

# The Cooperative System and the Cooperative Banking Business

The cooperative banking business, through its network which covers all of Japan, contributes to the development of the agricultural, forestry, and fisheries industries in Japan, and provides financial support for the livelihood of the local citizens.

## ■ The Cooperative System and the Cooperative Banking Business

In addition to the cooperative banking business, which includes accepting deposits and making loans, our cooperative organizations also engage in a number of other activities.

These include providing “guidance and supervision” on business and daily matters to farmers, fishermen, and foresters; performing a “marketing and supplying” function through the sale of agricultural, forestry, and fisheries products as well as the procurement of production materials; and engaging in the “mutual insurance” business to provide insurance coverage for various unforeseen events.

The cooperative organization that performs this wide range of activities comprises the Japan agricultural cooperatives (JA), the Japan fishery cooperatives (JF), and the Japan forestry cooperatives (Shinrinkumiai) at the municipal level, and their respective prefectural unions and federations as well as the national union and federations of the agricultural, forestry, and fishery cooperatives (as shown in the accompanying chart). As a whole, this nationwide structure from the municipal level to the national level is known as the “cooperative system.”

The framework and functions of (1) the banking businesses of JA and JF at the municipal level, (2) the Prefectural Banking Federations of Agricultural Cooperatives (Shinnoren) and the Prefectural Banking Federations of Fishery Cooperatives (Shingyoren) at the prefectural level, and (3) the Bank at the national level are referred to collectively as the “cooperative banking business.”

## ■ Activities of the Cooperatives

### • JA (The Japan Agricultural Cooperatives)

The Japan agricultural cooperatives (JA) are organizations, established under the Agricultural Cooperative Law, that conduct a comprehensive range of businesses and activities in the spirit of mutual assistance. The principal businesses of the JA include offering guidance for improving cooperative members’ management of their farms and their standards of living; marketing and supplying activities related to farming, including the gathering and selling of crops, and supplying materials needed for production and daily living; provision of insurance, such as life insurance, automobile insurance, and other kinds of insurance; and provision of banking-related business activities, such as accepting deposits, making loans, remitting funds, and offering other financial services.

As of April 1, 2009, 724 JA throughout Japan have been making contributions to the agricultural industry as well as the development of local communities through their various business and other activities.

### • JF (The Japan Fishery Cooperatives)

The Japan fishery cooperatives are organizations, established under the Fishery Cooperative Law, that have the dual objectives of overseeing both fisheries operations and the livelihood of fishermen, and contributing to members and local communities. The principal businesses of JF include offering guidance for the management of marine resources, such as improving the business operations of cooperative members and the standards of living of members; conducting marketing and supplying activities, such as the storage, processing, and sale of fish catches and other marine products of cooperative members: the supply of materials

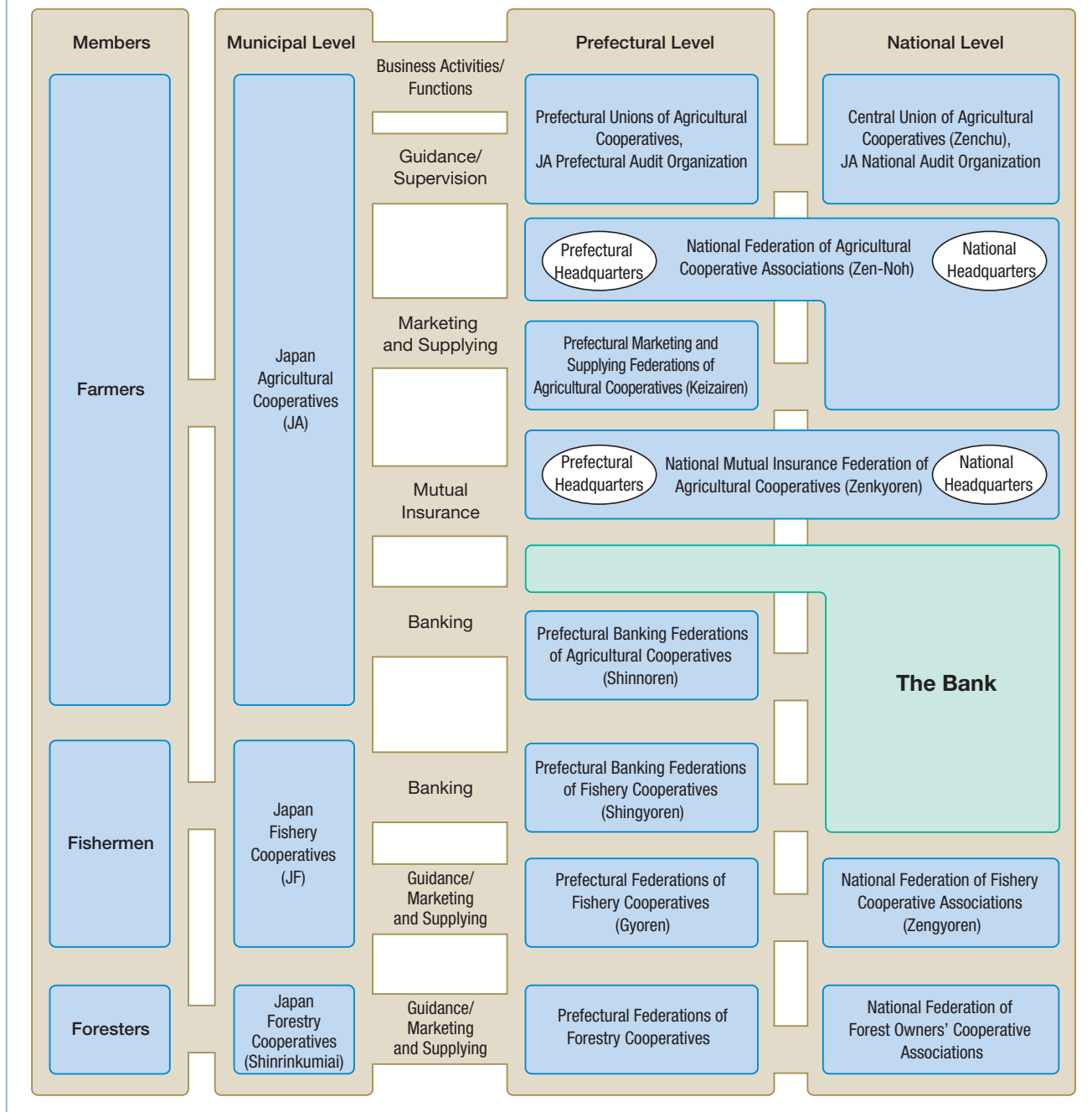
necessary for the business activities and daily lives of members; providing banking business services, such as acceptance of deposits and lending of necessary funds and provision of life and property insurance.

