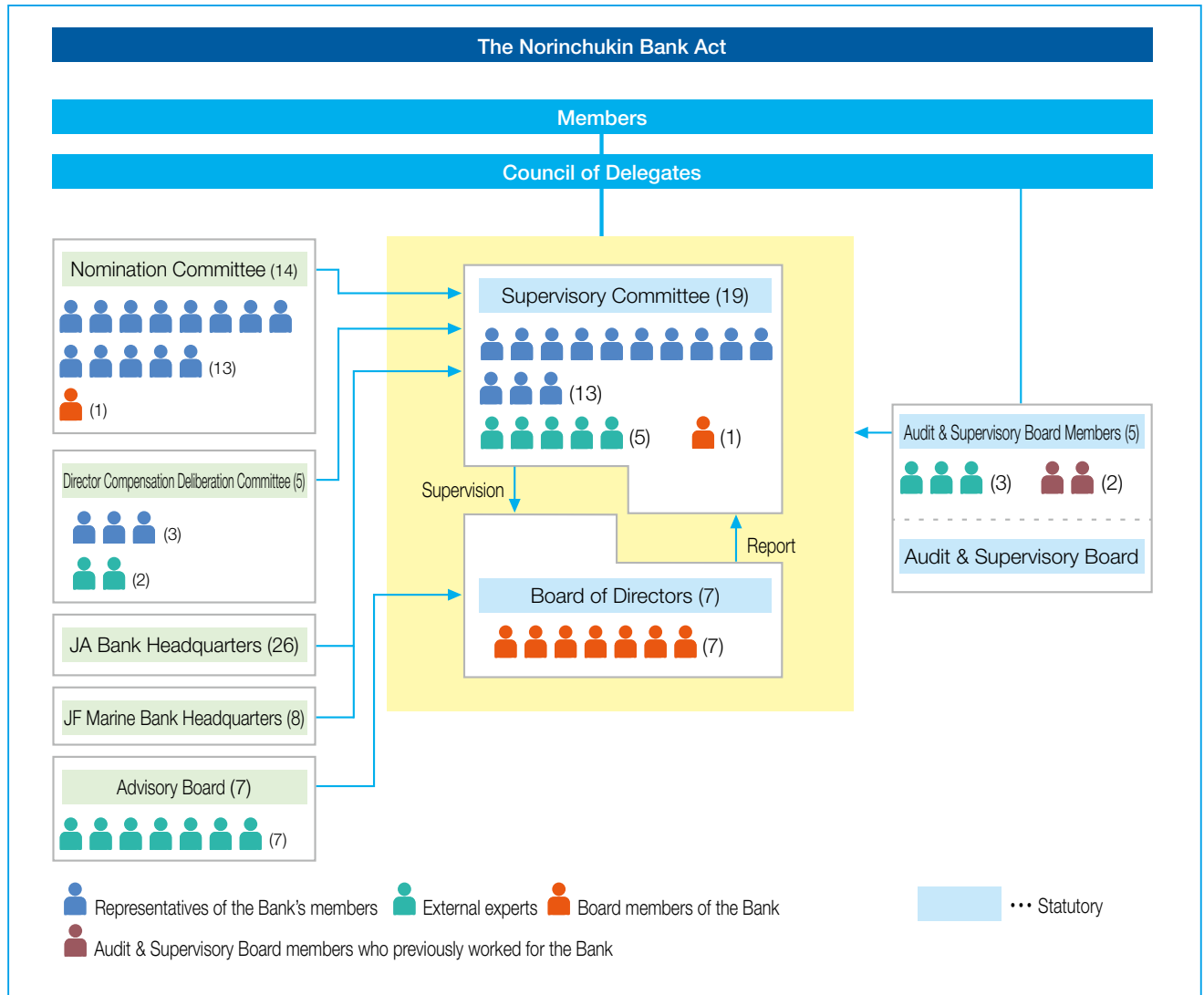
activities. Moreover, the Audit & Supervisory Board, comprising Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Act.

In addition, of the five Audit & Supervisory Board Members, three of them satisfy the conditions stated in Article 24-3 of the Norinchukin Bank Act* and are equivalent to external auditors in publicly traded companies.

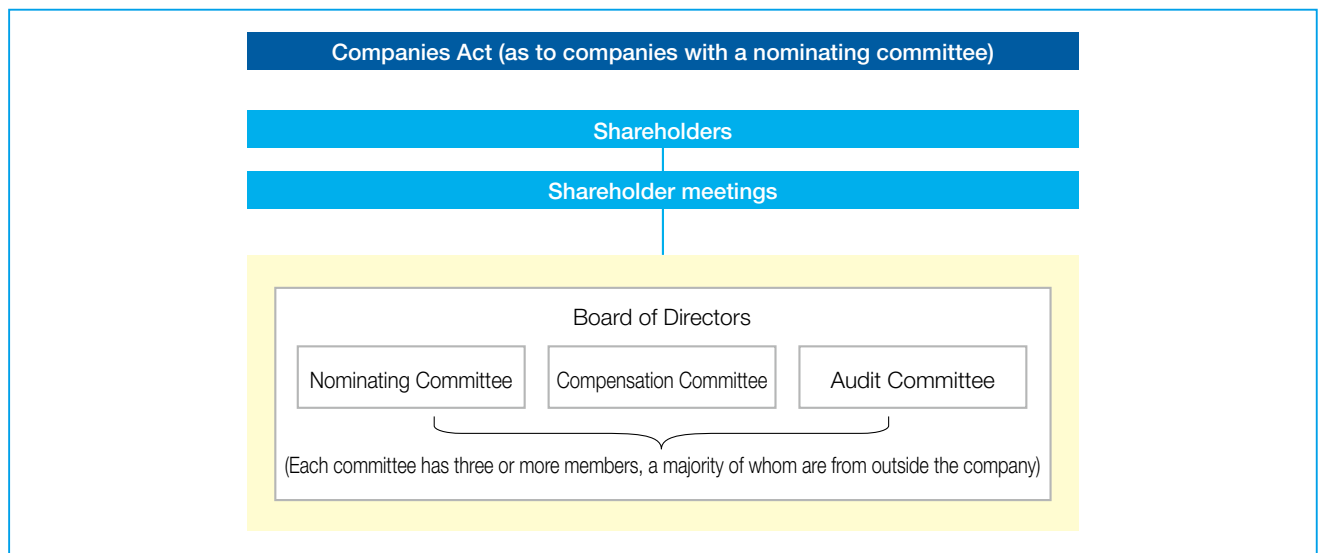
* According to Article 24-3 of the Norinchukin Bank Act, at least one of the Audit & Supervisory Board Members must satisfy all the following conditions:

- 1) The member must not be a director or employee of a corporation that is a member of The Norinchukin Bank.
- 2) The member must not have held the positions of director, member of the Supervisory Committee or employee of The Norinchukin Bank, or the position of director, accounting advisor (if the advisor is a corporation, then an employee who performs such duties), executive officer or employee of one of the Bank's subsidiaries, in the five years prior to their appointment.
- 3) The member must not be the spouse or relative within the second degree of kinship of a Norinchukin Bank director, Supervisory Committee member, manager or other important employee.

Management System of the Bank (As of July 1, 2021)



Reference: Management Structure under the Companies Act (as to Companies with a Nominating Committee)



■ Outline of Committees

● Nomination Committee

In 2001, the Bank installed the Nomination Committee to deliberate on the selection of candidates for Supervisory Committee members, Directors and Audit & Supervisory Board members and make recommendations to the Supervisory Committee and the Council of Delegates.

As of July 1, 2021, the Nomination Committee had 14 members, consisting of 13 representatives of the Bank's members and one director of the Bank.

● Director Compensation Deliberation Committee

The Bank installed the Director Compensation Deliberation Committee in 2010 to deliberate on issues related to compensation and retirement benefits of officers as a subcommittee of the Supervisory Committee.

As of July 1, 2021, the Director Compensation Deliberation Committee had five members, consisting of three representatives of the Bank's members and two external experts.

* Management Compensation Structure Disclosure

The Bank has disclosed its compensation structure since March 2012 based on Notification No. 10 in 2012 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan. Details are included on pages 219-224 of "Compensation."

● JA Bank Headquarters, JF Marine Bank Headquarters

The JA Bank Headquarters and the JF Marine Bank Headquarters mainly consist of representative committee members of cooperatives and the Bank's directors. These committees deliberate on basic policies of the banking business conducted by the agricultural and fishery cooperative organizations as well as on operational guidance

for the Bank's members acting in the name of the headquarters.

As of July 1, 2021, the JA Bank Headquarters had 26 members, consisting of 24 external representatives of the Bank's members and two directors of the Bank. In addition, the JF Marine Bank Headquarters has eight members, consisting of six external representatives of the Bank's members and two directors of the Bank.

■ FY2020 Status of the Activities of the Supervisory Committee and Subcommittee Meetings

Committee Name	Number of Meetings	Attendance Ratio
Supervisory Committee	14 times	92.7%
Nomination Committee	4 times	90.6%
Director Compensation Deliberation Committee	2 times	91.7%
JA Bank Headquarters Committee	11 times	96.7%
JF Marine Bank Headquarters Committee	9 times	84.0%

■ Advisory Board

In April 2021, the Bank established the Advisory Board as an advisory body for the Board of Directors to deliberate on the Bank's roles and adequacy of its initiatives to help develop the AFF industries and strengthen local communities.

Members of the Advisory Board are external experts with in-depth knowledge in the fields of the food/agricultural value chain, IT/digital, socio-economics and locality/food who are selected and entrusted by the Board of Directors. The Advisory Board had seven members as of July 1, 2021.

