

Three Value-Creating Businesses



The Norinchukin Bank continues to offer various kinds of value to local communities, inhabitants and national land via collaboration with cooperative organizations consisting of JA, JF and JForest. Such value is created by our three businesses.

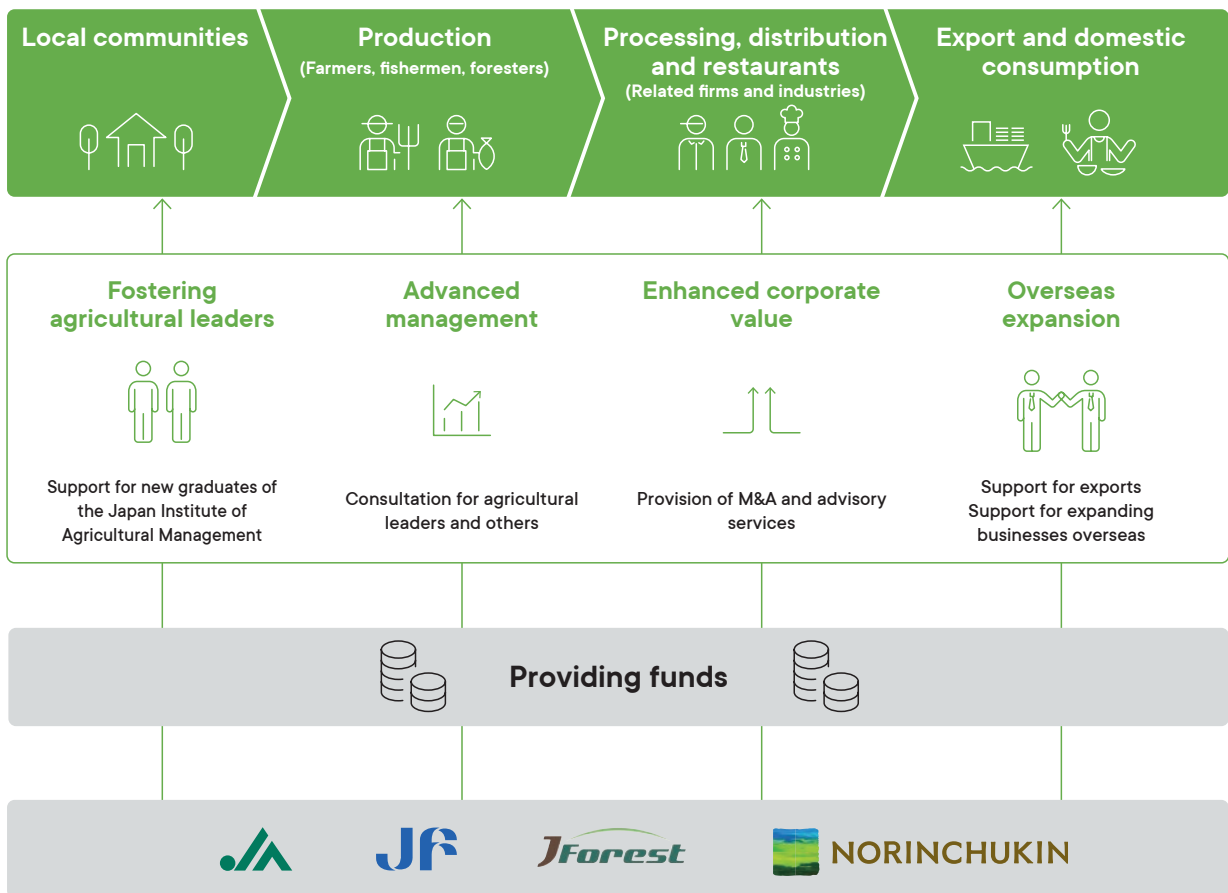
The three businesses are the Food and Agriculture Business to support, connect, and expand the food and agriculture value chain; the Retail Business to provide various financial functions as a member of JA Bank and JF Marine Bank; and the Investment Business to ensure the stable return of profits via sophisticated fund management through globally diversified investments.



Food and Agriculture Business

Aiming to be the “First Call Bank” in the Food and Agriculture Value Chain

Enhance the food and agriculture value chain



Aiming to become a leading food and agriculture bank in Asia by supporting and connecting people, organizations and corporations and expanding their networks

We established the food and agriculture business as one of the new pillars of our businesses in fiscal 2016.

We add value to the entire food and agriculture value chain covering the upstream (production), midstream (food-related industries such as processing, distribution and restaurants) and downstream (domestic and overseas consumption).

We not only provide loans and investments but also help develop agricultural corporations and leading farmers

(“agricultural leaders”) and offer consulting and M&A advisory services to them and others, as well as support for exports and expanding businesses overseas, thereby performing three functions: “support,” “connect” and “expand.” Our goals are to become the “First Call Bank” that all those in the food and agriculture value chain call on first and a leading food and agriculture bank in Asia that grows with our customers.

The environment surrounding the AFF industries and food is undergoing rapid changes. We must make those changes benefit these industries rather than adversely affect them.

In addition to the continuation of the COVID-19 pandemic, fiscal 2021 saw changes that could significantly change conventional values, including Russia's aggression against Ukraine and global-scale inflation. These changes have continued into fiscal 2022, with the influence spreading on the AFF and related industries in Japan as well.

The food and agriculture business of the Bank widely covers the broad range of food and agriculture value chain that connects producers to materials, processing, logistics and distribution services providers, and consumers. To address the recent rapid changes in the business environment, we are making focused efforts while sharing a sense of crisis with many stakeholders. Through cooperation with members of the agriculture and fishery cooperatives, we continue to help secure sales channels of AFF products and provide financial support to address changes in supply and demand. Against the rising prices of feedstuff, fertilizers, fuels and materials, etc., and their physical shortages, the Japanese government is taking the lead in stabilizing prices and supply, and we, as cooperative organizations, continue providing maximum support for the resolution of this situation.

Against the backdrop of increasing concerns for food import difficulties, the attention to the necessity of food self-sufficiency is growing in Japan. As the member of the AFF cooperative groups, the Bank has long advocated for the importance of "domestic consumption, domestic production"—the idea being to satisfy domestic food consumption with domestic production as much as possible—and food security. The recent growing understanding of such an idea enables us to step up efforts to promote the AFF industries of Japan.

To turn the AFF industries into growth industries is an important mission for the Bank and its food and agriculture business. As we are earnestly tackling many challenges to achieve this mission, we have recently focused on further expansion of the "consulting for leaders" initiative and the expansion of investments in food and agriculture-related companies.

Consulting for leaders is an initiative we launched with the aim of increasing farmers' income by conducting management consulting of agricultural corporations and leading farmers ("leaders") and providing funds according to their needs to help solve their problems. In cooperation with JA and prefectural JA Shinnoren nationwide, we supported 186 successful projects in fiscal 2021, and we aim to support 300 projects in fiscal 2022. In addition, with the revision of the Investment Facilitation Act^{*1}, the legal investment scope of The Agribusiness Investment & Consultation Co., Ltd.,^{*2} is no longer limited to agricultural corporations, but to a variety of industries, including fisheries and forestry, food processing, distribution, export, and food and agriculture-related technologies.

The Bank set out a sustainable management strategy in fiscal 2019 and set a long-term Purpose in fiscal 2021 with an eye toward 2030 and 2050. We will gradually set specific goals to achieve higher and larger goals and gradually increase the speed to achieve them.