As of April 1, 2009, there were 1,088 JF throughout Japan that contribute both to the fisheries industry and to the development of fisheries communities through a

wide range of activities.

As of July 1, 2009, there are 164 JF nationwide in Japan that conduct banking business services on their own initiative. In addition to these JF, there are JF which act as agents of Shingyoren providing banking business services for fisheries communities throughout their respective prefectures.

► Structure of the Agricultural, Forestry, and Fishery Cooperative System



- **Shinrinkumiai**

- (The Japan Forestry Cooperatives)

The Japan forestry cooperatives are cooperative organizations for the owners of forestland, which were established under the Forestry Cooperative Law. A high percentage of forestland owners in Japan possess small land parcels, and forestry cooperatives play an important role in organizing and representing the interests of these small forestland owners.

The principal businesses of forestry cooperatives are carrying out operations including planting, removal of undergrowth, and thinning of forests owned by cooperative members as well as the sale of forest products, such as logs and timber.

As of April 1, 2009 there were 699 forestry cooperatives nationwide in Japan. As core participants in cultivating and improving forestlands, the forestry cooperatives make a major contribution in enabling forests to perform their wide range of natural functions, including the preservation of national land, the formation of watersheds, the maintenance of the living environment, the provision of places for health and leisure as well as the supply of timber, and other forest resources.

## ■ Positioning of the Norinchukin Bank within the Cooperative Banking Business

The Bank was established in 1923 as the central bank for Japan's industrial cooperatives. It was renamed the Norinchukin Bank in 1943 and is now a private financial institution based on the Norinchukin Bank Law.

JA, JF, and Shinrinkumiai were created with the aim

of improving the economic and social positions of the agricultural, forestry, and fisheries industries through the cooperative efforts of their respective members under the slogan "one for all and all for one."

The Bank is a national level cooperative financial institution whose membership (i.e. shareholders) comprises the previously mentioned municipal cooperatives, the prefectural and national federations, and other organizations. Moreover, the Bank plays a major role in society, as a contributor to the development of the nation's economy and as a supporter of the advancement of the agricultural, forestry, and fisheries industries for its members in accordance with the stipulations of Article 1 of the Norinchukin Bank Law.

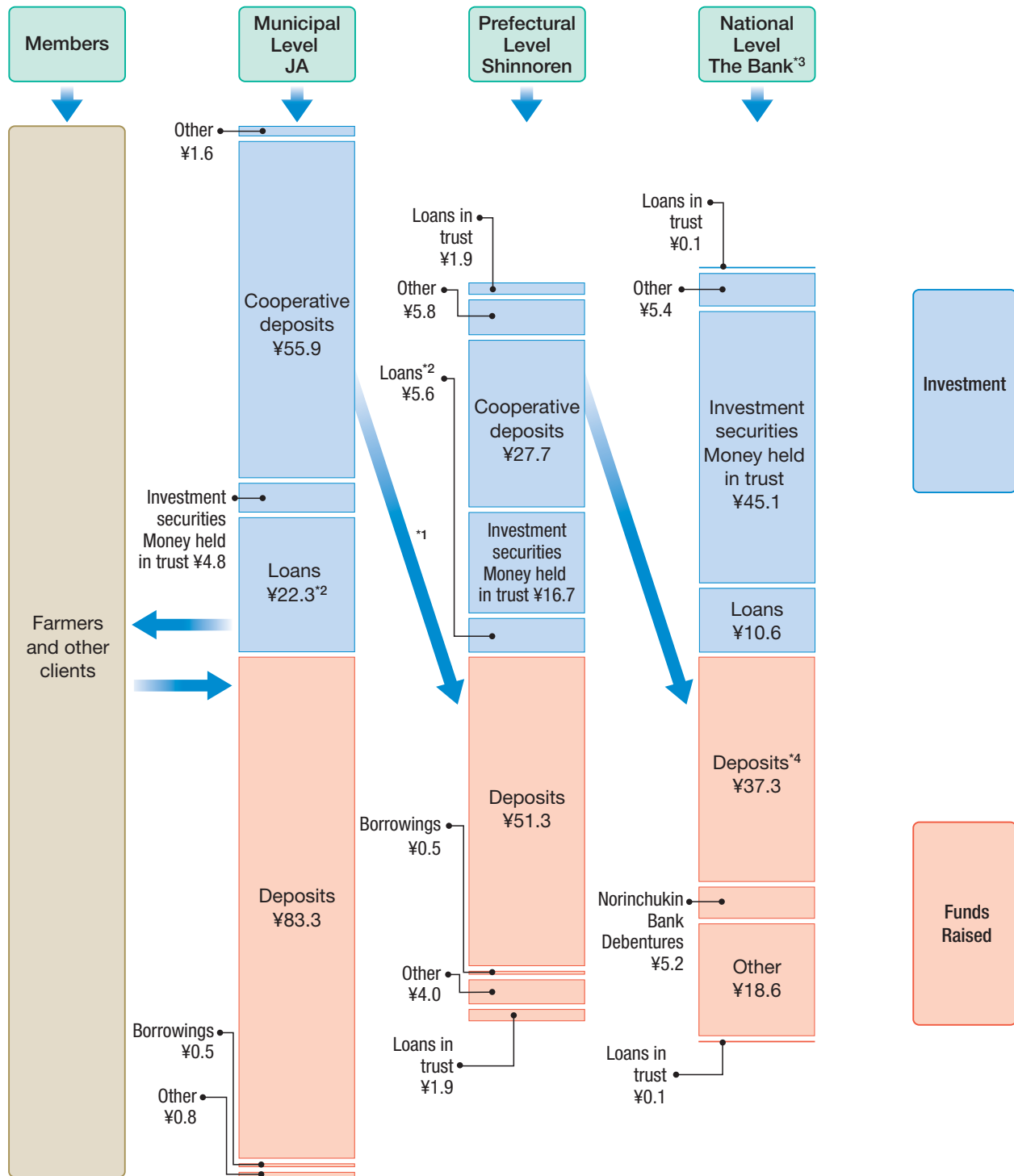
The Bank's funds come from deposits placed by members (the majority of the funds held at the Bank are deposits placed originally by members of JA and JF), and the issuance of Norinchukin Bank debentures. Additionally, the Bank also raises capital from the financial markets.