Advisory Board Members

Name	Organization
ISHII Hayato	Director, K.K.Kyodo News Director of Kyodonews Agri Laboratories
KIUCHI Hirokazu	Representative Director, WAGOEN Representative Director, WAGO
KOBAYASHI Eizo	Director Emeritus of ITOCHU Corporation
TAKASHIMA Kohey	Representative Director, CEO, Oisix ra daichi Inc.
HAYASHI Mikako	Visiting Professor, Graduate School of Agriculture, Research Faculty of Agriculture, Hokkaido University Ph.D. Project Professor, Graduate School of SDM, Keio University
MIWA Yasufumi	Expert at the Center for the Strategy of Emergence, The Japan Research Institute, Limited
YAMAZAKI Shuji	President & CEO, JA Zen-Noh

(As of April 6, 2021, Alphabetical order)

■ Basic Policy on Governance

Given the spirit of the Corporate Governance Code of Japan issued by Japan Exchange Group, Inc. (JPX), the Bank has formulated a Basic Policy on The Norinchukin Bank Governance. Details are described in “About The Norinchukin Bank—Management Supervision” on the Bank’s Web site (<https://www.nochubank.or.jp/en/governance>).

■ Strategic Shareholdings—Holding Business Partner Firm’s Securities

● Policy for Holding Strategic Shareholdings

Based on an understanding of the outline of the Corporate Governance Code, which the Bank has adopted, and the increasingly stringent environment around international financial regulations, the Bank holds strategic shareholdings deemed to have merit and effectiveness such as shareholding that helps improve the value of the Bank’s business and contributes to its basic mission of supporting the AFF industries from the perspectives of the economic rationale of such shareholding; maintenance and enhancement of long-term relationships with clients; the growth and recovery of business partners; and the development of the AFF industries and food and agricultural businesses.

The Bank’s strategic shareholdings are examined regularly from a comprehensive perspective based on quantitative criteria combined with qualitative evaluations, and the content of the verification of the merit and effectiveness of the holdings is reported to the Board of Directors.

Based on such verification, the Bank holds approved strategic shareholdings in terms of the merit and effectiveness of the holdings, in principle, and arranges to sell strategic shareholdings of which the merit and effectiveness of the holdings is not recognized.

● Criteria for Exercising Voting Rights

Concerning the voting rights associated with strategic shareholdings held by the Bank, the Bank exercises such voting rights, in principle, making judgment for or against each proposal based on the following criteria:

1. Whether the proposal contributes to the medium- to long-term corporate value of the business partner
2. Whether the proposal contributes to improving the value of the Bank’s business

● Supervisory Committee Members

(As of July 1, 2021)

Title	Name	Brief career history	
Chairman of the Supervisory Committee	NAKAYA Toru 	2012 2013 2017	Chairman of the Supervisory Committee, JA Wakayama Shinnoren Chairman of JA Wakayama Chuokai (current Representative Director and Chairman) Chairman of the Supervisory Committee, JA Wakayama Kennoh Chairman of JA Zenkyoren Wakayama Prefectural Headquarters Administrative Committee Director of THE JAPAN AGRICULTURAL NEWS Chairman of JA Kinan Chairman of JA Zenchu (current Representative Director and Chairman) Member of the Nomination Committee of the Bank Member of the Director Compensation Deliberation Committee of the Bank Chairman of the Supervisory Committee of the Bank
Supervisory Committee Member	OKAWA Ryoichi 	2020	Representative Director and Chairman of JA Sagami Representative Director and Chairman of JA Kanagawa Chuokai Chairman of the Supervisory Committee of JA Kanagawa Shinnoren Chairman of the Supervisory Committee of Kanagawa Kouseiren Chairman of JA Zen-Noh Kanagawa Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Kanagawa Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of the Bank Chair of National Council of JA Bank Representatives Chairman of JA Bank Headquarters Member of the Nomination Committee of the Bank Member of the Supervisory Committee of JA Zenkyoren Member of the Director Compensation Deliberation Committee of the Bank
Supervisory Committee Member	ONIKI Haruto 	2014 2016 2020	Representative Director and Cooperative President of JA Fukuoka Chairman of the Supervisory Committee of JA Fukuoka Shinnoren Vice-Chair of National Council of JA Bank Representatives Member of the Supervisory Committee of the Bank
Supervisory Committee Member	KISHI Hiroshi 	1999 2006 2013	Office Chief of JF Kyosuiren Shimane Prefecture Office Representative Director and Chairman of JF Shimane Representative Director and Chairman of JF Zengyoren Member of the Nomination Committee of the Bank Director of JF Kyosuiren Member of the Director Compensation Deliberation Committee of the Bank Member of the Supervisory Committee of the Bank
Supervisory Committee Member	ONODERA Keisaku 	2020	Chairman and Director, JA Shin-Iwate Representative Director and Chairman of JA Iwate Chuokai Chairman of the Supervisory Committee of JA Iwate Shinnoren Representative Director and Chairman of JA Iwate Kouseiren Chairman of JA Zen-Noh Iwate Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Iwate Prefectural Headquarters Administrative Committee Director of THE JAPAN AGRICULTURAL NEWS Member of the Nomination Committee of the Bank Member of the Supervisory Committee of the Bank Director of IE-NO-HIKARI ASSOCIATION




(As of July 1, 2021)

Title	Name	Brief career history	
Supervisory Committee Member	SAKAMOTO Tomio 	2020	Chairman and Director of JA Hokusai Representative Director and Chairman of JA Saitama Chuokai Chairman of the Supervisory Committee of JA Saitama Shinnoren Chairman of JA Zen-Noh Saitama Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Saitama Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Zenkyoren Member of the Supervisory Committee of the Bank
Supervisory Committee Member	SAKURAI Hiroshi 	2012 2015 2020 2021	Chairman of the Supervisory Committee of JA Gifu Shinnoren Member of JA Zen-Noh Gifu Prefectural Headquarters Administrative Committee Member of JA Zenkyoren Gifu Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Gifu Kouseiren Chairman of JA Gifu Chuokai (current Representative Director and Chairman) Director of JA Zenchu Member of the Supervisory Committee of the Bank Representative Director and Chairman, Nokyo Tourist Corporation Director of IE-NO-HIKARI ASSOCIATION Representative Director and Chairman of JA Gifu
Supervisory Committee Member	KISHIMOTO Takayuki 	2013 2017 2019 2020	Representative Director and Cooperative President of JA Osaka-Hokubu Chairman of JA Osaka Chuokai (current Representative Director and Chairman) Chairman of the Supervisory Committee of JA Osaka Shinnoren Chairman of JA Zen-Noh Osaka Prefectural Headquarters Administrative Committee Chairman of JA Zenkyoren Osaka Prefectural Headquarters Administrative Committee Member of the Supervisory Committee of JA Zenkyoren Auditor of IE-NO-HIKARI ASSOCIATION Director of JA Zenchu Member of the Supervisory Committee of the Bank
Supervisory Committee Member	SATO Hiroshi 	2019 2020	Representative Director and Cooperative President of JA Fukuyamashi Director of JA Hiroshima Chuokai Member of the Supervisory Committee of JA Hiroshima Kouseiren Member of JA Zen-Noh Hiroshima Prefectural Headquarters Administrative Committee Member of JA Zenkyoren Hiroshima Prefectural Headquarters Administrative Committee Chairman of the Supervisory Committee of JA Hiroshima Shinnoren Member of the Supervisory Committee of the Bank
Supervisory Committee Member	KURIHARA Shunrou 	2019 2020	Representative Director and Cooperative President of JA Miyazaki-Chuo Director of JA Miyazaki Chuokai Director of JA Miyazaki Keizairen Member of JA Zenkyoren Miyazaki Prefectural Headquarters Administrative Committee Chairman of the Supervisory Committee of JA Miyazaki Shinnoren Member of the Supervisory Committee of the Bank

(As of July 1, 2021)

Title	Name	Brief career history	
Supervisory Committee Member	FUKAYAMA Kazuhiko 	2012 2019	Representative Director and Cooperative President of JF Utoro Representative Director and Chairman of JF Hokkaido Shingyoren Director of JF Zengyoren Member of the Supervisory Committee of the Bank
Supervisory Committee Member	KUBOTA Tadashi 	2015 2016 2019 2021	Director of Nagasaki Gyosai Director of JF Zengyoren Member of the Supervisory Committee of the Bank Chairman of the JF Marine Bank Headquarters Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren
Supervisory Committee Member	MAEKAWA Osamu 	1993 2011 2018 2020 2021	Member of the Kumamoto Prefectural Assembly Representative Director and Chairman of JForest Kumamoto Moriren Chairman of the Federation of Kumamoto Liberal Democratic Party Branch Member of the Supervisory Committee of the Bank Director of JForest Kikuchi Director of JForest Zenmoriren
Supervisory Committee Member	BANDO Mariko 	1969 1994 1995 1998 2001 2007 2014 2017 2019	Joined Prime Minister's Office (currently, Cabinet Office) Cabinet Secretariat and Director-General of the Bureau for Gender Equality Vice-Governor of Saitama Prefecture Japanese consul general in Brisbane, Australia Director-General of the Gender Equality Bureau, Cabinet Office of Japan President of Showa Women's University Chancellor of Showa Women's University Member of the Supervisory Committee of the Bank Outside Director of MS&AD Insurance Group Holdings, Inc. Outside Director of Mitsubishi Research Institute, Inc.
Supervisory Committee Member	TANABE Masanori 	1975 2001 2004 2010 2015 2016 2019	Joined Bank of Japan Deputy Director-General, Credit Systems Department (in charge of credit systems), Bank of Japan Director-General, Credit Systems Department, Bank of Japan Governor of Deposit Insurance Corporation of Japan Director and Chairman of AXA Life Insurance Co., Ltd. Chairman of AXA GENERAL INSURANCE COMPANY LIMITED Visiting Professor, Musashino University Director and Chairman of AXA Investment Managers Member of the Supervisory Committee of the Bank

