VALUE REPORT

2019

NORINCHUKIN

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Our work at The Norinchukin Bank won't change the world overnight.

Our focus is on the agriculture, fishery and forestry industries.
This means that nature is our partner,
and nothing in nature bears fruit overnight.
Industries in this sector don't make things
—they produce and nurture life as a legacy for future generations.

This is precisely why we are dedicated to serving those who sustain these industries
and their local communities, no matter how small the scale of their operations.
As the financial institution wholly devoted to this sector
—the very cornerstone of our nation, we strive consistently
to generate solid outcomes in the global financial markets.

Our history spans more than 90 years.

But that alone is no longer enough.
We must take on a greater role than ever before
if this sector is to continue developing in response to the changing times.

We must harness our financial knowledge to make
new contributions that extend beyond our past functions and scope.
We must do our utmost to address on-the-ground issues.
We must respond to the needs not only of producers,
but also to those of processors, distributors and consumers.

The life generated by the agriculture, fishery and forestry industries
sprouts the workings of all life well into the future.

Now is the time for each and every one of us to give our all.
We aim to make the chain of life that connects us to the future
more bounteous and more certain.

Dedicated to sustaining all life.

The Norinchukin Bank

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PART

1

For The Next Primary Industry

You Can See Japan through its Woods and Forests.

Akira Ichikawa
President and Representative Director
Sumitomo Forestry Co., Ltd.

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Kazuto Oku
President and Chief Executive Officer
The Norinchukin Bank

Akira Ichikawa Born in Hyogo, Japan. Graduated from School of Economics, Kwansei Gakuin University and joined Sumitomo Forestry in 1978. Executive Officer in 2007, Director and Managing Executive Officer in 2008, President and Representative Director in 2010.

Sumitomo Forestry Co., Ltd. ("Sumitomo Forestry"), has set out its "W350 Plan" of building an ultra-highrise 350-meter wooden building with 70 floors leading to 2041, the 350th anniversary of the company's establishment. As one of the largest Japanese forest owners, Sumitomo Forestry manages and holds nearly 280 thousand hectares of forests in Japan and overseas. Akira Ichikawa, Sumitomo Forestry's President and Representative Director, was visited by Kazuto Oku, President and CEO of The Norinchukin Bank, to discuss woods, forests, and Japan.

Started Careers in Forests and the Forestry Industry of Hokkaido.

Oku I was first deployed to Sapporo after I joined The Norinchukin Bank. I heard you worked in Sapporo as well, Mr. Ichikawa.

Ichikawa Yes. The first location where I was assigned to work was also Sapporo. Because I was in the Kansai area until I graduated from a university, it was the first time I passed the Tsugaru Strait and lived in Hokkaido. As the company's first new employee assigned to work in Sapporo, as soon as I started working there my colleagues thoroughly taught me the basics of the lumber product distribution and log supply systems.

Oku In Sapporo, I was an officer working with forestry cooperatives. Slightly different from cooperatives in other regions, many of the cooperatives in Hokkaido own mills and processing facilities. So, I was able to observe the whole process from the handling of log to the semi-processing stage, which was a good experience for me to grasp the outline of the forestry business, including the pulp industry as the downstream.

Ichikawa As an apprentice, I worked for about two weeks at a sawmill in Tomakomai city. I first learned about operations at the actual worksite by helping combine and tie up

Kazuto Oku Born in Oita, Japan. Graduated from the Faculty of Agriculture, Tokyo University and joined The Norinchukin Bank in 1983. Managing Director in 2011, Senior Managing Director (Representative Director) in 2017, President and Chief Executive Officer in June 2018.

> **We are finally seeing signs of change.**
>
> —— Kazuto Oku

lumber products and delivering orders. This experience led me to be interested in lumber. Learning how wood is being used on-site by visiting lumber production sites and places was an impressive introduction to forestry.

Oku I was initially impressed with the scenery of the Japanese larch forest in Hokkaido. At that time, The Norinchukin Bank had a product called the "Forest Collateral Loan," through which the Bank made loans for living and/or educational expenses to members of forestry cooperatives with forest land owned by a member as collateral. At the time of the collateral assessment, we went into a forest to measure the thickness of the trees, calculate the square footage of each piece of lumber (to determine the usable portion as lumber products) and estimate the costs for moving lumber out of the woods by checking the condition of the forest roads and other areas. It was the beginning of fall. I can't forget how beautiful those leaves turning yellow were despite the conifers.

Ichikawa Fresh green needles of the Japanese larch budding in spring are also beautiful, aren't they?

Oku Exactly. The fresh green needles and yellowish foliage of the Japanese larch are both exquisite.

Ichikawa Your comment about the "Forest Collateral Loan" presents an issue for the forestry industry, that is, forestry resources cannot be converted to money quickly.

Oku That's right. How to finance the expenses incurred during the several decades from planting trees to shipping lumber is an issue. In my case, I was able to experience in Hokkaido on the unique missions of The Norinchukin Bank.

Why Has Japan's Forestry Industry Had So Many Issues?

Oku You have worked in Seattle and Amsterdam, haven't you? Looking from outside Japan, what impression did you have about Japan's forestry resources and forestry industry?

Ichikawa I was transferred to Seattle in the 1980s, the time when many houses were built and a lot of lumber was needed in Japan. What remains in my mind is a question from a U.S. supplier when I brought him to Japan. During the airplane flight, he saw the scenery from the plane window and said with surprise, "Japan has so many green mountains. Why does Japan buy lumber from overseas?"

I remember explaining to him at that time, "It has been only 30 years or so since the reforestation after the excessive tree cutting that occurred before and during World War II, and those replanted trees are not yet ready to cut." Although it is true that two-thirds of Japan's land is covered by greenery if viewed from the sky, when entering a forest, one could see that the tree trunks were still thin. At that time, log from overseas were thick and cost competitive. The cost competitiveness of imported lumber was further intensified by the yen appreciation following the Plaza Accord, which was concluded in 1985.

Oku The profitability of Japan's forestry industry continued to decline because there was a long period when the industry did not have international price competitiveness and the ability to supply an adequate volume of lumber as the planted trees were not ready to cut. However, for the first time in many years, we are finally seeing signs of a change.

A problematic situation, however, is that the four to five decades of continued decline in profitability has deprived

> **Now is the good timing for a restart.**
>
> —— Akira Ichikawa

forestry workers of an appetite for managing a forest. Forestry business is not attractive enough for subsequent generations to want to take over the business. The number of private forests whose owners are unknown is increasing. Also problematic is the ongoing division of forest lands into small areas through inheritance, making thinning and cutting impossible. Despite the arrival of a profit opportunity with an adequate volume of trees for lumber, Japan's forestry industry is facing many issues such as the lack of labor force and shrinking domestic demand in addition to weak international cost competitiveness.

Ichikawa Japan underwent periods when an excessive number of trees were cut, such as the age of civil war era (from the 15th to the 16th century). For a long time, having forests and trees close by was taken for granted, trees were cut whenever needed. Excessive tree cutting occurred for military purposes before and during World War II. Despite the nationwide reforestation implemented after World War II, measures to address the coming change in the lumber demand structure were delayed.

As Mr. Oku said, Japanese forest owners are generally small scale, given the fact that 90% of forest owners own less than 10 hectares of forest land. Fading interest in the forestry industry due to the generational change in forest ownership, the delay in improving forest roads and the shift to machinery have resulted in today's situation lacking cost competitiveness.

With all that said, the trees planted after World War II now are ready to cut, which offers a good timing for a restart. Toward a new start, I always talk about two big things we must try: the creation of demand and innovation.

Wooden Highrise Building with 70 Floors as Innovation

Ichikawa Japan's population is predicted to decline significantly from today's 120 million. Although 1.7 million new houses were built annually during the bubble economy, such period will never come again. Some research institutes predict the number of houses built annually could decrease from today's 950 thousand to around 600 thousand going forward.

There was a significant postwar movement not to use wood for buildings other than single family homes. The materials for medium and large-scale buildings such as schools, apartment buildings and commercial facilities largely shifted to reinforced concrete. Meanwhile, Europe has a rooted culture of using wood for building medium-and large-scale buildings and related technologies have evolved. In 2010, the Japanese government adopted a policy to promote the use of wood and wood-based materials for public buildings. Changes already have been seen such as general contractors tackling a challenging project to use lumber for complex buildings. With clear recognition of such an expansion in demand for lumber for non-residential architecture, we need to address society's needs.

Oku To create demand for lumber, The Norinchukin Bank has established an organization called "the Wood Solution Network" together with 31 other companies and organizations, including Sumitomo Forestry, and has been promoting an initiative to expand the use of lumber. With major themes of how to create demand at a national level and how we can contribute to that end, we need to broaden this

initiative.

Ichikawa We can look forward to the future of the Wood Solution Network because of its broad participation of not only forestry companies and residential builders but also a wide variety of members. We can't realize the creation of demand unless we change Japan's industrial structure itself.

Oku Innovation is also necessary to create demand, which is symbolized, I think, by the "W350 Plan" announced by Sumitomo Forestry last year.

Ichikawa The "W350 Plan" is a research and technological development concept to build a 350-meter-tall wooden highrise building with 70 floors leading to 2041, the 350th anniversary of Sumitomo Forestry's establishment. By using a hybrid structure made of 90% wood and 10% steel, construction is possible even today from a technological aspect. Although the structural computation already has been completed, there are many issues to address including various regulations under the current architectural laws and rules and higher costs compared to the existing construction methods.

Oku The challenges are how to solve such issues toward the realization of the goal and how to achieve related innovation. I think the "W350 Plan" is wonderful because it is such a challenging project.

Ichikawa In Europe, 80-meter-level highrise wooden buildings already have been built in Austria and Norway. Our question is how to tackle the construction of a wooden highrise building toward the creation of greater demand for lumber. The "W350 Plan" is also a platform of open innovation.

Oku I feel this plan has put up a flag that says "Let's go in this direction" to forestry business operators and people who value the environment, indeed all Japan.

To Protect Forests Is to Sustain Lives.

Ichikawa Wooden buildings are different from other buildings in that their value goes up over time with an increased appeal of their own. Therefore, we call lumber "the gift of time." In the meantime, although the Horyu-ji Temple is 1,400 years old, that does not mean that all materials for the temple are 1,400 years old. Japanese Shinto shrines and Buddhist temples have been continually repaired and maintained. As a merit of wooden buildings, even if part of the building has deteriorated, we can use the building for a long time by replacing materials for that part. Because of their long useful life, wooden buildings can be inherited by generations. The "W350 Plan" is designed to have exchangeable parts made of wood-based materials. In addition, lumber that has finished a useful life as a material for a large-scale building structure is fully recyclable as parts/materials for residential buildings and a biomass fuel for power generation. Although today's society demands sustainability, something does not necessarily have to exist perpetually for a single use. Rather, creating new value by transforming shapes such as wood does through time is also "sustainable", I believe.

Oku I read Sumitomo Forestry's CSR Report to find many of its businesses connected to the SDGs (Sustainable Development Goals), which I feel is wonderful. I think it is important to take voluntary actions to offer value to the environment and society rather than do something after being told to do so by international organizations and the government, for example.

Ichikawa You are exactly right. Corporations should grow and evolve together with the society. As expressed by Su-

The "W350 Plan"—a concept of technological development pursuing the realization of an Environmental-Friendly and Timber-Utilizing Cities that promotes wood-based buildings including a 350-meter-high ultra-highrise building.

mitomo's Business Spirit "*Jiri Rita Koshi Ichinyo* (benefit self and benefit others, private and public interests are one and the same" and "*Kokudo Ho'on* (promote the welfare of the country and mankind in general)"—we need to ensure that we return the benefits acquired through our businesses to this country and the natural environment. And we would like to spread this spirit throughout the world. The pursuit of sustainability is, I believe, a basic tenet of corporations.

Oku I agree. The Norinchukin Bank is based on agriculture, fishery and forestry industries, which are connected to each other. Water containing minerals is stored in mountains rich in greenery and flows to and irrigates fields and rice paddies, then flows to oceans to enrich fishery resources. Agriculture, fishery and forestry are connected within the mechanism of nature. The conservation of greenery-rich mountains and forests is the basis of everything.

The foundation of the agriculture, fishery and forestry industries is the environment. Although it is an important role of the agriculture, fishery and forestry industries to protect the foundational environment, if unprofitable, playing the role is tough for the industries. Moreover, this will negatively affect the regions that are the actual fields of the industries. The Norinchukin Bank's biggest mission is, I believe, to support the agriculture, fishery and forestry industries and further sustain "lives."

Ichikawa Sumitomo Forestry's roots trace back to the opening of the Besshi Copper Mine, which was established by the Sumitomo family in Ehime Prefecture, Japan. Sumitomo Forestry originated with the operation of a forest to ensure a sufficient lumber supply for this copper mine amid the then-ongoing excessive uses of lumber for mining and refining copper ore. Sumitomo Forestry has a history of restoring forests that gradually became unproductive as the business developed, due to smoke pollution caused by refining copper and the lack of sufficient care after cutting trees. Alarmed by such a situation, the company engaged in reforestation and restored greenery-rich forests. As this history reflects, sustainability is in our company's DNA, which is part of the reason we engage in a business to teach some employees carpentry and restore classic Japanese-style homes built 100 years ago or so as part of our housing business.

Our role is to grow the forestry into a sustainable industry, thereby letting other forestry operators and workers feel that the business has a bright future. With this mission, I recognize we have a high responsibility.

Oku The "Forest Environment Transfer Tax" became effective this year. To maintain a truly broad range of functions of forests, including the functions to prevent flood damage and absorb CO_2, this is a system for the entire nation, whether urban or rural, taking care of forests in the form of paying a tax. This was a long-term wish of Japan Forest Owners' Cooperatives (JForest), which is a member of The Norinchukin Bank.

Ichikawa What's important is a system for sharing among everybody the issues that cannot be solved by an individual alone and each person doing something he/she can to contribute. To make better use of nature and facilitate better circulation in society, a certain level of costs is necessary, and such costs should be shared by everyone. Such awareness needs to be nurtured.

Oku I have a renewed recognition that we need to let people know that nature bears real value when we take care of it. Many thanks for this dialogue today.