These financial resources are then lent to the agricultural, forestry, and fisheries industries; corporations connected to the agricultural, forestry, and fisheries industries; regional governments; and public entities. In addition to the aforementioned activities, the Bank manages its funds efficiently through investments in securities and other financial instruments. The Bank then provides stable returns to its members through earnings received from investment and lending activities, as well as the provision of various other financial services. Through these various services and activities, the Bank plays a major role as the national level financial institution for cooperative organizations.

### Article 1 of the Norinchukin Bank Law

As a financial institution which takes as its foundation the agricultural, forestry, and fishery cooperatives as well as other members of the agriculture, forestry, and fishery cooperative system, the Bank strives to contribute to the development of the nation's economy by supporting the advancement of the agricultural, forestry, and fisheries industries through the provision of financial services for the member organizations of the cooperative system.

► Flow of Funds within JA Cooperative Banking System (As of March 31, 2009) (Trillions of Yen)



Calculated totals for "investment" and "funds raised" may disagree due to rounding errors.

Notes: \*1. In some prefectures, JA may make direct deposits to the Bank.

\*2. The loan balances of the JA and Shinnoren do not include lending to financial institutions.

\*3. Overseas accounts have been excluded from the Bank's balances.

\*4. The Bank's deposits include not only deposits from the JA Banking Cooperative System but also those from the JF Banking Cooperative System and Forestry Cooperative System, as well as other sources.

## Safety Net for the Cooperative Banking System

The JA Bank System and the JF Marine Bank System have created a safety net consisting of the Bankruptcy Prevention System and the Savings Insurance System to provide an increased sense of security for their cooperative members and customers.

### ■ Bankruptcy Prevention Systems

The JA Bank System and JF Marine Bank System have developed their own respective bankruptcy prevention systems.

The specific functions of these systems include: (1) Monitoring of the management conditions of individual JA and JF to identify any problems at an early stage, (2) Taking steps at the earliest stage possible in order to prevent bankruptcy and (3) Infusing any necessary funds drawn from the JA Bank Support Fund or the JF Marine Bank Support Fund\* (collected from all members of the JA Bank and the JF Marine Bank) in order to restore sound management to either JA or JF.

\*As of March 31, 2009 the balance of the JA Bank Support Fund was ¥168.9 billion and that of the JF Marine Bank Support Fund was ¥24.5 billion.

### ■ The Savings Insurance System (Savings Insurance System for Agricultural and Fishery Cooperatives)

When a member organization of the cooperative banking system, such as JA or JF, is unable to reimburse deposited

funds to its members and other users, this system provides policy coverage for depositors and ensures the fulfillment of funds settlements, thereby contributing to the stability of the cooperative banking system.

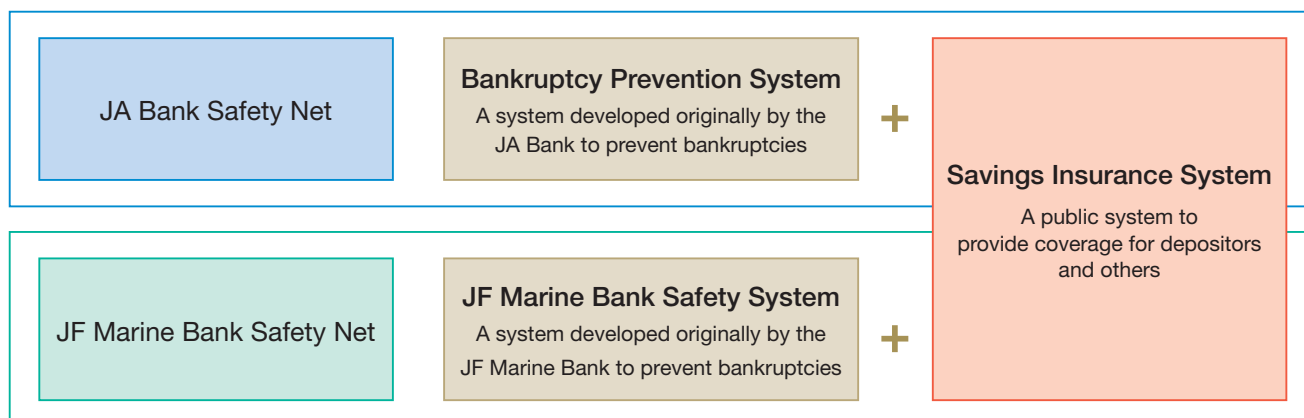
The Savings Insurance System is provided for under the Agricultural and Fishery Cooperative Savings Insurance Law. Its functions are carried out by the Agricultural and Fishery Cooperative Savings Insurance Corporation, which was established through joint investments by the Japanese government, the Bank of Japan, the Norinchukin Bank, Shinnoren, Shingyoren, and other entities.

When depositors place funds in agricultural or fishery cooperatives that are covered by the Savings Insurance System, their savings are automatically guaranteed by this insurance system.

Even though the blanket deposit insurance system was fully discontinued on April 1, 2005, checkable, payment, and settlement deposits are still fully protected by the system. However, all other types of deposits are only covered up to ¥10 million in principal (per depositor of each cooperative organization) plus interest accrued.

As of March 31, 2009 the balance of the reserve fund of the Savings Insurance System was ¥270.8 billion.