(As of July 1, 2021)

Title	Name	Brief career history
Supervisory Committee Member	KOBAYASHI Eizo 	1972 Joined C. Itoh & Co. Ltd. (Former name of ITOCHU Corporation) 2000 Executive Officer of ITOCHU 2002 Managing Executive Officer of ITOCHU 2003 Managing Director of ITOCHU 2004 Senior Managing Director of ITOCHU President & C.E.O. of ITOCHU 2010 Chairman of ITOCHU 2020 Director Emeritus of ITOCHU Member of the Supervisory Committee of the Bank
Supervisory Committee Member	SATO Takafumi 	1973 Joined the Ministry of Finance, Japan 2001 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency, Japan 2002 Director-General, Inspection Bureau, Financial Services Agency 2004 Director-General, Supervisory Bureau, Financial Services Agency 2007 Commissioner, Financial Services Agency 2010 Professor, Hitotsubashi University Graduate School of Commerce (currently, Hitotsubashi University Graduate School of Business Administration) 2013 President, Tokyo Stock Exchange Regulation (currently, Japan Exchange Regulation (JPX-R)) 2020 Member of the Supervisory Committee of the Bank
Supervisory Committee Member	MINAGAWA Yoshitsugu 	1978 Joined the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan 2006 Director-General of Staple Food Department, General Food Policy Bureau, MAFF 2007 Deputy Director-General of Forestry Agency 2008 Deputy Director-General of Rural Development Bureau, MAFF 2009 Director-General of Kanto Regional Agricultural Administration Office, MAFF 2010 Director-General of Forestry Agency 2012 Vice-Minister of Agriculture, Forestry and Fisheries 2016 Chief Counselor of Norinchukin Research Institute Co., Ltd. 2020 Member of the Supervisory Committee of the Bank
Supervisory Committee Member	OKU Kazuto 	1983 Joined The Norinchukin Bank 2003 Deputy General Manager, Corporate Planning Div. 2004 Head of Business Development Dept. Corporate Planning Div. 2007 General Manager, JA Bank System Management Div. 2009 General Manager, Corporate Planning Div. 2011 Managing Director, Member of the Board of Director 2013 Senior Managing Director, Member of the Board of Director 2016 Senior Managing Director, Member of the Board of Director, Head of Corporate and Shared Services 2017 Representative Director, Senior Managing Director, Member of the Board of Director, Head of Corporate and Shared Services 2018 President and Chief Executive Officer of The Norinchukin Bank 2021 Representative Director and President, Chief Executive Officer

Framework for Business Administration (Risk Appetite Framework (RAF))

Basic Approach

The business environment surrounding financial institutions is changing radically. For the Bank to maintain its high soundness and continue to meet stakeholders' expectations and perform its basic roles, the forward-looking recognition of risks and the appropriate risk controls, as well as the risk taking in a disciplined manner, are increasingly important.

To implement such measures, the Bank has introduced the Risk Appetite Framework (RAF) for business administration. Under the RAF, the Bank aims to achieve the goals of the management plan and works to foster and disseminate a sound risk culture that supports its business administration framework.

Risk Appetite Framework (RAF)

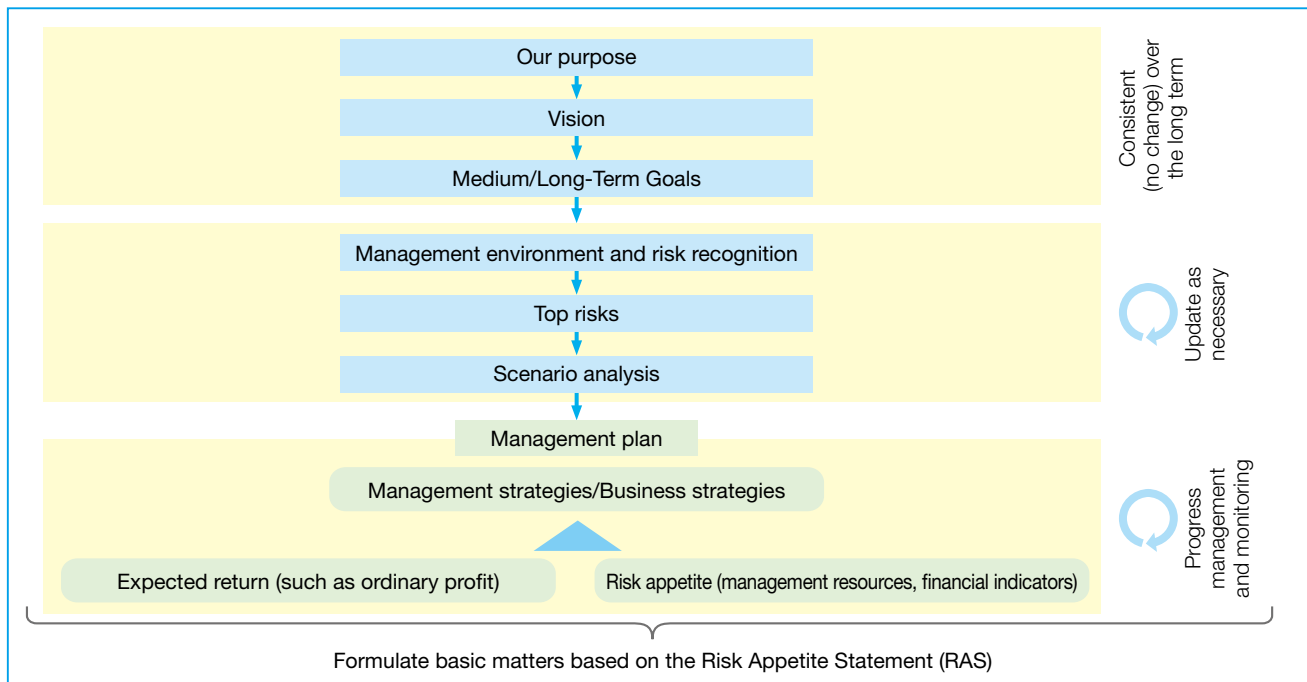
The Bank's RAF is a "framework for business administration leading to disciplined risk taking and optimizing the balance between risk and return" by clarifying the Bank's management strategies, business strategies and expected return (types and amounts of return that are set as goals) and risk appetite (types and amounts of risks that the Bank is willing to take or are acceptable to the Bank, and optimal management resources) and managing them in an integrated manner. Under the RAF, with

the aim of an optimal balance between risk and return, the Bank further improves its soundness while adjusting to changes in the surrounding environment.

Implementation of the RAF

The Bank issues its Risk Appetite Statement, formulates and documents the basic matters related to implementation of the RAF. To formulate a management plan, based on the Risk Appetite Statement, the Bank identifies the "Top Risks" (risk events to which the Bank needs to pay special attention in the future), considering the management environment and risk recognition, and analyzes scenarios of risk events that could happen in the future. Based on the analysis results, the Bank clarifies the expected return from the implementation of the management strategies and business strategies as well as the risk appetite and formulates the management plan. In addition to clarifying the policies for managing expected return and risk appetite, the Bank sets the Key Goal Indicators (KGIs) and Risk Appetite Indicators. During a fiscal year, while updating the information on the management environment and risk recognition, the Bank monitors the status of management strategies, business strategies and expected return, as well as the risk appetite, and reviews them if necessary. Thus, the RAF is implemented with the PDCA cycle of the management plan.

Outline of the RAF



Examples of Top Risks

Risk Events	Risk Scenario (example)
Restriction on foreign currency funding due to changes in the external environment	Rapid changes in the financial market, leading to a decline in the liquidity of foreign currencies and a rise in funding costs, resulting in restricting portfolio management
Significant credit deterioration	Increase in credit costs due to significant deceleration of the global economy
Continuation of a low-profitability environment	Decline in profitability and destabilization of the financial base due to shrinkage of the gap between long-term and short-term interest rates
Occurrence of damages caused by cyberattacks	Long-term suspension of customer services caused by damage to systems, payment of large amounts of damage compensation and damage to the Bank's reputation
Slowdown in work-style reform and the productivity gap	Slowdown in productivity and the loss of competitiveness by continuing conventional work styles
Slowdown in efforts related to sustainability management	Adverse effect from the slow implementation of measures to address environmental issues such as climate change on the AFF industries and local communities
Acceleration of changes in financial services and business operations due to digital innovation	Customer turnover due to the emergence of new financial services by other companies, leading to shrinkage of the Bank's business base

Note: Please note that the above are a portion of the risks the Bank has identified to date.

■ Risk Culture

It can be said that the corporate culture has a multifaceted nature that is formed collectively by the norm of behavior, sense of value and/or habits that are built on the thoughts and behavior of each director and employee of the organization. At the same time, as a financial institution with social responsibility, it is necessary to ensure profitability through a certain level of risk taking in order to maintain its soundness and continue to perform its roles consistently. To this end, it is especially important for the appropriate implementation of the RAF that di-

rectors and employees throughout the organization share the “risk culture” concerning risk recognition, risk taking and risk management.

The Bank fosters and disseminates a sound risk culture throughout the organization by defining and disseminating its future vision, so that all senior management and employees of the Bank, sharing the required standard of behavior and way of thinking, can always act with a mindset to establish and maintain trust with diverse stakeholders.

Initiatives for Strengthening Internal Control

■ Basic Approach

For the Bank to fulfill its fundamental mission as the central organization for Japan's AFF cooperatives as well as its social responsibility, the Bank views the construction of management control systems as its highest priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and relevant laws and regulations, and proper risk management and business activities.

