

Sustainability Report

2019



NORINCHUKIN

Sustainability Report 2019

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About the “Sustainability Report 2019”

- The reported content is the information available as of June 2019.
- Information related to sustainability is also posted under other content within the Bank’s corporate Web site. For such supplementary information, please visit:

The Norinchukin Bank corporate Web site;

<http://www.nochubank.or.jp/en/>

Contact regarding this Sustainability Report:

The Norinchukin Bank
Corporate Planning Division
13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo
100-8420, Japan

Message from the CEO



The Norinchukin Bank
Kazuto Oku
 President and Chief Executive Officer

As a member of the cooperatives supporting the primary industries, The Norinchukin Bank provides financial services for the cooperative members such as JA, JF and JForest to contribute to the development of the agriculture, fishery and forestry industries, thereby further contributing to the development of the nation's economy.

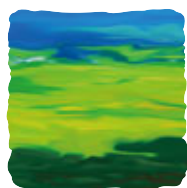
Article 1 of the Norinchukin Bank Act states that this role of the Bank in Japanese society is our only and ultimate mission that each of us—directors and employees—never forgets while working regardless of the field. To fulfill the mission, the Bank conducts various activities in the three business areas of the “food and agriculture business,” the “retail business” and the “investment business” and the corporate functions that support each of the Bank's businesses.

The domestic agriculture, fishery and forestry industries, which are the foundation of the Bank's businesses, are vital and precious industries with the important functions of producing food that nurtures “life,” revitalizing local communities and preserving the national lands. Although it is discussed globally that these industries might be posing an environmental burden mainly by emitting CO₂, in Japan these industries are contributing to the environment through the progress in environment-friendly agricultural operations, the development of resource-managed fisheries and the outcomes of the multifaceted functioning of forests through measures such as thinning and reforestation.

With firm recognition of such a situation and current issues, the Bank has established the Sustainability Topics (five focus areas and 14 topics) aiming for the Bank's business operations to be sustainable by providing solutions to environmental and social issues. By formulating medium-term sustainability goals as the ideal vision for each topic, the Bank intends to promote sustainability management to realize each topic.

June 2019

Our Spirit Condensed in the Bank's Corporate Logo



NORINCHUKIN

The landscape depicted here represents Japan itself where agriculture, fishery and forestry are connected to all life. The tapestry woven from the earth, the seas and the forests portrays the breath of life and the strength of the will that carries each one of us forward, step by step.

Our businesses exist together with the “life” nurtured by the operations of the agriculture, fishery and forestry industries in line with the cycles of nature. The Norinchukin Bank engages in measures to solve environmental and social issues and contributes to realizing sustainable primary industries and society through its business activities, which are deeply rooted in local communities.

These are the roles that the Bank has fulfilled to date and we will continue our efforts for further contributions.

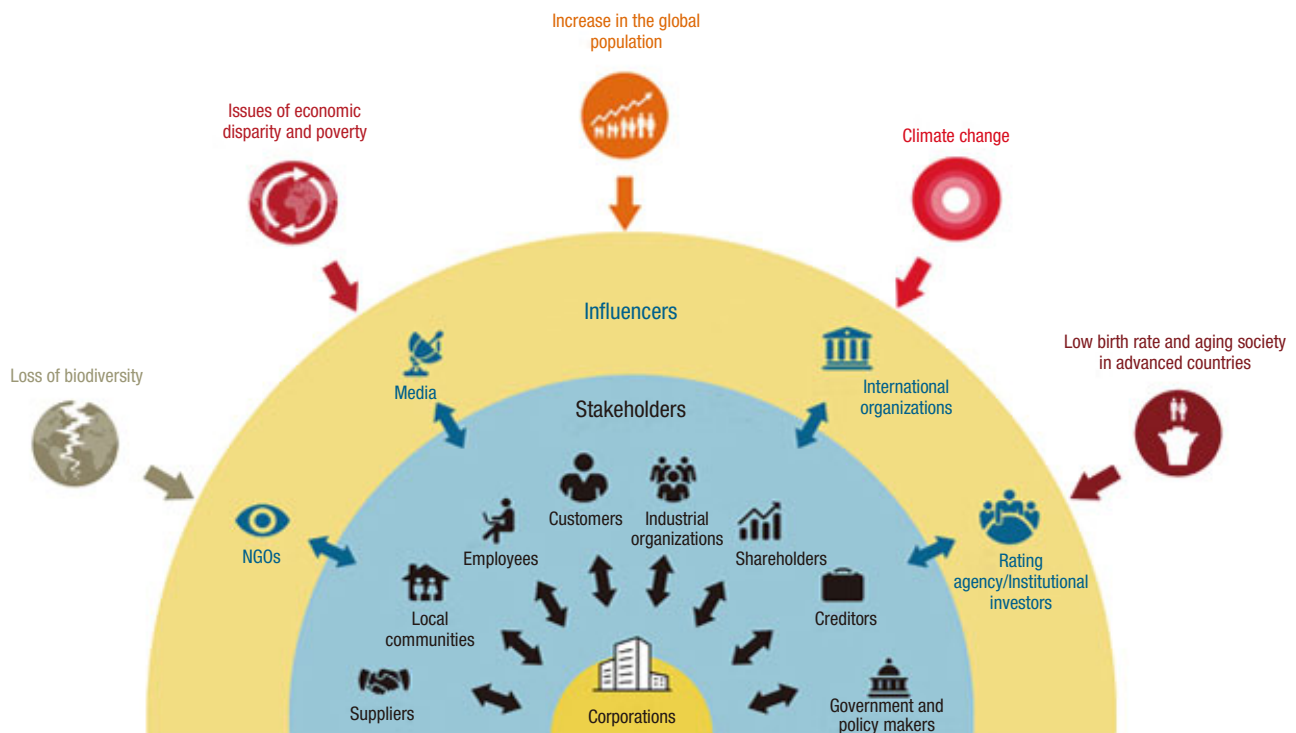
Outline of Sustainability Management

Responding to the Changes in Social Responsibility Required of Corporations

Given the non-continuous changes in Japan and overseas such as the increase in the global population, the low birth rate and aging society in advanced countries, climate change, the loss of biodiversity and issues of economic disparity and poverty, we are now at a significant turning point, being required to create value not only to build on the status quo but also to assume future changes. In addition, given the progression of the initiatives toward the sustainable development of society such as “Sustainable Development Goals (SDGs)” by the United Nations and the “Paris Agreement,” which is a new framework of measures to address climate change, expectations are on the rise for corporations to address such social issues.

Given these changes, the Bank recognizes the rapid changes in the roles expected of corporations. Currently, corporations must contribute through business activities to the sustainability of their business foundation, that is, environment and society (= sustainability management).

The Bank’s brand statement is “Dedicated to sustaining all life.” Returning to its origin—a financial institution based on agricultural, fishery and forestry cooperatives—the Bank strives to address the sustainability issues that are important for the Bank and its major stakeholders appropriately, aiming to improve the sustainability of environment and society, as well as the Bank’s management.



Outline of Sustainability Management

We Have Set the Sustainability Topics

Given the increasingly diverse and serious environmental and social issues, interest is on the rise in corporations' business activities toward realizing a sustainable society.

Recognizing these changes in society, the Bank reviewed the previous Six CSR Areas and 17 Focal Points and updated them into Five Sustainability Focus Areas and 14 Topics, paying attention to the following four points and using the process described in the diagram below.

Points of consideration:

1. Keep in mind measures to address sustainability-related issues
2. Reflect input from the Bank's stakeholders (conduct interviews)
3. Consider various perspectives related to sustainability such as SDGs
4. Base considerations on the Bank's Medium-Term Management Plan (FY2019-FY2023)

Organizing our business model

Interview each headquarters of the Bank



Identify the stakeholders

Identify the important stakeholders (members, local communities, employees, customers and others)



Formulate a list of issues

Formulate a "Sustainability Issue Universe" (based on the ISO26000/GRI/SDGs)



Identify material issues from among the listed issues

Interview the stakeholders

Conduct in-house interviews



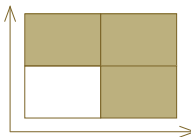
Identify the material issues for the stakeholders

Identify the material issues for the Bank



Formulate a map of the issues

Material from the stakeholders' perspective



Material from the Bank's perspective

Extract the material issues for both the Bank and the stakeholders (Colored part on the left side of the diagram)



Outline of Sustainability Management

The Bank's Sustainability Topics (Five Focus Areas and 14 Topics)

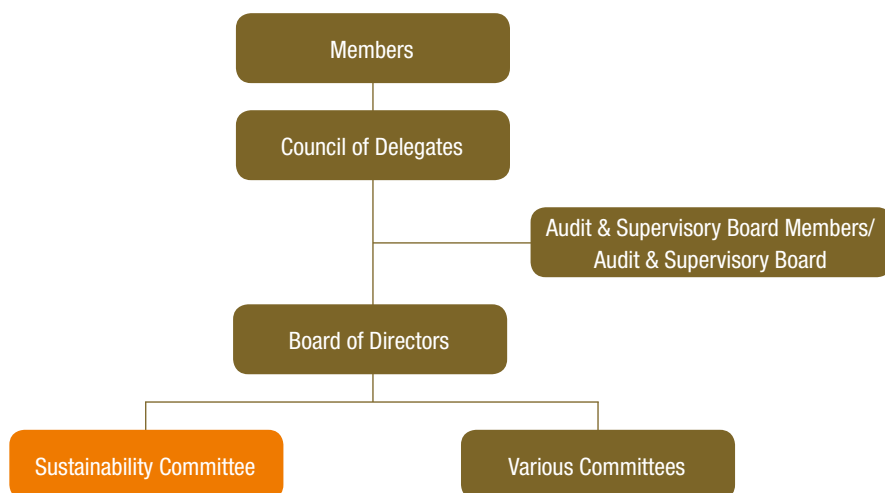
| Five Focus Areas | 14 Topics |
|--|--|
| (Focus Area 1) Creating positive impact on the agriculture, fishery and forestry industries, food and local communities | > (Topic 1-1) Contributing to sustainable agriculture, fishery and forestry industries |
| | > (Topic 1-2) Contributing to safe and secure food supply |
| | > (Topic 1-3) Contributing to sustainable local communities |
| | > (Topic 1-4) Conserving the natural environment as a foundation of the agriculture, fishery and forestry industries |
| | > (Topic 1-5) Creating business innovation |
| (Focus Area 2) Promoting responsible finance | > (Topic 2-1) Promoting sustainable finance |
| | > (Topic 2-2) Contributing to sustainable energy utilization |
| | > (Topic 2-3) Realizing financing for everybody |
| (Focus 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 |
| | > (Topic 3-3) Reinforcing stakeholder engagement |
| (Focus Area 4) Securing highly capable human resources | > (Topic 4-1) Improving diversity and equal opportunities |
| | > (Topic 4-2) Enhancing human resources development |
| (Focus Area 5) Maintaining customer trust as a financial institution | > (Topic 5-1) Further reinforcing the compliance framework |

*For more information on the medium-term goals and SDGs related to each topic, please see the pages related to each topic.

Sustainability Promotion Structure

Sustainability Promotion Structure

To promote sustainability management, for the purpose of discussing and determining matters related to sustainability management within the Management Committees, the Bank newly established the “Sustainability Committee” under the Board of Directors.



Participation in Major Initiatives

As a financial institution developing global businesses, the Bank conducts business activities based on the International Initiatives to ensure responsible actions in international society.

United Nations Global Compact

The Bank signed the Global Compact advocated by the United Nations in November 2016, thereby supporting the Ten Principles, consisting of the four areas of Human Rights, Labour, Environment and Anti-Corruption, and further promoting the initiatives toward the sustainable development of Japan and international society.



CDP

The CDP is an NGO conducting international activities. Responding to the requests from institutional investors, the CDP sends major international corporations a questionnaire related to climate change, water resources, forests and commodities, and then analyzes, evaluates and discloses the collected answers, thereby giving significant influence to global ESG investments. The Bank signed onto the CDP in March 2017.



Equator Principles

The Equator Principles is a risk management framework that provides private-sector guidelines related to environmental and social risks mainly in project finance. The Bank adopted the Equator Principles in May 2017.



Participation in Major Initiatives

Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century were adopted in October 2011 as action guidelines for financial institutions that aim to establish a sustainable society. The Bank signed the Principles in March 2012.

At the General Assembly in fiscal 2015, the Bank's Nochu Potential Forest Productivity Fund was selected as a preferred project of the year.



TCFD (Task Force on Climate-related Financial Disclosures)

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) in December 2015. The Bank endorsed the recommendations of the TCFD in April 2019. The Bank will address the predictable impact and risks posed by climate change on the Bank's businesses appropriately, work on the initiatives based on the TCFD recommendations and expand the related disclosure.



Medium-Term Management Plan (FY2019-FY2023)

Medium-Term Management Plan

—Catch the Winds of Change. Create New Value.—

The Bank conducts business and organizational management under its Medium-Term Management Plan (FY2019-FY2023) with a goal of becoming the “Leading Bank that Supports the Agriculture, Fishery and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities.”

In each of its three business areas of “food and agriculture business,” “retail business” and “investment business,” and the corporate functions that support each of the Bank’s businesses, the Bank aims to contribute to achieving SDGs in the ways described below through business activities toward a sustainable environment and society, which is the foundation of the Bank’s businesses.