### ▶ Safety Net for Cooperative Banking System



## Operations of the JA Bank System

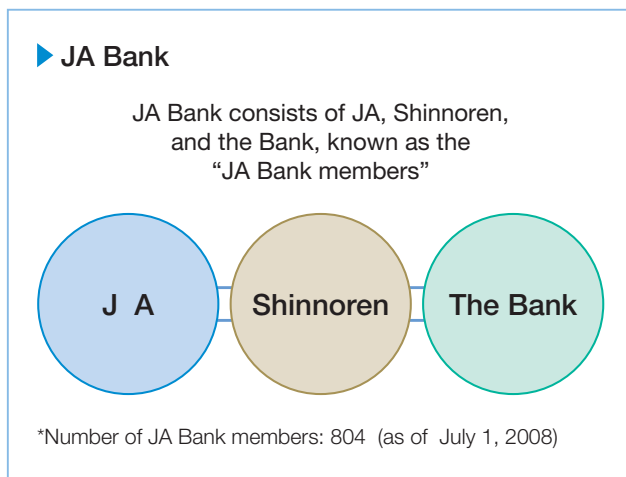
The members of the JA Bank, JA, Shinnoren, and the Norinchukin Bank, work under a framework for integrated and systematic cooperation for each business activity. We call this framework the “JA Bank System,” and our aim is to become a financial institution that is both trusted to a greater degree and chosen more often by its members and customers.

### ■ What is the “JA Bank?”

#### • The JA Bank System Comprises a Group of Financial Institutions

The JA Bank System consists of JA, Shinnoren, and the Norinchukin Bank, and together they are referred to as the “JA Bank members.” The JA Bank System functions essentially as one financial institution, possessing one of the largest networks among private financial groups in Japan.

As of July 1, 2008, the JA Bank contains 765 JA, 38 Shinnoren, and the Norinchukin Bank, for a total of 804 entities.



### ■ The JA Bank System

#### • A Framework for Integrated and Systematic Cooperation among JA Bank Members

To ensure that cooperative members and other customers have even stronger confidence in the cooperative banking system and make increased use of its services, we have established the JA Bank Basic Policy. This is based on the Reorganization and Strengthening Law (the law concerning the reorganization and strengthening of the cooperative banking business by both the Bank and specific agricultural and fishery cooperative organizations) and is implemented with the consent of all JA Bank members. The framework for integrated and systematic cooperation among JA, Shinnoren, and the Bank is based on the JA Bank Basic Policy and is referred to as the “JA Bank System.”

The JA Bank System is founded on two basic pillars. The first is the “promotion of unified operations,” which aims to improve and strengthen the financial services provided by the JA Bank by taking advantage of both economies of scale and finely-tuned customer interactions. The second is the “the bankruptcy prevention system,” which ensures the reliability of the JA Bank.

#### • Activities for Enhancing and Strengthening Financial Services

In accordance with the “JA Bank Medium-Term Management Strategy (fiscal 2007 through fiscal 2009),” the JA Bank is working to promote stronger, more unified operations among JA, Shinnoren, and the Norinchukin Bank, with the dual aims of further expanding its customer base, which is already one of the largest in Japan, and offering financial services that are carefully tailored to customer needs.



Specific measures aimed at enabling the Bank to adequately meet the needs of cooperative members and customers include: (1) Providing financial support for core farmers, (2) Expanding pension accounts and (3) Offering inheritance-related services primarily for the transfer of assets, such as farmland, to future generations. As part of a strategic retail sector alliance with the Mitsubishi UFJ Financial Group, the JA Bank has issued both the IC Cash Card and the new JA Card. In addition, in July 2008, after-hours charges were eliminated for JA Bank ATM deposits and withdrawal using, and, in October of 2008, we concluded a mutual free-of-charge ATM access agreement with the Bank of Tokyo-Mitsubishi UFJ.

In addition to these activities, the JA Bank is working diligently to prevent criminal activities, such as theft and counterfeiting of cash cards, as well as expanding its disclosure of information. Through these initiatives, the JA Bank will continue to strive to ensure that it is both regarded as a financial institution offering more convenient and reliable products and services, and chosen proactively by its cooperative members and other customers.

#### • Support for Core Farmers

The JA Bank System consists of the JA, the Shinnoren, and the Norinchukin Bank working together to provide an integrated support system that ensures financial stability for the nation's core farmers.

Specifically, we are working to create a system for the planning and provision of financial assistance to core farmers, such as the JA Agricultural Equipment and Greenhouse Loans, the Agri-Super Fund, and Core Farmer Assistance Loans. Bank officers designated as JA Bank Core Farmer Financing Leaders will play a crucial role in this system; we are now working to train these specialists.

In addition, we have taken various other steps to assist core farmers, including assisting in the subsidizing of interest on loans taken out to pay for agricultural equipment and materials, the prices of which soared in FY2008.

#### • Initiatives Aimed at Enhancing the Reliability of the JA Bank

Under the "bankruptcy prevention system," the JA Bank Headquarters receives management-related information from all JA Bank members and reviews them to confirm that they meet certain standards. This system makes it possible to foresee potential issues well in advance and provide early guidance prior to any early stage corrective action by the government.

In addition, the JA Bank Support Association has established the JA Bank Support Fund with financial resources contributed by JA Bank members. This fund can provide capital injections and other support to JA Bank members when necessary.