■ Basic Internal Control Policy

● Systems for Ensuring Duties Exercised by Directors and Employees Conform to Relevant Laws and the Articles of Association

- 1) To ensure sound management through compliance with laws and regulations, the Bank has established its Code of Ethics and Compliance Manual. It has taken steps to ensure that all directors and employees are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.
- 2) To ensure that directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and Audit & Supervisory Board Members. In addition, the Legal Affairs and Compliance Division reviews the details related to important decisions in advance, under its mission to supervise the Bank's overall compliance matters.
- 3) With regard to compliance matters, the Bank has set up the Compliance Hotline System, which allows employees to turn to the Compliance Division or an outside law firm for advice or to file a report.
- 4) The Bank institutes a Compliance Program each fiscal year, which includes systematic compliance promotion and education and training programs for employees.
- 5) The Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security and blocks all relationships with them.
- 6) With regard to internal controls on financial reporting, the Bank has in place measures to ensure reliability and appropriateness of such reporting.

● Systems for Retaining and Managing Information Related to Directors' Execution of Duties

- 1) Important documents related to the execution of directors' duties, such as minutes of Board of Directors meetings and other important meetings, as well as documents requiring approval, are properly managed by specifying their retention period and management standards.
- 2) The Bank's business units are obligated to present information related to the execution of their duties for inspection, upon the request of directors, executive officers and Audit & Supervisory Board Members.

● Rules and Other Systems for Managing the Risk of Loss

- 1) The Bank views the proper implementation of risk management as a major management issue for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that management must be aware of, and risk management systems and frameworks.
- 2) Risks that need to be managed are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of generating profit. These risks include credit risk, market risk and liquidity risk. The second type of risk is operational risk. Based on the nature of these various kinds of risks, the Bank has established risk management policies and procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.
- 3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds

of risks and ensures that total risk capital remains within the limits of the Bank's regulatory capital requirement.

- 4) To comply with requirements for ensuring management soundness set forth in the Norinchukin Bank Act, the Bank conducts regulatory capital management based on the conditions stipulated in laws and regulations.
- 5) In the case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

● **Systems for Ensuring Efficient Execution of Directors' Duties**

- 1) The Bank establishes its medium-term management plans, business plans and other plans for business execution, and periodically assesses their progress.
- 2) To ensure that decision making by the Board of Directors is efficient, the Bank has formed committees composed of directors and executive officers to which the board delegates specific matters and tasks for implementation. The Bank has also formed councils to discuss management issues on a regular or as-needed basis. Their duties include the discussion of proposals on matters to be decided by the Board of Directors.
- 3) To ensure that directors and employees perform their duties efficiently, the Bank takes steps to improve its organizational system by clearly establishing its organizational structure, authorities and responsibilities.

● **Systems to Ensure Operations Are Conducted Properly at the Group Companies of the Bank and Its Subsidiaries**

- 1) To ensure the proper operation of the Norinchukin Bank Group, the Bank has established basic policies for the operation and management of its group companies according to the group company's type of business, scale and importance.
- 2) Based on business management agreements concluded between the Bank and each group company, matters relating to management, compliance, risk management and internal audits to be discussed and reported to ensure smooth and appropriate operation within the

group have been decided, and the status of execution of business at each group company is monitored.

- 3) In group companies, the Bank provides appropriate guidance, advice and supervision and conducts performance reviews in order to improve rules and systems for managing the risk of loss; the efficient execution of directors' duties; and conformity of directors' and employees' duties to relevant laws and the Articles of Association.

● **Internal Audit System**

- 1) To contribute to the proper operation of its business, the Bank has created the Internal Audit Division, which is independent of business operation units. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.
- 2) Internal audits are conducted for the Bank and group companies that have concluded agreements for audits and are implemented based on an auditing plan approved by the Board of Directors.
- 3) The Internal Audit Division periodically reports a summary of audit results to the Board of Directors and related divisions.
- 4) Members of the Internal Audit Division meet periodically and as needed with Audit & Supervisory Board Members and accounting auditors to exchange views and information as well as to better coordinate their auditing activities.

● **Details, Independence and Governance Regarding Support Staff for Audit & Supervisory Board Members**

- 1) The Bank has formed an independent unit, the Office of Audit & Supervisory Board Members, in order to assist Audit & Supervisory Board Members in fulfilling their duties.
- 2) In principle, three or more full-time employees are assigned to the Office of Audit & Supervisory Board Members to perform clerical work to help administer the Audit & Supervisory Board and other tasks specified by its members.

- 3) Employees assigned to the Office of Audit & Supervisory Board Members work in accordance with the instructions of the Audit & Supervisory Board Members.
- 4) Full-time Audit & Supervisory Board Members' views on the performance evaluations of the employees assigned to the Office of Audit & Supervisory Board Members and their reassignment to other departments are obtained in advance and duly respected.

● **Systems for Reporting to Audit & Supervisory Board Members**

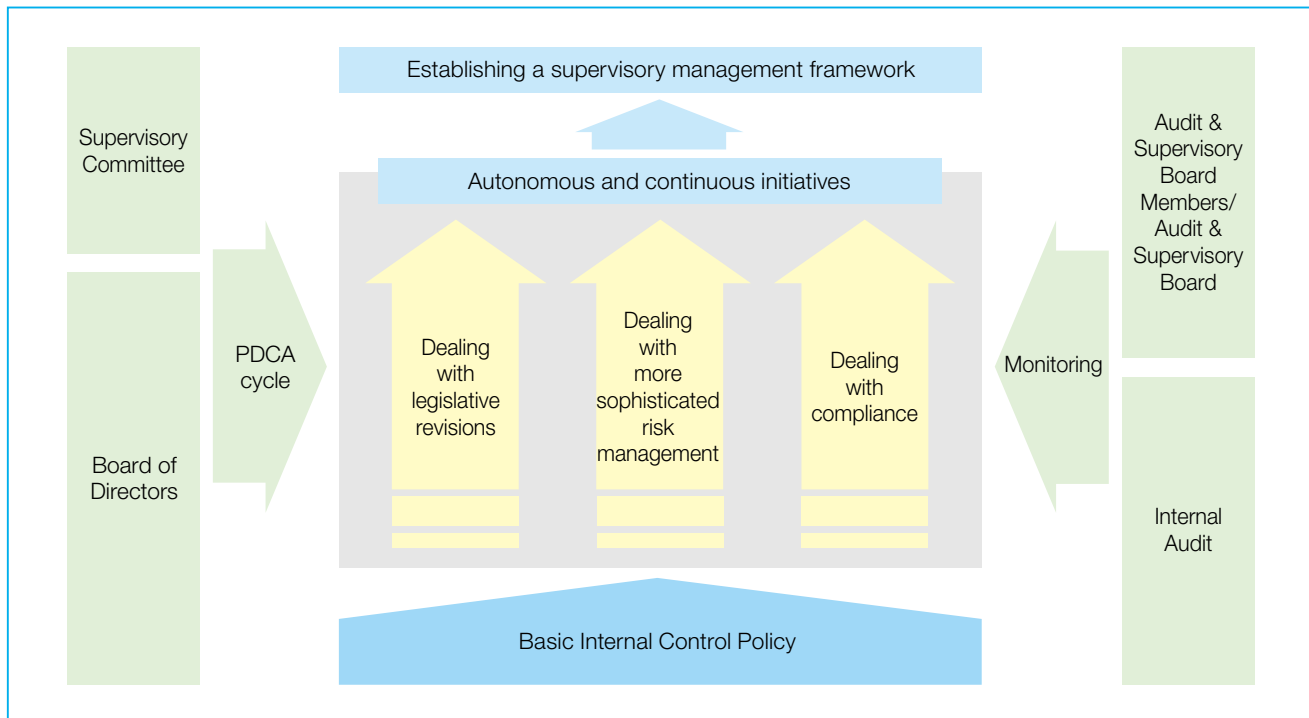
- 1) A director must report immediately to the Audit & Supervisory Board in case of discovering information that could cause serious damage to the Bank and the Bank Group.
- 2) When the Legal Affairs and Compliance Division discovers information that is important from a compliance perspective or that is vital to the compliance system in general in the Bank and the Bank Group, the division must report these matters to Audit & Supervisory Board Members.

- 3) The Internal Audit Division reports its findings regarding internal audits to Audit & Supervisory Board Members, and the two groups engage in discussion periodically.
- 4) Documents related to major decisions and other important documents related to business conduct are provided to Audit & Supervisory Board Members for review.

● **Systems for Reporting to Audit & Supervisory Board Members from Group Companies**

In addition to reports based on the provisions of the preceding paragraph, the Legal Affairs and Compliance Division receives reports on the internal reporting situation in group companies from the department in charge of the group company internal reporting program and reports to Audit & Supervisory Board Members.

Initiatives for Strengthening Internal Control



- **Systems to Ensure Persons Who Report to Audit & Supervisory Board Members Are Not Treated Unfairly Because of the Reporting**

The Bank ensures that directors and employees of the Bank and those of the group companies who report to Audit & Supervisory Board Members for appropriate purposes are not treated unfairly because of having made the report and disseminates this matter throughout the Bank and its group companies.

- **Expense Policy for Duties Exercised by Audit & Supervisory Board Members**

To defray expenses, etc., arising due to the performance of duties by Audit & Supervisory Board Members, an appropriate budget framework shall be established, and except when deemed not necessary for the performance of duties by Audit & Supervisory Board Members, all expenses claimed by Audit & Supervisory Board Members shall be borne by the Bank.

- **Other Systems to Ensure Effective Conduct of Audits by Audit & Supervisory Board Members**

Being fully aware of the importance and value of audits by Audit & Supervisory Board Members, the Bank has established the following systems to ensure that they are conducted effectively.