The Reality and Future of Agribusiness Discussed

by Female Business Managers

**Bright signs have been seen in Japan's agribusiness such as the growth in exports of high-quality produce and an increase in the number of young people starting to work in agribusiness.
However, structural problems remain in the agricultural industry, including a limitation in the growth of the domestic market due to the low birth rate and the aging society, the labor shortage and intensifying competition with imported produce.
In such a business climate, innovative female entrepreneurs have entered agribusiness in various forms.
We have invited some of these female managers to discuss the reality and future of Japanese agriculture, with Mikako Hayashi, Project Professor, Graduate School of System Design and Management of Keio University, as the facilitator.**

How We Got into Agribusiness

Hayashi I truly looked forward to this opportunity to listen to female managers of agribusiness or agriculture-related businesses. I teach at a university on themes such as the revitalization of local communities through agriculture and food. You are engaged in such activities as business managers.

Akimoto I launched "vivid garden Inc." in Tokyo two years ago and provide a service called "*tabechoku*," which offers a direct online connection between devoted farmers growing high-quality produce and individual customers, restaurants and retail stores, etc.

Hayashi I understand that you always wear a shirt with the "*tabechoku*" logo, as you are wearing today. Hisako Nakamura, who came from Maniwa, Okayama, to join us, also is wearing her company's uniform today. Ms. Nakamura is a Director of HAPPY FARM plus R, an agricultural corporation that produces vegetables. Her company was launched on April 1, 2019. How long have you been farming, Ms. Nakamura?

H. Nakamura I have been in the farming business for four and half years.

Hayashi Not a long time, and you already have started a company. Amazing!

H. Nakamura I grew up in a family not related to agriculture. From my childhood I used to hate my hands even touching soil. However, I was asked by a friend who operates an agribusiness to spread fertilizer and plant sprouts on an onion field, so I tried. It was extremely strenuous back-breaking work. But at the same time, I became curious, "How will these tiny fragile sprouts grow into onions?" My friend kept asking me to help spread the seeds of some vegetables and I did. While doing so, I was thrilled to see the seeds that I spread sprouting and growing into vegetables. Soon, I was all in for agriculture and joined my friend's company as a part-timer.

Hayashi I see. Misa Nakamura is from Kurume, Fukuoka. She manages a tourists' orchard, a farmers' market and a café. I heard that you used to be a professional kickboxer.

M. Nakamura I got injured and shifted to doing event operations. Afterward, I entered the Japan Institute of Agricultural Management. After graduating, I joined my family business, working in agriculture for three years to date.

Hayashi What's your business model, Misa?

M. Nakamura We have shifted 100% of our harvested produce to direct sales. We newly established a farmers' market and started a tourists' orchard, where visitors can pick fruit and vegetables and eat on the spot or buy them by weight to take home. Since opening the café in 2018, I use a portion of the harvested produce for the café. On the other hand, we are reducing online sales due to a significant rise in shipping costs.

Hayashi What was your family's reaction when you proposed a new business?

M. Nakamura They initially opposed my idea. However, I pushed through the opposition (laughs) because I was sure

President and Representative Director, vivid garden Inc. (Head office: Shibuya-ku, Tokyo); Born in Kanagawa, Japan. Joined DeNA Co., Ltd., in 2013. Established her own company in 2016 (operating to date). Launched "*tabechoku*" services in 2017. To dedicate herself to her business, at the time of her company's inauguration she discarded all clothing other than t-shirts with the company logo and ceremonial attire.

Director of HAPPY FARM plus R Co., Ltd. (Head office: Maniwa, Okayama); Born in Okayama , Japan. Joined a local major environmental company in 2014 (the agriculture department). Established her own company in 2019 (operating to date). Used to be in charge of accounting and labor management at a construction company, which she says has been useful for her current agribusiness management.

the business would become profitable in one year based on my various simulations even though management plans I had made during my college years indicated that it would take four to five years for the tourists' orchard and café to become profitable. We met our profitability target thanks to my education at the Japan Institute of Agricultural Management. I was especially inspired by orchard managers, who are alumni of the institute, during onsite trainings.

Tourists' Orchard, Company to Grow Vegetables, and Online Sales of Vegetables and Fruit

Hayashi Ms. Misa Nakamura "returned to" agribusiness (so-called a "U-turn farmer" in Japan). Meanwhile, Ms. Hisako Nakamura has newly started an agribusiness locally. Would you please explain your business?

H. Nakamura In my business, good vegetables are produced normally and distributed locally within Okayama Prefecture. We sell vegetables mainly to supermarkets with a "direct sale" corner.

Hayashi It is rare to start a business in the form of a stock company, isn't it?

H. Nakamura I started the business as a stock company because of my vision for people to engage in agribusiness in a similar way to salaried employees working for a company. It was my dream to work for a company that pays me a monthly salary and benefits and provides paid holidays. Therefore, I made a persuasive case to the president of our company (laughs). Without such a labor system, young people will not stay in this business. Given today's labor shortage, no one would join our company.

Hayashi I heard that you originally were helping an agribusiness as a part-timer and later became independent of that local company. What made you think of creating your own business?

H. Nakamura About a year ago, I was encouraged by the president of the company I worked for to go independent. When I talked about it to my friend, he said, "Oh, if you do that, let's do it together." So, we decided to go independent. That friend is now president of our company, HAPPY FARM plus R. From our previous company, we still receive ongoing support such as the leasing of farmland, agricultural machinery and tools.

Hayashi It has been two years since Ms. Akimoto started her "*tabechoku*" business. How is your business, Ms. Akimoto?

Akimoto Although the basic scheme is for farms to register produce with "*tabechoku*" to be sold to consumers, the scheme by itself does not work because it is troublesome for farmers to register produce at each harvest. It is inconvenient for consumers too. For example, because the content of an assorted vegetable box changes depending on the season, it

Representative, Fruitelier/Nakamura orchard (Kurume, Fukuoka); Born in Fukuoka, Japan. Worked for a major auto parts manufacturer. Professional kickboxer. Graduated from the Japan Institute of Agricultural Management in 2017. Fourth generation of a family-owned orchard with a 100-year history.

Project Professor, Graduate School of System Design and Management, Keio University; Anchor of The Sapporo Television Broadcasting Co., Ltd. (current position since 2008); concurrent positions include Visiting Professor, Graduate School of Agriculture, Research Faculty of Agriculture, Hokkaido University. Recent publications include "*Noson de tanoshimo* (Let's enjoy in farmers' villages)" (Azumi Publishing).

is troublesome for farmers to re-register the content of the box with each harvest. And consumers are unsure what they are going to get if the labels are not accurate.

Our "*tabechoku*" services, however, receive information from each farm from the seeding stage and monitor the harvesting in real time. Without the need for farmers to register their produce at each harvest, the "*tabechoku*" services can automatically let customers know which vegetables are to be delivered this season.

Hayashi Your parents have agricultural experience. What was their reaction to your starting a business?

Akimoto Although they were happy about my choice of an agriculture-related business field, they were surprised at my entrepreneurship. But, at the time I reported it to them, I already had quit the company I previously worked for (laughs).

How Do You Overcome Obstacles and Attain Your Dreams?

Hayashi All three of you are really decisive. For each of you, what is your dream regarding your business?

H. Nakamura I have many dreams. So many dreams! (laughs) First, I would like to ensure the profitability of our business and grow our company. I also dream of making our company a place where people wish to work and connect our potential employees and people who like agriculture or enjoy doing agricultural work. It is also my dream to continue to convey my messages to people, such as "We can become healthier through agricultural work. We can become tough. It's so much fun!" Here is an actual example: A young wife who was tired of living in an urban area with her baby returned here (her hometown) and regained her health when she started working with us. I also dream of using our farms as a community venue, where we grow something together with men and women at my grandparents' ages from whom we lease land and/or as a therapeutic place where disabled people and children who refuse to go to school can engage in farming.

Hayashi "Agriculture-welfare collaboration," using agriculture to improve people's well-being, is in the spotlight recently. I understand this factor is also a major pillar of management of Ms. Hisako Nakamura.

M. Nakamura Shortly after we started the tourists' orchard, a girl with a serious disability visited with her family, but at that time our orchard had many places she was unable to enter. Although I already had an idea to make our café and farmers' market barrier-free, after I met that girl, I accelerated my plan and we made everything barrier-free including the tourists' orchard. Pipes that get in their way can be cut. Aisles can be widened. We made two wheelchair-accessible bathrooms. Now, people from elderly homes, daycare facil-

Fruitelier café: The parfait, as well as a mascot goat named "*Koharu-chan,*" is popular.

The registered farms are visible with "*tabechoku*" services. A rich collection of recipes is available for consumers.

HAPPY FARM plus R grows many species of vegetables and fruits in greenhouses and in fields.

ities and hospitals, who were previously outside my scope, visit us for such occasions as excursions.

Hayashi That is also an example of "agriculture-welfare collaboration." What is your dream, Misa?

M. Nakamura The number of local families growing pears, has decreased from more than 50 to about 15 today, and only three have successors including my family. Now I am operating a tourists' orchard that is visited by more than a thousand people on weekends. By gradually expanding our business, I would like to make a venue like an agricultural version of KidZania (a theme park for kids where they can enjoy work experience). More than just a transient experience like an orchard for tourists, I want to realize a venue where children can experience the whole process from harvesting, sales and cooking by themselves to having a meal with their family.

Hayashi The café, which you own, can be used for various cooking experiences such as making jams. What is your future dream, Ms. Akimoto?

Akimoto First, although many people mistake "*tabechoku*" as a business that competes with JA, such a notion is completely wrong. I believe "*tabechoku*" operates in business areas that JA has yet to address. In the future, I would like to develop "*tabechoku*" into something that supplements JA operations.

We are pursuing a business model through which farmers, who put so much effort into growing produce, can achieve reasonable profit. It is difficult to improve the efficiency of production that involves meticulous care, resulting in higher production costs. Unfortunately, meticulously grown produce is not always sold at reasonable prices for growers. Such farmers don't want their children to follow in an unprofitable business, resulting in fewer successors. Facing such a reality, I want to make agriculture an industry in which meticulous growers can have their children succeed their farming business.

Hayashi What's the feedback from your participating farmers?

Akimoto The number of farms registered with "*tabechoku*" has exceeded 300, and we are making efforts to increase participation. Some farmers say that their profits have doubled since they started using our "*tabechoku*" services and are now thinking they can have their children take over their business.

Hayashi You are encouraging farmers so they can dream about their future.

Akimoto Although many farmers are passionate about their work, people in different industries tend to ask, "Why do they engage in unglamorous work such as agriculture?" Few people have an image of agriculture as a successful business.

H. Nakamura That's right. People often ask me, "Why in the world are you taking on agribusiness?" (laughs)

Akimoto Unless an increasing number of people outside agriculture become interested in agriculture, I think the agriculture industry itself will decline even more.

M. Nakamura Image is important, isn't it? I try to wear nice clothes or cool sportswear consciously when I am not working in the field. But the entire agriculture industry needs to become more attractive. Otherwise, new people will not join us.

H. Nakamura When we were discussing our company's uniforms, we thought that we would like "something fashionable, unlike the typical image of agriculture" for our youngest employees—soon to be 20 years old. Something flexible, lightweight and easy to wash when they get dirty resulting in our choice of a design and fabric much like a baseball uniform.

Akimoto When we operate an agribusiness, the more successful the business, the more important to maintain a low profile. Otherwise, we might have a hard time in local communities. Perseverance is a virtue. In the IT industry too, there are some young entrepreneurs who are "hammered down" because they "stick out." But, because there are successful business managers, people want to become like them and follow suit.

M. Nakamura A young farmer acquaintance drives a Ferrari. I know some rich farmers called "*Oku-noka* (100 million yen, or millionaire, farmer)" (with annual revenue of more than 100 million yen). A business manager driving a super car is a flashy image that might have a simple and powerful appeal to young people.

Look "Outside" Agriculture. Let's Become the "Nail That Sticks Out."

Hayashi I suppose that you have experienced many issues and obstacles in pursuing your dreams.

H. Nakamura My problem was not having a clear idea of the right place to consult on issues. For financing, despite many options including JA, Shinkin Banks and other banks, as well as subsidies provided by the local governments and even the Japanese government, what is "my" go-to place? It was hard to identify a reliable organization for me or one that might accept us. One day, I was casually chatting with staff at a regional bank without any expectations, and that person talked to the General Manager of the branch. Thereafter, I was able to get a loan and finally start our company.

For issues other than funding, there are various places for consultation such as the local JA, the prefectural and municipal governments and the Agriculture Administration Office. However, because of the unusual nature of our business, having started as a stock company, everyone I consulted was somewhat puzzled, not knowing how to handle us (laughs).

Being a member of Okayama *Nogyo Joshi* (a women's agricultural organization) proved helpful in making the related human connections, followed by proactive help from the prefectural and municipal governments, which helped a lot. Our company also engages in an initiative to realize the SDGs (Sustainable Development Goals). As Maniwa City, our local city, is a designated "sustainable city of the future," our company was able to become a partner enterprise of the city. This connection generated significant merit such as allowing us to establish a sales channel with local supermarkets. I am now hoping no one on the current staff will be transferred to other regions (laughs). Through Okayama *Nogyo Joshi*, I became acquainted with a female employee of The Norinchukin Bank with whom I can discuss various issues and I would like to continue to seek more help from her.

Hayashi How about you, Ms. Akimoto?

Akimoto Although we have many issues, first we need to invest in our systems to make our services easy for farmers to use. Such investments need significant funding. Because I previously worked in the IT industry, I only knew about fundraising through venture capital. I should have consulted The Norinchukin Bank (laughs).

Another issue is "human resources." I am trying to figure out how to attract highly capable people to join the field of agriculture. Furthermore, we need peripheral businesses such as our company to enter the field of agriculture. To support farms, of which the number will decline inevitably, we will need more peripheral business operators.

To make agriculture a more attractive industry, we need to look not only inside but also outside the industry and learn from successful cases in other fields. I think there are some helpful ideas outside the field of agriculture.

M. Nakamura That's right! Therefore, I am actively promoting an alliance with other businesses. Otherwise, there would be no self-development. Looking only within agribusiness tends to be myopic.

H. Nakamura When we do something new, we tend to be hammered, especially in agriculture (laughs).

M. Nakamura There's more. When women do something new, we tend to be hammered more.

Akimoto Instead of hammering the nail that sticks out, one should also try to think outside the box. With women becoming trailblazers, we might see a different world. Because of our gender, we might tend to stand out often, whether good or bad. But as a person in a business to support agriculture, I highly appreciate the existence of farmers such as the two of you undertaking new agribusinesses.