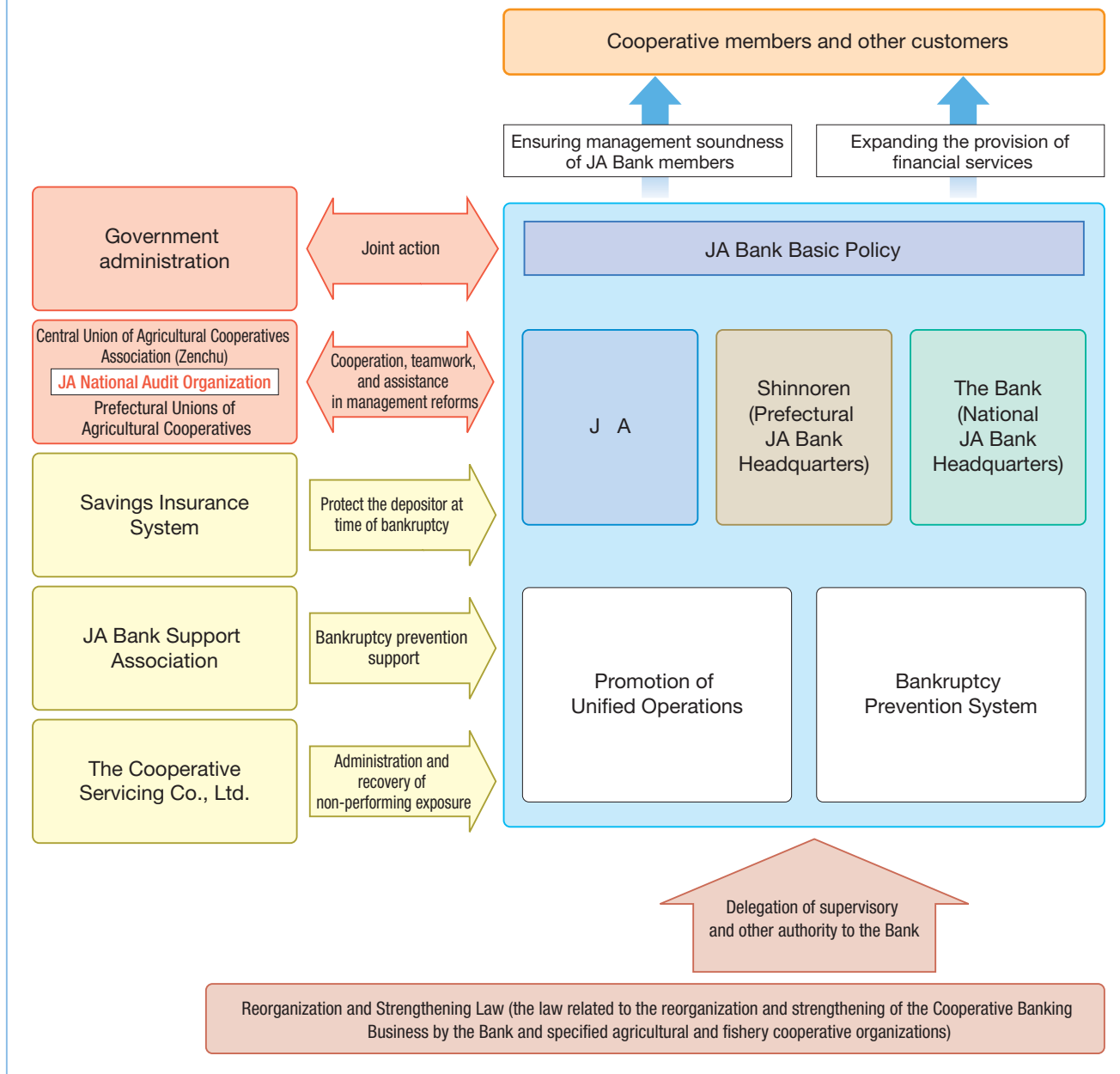
Through these initiatives, we are working to ensure that the JA Bank enjoys an even greater degree of credibility and confidence from its cooperative members and other customers. It is also important to note that JA, Shinnoren, and the Bank participate in the Savings Insurance System, which is a public system mandated by law.

#### • Establishment of a unified system nationwide

The establishment of a unified nationwide computer system for the JA Bank (known as the JASTEM System) is being carried out by the Norinchukin Bank to create the infrastructure needed to provide a consistent level of service to users everywhere in Japan. This is regarded as an important part of the overall social infrastructure, and is therefore being undertaken by the Bank on a priority basis to make possible JA Bank services that include enhanced benefits for JA members and other JA Bank users across the nation.

The changeover to the next-generation computer system, which is scheduled to take place between January 2010 and May 2011, is being carefully planned, with adequate attention being paid to potential risk factors.

► Framework of the JA Bank System





## ■ Trends in the Agricultural Industry and the JA Cooperative Banking Business

### • The Current State of the Agricultural Industry in Japan

Growing worldwide pressure on the supply of grain is causing a shift in the balance of supply and demand for food, from surplus to shortage. As part of discussions held by the WTO with the aim of establishing new rules for trade liberalization in the agricultural industry, a revised WTO text was published in February of 2008. Discussions are continuing in an effort to reach an agreement on the subject of modalities (i.e. criteria for reducing protective standards applicable to all nations), including figures for tariff reduction ratios. As for Economic Partnership Agreements (EPA) and Free Trade Agreements (FTA), discussions on the elimination of tariffs and other bilateral and regional measures, EPAs have so far been concluded with 11 countries, most of which are in Southeast Asia, as well as with ASEAN.

Speculation in world commodity markets has recently caused steep rises in the prices of some materials necessary for farming, such as oil, fertilizers, and animal feed. In Japan, however, prices of agricultural and livestock products remain low, and thus business conditions continue to be very difficult for the country's farmers.

Amid a series of scandals involving the sale of substandard rice, Japanese consumers are now paying much more attention to food safety issues.

As a result, the JA Bank members are responding to growing public awareness for the security of food by conducting a project to encourage consumers to buy Japanese agricultural and meat products. Providing financial support to core farmers and helping revitalize Japan's rural communities have been made JA Bank priorities, and initiatives to achieve these goals are being pursued on a Group-wide basis. This is part of the JA Bank members' longstanding efforts to increase

the public's understanding of the farming industry and food-related issues.

### • The Flow of Funds in the JA Cooperative Banking Business

Thanks to a continued steady increase in deposits from individuals as a result of the provision of financial services that responded to customer needs during fiscal 2008, JA deposits rose by 1.5% over the previous year, to a term-end balance of ¥83,309.6 billion.

Total JA loans rose by 3.6%, year-on-year, to a term-end balance of ¥22,374.8 billion due to an increase in individual loans, especially mortgage loans, thanks to home loan advisory events and other campaigns. Securities held by JA Bank posted a year-on-year increase of 12.2% to a term-end balance of ¥4,823.4 billion.

Deposits with Shinnoren declined, recording a year-on-year decrease of 0.4%, to a term-end balance of ¥51,317.8 billion.

The balance of loans issued by Shinnoren increased by 7.5% on the previous year to a term-end balance of ¥5,642.0 billion as a result of factors including increased lending to companies. Securities (including money held in trusts) held by Shinnoren saw an annual decline of 1.2% to a term-end balance of ¥16,710.8 billion.



