

Revitalization of Local Communities

● Promoting the Hometown Co-creation Business

The Bank launched the “Hometown Co-creation Business” in fiscal 2022 to support community revitalization measures initiated by JAs in cooperation with related local parties. By implementing the community revitalization measures tailored to local issues and circumstances, JA Bank aims to fulfill its unique financial intermediary function.

● Smartphone Classes Aimed at Eliminating the Digital Divide Throughout the Country

The presence of digital services in our daily lives is rapidly increasing. Smartphones have become an increasingly important infrastructure tool in individuals’ lives. Since July 2021, the Bank has operated the “JA Smartphone Class” nationwide together with JA Zenchu, in collaboration with a leading smartphone operator, to meet the needs of local residents. In fiscal 2022, about 3,500 classes were held around the nation. We will make continued efforts to eliminate the digital divide by offering JA facilities nationwide to serve as venues for digital experiences.

● Training of Next-Generation Farm Operators

The Bank encourages the training of next-generation farm operators through the Japan Institute of Agricultural Management, operated by AgriFuture Japan of which the Bank is the main sponsor. Since the opening of the institute in 2013, 119 students have graduated and begun farming nationwide.

Celebrating its 10th anniversary in April 2023, the Institute began an online school to expand the scope of agricultural management education. The institute will continue to provide new value to the agricultural industry by changing its curriculum at the Shinagawa school in April 2024 to foster innovators in the agribusiness field.

● 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, consisting of pioneering agricultural corporation members nationwide. By utilizing the Bank’s network, the Bank provides a wide range of support for the creation of new customers and the export of agricultural and livestock products toward solving issues that the association’s members face.

● Agricultural, Forestry, and Fisheries Future Fund

To support initiatives of agricultural, fishery, and forestry workers/business entities, the Bank established

the “Agricultural, Forestry, and Fisheries Future Fund” in 2014, to which the Bank contributed ¥20.0 billion. The Fund has provided subsidies for 66 projects.

● Initiatives to Donate Food and Farming Study Materials

Toward the development of local communities, the Bank supports and encourages initiatives such as donating study materials on the theme of agriculture and food for fifth graders in primary schools. Since fiscal 2008, the Bank has distributed more than 20 million books cumulatively to primary schools nationwide and Japanese schools overseas. In fiscal 2023, we donated about 1.3 million books.

● Wood Solution Network

The Bank operates the Wood Solution Network (WSN), which consists of lumber-related companies and groups, in liaison with an endowed research department studying lumber-using systems at the Graduate School of Agricultural and Life Sciences, the University of Tokyo. The aim of WSN activities is to achieve the knowledge and wisdom to tackle challenges and promote the expansion of lumber use. For the third *cours*, we have selected the SDGs, the significance of lumber use, and regional economic promotion as the themes for promoting our activities.

● Expand Domestic Lumber Use and Provide Wood Use Education

As support for initiatives that contribute to the expansion of domestic lumber use and the development of forests and the forestry industry, the Bank has created and donated wood products, sponsored tree-planting events, and subsidized wood-use education activities, in alliance with JForest and its cooperative organizations.

● Nochu Potential Forest Productivity Fund

Established in 2005, this fund—which had been operated as the Norinchukin 80th Anniversary Forest Rejuvenation Fund until 2013—subsidized 123 projects nationwide over 18,679 hectares valued at ¥2.51 billion by the end of fiscal 2022. This fund contributes to the regeneration of degraded privately owned forests across the country by subsidizing forward-looking projects that aim to maintain the public benefits and multiple sustainable functions of forests.

● Establishment of a one-stop service platform that provides end-to-end support from creation to sales of forest carbon credits

In collaboration with the JForest Group, the Bank launched a platform for forest carbon credits at the end of March 2023 to contribute to promoting green growth in the field of forests and forestry and realizing carbon neu-

trality. The platform will provide one-stop service for the smooth creation of forest carbon credits by JForest nationwide and match cooperatives with companies wishing to purchase credits.

● Support Project for JF Women's Groups/ Youth Groups

To support the activities of JF Women's Groups/Youth Groups and maintain and rejuvenate the foundation

of local fishery businesses, since fiscal 2013 the Bank has subsidized cooperatives' campaign activities and expenses for training sessions related to life plan support.

In addition, in alliance with *Umitonagisa*, a public fund for environmental beautification, and to address oil contamination, the Bank has supplied cleaning tools for JF to support coastal cleaning activities.

JA Bank's Agriculture Financing

● Lending to Agricultural Corporations

JA Bank supports farmers' agricultural management and livelihoods by providing various types of loans. As of March 31, 2023, JA Bank's outstanding balance of agricultural loans was ¥2,064.3 billion (of which loans to farmers amounted to ¥1,273.7 billion). The outstanding balance of loans in trust of Japan Finance Corporation and other entities came to ¥610.5 billion.

Outstanding Balance of Agricultural Loans, by Type

(Billions of Yen)

Type	March 31, 2023
Direct agricultural loans ¹	1,664.0
Agricultural policy-based loans ²	400.3
Agriculture Modernization Loans	205.3
Other policy-based loans ³	195.0
Total	2,064.3

● Equity Financing to Agricultural Corporations

The Agribusiness Investment & Consultation Co., Ltd., was established in October 2002 by the JA Group jointly with Japan Finance Corporation to invest in agricultural corporations. The company aims to contribute to the sustainable development of the

Investments in Agricultural Corporations

(The Number of Items, Millions of Yen)

	Accumulated		Breakdown of Funds							
			Direct funds		Agri-Seed Fund		Reconstruction Fund		Support Fund for Business Entities of Agricultural Leaders	
	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments
FY2002-2018	548	8,946	136	4,209	317	2,404	70	1,653	25	680
FY2019	32	811	11	597	14	94	4	52	3	67
FY2020	26	505	8	253	11	78	4	53	3	120
FY2021	25	405	8	278	14	88	2	20	1	20
FY2022	23	687	11	549	8	42	3	41	1	56
First Half of FY2023	4	51	1	19	2	17	0	0	1	15
Total	658	11,405	175	5,905	366	2,723	83	1,819	34	958

Notes: 1. "Direct agricultural loans" are non-policy-based loans funded by JA Bank.

2. "Agricultural policy-based loans" refer to: (1) those financed directly or indirectly by local authorities; and (2) those provided by JA Bank at a low interest rate based on interest subsidies, etc., from local authorities.

3. "Other policy-based loans" include agricultural management improvement promotion loans (New Super S Fund) and agricultural management assistance support loans.

4. Of the "direct agricultural loans" funded by JA Bank, the outstanding balance of loans of The Norinchukin Bank excludes the source fund for financing facilities extended to JA Bank, such as the Bank of Japan's loan support program and other policy-based loans.

Outstanding Balance of Agricultural Loans in Trust

(Billions of Yen)

Type	March 31, 2023
Japan Finance Corporation loans	610.3
Others	0.2
Total	610.5

agricultural industry by promoting the adequacy of equity capital of agricultural corporations, thereby ensuring their sound growth. As of the end of September 2023, the company's accumulated investments amounted to ¥11.4 billion in 658 projects.