

Focus Area 1

Creating positive impact on the agriculture, fishery and forestry industries food and local communities

In this focus area, the Norinchukin Bank aims to utilize accumulated knowledge in food and agriculture, conduct investment and lending, build business partnerships, collaborate with stakeholders, and generate new innovation to promote initiatives to contribute to the preservation and development of local communities and the natural environment. Here, we will turn the agriculture, fishery and forestry industries into sustainable growth industries.

Topics		Medium-Term Goals
Topic 1-1	Contribute to sustainable agriculture, fishery and forestry industries	Through initiatives in the Food and Agriculture Business and collaboration with stakeholders, we contribute to the realization of sustainable agriculture, fishery and forestry industries.
Topic 1-2	Contribute to safe and secure food supply	We leverage our organizational knowledge in food and agriculture to contribute to people's rich dietary lifestyles.
Topic 1-3	Contribute to sustainable local communities	We contribute to providing solutions for and supporting sustainable development of local communities across all of Japan, the foundations of the agriculture, fishery and forestry industries.
Topic 1-4	Conserve the natural environment as a foundation of the agriculture, fishery and forestry industries	We contribute to conserving the natural environment, such as soil, forests, rivers, and oceans, which are fundamental for the sustainable development of the agriculture, fishery and forestry industries.
Topic 1-5	Create business innovation	We contribute to the sustainable development of the agriculture, fishery and forestry industries through investments and business alliances that create new technologies and business models.

Major Initiatives

- Provide financial support and solutions to management issues for agricultural, fishery, and forestry organizations
- Collaborate with the Japan Institute of Agricultural Management, which trains next-generation farm operators
- Support the agriculture, fishery and forestry industries and help revitalize industries and help revitalize local communities via the Agriculture, Fishery and Forestry Future Fund, a general incorporated association
- Conduct food and farming education activities
- Support forest rejuvenation through the Wood Solution Network, the Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund), Potential Forest Productivity Fund, and more
- Create business innovation by supporting startup companies

Related SDGs



Contributing to sustainable agriculture, fishery and forestry industries

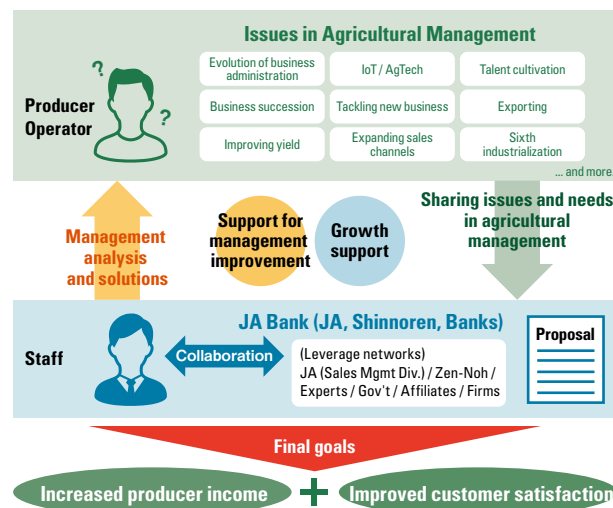
Provide financial support and solutions to management issues for the agriculture, fishery and forestry industries

Example Initiative in Agriculture

As a member of the JA Group, and as a financial institution playing a role at JA Bank, the Norinchukin Bank supports the development of management and cultivation of people underpinning Japanese agriculture. We do this through striving to provide unimpeded financing and multifaceted solutions in fields related to food and agriculture.

One specific initiative is our demonstration of a *consulting function to increase agricultural income*.

We extract, clarify, and share the management issues that need to be resolved based on an understanding of the actual business situation by conducting multiple in-depth dialogues with the operators of agricultural corporations. These form



the basis of our initiative to increase income for producers and improve customer satisfaction (CS).

Example Initiative in Fisheries

As a member of the JF Group, the Norinchukin Bank is coordinating with fishery operators and people in coastal areas to protect the seas and the lives of community residents. For example, in the Kesenuma area of Miyagi Prefecture, coastal tuna longline fishing has supported the foundation of the fishery industry for many years. However, the 2011 Great East Japan Earthquake disrupted processing and distribution, leading to a prolonged severe business environment. Six local fishery companies then decided to work together to resolve this issue. The Norinchukin Bank, along with the Japan Finance Corporation, helped these fishermen with management support and financing, aiding them in becoming a joint stock company and building replacement ships. In October 2018, the Kesenuma Kanae Fisheries Company Co., Ltd. was established. Vessels were transferred successfully to each company, and in September 2019 the company brought its first catch to market. That same year, the 149-ton *Kanae-maru* ship was completed. These achievements served as contributions to rejuvenating the local fishery industry.