Food and Agriculture Business

Major Initiatives in Our Food and Agriculture Business under the Medium-Term Management Plan

- Help increase agricultural production, increase income for agricultural producers and revitalize local communities through agricultural loans, investments and solutions
- Provide food and farming education and training farm operators
- Help strengthen the vitality of fishery communities by performing the Bank’s functions as the main bank for fishery industries
- Lead the growth of forests and the forestry industry mainly by supporting forest rejuvenation and the expansion of lumber use
- Support the development of the agricultural industry by establishing the food and agriculture value chain that connects producers, industries and consumers

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



Medium-Term Management Plan (FY2019-FY2023)

Retail Business

Major Initiatives in Our Retail Business under the Medium-Term Management Plan

- Provide financial network services across the country
- Promote the life-plan support business for individual members and customers who lead the growth of the agriculture, fishery and forestry industries
- Offer services leveraging the strengths of multi-purpose cooperatives which could handle various businesses

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



Investment Business

Major Initiatives in Our Investment Business under the Medium-Term Management Plan

- Realize investments with consideration to sustainability and global trends

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Investment Business



Medium-Term Management Plan (FY2019-FY2023)

Corporate & Shared Services

Major Initiatives in Our Corporate & Shared Services under the Medium-Term Management Plan

- Realize operational reforms by promoting digital innovation
- Address climate change
- Establish a sophisticated business administration structure that is well adjusted to changes in the management environment
- Foster a sound risk culture
- Promote the creation of a worksite where diverse human resources can perform to their fullest potential
- Support employees' growth through training and other opportunities

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



Dialogue with Experts

For further evolution of the Bank's sustainability-related initiatives, the Bank holds "Dialogue with Experts" sessions.

The First Dialogue with Experts (February 2019)



In February 2019, the Bank implemented a dialogue session with experts related to sustainability with the participation of Senior Managing Directors (Representative Directors), directors and employees. Given that the Bank is a primary industry-based cooperative, we asked the sustainability experts what kinds of business activities the Bank is expected to conduct toward the realization of a sustainable society. After receiving their insights, we exchanged opinions.

Fiscal 2019 marks a new step by the Bank toward sustainability management. Reflecting the experts' opinions, the Bank's directors and employees together will further promote sustainability initiatives with concerted efforts.

Sustainability Experts



Mr. Takejiro Sueyoshi
Special Advisor to UNEP FI
in the Asia Pacific region



Ms. Kaori Kuroda
Executive Director,
CSO Network Japan



Mr. Norichika Kanie
Professor, Graduate
School of Media and Gov-
ernance, Keio University



Mr. Masataka Mitsuhashi
(Facilitator)
Chairman, Pricewater-
houseCoopers Sustain-
ability LLC

Dialogue with Experts

Major Opinions

Take the Trend or Get Left Behind

Today, the SDGs and the “Paris Agreement” are changing the world. Toward the realization of a decarbonized society, creative disruption—the simultaneous progression of the disruption of conventional frameworks and new creation—is emerging in various fields. Such creative disruption will lead to the birth of new risks and new opportunities in the financial field. We expect the financial field to play a role in supporting the shift to a decarbonized society and finding new sources of growth in Japan.



Mr. Takejiro Sueyoshi



Ms. Kaori Kuroda

How to Address Various Human Rights Issues

Regarding human rights, there is increasing recognition of “human rights due diligence,” which not only establishes a system for respecting human rights but also continually observes, evaluates and improves the system, although progress has been slow in Japan. Concerning the issue of gender equality, Japan’s gender gap index is 110th in the world, which is extremely low. The whole country needs to work on this issue. Given that the preface of the SDGs mentions human rights and gender, we need to focus on these themes across the board in promoting our initiatives to address the SDGs.

How to Address the SDGs

An important aspect of the SDGs is visualizing the existing initiatives in common language. Most companies have a philosophy that references social contribution through business activities. Promoting initiatives to address the SDGs provides an opportunity to return to a corporation’s origins. In Japan, most large-scale companies have started to address SDGs. From now, I believe that the emphasis will shift from large-scale companies to medium- and small-scale companies, and from metropolises to suburbs. Therefore, it will become important to generate and share preferred case studies in promoting related initiatives.



Mr. Norichika Kanie

Concluding the Dialogue Session



Kazuhiko Otake

Senior Managing Director (Representative Director)

Head of Corporate & Shared Services

The Bank’s Brand Statement Formulated Two Years Ago

“Dedicated to sustaining all life.”

This is the value of our existence. This value—to contribute to “life” through various initiatives—certainly links to sustainability, I believe. The most important thing is, I think, that all directors and employees of the Bank have a perspective of “how our businesses contribute to the realization of a sustainable society.” To realize a sustainable society, the Bank will work via the unified efforts of all directors and employees. Thank you very much for your valuable opinions and suggestions.

The Bank will continue to hold opportunities for dialogue among its management and external experts periodically to further develop its sustainability initiatives.

(Focus Area 1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

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

In this focus area, utilizing its accumulated food and agriculture-related knowledge and cooperating with its stakeholders, the Bank aims to promote initiatives to contribute to the preservation and development of local communities and the natural environment and turn the agriculture, fishery and forestry industries into sustainable growth industries through investments and loans, business alliances and new innovation, etc.

(Topic 1-1)

Contributing to sustainable agriculture, fishery and forestry industries

(Topic 1-2)

Contributing to safe and secure food supply

(Topic 1-3)

Contributing to sustainable local communities

(Topic 1-4)

Conserving the natural environment as a foundation of the agriculture, fishery and forestry industries

(Topic 1-5)

Creating business innovation

Specific Initiatives in Focus Area 1

Development of a Consulting Function to “Increase Agricultural Income”

To pave the road toward “increasing agricultural income,” it is vital to extract, clarify and share the management issues that need to be resolved based on an understanding of the actual business situation by conducting multiple in-depth dialogues with the operators of agricultural corporations. The Bank is performing a consulting function to increase agricultural income and improve customer satisfaction (CS).

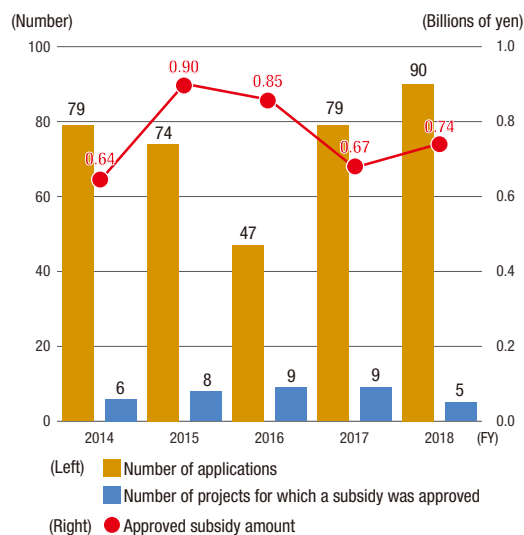
(Focus Area 1) Creating positive impact on the agriculture, fishery and forestry industries, food and local communities

Specific Initiatives in Focus Area 1

Support for the Agriculture, Fishery and Forestry Industries and the Revitalization of Local Communities via the “Agricultural, Forestry, and Fisheries Future Fund”

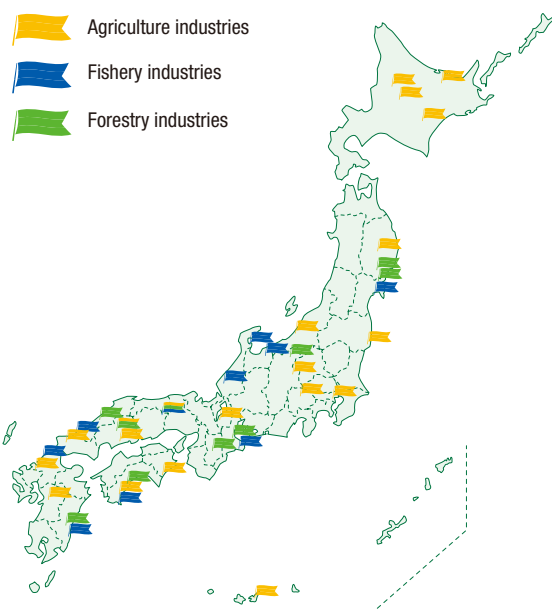
The Agricultural, Forestry, and Fisheries Future Fund was established in 2014 by The Norinchukin Bank, a member of JA Bank Group, JF Marine Bank Group and JForest Group, with ¥20.0 billion contribution to support initiatives to nurture leaders who drive the sustainable development of the agriculture,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

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



*The amount is based on the amount requested by the applicants at the time of application and might differ from the actual subsidy amount.

Recipients of subsidies from the Agricultural, Forestry, and Fisheries Future Fund



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

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



(Topic 1-1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Contributing to sustainable agriculture, fishery and forestry industries

The Medium-Term Goal for This Topic

Contribute to realizing sustainable agriculture, fishery and forestry industries through the initiatives in our food and agriculture business and collaboration with stakeholders

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Provide financial support via loans and investments, etc., to agricultural, fishery and forestry workers
- Offer solutions to the management issues of agricultural, fishery and forestry workers
- Support industrial development by establishing the food and agriculture value chain that connects producers, industries and consumers
- Collaborate with the JAIAM, which trains next-generation farm operators
- Support forest rejuvenation via the “Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund)”
- Provide solutions for such issues as the expansion of lumber use via the Wood Solution Network
- Support the agriculture, fishery and forestry industries and help revitalize local communities via the “Agricultural, Forestry, and Fisheries Future Fund,” a general incorporated association

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



(Topic 1-1) Contributing to sustainable agriculture, fishery and forestry industries

Initiatives in the Retail Business

- Strengthen the financial intermediary function for our individual members and customers who lead the agriculture, fishery and forestry industries
- Help revitalize the agriculture and fishery industries and local communities by creating fund flows in such local communities

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



(Topic 1-2)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Contributing to safe and secure food supply

The Medium-Term Goal for This Topic

Contribute to realizing people's rich dietary lifestyles, fully utilizing the Bank's organization-wide knowledge related to food and agriculture

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Provide financial support via loans and investments, etc., to agricultural, fishery and forestry workers
- Offer solutions to the management issues of agricultural, fishery and forestry workers
- Support industrial development by establishing the food and agriculture value chain that connects producers, industries and consumers

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



(Topic 1-3)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Contributing to sustainable local communities

The Medium-Term Goal for This Topic

Contribute to providing solutions for and supporting sustainable development of local communities across Japan, the foundation of the agriculture, fishery and forestry industries

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Support industrial development by establishing the food and agriculture value chain that connects producers, industries and consumers
- Support food and farming-related educational activities and training for farm operators
- Support the agriculture, fishery and forestry industries and help revitalize local communities via the “Agricultural, Forestry, and Fisheries Future Fund,” a general incorporated association

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



Initiatives in the Retail Business

- Help increase the household assets of individual members and customers and support business succession to the next generation through consulting and other services

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



(Topic 1-4)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Conserving the natural environment as a foundation of the agriculture, fishery and forestry industries

The Medium-Term Goal for This Topic

Contribute to conserving the natural environment, such as soil, forests, rivers and oceans, which is foundational for the sustainable development of the agriculture, fishery and forestry industries

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Support forest rejuvenation via the “Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund)”

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



Initiatives in the Retail Business

- JF Marine Bank’s support for environmental conservation activities in fishery communities

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



(Topic 1-5)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Creating business innovation

The Medium-Term Goal for This Topic

Contribute to the sustainable development of the agriculture, fishery and forestry industries through investments and business alliances to create new technologies and business models

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Provide solutions for such issues as the expansion of lumber use via the Wood Solution Network
- Provide support for adding higher value to the agriculture, fishery and forestry industries and strengthening the international competitiveness of these industries by fully utilizing investment facilities, etc.

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



Initiatives in the Corporate & Shared Services

- Create business innovation by supporting startup companies
- Promote digital innovation through digital verification testing

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Focus Area 2)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Promoting responsible finance

In this focus area, the Bank provides sustainability-conscious responsible investments and loans and strives to develop and maintain financial services nationwide that are foundational for the agriculture, fishery and forestry industries. In addition, the Bank will conduct business activities aiming for sustainable energy utilization.

(Topic 2-1)

Promoting sustainable finance

(Topic 2-2)

Contributing to sustainable energy utilization

(Topic 2-3)

Realizing financing for everybody

Specific Initiatives in Focus Area 2**Introducing Mobile Branches in Vehicles Throughout Japan**

JA Bank introduced throughout Japan mobile branches in vehicles with terminals that allow customers to deposit and withdraw money from their accounts (85 mobile branches in vehicles as of March 31, 2019) to improve convenience mainly for local residents who live in areas with few bank branches.

The mobile branches in vehicles deployed nationwide are utilized ordinarily as a lifeline for regions with few bank branches and in emergencies to provide financial services for people in afflicted areas. Also, through the mobile branches in vehicles, JA Bank continues to deliver further convenience and security to customers, while valuing the connection to local communities.