- 1) Audit & Supervisory Board Members are allowed to attend Board of Directors meetings, Supervisory Committee meetings and other important meetings, and are free to express their opinions.
- 2) Representative directors and Audit & Supervisory Board Members periodically meet to exchange views.
- 3) Directors, executive officers and employees must cooperate with Audit & Supervisory Board Members' investigative and interview requests.
- 4) In general, directors, executive officers and employees must comply with the matters set forth in the Rules of the Audit & Supervisory Board and the Standards for Audits.

- **Status of Activities of Audit & Supervisory Board Members**

Each Audit & Supervisory Board Member has conducted audits, fulfilling his/her roles in accordance with the criteria prescribed by the Audit & Supervisory Board and the audit policy, and requested reports, as needed, on business execution from Directors and members of the Supervisory Committee.

In addition, Audit & Supervisory Board Members hold Audit & Supervisory Board meetings regularly to discuss each member's role and carry out their duties in cooperation with each other. Also, the Audit & Supervisory Board Members receive explanations of the audit plan from the Accounting Auditor at the beginning of the fiscal term, have a hearing on the audit progress during the term and receive a report on the audit results at the end of the term, thereby verifying the adequacy of the audit methods and results.

18 Audit & Supervisory Board meetings were held during fiscal 2020.

- **Auditing Firm Status of the Accounting Auditor**

- **Outline of the Certified Public Accountants (CPAs), etc., Who Conduct the Audit**

- 1) Name of the auditing firm, CPAs who executed audit duties and the composition of CPAs and persons assisting the audit duties
 - a. Name of the auditing firm
EY Japan (Ernst & Young ShinNihon LLC)
 - b. Audit period under contract
The Bank has had a contract of audit with EY Japan (Ernst & Young ShinNihon LLC) since fiscal 2006.
 - c. CPAs who executed audit duties
NANBA Hideya, HOSONO Kazuya, NAGAO Mitsuhiro
 - d. Composition of CPAs and persons assisting audit duties
12 CPAs and 30 assistants (as of March 31, 2021)
- 2) Policy for selecting an auditing firm, reason for the selection and evaluation

The Audit & Supervisory Board considers whether to reappoint the auditing firm based on the firm's quality control framework, team structure, the amount and content of the charges for audit duties, the status of the firm's communication with the Bank's Audit & Supervisory Board Members and other personnel, relationships with the Bank's management staff, the status of audit duties of the consolidated financial reports, preparedness for the risk of fraudulent acts and legality, etc.

In case the Audit & Supervisory Board recog-

nizes that the auditing firm is unlikely to fulfill its duties or ensure its legal or regulatory independence and appropriateness, or in case it is deemed necessary to take an action, the Audit & Supervisory Board deliberates on submitting a proposal to dismiss or not reappoint the auditing firm to the Council of Delegates at its regular meeting.

Based on the above, the Bank has found no issue with the firm's execution of audit duties for this fiscal year and determined to reappoint the firm.

• Details of Compensation for Audit Duties

1) Compensation for CPAs and other staff ("CPAs, etc." below) of the accounting firm

(Millions of yen)

Category	Fiscal 2019		Fiscal 2020	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	229	101	239	73
Consolidated subsidiary	67	10	33	6
Total	296	112	272	79

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the accounting firm includes services to support internal controls related to the JA banking business.

2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the accounting firm includes services to guarantee internal controls related to the operation of the trust business.

2) Compensation paid to the same network as that of these CPAs, etc. (Ernst & Young Global Limited) (other than 1))

(Millions of yen)

Category	Fiscal 2019		Fiscal 2020	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	—	115	—	138
Consolidated subsidiary	7	—	13	2
Total	7	115	13	140

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes tax-related support.

2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes support under the Act on Utilization of Telecommunications Technology in Document Preservation, etc. Conducted by Private Business Operators, etc.

3) Compensation for other important auditing and attestation duties

None applicable

4) Policy for determining compensation for audit duties

Concerning compensation for audit duties, after receiving explanation from the Accounting Auditor

on their auditing structure, procedure, audit plan including schedule and estimated hours required for audit duties, etc., the Bank inspected and verified the adequacy and received approval by the Audit & Supervisory Board.

Internal Audit System

■ Position of the Internal Audit

The mission of internal audit of the Bank is to enhance and protect the Bank's organizational value through provision of independent and objective assurance services via risk-based approach.

The Internal Audit Division helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the governance, risk management and control processes.

The scope of an internal audit includes all operations and assets managed by all divisions and branches of the Bank. Internal audits are conducted on subsidiaries that have signed agreements on audit and on contractually outsourced businesses for which audit contracts have been signed as long as these audits do not infringe on the scope of agreements, contracts, laws and regulations.

■ Outline of the Internal Audit System

The Bank has formulated the Internal Audit Policy, which specifies the purpose, authority and responsibility and scope of an internal audit, as determined by the Board of Directors. The Internal Audit Division consists of the Head Office Internal Audit Division and Overseas Internal Auditors. General Manager of the Internal Audit Division serves as the chief audit executive.

General Manager of the Internal Audit Division reports to and receives instructions from the President & CEO regarding administrative matters. On the functional matters to be submitted and reported to and discussed at the Board of Directors, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall submit and report such content directly to the Board of Directors. Also, on the matters related to internal audits of the Supervisory Committee, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall report on these matters directly to the Supervisory Committee.

Furthermore, General Manager of the Internal Audit Division shall make periodic reports on issues regarding the execution of internal audits directly to the Audit & Supervisory Board/Members. Concerning the matters to be reported to and discussed at the Board of Directors or to be reported the Supervisory Committee, General Manager of the Internal Audit Division shall report on such matters directly to the Audit & Supervisory Board/Members before they are reported to the Board of Directors or the Supervisory Committee.

General Manager of the Internal Audit Division meets with Audit & Supervisory Board Members and the Accounting Auditor to exchange views and information on a periodic and as-needed basis to strengthen their cooperative efforts.

■ Implementation of Effective Internal Audits

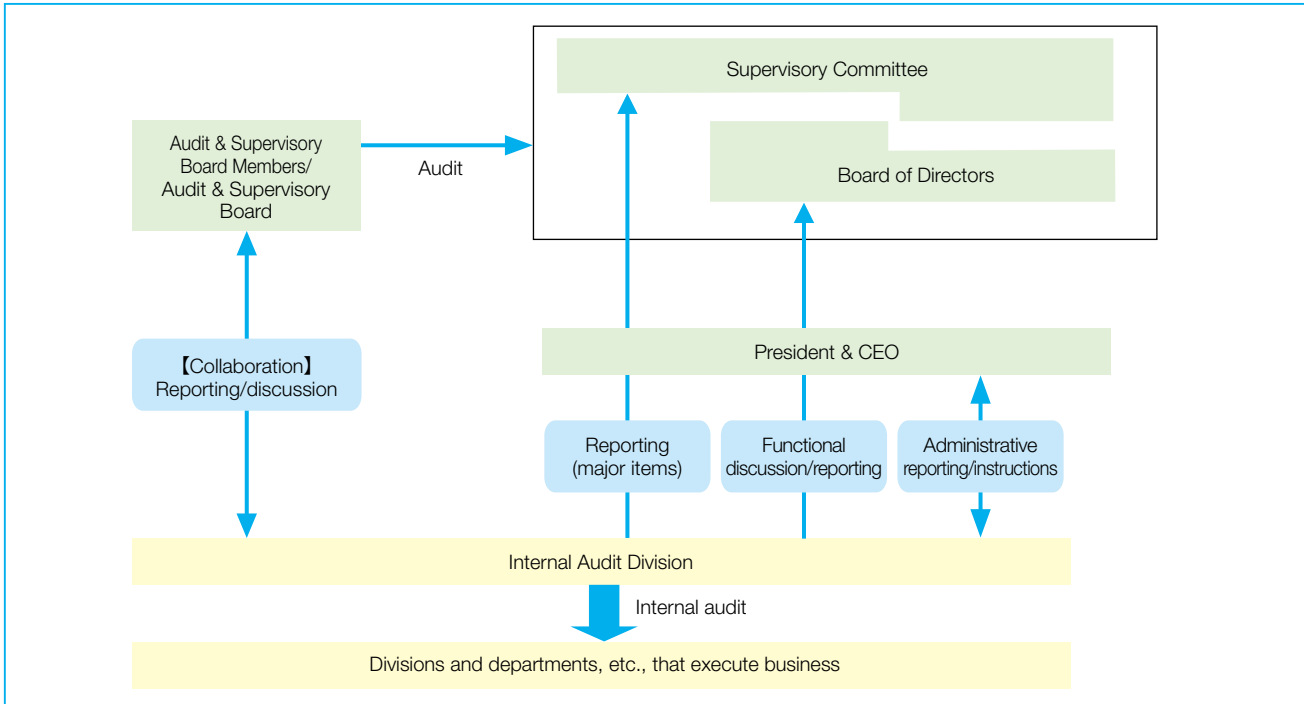
To implement internal audits, the Internal Audit Division adheres to the IIA* standards and makes best effort to encourage the Bank's overseas branches to comply with the internal audit standards that are applicable to the countries where those branches are located.

Furthermore, to ensure the effectiveness and improvement of internal audits, personnel with highly specialized knowledge are assigned to the Internal Audit Division. After assignment, they continue to upgrade their knowledge and skills through training and are encouraged to obtain external qualifications.

In addition, aiming to conduct internal audits effectively and efficiently, the Internal Audit Division implements off-site monitoring to gather daily audit-related information and conducts full risk assessments, thereby engaging in risk-based audits.

* IIA (*The Institute of Internal Auditors Inc.*) is an international body related to internal auditing that aims to improve the expertise of internal auditors and establish their professional status.