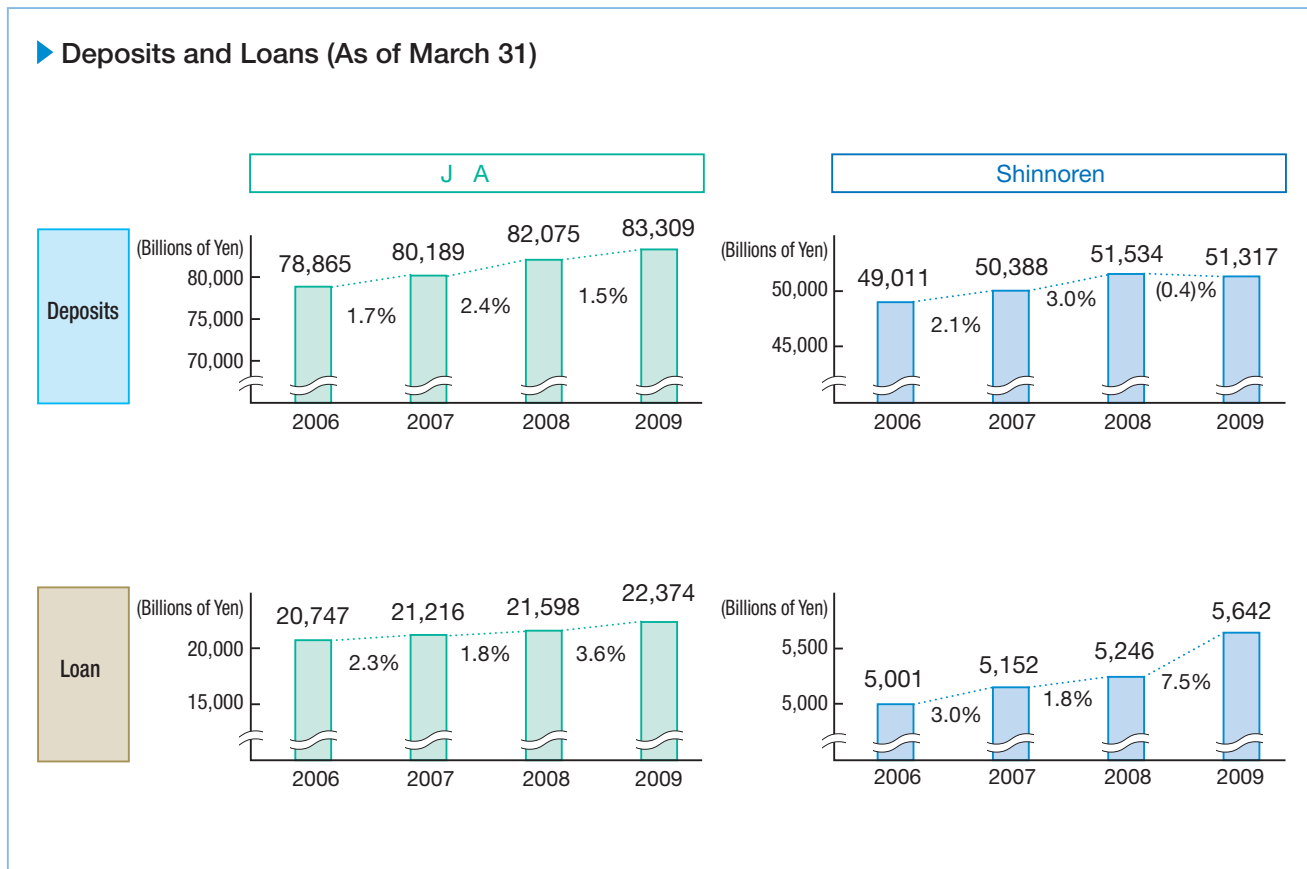
## ■ Reorganization of the JA Cooperative Banking Business

To deal effectively with changes in the operating environments of the agricultural industry, cooperative members, and JA, the JA Bank has made progress in improving efficiency and streamlining management.

Likewise at the Norinchukin Bank, the system has been streamlined from the three-tier structure consisting of the JA, the prefectural Shinnoren, and the Norinchukin Bank to a two-tier structure of the JA and the Bank alone. This was achieved through the consolidation of the Shinnoren from nine different prefectures (Miyagi, Akita, Yamagata, Fukushima, Tochigi, Toyama, Okayama, Nagasaki, and Kumamoto) and the transfer of their operations to the Bank.

In September 2009, a portion of the operations of the Shinnoren of Aomori Prefecture is scheduled to be transferred to the Bank. Elsewhere, the goal of “one JA in each prefecture,” whereby the rights and obligations of both Shinnoren and Keizairen (The Prefectural Marketing and Supplying Federations of Agricultural Cooperatives) are integrated and taken over by a single JA, has been achieved in Okinawa and Nara Prefectures to date.

The Norinchukin Bank continues to steadily support internal efforts to enhance JA’s organization and implement the steps the Bank is taking towards achieving efficiency and rationalization, with the aim of creating a cooperative banking structure capable of meeting the expectations and securing the trust of both cooperative members and other customers.



# The JF Marine Bank's Operations

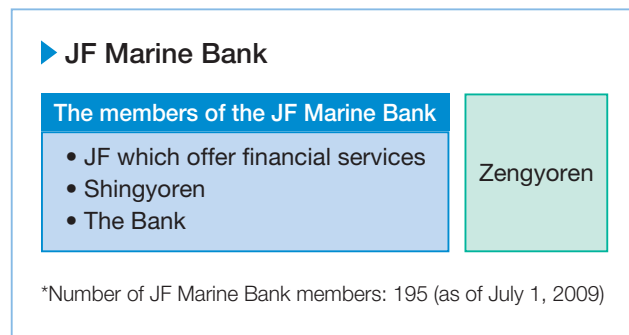
## Providing Financial Support to Coastal Communities and Matched Financial Capabilities to Fisheries

### ■ What is the “JF Marine Bank”?

#### • The JF Marine Bank Comprises a Group of Financial Institutions

The JF Marine Bank consists of the Japan fishery cooperatives (JF, limited to those engaging in banking services), Shingyoren (Prefectural Banking Federations of Fishery Cooperatives), and the Bank as well as the computer systems company operated by Zengyoren.