(Topic 2-1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Promoting sustainable finance

The Medium-Term Goal for This Topic

Contribute to realizing a sustainable society through responsible investments and loans that take into account the environmental, social and governance aspects

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Investment Business

- Implement responsible finance in compliance with the sector policy

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Investment Business



Initiatives in the Corporate & Shared Services

- Address climate change based on the TCFD recommendations

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Topic 2-2)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Contributing to sustainable energy utilization

The Medium-Term Goal for This Topic

Contribute to promoting sustainable energy utilization

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Retail Business

- Provide financial services assuming the expansion of demand for renewable energy

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



(Topic 2-3)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Realizing financing for everybody

The Medium-Term Goal for This Topic

Contribute to realizing a society where everyone, including residents in Japan's underpopulated areas and those economically weak, have wide access to financial services

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Food and Agriculture Business

- Provide financial services at the time of occurrence of disasters

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Food and Agriculture Business



Initiatives in the Retail Business

- Improve financial access across the country via diverse channels including mobile branches in vehicles and Internet banking

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



(Focus Area 3)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Promoting sustainability management

In this focus area, the Bank strives to ensure environmental and social sustainability through business activities under highly objective and transparent business administration systems. In addition to implementing high-level information disclosure, the Bank reviews and improves its sustainability management continuously by regularly exchanging opinions with stakeholders and experts.

(Topic 3-1)

Ensuring a transparent organizational governing structure

(Topic 3-2)

Reinforcing the management of environmental and social risks

(Topic 3-3)

Reinforcing stakeholder engagement

Specific Initiatives in Focus Area 3**Supporting the TCFD Recommendations**

Given the “Paris Agreement,” which is a new framework of measures to address climate change and global warming adopted in December 2015, expectations are on the rise for corporations to address climate change.

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB), announced its recommendations for a framework disclosing the financial impact of climate change. The Bank supported the TCFD recommendations in April 2019.



(Topic 3-1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Ensuring a transparent organizational governing structure

The Medium-Term Goal for This Topic

Engage in ceaseless efforts toward realizing highly objective and transparent business administration systems

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



(Topic 3-2)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Reinforcing the management of environmental and social risks

The Medium-Term Goal for This Topic

Continue identifying material sustainability topics based on the social situation and input from stakeholders; reviewing risks and business opportunities; and realizing high-level information disclosure

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Corporate & Shared Services

- Address climate change based on the TCFD recommendations
- Formulate and review the sector policy
- Implement appropriate disclosure

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Topic 3-3)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Reinforcing stakeholder engagement

The Medium-Term Goal for This Topic

Continue to engage in dialogues with stakeholders and reflect their opinions in developing business creation and social contribution activities that are in line with the Bank's goals

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Corporate & Shared Services

- Engage in dialogues with experts related to sustainability
- Interview the stakeholders
- Enhance the alliance with the National Cooperative Associations and Cooperative organizations

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Focus Area 4)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Securing highly capable human resources

In this focus area, to ensure the growth and sustainability of the agriculture, fishery and forestry industries, the Bank trains high-quality human resources with both local and global perspectives. Moreover, at worksites, the Bank ensures diversity and creates a corporate culture where diverse human resources can perform to their fullest potential, striving to improve its organization-wide creativity and innovative capabilities.

(Topic 4-1)

Improving diversity and equal opportunities

(Topic 4-2)

Enhancing human resources development

Specific Initiatives in Focus Area 4

Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

The Bank makes efforts to support balancing work with childrearing and realize a work-life balance. We also encourage male employees to take childcare leave. In addition to these measures, the Bank strives to increase the rate of female workers among new graduate hires and supports building a network among female employees by holding "Women Employee Career Forums."

(Topic 4-1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Improving diversity and equal opportunities

The Medium-Term Goal for This Topic

Engage in initiatives to create an inclusive and diverse work environment where women, people with disabilities and middle-aged to older workers can perform to their fullest potential and utilize and/or employ highly capable external human resources

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Corporate & Shared Services

- Create a work environment where diverse human resources including women, people with disabilities and older workers can perform to their fullest potential

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Topic 4-2)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Enhancing human resources development

The Medium-Term Goal for This Topic

Develop human resources capable of demonstrating their strengths of their own accord and taking on challenges boldly from the viewpoint of cooperatives and from a global perspective

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Corporate & Shared Services

- Promote open innovation by operating accelerator programs
- Nurture a sense of sustainability among the Bank's employees

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



(Focus Area 5)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Maintaining customer trust as a financial institution

As a financial institution whose business is founded first and foremost on trust and confidence, to gain trust from society through its business activities, all directors and employees of the Bank strives to act with a high sense of ethics. Given increasing social interest in workstyles, the Bank complies with various laws and regulations and engages in continuing efforts to address various issues related to compliance.

(Topic 5-1)

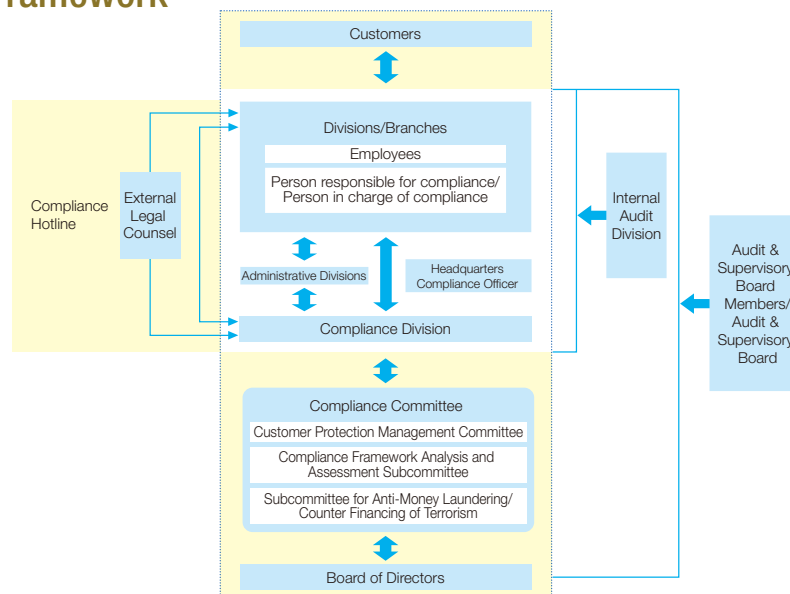
Further reinforcing the compliance framework

Specific Initiatives in Focus Area 5

Compliance

As a financial institution whose business is founded first and foremost on trust and confidence, establishing a compliance framework is not enough. After putting such a framework in place, it is essential to continue to improve its effectiveness. The Bank engages in continuing compliance efforts to fulfill its basic mission and social responsibility and maintain the trust of customers and members based on changes in the social situation and the management environment. Such efforts include business operations adhering to laws and regulations as well as other social codes of conduct under the principle of thoroughly taking responsibility for one's own actions. Also, as part of such efforts, the Bank strives to ensure transparency through disclosure (of information) and accountability (responsibility to provide explanations). In addition, the Bank has disseminated a "Compliance Manual" among all directors and employees, aiming for all business operations and daily actions to be in compliance.

Compliance Framework



(Topic 5-1)

Initiatives to Sustainability Topics (Five Focus Areas and 14 Topics)

Further reinforcing the compliance framework

The Medium-Term Goal for This Topic

Engage in continuing companywide efforts to address various issues related to compliance such as appropriate measures to address various laws and regulations, prevent money laundering and other fraud, sever antisocial forces and enhance information security

The SDGs That the Bank Contributes to Achieving Through Initiatives for This Topic



Initiatives in the Retail Business

- Enhance business administration and internal control at JA Bank and JF Marine Bank

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Retail Business



Initiatives in the Corporate & Shared Services

- Strengthen the compliance framework including measures to prevent money laundering and funding for terrorism

The SDGs That the Bank Contributes to Achieving Through Initiatives in the Corporate & Shared Services



Contribution to the Development of the Agriculture, Fishery and Forestry Industries

Promotion of the Agriculture, Fishery and Forestry Industries

The Bank is developing various initiatives that contribute to turning the agriculture, fishery and forestry industries into growth industries.

Contribution to the Agricultural Industry

Positioning the revitalization of agriculture as a facet of the Japanese government's growth strategy, interest in domestic agriculture is on the rise. To advance agriculture as a growth industry, agricultural leaders who can drive that growth will need to be secured and cultivated. Along with its industrial aspect, agriculture serves multiple functions and plays a major role in maintaining Japan's national lands.

As a member of the JA Group as well as a financial institution that plays an integral part in JA Bank, the Bank supports the development of agricultural leaders who will sustain the country's agriculture going forward and the development of agricultural management by facilitating a smooth fund supply and offering diverse solutions to the food and agricultural field.

Contribution to the Fishery Industry

Living in a country surrounded by the ocean, everyone in Japan has enjoyed the bounty of the seas. To pass on these marine benefits to future generations, we must protect the seas and promote a sustainable fishery industry.

As a member of the JF Group, the Bank is coordinating with fishery operators and people in coastal areas to protect the seas and the lives of community residents.

Contribution to the Forest Industry

Japan is a forest country with forests covering 70% of its land area. Japan's land has been covered by greenery thanks to a moderate climate and ample rainfall. However, 40% of Japan's forests are man-made and were planted after World War II. Many of these man-made forests have been neglected due to sluggish lumber prices and a decrease in the number of forestry leaders. We need further initiatives to protect forests, which are a valuable resource.

The Bank supports the revitalization of Japan's forests and forestry industry through the Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund).

Reconstruction Support Efforts

Eight years have passed since the Great East Japan Earthquake. But, looking at the disaster-affected areas as a whole, there are regions where the reconstruction process is still only half-way complete. As a cooperative organization founded on the agricultural, fishery and forestry industries, The Norinchukin Bank will continue to provide full and multifaceted support for the reconstruction of agriculture, fishery and forestry industries and local communities.

Contribution to the Development of the Agriculture, Fishery and Forestry Industries

Contribution to Local Communities

In addition to business operation, the Bank conducts various activities in each region to contribute to the further development of local communities as a community member.

Contribution to Local Communities and Society

Hana Ippai Campaign

- Donation of flower seeds and flower bulbs to local authorities, various kinds of schools and social welfare councils, etc.
- Co-sponsorship of greening promotion activities in each region
- Participation in planting and plant cultivation events



Hana Ippai Campaign

Environmental beautification activities

- Participation in volunteer cleaning activities
- Donations to environmental beautification groups and events



Citizens participating in largescale cleanup

Support for the promotion of local communities

- Co-sponsorship of regional development activities organized by local authorities, JA, JF and JForest groups

Social welfare activities

- Volunteers among the Bank's employees worked together to collect donations (NHK fundraising campaigns at year-end as well as overseas relief efforts, the Japanese Red Cross Society, red feather campaign by the Central Community Chest (also known as the Red Feather), year-end educational support for the children of fishery boat disaster victims and the Green Fund, among others)
- Dispatching a support squad to regions affected by the 2016 Kumamoto Earthquakes and cooperation in related donations
- Cooperation in crime prevention and traffic safety activities
- Participation in call for blood donation campaign

Contribution to Local Communities

Initiatives outside Japan

- Donations to funds, etc.
- Co-sponsorship of various kinds of events
- Participation in tree-planting and other events



Tree-planting activities in Singapore branch

Environmental and Natural Protection Activities

Cooperation in global warming prevention and biodiversity preservation activities

- Promotion of the use of domestic thinning lumber (Donations of wood products), tree education activities
- Co-sponsorship of the Wild Bird Society of Japan
- Participation in fishermen's forestation activities



Donation of wood products

Education and Study Support Activities

Endowed lectures at universities

- Waseda, Tokyo University of Science, Keio, Hitotsubashi, Kyoto and Hokkaido (Performance for FY2018)



Endowed lectures: Citizen symposiums at Hitotsubashi University

Responsible Finance

Responsible Investments and Loans

To conduct investments and make loans in Japan and overseas using funds entrusted with JA Bank and JF Marine Bank, The Norinchukin Bank has formulated policies for appropriate operations and engages in such activities in a well-structured manner.

Basic Policy on Finance

In addition to the fundamental mission stated in Article 1 of the Norinchukin Bank Act, the Bank has another mission of contributing to the prosperity of the agriculture, fishery and forestry and related industries and the revitalization of local communities as a dedicated financial institution for the agriculture, fishery and forestry industries.

As the basic principles for fulfilling these missions, the Bank has formulated the “Basic Policy on Finance.” With strong recognition of the Bank’s public nature and social responsibility as an important part of Japan’s financial system, the Bank has formulated this policy from the perspective of compliance, and based on the Bank’s Code of Ethics, Basic Policies for Risk Management and other internal rules.

The Bank recognizes that it has an important social responsibility to conduct business operations adhering to the “Basic Policy on Finance.”

Development of Sound Investments and Loans

The Bank conducts sincere and fair investments and loans in compliance with social codes, fully understanding its fundamental mission and role. To this end, the Bank is dedicated to conducting sound business operation with a focus on accountability at the time of investments and loans and even thereafter.

In addition, the “Compliance Manual” clarifies, as the code of conduct of directors and employees, that they must always keep in mind the soundness of operations despite the enthusiastic execution of business and should not set excessive plans and performance goals for investments, loans and other businesses.

Finance Facilitation Initiatives

Policies on Finance Facilitation

As the financial institution founded on agricultural, fishery and forestry cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in agricultural, fishery and forestry operations and SMEs, and conducts initiatives under basic policies for finance facilitation, including the flexible handling of loan applications from customers, making changes to financing conditions in response to customers’ request for reduction of debt repayment burdens, proactive response to management consultation from customers, and support for their initiatives for management improvement.