The Kesenuma fishing port enjoys naturally favorable conditions for ships. Its fishermen bring large catches of bonito, tuna, marlin, saury, and shark.

Example Initiatives in Forestry

See pages 24 and 25 for details.

Contributing to a Safe and Secure Food Supply

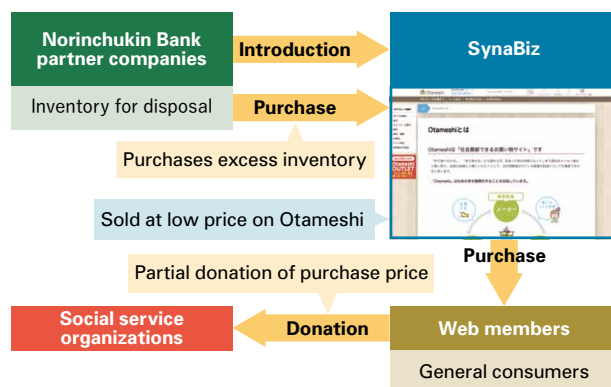
Supporting the Redistribution of Excess Food Inventory to Reduce Food Loss

In Japan, the amount of *food loss*, food that could otherwise be eaten but is thrown away, instead, is 6.12 million tons per year (2017 estimate by the Ministry of Agriculture, Forestry and Fisheries).

Of this loss, the food manufacturing, food wholesaling, and food retailing industries count for approximately one-third. To resolve this issue, the bank began working with SynaBiz Co., Ltd. in December 2019. Through the bank, SynaBiz is introduced to companies facing concerns over dealing with food inventory, when ordinary distribution is made difficult due to seasonal products, packaging changes, and other factors, forcing inventories to be disposed of over time. Through the SynaBiz-operated *Otameshi* social contribution-style distribution platform, we work to redistribute these inventories.

Going forward, we will leverage the Otameshi distribution platform and the bank's network in strengthening our cooperative structure to contribute to reducing food loss, including agricultural products and other perishable items.

Initiative with SynaBiz and Partner Companies

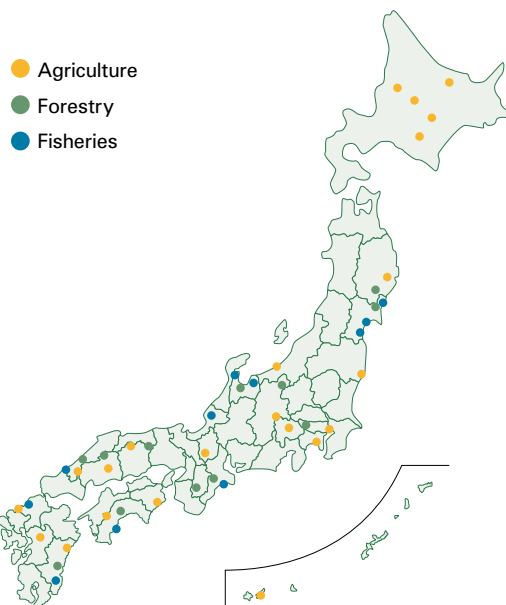


Contributing to Sustainable Local Communities

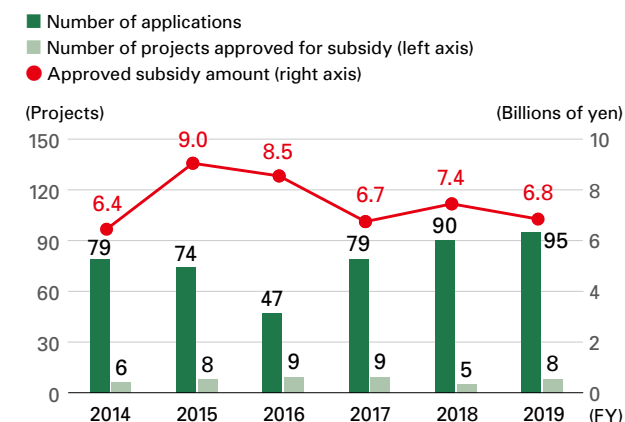
The Agricultural, Forestry, and Fisheries Future Fund, Supporting Local Agriculture, Fishery and Forestry Organizations