As of July 1, 2009, there were 164 JF offering financial services and 30 Shingyoren, for a total of 195 members, including the Norinchukin Bank.



### ■ Basic Policy Direction for the JF Marine Bank

#### • JF Marine Bank Basic Policy

The JF Marine Bank formulated its Basic Policy in January 2003, based on the provisions of the Reorganization and Strengthening Law. The objectives of this basic policy are: First, to protect depositors by ensuring that the JF Marine Bank conducts its business operations in a sound and proper manner;

Second, to respond appropriately to the financial needs of cooperative members and other customers by carrying out reforms in JF Marine Bank's business activities, management and organization.

#### • A Framework for Preventing Bankruptcy

Taking into consideration various developments that have occurred in the financial environment, such as the complete discontinuation of blanket deposit insurance, and from the perspective of ensuring proper and sound operations, all members of the JF Marine Bank are required to provide management information to the JF Marine Bank Headquarters. Based on their examination of this information, the JF Marine Bank Headquarters can prevent organizations, such as JF, that have problems with their operations, from falling into bankruptcy by quickly identifying issues and taking preventative action, creating a system that is reassuring to customers. These activities are undertaken with the guidance of the Bank and Shingyoren.

#### • A Stable and Responsible JF Cooperative Banking Business System (the JF Marine Bank Safety System)

The JF Marine Bank provides financial services with regional coverage for members of the fisheries industry in their local communities and assumes an essential role in coastal communities.

To make improvements that will ensure the JF Marine Bank has management systems appropriate for a bank that is a member of Japan's financial system, measures have been implemented to establish a “system of one fishery cooperative banking business in each prefecture.” As a result, out of a total of 36 prefectures, 35 had completed the development of a fishery cooperative banking business in each of their respective prefectures by the end of fiscal 2008.

The “New Policy for the JF Group Business, Organizational and Managerial Reform for 2006-2008,” a three-year policy beginning in fiscal 2006 was agreed upon at the JF National Meeting of Fishermen's Representatives which was held in November of 2005, and was subsequently extended for a further year.

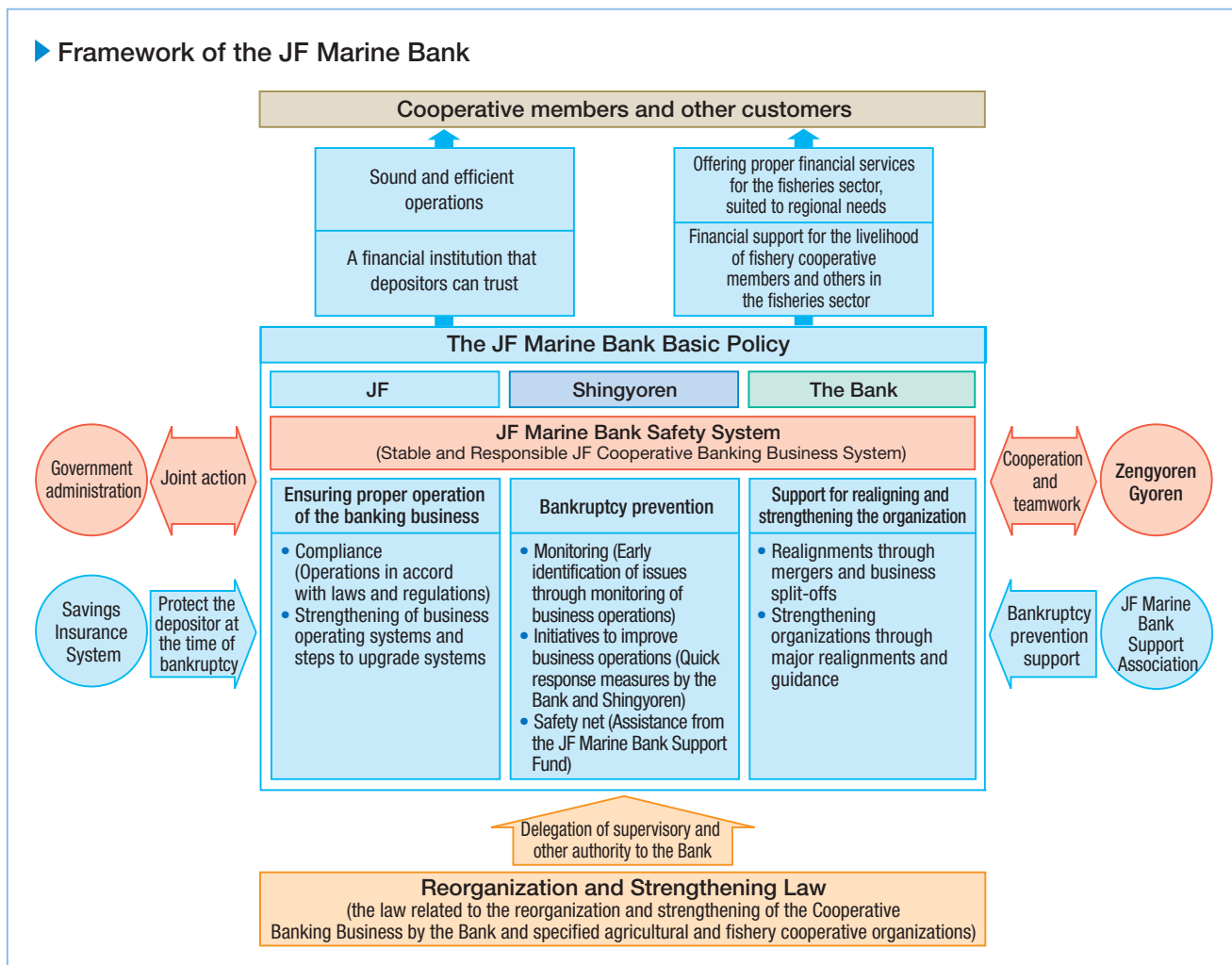
Under this policy, a new method, “Creating a wide-area Shingyoren that goes beyond prefectural boundaries,” was added to the three existing options of establishing “one JF in each prefecture,” “integrating the prefectural JF cooperative banking businesses into Shingyoren,” and “lending surplus funds between JF and Shingyoren” in order to establish “A Stable and Responsible JF Cooperative Banking Business System (The JF Marine Bank Safety System).” In the future, we will implement one of these four methods to reorganize the JF cooperative banking business.