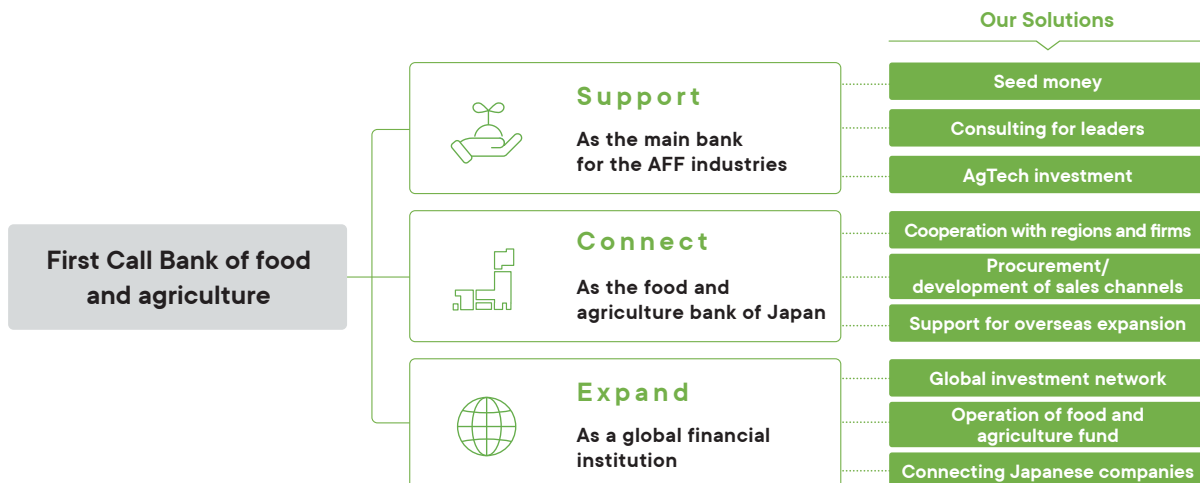
^{*1} Revised in 2021. The formal name is "Act on Special Measures Concerning Facilitation of Investment in Agriculture, Forestry and Fishery Corporations, etc." The investment scope of The Agribusiness Investment & Consultation Co., Ltd., had been limited to agricultural corporations only, but with the revision, its scope was expanded to include forestry and fishery production corporations, processing and sales firms, exporters, food service operators and AgTech development companies.

^{*2} The Agribusiness Investment & Consultation Co., Ltd., is an investment and business support company jointly established in 2002 by the JA Group including the Bank and Japan Finance Corporation.



YAGI Masanobu
 Representative Director and
 Managing Executive Officer
 Member of the Board of
 Directors
 Chief Operating Officer

The leading food and agriculture bank in Asia



Case Studies of Our Food and Agriculture Business



Support



Connect



Expand



Greensoul

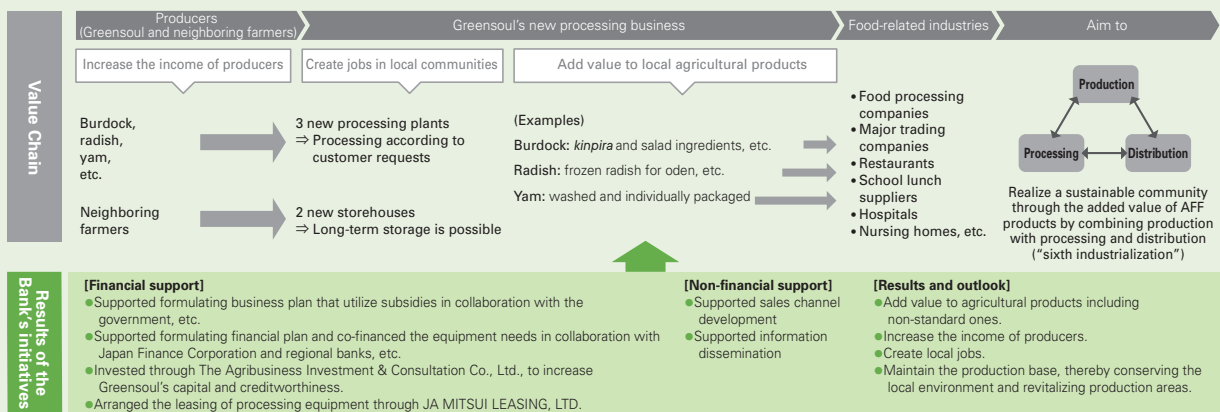
Multifaceted support to agriculture corporations entering the processing business

Processed agricultural products that are easy to carry and cook continue to sell well, mainly for home use even during the COVID-19 crisis. Greensoul grows vegetables outdoors in Towada City, Aomori Prefecture, including burdock, Chinese yam and Japanese radish. In fiscal 2021, Greensoul built three new processing plants and two storehouses and embarked on the processing of non-standard vegetables produced by the company and neighboring farmers.

Burdocks are processed for use in *kinpira* and salads, radishes are cut and frozen, and yams are washed and individually packaged to create high added value. The company plans to sell 600 tons of the processed burdock for salad, a flagship product, in fiscal 2022. Aomori-grown vegetables tend to be processed outside the prefecture, therefore switching to on-site process-

ing by the producers will increase the income of producers and increase employment opportunities in local communities.

The Bank has supported Greensoul by helping formulate business and financial plans that utilize subsidies, as well as co-financing for equipment needs, in collaboration with the Japanese government, Japan Finance Corporation, regional banks and other organizations. In addition, through the Group companies The Agribusiness Investment & Consultation Co., Ltd., and JA MITSUI LEASING, LTD., the Bank provided multifaceted support to Greensoul by making investments, leasing processing equipment and matching the company with major importers/exporters of fresh produce and wholesalers of farm-fresh products to increase sales channels.



Four fishery-related cooperatives and the municipality in Kamicho

Collaboration to revitalize the Fishery's Town Kami

Kamicho, a town in the northern part of Hyogo Prefecture facing the Sea of Japan, has two fishing harbors, Kasumi and Shibayama, and is rich in marine products, such as snow crabs, *etegare* flatfish, white shrimp, firefly squid and sandfish. Known as "the town of fisheries," Kamicho features the active production of high-quality processed marine products of the "Kami brand" and even has a municipal ordinance to promote the dissemination of fish-eating practices in Kamicho. However, the COVID-19 pandemic has decreased the demand for tourism and restaurant businesses. In response, Kamicho, four local fishery-related organizations—JF Tajima, Kasumi Marine Products Processing Cooperative, Shibayamako Marine Products Processing Cooperative and JF Marine Bank Nagisa—and the Bank have embarked on collaborative efforts to promote the town's fishing industry.

Beginning with co-sponsoring a marketing campaign for fisheries on the EC site in fiscal 2020, the town, the four organizations and the Bank concluded the Comprehensive Cooperation Agreement to revitalize Kamicho in fiscal 2021 and co-sponsored the "HYOGO UMI MARCHE" held in MITSUI OUTLET PARK MARINE PIA KOBE and the "Midosuji Heaven White Day

Marche" at Yodoyabashi odona. In fiscal 2022, we will continue to engage in various efforts to revitalize the region of Kamicho, Hyogo Prefecture, such as co-sponsoring the Hyogo Prefecture Kamicho Fair at 96 stores of Uoriki Co., Ltd., a major fresh fish retailer listed on the Prime Market of the Tokyo Stock Exchange.



Reaching its seventh year since starting in fiscal 2016, the Bank's food and agriculture business has accumulated achievements in the fields of agriculture, forestry and fisheries. Let us introduce some of the latest initiatives of "Support," "Connect" and "Expand."



Pan Pacific International Holdings Corporation (PPIH)

Export acceleration of the agricultural and fishery products by actively matching with retailers expanding operations overseas

Pan Pacific International Holdings Corporation (PPIH), the operator of the famous Japanese retail chains Don Quijote and UNY, is expanding its retail business overseas, including the United States, Singapore, Thailand, Hong Kong, Macau and Taiwan, where Japanese agricultural and marine products are popular and the Bank has provided cooperation to PPIH in alliance with the JA Group. The Bank also joins the Pan Pacific International Club (PPIC), which was jointly established by PPIH and producers, related organizations and financial institutions to promote the export of agricultural and marine products.

The Bank introduced 75 companies in the agricultural sector to PPIC during the six months from October 2020 when PPIC was launched, resulting in the conclusion of a contract to ship mini tomatoes developed by an agricultural corporation in Mie Prefecture to stores in Singapore, etc., and other successful projects. In the fishery field, we succeeded in matching PPIC with 13 companies, including producers and major fishery companies, and proposed various products such as frozen scallops, octopus and horse mackerel fillets. In addition, we introduced many processed product manufacturers to PPIC, and adjustments are under way between PPIC and 16 manufacturers to

launch about 60 items. (The numbers above are as of August 2021.)

PPIC has a goal of exports amounting to 300 billion yen by 2030, and the Bank will continue to provide support to achieve that goal.



JForest Zenmoriren/JForest Nebamura/JForest Miyakonojo/JForest Miyoshi

The Bank improves the sustainability of forestry by promoting "reforestation" of logged forests

About 50% of the forests that was planted in the postwar period are now more than 50 years old, but logging has not progressed due to the aging of forest owners and low timber prices. Another big hurdle is reforestation after logging due to the high cost of planting and growing trees and the long payout period.