Hayashi I have enjoyed talking to you all today. You have broadened my dreams about agriculture, and I am pleased to recognize a bright future for Japanese agriculture. Thank you very much.

After the closing of the dialogue meeting, at the same venue—the Japan Institute of Agricultural Management, an interactive meeting occurred where these "present and future" agribusiness managers and students of the institute engaged in a vivacious discussion.

PART

2

To The Next Norinchukin Bank

The Norinchukin Bank's

Resources and Strengths

Abundant food and agriculture knowledge and leading-edge financial knowledge

96 years
History of supporting the agriculture, fishery and forestry industries through finance

17 years
Integrated management of JA Bank composed of 613 JAs and 32 JA Shinnorens

21 years
Got into globally diversified investments ahead of the times

Network of cooperatives

Cooperative system

3,540 groups
Members of The Norinchukin Bank

103.2 trillion yen
JA Bank savings balance

2.7 trillion yen
JF Marine Bank savings balance

Stable deposits and financial base

A (S&P)
A1 (Moody's)
Credit rating

19.65%
Total capital ratio

Expert human resources

28.8 billion yen
Total assets per employee (non-consolidated basis)

3,615 people
Number of employees

111 people
Number of employees who have studied overseas (= number of employees who have obtained MBA/LLM)

INPUT

The Norinchukin Bank's Business

The Norinchukin Bank Business Model

Food & Agriculture Business
Supports and connects producers and the business community and expands their networks to turn the agriculture, fishery and forestry industries into growth industries

Retail Business
JA Bank and JF Marine Bank meet diverse financial needs in each region while achieving efficient management

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

Corporate & Shared Services
Supports the three business areas and promotes new initiatives such as digital innovation and sustainability management

Our Mission

Facilitating funding for cooperative organizations → Supporting the advancement of the agriculture, fishery and forestry industries → Contributing to the development of the nation's economy

Our Vision

Leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities

Value Creation Model

Business Achievements

OUTPUT

Business achievements related to the agriculture, fishery and forestry industries

Turning the agriculture, fishery and forestry industries into growth industries

Support — As the main bank for the AFF industries*

- Seed money
- Consulting for leaders
- AgTech investment

→ Agricultural corporations → Increase producers' income / Revitalize local communities

Connect — As the food and agricultural bank of Japan

- Cooperation with regions and firms
- Procurement/development of sales channels
- Support for overseas expansion

→ Japanese food and agriculture companies → Offer food and agriculture value chain / Enhance corporate value

Expand — As a global financial institution

- Global investment network
- Operation of food and agricultural fund
- Connecting Japanese companies

→ Global food and agriculture companies → Bridge to the world based on food / Leading Asian food and agriculture business transactions

*AFF industries = Agriculture, Fishery and Forestry industries

Providing financial services right across the country

Share of Japan's agriculture-related loans (JA Bank overall)

53% (2.4 trillion yen)

- 1.2 trillion yen — JA
- 0.8 trillion yen — JA Shinnoren
- 0.4 trillion yen — The Norinchukin Bank

No. 2 in Japan — Total number of JA Bank branches in Japan

No. 3 in Japan — JA Bank share of individual deposits

85 vehicles — The number of mobile branches introduced

Generating profits

Approx. 400.0 billion yen

Returns to members profits earned from the Investment Business and the Food & Agriculture Business

Value Provided to Society

JA JF JForest

Providing return of profit and financial functions

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

- Turning the agriculture, fishery and forestry 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 agriculture, fishery and forestry industries

1 NO POVERTY
2 ZERO HUNGER
4 QUALITY EDUCATION
5 GENDER EQUALITY
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

Our Value

Dedicated to sustaining all life.

Our Foundation

One for all, all for one.

Our Features

Constant Mission over 96 Years:
Transforming Itself to Meet the Needs of the Times

1923~

Meeting the demand for funding in the agriculture, fishery and forestry industries before and after World War II

Launched as the central bank for Japan's industrial cooperatives

Supporting producers with financial services, including loans, through cooperative organizations with the spirit of helping one another

Producers involved in the agriculture, fishery and forestry industries faced a shortage of funds before and after World War II until Japan's era of high economic growth. Aiming to solve such a situation, The Norinchukin Bank was established in 1923. As the central body for agricultural, fishery and forestry cooperative organizations, The Norinchukin Bank has supplied funds to agricultural, fishery and forestry cooperatives throughout Japan to provide loans to producers and met the demand for large-scale funding beyond the capacity of individual cooperatives. The basis of these actions stems from our spirit of helping one another— "one for all, all for one."

1970~

In light of the increase in JA Savings due to economic growth

Extending loans and investments into wider financial markets in addition to the agriculture, fishery and forestry industries in response to the needs of the times

Since the 1970s, when savings deposited by individual members and local users increased considerably, we have been meeting Japan's strong demand for funds through loans and investments for companies related to the agriculture, fishery and forestry industries, the supply of funds to Japan's short-term capital markets, and investment in Japanese government bonds. Moreover, from the latter half of the 1990s, we quickly moved into top gear on globally diversified investments in global financial markets. We have returned stable earnings to members as JA, JF and JForest even in a low interest rate environment.

Since its establishment in 1923, The Norinchukin Bank has been managed under special legislation, initially, as the central bank for Japan's industrial cooperatives, "Sangyo Kumiai," and subsequently via the Norinchukin Bank Act.

It is a cooperative private financial institution with a clear mission to "contribute to the development of the nation's economy by supporting the advancement of Japan's agriculture, fishery and forestry industries by providing financial services for the members of the agricultural, fishery and forestry cooperative system."

Since its establishment, we have continued to provide support for everyone engaged in the agriculture, fishery and forestry industries for 96 years while constantly transforming in line with changes in the environment surrounding the agriculture, fishery and forestry industries.

2016～

Amid the ongoing significant changes in the nation's needs for the agriculture, fishery and forestry industries, we believe that the delivery of safe and secure domestic produce, which consumers, restaurants and food processing companies want, will pave the way to turning the agriculture, fishery and forestry industries into growth industries. Leveraging our deep ties with producers in the agriculture, fishery and forestry industries and longstanding business relationships with companies related to the agriculture, fishery and forestry industries, we intend to "build" bridges between primary industry and secondary and tertiary industries. In 2016, we had a full-scale launch of such an initiative. Our Food and Agriculture Business offers diverse solutions to both producers and consumers.

2019～

Trying Now!

Medium-Term Management Plan

Catch the Winds of Change.
Create New Value.

The agriculture, fishery and forestry industries are not the only ones having to adapt to radical changes. The financial industry also faces rapid changes in the investment environment and technologies. To address such non-continuous changes, the Bank has formulated a new Medium-Term Management Plan, covering five years from fiscal 2019 through fiscal 2023, and set out to realize the plan. Viewing changes in each of the three business areas—food and agriculture, retail, and investment—as opportunities, the Bank aims to achieve further growth together with the agriculture, fishery and forestry industries in Japan.

Medium-Term Management Plan

(FY2019-FY2023)

Aiming to become a "leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities," we strive to catch the winds of change and create new value.

Environment Surrounding Us

Global profit margin compression
Inevitable to build strategy under a new investment environment.

Rapid digitalization
Customer behavior will change drastically.

Change in member profile
–aging
–business expansion needs
Securing local production bases will become an issue.

Growth of Asia
Business in Asia will expand further.

Environmental and social issues
Offering value to society will be crucial.

Core Principle

- More customer-orientation
- Lead AFF industries*
- Proactive digital innovation
- Forward looking business transformation
- Establish a sustainable financial base

*AFF industries = Agriculture, Fishery and Forestry industries

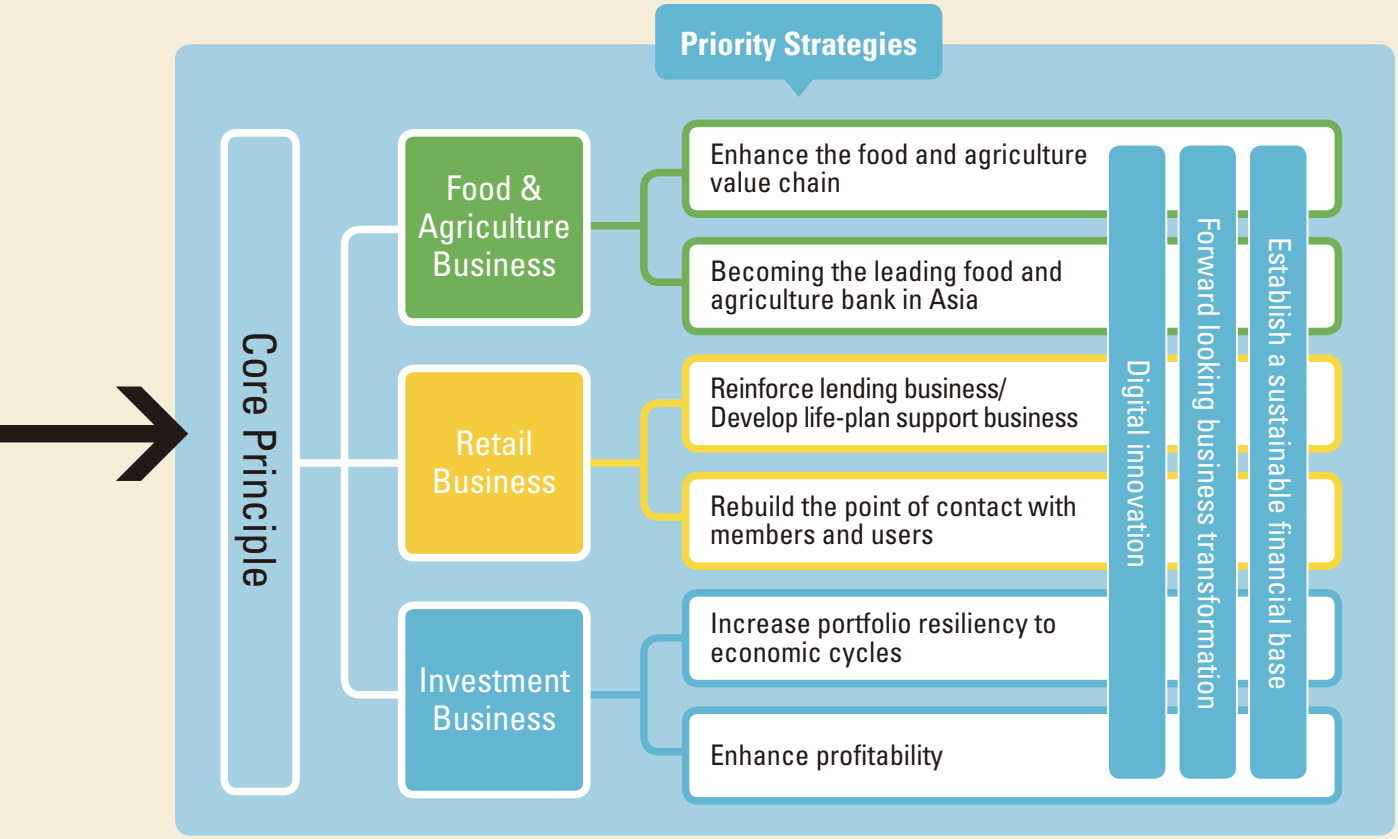
Looking ahead to the next 10 years, we have formulated our vision of the Norinchukin Group "for the next five years."

Unprecedented changes are occurring in our business environment such as global compression of profit margins, rapid expansion of digitalization, change in the members' profile (aging and increasing demand for business expansion), growth in Asia, and environmental and social issues. Although this era of non-continuous changes has resulted in a severe environment for management, we believe that changes and new trends in the society are providing opportunities for growth.

To address the new issues anticipated over the next 10 years, we have formulated our vision of the Norinchukin Group for the next five years—the new Medium-Term Management Plan. To resolve these issues and tackle the challenging task of creating new value, it is important to conduct "customer-oriented business" and "lead the growth of the agriculture, fishery and forestry industries." To this end, digital innovation, operational reform and sustainability of financial base are indispensable. Therefore, these are set as the core principles in the Medium-Term Management Plan.

We believe that non-continuous changes will occur during the next 10 years.

In such a situation, we need to optimize our operation to meet customer expectations and continue value creation. Looking ahead to the next 10 years, we reviewed our current operations thoroughly and formulated a five-year Medium-Term Management Plan (FY2019-FY2023), "Catch the Winds of Change. Create New Value." to change our approach in conducting business and achieve significant innovation.



Offer diverse value to the society, cooperating with the cooperative groups.

Under the Medium-Term Management Plan we will share the issues from the perspectives of individual members, users and customers and offer comprehensive services, aiming to solve those issues together with them by focusing on our core strategies for each business. Furthermore, the Bank will strengthen the initiatives from a global perspective to develop the agriculture, fishery and forestry industries, as well as food production and consumption, and revitalize local communities.

In addition to our knowledge nurtured over many years on food and agriculture, as well as finance, we possess a broad network of cooperative associations and a stable financial base. By maximizing these strengths, we will meet customer expectations, bridge domestic and global food and agriculture value chains, enhance the convenience of customers and our productivity, and continue to strengthen our onsite capability and profitability. To fulfill our perpetual mission, aiming to become a "leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities," we will strive to realize further sustainable growth and offer value to society together with our cooperative groups.