Overview of the Internal Audit System



Continuing as a Publicly Trusted Financial Institution

COMPLIANCE INITIATIVES

■ Basic Compliance Policies

As a financial institution whose business is founded first and foremost on trust and confidence, the Bank recognizes that the creation of an enhanced and more effective compliance framework is an increasingly important management objective, especially considering strong public criticism of corporate and other organizational improprieties and the significant public expectations of corporations today.

As a global financial institution that plays a central role in Japan's financial system, and the national-level financial institution serving as the umbrella organization for JA Bank and JF Marine Bank, the Bank is committed to fulfilling its basic mission and social responsibilities. To prove itself worthy of its customers' and members' trust and expectations considering changes in the social and business environment, the Bank continues its unceasing efforts in the area of compliance by managing its business in accordance with societal norms, for instance, by fully complying with laws and regulations based on the principle of total self-reliance. We are also constantly working to achieve a higher degree of transparency by emphasizing

proper disclosure and accountability.

As part of this effort, the Bank has defined its basic compliance policy in its Code of Ethics, Environmental Policy, Human Rights Policy and a code of conduct for all directors and employees. To further ensure full compliance awareness among all directors and employees, the Bank has incorporated in the Compliance Manual: the "Interpretation of Laws and Regulations Which All Directors and Employees Need to Observe." These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business.

In response to recent growing societal demand for greater customer protection, based on its Customer Protection Management Policy, the Bank has taken steps to reinforce its management systems as part of its compliance efforts aimed at winning customer trust. These steps include providing explanations to customers, handling customer complaints and inquiries, managing customer information, managing contractors in the case of outsourcing customer-related business and managing transactions that might involve a conflict of interest with customers.

Code of Ethics

1. Fundamental Mission and Social Responsibility

We are always aware of the importance of our fundamental mission and social responsibilities, and commit to forging even stronger bonds of societal confidence by fulfilling the mission and responsibilities through sound business operations.

2. Offering High-Quality Services

We meet the needs of customers by offering customer-oriented services and fulfill a role as a national-level institution engaged in the cooperative banking business and contribute to economic and social development through offering high-quality services that are supported by enhancements in security levels to prepare for natural disasters and cyberattacks that could threaten civil life and corporate activities, and ensuring business continuity at the time of disaster.

3. Strict Compliance with Laws and Regulations

We comply with all relevant laws and regulations, and conduct business operations in an honest and fair manner in response to society's expectation and trust.

4. Severing Antisocial Forces and Combating the Threat of Terrorism

We have a zero-tolerance policy against antisocial forces that threaten the safety and order of civil society and thoroughly sever any relations with them. We endeavor to enhance measures against money laundering and financing of terrorism, recognizing the current heightened risks of international society being under the threat of terrorism.

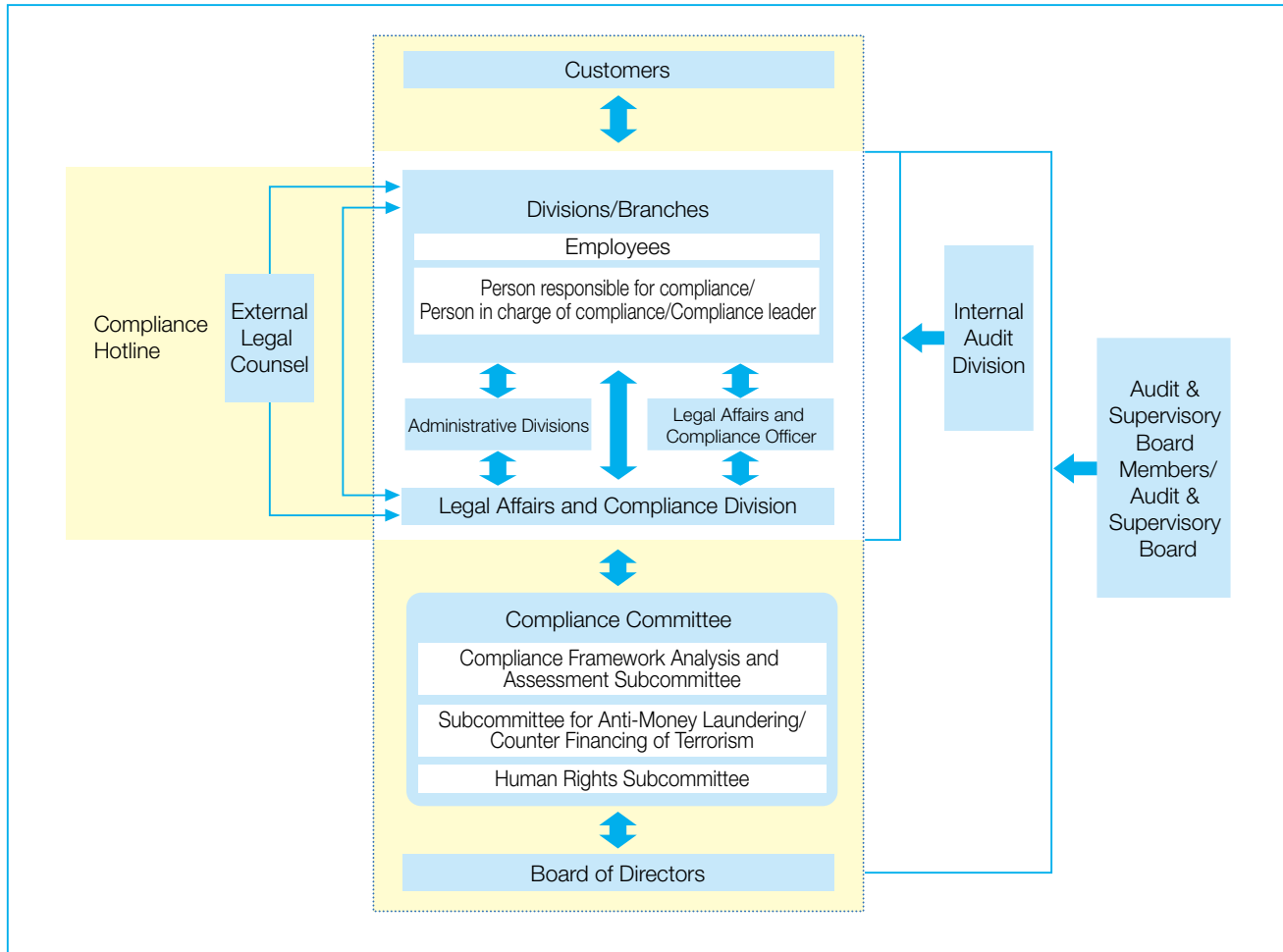
5. Building a Highly Transparent Organizational Culture

We have built a highly transparent organizational culture by respecting employees' individuality and ensuring a pleasant working environment considering employees' health and safety, while endeavoring to enhance communication and maintain satisfactory relationships with society, including proactively and fairly disclosing business information.

6. Contribution to a Sustainable Society

We, as members of society, work closely with local communities, to support them with respect to the human rights of each person and with social issues such as environmental concerns, and we seek to contribute to the realization of a sustainable society.

Compliance Framework



■ Compliance Activities Directly Linked to Management

The Bank’s compliance framework comprises the Compliance Committee, the Compliance Division (Legal Affairs and Compliance Division), Legal Affairs and Compliance Officer and the administrative divisions of relevant businesses, as well as personnel responsible for compliance, those in charge of compliance and compliance leaders assigned to the Bank’s divisions and branches. The Compliance Committee has been established as a body under the Board of Directors to deliberate on the Bank’s basic compliance issues. Topics of high-level importance discussed by the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the Compliance Framework Analysis and Assessment Subcommittee, the Subcommittee for Anti-Money Laundering/

Counter Financing of Terrorism and the Human Rights Subcommittee, which are subcommittees under the Compliance Committee.

The Bank also has clarified its efforts to disseminate a sound risk culture and systematically prevent inappropriate behavior as part of its risk handling policy in the RAF.

■ Compliance Practices within the Bank

The Bank’s compliance framework at branches and divisions is based on the combined efforts of each employee, primarily centered on the General Manager of each branch or division as the person responsible for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Legal Affairs and Compliance Division, persons in charge of compliance oversee all compliance-related matters at their branches or divisions. They are expected to keep track of day-to-day compliance activities

by using checklists to handle requests for advice or questions from other members of staff, to organize branch or divisional training and educational programs, and to liaise with, report to and handle requests to the Legal Affairs and Compliance Division.

Legal Affairs and Compliance Officers appointed in the Food & Agri Banking Business, the Retail Banking Business and Global Investments have been responsible for supporting each headquarters' operations from the aspect of compliance.

The Legal Affairs and Compliance Division, supervising overall compliance activities, acts as the secretariat for the Compliance Committee. It strives to strengthen the Bank's compliance framework by conducting compliance reviews, responding to requests from branches and divisions for compliance-related advice, and conducting compliance monitoring, which includes visiting branches and divisions to verify their compliance practices directly while providing guidance.

The Legal Affairs and Compliance Division has also installed a Compliance Hotline to enable employees to report on compliance issues to the Legal Affairs and Compliance Division or outside lawyers by telephone or e-mail. When a compliance issue is reported, the Bank maintains close contact with the whistleblower, makes necessary improvements and implements corrective

measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. These are necessary efforts to improve employees' trust in the Bank.

The Legal Affairs and Compliance Division supervises compliance activities in the area of customer protection as well and ensures that branches and divisions are practicing compliance while collaborating with other related divisions.

■ Compliance Program

Each fiscal year, the Bank institutes a Compliance Program incorporating its management frameworks for compliance and customer protection, as well as promotion of initiatives, education and training plans for them. The Legal Affairs and Compliance Division implements the Compliance Program and monitors its progress to further reinforce the Bank's compliance framework.