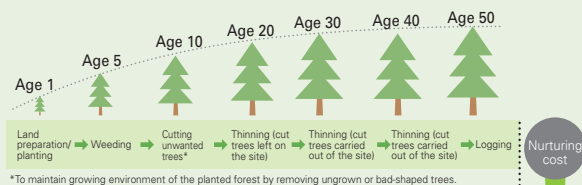
Therefore, the Bank launched the "Low-Cost Forest Replanting Project" in fiscal 2020 in collaboration with the National Federation of Forest Owners' Cooperative Associations (JForest Zenmoriren) and will demonstrate the effectiveness of the reforestation methods as follows in the five years until fiscal 2024.

- **Use of large containerized nursery trees:** Grow nursery trees larger than usual and reduce work such as reducing the frequency of weeding after planting.
- **Integrated logging and planting:** Conduct logging of existing trees and the planting of successor trees at the same time to improve work efficiency.
- **Shift from dense planting to sparse planting:** Decrease the number of trees planted per unit area by half and reduce the labor of tree thinning.
- **Adoption of fast-growing trees:** Plant Chinese fir, which grow faster than cedar and cypress, to reduce the cutting cycle from 50 years to 30 years.

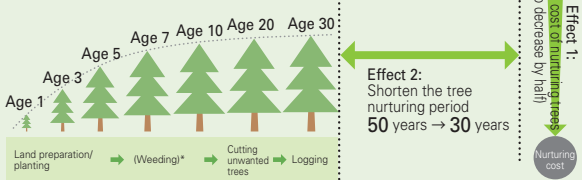
Demonstration experiments are being conducted at three locations nationwide: Nagano Prefecture (JForest Nebamura) and Miyazaki Prefecture (JForest Miyakonojo), which started in fiscal 2020, and Hiroshima Prefecture (JForest Miyoshi), which started in fiscal 2021. The demonstration experiment in Hiro-

shima is being conducted in "Asahi Forest," a forest owned by Asahi Group Holdings Ltd., which supports this initiative. Favorable growth of trees and improved labor productivity have already been confirmed, and it is expected that the project's results will spread nationwide.

Conventional forest planting: until logging (in the case of cedar)



Goal of the Low-Cost Replanting Project



*Conducted if necessary.

Cross Talk

Strong, sustainable agriculture can be realized

Through the Food and Agriculture Business, the Norinchukin Bank Group actively invests in the start-ups that will shoulder the future of Japan's AFF industries.

Such investees include Amekazetaiyo, which connects rural and urban areas through an electronic commerce (EC) service for direct delivery from farms, and NIHON AGRI INC., which connects Japan and overseas via exports. KOTANI Ayumi, an agricultural journalist, interviewed the founders of these companies, both pioneers of new channels to link production and consumption areas.



**SHOHEI
NAITO**

**AYUMI
KOTANI**

**HIROYUKI
TAKAHASHI**

[Left] KOTANI Ayumi

Agricultural journalist and “vege-ana” (a newscaster growing vegetables)

Agricultural journalist. As a vege-ana, a newscaster who grows vegetables, she is active in supporting Japanese agriculture and rural villages. Born in Hyogo Prefecture in 1970. After graduating from the Faculty of Letters, Kansai University in 1993, joined Ishikawa Television Broadcasting Co., Ltd., and worked as a newscaster. She became a freelancer in 2003 and has served as a member of several councils on development of the livestock industry and rural communities under the Ministry of Agriculture, Forestry and Fisheries.

[Center] NAITO Shohei

Representative Director and CEO, NIHON AGRI, INC.

Born in Kanagawa Prefecture in 1992. While being an undergraduate student at the Faculty of Law, Keio University, he studied abroad at the Faculty of Agriculture, University of Illinois at Urbana-Champaign. After having served in charge of the agriculture sector at McKinsey & Company, Inc., Japan, he has been at his present post since 2016.

[Right] TAKAHASHI Hiroyuki

Representative Director, Amekazetaiyo

Born in Iwate Prefecture in 1974. Graduated from the College of Economics, Aoyama Gakuin University in 1996. After serving as a member of the Iwate Prefecture Assembly for two consecutive terms from 2006, he published in 2013 the world's first magazine with foods “*Tohoku Taberu Tsushin*,” which regularly runs feature stories on food creators and their harvested foods. The magazine was selected as a finalist for the prestigious “Good Design Award” in 2014. Started the Pocket Marche service in 2016.

KOTANI: In the search for strong, sustainable agriculture, I think it's important to deeply understand both sides of production and consumption, and to match them appropriately. Today, I've invited two outstanding entrepreneurs who are addressing this element in their businesses. Let me introduce Mr. TAKAHASHI of Amekazetaiyo, who operates Pocket Marche to connect regions and cities through an EC service for the direct delivery of agricultural and fishery products, and Mr. NAITO of NIHON AGRI, who handles domestic production and exports of agricultural products to Asian countries.

Now, let me dive right in. I feel both of your company names are powerful and impressive.

TAKAHASHI: In April 2022, we changed our company name from Pocket Marche, which is the same as our service name, to Amekazetaiyo. I started my business by asking how I could conserve my valuable hometown and local community, not from the desire of dedicating myself to the agriculture, fishery and food sector. People might assume that the company name "Pocket Marche" is associated only with EC-based direct delivery of agricultural and fishery products, but we also address various initiatives to further expand the "touch area," or contact opportunities, between producers and consumers. We therefore changed our company name to convey our ambitious approach to society.

KOTANI: Mr. TAKAHASHI, you created the term *related population*. In addition to the EC business, you have embarked on innovative businesses such as supporting local governments and study programs in rural regions, endeavoring to link production and consumption nationwide by your mission "Mixing up urban and rural areas."

TAKAHASHI: I am from Hananomaki City in Iwate Prefecture and have seen many sad scenes in local areas where the once strong AFF industries were suffering from exhaustion. As an assembly member, I struggled with social issues such as the increasingly aging society and the expansion of abandoned arable land. Then, suddenly, the Great East Japan Earthquake happened.

Many people came from the urban consumption areas to our production areas that had been devastated by the earthquake, which created opportunities for encounters between producers and consumers. This had the effect of causing a variety of chemical reactions that had not occurred before. So, these phenomena led me to believe that we could revitalize local communities and agriculture by mixing up urban and rural areas.

Diversity in climate and culture by area strengthen agriculture and local regions

KOTANI: Hmm! I see. By the way, Mr. NAITO, your company name is also excellent. Your catchphrase is

"Astonishing the world with Japanese agriculture," isn't it?

NAITO: Why am I engaged in agriculture now? When I traveled alone by bicycle throughout the country, I found the Japanese countryside to be most interesting. Dialects are diverse and a variety of tasty meals are served in different ways depending on the region. I was raised in Yokohama, but the more I learn about many things, I've come to believe that the countryside is supreme in Japan. This idea remains unchanged.

I wanted to help liven up local regions, so I went abroad and learned agriculture in the United States as I believed that the AFF industries form the basis of a society. At present, our company works to efficiently produce quality-focused agricultural products on a fairly large scale in Japan for delivery to global markets.

TAKAHASHI: As Mr. NAITO noted, it used to be that a feature of Japan was the strong uniqueness and diversity stemmed from different social climates and cultures by region. Now, however, regions are losing their originality with a trend toward unification. Agriculture is no exception. Some might insist that they are promoting the sixth industry by integrating the processing and tourism industries. But such products and tourist sites will not be attractive if the region loses its originality. To strengthen agriculture and local regions, I believe it is fundamental to make long-lasting regional agriculture survive and flourish in every region. On the other hand, growth is difficult in the domestic market even with high-quality or interesting goods because of the decline in the working-age population that has a strong consumption appetite. What can we do in such an adverse situation? One proactive measure could be collaboration with the tourism industry, combined with product and service development that focuses more on inbound tourists. My company is active in this approach. Another approach might be expanding exports, which I believe Mr. NAITO intends to pursue.

To further strengthen Japanese agriculture

KOTANI: Mr. TAKAHASHI focuses on the diversity of the AFF industries, which involves utilizing local resources by region. Meanwhile, Mr. NAITO emphasizes quality and productivity. At first glance, your focus seems different, but I'm sure that you have in common a pursuit of stronger agriculture as the basis of your initiatives.

NAITO: Our staff, including myself, believe that the ultimate strength of Japanese agriculture is excellent product quality and it has long been sustained by small regional farmers who have dedicated themselves to research and development in the spirit of *takumi*, or superb craftsmanship. I emphasize scale, efficiency and uniformity in terms of production because these

are factors lacking in Japanese agriculture. High product quality based on small-scale agricultural management is the driving source for export competitiveness. However, even if you gain high popularity in overseas markets by palatability, you cannot make your business a success with insufficient or unstable supply, or too high prices. Our motto is “Let’s scale up for stable and efficient production.”