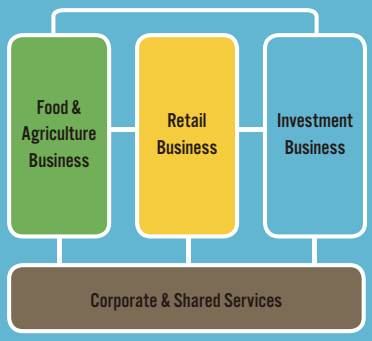
PART

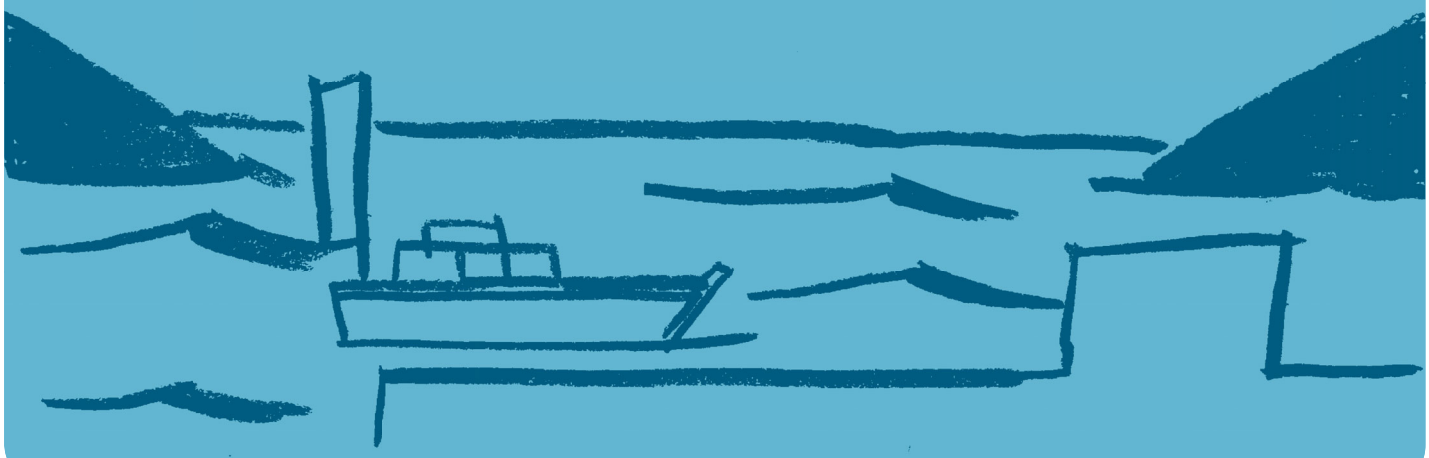
3

Three Value-Creating Businesses and Their Foundation

The Norinchukin Bank continues to offer various kinds of value to local communities, residents and national land via collaboration with cooperative organizations consisting of Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF) and Japan Forest Owners' Cooperatives (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; the **Investment Business** to ensure the stable return of profits via sophisticated fund management through globally diversified investments; and **Corporate & Shared Services** as a foundation for these businesses.

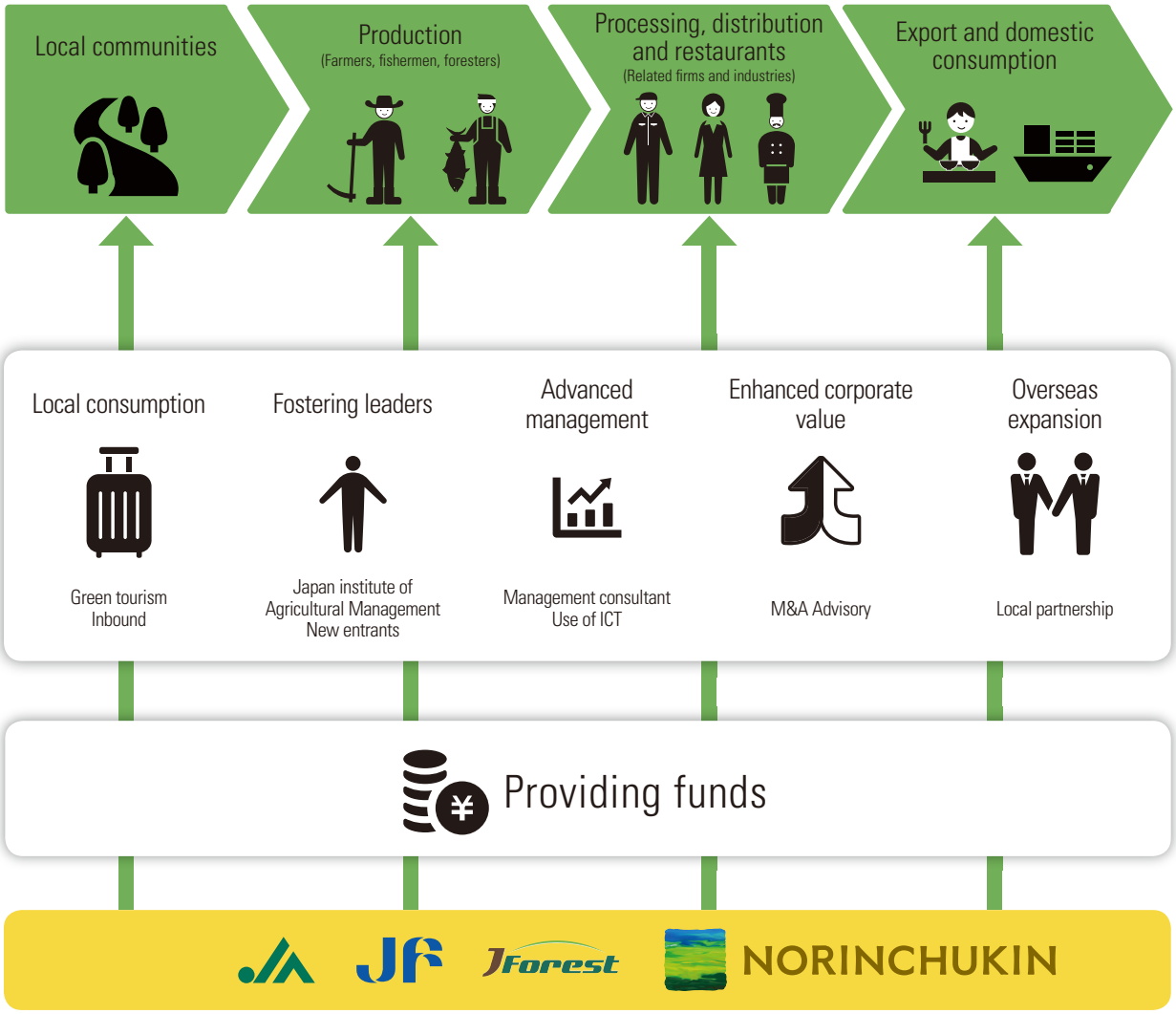




Food & Agriculture Business

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

Enhance the food and agriculture value chain



Combining and utilizing funds, information, and know-hows

We established the Food and Agriculture Business as one of the new pillars of our businesses in fiscal 2016.

By adding 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), and supporting the local communities which brings in the values, we will continue to contribute to turn the agriculture, fishery and forestry industries into growth industries.

Our goal is to be reliable for all those who make up the food and agriculture value chain, that is, to become the "First Call Bank," the financial institution that people call on first.

Tetsuya Kanamaru
Head of Food & Agri Banking Business

"Diverse and effective solutions for producers, industries and consumers"

In our Food and Agriculture Business, we aim to offer reliable solutions and grow together with our diverse customers who form the food and agriculture value chain. Together with JA, JF and JForest, all of which address local producers directly, we will offer comprehensive solutions that are possible only through our cooperative groups and support local producers. Also, by fully performing our roles of connecting and bridging producers, industries and consumers, we will work on solutions to management issues. Furthermore, we will tackle the challenging initiatives to expand access to Japan's superior agricultural, forestry and fishery products throughout the world and incorporate growth in Asia into Japan.

The leading food and agriculture bank in Asia

First Call Bank of food and agriculture

		Our Solutions
Support	As the main bank for the AFF industries*	Seed money Consulting for leaders AgTech investment
Connect	As the food and agriculture bank of Japan	Cooperation with regions and firms Procurement/development of sales channels Support for overseas expansion
Expand	As a global financial institution	Global investment network Operation of food and agriculture fund Connecting Japanese companies

*AFF industries = Agriculture, Fishery and Forestry industries

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

In our Food and Agriculture Business, we not only engage in financing such as making loans and investments but also provide support to expand consumption in local communities, help develop agricultural leaders through the Japan Institute of Agricultural Management, and provide management consulting and M&A advisory services mainly for agricultural corporations.

The keywords for these initiatives are "support," "connect" and "expand." In addition to providing these three functions, we will support our customers' overseas expansion aggressively to incorporate the growth in Asia into Japan and link such initiatives to further develop Japan's food and agriculture industries. Aiming to become a leading food and agriculture bank in Asia that grows with our customers, we will continue to offer enhanced solutions.

Case Studies of Our Food & Agriculture Business

Our Food and Agriculture Business, which was launched in FY2016, has demonstrated significant performance of its functions to "Connect" "Expand" and "Support" in numerous projects in Japan and overseas.

Connect

01 Mitsubishi Estate Co., Ltd., Ecozzeria Association and JA-ZENCHU

Agriculture >>>Nationwide

Supported the shipment and sales of agricultural produce to buildings around Marunouchi area, by connecting Mitsubishi Estate, Ecozzeria Association and JA-ZENCHU. Utilized the "freight and passenger mixed loading" space in express buses for long-distance transport.

02 Nikken Lease Kogyo Co., Ltd., and JF Group

Fishery >>>Nationwide

Supported the establishment of the Osaka Live Fish Center by Nikken Lease Kogyo, which aims to establish a nationwide live-fish distribution network. Realized the procurement of live fish, receiving cooperation from local JF.

03 East Japan Railway Company and producing areas nationwide

Agriculture >>>Nationwide

Helped hold PR events for each producing area throughout Japan by connecting such areas and "JAPAN RAIL CAFE," an inbound promotion platform which is operated in Singapore by East Japan Railway.

04 Shikoku Electric Power Co., Inc., and JA Kagawaken

Agriculture >>>Kagawa

Made loans for the new establishment of a strawberry-producing firm by an electric company that aims to revitalize local communities. JA Kagawaken supported the newly established firm, which has become its member, mainly in supplying materials and collecting produce.

Expand

05 Asian food and agriculture companies and banks

Other >>>Asia

Through the collaboration with Asian banks such as BDO Unibank in the Philippines and Vietnam Investment Development Bank, the Bank has supported the creation of business opportunities between Japanese food and agriculture companies and those in the rest of Asia.

06 Inochio Holdings Inc.

Agriculture >>>Aichi and the Netherlands

Provided M&A advisory services, jointly with a subsidiary of Rabobank (Coöperatieve Rabobanks U.A.), for the acquisition of a corporate agricultural breeder in the Netherlands by Inochio Holdings, which engages in the wholesale of agricultural chemicals, materials and tools, the construction of agricultural facilities and the flower breeding.

Support

07 Kumamoto Honeybee Pollination Business Association Nishioka Apiculture Garden. Inc.

Agriculture >>>Kumamoto

Provided a subsidy jointly with JA Group Kumamoto for a bee-nurturing organization in Kumamoto Prefecture, which suffered damage from an earthquake and a storm, supporting the securing of bees for breeding, the development of young bee breeders and the alliances with bee breeders outside the prefecture.

08 JForest Moriren cooperative organizations in Kyushu

Forestry >>>Kyushu region

Supported the establishment of a lumber supply chain beyond prefectural borders by the Kagoshima Forest Association and the JForest Moriren cooperative organizations in other prefectures in Kyushu and established an integrated system for deliveries to lumber companies. Started working to establish a Kyushu-wide lumber supply system.

case#01 Agriculture

Promoted the Revitalization of Tono City, Renowned for Hop Production, by Supporting Producing Areas via Public-Private Collaboration

>>>BEER EXPERIENCE@Tono, Iwate

Tono, Iwate, known for its folklore, is renowned for producing hops, which create a unique flavor in beer. To accelerate the revitalization of the city to realize its "Home of Beer" vision, The Norinchukin Bank and Kirin invested in BEER EXPERIENCE CO., LTD. (Atsushi Yoshida, President and Representative Director), a local agricultural corporation, in 2018.*

Japan, which is experiencing a low birthrate and an aging society, has serious social problems such as the depopulation of rural areas and the lack of successors to agricultural businesses. Tono, a leading hop-producing area in Japan, also has seen a decline in hop production to about a quarter of the peak volume.

Kirin has had contracts with Tono City in hop production for more than 50 years. Together with Tono City and other producers, Kirin has undertaken various initiatives with the slogan, "From the Home of Hops to the Home of Beer," contributing to acquiring new farmers and increasing the number of people involved with the city.

Through investments in BEER EXPERIENCE, Kirin offers social value such as the continuing production of made-in-Japan hops, the enhancement of brand value and the revitalization of the local economy. Furthermore, Kirin works to link such social value to the creation of economic value such as the consistent procurement of made-in-Japan hops and the nurturing of a craft beer business field through external hop sales to craft brewers, as part of Kirin's "CSV (Creating Shared Value) management" efforts.

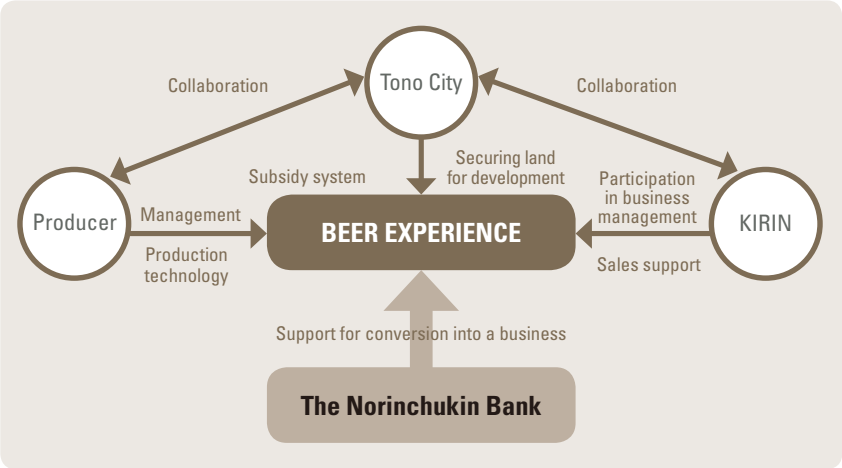
When the idea of establishing BEER EXPERIENCE surfaced, The Norinchukin Bank collaborated with Kirin, which had loans from and other transactional relationships with the Bank. The reasons for Kirin's decision to collaborate with the Bank were the Bank's not only financial but also agricultural business-related knowledge, its focused efforts to support agricultural corporations as part of its Food and Agriculture Business and its ability as a member of the JA Group to collaborate with Iwate Prefectural Credit Federation of Agricultural Cooperatives (JA Iwate Shinnoren) and JA Iwate Hanamaki.

The Bank helped formulate the business and funding plans of the agricultural corporation. To apply for related subsidies, JA Iwate Shinnoren and JA Iwate Hanamaki supported the company by coordinating with the prefectural and municipal governments. Furthermore, the Bank, jointly with Kirin, made an investment in this newly established agricultural corporation.