In addition, in order to proceed with these initiatives properly, the Bank has developed a structure through discussion and reporting at meetings attended by relevant directors and executive officers, the designation of the department in charge of financing facilitation, the assignment of a financing facilitator at each branch who can collaborate with the department in charge of financing facilitation, and the creation of a customer service counter to respond to consultations and complaints from customers.

Management Support Initiatives for Customers

The Bank focuses on providing services to customers who need support for management improvement and business reconstruction with due consideration to the impact on their local communities and other factors, and divisions and branches that handle customer transactions, together with a department in charge of financing facilitation, assist with the customers' efforts in the development and execution of plans, and review their progress and revise them as appropriate. We also collaborate with external parties, including consulting firms, Small and Medium-size Enterprise Revitalization Support Councils (SMERSCs) and Regional Economy Vitalization Corporation of Japan (REVIC) as the need arises, using various tools to achieve the best solution.

Policy to Address the Guidelines for Management Guarantee

Based on the Guidelines for Management Guarantee published in December 2013, the Bank has developed a structure for compliance with the guidelines, and we will continue efforts to address the issue of personal guarantees by business owners in good faith based on these Guidelines.

Initiatives for the Equator Principles

What is the Equator Principles?

The Equator Principles is an assessment framework used by private financial institutions when financing large-scale development projects to assess whether the development project has appropriate attention to the natural environment and local communities. This framework is widely used in the project finance field as a method to identify, evaluate and manage environmental and social risks.



The financial institutions that have adopted the Equator Principles are required to include the Equator Principles in their internal policies and procedures, and establish a system for administering and operating them appropriately. Such financial institutions do not finance projects that fail to meet the criteria of the Equator Principles.

Thus, as a system for directing fund flows to foster environmental and social considerations, the Equator Principles promote the social responsibility of financial institutions to contribute to the realization of a sustainable environment and society.

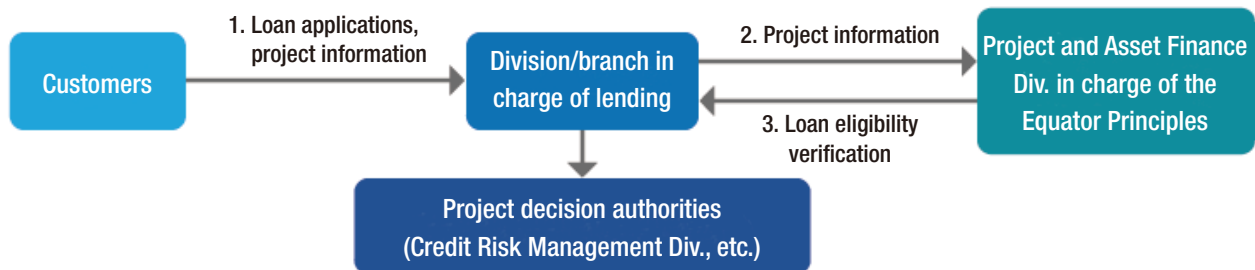
The Norinchukin Bank's Initiatives

The Bank has a basic policy to make investments and loans with a high-level of public responsibility and a broad range of social responsibilities, including considerations relative to the sustainable maintenance of the environment. Based on the increasing public awareness of environmental and social issues and society's expectations of financial institutions, from the viewpoint of realizing a higher level of consideration toward the sustainable maintenance of the environment, the Bank adopted the Equator Principles in May 2017.

Specifically, based on the Basic Policy on Finance, the Bank has formulated the Basic Policy Regarding the Equator Principles and the Administration Guidelines for the Equator Principles, deployed in the Project and Asset Finance Division the staff dedicated to verifying the eligibility of applying projects according to the Equator Principles. The Bank continues to request that customers address environmental and social considerations at the required level according to the project category.

Responsible Investments and Loans

Equator Principles Loan Eligibility Verification Flow Chart



Project Category Definition

| Category | Definition |
|----------|---|
| A | Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented |
| B | Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures |
| C | Projects with minimal or no adverse environmental and social risks and/or impacts |

Responsible Finance

Promotion of Environmental Conservation Projects

The Norinchukin Bank backs up business partners' advanced environmental conservation activities mainly by developing and offering financial products and services that contribute to environmental conservation.

Environmental Finance Initiatives

Against the background of increasing interest in environmental issues such as global warming prevention, the finance industry is in an expanding trend of supporting pro-environmental business activities and projects from a financial perspective. Based on such a trend, the Bank is engaged in initiatives for environmental finance.

The Bank has introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its customers which practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound agriculture, fishery and forestry industries and for the sixth industrialization.

Moreover, in March 2012, the Bank began acting as a broker of domestic emission credit (J-VER) trading. The J-VER System is the domestic emission trading scheme operated by the government. The Bank aims to support initiatives for environmentally-responsible agricultural and forestry operations such as forest improvement and environmental measures of companies by acting as a broker of J-VER trading derived from the agriculture, fishery and forestry industries.

In fiscal 2018, at an event cosponsored by the Bank, we implemented a carbon offset utilizing a J-VER scheme organized by JForest cooperatives.

| Event at which a carbon offset was implemented | CO ₂ reduction | J-VER organizer |
|--|---------------------------|------------------------|
| November 10-11, 2018 The ninth "Farmers' & Kids' Festival 2018" | 5 tons in total | JForest Kashimo (Gifu) |

Environmental and Social Contribution

Contribution to Creating a Sound Society

The Norinchukin Bank aims to contribute to the sound development of society as a highly public cooperative financial institution and fulfill its role as a good corporate citizen.

Severing Anti-Social Forces

We have a zero-tolerance policy against anti-social forces which threaten the safety and order of civil society, and thoroughly sever any relations with them. To refuse trading with anti-social forces, the Bank promotes an initiative to tackle this issue with an organizational structure consisting of a front office (divisions and offices in charge of practical managerial duties), a middle office (management and compliance departments) and a back office (internal audit department).

Prevention of Fraudulent Uses of Financial Institutions

The Bank promotes a unified initiative to prevent trading with anti-social forces, money laundering and financing of terrorism, etc., under its “Prevention of Fraudulent Uses of Financial Institutions.”

In addition, to combat fraudulent uses of financial services such as using a deposit/saving account to receive cash generated by scams or other crimes, the Bank takes appropriate and timely measures, striving to contribute to a safe and secure society.

Alliance among Cooperatives

As a cooperative organization with JA, JF and JForest as its members, the Bank collaborates with various cooperatives.

What are Cooperatives?

Cooperatives refer to nonprofit organizations that are joined voluntarily by individuals or business operators for common purposes and are operated and managed democratically for sharing business. Cooperatives’ fundamental characteristic is that they are operated by cooperative members and their representatives via the “spirit of helping each other” without the pursuit of profits.

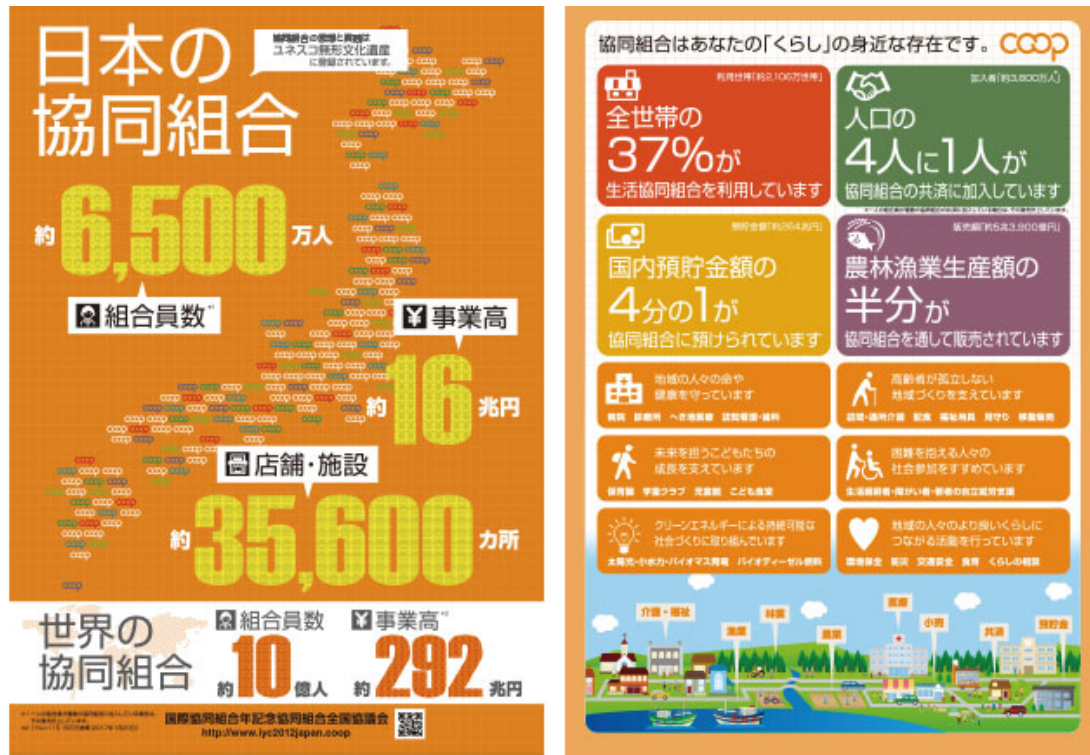
Currently, cooperatives are organized for diverse purposes in more than 100 countries.

In Japan, JA, JF, JForest and many other cooperatives play roles in diverse fields related to people’s lives.

Such cooperatives include the financial business contributing to economic activities and the affluent lives of community residents; the mutual insurance business providing comprehensive security for people’s lives; manufacturers and providers of safe/secure nutrition-rich food products and daily necessities useful for everyday life; and healthcare and welfare businesses to help people live healthy daily lives, as well as various social initiatives to contribute to local communities broadly.

Contribution to Creating a Sound Society

Brochure made by the International Year of Co-operatives (IYC) national cooperative alliance “Cooperatives Japan”



Alliance among Cooperatives in Japan and Overseas

The International Co-operative Alliance (ICA), a global coalition of cooperatives established in 1985, is the world's largest NGO. The ICA has been joined by 308 cooperative organizations in 107 countries operating in various fields (April 2018), including The Norinchukin Bank, JA, JF, JForest, Japanese Consumers' Co-operative Union and labor, housing and credit cooperative associations.

Moreover, in Japan, to inherit and further develop the fruits of the Japan National Planning Committee, which had continued activities toward IYC 2012, the International Year of Co-operatives (IYC) national cooperative alliance, “Cooperatives Japan,” was launched in May 2013. Cooperatives Japan, as its purposes, disseminates the roles and value of cooperatives widely throughout society, creates new value through alliances among cooperatives and promotes cooperatives' activities. The Bank has been a member of Cooperatives Japan since its establishment, serving as a standing core organization.

The “Idea and Practice of Organizing Shared Interests in Cooperatives” Was Inscribed on the Representative List of the Intangible Cultural Heritage of Humanity of UNESCO

On November 30, 2016, the “Idea and practice of organizing shared interests in cooperatives” was inscribed on the Representative List of the Intangible Cultural Heritage of Humanity of UNESCO.

This does not mean the registration of a specific country’s cooperatives or individual cooperatives. Rather, the globally expanding concept and practice of the “Idea and practice of organizing shared interests in cooperatives” was registered.

As a reason for this selection, the intergovernmental committee that made this decision evaluated cooperatives highly as organizations that can create communities through shared interests and value and have provided creative and ingenious solutions for various social issues from the creation of employment, support for the elderly and the revitalization of cities to renewable energy-related projects.

Cooperatives Are Promoting Initiatives to Address SDGs

The Sustainable Development Goals (SDGs) refer to the 17 goals that were included in “The 2030 Agenda for Sustainable Development” adopted at the United Nations Sustainable Development Summit 2015 in September 2015. The cooperatives have worked to date on issues related to these 17 goals and are positioned by the United Nations as a constituent of the diverse private sector for achieving the SDGs. The ICA also encourages cooperatives around the world to work together with collective efforts to achieve the SDGs. In Japan, the cooperatives are clearly indicated on the “SDGs Implementation Guiding Principles” as a stakeholder allied with the Japanese government.

Environmental and Social Contribution

Environmental Consideration

The Norinchukin Bank supports environmental conservation initiatives through financing operations—its major business—and engages in the reduction of the environmental load incurred by its business activities.

Environmental Consideration Through Our Business Operations

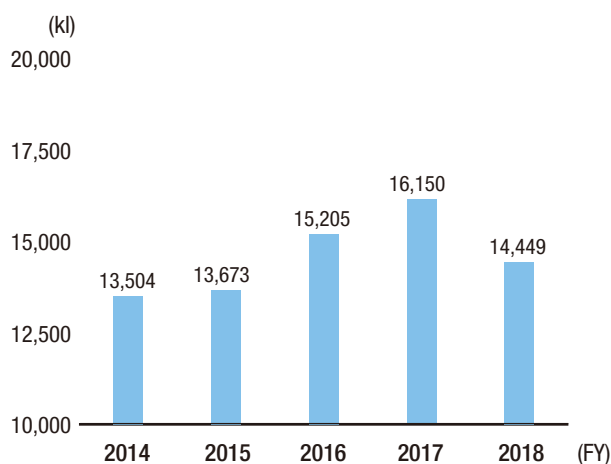
The Bank not only conforms to environment-related laws and regulations but also aims to engage in initiatives to develop measures to prevent global warming and establish a circular society.