KOTANI: I’ve heard that the main exports from your company are apples, potatoes and kiwi. What initiatives are you taking to improve efficiency and quality while increasing the production scale?

NAITO: The prices of domestically produced apples



SHOHEI NAITO

are higher than those of U.S. produced ones. However, both personnel expenses and rent, which account for a major ratio of their production cost, are higher in the United States and New Zealand than in Japan. Of course, various conditions differ between Japan and overseas, but I think that there is plenty of room to ensure export competitiveness if productivity can be improved by applying a better production method with ingenuity, together with the good quality of the products.

KOTANI: I see. By the way, in the case of Amekazetaiyo, Mr. TAKAHASHI, your major market is inside Japan and the core of your business is directly connecting producers and consumers, isn’t it?

TAKAHASHI: Yes, that’s right! I do so because the AFF industry is essentially very enjoyable for urban consumers. But, in reality, production and consumption, as well as the production area and the consumption area, are separate from each other. As a result, the attractiveness of agriculture has not yet been well communicated to consumers. That’s why I sometimes say that “we must address the task of converting agriculture into entertainment.” This

slogan means that we want consumers to know and experience agriculture and local communities and to better understand the value of nature, by transmitting information from producers to consumption areas and inviting urban consumers to local production areas. In other words, such connections are equivalent to letting consumers pay not only for agricultural products but also for their accompanied value.

KOTANI: You talk about the conversion of agriculture into entertainment. What a nice idea! I’ve rented an experience farm located within the metropolis of Tokyo. Engaging myself directly in production makes me really feel the tenderness and affection of agricultural products, as well as the fun and importance of agriculture.

TAKAHASHI: On the other hand, with the producers’ side often separated from consumption, it is difficult to understand who consumers are and what they want even though they are the priority target. In the future, however, producers will be able to evaluate their products by themselves and sell them at convincing prices while increasing contacts with consumers to expand the touch area. Following the Great East Japan Earthquake, I saw many urban-resident volunteers visit the devastated areas for exhausting recovery workloads, but rather return home being more energetic. People in urban areas may feel hard to live because of the lack of feeling alive, whereas there is goodness and power in rural areas such as that experienced by Mr. NAITO.

“Keep it small but strong domestically” and “Scale up and exporting” are both correct answers

KOTANI: Mr. TAKAHASHI and Mr. NAITO, I’m convinced that you both aim to make agriculture and local regions stronger and more sustainable through your business activities. To this end, what do you think are the essential factors?



AYUMI KOTANI

NAITO: One key point is income for farmers. In Aomori Prefecture, where we cooperate with local producers in cultivating apples, when I ask every farmer, “When have you earned more money—before you started exporting your products or now?” I get the response “Definitely now.” Although the unit price for exports is not explicitly high, we can remain competitive with multiple sales channels even when domestic market prices decline in a rich harvest year. In addition, if the potential exists to increase the current annual export volume from 30,000 tons to 100,000 or 150,000 tons, the producers’ expectations also rise to meet that challenge. This could pave the way to the emergence of successors.

TAKAHASHI: The rise in income is important. I know a farmer in Wakayama Prefecture who made the highest sales through our Pocket Marche website. His farm is run by his family only, yet the farm’s highest monthly sales reached 4 million yen. When I visited and asked him directly how he achieved this, he responded, “I don’t gather customers by myself, but my clients voluntarily help me to solicit other customers.”

KOTANI: There is not a single solution to increase income. While scale expansion for export is necessary, you also need a fan-based marketing approach with direct, face-to-face communications.

TAKAHASHI: Such new approaches are fun for producers. What’s less enjoyable is a possible tendency of almost fixed human relations in rural areas that might result from social phenomena such as the dwindling number of children, the aging population and the shrinking population. New encounters can be created through events such as the expansion of fans nationwide from EC site-based shipments and the local migration of professionals such as the employees of Mr. NAITO’s company. The fun through such new ways of thinking is important to the continuation of agriculture.

NAITO: At our company, we find pleasure in working together with locals. Some of our staff, including one of our founders, have migrated with pleasure to local production areas.

TAKAHASHI: I hope that your company expands to Iwate Prefecture next.

NAITO: Thank you for the kind words. We will ask for your cooperation at that time.

KOTANI: A fantastic collaboration is produced here right now. I expect future innovation from you.

“One point breakthrough” for ventures JA and The Norinchukin Bank is strong at “Full rollout”

KOTANI: In conclusion, I assume you have contacts with The Norinchukin Bank and the JA Group in doing your businesses. What are your thoughts about them? Outspoken criticism is welcome. (Laughter)

TAKAHASHI: JA Group’s network throughout the country is a material asset. How can JA operate that net-

work effectively in the new era? I think this theme is well deliberated at the front lines. However, it must be difficult for a gigantic organization. Small ventures like us must respond to changes quickly. In my opinion, JA/the Bank can become very competitive if small ventures and JA/the Bank can mutually cooperate via the role sharing of “one point breakthrough” by ventures and a “full rollout” by JA/the Bank.

NAITO: I’m with you. Looking around the world, only Japan has multifunctional organization groups such as JA Group that have a huge number of affiliated producers, and dedicated instructors by production area; are equipped with well-maintained, replete facilities



such as fruit-sorting areas; and have full distribution access nationwide. Accordingly, JA Group’s existence could be deemed an enormous infrastructure asset of Japanese agriculture and is a best practice for global agriculture.

I believe that JA should continue to shoulder the major role it has now in the years ahead. The challenge is how its significant network can be fully utilized in the modern age. Maybe, JA needs to align itself with major changes in the environment.

TAKAHASHI: A director of JA told me that a previous strength of JA was having a structure whereby farmers could dedicate themselves to production. However, such segregation of production from distribution and consumption is not necessarily a strength today. I wish we could help JA create a new technique to address the current situation.

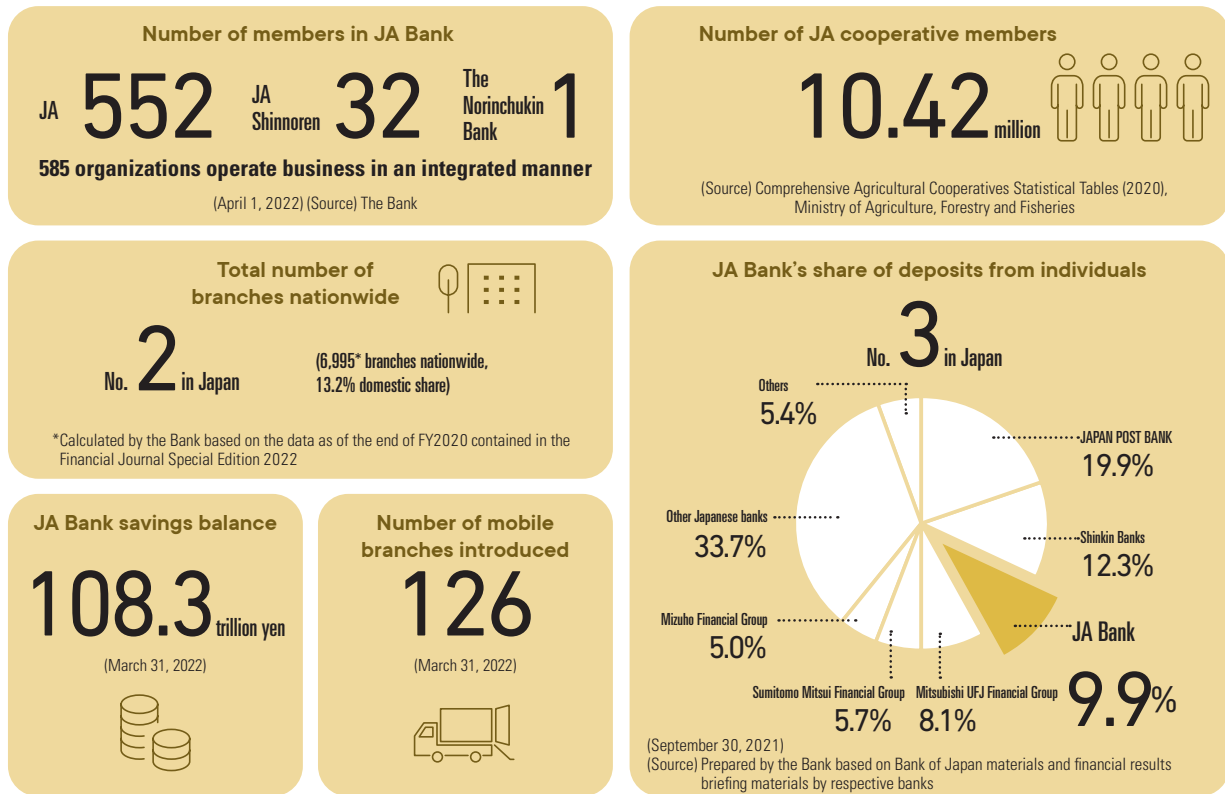
NAITO: The Agribusiness Investment & Consultation Co., Ltd., invests in our company, and many JAs cooperate with us in our production activities. We have had no issues or competition with them, and I hope that we can cooperate to further advance our mutual interests in global markets.