■ Cooperation with Group Companies

The Bank is taking steps to strengthen its group's compliance systems by promoting a common awareness of compliance issues discussed at regular meetings with compliance divisions at its group companies.

The Bank's Compliance Hotline Has Been Registered with the "Whistleblowing Compliance Management System Certification (Self-declaration of Conformity Registration System)" of the Consumer Affairs Agency, Japan

On May 14, 2021, the Bank's Compliance Hotline was registered as conforming to the Whistleblowing Compliance Management System (WCMS) certification (self-declaration of conformity registration system) of the Consumer Affairs Agency (CAA), Japan.

The WCMS certification (self-declaration of conformity registration system) is a system via which a business operator evaluates its own whistleblowing system against the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems, which is based on the Whistleblower Protection Act of CAA Japan. If the business operator concludes that its Whistleblowing Compliance Management System satisfies the guideline's requirements as a result of its self-assessment, the system undergoes auditing and confirmation by the Japan Institute of Business Law, an institution designated by the CAA, and is registered as authenticated if confirmed.



Symbol Mark for a business operator with an authenticated and registered with Whistleblowing Compliance Management System

■ Enhancing Disclosure

To improve and strengthen its disclosure initiatives, the Bank formed the Information Disclosure Committee in

fiscal 2006 to discuss the appropriateness of its information disclosure initiatives.

Disclosure Policy

As the national-level financial institution for Japan's AFF cooperatives, the Bank places fulfillment of its basic mission and social responsibilities and management of its business to high standards of transparency by focusing on information disclosure and accountability as its key management priority. Accordingly, the Bank strives for appropriate information disclosure by complying with disclosure requirements under applicable foreign and domestic laws as well as securities and exchange laws.

Handling of Material Information

1. The Bank considers the following information material and subject to public disclosure:
 - (i) Information subject to mandatory disclosure under applicable domestic and foreign laws as well as rules set by financial instruments exchange markets where the Bank lists its financial products.
 - (ii) Information that is not subject to mandatory disclosure as (i) above but could have a significant impact on investor decisions.

Methods of Disclosure

2. The Bank discloses information that is subject to mandatory disclosure under applicable domestic and foreign laws and rules set by financial instruments exchange markets where the Bank lists its financial products, using predefined disclosure procedures, such as the information distribution systems of domestic and foreign securities and stock exchanges. In addition, the Bank has taken steps to diversify its methods of information disclosure, for instance, online disclosure.

Fairness of Disclosure

3. When disclosing the aforementioned information, the Bank observes the principle of fair disclosure so that information is disclosed timely and appropriately.

Disclosure of Forward-Looking Information

4. The Bank discloses information containing future forecasts to enable capital market participants to accurately assess its present condition, future outlook, debt repayment ability and other matters. This forward-looking information is based on estimates from information available at the time the forecasts are prepared and contains elements of risk and uncertainty. For this reason, actual results might differ substantially from the forecasts because of changes in economic and business conditions affecting the Bank's operations.

Enhancement of Internal Systems

5. To disclose information in line with its Disclosure Policy, the Bank strives to upgrade and expand necessary internal systems.

Policy Regarding Market Rumors

6. The Bank's basic policy is not to comment on rumors once it is clear that the source of the rumors did not originate from within the Bank. However, when the Bank determines that the rumors could have a major impact on the capital markets, or when securities and stock exchanges etc. demand an explanation, the Bank will comment on such rumors at its discretion.

■ Measures to Prevent Money Laundering

The Bank has established policies to prevent money laundering and is strengthening preventive measures in this area as part of an international cooperative effort.

■ Measures to Combat Bank Transfer Fraud

The Bank has established policies to prevent money laundering and other fraudulent activities and is strengthening preventive measures in this area as part of an increasingly necessary international cooperative effort.

■ Measures to Eliminate Antisocial Elements

Under the Code of Ethics, the Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security, and in order to block all relationships with such antisocial elements, the Bank has established a systematic exclusionary system, in line with the following basic principles, and strives to ensure sound management.

1) Response as an organization

The Bank has established the foundation of express provisions under the Code of Ethics and will respond as an entire organization, from the top management downward, and not simply leave it to the personnel or department in charge.

In addition, the Bank will guarantee the safety of employees who are asked to respond to unjustified demands from antisocial elements.

2) Cooperation with outside agencies

In preparation for unjustified demands from antisocial elements, the Bank endeavors to establish continuing cooperation with outside agencies such as the police, the National Centers for Removal of Criminal Organizations and lawyers.

3) Blocking of relationships including business transactions

The Bank shall block all relationships with antisocial elements including business relationships. In addition, unjustified demands from antisocial elements will be rejected.

4) Civil and criminal legal responses in times of emergency

The Bank shall reject unjustified demands from antisocial elements and take legal action, if necessary, on both a civil and criminal basis.

5) Prohibition of secret deals and provision of funds

Even in cases where the unjustified demands from antisocial elements are based on misconduct related to business activity or involving an employee, the Bank will absolutely not engage in secret deals. Furthermore, the Bank shall absolutely not provide funds to antisocial elements.

Revitalization of Local Communities and Finance Facilitation Initiatives

Revitalization of Local Communities

● Training of Next-Generation Farm Operators

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 AgriFuture Japan, of which the major sponsor is the Bank.

Since the opening of the Japan Institute of Agricultural Management in April 2013, 101 students have graduated and begun engaging in farming nationwide. At present, class of 2021 and 2022 students are studying hard, encouraging each other as colleagues sharing the same aspiration in the school located on one of the floors at The Norinchukin Bank Shinagawa Training Center.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies that practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound AFF industries and for the sixth industrialization, thereby continuing to support environmental measures taken by corporations.

● Agricultural, Forestry, and Fisheries Future Fund

To support the voluntary initiatives of farmers, fishermen and foresters/business entities and promote the dispatch of related information toward the further growth of the AFF industries, the Bank established the Agricultural, Forestry, and Fisheries Future Project and, as the entity to implement the project, founded the Agricultural, Forestry, and Fisheries Future Fund in 2014, to which the Bank contributed ¥20.0 billion.

The Agricultural, Forestry, and Fisheries Future Fund has provided subsidies for 53 projects. For fiscal 2021, the Fund started solicitation in May 2021.



Poster introducing the recipients of subsidies from the Agricultural, Forestry, and Fisheries Future Fund

● 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 2,061 (as of March 31, 2021) pioneering agricultural corporation members nationwide. The partnership enables the association's members to 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.

Due to the COVID-19 pandemic, fiscal 2020 saw the cancellation of the two events the Bank has cosponsored; the Farmers' & Kids' Festival (cosponsored by the Bank annually since fiscal 2010) to educate consumers in urban areas on the attractions of agriculture and the Next Generation Agriculture Summit (cosponsored since fiscal 2016) to solicit self-motivated young farmers. Given such circumstances, the Bank informed agricultural businesses suffering the loss of sales channels due to the COVID-19 pandemic that they can be prioritized to attend the Japanese Foods Premium Trade Fair, which is a venue for overseas trade negotiations, and that they can enter an online exhibition held by the JA Group Domestic Agricultural and Livestock Produce Trade Fair, a venue for domestic trade negotiations.

Also, the National Federation of Agricultural Labor Support Conference is promoting alliances with other organizations to understand the real situation of the labor shortage caused by the COVID-19 pandemic and strengthen measures to address this issue.

● 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 textbooks for fifth graders as agriculture and food-related teaching aids, 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 2020, we donated 1.3 million textbooks to primary schools nationwide. Cumulatively since fiscal 2008, we have distributed more than 19 million textbooks domestically. The Bank has also distributed textbooks to Japanese schools overseas.

Initiatives to Cope with the Spread of COVID-19

As COVID-19 spreads, the AFF industries, the foundation of the Bank’s business, have been affected significantly. Events have been cancelled because people refrain from leaving home. Demand declined due to restaurant closures and a decline in inbound tourism. Exports have become stagnant. Those most severely affected are producers of Japanese beef, livestock farmers, growers of flowers and plants, orchard operators and seafood processors, all of which have serious problems such as decreases in sales, large amounts of inventory that they cannot move and a plunge in unit sales prices.

Against this backdrop and as a member of JA Bank and JF Marine Bank, the Bank has handled low-interest

loans and other helpful products for AFF industry workers, continuing from the previous fiscal year. For existing loans, the Bank is responsive to customers’ concerns, providing careful customer care, sometimes offering revised repayment conditions and other terms. To establish a stable foundation for the AFF industries, the Bank is working on the smooth supply of financing.

Moreover, concerning various issues related to supply chains, cooperating with government agencies and organizations related to the Bank, the Bank promotes non-financial initiatives as well, including efforts to find buyers of agricultural produce, etc., to help reduce excess inventory.

Response to the Principles of Fiduciary Duty

Under the JA Bank Medium-Term Strategies (fiscal 2019–2021), JA Bank is working to shift the focus from promoting core products such as savings, pensions and credit cards, to making proposals tailored to life plans desired by individual members and customers considering each individual’s asset situation and specific needs.

This policy corresponds with the Principles of Fiduciary Duty announced by the Financial Services Agency. Accordingly, the Bank and the Bank’s group companies, as well as JA and JA Shinnoren, both of which handle mutual funds, have adopted the seven Principles of Fiduciary Duty and announced the policies and measures to address those principles.

Moreover, to offer financial products and services that address the needs of JA’s customers, the Bank reg-

ularly evaluates mutual funds sold by JA, in terms of the product profile, fee levels and investment efficiency. The Bank offers “The JA Bank Select Funds” which are comprised of only mutual funds that passed these evaluations. The Bank also conducts various training programs and seminars to strengthen JA’s operational and staff capability to meet customer’s needs.