As part of its initiatives related to the cooperative banking business under the JF Marine Bank, a new “JF Marine Bank Medium-Term Business Promotion Policy” for three years from fiscal 2009 has been drawn up. Under this policy, the JF Marine Bank is continuing to

take measures to improve its management and strengthen its financial position in line with its basic policies, while at the same time placing an even greater emphasis than before on the improvement of fishery operations, which is the basis for sound operations at the JF Marine Bank.

The JF Marine Bank aims to be a trusted provider of financial services for fishing communities. As a cooperative financial institution, it believes that its *raison d’être* is to serve not only its members and other customers, but also communities and regional society as a whole.

In addition to the activities mentioned thus far, JF, Shingyoren, and the Norinchukin Bank have contributed jointly to create the “JF Marine Bank Support Fund,” which also provides a framework to encourage cooperative members’ autonomous activity, and is



aimed at organizational and business reforms.

It is also important to note that JF, Shingyoren, and the Norinchukin Bank participate in the Savings Insurance System, which is a public system mandated by law.

## ■ Trends in the Fisheries Industry and the JF Cooperative Banking Business

### • The State of the Fisheries Industry

Management in the fisheries industry continues to be challenging, owing to declining catch volumes, diminishing prices of marine products, and falling workforce numbers as well as rising fuel prices due to surges in the price of crude oil. Other issues, including the burdens created by capital investments made in previous years, are making it difficult to reinvest in alternative fishing vessels.

In an effort to resolve this situation, in addition to existing measures, the government in its 2008 supplementary budget, established a project to examine practical methods of reducing fuel consumption as a step to help fishery operators combat the high price of fuel. In the budget for fiscal 2009, a new system was set up to assist the fisheries industry in converting to more fuel-efficient methods and improving profitability. The employment of some of these funds in the downstream marine product sector is expected to contribute to the development of industry participants and the stability of the marine product sector in the years ahead.

To assist and stabilize both the management and production base of the fisheries industry in the face of rising prices of fuel and other materials, the JF Marine Bank is providing assistance to fishery cooperative (JF) members in subsidizing interest on loans for working capital (the current balance stands at ¥100 billion).

### • The Flow of Funds in the JF Cooperative Banking Business

Deposits held with JF increased by 0.2% from the previous fiscal year-end, to ¥2,246.4 billion, at the end of fiscal 2008, reflecting the provision of government subsidies to partially cover increased fuel costs.

The balance of loans at JF fell 2.0%, year-on-year, to ¥696.4 billion, due to such factors as the easing of demand for new financing.

## ■ Reorganization of the JF Cooperative Banking Business

The JF cooperative banking business is being reorganized to create more sound and efficient management systems through two methods: First, through mergers between various JF and, second, through the transfer of banking business activities from the JF to the Shingyoren. These efforts have reduced the number of JF engaged in the banking business from 875 JF as of March 31, 2000, to 166 JF as of April 1, 2009.

The total number of JF, including those that are not engaged in the banking business, was reduced by 33 JF in fiscal 2008, and, as of April 1, 2009, the number stood at 1,088 JF, reflecting the progress being made toward consolidation.

In the future, greater emphasis will be placed on policies to strengthen and reorganize the JF cooperative banking business under the JF Marine Bank Safety System.

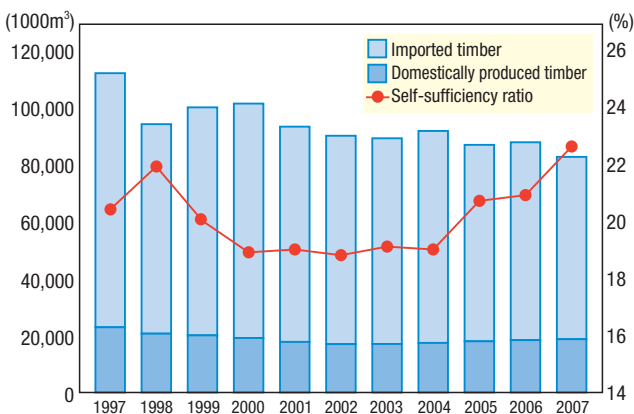
The Bank supports the aforementioned JF cooperative banking business initiatives.

# Japan Forestry Cooperative Initiatives

## ■ The Current State of the Forestry Industry in Japan and Cooperative Activities

Japan's forests cover 25 million hectares, or about two-thirds of the country's land mass. About 70% of forestland in Japan is owned by private forest owners. Partly due to the aging of the population and the trend towards depopulation in rural mountain villages, factors that have caused a decline in forestry development, Japanese forestland is not properly sustained and has become unproductive wilderness. This explains why the cedar and cypress forests that were planted after World War II are unable to properly perform their functions even though the trees have reached maturity.

### ▶ Japanese domestic timber demand in terms of volume



Source: Forestry Agency "Timber Supply & Demand"

Amid rising concern over the issue of global warming, the Kyoto Protocol has been signed by a large number of countries, and in the field of forestry management, a number of measures are being taken to increase the amount of forested area to provide the Earth with a larger carbon sink. In addition, the timber supply has become increasingly tight on an international scale in recent years, and therefore efforts are being made to establish systems to provide a stable supply of domestic timber.

Under these circumstances, the Japan forestry cooperatives have been promoting a cooperative campaign which comprises three pillars of concepts based on a "Movement to Revitalize Forestlands, the Forestry Industry, and Rural Mountain Villages that support the Environment and our Livelihood." This is aimed at developing low-cost forestry management, ensuring a stable supply of domestic timber, and introducing management reforms to make these projects possible.

Also, since fiscal 2007, the Forestry Agency, together with the forestry cooperatives, has been implementing measures to facilitate the stable supply of domestic timber. The Bank's policies include helping to strengthen the foundation for autonomy in the management of forestry cooperatives, such as the holding of seminars for forestry cooperatives' top management members, and substantially increasing support for their initiatives.



Untended forestland becomes backwoods



A forest that has been maintained by tree trimming