Retail Business

Providing a range of financial functions
as a member of JA Bank and JF Marine Bank

JA Bank by numbers

Introducing the performance and initiatives of JA Bank (JA, JA Shinnoren, the Bank)



Developing businesses effectively as JA Bank and JF Marine Bank, while meticulously addressing the needs of each region, individual member and customers.

JA and JF in regions all around the country provide meticulous services to meet financial needs that vary by region and by individual member and customer, as independent financial institutions. To provide these retail services more efficiently and effectively, JA Shinnoren and JF Shingyoren are responsible at the prefectural level, and the Bank is responsible at the national level.

In the field of agriculture, we formed a financial network called "JA Bank" together with JA and JA Shinnoren. JA Bank offers appropriate financial products and services to accommodate customers' life events such as starting work, getting married, buying a house and retiring from work, and proposes stable financial asset building and management.

These services are collectively called the "life-plan support business," through which, in addition to various financial services such as savings, settlements and housing loans, JA Bank provides mutual fund and will trust services. Combining the services of other businesses operated by JA, we provide services that are possible only

by businesses providing comprehensive services for customers of many generations.

Also, we are strengthening and expanding the non-face-to-face transaction channel by enhancing the functions of JA online banking and JA Bank App, etc.

In addition, we are reestablishing face-to-face transaction channels including "branch offices providing comprehensive services" equipped with specialists and client-relationship managers and "Yorisoi Plaza" to strengthen the contact point with users while enhancing efficiency.

In the field of fishery, JF Marine Bank, jointly operated by the Bank, JF and JF Shingyoren, develops business. In addition to the financing function by utilizing its knowledge as a fishery-dedicated financial institution, JF Marine Bank provides support such as consulting services for life support loans according to life events and business succession, thereby supporting the fishery business and the lives of local residents.

Strengths of JA Bank and JF Marine Bank: Rooted in diversity and integrity

The Bank develops businesses as JA Bank and JF Marine Bank throughout the country, in alliance with JAs and JFs nationwide, together with JA Shinnoren and JF Shingyoren at each prefectural level. The Bank's Retail Business currently faces new issues in addition to the COVID-19 pandemic. The domestic AFF industries are exposed to strong cost-increasing pressure against the backdrop of rapid changes in the global situation, including the high level of global inflation and Russia's aggression against Ukraine, thereby requiring the Bank to rapidly provide enhanced and extensive support to the relevant domestic industries. This global situation has also impacted directly to the Bank's Retail Business in terms of system development and implementation, which are crucial for our service quality improvement. Eyeing the potential negative impact of the global semiconductors shortage, the Bank is working on measures to maintain our system development and implementation pace.

In the past year, the balance of assets under management (AUM) at JA Bank largely increased. The so-called Fund Wrap Service (discretionary investment management services) started to be handled at several JAs in April 2022. Meanwhile, the volatility of the present financial market stands out. Talking with some employees on the frontlines, I really feel that, rather because of this volatility, it is important for JA Bank to stick to its basic concept of helping members and users in their financial asset formation from a long-term perspective through caring communications with them. I have noticed a good reaction to the life-plan support program that JA Bank has conducted so far.

JA Bank's new Medium-Term Strategies covering three fiscal years have started, effective from fiscal 2022. In this medium-term strategy plan, JA Bank holds up the slogan of "Further demonstrating our financial intermediation function" to support agriculture, support the lives

of people who live in local regions and liven up the local regions themselves. Having said that, the situation and issues each region or organization faces are diverse.

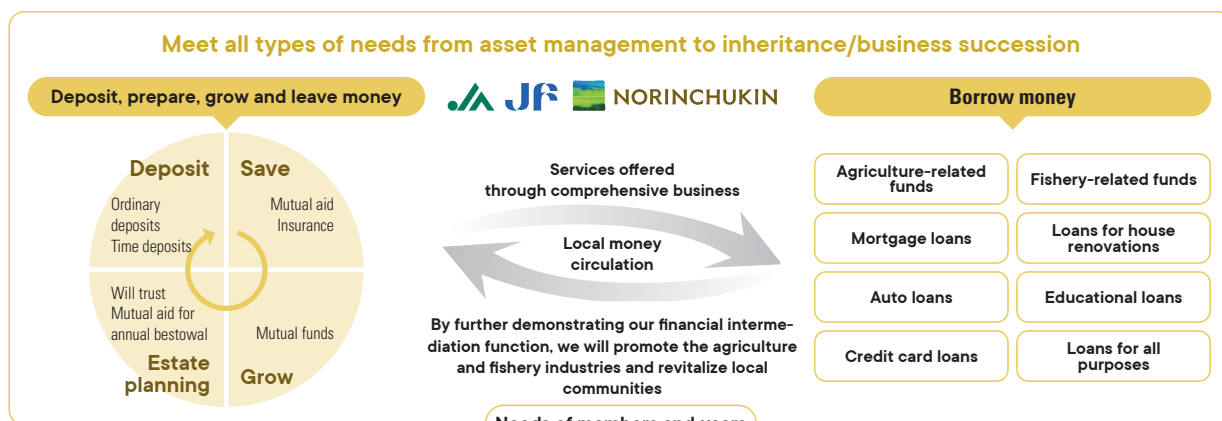
Accordingly, JA Bank first launched an initiative to clarify its management strategy so that every JA can examine what roles it wants to pursue based on its own position. As a nationwide organization, the Bank intends to provide various supporting measures so that it can back up the initiatives taken by the respective JAs. In addition, JAs and JFs need to establish solid management bases to demonstrate their roles in their respective regions. To this end, JA Bank and JF Marine Bank are promoting thorough improvement of operations without causing a decline in convenience for members and users by leveraging non-face-to-face channels such as online banking.

There is a basic principle for cooperatives that a variety of stakeholders should address the common goal of revitalizing the AFF industries and local communities in a unified manner. The Bank aims to improve the overall value while recognizing both diversity and integrity as described above in the retail business.

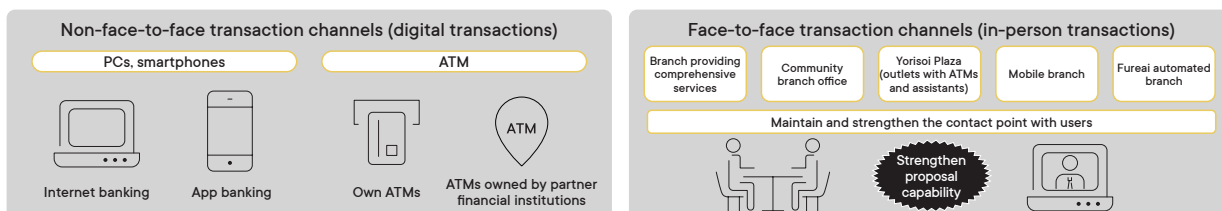


AKIYOSHI Ryo
 Director and Managing Executive Officer
 Member of the Board of Directors
 Co-Head of JA and JF Business Support

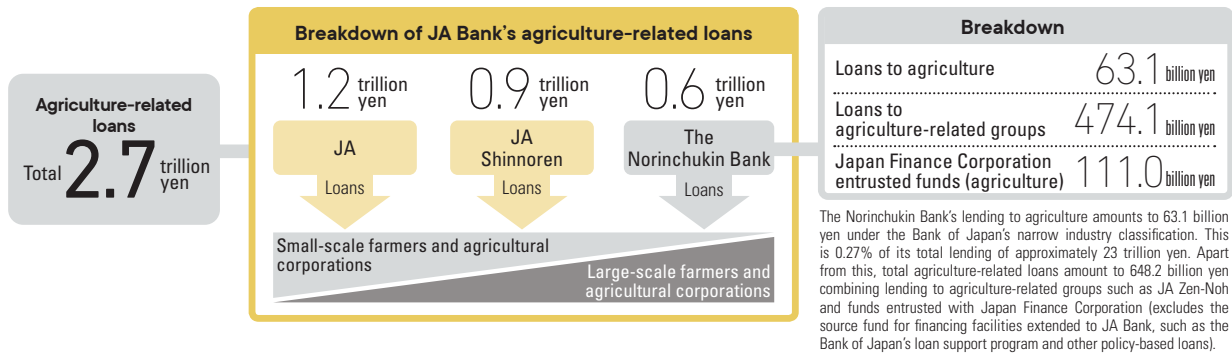
Offering new value to daily lives of local communities