The Agricultural, Forestry, and Fisheries Future Fund was established in 2014 by the Norinchukin Bank, a member of the JA Group, JF Group, and JForest Group, with a ¥20.0 billion contribution. This fund seeks to support initiatives to nurture leaders who drive the sustainable development of the agriculture, fishery and forestry industries, strengthen the revenue base of these industries, and revitalize local communities based on the agriculture, fishery and forestry industries.

Projects targeted by the Agricultural, Forestry, and Fisheries Future Fund



Number of projects targeted and amount of subsidy from the Agricultural, Forestry, and Fisheries Future Fund



Food and Farming Education Activities

Each year, we distribute booklets to children in the fifth year of elementary school across Japan covering a variety of topics, from food and farming education to environmental education to financial and economic education. We also distribute a universal edition for special education schools.

In fiscal 2019, approximately 1.31 million copies were distributed free of charge to 20,000 elementary schools nationwide.



Senior Elementary School Edition: Our Lives with Agriculture (Left), Universal Design Edition (Right)

Alliance with the Japan Institute of Agricultural Management, Which Trains Next-Generation Farm Operators

The Japan Institute of Agricultural Management (JAIAM) was established in 2013 with the Norinchukin Bank as its main sponsor and in cooperation with member companies. The institute seeks to train next-generation farm operators and agricultural leaders in local communities. Under its organizational philosophy of *training farm operators*, which is indispensable to Japan's future agriculture, the JAIAM provides holistic education under the four themes of *management capability, farming capability, social capability and humanity*.



Post-graduation agricultural employment status

As of April 1, 2020

	Total graduates (86)	No. Choosing Farming	No. Choosing Non-Farming
At family farms*	48	45	3
At farming companies	26	12	14
Independent farmers	9	0	9
Other	3	1	2

*Family farms include those owned by grandparents, relatives



First Generation of Graduates: Employed in Nakano City, Nagano

Mr. Hiroki Abe

After graduating, I began working in plum management in Nakano City, Nagano, which is where my family lives. When I took my farming job, new plum varieties cultivated by the Nagano Prefectural Agricultural

Experiment Station was a big topic of discussion. We secured a farming field in the hope that this would lead to development in plum management. On the sales side, we have been striving to diversify our sales routes, with core sales from shipping to JA Nakano City, plus direct sales to customers, gifts for hometown tax payments, and so on. We also worked on creating shipping boxes, pamphlets, and office documents, such as invoices. Looking ahead, we will keep coming up with initiatives that help us appeal to consumers about our self-produced Nakano City sourced products. There are many young farmers in Nakano City who enjoy a life of fulfillment each day, exchanging information about cultivation, having personal relationships, and so on. In the future, I plan to integrate grape cultivation, a business run by my parents, and create a cultivation plan that looks at both plum and grape work. I still have much to learn, but I will deal with each issue as it comes.


Local Revitalization Support Utilizing Farmstays

We are promoting a farmstay venture meant to generate profit in the sense that it creates hiring and income in rural areas. In March 2020, we signed a four-way partnership agreement with JA Zen-Noh, Nokyo Tourist Corporation, and the Japan Countryside Stay Association. Through this agreement, we are working to realize regional revitalization through the establishment and promotion of the farmstay business. In addition to providing the JA Bank's financial functions (such as farmstay loans), the bank also offers partnership coordination via a broad trading infrastructure.

Regional Revitalization Through Farmstays, Promotion of Farming Areas and Agriculture


Farmstay Partnership Members

JA Group Farmstay Organizations (Affiliated Business Associations)




JA Zen-Noh

Develops farmstay platform, supports farmstay promotion for JAs leveraging economic business infrastructure



Nokyo Tourist Corporation

Supports farmstay promotion using rural networks, farmstay consulting function



農林中央金庫

Supports farmstay promotion leveraging relations with domestic and foreign companies, JA Bank infrastructure

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Japan Countryside Stay Association

Supports farmstay promotion leveraging farmstay organization networks, private accommodation expertise, etc.