Initiatives to Save Energy and Resources

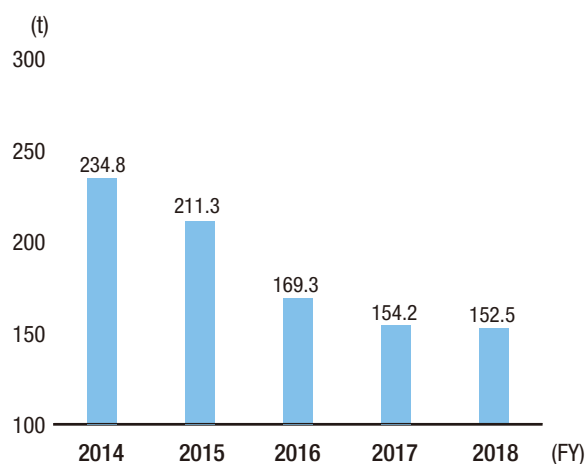
When the “Law Concerning the Rational Use of Energy (Energy Conservation Act)” was revised, the Bank newly established its energy management structure and implemented the “visualization” of organization-wide energy uses. By promoting initiatives such as adopting energy efficient features at the time of facility updates and disseminating a Cool-Biz campaign, the Bank continues efforts to prevent global warming.

The Bank also continues efforts to save resources such as shifting to paperless methods. The Bank will continue to address the Energy Conservation Act and each prefecture’s ordinances and other regulations appropriately, and engage in ongoing energy-saving efforts.

Trend of energy consumption (crude oil equivalent)



Amount of paper waste (Head office)



Environmental Considerations Through Financial Operations

Because of the strong relationship of the agriculture, fishery and forestry industries to the global environment, the Bank backs up business partners’ advanced environmental conservation activities by offering financial products and services that contribute to environmental conservation. Specifically, the Bank adopted the Ecology Rating System in 2010 to evaluate its members and other corporations that practice pro-environmental activities and acts as a broker of domestic emission credit (J-VER) trading.

Trust from Customers

Reliability of Financial Infrastructure

To perform its functions as a highly public financial institution, The Norinchukin Bank manages risks that might affect business management appropriately and takes measures to address such risks.

Risks Surrounding the Bank's Businesses and Measures to Address Such Risks

Today, when Japanese and overseas economic and social situations are changing radically, the risks that could affect business management and operations are increasingly diverse and complicated. Also, an ever-higher level of social demand is seen for customer protection and prevention of fraudulent uses of financial institutions and other scams. Against such a background, the Bank strives to enrich its risk management structure to prevent customers' interests from being harmed unreasonably.

Moreover, given the increasing number of crimes related to deposit and saving accounts, the Bank is promoting measures to ensure the safety of deposits and savings. The Bank has improved its security level to prevent cyberattacks, as well as fraudulent money transfers and withdrawals, etc., in Internet banking. To address customers victimized by such crimes, the Bank responds with sincerity, considering the various circumstances.

Furthermore, to prepare for emergency situations such as the occurrence of a disaster, the Bank implements measures to ensure business continuation such as resuming operation as quickly as possible after such an incident and continuing to provide basic financial services.

Operational Risk Management

Operational risk refers to a risk that arises in the course of business operations which per se do not generate profit. Operational risk is different from market risk, credit risk and liquidity risk, or the types of risks the Bank actively takes to generate profits. At the Bank, operational risk is further broken down into subcategories, such as processing risk, IT systems risk, legal risk, personnel risk, tangible assets risk, information security risk, business continuity risk, reputational risk and regulatory risk.

For operational risk management, the Bank has established definitions of the risk, its management framework and basic management processes by resolutions of the Board of Directors. In line with these, the Bank has clearly formulated basic policies for operational risk management such as the prevention of large-scale operational risks and has been managing the risk control framework based on such policies. Specifically, for the appropriate management of operational risks that are borne by the Bank's company-wide operations, the Bank has adopted the operational risk reporting system for the collection and analysis of risk events that have come to light, as well as the Risk & Control Self-Assessment (RCSA) system for the evaluation of potential risks applicable to all divisions and branches.

Important issues such as the basic policies and annual planning of the Bank's operational risk management are first discussed at the Risk Management Committee, and then approved by the Board of Directors. The Operational Risk Management Committee, comprised of relevant members of the Board as well as the general managers of related divisions, is set under the Board's supervision, and monitors the current status of the Bank's operational risk management. The committee also promotes cross-risk as well as cross-divisional approaches towards managing operational risk. Furthermore, the Bank has established a division to be in charge of operational risk management, which is independent of the business lines, as well as divisions to be in charge of individual risks. The Bank has also designated a person to be in charge of operational risk management in each branch and division.

Reliability of Financial Infrastructure

Information Security Initiatives

The Bank utilizes a variety of information obtained during transactions with customers, etc., for various kinds of operations. Amid the increasingly diverse environments and purposes for information handling due to the rapid progress and evolution of information technology, the Bank is focused on information security measures to protect and manage customers' information appropriately.

The Bank works systematically to enhance its information security, centered on the Risk Management Division with overall responsibility for information security planning, promotion and progress management. Also, important matters related to the improvement of the information security management frameworks are discussed mainly at the Operational Risk Management Committee. Especially concerning personal information, the Bank has set out the Personal Information Protection Declaration and has created a framework for the requirements from a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number to facilitate the proper handling of Personal Information and Individual Number.

Cyber-Security Initiatives

The Bank recognizes the threat of increasingly sophisticated and intricate cyberattacks as an important managerial risk. Mainly at the core IT & Systems Planning Division in charge of cyber-security, under the cross-division management framework including discussions at management-level meetings, the Bank is strengthening its cyber-security measures. The Bank also has installed a cyber-security–dedicated CSIRT (Computer Security Incident Response Team), which is in charge of addressing a situation at the occurrence of an incident, multi-tier prevention of such incidents, improving detection and monitoring systems, and conducting training assuming that such an incident has just happened.

The Main Classifications and Specific Management Methods for Operational Risk

| Main Classifications | | Specific Risk Management Methods |
|---|--------------------------------|--|
| Risks for which the Bank's key management strategy is the prevention of risk event occurrence | Risk in General | <ul style="list-style-type: none"> • In the operational risk reporting system, a comprehensive and clear reporting standard is established, and information of risk events is collected and analyzed. • With RCSA (Risk & Control Self Assessment), processing sections uncover the risks inherent in their own business processes, evaluate the effectiveness of controls and remaining risks, and important matters that require improvement are incorporated into the management plan for the year. • Coordination of the operational risk reporting system and RCSA. |
| | Process- ing Risk | <ul style="list-style-type: none"> • The processing risk management plan is formulated based on the results of the operational risk reporting system and processing risk RCSA, and the progress of the plan is reported to the Bank's management periodically. • Ongoing initiatives such as implementing preventive procedures for specific risk events which have surfaced in the past, updating the current procedure manuals, carrying out self-checking exercises and hosting staff training sessions. • Implementing risk assessments that respond to any major environmental changes in the Bank's business environment due to the adoption of new products and services or organizational restructuring, etc. |
| | IT System Risk | <ul style="list-style-type: none"> • An IT system risk management plan is formulated based on the results of IT system risk RCSA, etc., while appropriately handling emerging risks generated by changes in the internal and external environment relating to information security, etc., and progress is reported to the Bank's management periodically. • Information on system failures is collected and analyzed, and future prevention plans are formulated. In addition, in order to meet public demands as a social infrastructure for providing stable financial services, we examine system recovery procedures, assuming the occurrence of a major system failure, ensuring that the impact of such failures is kept to a minimum. |
| | Legal Risk | <ul style="list-style-type: none"> • Centralized control and response for litigation for the Bank as a whole. • While appropriately dealing with legal consultations from branch offices, gain an understanding of the existence of risks associated with such laws, regulations and contracts that the Bank should be mindful of, then communicate and teach them to branch offices. |
| Risks for which the Bank's key management strategy is the mitigation of the impact and effect of risk events following their occurrence | Business Continuity Risk | <ul style="list-style-type: none"> • Establish a business continuity structure for the Bank and cooperative banking business as a whole. • Verify and improve the effectiveness of the business continuity structure by conducting regular drills simulating a major disaster (such as an earthquake with its seismic origin directly below Tokyo or a pandemic of a new contagious disease). |

Trust from Customers

Respect for Customers

Always mindful that The Norinchukin Bank's operations are supported by our customers, we take a sincere approach toward our customers and develop systems to address customers' demands.

To Meet the Needs of Our Customers

The Bank considers it an important role to provide necessary funds smoothly to its customers engaging in agricultural, fishery and forestry operations and SMEs. To meet the needs of customers by offering customer-oriented services, we engage in ongoing efforts to enhance our functions and services with careful attention to customers' requests.

Sincere Attitude toward Our Customers

As a provider of financial products and services, the Bank regards it as important to seriously consider customer protection with the perspective of a customer and provides information to help customers make appropriate decisions. Especially when we help customers carry out transactions in financial products that require highly-specialized knowledge, it is essential that we make the effort to carefully explain contracts in easy-to-understand language. For that purpose, we have established various committees and set rules and regulations for customer protection.

Dealing with Consultations and Complaints by Customers

Consultations and complaints by customers are systematically handled by the departments concerned, and liaison and reports are provided according to the rules and regulations for customer support and related services that prescribe the use of financial ADR (Alternative Dispute Resolution) measures to resolve financial disputes out of court.

The Bank's contacts for handling consultations and complaints by customers are widely publicized on its Web site and elsewhere.

JA Bank Consultation Service Center

JA Bank has internal rules and systems in place to deal with consultations and complaints by customers in a swift, fair and appropriate manner, while considering financial ADR measures. Consultations and complaints by customers are handled through the JA Bank Consultation Service Center, a fair and neutral third-party organization, as well as the relevant avenues at JA (Japan Agricultural Cooperatives) and JA Shinnoren. With the consent of the customer, we urge the relevant JA or JA Shinnoren to promptly resolve the issue. In addition, we address our areas of operation that might need improvement relative to consultations and complaints and take measures to prevent recurrences by uniting all forces of JA Bank.

Respect for Customers

JF Marine Bank Consultation Service Center

JF Marine Bank has internal rules and systems in place to deal with consultations and complaints by customers in a swift, fair and appropriate manner, while considering financial ADR measures. Consultations and complaints by customers are handled through the JF Marine Bank Consultation Service Center, a fair and neutral third-party organization, as well as the relevant avenues at JF (Japan Fishery Cooperatives) and JF Shingyoren. With the consent of the customer, we urge the relevant JF or JF Shingyoren to promptly resolve the issue. In addition, we address our areas of operation that might need improvement relative to consultations and complaints and take measures to prevent recurrences by uniting all forces of JF Marine Bank.

Trust from Customers

Appropriate Business Activities

The Norinchukin Bank constantly strives to establish and maintain a fair business relationship to ensure a long-term relationship of mutual trust with its customers.

Strict Information Management

Directors and employees of the Bank have access to information concerning customers' assets, credit, privacy, etc. Strict measures are in place to ensure that such customer information is not leaked by the relevant persons while at or after leaving the Bank. Extra care is taken to ensure compliance with the rules and regulations to prevent insider trading when we obtain yet-to-be announced significant facts concerning listed or other important customers.

Protection of Personal Information

As a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number, the Bank has created a required framework to facilitate the proper handling of Personal Information and Individual Number. The Bank educates and trains employees.

Fair Business Operations

The Bank explicitly makes it an important management policy to systematically prevent any inappropriate acts that could lead to a failure to fulfill social responsibilities, such as the Bank or its directors and employees causing damage to customers or damaging the soundness of or fair competition in the financial market, by promoting a sound risk culture throughout the Bank. When investing in financial products, placing system orders and/or purchasing goods and services, we comply with fair market rules and appropriate business practices to ensure fairness and transparency in our relationships with business partners and suppliers. With governmental organizations, we abide by the National Public Service Ethics Act and other relevant laws, rules and regulations to establish and maintain sound and normal relationships without engaging in any entertainment or gift-giving acts designed to provide unfair profits to public servants or other government employees. Regarding entertainment for and gift-giving to customers, we comply with the relevant rules and follow the approval, reporting and other prescribed procedures.

Respect for Employees

Fair Labor Practices

To become a leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities, the Bank has established a Basic Policy on Human Resource Management to develop human resources essential to achieve its missions and goals and promote employee engagement.

Basic Policy on Human Resource Management

| Future Vision |
|---|
| <ul style="list-style-type: none"> Develop human resources essential to achieve the Bank's missions and goals and promote employee engagement to realize its goal of becoming a leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities |
| Basic Policy |
| <ul style="list-style-type: none"> Form a group of self-motivated human resources capable of "Catching the Winds of Change" in the business environment and executing new business strategies Nurture high employee satisfaction by helping each employee to understand the strategies and goals of the Bank and its cooperative group and grow through tenacious engagement in each employee's business duties with self-motivated passion for contributing to the Bank and its cooperative group and tackling challenges. |

In line with this basic policy, our effort is focused on the planning and management of personnel systems including performance and competency assessment systems and personnel development. Goals are set during interviews between superiors and their subordinates, their achievements are validated, and employee competency demonstrated in various work-related situations is reviewed. Through repetition of this process, the Bank promotes employee awareness and efforts to contribute to the Bank's performance and develop competency while also supporting it through extensive training options.