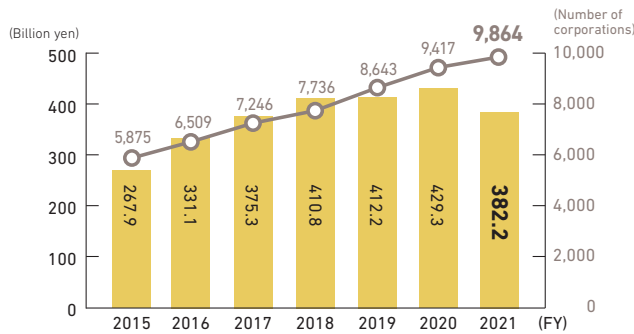
Establish an optimal structure to address the needs of members and users



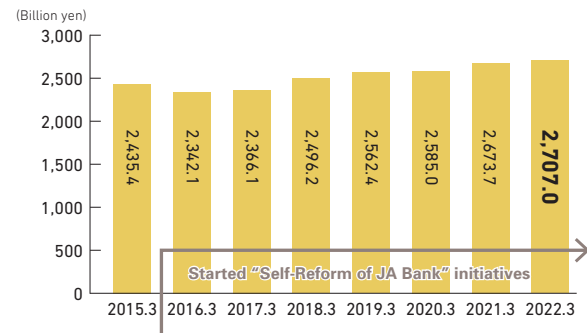
JA Bank's agriculture-related loans



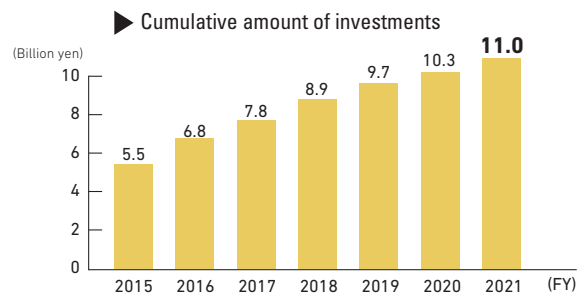
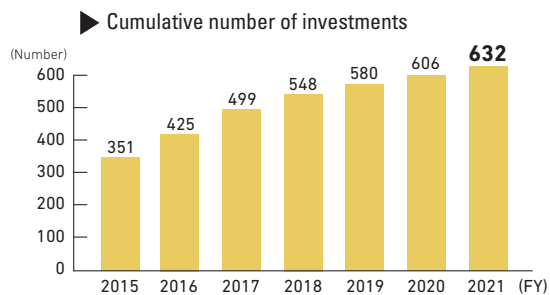
Trends in the amount of new agricultural loans executed and the number of agricultural corporations as business partners



Balance of agriculture-related loans



Investments in agricultural corporations through the Agribusiness Investment & Consultation



Strengthening the provision of loans and investments in the "Agriculture" field JA Bank continues to be the main bank for the agriculture industry

JA, JA Shinnoren and the Bank play each role as JA Bank in the area of agricultural loans. JA meets the funding needs of small-scale family farmers and agricultural corporations in each region, whereas JA Shinnoren and the Bank play the major role in meeting funding needs for farmers and agricultural corporations running large-scale operations.

As a result, JA Bank's agriculture-related loans total 2.7 trillion yen (including loans facilitated by JA Bank on commission for Japan Finance Corporation) with 1.2 trillion yen at JA, 0.9 trillion yen at JA Shinnoren and 0.6 trillion yen at the Bank.

The somewhat diminishing trend of JA Bank's agriculture-related loan balance turned to an increasing one in fiscal 2017 as a result of the strengthened approach efforts to agricultural corporations. Such trend accelerated in fiscal 2020 as a result of responding to our customers' financial needs amid the COVID-19 pandemic, and the new agricultural loan amount totaled 429.3 billion yen, a large increase from fiscal 2019. The loan demand decreased temporarily

in fiscal 2021 due to the decline in the COVID-19 related loans, while the Bank continued responding to the wide range of financing needs.

JA Bank not only provides loans but also makes investments. For example, it actively invests in agricultural corporations that have technological capability but do not have sufficient capital to stabilize their financial position, supplying funds according to the growth stage of such firms. Through this initiative, the number of investment projects and the amount of investments executed via Agribusiness Investment & Consultation Co., Ltd., which was established by the JA Group jointly with Japan Finance Corporation, are on a steady rise.

Moreover, JA Bank and JF Marine Bank, as the main bank, operating in agricultural and fishery local communities, handle low-interest loans nationwide for customers affected by the spread of COVID-19 and consult on various relief methods including revision of repayment terms for existing loans.

JA Bank's "JA Smartphone Class," a Nationwide Service That Leaves No One Behind

The information gap between those who can fully use digital technology and those who cannot is often called the "digital divide." This issue is not new, but the divide has been expanding, influenced by the common use of smartphones and the spread of remote work culture resulting from the COVID-19 pandemic.

Resolving the digital divide has become a grave social issue even for countries where digitization has been actively promoted. Those who tend to require appropriate countermeasures are the elderly. Members and users of JAs nationwide are no exception. Therefore, the Bank launched the "JA Smartphone Class" in fiscal 2021 across the country to address this issue, in cooperation with the Central Union of Agricultural Co-operatives (JA-ZENCHU).

The Bank dispatched lecturers in collaboration with two leading telecommunication companies and provided members and users of JAs with free lessons to master smartphone use. For the classes, three dedicated courses (Introductory, Basic and Advanced) were prepared.

During the process of setting up the class, we received a lot of positive responses from JAs nationwide. When we held an online briefing session for JAs to explain our plan in July 2021, the attendance requests flooded and quickly exceeded the connection limit of 1,000. Approximately 1,100 classes were held throughout the country from July-end 2021 to March-end 2022, and about 14,000 people applied during that period. We continue running the JA Smartphone Class in fiscal 2022 and have so far welcomed numerous participants at a pace faster than the previous fiscal year on a year-on-year basis.

The major goals of the class are to 1) revitalize com-

munications among family members, relatives, friends, etc., via communication apps, and 2) promote the active use of online financial service apps such as ones offered by JA Bank and JA Kyosai (cooperative mutual aid). The benefits of participating in the class are not limited to these goals. A variety of lessons are offered in response to local needs, including how to register for and use e-mail distribution services on farming-related information; heads-ups on deceptive advertising or in-app billings; and information on the safety confirmation service in case of disasters.

The Bank aims to address reducing the digital divide as a priority issue by holding the JA Smartphone Class, but we are looking ahead to other possibilities as well. One is to enrich the lives and farming of members and users and maintain and strengthen the bonds between individuals, as well as between members/users and JA. This approach could lead, by extension, to fulfilling "Leave no one behind," the principle of the SDGs in terms of social services including finance.