Conserving the Natural Environment as a Foundation of the Agriculture, Fishery and Forestry Industries

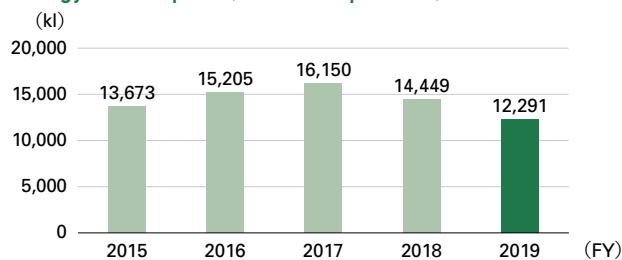
Energy-saving and resource-saving initiatives

When the Act on the Rational Use of Energy (Energy Conservation Act) was revised, the Norinchukin Bank newly established an energy management structure and implemented the visualization of organization-wide energy usage. By promoting initiatives such as adopting energy efficient features at the time of facility updates and disseminating a Cool Biz campaign, we continue efforts to prevent global warming.

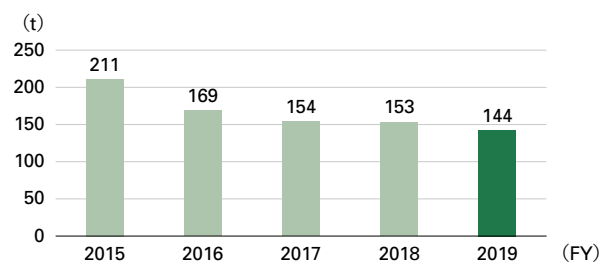
We also continue efforts to save resources such as shifting to paperless methods.

The bank will continue to address the Energy Conservation Act and each prefecture's ordinances and other regulations appropriately, and engage in ongoing energy and resource-saving efforts.

Energy consumption (crude oil equivalent) over time



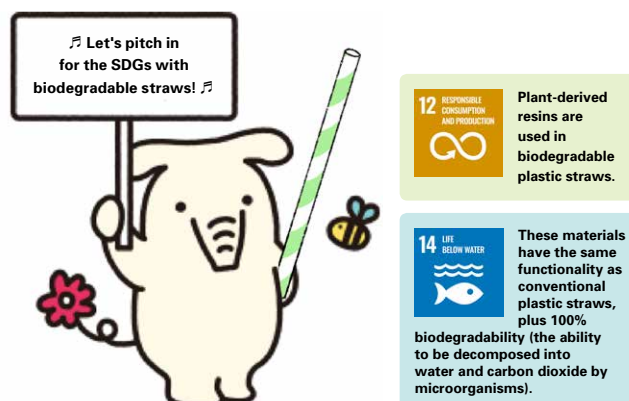
Volume of paper waste over time (head office)



Initiative to Reduce Waste in Lounge Rooms

In October 2019, we introduced biodegradable plastic straws in lounge rooms that provide drinks to visitors and staff. Since the head office used around 130,000 plastic straws annually, switching to biodegradable plastic straws contributes to the serious global issue of reducing plastic waste.

In addition, employees are encouraged to bring their own drink tumblers when using lounges. This contributes to a reduction in paper and plastic waste, including lids and straws.



© Yorizo (JA Bank Mascot)

Donation of Credits (Excess CO₂ Reductions) to Tokyo

The Tokyo Metropolitan Government is aiming to become *Zero Emission Tokyo*, a sustainable city without CO₂ emissions. In support of this initiative, we donated 3,150 tons of credits* to Tokyo, our portion of excess reduction in CO₂ emissions under the Tokyo Cap-and-Trade Program.

* The Tokyo Cap-and-Trade Program is a system established under the Tokyo Metropolitan Government's Environmental Security Ordinance that imposes CO₂ emissions reduction requirements on large-scale facilities (facilities that consume more than the equivalent of 1,500kL in crude oil per year averaged over three consecutive fiscal years). Facilities succeeding in reducing more CO₂ than their requirements may convert these into credits.