Kirin, the Bank and BEER EXPERIENCE, by continuing to fulfill each role in the public-private collaboration for the revitalization of Tono, demonstrate a model case of "local revitalization," which is a social issue in Japan, aiming to expand similar initiatives nationwide.

The goals of BEER EXPERIENCE are more than the expansion of the production of Padron peppers and hops. For example, under its initiative toward the sixth industrialization, the company has developed "HOPsyrup" featuring the flavor of hops. Kirin already sells this product. In addition, the Bank intends to continue to play roles proactively in a city–led initiative for local revitalization with the "Home of Beer" vision, together with local hop producers.

*The Bank's investment was executed by The Agribusiness Investment & Consultation Co., Ltd., which is a fund that invests in and develops agricultural corporations.



Mr. Yoshida is an "I-Turn" farmer (a new farmer who relocated from a city to farmland after leaving a job in the city).

The demand for domestically produced hops is rising.

HOPsyrup, with a unique flavor, has a wide variety of uses.

Padron peppers are used as appetizers to go with beer in Spain.

Padron peppers before frying look like *shishito* peppers.

case#02 Forestry

A New Technology Leads Innovation in Japan's Traditional Urushi Lacquer Culture

>>>Joboji Urushi Workshop@Ichinoseki, Iwate

Urushi has long been loved in Japan as a precious lacquer since ancient times. However, domestically produced urushi is in danger of extinction. Of the urushi used in Japan, 97% was produced overseas, whereas only 3% was produced domestically.

Takuo Matsuzawa, then an employee of the prefectural government, was alarmed by such a situation and established Joboji Urushi Workshop Co., Ltd., in 2009, to disseminate the attraction and beauty of urushi, a special product of his local Iwate Prefecture. Mr. Matsuzawa is now President and Representative Director of Joboji Urushi Workshop, which undertakes the refining, processing and sales of urushi lacquer as well as the planning of production, retail and wholesale of urushi lacquerware. The company achieved its shift to a stock company in 2012 (Head Office: Morioka, Iwate).

In fiscal 2015, the Agency for Cultural Affairs of Japan determined that domestically produced urushi lacquer should be used for the maintenance and repair of designated National Treasures and Important Cultural Properties of Japan, in principle. Although this policy has become a tailwind for this company, domestic urushi production remains in short supply.

To address such a situation, Mr. Matsuzawa has worked to establish an urushi collecting method that multiplies the urushi production volume. Mr. Matsuzawa is working on a development project based on "shockwave tree bark busting technology" together with Shigeru Ito, Professor Emeritus of the National Institute of Technology, Okinawa College. In fiscal 2017, his project was selected as a recipient for a subsidy from the Agricultural, Forestry and Fisheries Future Fund, which was established by The Norinchukin Bank through a fund contribution. They aim to achieve practical application of this technology in the fall of 2019.

Although urushi tree sap was gathered previously by cutting into the tree bark, a new method is expected to allow urushi sap to be collected by busting the cells of the tree trunk and roots by applying shock waves. This new method is expected to enable to more than double the production volume of sap compared to the conventional method. In addition, although it used to take approximately 15 years for an urushi tree to grow to the stage ready to collect sap using the conventional method, the new method allows urushi sap to be collected even from five-year-old trees.

Mr. Matsuzawa envisions the utilization of abandoned lands and forests to produce urushi. If it becomes possible to collect tree sap in only five years from the tree planting, this technology signals the birth of an epoch-making business model in the forestry industry, which usually takes many years from planting to cutting and shipping.

Responding to Mr. Matsuzawa's request, an increasing number of farms and mountain/forest owners in Iwate Prefecture already are discussing or implementing the planting of urushi trees. Hideya Suzuki, in Ichinoseki, was initially perplexed about the handling of the farmland and forests he inherited. Two years ago, he started planting urushi trees in a field where cultivation had been suspended. Mr. Suzuki describes the merits of this business, "I am pleased to know that urushi tree sap from the trees that I grow will be used for Japan's National Treasures and Important Cultural Properties. It's more than profits. It is rewarding." Currently, as General Manager of the Ichinoseki Daito Office of the Joboji Urushi Workshop, Mr. Suzuki is making vigorous efforts to promote the urushi industry, cooperating with Mr. Matsuzawa.

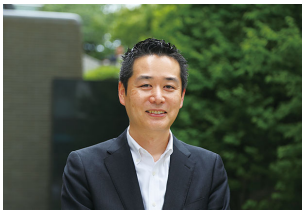
Mr. Matsuzawa believes that if the low-cost mass production of urushi lacquer becomes possible in Japan, the uses of urushi will further expand. He says, "If urushi is viewed as a lacquer produced from nature with low environmental burden, we can see completely new value for urushi. We might be able to sell urushi lacquer to Europe and other areas where focused efforts are ongoing to tackle the problem of ocean pollution by microplastics." His expectations for the new method grow.

The Joboji Urushi Workshop already has received requests for business collaboration from major automakers and railroad companies. In addition, it has launched the "Urushi Next," an NPO to conduct social contribution activities through urushi, implementing an activity to plant urushi sprouts throughout Japan together with Japan Airlines Co., Ltd., which is engaged in initiatives to contribute to local communities and protect Japan's traditional culture.

Agricultural, Forestry and Fisheries Future Fund

The Agricultural, Forestry and Fisheries Future Fund is a general incorporated association that The Norinchukin Bank established by contributing 20.0 billion yen. As a final push to get started or gain traction, the Fund provides subsidies to help local farmers, fishermen and foresters who are making unconventional and ingenious efforts to tackle challenges to overcome their issues. Through providing such subsidies, the Fund aims to contribute to the development of food production and consumption and the daily lives of local communities.

A shockwave tree bark buster undergoing verification testing


Mr. Matsuzawa

Urushi tree planting in Morioka, Iwate

Mr. Suzuki

Makie-lacquered steering wheel using Joboji Urushi

case#03 Fishery

Farming Salmon Using Locally Produced Rice and Selling It Worldwide
The Birth of a New "Miyagi Salmon" Brand

>>>Miyagi Salmon@Minamisanriku, Miyagi

Although worldwide seafood consumption is currently expanding, both the catch and the consumption of fish are shrinking in Japan. Despite such a situation, domestic demand for one fish species—*ginzake* (salmon)—is on the rise. Although *ginzake* does not run upstream in the rivers in Japan, the cultivation of *ginzake* has been ongoing for many years. Farmed *ginzake*, from which parasites are hardly detected, is suited for eating raw, and it is a popular food among children, too.

The outputs of farmed *ginzake* in Miyagi Prefecture have accounted for more than a 90% domestic share in Japan. In recent years, however, there has been intensifying competition due to the emergence of new regions in Japan where salmon farming has begun and their ongoing activities to promote their brands, as well as an increase in cheap imported salmon.

In this business climate, a project that uses a feed mixture containing rice started, aiming to produce more competitive farmed salmon. Previously, more than 80% of the feed used for *ginzake* farming in Miyagi Prefecture was imported feed mixtures. By stopping the use of imported fish powder and other raw materials with high volatility in market prices and instead using domestically produced raw materials, this project aims to stabilize production costs and differentiate Miyagi salmon from the salmon farmed overseas.

The Miyagi Ginzake Promotion Council, on which Takashi Yamashita from Miyagi Prefecture Fisheries Cooperative Association serves as Secretariat and which plays a central role, in cooperation with the association, ZEN-NOH Miyagi and Tohoku University, initiated the cultivation of *ginzake* using rice feed produced in Miyagi Prefecture.

For this development, they used aid from the "innovative technology development accelerator projects (local region strategy project category)" by the Japanese government. About two years after starting the development, they overcame technical difficulties and have succeeded in processing rice feed into pellets that do not sink quickly in water. In 2018, the first shipment of Miyagi salmon farmed using made-in-Miyagi rice feed was made. Such salmon received favorable feedback, for example, "This does not have an odor that farmed salmon usually have."

The Norinchukin Bank provided strong support for a trade show promoting Miyagi salmon held in Sendai City in 2018. Furthermore, to establish a foothold to export Miyagi salmon, the Bank provided support such as business matching with buyers in North America through collaboration between its Sendai and New York branches. Extending this project beyond the rice feed produced in the prefecture, Mr. Yamashita wants to engage in the processing operation mostly done outside the prefecture in Miyagi to establish an "All Miyagi" brand. Moreover, as a next step, Mr. Yamashita and others are promoting the development of smoked salmon using wood chips produced in Miyagi Prefecture. The Bank is proactively providing support such as the referral to the Federations of Forest Owners' Cooperatives.

In 2017, "Miyagi salmon" became the first product from Miyagi Prefecture, and the first farmed product, to be registered as a recipient of government protection under the Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs (Geographical Indication (GI) Act)—a system to protect as Japan's Intellectual Property unique regional products. The future goal is to farm all made-in-Miyagi *ginzake* using made-in-Miyagi rice feed with an aim to establish a global brand.

Business matching

The Norinchukin Bank, leveraging its position as a national-level financial institution for cooperatives, promotes business matching. Collecting information on the needs of cooperative organizations, business operators in the agriculture, forestry and fishery industries and its corporate business partners, the Bank, based on each need, helps establish alliances, whether domestic or overseas, and create/add new value.

Ginzake "Miyagi salmon" farmed in Minami Sanriku, caught, treated by the "*Ike jime* brain spiking/severing the spinal cord" method and awaiting shipment

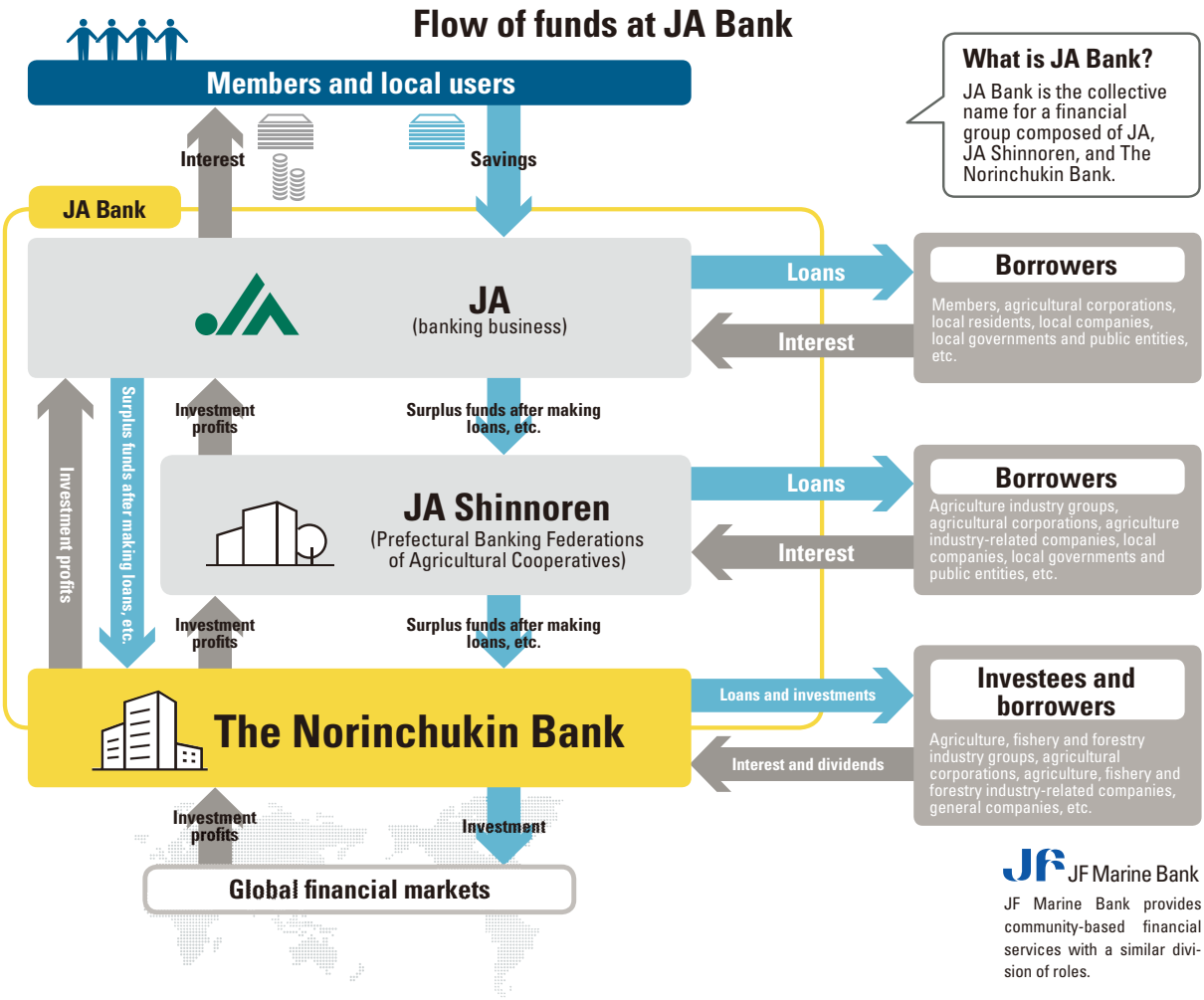
A fishermen's flag put up inside Miyagi Prefecture Fisheries Cooperative Association's office features a collection of messages encouraging restoration from the earthquake disaster in 2011.

Pellet feed made of rice produced in Miyagi Prefecture

Mr. Yamashita

Retail Business

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



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

JA and JF in regions all around the country provide meticulous services to meet financial needs varying in each region as independent financial institutions. To provide these services more efficiently and effectively, JA Shinnoren and JF Shingyoren are responsible at the prefectural level, and The Norinchukin Bank, cooperating with other entities and leveraging economies of scale, is responsible at the national level in the Retail Business.

Among the JA cooperative organizations, The Norinchukin Bank, together with JA and JA Shinnoren, forms a financial group called "JA Bank."

The savings are first used by JA itself to meet local funding needs, mainly to provide loans for local farmers, agricultural corporations and users. Surplus funds after such fund management are deposited with JA Shinnoren at the prefectural level and used to make loans to large-scale farmers and agricultural corporations and companies within the prefecture. Surplus funds after that are deposited with us.

As the manager of such deposited funds, we make loans to and investments in agriculture, fishery and forestry industry groups, agricultural corporations, agriculture, fishery and forestry industry-related companies and other corporations in general in addition to investing in to global financial market with a diversified portfolio, returning profit acquired through such investments to JA Shinnoren and JA.