Development of Employees' Careers

For the development of employees' careers, the Bank deploys and assigns personnel based on the competency, aptitude and career perspective of each person, and supports self-fulfillment through work, by adopting the Career Challenge Program (a job transfer application system) and the Career Change Program. In addition, the Bank is aggressively recruiting and employing highly competitive external human resources.

When recruiting and allocating employees, care is taken not to exercise any type of discrimination.

Ensuring Pleasant Working Environment

The Bank regards each employee as its biggest asset and endeavors to enhance working environments to improve employee motivation and promote mutual cooperation.

We are promoting our initiative to control long working hours and promote flexible workstyles, and taking steps to improve health management and benefit programs for employees so that they can work in a state of good health and with peace of mind. The Bank is also focused on improving the work environment such that employees can devote themselves to business operations by providing stronger child-raising and nursing-care support.

Respect for Employees

Employee Diversity

The Norinchukin Bank is seeking to create a working environment where a diverse range of employees can demonstrate their capabilities and talents and perform their duties over the long term.

Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

The Bank received the Kurumin Certification for Childcare Support Company for its efforts to realize a work-life balance and support for balancing work with childrearing such as providing maternity leave before and after childbirth, a support program for employees who take childbirth and childcare leave, and a shortened working hour program for childcare. In addition, the Bank is promoting measures to introduce various initiatives to promote and familiarize workstyle reform such as ensuring a certain interval between work hours and arranging staggered work hours. In addition to these measures and our efforts to increase the rate of women among new graduate hires, we are helping to build a network among female employees by holding “Women Employee Career Forums.”



Women Employee Career Forum



Initiatives for Hiring People with Disabilities

The Bank is striving to make a workplace where people with disabilities can engage in business duties with high morale and feel secure and rewarded.

As an effort to this end, the Bank established Norinchukin Business Assist Co., Ltd., an organization mainly engaging in the administrative work related to financing, to expand the employment of people with disabilities in alliance with Group companies. To offer a pleasant working environment, its offices are designed to provide a bright and spacious room for working comfortably while providing a relaxing space that can be occupied by a single person and a room where people can lie down for a rest.



Respect for Employees

Human Resource Development

The Norinchukin Bank engages in the development of human resources capable of demonstrating their strengths of their own accord and taking on challenges boldly from the viewpoint of cooperatives and from a global perspective, with a sense of mission to support the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities.

Providing Opportunities to Develop Various Skills

With the goal of training core personnel in each headquarters, the Bank is actively providing opportunities for them to develop their skills in order to support the self-motivated efforts of each and every employee. For example, in addition to subsidy programs for correspondence courses, certification exams, foreign language study and sending employees to overseas study and cross-industry seminars, the Bank holds after-work training based on required subjects in each business field. The Bank holds after-work training and group study, etc., by years of service or by rank.

New Employees

In addition to the three-week entry training, new employees are sent to JA, agricultural corporations and overseas language training so that they can have diverse experience in Japan and overseas. The Bank also provides on-the-job training and conducts a mentoring system for each new employee.

Young, Mid-Career and Manager-Level Employees

For young, mid-career and manager-level employees, we are helping them develop their careers leading to further growth through such measures as sending them on loan to JA and JA Shinnoren. We are also deepening employee understanding of the Bank's fundamental mission by holding workshops led by specialists in the cooperative system and the agriculture, fishery and forestry industries to develop human resources who can play a role as employees of the cooperative system.

Management-Level Employees

To raise the management capabilities of management-level employees, we offer programs to send employees to study at European and U.S. business schools to develop management skills, as well as personal coaching to help managers to implement the Bank's management plan.

Career Development Support System

To help employees proactively work on their own career development, the Bank introduces the Career Development Support System. Employees make their abilities clear through career development interviews with their superiors and career development training. After defining their career goals, career development efforts are executed based on the ability requirements of employees to carry out their job in each headquarters.

Human Resource Development

Principal Human Resource Programs

| Group Training |
|---|
| <ul style="list-style-type: none"> • Career development training: Foster an awareness of career development by taking an inventory of employee abilities and through self-analysis • Management training: Acquire and improve knowledge and business skills needed for management, including leadership, junior staff development, vision making and work efficiency • Managerial development training: Acquire and improve knowledge required for organizational management, division and branch management, etc. • The Bank Business School: Improve and deepen understanding of basic business management theory and consulting abilities, and build cross-departmental networks |
| Personal Development Support |
| <ul style="list-style-type: none"> • Financial support for correspondence courses, gaining certifications outside the Bank and foreign language training: Support for employee self-directed career development by partially subsidizing various studies |
| Outside Studies |
| <ul style="list-style-type: none"> • Graduate School of Business (managers program): Acquire advanced management skills at domestic and overseas universities • Overseas study: Acquire specialized knowledge and global viewpoint through attendance at an MBA or LL.M program • Overseas branch trainee system: Develop a global perspective in less-experienced staff by posting them at overseas branches • Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, management companies, JA and JA Shinnoren |
| New Employee Training |
| <ul style="list-style-type: none"> • Workplace training system for new employees, instructor training, mentorship system • Entry training, on-site training at JA, on-site training at agricultural corporations and overseas language training |
| Other |
| <ul style="list-style-type: none"> • After-work training • Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops • Business English language lessons • e-Learning |



Entry training for new employees



Overseas language training

Development of Human Resources of Cooperative Members and Enhancement of Their Skills

In alliance with Norinchukin Academy Co., Ltd., a training specialist for cooperative members, The Norinchukin Bank is working to develop human resources that meet the trust and expectations of individual members and customers, targeted at the directors and employees of JA Bank, JF Marine Bank and JForest Group, by pursuing initiatives to (1) nurture and strengthen the power of “Reform Leaders” who promote the practice of prefectural and JA strategies; (2) promote the acquisition and enhancement of specialized skills and knowledge; and (3) ensure strict control over basic behavior and managerial activity to achieve further business promotion.

Strengthened Human Resource Training Initiatives to Achieve JA Bank Medium-Term Strategies

JA Bank continued to hold the “JA Bank Central Academy – Managers Course” targeted at directors in charge of the banking business of JA, the “Senior Executives Course” targeted at senior managers in charge of the banking business of JA, the “Seminar for JA Presidents/Board Chairpersons” targeted at JA presidents/board chairpersons and the “Block Symposium” targeted at branch managers and mid-career employees of JA. Through these training courses to develop human resources who can lead the reform of JA and JA Shinnoren, the Bank has supported the business reform of JA Bank.

JA Bank also engages in the development of the human resources required to promote the measures of the JA Bank Medium-Term Strategies by offering training menus to acquire specialized skills and financial knowledge, including group trainings, correspondence courses and qualifying tests.

Furthermore, to support JA’s initiative to reform its business operational structure, the Bank promoted the introduction of the “CS Improvement Program” and the “Onsite Sales Capability Enhancement Program” to practice business operations and propose products and services from the standpoint of customers.

Human Resource Training Initiatives at JF Marine Bank

JF Marine Bank focused on developing the human resources necessary to enhance the fishery financial function by continuing its group trainings such as the “JF Marine Bank Training: Store Operation Course” targeted at store managers of JF Shingyoren and the “Fishery Industry Financial Consultants Step-Up Seminar” targeted at fishery industry financial consultants, as well as offering “Training for Improving Financial Statement Analysis Capability,” “Life Planning Training” and “Sales Skills Development Training” with trainers sent from the JF Marine Bank.

Support for Human Resources Training for JForest Group

JForest Group has held the “Seminars for JForest” targeting the top executives of JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives). In addition, JForest conducted “JForest Cooperatives Counsellor Training” aimed at personnel holding the title of counsellor, who support the backbone of JForest’s practical management. The Bank supported JForest Group’s organizational reform initiative by helping to nurture the human resources leading the organization.

Human Resource Development

Personnel Exchanges between the Bank and JA or JA Shinnoren

The Bank has enhanced personnel exchanges between itself and JA and JA Shinnoren, and has been working to achieve mutual understanding and sharing of know-how within JA Bank Group.

Specifically, the Bank accepts trainees from JA to train them so that they can play a key role in banking business and gain wide-ranging business know-how. The Bank also accepts staff and trainees seconded from JA Shinnoren, and they work in various areas such as retail planning, administration, systems, agricultural and corporate loans, and securities investment. Moreover, the Bank sends staff as secondees to cooperative organizations (e.g., JA and JA Shinnoren) in order to deepen their understanding of the actual work of cooperatives from the point of view of employees of the central organization for cooperatives as well as financial institution for farmers, fishermen and foresters.



“JA Bank Central Academy – Managers Course”

Respect for Employees

Occupational Health and Safety

The Norinchukin Bank engages in the development of working environments where employees can perform their duties in good health and with a sense of security.

Basic Policy and System for Health Management

The Bank's health management policy is formulated each year by its Occupational Hygiene Committee. The policy prescribes measures to be taken to reinforce the management of the physical and mental health of employees and help promote their health.

Health Management

While ensuring that all employees take regular health checkups, we urge their families to take health checkups as well. According to the results of these checkups, health guidance is provided by industrial doctors and medical staff. Efforts are also being made to reduce working hours, considering the possible adverse impact of long-hour labor on employee health.

Measures for Mental Health

As part of its efforts to ensure mental health at the workplace, we advise self-care methods for employees, offer counseling and other consultation opportunities, and conduct position-by-position mental health education. In addition, we carry out stress checks, offer readily available self-checking functions and have the Mental Health Consultation Room in place to provide consultations as required at the medical office in the head office of the Bank.

Support for Health Promotion

To increase the health consciousness of employees and establish the practice of doing moderate exercise on a regular basis, we offer a wide range of educational programs and welfare services. Specifically, we subsidize sports club memberships and have health leaders lead health promotion activities.

Organizational Foundation

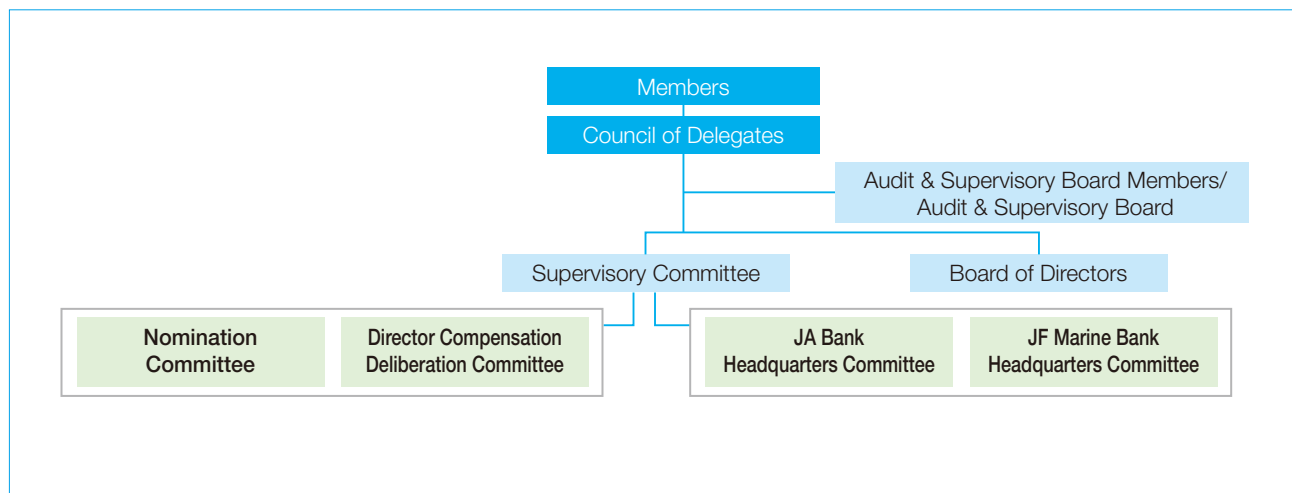
Governance

To fulfill its fundamental mission as the central financial institution for Japan's agricultural, fishery and forestry cooperatives, as well as its social responsibility, The Norinchukin Bank views the construction of management control systems as its top priority issue in management.

Corporate Governance

The Bank is both the national-level organization for Japan's agricultural, fishery and forestry cooperatives as well as an institutional investor that plays a major role in the financial and capital markets through investment of funds in Japan and overseas. Naturally, the Bank adheres to decisions made within the Council of Delegates comprising representative members of all shareholders. At the same time, the Supervisory Committee and the Board of Directors, as stipulated by the Norinchukin Bank Act, are organized to share duties as well as coordinate the Bank's decision-making, while taking into consideration the internal and external situations of the cooperatives.

