

The Norinchukin Bank's Value Creation

Enhance the value of the environment



The AFF industries and communities that continue sustainable development supported by the rich natural environment

Purpose
 Dedicated to sustaining all life.
 – Work together with our stakeholders to foster the AFF industries and to create a pro- contribute to a sustainable global environment –

Management capital (Input)

Social and relationship capital

- Nationwide network of the AFF industries cooperatives

Approx. **12.09 million people** **6,383 branches** **135 Units**

The number of JA, JF and JForest individual members*1 Total number of the JA Bank and JF Marine Bank branches across the country*2 The number of JA Bank mobile branches that offer financial services in rural and depopulated areas

Intellectual capital

- Abundant food and agriculture knowledge and leading-edge financial knowledge

100 years History of supporting the AFF industries through finance **21 years** Integrated management of JA Bank composed of 538 JAs and 32 JA Shinnorens **25 years** Got into globally diversified investments ahead of the times

Human capital

- Expert human resources

27.1 billion yen Total assets per employee (non-consolidated basis) **3,365 people** Number of employees **125 people** Number of employees who have studied overseas (with MBA/LLM degrees)

Financial capital

- Stable financial base

94.5 trillion yen Total assets **5.7 trillion yen** Net assets **A1/A** Moody's/S&P credit ratings

Natural capital

- Power usage 39.9 GWh (by the Bank in FY2021)
- Rich natural environment that supports the business activities and daily lives of individual members and users

Business activities

Sustainable management

▶ P.15

Food and Agriculture Business

Supports and connects producers and the business community and expands their networks to turn the AFF industries into growth industries.

▶ P.25

Retail Business

JA Bank and JF Marine Bank conduct efficient management to address the financial needs of each locality

▶ P.29

Investment Business

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

▶ P.33

See above pages for the details and output of each business.

Corporate & Shared Services

Provides support for The Norinchukin Bank's three business areas, and addresses new issues such as innovation, diversity & inclusion. ▶ P.37

Foundations that support business activities

Enhance corporate value and

*1 The simple sum of the numbers of individual members of the JA, JF and JForest cooperatives sourced from the relevant FY2021 statistics of the Ministry of Agriculture, Forestry and Fisheries, Japan.
 *2 The total number of branches that handle the domestic exchange business as of March 31, 2023, operated by the Bank, JA Shinnoren, JA, JF Shingyoren and JF.

Model

and regions by solving social issues

perous future for food and lifestyles, and thereby

Effects on management capital (Outcome) (Achievements in FY2022)

Social and relationship capital

- Efforts to turn the AFF industries into growth industries and increase the income of farmers, fishermen and foresters, which could increase the local population working in the AFF and related industries, thereby revitalizing local communities

301 cases

Number of JA Bank consultations for agriculture leaders

431.5 billion yen

New agricultural loans executed by JA Bank

Cumulative

694 cases

The accumulated number of investments in AFF industries and food and agriculture-related corporations

- Merger of JAs/Restructuring of JA branches, Launch of interregional JF Shingyoren (Enhance management base)
- Participants in the "JA Smartphone Class" reached approx. 42,000 nationwide. *Cumulative since fiscal 2021
- JA Bank App downloads exceeded 1.79 million

Intellectual capital

- Food and agriculture business solutions in Japan and overseas
- Stable operations and enhancements of the JA Bank and JF Marine Bank systems
- Globally diversified investments/Strengthened functions of group companies engaging in asset management

Human capital

- Increase of women in managerial positions (7.6%)
- Cultivate employee engagement
- Reallocation of 650 employees (cumulative since fiscal 2019) to strengthen our onsite capability and profitability
- Establishment of an internal qualification program to develop DX human resources (cumulative total of 73 people qualified, including Group companies)

Financial capital

- Returns to members from profits earned from the investment business and the food and agriculture business: Approx. 300 billion yen
- Common Equity Tier 1 Capital Ratio: 17.82%

Natural capital

- GHG emissions by the Bank itself: 19,849 t-CO₂ in FY2021
- Financed emissions (in FY2020)
 - Lending (Power sector): 217gCO₂e/kWh
 - Investment (stocks and bonds): 0.55 tons-CO₂e/¥million
- Secure the amount of the forest carbon sink, together with JForest members: 6.12 million tons-CO₂ in FY2021
- Participated as a task force member of the Taskforce on Nature-related Financial Disclosures (TNFD) and analyzed investment and loan portfolios using the TNFD beta framework

Value provided to society



Value provided to local communities, inhabitants and national land through collaboration with the cooperative system

Providing return of profit and financial functions to members

Turning the AFF industries into sustainable growth industries

Stable supply of safe and secure food

Revitalizing the infrastructure in rural areas

Preserving local diversity

Protecting the land and marine environment

Developing the economy through the AFF industries



capital