Three Easy-to-Understand Courses

- **Introductory Course** for people who intend to use a smartphone for the first time
- **Basic Course** for people who are not accustomed to operating a smartphone
- **Advanced Course** for people who want to enjoy using the various functions of a smartphone

Several Applications Deemed Highly Compatible with the Cooperative's Activities Offered

- Financial service Apps (e.g. insurance app and banking app such as JA Bank App)
- Communication Apps
- Flea Market Apps

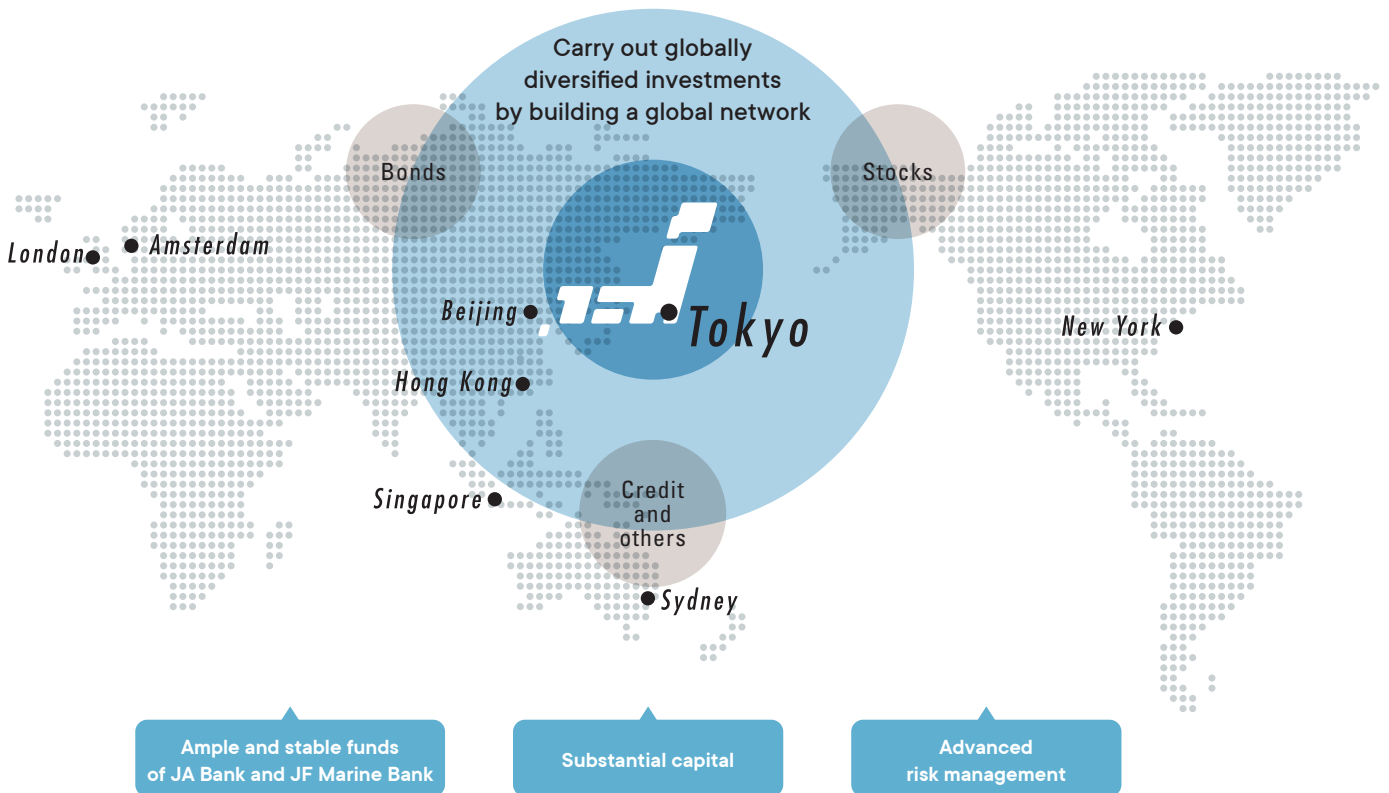
Supports to Facilitate JAs to Open the JA Smartphone Class

In collaboration with telecommunication companies, we provided the following measures for JAs to improve the efficiency of the class participation application processes, in consideration of applicants being unfamiliar with the use of smartphones.

- 1) Unified application office per region to reduce application process workload at each JA
- 2) Two-dimensional barcodes for application that can be commonly used nationwide for easier application processes

Investment Business

Pursuing stable profit as the ultimate manager of funds
for JA Bank and JF Marine Bank



Ensuring stable profit over the medium to long term through globally diversified investments based on advanced risk management

The Bank plays a role as the ultimate manager of funds entrusted with JA Bank and JF Marine Bank. To fulfill this role, the investment business engages in efficient management taking advantage of economies of scale while continuing to ensure stable profit over the medium to long term and return it to our members as the ultimate objective.

Aiming to achieve this objective, for approximately 20 years since the start of the low-interest rate era in Japan, the investment business has worked on “globally diversified investments” in the global financial markets. We have built a global network using overseas sites including New York, London, Singapore, Hong Kong,

Beijing, Sydney and Amsterdam. We control the risks of our overall portfolio by conducting due diligence with ample information and diversifying our investments in assets with different risk-return characteristics rather than concentrating investments in limited asset classes.

In particular, we utilize hedging for the risk of exchange rates, which could fluctuate significantly, as much as possible for investment in foreign currency denominated assets.

To pursue the utmost stability of profits for the medium and long term, we constantly review our investment methods and risk management and will continue taking on the challenge of upgrading our globally diversified investments.

More revenue source diversification to mitigate the impact of the great turnaround of the investment environment

In fiscal 2021 and 2022, the global financial markets plunged into turmoil. Inflation in the United States followed an unusual evolution, in which the Federal Reserve Board (FRB) withdrew its initial judgment that inflation would be temporary, partly affected by Russia's aggression against Ukraine. Such a surprising change of view by the authorities spread to other countries. Consequently, rising interest rates worldwide are not expected to abate in the near term.

The Bank's Investment Business aims to secure a revenue source that might not be affected by market fluctuations in its Medium-Term Management Plan. To this end, we have prepared for the reconfiguration of our portfolio to cope with the increase in interest rates, based on the assumption that the global environment of ultra-low interest rates, which was caused by the COVID-19 pandemic, would end at some point.

Nevertheless, the transformation of actual markets has progressed at a speed beyond our preliminary assumptions, thereby causing us to take a defensive stance. As a result, we are confident that our portfolio will have to be readdressed after the present situation quiets down.

The investment business of the Bank has two pillars of earnings: revenue from its own portfolio management and commission revenue as asset management fees for assets under management. Considering the current circumstances regarding portfolio management, increasing commission revenue will be an important theme in the future.

We address the further utilization of subsidiaries as a specific measure to meet such a request. We newly set up two companies in fiscal 2021—Norinchukin Capital Co., Ltd. (NCCAP), and Nochu-JAML Investment Advisors Co.,

Ltd. (NJIA)—in addition to The Norinchukin Trust & Banking Co., Ltd., which handles fund management, trust products, etc.; Norinchukin Zenkyoren Asset Management Co., Ltd. (NZAM), which manages credit and alternative investments; and Norinchukin Value Investments Co., Ltd., which specializes in investments in value stocks.

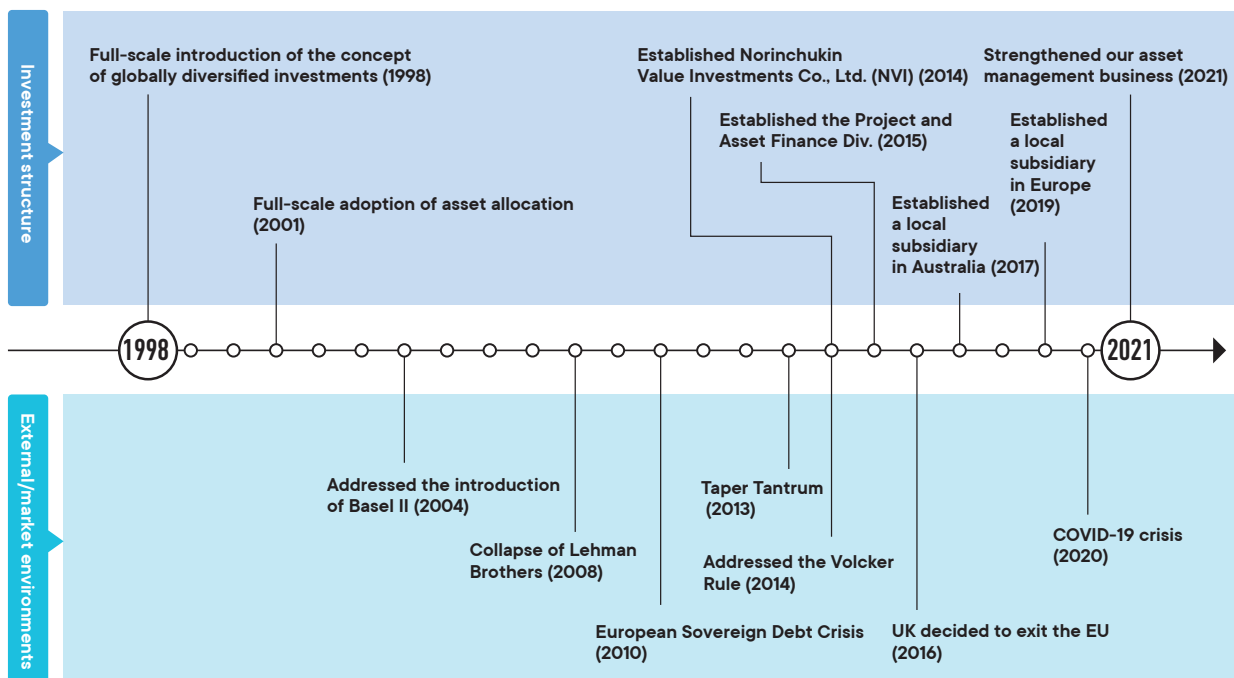
NCCAP is reinforcing our private equity investment business, whereas NJIA is a private REIT (real estate investment trust) business as a joint venture with JAMITSUI LEASING, LTD. Although there are many competitors in these business fields, the Bank has experience in both fields and we aim to increase investment targets, expand business scale and raise revenue by increasing the degree of freedom through the business separation and the launch of these subsidiaries.