Management System of the Bank

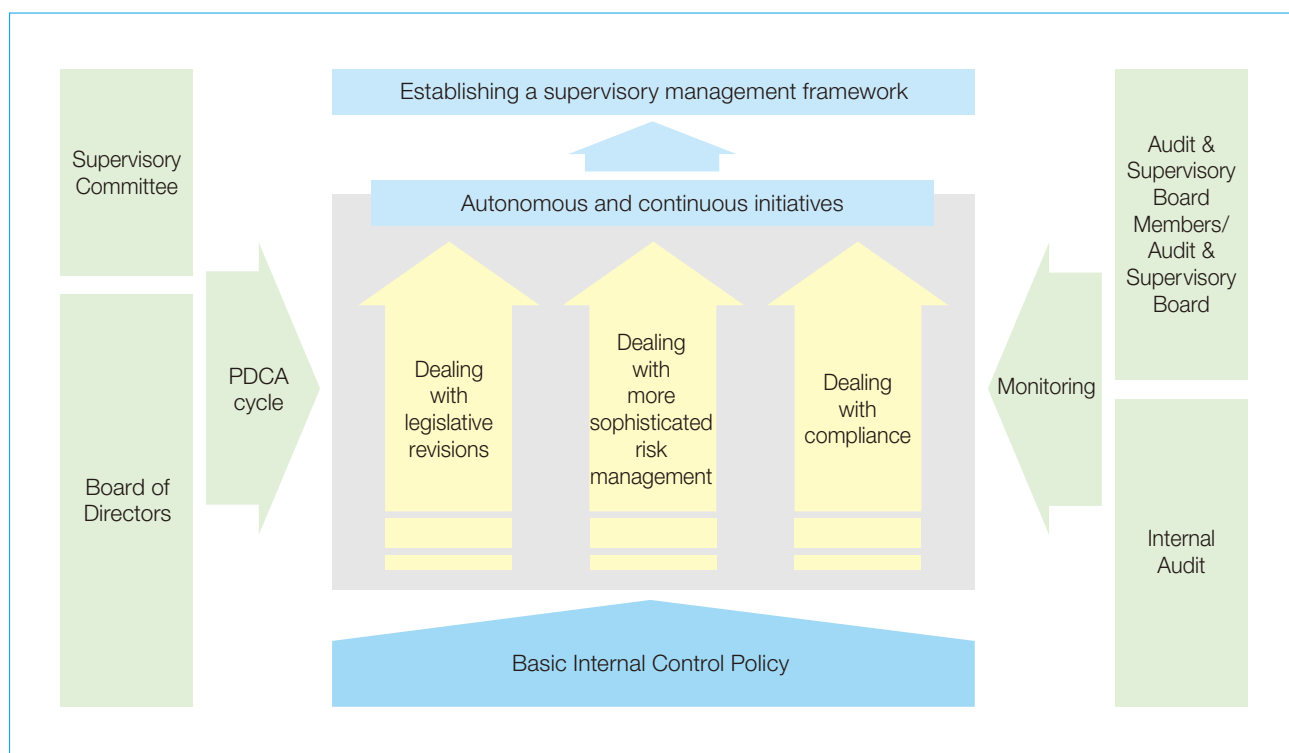


Governance

Initiatives for Strengthening Internal Control

For the Bank to fulfill its fundamental mission as the central organization for Japan's agricultural, fishery and forestry cooperatives as well as its social responsibility, the Bank views the construction of management control systems as its highest priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and relevant laws and regulations, proper management of risks, as well as appropriate business activities in general.

Initiatives for Strengthening Internal Control

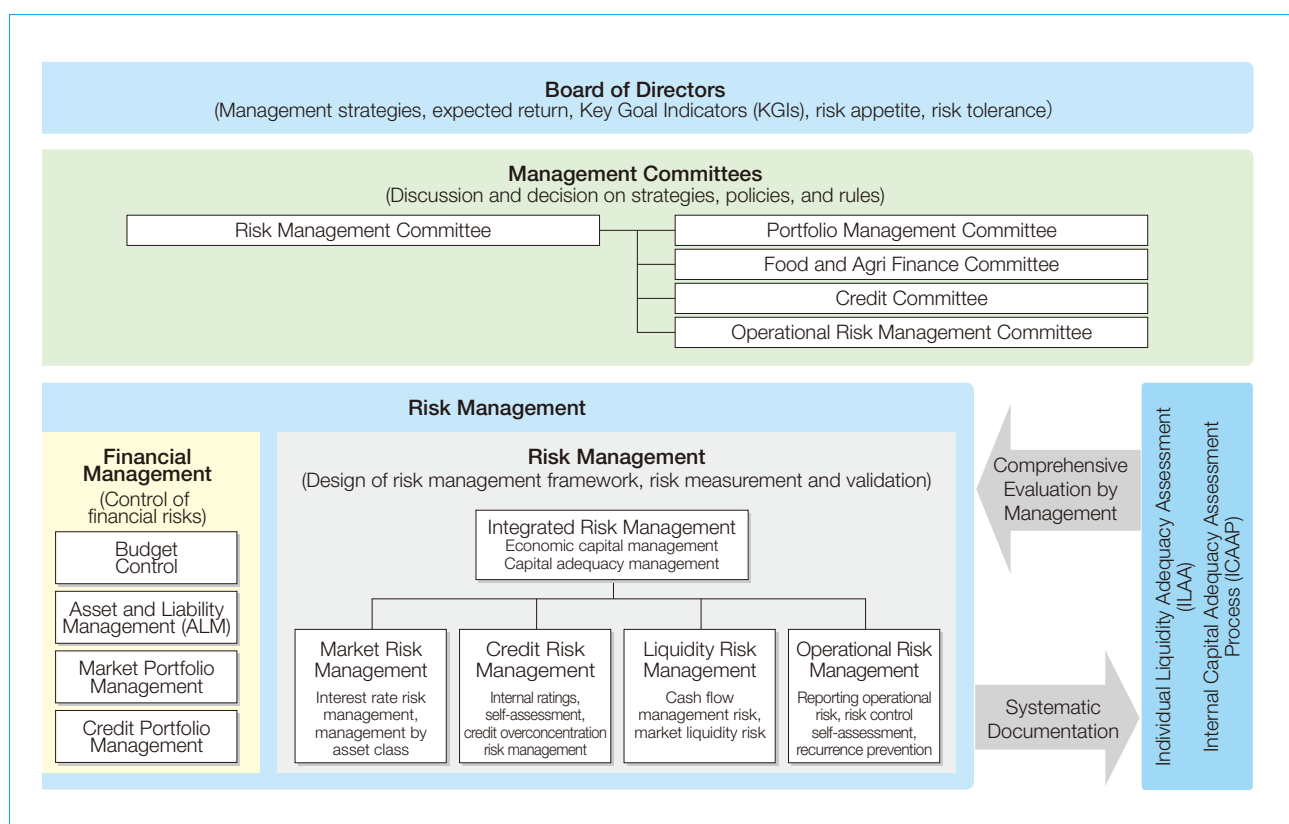


Governance

Risk Management

In line with the Basic Policies for Risk Management, which identify the types of risks to be managed and the basic framework for risk management, including organizational structure and methodology, the Bank manages individual risks after assessing the materiality of risks and identifying risks to be managed and implements integrated risk management by measuring the overall amount of risk using quantitative methods and comparing it with the Bank's capital resources.

Risk Management System



Organizational Foundation

Corporate Ethics

To carry out business operations with the trust of society, The Norinchukin Bank ensures that it complies with the related laws and regulations and acts with a high level of corporate ethics.

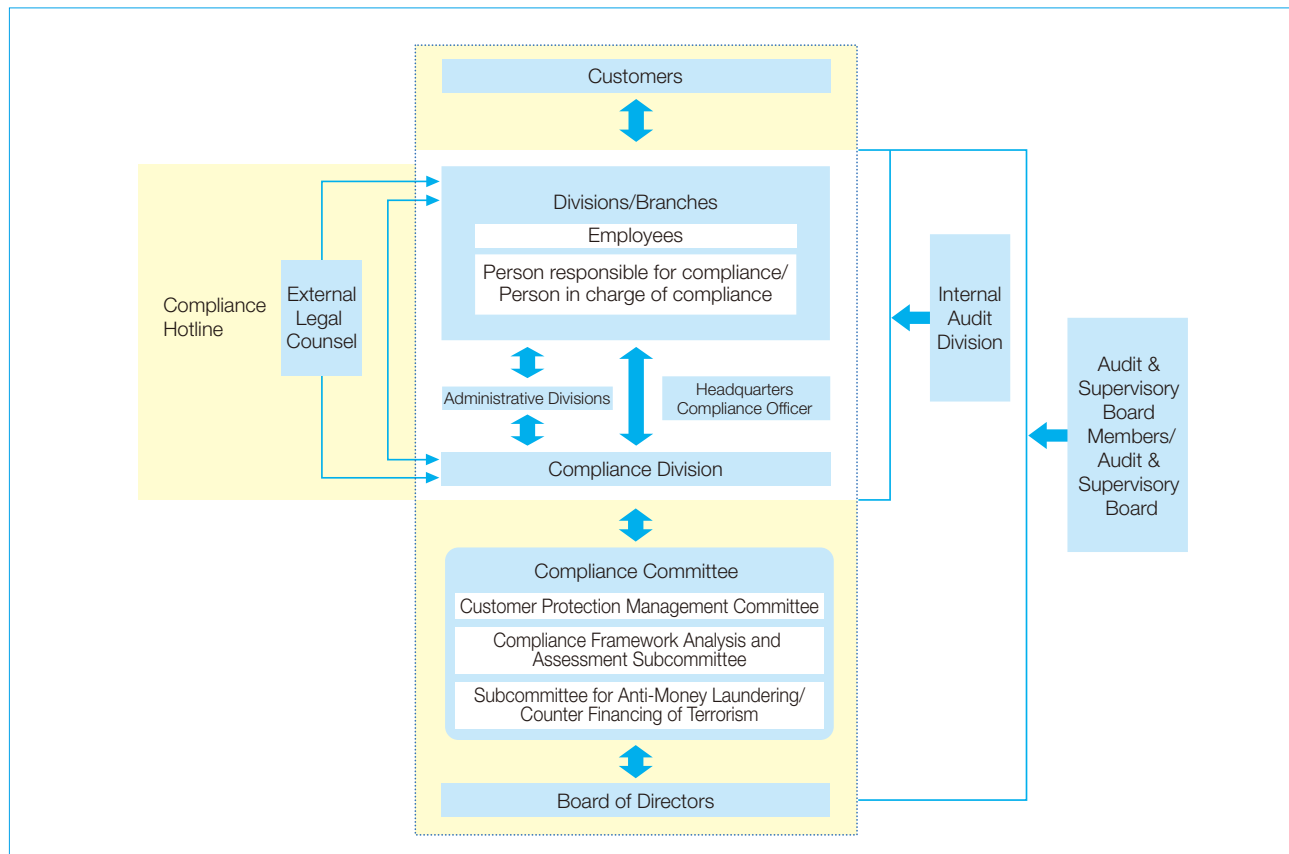
Compliance

As a financial institution whose business is founded first and foremost on trust and confidence, the Bank recognizes that not only the creation of a compliance framework but also its continued effectiveness enhancement is particularly important.

The Bank is committed to fulfilling its basic mission and social responsibilities. To prove itself worthy of its customers' and members' trust in light of changes in the social and business environment, the Bank continues its unceasing efforts in the area of compliance by managing its business in accordance with societal norms, for instance by fully complying with laws and regulations based on the principle of total self-reliance. We are also constantly working to achieve a higher degree of transparency by emphasizing proper disclosure and accountability.

By promoting awareness of the Compliance Manual among all directors and employees, we seek to ensure compliance when carrying out business operations and daily activities.

Compliance Framework



Organizational Foundation

Respect for Human Rights

As a financial institution committed to global investing and financing activities, The Norinchukin Bank aims to contribute to the sustainable growth of the economy and society with trust of a wide range of stakeholders. With a view to international human rights issues, the Bank is committed to establishing an organizational culture that is highly transparent and based on the concept of respect for human rights as specified in the Code of Ethics. Education on various human rights issues is offered to directors and employees on a continual basis.

Basic Concept on Respect for Human Rights

In the Code of Conduct, the Bank mentions respect for human rights and the building of a workplace for employees to work with a sense of security. Discriminatory words and actions because of race, creed, sex, age, nationality, ethnic group, religion, social status and physical features are unacceptable in or outside the workplace. All directors and employees of the Bank are strictly advised not to engage in such acts or language under any circumstances.

Response to Global Human Right Issues

In addressing global human rights issues, we adhere to and respect the international standards, including the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the ILO Declaration on Fundamental Principles and Rights at Work; and the UN Global Compact. In addition, we comply with the domestic laws of the nations where we operate and prepare or update the rules and regulations on operations concerning human rights in the course of our business activities. In recent years, awareness of human rights is demanded for not only the Bank but also its entire supply chain. While referring to the Guiding Principles on Business and Human Rights, the Bank will continue to address issues of human rights from various angles, including Compliance with the UK Modern Slavery Act 2015.

UK Modern Slavery Act 2015 Transparency Statement

The UK Modern Slavery Act 2015 requires any commercial organization that has a certain annual turnover to produce a statement setting out what steps have been taken to ensure there is no slavery, forced labor or human trafficking in their business or their supply chain. The Bank has posted a statement required by the UK Modern Slavery Act 2015 since September 2016 on its English Web site. Called the Transparency Statement, it stresses that acts of slavery, forced labor and human trafficking are contrary to the Bank's mission and sets out the Bank's attempts to ensure such acts will not happen.

Respect for Human Rights

Building a Working Environment with Respect for the Individuality of Employees and Attention to Their Health and Safety

The Bank's biggest managerial source is each of its staff. The Bank's business operations are supported by the daily acts completed by each employee. To ensure that each employee fully demonstrates his/her abilities and assumes his/her role in an appropriate manner, we are committed to establishing an organizational culture that respects each person's individuality and creative ideas and encourages the free and active exchange of opinions, and to building attractive workplaces where staff can work with high motivation in life and a sense of fulfillment.