Also, in the fishery field, JF, JF Shingyoren and The Norinchukin Bank are collectively known as "JF Marine Bank," developing businesses efficiently in a similar way to JA Bank.

JA Bank by numbers

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

Number of members in JA Bank

JA 613 JA Shinnoren 32 The Norinchukin Bank 1

646 groups operate business in an integrated manner (April 1, 2019)

(Source) The Norinchukin Bank research

Number of JA cooperative members

1,051 million

(Source) Comprehensive Agricultural Cooperatives Statistical Tables (2017), Ministry of Agriculture, Forestry and Fisheries

Total number of branches nationwide*

No. 2 in Japan

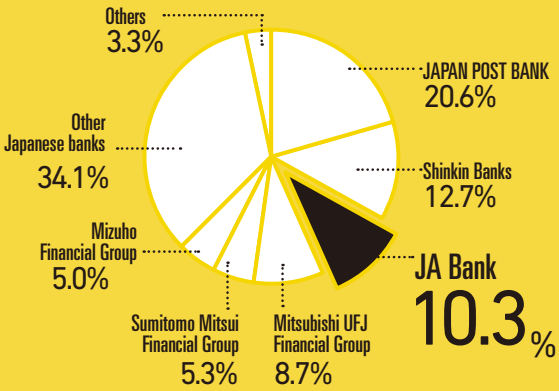
(7,825 branches nationwide, 14.4% domestic share)

* The numbers of JAs and their branches are those of JAs and branches handling domestic exchange (March 31, 2018).

(Source) The Financial Journal Special Edition

JA Bank's share of deposits from individuals

No. 3 in Japan



(September 30, 2018)
(Source) Prepared by The Norinchukin Bank based on Bank of Japan materials and results briefing materials of each financial institution

JA Bank savings balance

103.2 trillion yen

(March 31, 2019)

The number of mobile branches introduced

85

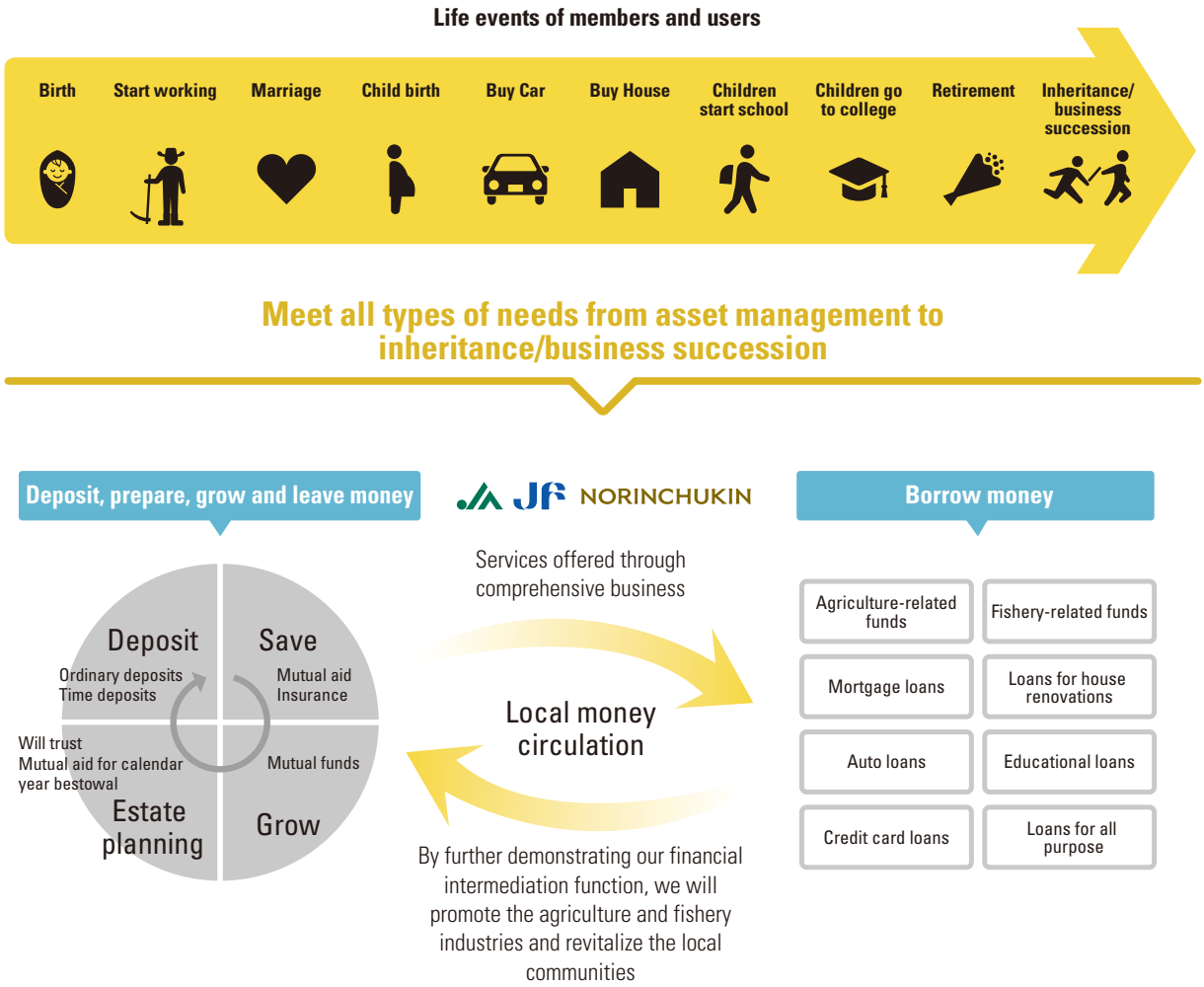
(March 31, 2019)

Shozo Goto
Head of Retail Banking Business

"Realize JA Bank and JF Marine Bank continually chosen by individual members and customers"

Our Retail Business aims to offer new value for local communities and continue developing together with individual members and customers of JA Bank and JF Marine Bank. JA Bank strives to address the financial needs of the members and customers appropriately by conducting the life-plan support business from the standpoint of individual members and customers and reinforcing the lending business. We also strive to link these efforts to the promotion of the agriculture industry and the revitalization of local communities. JF Marine Bank also strives to realize JA Bank and JF Marine Bank continually trusted and chosen by community residents by strengthening its function to finance for fishery business operations and daily lives.

Offering new value to daily lives of local communities



Conducting a life-plan support business to realize the life plan desired by individual members and customers and fulfill their needs

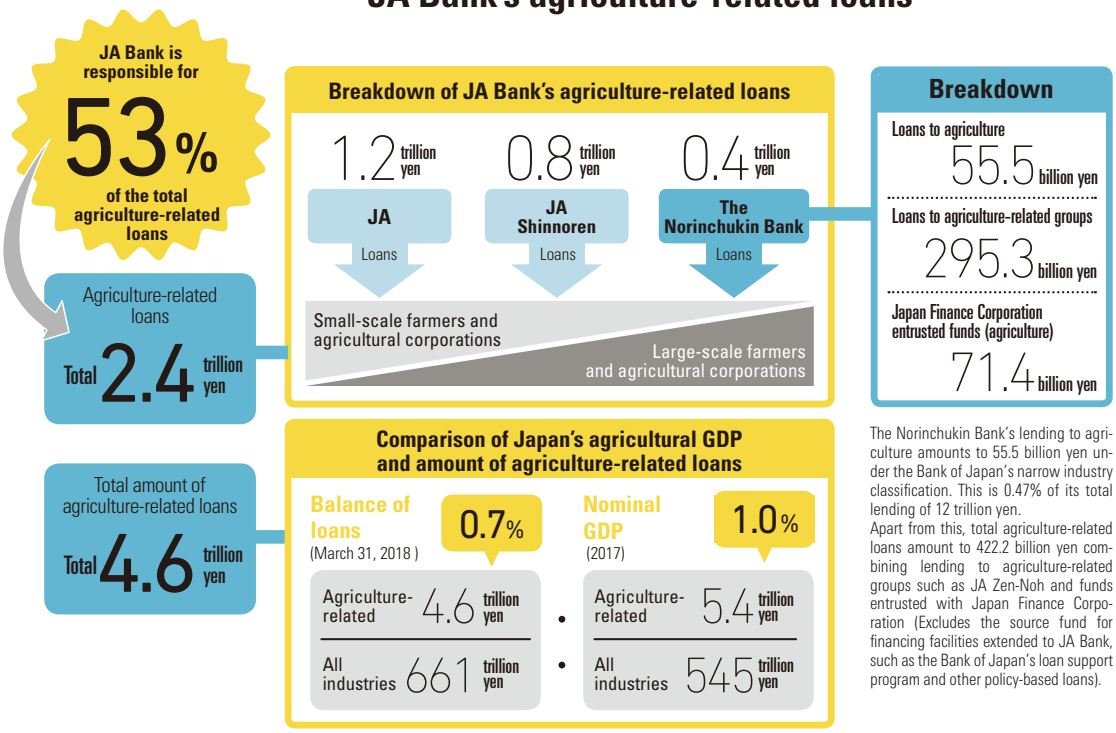
JA Bank conducts "life-event sales," which offers financial products and services timely and appropriately to accommodate individual members and customers' life events such as starting work, getting married, buying a house and retiring from work, and furthermore offers "life-plan consulting" to propose stable asset building and management.

These services are collectively called the "life-plan support business." By making proposals tailored to the life plans and needs of individual members and customers, we strive to help them achieve their desired life plan and fulfill their needs.

Specifically, in addition to various financial services such as savings, settlements and housing loans, JA Bank provides mutual fund and will trust services. Moreover, demonstrating the comprehensive capabilities of the JA Group, combining the services of other businesses operated by JA such as "mutual insurance," we provide services that are possible only by business providing comprehensive services for all customers from the silver generation to the next generation. By thoroughly addressing the needs of individual members and customers, such as agriculture workers, for depositing, saving and growing money, and leaving money, as well as for borrowing money, we strive to facilitate fund circulation within the region, further linking these efforts to the revitalization of the agriculture and fishery industries and local communities.

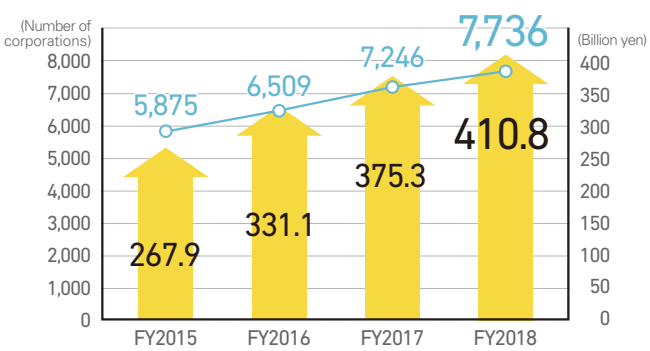
JF Marine Bank also is engaged in a proposal-type life-plan support business targeting fishery workers, utilizing its knowledge as a fishery-dedicated financial institution. JF Marine Bank provides support for asset building and consulting services for inheritance, life support loans according to life events and business succession.

JA Bank's agriculture-related loans

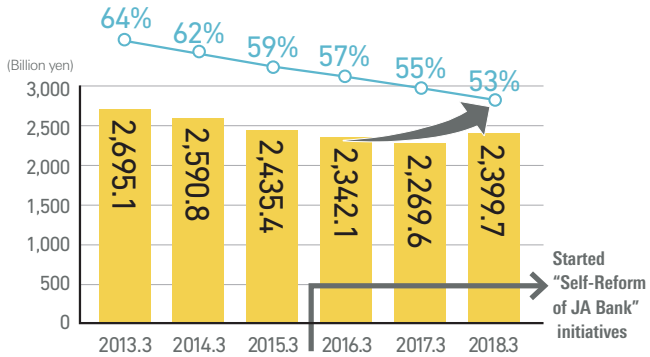


The Norinchukin Bank's lending to agriculture amounts to 55.5 billion yen under the Bank of Japan's narrow industry classification. This is 0.47% of its total lending of 12 trillion yen.
Apart from this, total agriculture-related loans amount to 422.2 billion yen combining lending to agriculture-related groups such as JA Zen-Noh and funds entrusted with Japan Finance Corporation (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).

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



Trends in the balance of agriculture-related loans and market share



Japan's biggest lender in the "Agriculture" field
JA Bank continues to be the main bank for the agriculture industry

JA, JA Shinnoren and The Norinchukin Bank are responsible for different responsibilities at JA Bank with regard to agricultural loans. JA meets the funding needs of small-scale family farmers and agricultural corporations in each region while JA Shinnoren and The Norinchukin Bank play a central role in meeting funding needs for farmers and agricultural corporations running largescale operations.

As a result, JA Bank's agriculture-related loans total 2.4 trillion yen (including loans facilitated by JA Bank on commission for Japan Finance Corporation) with 1.2 trillion yen at JA, 0.8 trillion yen at JA Shinnoren and 0.4 trillion yen at The Norinchukin Bank, making JA Bank the largest lender accounting for more than 50% of the total amount of agriculture-related loans (4.6 trillion yen).