Initiative to Reduce Food Loss at Cafeteria Facilities

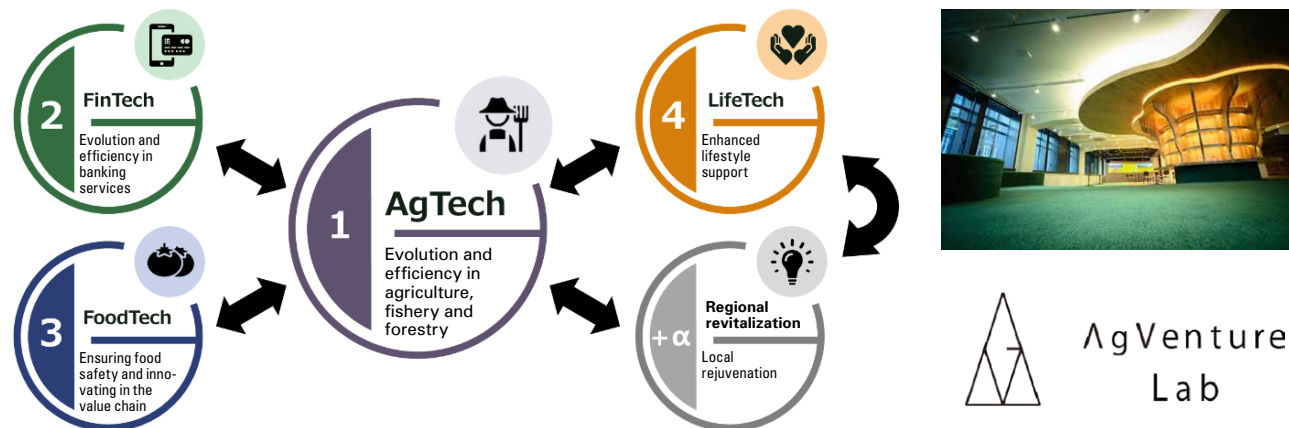
The Act on Promotion of Food Loss and Waste Reduction came into effect in October 2019, and JAs across the country are working to reduce food loss. We are also engaged in similar initiatives. Since April 2020, we have been reducing food loss by improving the accuracy of our user count forecasts and rethinking less popular menu options at the cafeteria in our Akishima Center (Akishima City, Tokyo). A portion of generated food waste is recycled as compost through an external contractor rather than being disposed of as regular garbage.

Creating Business Innovation

AgVenture Lab: A hub for Open Innovation

In May 2019, the JA Group established AgVenture Lab, an innovation laboratory, in Otemachi, Tokyo. AgVenture Lab is based on the concept of *cultivating the next generation of agriculture, closely supporting daily lives of local communities, and connecting places and people.* At this lab, the various businesses of the JA Group connect with startups, partner companies, universities, government actors, and others who possess technology, ideas, and other assets. These players utilize a variety of knowledge and technologies to create new businesses, develop services, and resolve social issues. On the hard side, we have set up coworking spaces for startups. On the soft side, we also work to accelerate innovation based on the JA Accelerator Program which seeks to generate new business models, soliciting business plans from startups and other companies and leveraging the JA Group's strengths. In May 2019, we held a business plan contest to select companies that would participate in the JA Accelerator Program. In this contest, seven companies passed the selection process. The program adopts the key phrase of *innovation of food, agriculture and life*, and covers the wide range of businesses operated by the JA Group. It solicits business plans not only in FinTech but also AgTech, FoodTech, LifeTech, and others, leveraging the JA Group's strengths (e.g. physical storefronts and other infrastructure, its customer networks) in an attempt to generate new business models.

AgVenture Lab Initiative Areas



FY2019 JA Accelerator Participating Companies

<Business Plan Contest Award for Excellence>

Ac-Planta Inc.	Develops, manufactures, and sells <i>Skeepon</i> , a material harnessing the power of acetic acid to protect plants from environmental stresses
AgroDesign Studio Inc.	Researches and develops new pesticides (new pesticide pipeline type)
inaho Co., Ltd.	Deploys a Robot-as-a-Service subscription model for automated crop harvesting robots
ACMS Consortium	Develops/sells an innovative fish counting system for tuna farming
OsidOri.Inc	Develops/provides a household management application for dual-income couples
Otetsutabi Co., Ltd.	Generates local fans (affiliates) through labor matching between students in metropolitan areas and farmers suffering from labor shortages
MiRaY School inc.	Provides agricultural experience programs for parents and children through <i>Gifte!</i> , an experience-based learning business

<Business Plan Contest Special Award>

Companies granted the right to use the AgVenture Lab

Sunshine Delight	Sells sunscreen products and educational materials to kindergartens and preschools for protecting children from UV
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