Educational Activities to Develop an Awareness of Human Rights

The Bank's business operations are supported by its customers. It is important that all directors and employees of the Bank have a sense of human rights with respect for the position and personality of the other person. To fulfill the Bank's fundamental mission, each director and employee respects the position of a customer and treats him/her with sincerity; acquires deep insights and highly professional knowledge; and behaves as a valued member of society.

Toward the establishment of a highly transparent organizational culture based on the concept of respect for human rights, we are carrying out educational activities on human rights on a continual basis, in line with the policy decided by the board of the Human Rights Promotion Council.

To prevent harassment at the workplace, including sexual harassment, power harassment and harassment on the basis of pregnancy, childbirth and childcare and nursing care leaves, we engage in various activities, such as providing e-learning and position-by-position education, guidance and consultation by the persons in charge of human rights issues at each store, and external contacts for consultation.

Specific Efforts to Raise Awareness of Human Rights (FY2018)

| Basic Policy |
|---|
| <ul style="list-style-type: none"> • Ensure compliance with the Code of Ethics and the Code of Conduct (to establish a highly transparent organizational culture based on the concept of respect for human rights) • Strengthen efforts to prevent harassment at the workplace • Enhance the awareness of human rights of each directors and employees |

Respect for Human Rights

| Efforts in detail | | |
|-----------------------------|--|---|
| Category | Description | Details |
| Trainings on human rights | <ul style="list-style-type: none"> • Trainings by position • Trainings by job field • e-learning | <ul style="list-style-type: none"> • Provide a session on human rights at major training opportunities • Hold human rights seminars at the Bank's head office, branches, offices and overseas sites • Provide human rights education for all directors and employees |
| Support for Group companies | <ul style="list-style-type: none"> • Support for trainings on human rights | <ul style="list-style-type: none"> • Consultations on human rights seminars, etc. • Provide the head office trainings on human rights via video conference • Lend training equipment or supply e-learning materials |
| Individual consultations | <ul style="list-style-type: none"> • Harassment hotline | <ul style="list-style-type: none"> • Disseminate information on the harassment hotline • Protect the privacy of persons concerned and provide swift responses |
| Others | <ul style="list-style-type: none"> • Responses to the diversification and internationalization of human rights issues | <ul style="list-style-type: none"> • Raise awareness of various human rights issues, including compliance with the UK Modern Slavery Act, through training sessions or other means |

Human Rights Seminars

The Bank's 37 business sites in Japan hold human rights seminars each year, and all directors and employees are required to participate in at least more than one. The head office seminars are conducted under a broad range of themes, featuring guest lecturers versed in various fields, and are delivered to other business sites via video conference.

Organizational Foundation

Stakeholder Engagement

The Norinchukin Bank's businesses are operated upon a relationship of trust between the Bank's various stakeholders and its directors and employees.

The Norinchukin Bank's Stakeholders and Engagement Opportunities

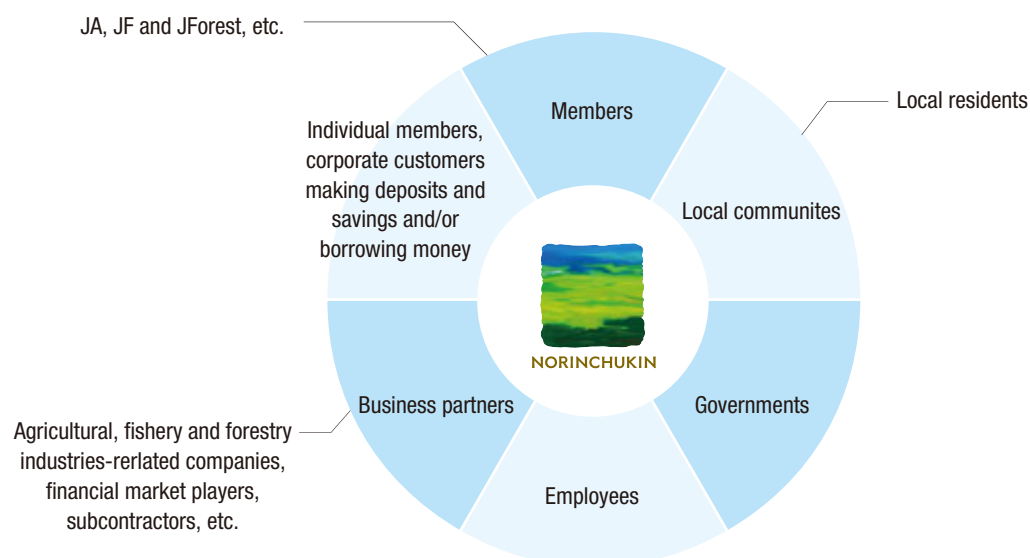
The Norinchukin Bank's Stakeholders

- Members such as JA, JF and JForest
- Individual members belonging to the above members (people working in the agricultural, fishery and forestry industries), corporate customers making deposits and savings and/or borrowing money mainly related in the agricultural, fishery and forestry industries
- People in local communities
- Overall business partners, such as financial institutions, market players and subcontractors
- Governments
- Employees

The relationship of trust with these stakeholders, who are closely related to the Bank's management and daily business operations, has been forged over the many years since the Bank was established.

This trust relationship is a precious asset of the Bank, and maintaining and strengthening this relationship is highly important for the Bank to fulfill its fundamental mission and social responsibilities.

To this end, we value disclosure and accountability to our stakeholders and will make continued efforts to promote a highly transparent organizational culture.



GRI Guideline Comparison Table

GRI Guideline Comparison Table

| GRI Standard 2016 | | |
|---------------------------|--|--|
| GRI Standard | Requirements | Page References |
| General Disclosures | | |
| 1. Organizational profile | | |
| 102-1 | Name of the organization | > Corporate Outline > Annual Report 2019 C3 > Value Report 2019 P51 |
| 102-2 | Activities, brands, products, and services | > Our Businesses > Annual Report 2019 P36-40, 53-58 > Value Report 2019 P22-23 |
| 102-3 | Location of headquarters | > Annual Report 2019 C3 |
| 102-4 | Location of operations | > Annual Report 2019 C3 |
| 102-5 | Ownership and legal form | > Corporate Outline > Annual Report 2019 C3 |
| 102-6 | Markets served | > Sustainability Report 2019 P4-6, 67 > Annual Report 2019 P53-62 |
| 102-7 | Scale of the organization | > Annual Report 2019 P4, 63, C3 |
| 102-8 | Information on employees and other workers | — |
| 102-9 | Supply chain | > Value Report 2019 P22-23 |
| 102-10 | Significant changes to the organization and its supply chain | > Annual Report 2019 P59-62, 70-71 |

GRI Guideline Comparison Table

| | | |
|--------------------------------|--|--|
| 102-11 | Precautionary Principle or approach | <ul style="list-style-type: none"> > Sustainability Report 2019 P39-42, 46 > Annual Report 2019 P8, 36 |
| 102-12 | External initiatives | <ul style="list-style-type: none"> > Sustainability Report 2019 P8-9 > Annual Report 2019 P8 |
| 102-13 | Membership of associations | <ul style="list-style-type: none"> > Sustainability Report 2019 P8-9 > Annual Report 2019 P8 |
| 2. Strategy | | |
| 102-14 | Statement from senior decision-maker | <ul style="list-style-type: none"> > Message from the Management > Sustainability Report 2019 P3 > Annual Report 2019 P2-9 |
| 102-15 | Key impacts, risks, and opportunities | <ul style="list-style-type: none"> > Sustainability Report 2019 P47-48 > Annual Report 2019 P2-9, 44-52 |
| 3. Ethics and integrity | | |
| 102-16 | Values, principles, standards, and norms of behavior | <ul style="list-style-type: none"> > Code of Ethics > Sustainability Report 2019 P63 > Annual Report 2019 P32 |
| 102-17 | Mechanisms for advice and concerns about ethics | <ul style="list-style-type: none"> > Sustainability Report 2019 P63 > Annual Report 2019 P33-35 |
| 4. Governance | | |
| 102-18 | Governance structure | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |

GRI Guideline Comparison Table

| | | |
|--------|---|---|
| 102-19 | Delegating authority | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | <ul style="list-style-type: none"> > Sustainability Report 2019 P7, 60 > Annual Report 2019 P8-9, 23 |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | <ul style="list-style-type: none"> > Sustainability Report 2019 P7, 60, 67 > Annual Report 2019 P8-9, 23 |
| 102-22 | Composition of the highest governance body and its committees | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-23 | Chair of the highest governance body | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-24 | Nominating and selecting the highest governance body | <ul style="list-style-type: none"> > Directors and Auditors > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-25 | Conflicts of interest | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-27 | Collective knowledge of highest governance body | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |
| 102-28 | Evaluating the highest governance body's performance | <ul style="list-style-type: none"> > Sustainability Report 2019 P60-62 > Annual Report 2019 P23-31 |

GRI Guideline Comparison Table

| | | |
|----------------------------------|--|---|
| 102-29 | Identifying and managing economic, environmental, and social impacts | <ul style="list-style-type: none"> > Sustainability Report 2019 P7, 62 > Annual Report 2019 P8, 23, 44-52 |
| 102-30 | Effectiveness of risk management processes | <ul style="list-style-type: none"> > Sustainability Report 2019 P7, 62 > Annual Report 2019 P8, 23, 44-52 |
| 102-31 | Review of economic, environmental, and social topics | <ul style="list-style-type: none"> > Sustainability Report 2019 P7 > Annual Report 2019 P8 |
| 102-32 | Highest governance body's role in sustainability reporting | <ul style="list-style-type: none"> > Sustainability Report 2019 P7 > Annual Report 2019 P23 |
| 102-33 | Communicating critical concerns | <ul style="list-style-type: none"> > Sustainability Report 2019 P7, 60-61 > Annual Report 2019 P8, 23-31 |
| 102-34 | Nature and total number of critical concerns | — |
| 102-35 | Remuneration policies | <ul style="list-style-type: none"> > Annual Report 2019 P203-208 |
| 102-36 | Process for determining remuneration | <ul style="list-style-type: none"> > Annual Report 2019 P203-208 |
| 102-37 | Stakeholders' involvement in remuneration | <ul style="list-style-type: none"> > Annual Report 2019 P203-208 |
| 102-38 | Annual total compensation ratio | — |
| 102-39 | Percentage increase in annual total compensation ratio | — |
| 5. Stakeholder engagement | | |
| 102-40 | List of stakeholder groups | <ul style="list-style-type: none"> > Sustainability Report 2019 P4, 67 |
| 102-41 | Collective bargaining agreements | — |
| 102-42 | Identifying and selecting stakeholders | — |
| 102-43 | Approach to stakeholder engagement | <ul style="list-style-type: none"> > Sustainability Report 2019 P5-6 |

GRI Guideline Comparison Table

| | | |
|------------------------------|--|---|
| 102-44 | Key topics and concerns raised | <ul style="list-style-type: none"> > Sustainability Report 2019 P5-6 > Value Report 2019 P49 |
| 6. Reporting practice | | |
| 102-45 | Entities included in the consolidated financial statements | <ul style="list-style-type: none"> > Annual Report 2019 P70-71, 213 |
| 102-46 | Defining report content and topic Boundaries | <ul style="list-style-type: none"> > Sustainability Report 2019 P5-6 |
| 102-47 | List of material topics | <ul style="list-style-type: none"> > Sustainability Report 2019 P5-6 |
| 102-48 | Restatements of information | — |
| 102-49 | Changes in reporting | — |
| 102-50 | Reporting period | — |
| 102-51 | Date of most recent report | — |
| 102-52 | Reporting cycle | — |
| 102-53 | Contact point for questions regarding the report | <ul style="list-style-type: none"> > Sustainability Report 2019 P2 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | — |
| 102-55 | GRI content index | <ul style="list-style-type: none"> > Sustainability Report 2019 P68-73 |
| 102-56 | External assurance | — |
| Management Approach | | |
| 103-1 | Explanation of the material topic and its Boundary | <ul style="list-style-type: none"> > Sustainability Report 2019 P4-6 |
| 103-2 | The management approach and its components | <ul style="list-style-type: none"> > Sustainability Report 2019 P3-9 > Annual Report 2019 P8-9, 23-35 |
| Economic | | |
| Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | <ul style="list-style-type: none"> > IR Library > Annual Report 2019 P63, 65-105 |

GRI Guideline Comparison Table

| | | |
|----------------------------------|--|--|
| 201-2 | Financial implications and other risks and opportunities due to climate change | <ul style="list-style-type: none"> > Sustainability Report 2019 P9, 46 > Annual Report 2019 P8, 36 |
| 201-3 | Defined benefit plan obligations and other retirement plans | <ul style="list-style-type: none"> > Annual Report 2019 P73-74, 78-81 |
| Indirect Economic Impacts | | |
| 203-2 | Significant indirect economic impacts | <ul style="list-style-type: none"> > Annual Report 2019 P36-39 > Value Report 2019 P30-37 |
| Environmental | | |
| Energy | | |
| 302-1 | Energy consumption within the organization | <ul style="list-style-type: none"> > Sustainability Report 2019 P46 |
| Social | | |
| Training and Education | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | <ul style="list-style-type: none"> > Sustainability Report 2019 P55-58 > Annual Report 2019 P41-43 |