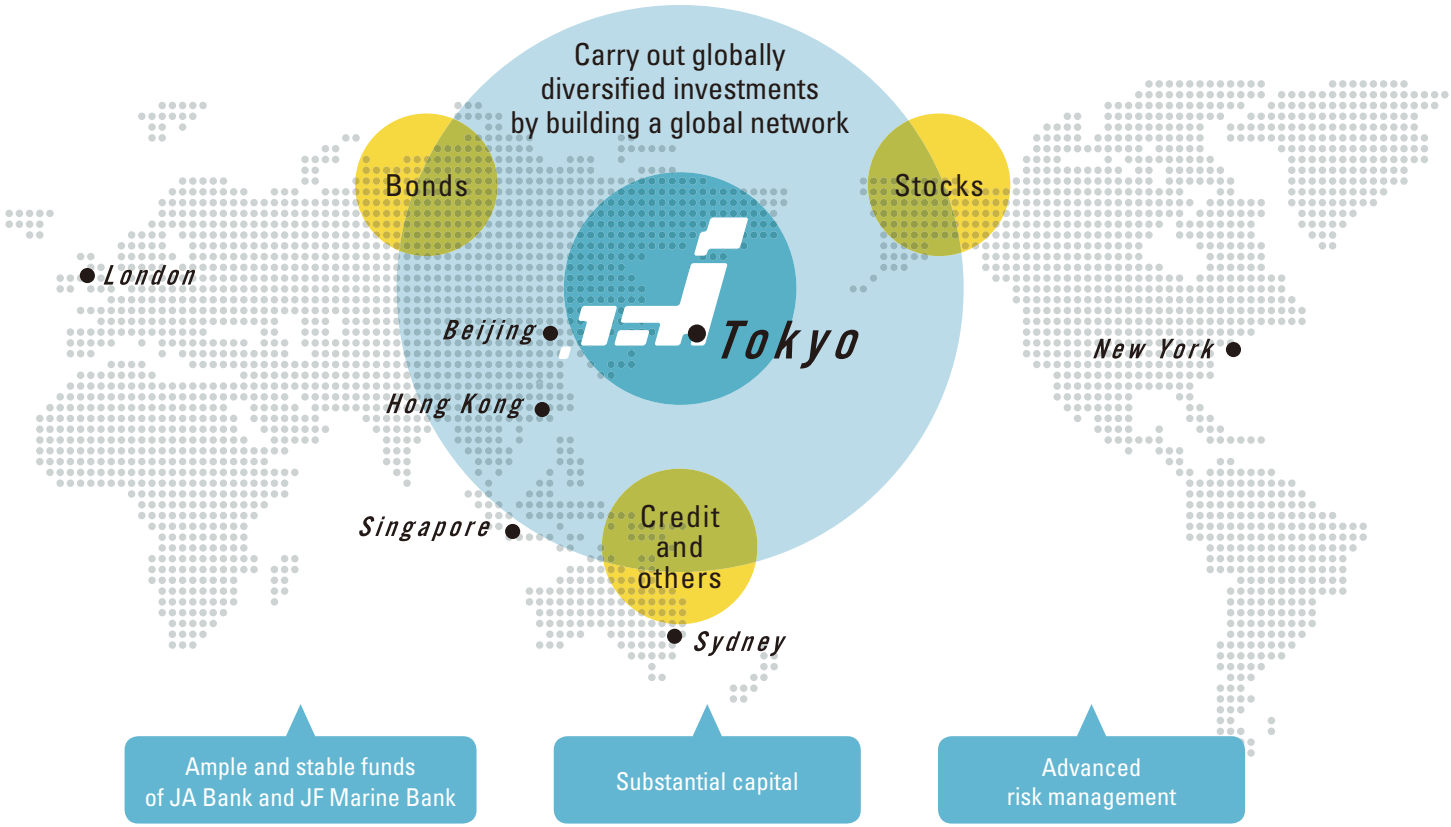
Although a slight decline occurred in the balance of agriculture-related loans of JA Bank for some time past, the balance shifted to an increase on a year-on-year basis as of March 31, 2017, due to an aggressive approach to agricultural corporations. In addition, the amount of newly made agricultural loans has continued to increase each year since fiscal 2016, when we strengthened this approach.

The growth in JA Bank's agricultural loans comes from efforts by JA, JA Shinnoren and The Norinchukin Bank separately or in alliance to commit to provide funds to agriculture-related fields. A good example is the case of BEER EXPERIENCE CO., LTD. in Tono, Iwate, as outlined on page 34 in this report. JA, which made the loans, and The Norinchukin Bank and JA Shinnoren, which contributed funds, together as JA Bank, have provided various financial services to address the needs of the company.

JA Bank will continue to be "the main bank for agriculture" to fully meet the funding needs associated with the expansion of the agriculture industry.

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

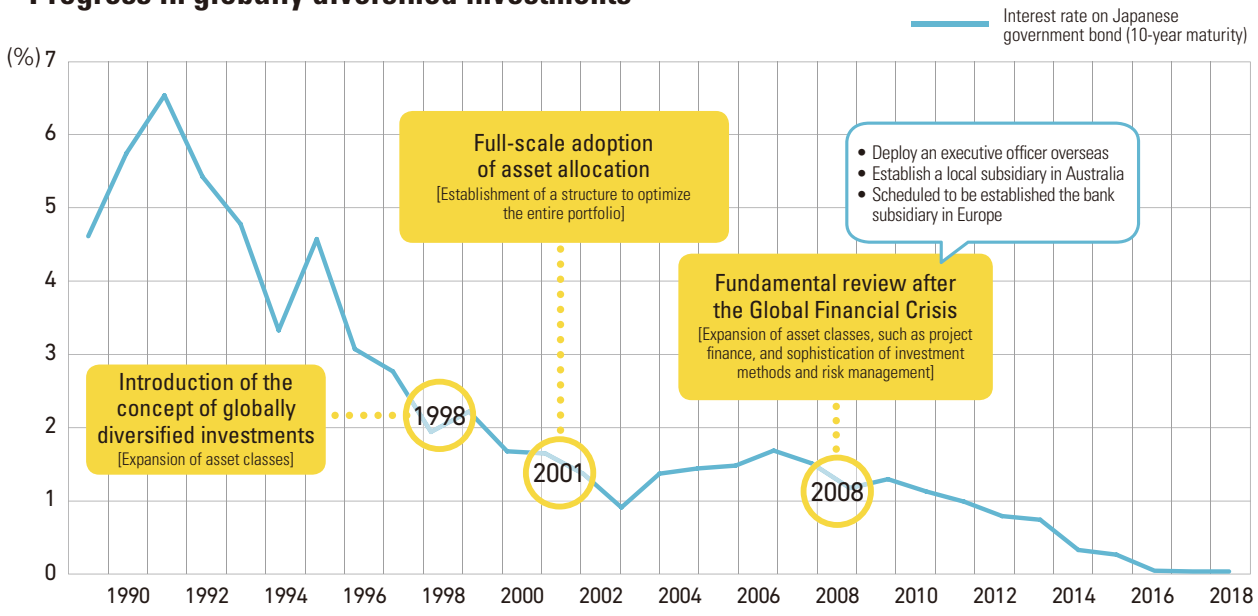
We play a role as the ultimate manager of funds entrusted with JA Bank and JF Marine Bank. To fulfill this role, the Investment Business engages in efficient management taking advantage of economies of scale while continuing to ensure stable profit over the medium to long term and return it to our members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

Aiming to achieve this objective, given the era of low-interest rates that began some 20 years ago in Japan, the Investment Business has worked on "globally diversified investments" at an early stage in the global financial markets. We have built a global network using overseas sites including New York, London, Singapore, Hong Kong, Beijing and Sydney. 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 fluctuate considerably, 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.

Progress in globally diversified investments



(Figure is based on year-end data.)

We introduced the "globally diversified investments" in fiscal 1998. To address the impact of low interest rates and intensified competition in investments and loans in Japan, we aimed to expand asset classes to enhance our asset management capability.

In fiscal 2001, we introduced the concept of asset allocation on a full scale and established an asset management structure to optimize our entire portfolio. Since fiscal 2008, the year when the finance crisis occurred, we made a fundamental review of our asset class selection method and strove to establish a sturdy portfolio with low volatility (changes in prices).

Afterward, we engaged in the expansion of asset class and the sophistication of investment methods and risk management as well as structural improvement. We entered project finance business (see page 45) and other investments.

Beginning in fiscal 2017, we have deployed an executive officer overseas and established local subsidiaries, striving to reinforce its asset management structure.

"Evolving globally diversified investments through the reinforcement of portfolio resistance to economic cycles"

In our Investment Business, we will establish a solid business mode, evolving toward the next phase of globally diversified investments. As an ultimate manager of the funds entrusted with JA Bank and JF Marine Bank, our goal is to ensure stable medium to long-term returns through appropriate risk management. We will build a portfolio with reinforced resistance to economic cycles by exploring new investment areas leveraging our existing and new offices and strengthening our profitability through the sophistication of our investment methods under the appropriate operational management.

Keito Shimbu
Head of Global Investments

Today's globally diversified investments by Norinchukin

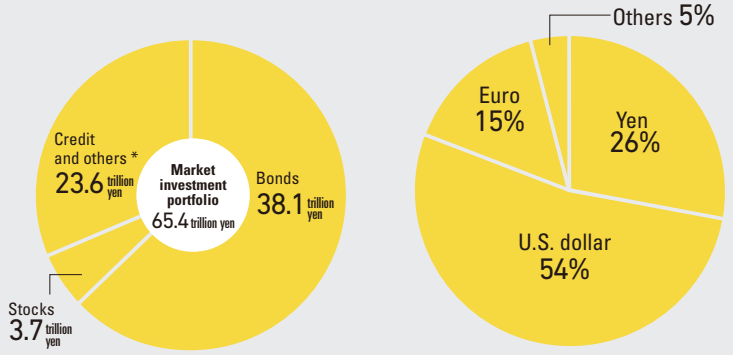
It has been approximately 20 years since the introduction of the concept of globally diversified investments and more than 10 years since the collapse of Lehman Brothers. During that time, our globally diversified investments have continued to evolve and deepen, which is reflected in our current portfolio.

The portfolio consists of roughly four kinds of asset classes—bonds, stocks, credit assets and alternative investments—each with different investment targets, which are described below.

In line with the expansion of asset class, the exploration for investment opportunities is also expanding. Our directors and staff in charge of Global Investments have visited as many as 62 countries/regions worldwide for investigation and the number of such locations is expected to increase going forward.

- **Bonds**
  Investment in high-rating bonds such as the government bonds of Japan, the United States and Europe, aiming at stable interest income
- **Stocks**
  Investment in listed stocks to acquire capital gains
- **Credit Assets**
  Investment in securitized products backed by U.S. or European corporate bonds or corporate or retail loans, and conduct project finance to turn credit risks into profits
- **Alternative Investments**
  Investment in real estate, infrastructure, private equities and hedge funds, etc., which are different from traditional assets, aiming to expand the profit base by diversifying investment assets

Establishment of a portfolio based on the characteristics of assets

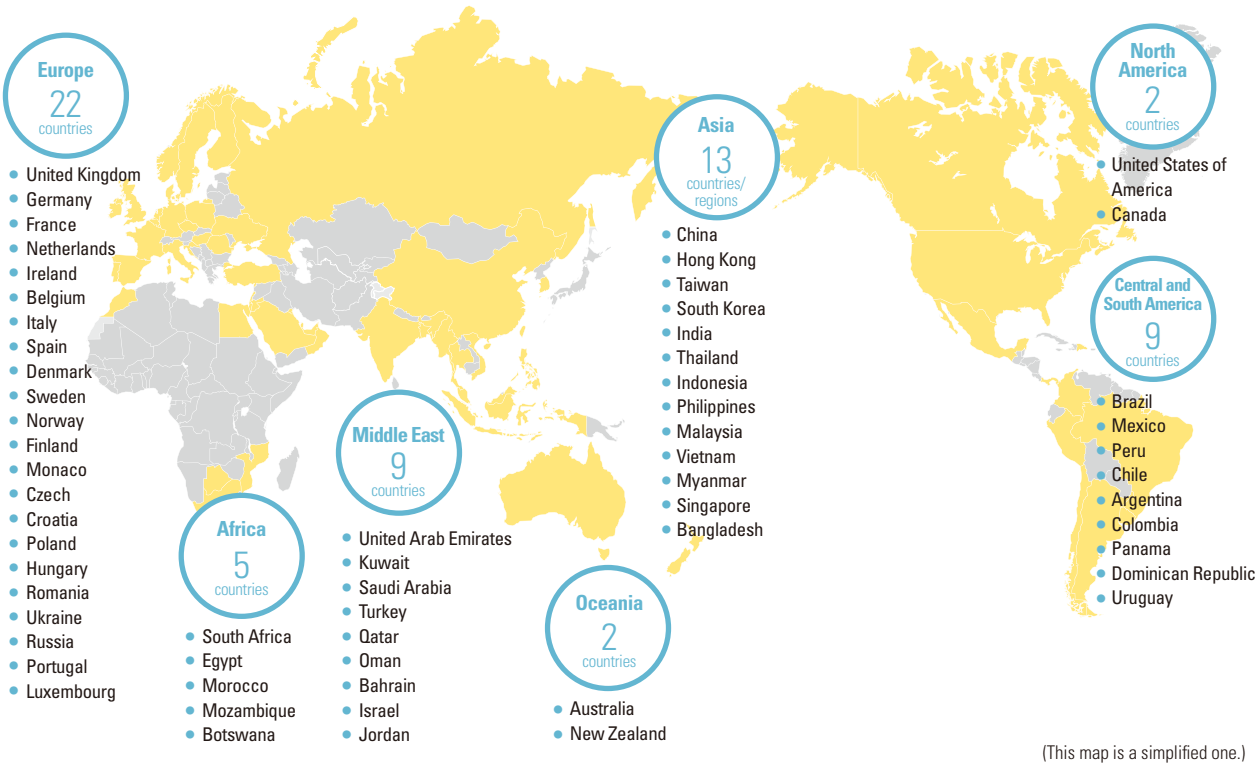


* "Credit and others" includes Credit Assets and Alternative Investments.

(March 31, 2019)

Search for investment opportunities

Countries and regions visited by Global Investments staff for investigation and/or negotiations for investment projects



(This map is a simplified one.)

COLUMN

Project Finance Developed by the Bank's Australian Subsidiary

"Project finance (PF)" aims to improve infrastructure and other specified businesses and projects. The Norinchukin Bank has focused on PF since fiscal 2013. After the Bank established its Project and Asset Finance Division in fiscal 2015, the Bank in fiscal 2017 initiated the operation of Norinchukin Australia Pty Limited (Head Office in Sydney) ("Norinchukin Australia"), the Bank's subsidiary, which mainly conducts PF in Australia.

Concerning the importance of Australia for the Bank's PF business, Ryuichi Sawada, Managing Director and CEO (local representative) of Norinchukin Australia, points out the country's abundant natural resources, high credit rating, stable legal and administrative systems and nearly 30-year-long continual economic growth, among other reasons.

Mr. Sawada says that "although Australia's land mass is about 20 times the size of Japan's, its population is approximately 25 million only and increasing by 1.5% annually. Australia is short on infrastructure such as roads, railroads, airports, water supply and schools. New South Wales (NSW) state alone has a four-year infrastructure improvement plan on the scale of AUD87.2 billion. To procure funds for such infrastructure improvement, public-private partnerships (PPPs) and private funding (through privatization) have been used leading to the development of a PF market."

