

Message from the CEO

Practicing Sustainability Management Unique to Norinchukin



President and Chief Executive Officer, the Norinchukin Bank
Kazuto Oku

Supporting the Development of Agriculture, Fishery and Forestry Industries in Times of Change

The Norinchukin Bank is a member of cooperative organizations that support agriculture, fishery and forestry industries. We provide financial services to members that include Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), and Japan Forest Owners' Cooperatives (JForest). In so doing, we contribute to the development of agriculture, forestry and fisheries, while also contributing to national economic prosperity.

This social duty, which is defined under Article 1 of the Norinchukin Bank Act, is a unique mission that no officer or employee at Norinchukin can forget, no matter what role we serve. To fulfill this duty, we engage in various activities and underlying corporate functions within our Food and Agriculture Business, our Retail Business, and our Investment Business.

Looking at fiscal 2019, we saw a year of increasing natural disasters, said to be caused by climate change.

While other nations experienced large-scale forest fires and other major disasters, Japan's agriculture, fishery and forestry industries also suffered severe damage from large typhoons. At COP25 (the 25th Conference of the Parties to the United Nations Framework Convention on Climate Change) held in December 2019, as well as at the Davos conference (Annual Assembly of the World Economic Forum) held in January 2020, I was impressed that the world had come to an agreement on the urgency of addressing climate change and environmental issues. I was also moved by the young people around the world who are taking powerful action for the future of the Earth. We are acutely aware of the severe impact of COVID-19 on economic and social systems. These circumstances have had grave repercussions around the world since the beginning of

2020. We have learned once again how important it is that companies and society be resilient to pandemics. This is a development prompting us to review not only our businesses, but also our lifestyles in working toward a sustainable society. These and other rapidly advancing global-scale issues threaten to rattle the very foundations of our business: food shortages due to global population growth, labor shortages due to declining birthrates, aging populations in advanced nations, and the loss of biodiversity. The Paris Agreement, the UN Sustainable Development Goals (SDGs), and other initiatives for social sustainability give rise each passing year to expectations for companies to resolve social issues. We recognize the need for us to conduct our businesses in ways that reflect society's expectations and demands.

At the same time, Japan's agriculture, fishery and forestry industries, which form the foundation of our business, are irreplaceable industries that produce life-nurturing food. These industries also offer the potential for regional revitalization, land conservation, and more. From an alternative perspective, these industries may be the most susceptible to climate change and other issues related to the natural environment. Also, agriculture, fishery and forestry industries themselves burden the environment through greenhouse gas (GHG) emissions and other factors.

In Japan, these industries contribute significantly to the environment through eco-friendly agricultural initiatives, resource-managed fisheries, and multi-function forests, accomplished through thinning and reforestation. Recognizing the present situation and issues clearly, we believe it is necessary for us to be proactive in leveraging our businesses to take on GHG emissions reductions and other global-level issues. We feel strongly that we must probe more deeply into how Norinchukin can show purpose in helping create a sustainable society through our business activities.

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A Constant Search for the Meaning of the Norinchukin Bank and an Evolution in Our Businesses

As the world places more emphasis on sustainability, the intersection between corporate value and outside perception is undergoing dramatic change.

Traditional values treated *environmental sustainability, the purpose of a company, corporate profits* as independent factors. However, the SDGs and the Paris Agreement have become a catalyst for the spread of a new value system. Under this value system, *sustainability and purpose are prerequisites for profits*. We believe that achieving these values will lead to sustainability management.

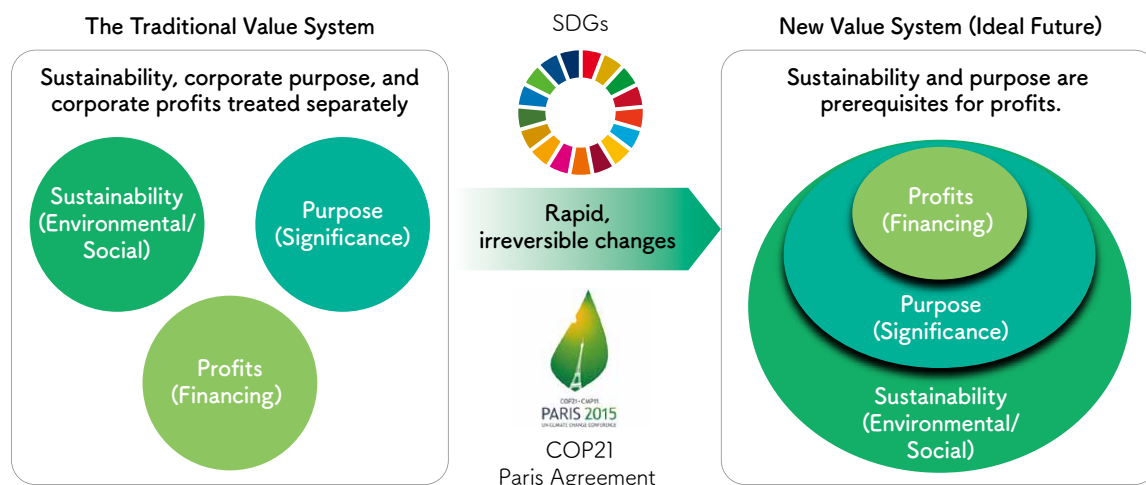
To exercise sustainability management, we continue to ask ourselves the value that the Norinchukin Bank offers to society, the demands of our stakeholders and society, and the unique businesses only we can provide.

In this way, we clarify our purpose, using this clarity to discuss and evolve sustainability management at the Norinchukin Bank.

In 2019, the Norinchukin Bank identified five focus areas and 14 topics related to sustainability. We then established sustainable Medium-Term goals for each of these issues. To clearly communicate the basis of our business activities and the actions of our officers and employees, we formulated environmental and human rights policies. We also declared our support for the Task Force on Climate-Related Financial Disclosures.

We have set these goals as group-wide goals to pursue during fiscal 2020. We are committed to work as a unified group to strengthen our framework for sustainability management.

As this is the *first year of sustainability management* at the Norinchukin Bank Group, we will strive to ensure our unique perspective on sustainability takes root in the daily tasks of our officers and employees, embracing sustainability as a part of our practices.



The Philosophy Behind Our Corporate Logo



The logo of the Norinchukin Bank represents a Japanese landscape with vibrant agriculture, fishery and forestry industries interconnected with many forms of *life*. The colors of the sea, land, and forest swirl together, showing our dedication to journey onward alongside the breath of the *life*.

Our businesses exist in harmony with the *life* that comes from the activities of agriculture, fishery and forestry industries and the cycles of nature.

As we carry out our businesses that are rooted deeply in our local communities, we work to resolve environmental and social issues and contribute to sustainable agriculture, fishery and forestry industries.

This is the traditional role of the Norinchukin Bank, and we will strive to make an even greater contribution in the future.