Through steady implementation of the items under those policies and making improvements mainly via regular reviews of the content to ensure that necessary updates are reflected, we will familiarize throughout the group our business operation, tailored to the business activities and lives of agricultural, fishery and forestry workers and community residents, as the corporate culture of JA Bank and The Norinchukin Bank group.

Finance Facilitation Initiatives

● Policies on Finance Facilitation

As the financial institution founded on AFF cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in AFF 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 customers' initiatives for management improvement.

In addition, to proceed with these initiatives properly, the Bank has developed a structure including discussions and reporting at meetings organized by relevant directors and executive officers, 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 consultations and complaints from customers.

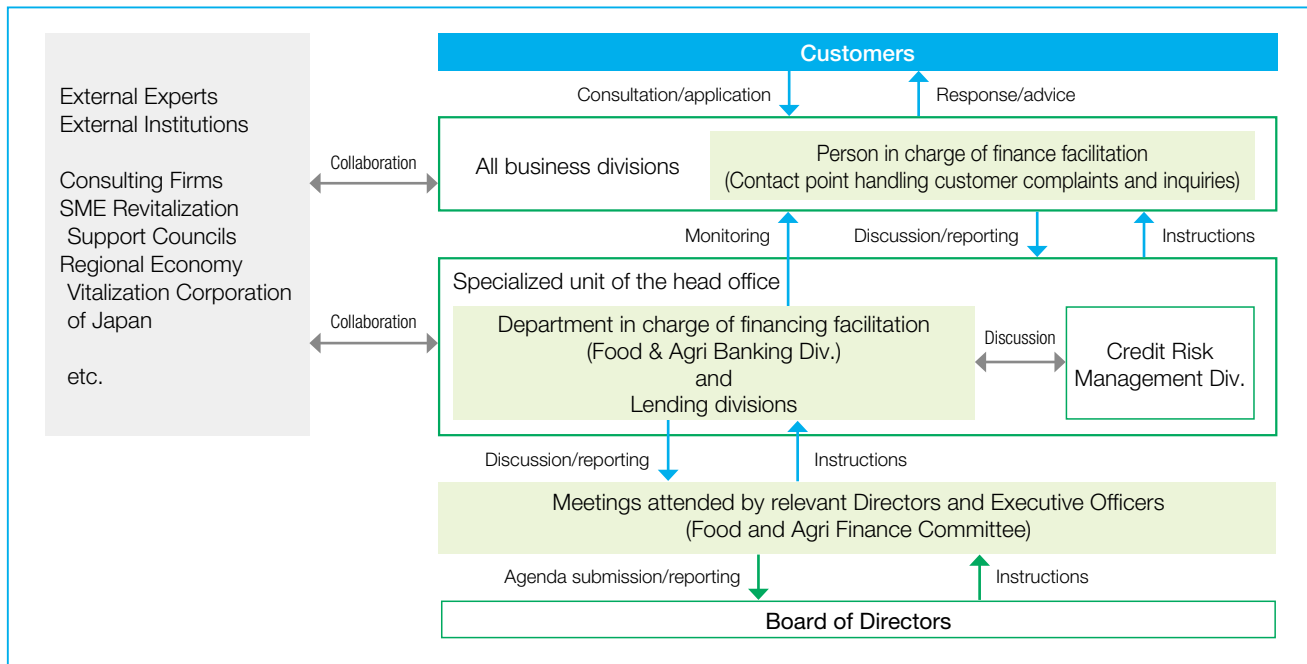
● Management Support Initiatives for Customers

The Bank provides services to customers in need of support for management improvement and business reconstruction with greater care about and due consideration to the impact on their local communities and other factors. The Bank's 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. The Bank also collaborates with external parties, including consulting firms, Japan's Small- and Medium-size Enterprise Revitalization Support Councils (SMERSCs) 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 continues its efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Image of Finance Facilitation System



Develop Human Resources Essential to Achieve the Bank's Missions and Goals and Promote Employee Engagement

■ Basic Policy

To become a leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities, the Bank has established the Basic Policy on Human Resource Management to develop human resources essential to achieve its missions and goals and promote employee engagement.

Basic Policy on Human Resource Management

Future Vision

- Develop human resources essential to achieve the Bank's missions and goals and promote employee engagement to realize its goal of becoming a leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities

Basic Policy

- Form a group of self-motivated human resources capable of "Catching the Winds of Change" in the business environment and executing new business strategies
- Nurture high employee satisfaction by helping each employee to understand the strategies and goals of the Bank and its cooperative group and grow through tenacious engagement in each employee's business duties with self-motivated passion for contributing to the Bank and its cooperative group and tackling challenges.

In line with this basic policy, our effort is focused on the planning and management of personnel systems including performance and competency assessment systems and personnel development. Goals are set during interviews between superiors and their subordinates, their achievements are validated, and employee competency demonstrated in various work-related situations is reviewed. Through repetition of this process, the Bank promotes employee awareness and efforts to contribute to the Bank's performance and develop competency while also supporting it through extensive training options.

For the development of employees' careers, the Bank deploys and assigns personnel based on the competency, aptitude and career perspective of each person, and supports self-fulfillment through work, by adopting the Career Challenge Program (a job transfer application system) and the Career Change Program. In addition, the

Bank is aggressively recruiting and employing highly competitive external human resources.

Furthermore, we promote our initiatives to reduce overtime, facilitate flexible work styles and improve health management and benefit programs for employees so that they can work in a state of good health and with peace of mind. In health management, in addition to periodic health examinations, the Bank conducts activities to help employees live a healthier life and holds mental health counseling sessions with a medical specialist. The Bank is also focused on improving the work environment such that employees can devote themselves to business operations by providing stronger child-raising and nursing-care support and establishing a system of obtaining legal advice from a law firm.

■ Human Resource Initiatives

With the goal of training core personnel in each headquarters, the Bank is actively providing opportunities for them to develop their skills in order to support the self-motivated efforts of each and every employee. In addition to subsidy programs for online study, correspondence courses, certification exams, foreign language study and sending employees overseas to study, and cross-industry seminars, the Bank holds after-work training based on required subjects in each business field. The Bank holds after-work training and group study, etc., by years of service or by rank.

In addition to the two-week entry training, new employees are sent to on-site training at JA and agricultural corporations so that they can have diverse experience. The Bank also provides on-the-job training and conducts a mentoring system for each new employee.

For young, mid-career employees, along with management-level employees, the Bank helps them develop their careers leading to further growth through such measures as staff secondment to JA and JA Shinnoren. The Bank also helps them develop as members of the cooperative group by holding workshops led by experts from AFF cooperative institutions and the AFF industries, to provide opportunities for the employees to understand the Bank's basic mission deeper and in perspectives.

To raise the management capabilities of management-

level employees, we offer programs to send employees to study at major overseas business schools to develop management skills, as well as personal coaching to help managers implement the Bank’s management plan.



Entry training for new employees



Overseas language training

Principal Human Resource Programs

Group Training

- Career development training: Foster an awareness of career development by taking an inventory of employee abilities and through self-analysis.
- Management training: Acquire and improve knowledge and business skills needed for management, including leadership, junior staff development, vision making and work efficiency.
- Managerial development training: Acquire and improve knowledge required for organizational management, division and branch management, etc.
- The Bank Business School: Improve and deepen an understanding of basic business management theory and consulting abilities and build cross-departmental networks.

Personal Development Support

- Financial support for online study, correspondence courses, gaining certifications outside the Bank and foreign language training: Support for employee self-directed career development by partially subsidizing various studies.

Outside Studies

- Graduate School of Business (managers program): Acquire advanced management skills at domestic and overseas universities.
- Overseas study: Acquire specialized knowledge and a global perspective through attendance at an MBA or LL.M program.
- Overseas branch trainee program: Develop a global perspective in junior staff by posting them at overseas branches.
- Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, asset management companies, JA and JA Shinnoren.

New Employee Training

- Workplace training program for new employees, instructor training, mentorship program
- Entry training, on-site training at JA, on-site training at agricultural corporations and overseas language training

Other

- After-work training
- Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops
- Business English language lessons
- e-Learning

■ Respect for Human Rights and Diversity

The Bank respects diversity and works to raise awareness regarding human rights issues throughout the Group, aiming to create a work environment where all directors and employees can participate actively.

Toward the establishment of a highly transparent corporate culture that respects individual characteristics and creativeness/ingenuity, the Bank formulated a human rights-related educational and enlightenment policy, based on which the Bank strives to deepen the proper understanding of directors and employees about human rights issues by conducting human rights training for all directors and employees every year. Furthermore, to prevent harassment in the workplace, the Bank takes various measures such as appointing personnel in charge and responsible for human rights and setting up an outside consultation hotline.

■ Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

The Bank received the Platinum Kurumin Certification for Childcare Support Company for its efforts to realize a work-life balance and support for balancing work with childrearing such as providing maternity leave before and after childbirth, a support program for employees who take childbirth and childcare leave, and a shortened working hour program for childcare. In addition, the Bank is promoting measures to introduce various initiatives to promote work-style reform such as ensuring a certain interval between work hours, arranging staggered work hours and allowing telework. In addition to these measures and our efforts to increase the rate of women among new graduate hires, we are helping to build a network among female employees by holding Women Employee Career Forums.



Women Employee Career Forum

■ Initiatives for Hiring People with Disabilities

To expand the employment of people with disabilities in alliance with the Group companies, the Bank established Norinchukin Business Assist Co., Ltd. in December 2016. The Bank is striving to make a workplace where people with disabilities can engage in business duties with high morale and feel secure and rewarded.