The Bank entered the PF market in Australia in 2014. By putting a local office in place and expanding its network with major local operators, we can grasp the increasing need for PF in Australia and capture as many investment opportunities as possible, aiming to connect such efforts to profitability.

Australian financial businesses are concentrated in Sydney. To acquire contracts, it is important to establish favorable relationships in the Central Business District. PF is not an exception. Norinchukin Australia, since its establishment, has been focused on daily efforts to strengthen relations mainly with local sponsors and financial advisors.

Mr. Sawada referenced a case study in which a business proposal from a nearby major business operator resulted in negotiations that led to the acquisition of a contract. Mr. Sawada, expressing the significant merits of having a local office, said that "although the close alliance with the related department in Tokyo continues to be indispensable, I am seeing multiple contracts that we were able to conclude because we have a local business base here."

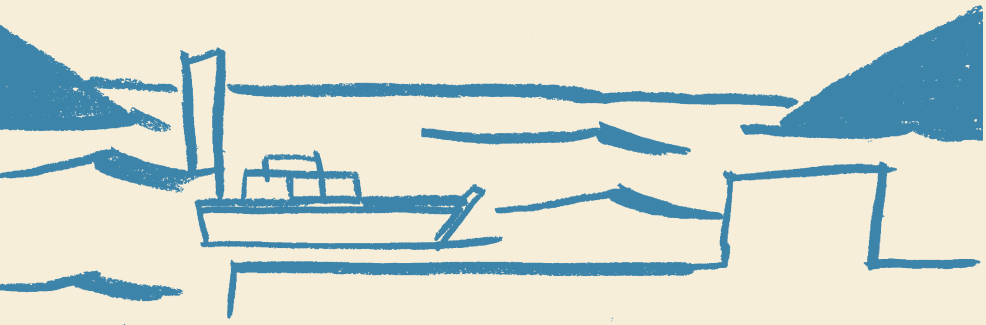
The Bank's PF portfolio has grown gradually with the number of deals reaching approximately 130 and the outstanding balance advancing to approximately JPY1.3 trillion (as of March 31, 2019).

Norinchukin Australia, together with the Bank, already has provided loans for nearly 30 projects—for gas pipelines and storage, water treatment, electricity transmission, railroads, seawater desalination, hospitals and schools, residential housing owned and operated by municipalities, and research facilities. The Bank will expand its project finance further and grow the number of deals and loan amounts outstanding.

Staff of Norinchukin Australia and Director Sawada (third from left in the back row)

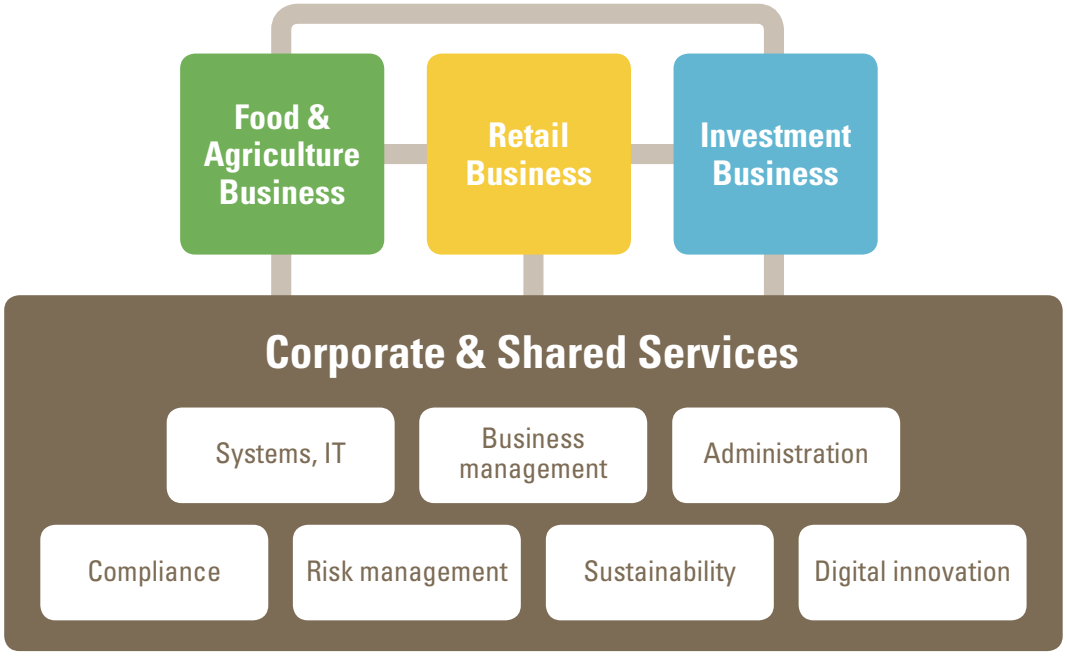
Project finance deals worldwide in which Norinchukin is involved

Europe	Offshore wind power generation Social and transportation infrastructure
Middle East	Seawater desalination Gas thermal power and solar power generation
Asia and Oceania	Privatization of power transmission/distribution network Social and transportation infrastructure
North America	Solar power generation Liquification of natural gas
Central and South America	Gas pipeline Gas thermal power generation



Corporate & Shared Services

Supports the three business areas and promotes new initiatives such as digital innovation and sustainability management



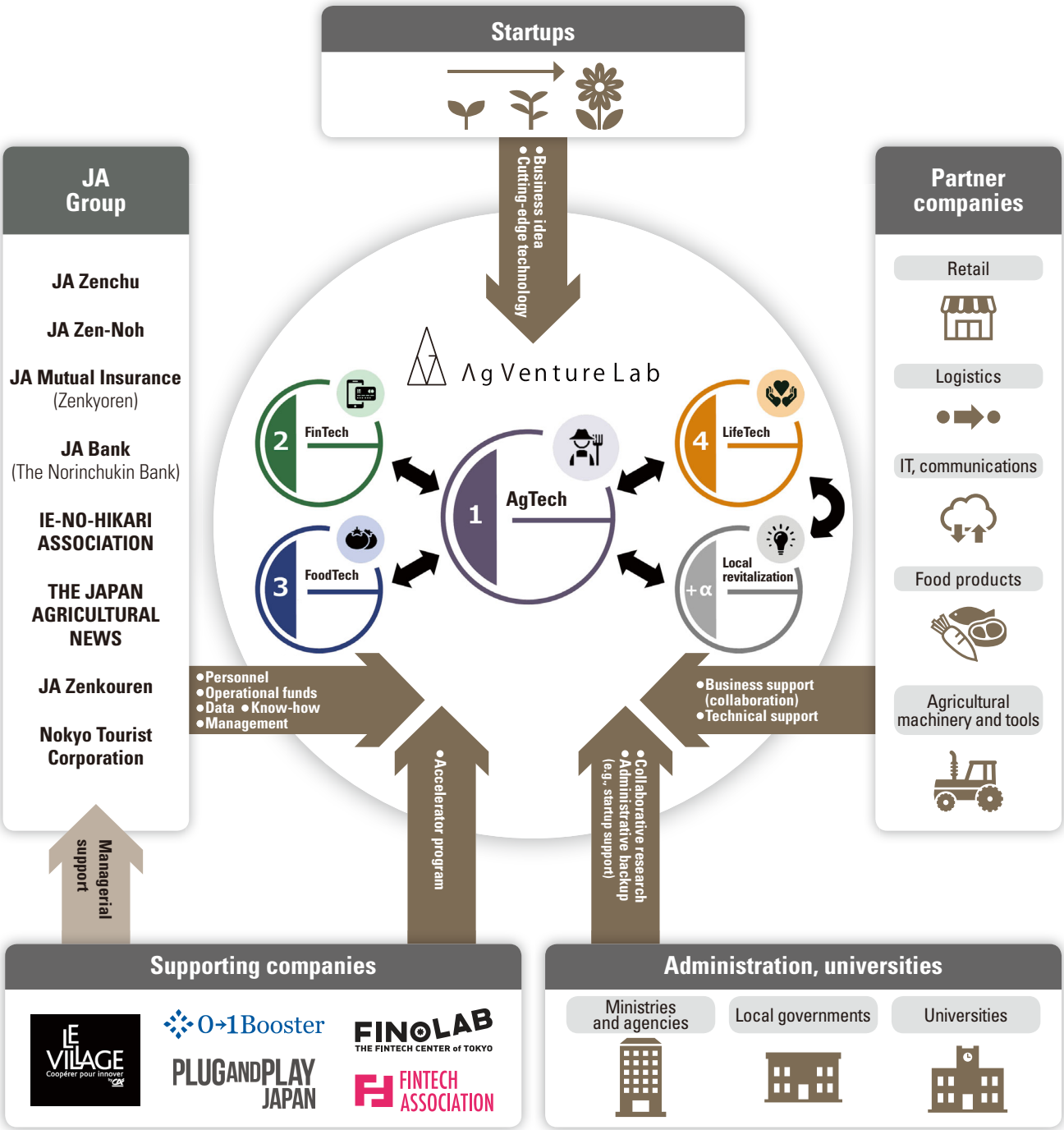
Our Corporate & Shared Services has steadily provided IT, administration, and risk management functions, all of which are indispensable for our operations in the three business areas where the Bank creates value. Furthermore, by carefully monitoring dynamic changes in our management environment, such as rapid expansion of digitization and the rising expectations for corporations to address environmental and social issues, we will promote new initiatives including digital innovation and sustainability management.

"Create new value for the next 100 years"

The role of our Corporate & Shared Services is to support the Food and Agriculture, Retail, and Investment Businesses. To tackle the Medium-Term Management Plan: "Catch the Winds of Change. Create New Value," we will actively promote the utilization of digital innovation, the implementation of future-looking operational reforms and the establishment of a sustainable financial base. Also, we will further promote the initiatives of each business. In addition, through our efforts to address international initiatives such as the Sustainable Development Goals (SDGs) to solve environmental and social issues, we will contribute to the realization of a sustainable primary industry and society, thereby continuing to offer diverse values to society together with our cooperative groups.

Kazuhiko Otake
Head of Corporate & Shared Services

Innovation of food, agriculture and life



Open innovation for comprehensive digital services that can closely support agriculture and the daily lives of local communities

In May 2019, "AgVenture Lab" was established in Otemachi, Tokyo. This innovative lab is operated by the entire JA Group as a group-wide initiative to promote open innovation to create products and services by leveraging the strengths of JA's comprehensive businesses, while utilizing various technologies aggressively.

For recent years, The Norinchukin Bank has engaged in business collaborations with startup companies mainly in the financial, food and agriculture fields. Starting with the opening of the lab, the Bank works to create comprehensive digital services that can closely support agriculture and the daily lives of local communities, under themes such as FinTech, AgTech, LifeTech and local revitalization, aiming to enhance customer convenience.

The Bank's sustainability topics

	Five Focus Areas		14 Topics	SDGs
Area 1	Creating positive impact on the agriculture, fishery and forestry industries, food and local communities	(Topic 1-1)	Contributing to sustainable agriculture, fishery and forestry industries	2, 14, 15
		(Topic 1-2)	Contributing to safe and secure food supply	2, 14
		(Topic 1-3)	Contributing to sustainable local communities	4, 9, 11
		(Topic 1-4)	Conserving the natural environment as a foundation of the agriculture, fishery and forestry industries	14, 15
		(Topic 1-5)	Creating business innovation	2, 8, 9
Area 2	Promoting responsible finance	(Topic 2-1)	Promoting sustainable finance	13
		(Topic 2-2)	Contributing to sustainable energy utilization	7, 9
		(Topic 2-3)	Realizing financing for everybody	1, 8
Area 3	Promoting sustainability management	(Topic 3-1)	Ensuring a transparent organizational governing structure	
		(Topic 3-2)	Reinforcing the management of environmental and social risks	12
		(Topic 3-3)	Reinforcing stakeholder engagement	17
Area 4	Securing highly capable human resources	(Topic 4-1)	Improving diversity and equal opportunities	5, 8
		(Topic 4-2)	Enhancing human resources development	4
Area 5	Maintaining customer trust as a financial institution	(Topic 5-1)	Further reinforcing the compliance framework	16

14 sustainability topics toward a sustainable society

To address increasingly diverse and serious environmental and social issues, international initiatives are under way to realize a sustainable society such as the UN's "Sustainable Development Goals (SDGs)" and the "Paris Agreement," which is a framework of measures to address climate change, both of which have become effective. Given such a development, expectations are on the rise for corporations to address environmental and social issues. In line with the perspectives of the SDGs, the Bank newly set 14 topics covering five areas based on the opinions of its diverse stakeholders.

Clearly recognizing the current situation and issues surrounding the agriculture, fishery and forestry industries and local communities, as a financial institution with its foundational cooperative organizations for workers in these industries, the Bank continues efforts to realize a sustainable society by addressing these new topics appropriately.

Corporate Data

Consolidated financial results highlights

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Ordinary Profits	214.0 billion yen	171.0 billion yen	124.5 billion yen
Profit Attributable to Owners of Parent	206.1 billion yen	147.6 billion yen	103.5 billion yen
Net Assets	7,008.8 billion yen	6,746.0 billion yen	7,473.2 billion yen
Common Equity Tier 1 Capital Ratio	19.31%	19.02%	16.59%
Tier 1 Capital Ratio	19.34%	19.02%	19.65%
Total Capital Ratio	24.39%	23.50%	19.65%

Name		The Norinchukin Bank
Role		A national financial institution of cooperative organizations whose members include agricultural, fishery and forestry cooperatives which contributes to the advancement of Japan's agriculture, fishery and forestry industries
Date of establishment		December 20, 1923
Representative		President & Chief Executive Officer: Kazuto Oku
Paid-in capital		¥4,040.1 billion (As of March 31, 2019)
Total assets (On a consolidated basis)		¥105,953.9 billion (As of March 31, 2019)
Members (Shareholders)	3,540 groups	Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest), and related federations, as well as other agricultural, fishery and forestry cooperative organizations that have invested in the Bank (As of March 31, 2019)
Number of employees	3,615 people	(As of March 31, 2019)
Number of business locations	42 sites	(In Japan) Head office: 1 Branch: 19 Office: 17 (Overseas) Branch: 3 Representative office: 2 (As of March 31, 2019)

Departments and titles of persons appearing in this report are those as of the time of each interview, in principle.

The Norinchukin Bank
VALUE REPORT 2019
Published in August 2019 by the Coordination Division

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VEGETABLE OIL INK

NORINCHUKIN