The mission of the Bank's Investment Business is to ensure the stable return of profits every year to our member cooperatives, which entrust 60 trillion yen in funds with the Bank. We are proud that our skills and know-how to achieve this mission constantly are the strong competence against our competitors, and that will be a powerful weapon in the asset management business as a new pillar of earnings.



YUDA Hiroshi
 Director and Managing Executive Officer
 Member of the Board of Directors
 Chief Investment Officer

Progress in globally diversified investments



Bolstering the Asset Management Business—The Norinchukin Group is making group-wide efforts to diversify revenue sources

Under the policy of reinforcing our asset management business, we have newly embarked on offering products to clients after having transferred our credit and alternative investment functions to NZAM, an affiliated company of the Bank, in fiscal 2021. In addition, we newly established NCCAP for private equity investment and NJIA for managing domestic real estate private REITs. We intend to effectively use our management experience to meet diversified customer needs (including, e.g., ESG investment products, green real estate investments).

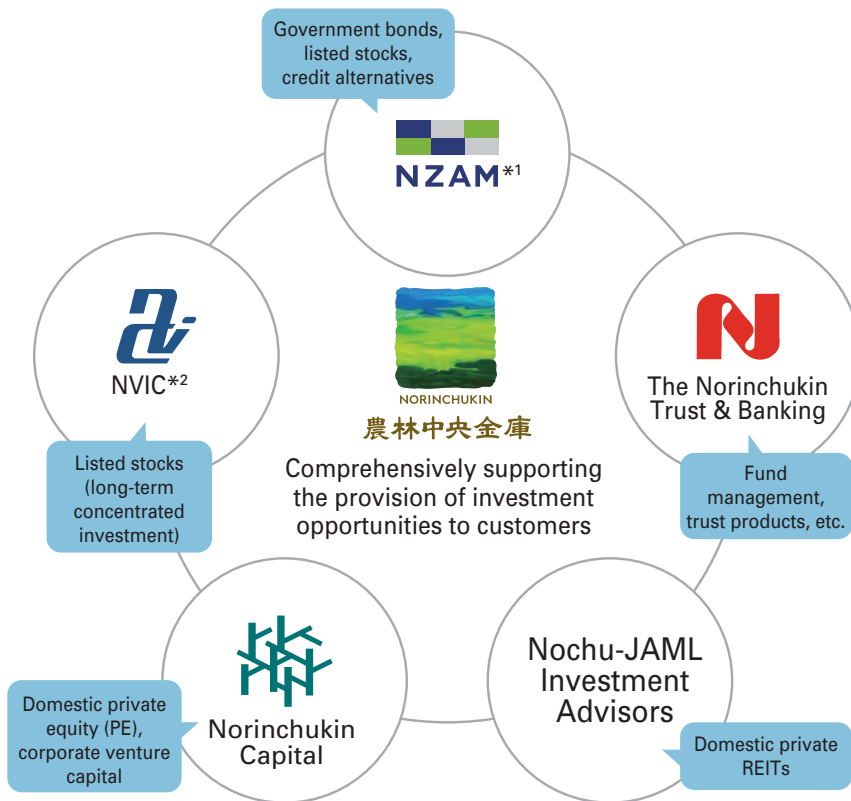
Our expert team within the Bank that has bolstered the asset management business has also been assigned to strengthen the group-wide asset management business. At the same time, we aim to increase and stabilize revenue from the investment business by ensuring management fees that are not affected by economic fluctuations and to leverage this business to realize our Purpose.



The transfer of investment functions to NZAM also strengthens our infrastructure investments further.

Asset Management Group Companies of The Norinchukin Bank

—Providing customers with extensive product lineups—



*1 Norinchukin Zenkyoren Asset Management

*2 Norinchukin Value Investments

Broadly supporting from mature companies to venture enterprises via private equity investment

Norinchukin Capital Co., Ltd. (NCCAP), is our new private equity (PE) investing firm established in August 2021. Its predecessor was the PE investment department of the Bank and had a history of more than two decades in alternative investment including PE. Consequently, NCCAP has the aspect of a savvy veteran investor. As an in-house department of the Bank, the operation was mainly focused on investing in third-party-managed funds. In NCCAP, we will establish our own funds for direct investments in companies. The No. 1 Fund, which launched with 39 billion yen in assets in October 2021, consists of primarily two mainstay investment pillars. One is growth investment, in which we as a minority shareholder invest in a private company that needs growth capital. The other is buy-out investment to obtain the management right to a mature company through an investment that accounts for more than 50% of the shareholding ratio. In terms of direct investment, we worked on growth investment when we were a business department of the Bank, whereas the buy-out investment is a new sector for us following NCCAP's foundation. Such a situation is associated with the banking regulation that limits the holding shares of a company by a banking entity for investment purpose. As this regulation was mitigated for the case of subsidiaries, entry into the buy-out sector via direct investment has become available to us by establishing NCCAP.

In the PE investment, the processes of "sourcing" to find potential investees and "hands-on" to improve corporate value are the keys for success. The Bank has a broad network centering on the food and agriculture sector, in addition to the

knowledge cultivated until now. Consequently, the availability of information and/or utilization of human relations therein is a tremendous asset for NCCAP. Moreover, the rising need for risk money, as represented by the successive creation of promising start-ups, and the increasing necessity for business succession serve as a spur to promote our business in this sector.

Following the No. 1 Fund, we plan to launch an innovation investment fund to invest in start-ups during the second half of this year. We will provide risk money and management support to companies that are at various stages by implementing these two funds and collaborate with many stakeholders to achieve favorable results. While we anticipate the Bank to be the sole investor in these funds initially, we will offer subsequent funds to external investors in a few years, with aims to expand our asset management business.



WADA Toru
Norinchukin Capital
Co., Ltd.
President and CEO

Aiming to increase new profit-earning opportunities with the Bank's excellent real estate investment skills

Nochu-JAML Investment Advisors Co., Ltd. (NJIA), was established as a joint venture between the Bank and JA MITSUI LEASING, LTD., to newly develop the asset management business in the real estate field, including the management of private REITs (open-ended unlisted privately placed real estate investment corporations).

Under the concept of globally diversified investments, the Bank early invested in diversified types of real estate properties in the real estate structured finance market in Japan and overseas, which is an alternative investment sector. We have developed insight regarding properties and extended a broad network in Japan and overseas through such abundant investment experience. Meanwhile, the JA MITSUI LEASING Group (JA MITSUI LEASING, LTD., and JR Mitsui Leasing Tatemono Co., Ltd.) has a wealth of performance history and broad know-how in the development, operation and management fields for real estate properties. The formation of NJIA has established a system to fully utilize such corporate strengths and resources of both parties as a comprehensive power that compensates each other for the enhanced asset management business in the real estate sector.

First, we would like to meet the needs of domestic investors, who seek stable, long-term income from real estate despite the low interest rate environment, considering the operation of private REITs scheduled to start this autumn and the subsequent growth thereof. We aim to expand the size of private REIT

assets to approximately 30 billion yen within one year and 100 billion yen within five years from the operational start and further increase it up to 500 billion yen on a medium- to long-term basis.

Furthermore, NJIA intends to demonstrate its solution function, in association with the Bank and the JA MITSUI LEASING Group, to meet the needs of the corporate real estate (CRE) strategy employed by clients of both companies.

Through initial communications with our stakeholders, our private REIT vision was well received with high expectations. To meet such rising expectations from numerous stakeholders including investors, we will develop the high-quality asset management business while creating an environment in which our staff can capitalize on the strengths of their diversified talents and skills.



YAMASHITA Kazunori
Nochu-JAML Investment Advisors Co., Ltd.
President and CEO