

# Corporate Governance

## ◆ The Norinchukin Bank's Management System

The Bank is both the central bank for Japan's agricultural, forestry, and fishery cooperatives as well as an institutional investor that plays a major role in the financial and capital markets through the investment of large amounts 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 Law, are organized to share duties as well as coordinate on decision making for the Bank, while taking into consideration the internal and external situation of the organization.

## ◆ The Supervisory Committee

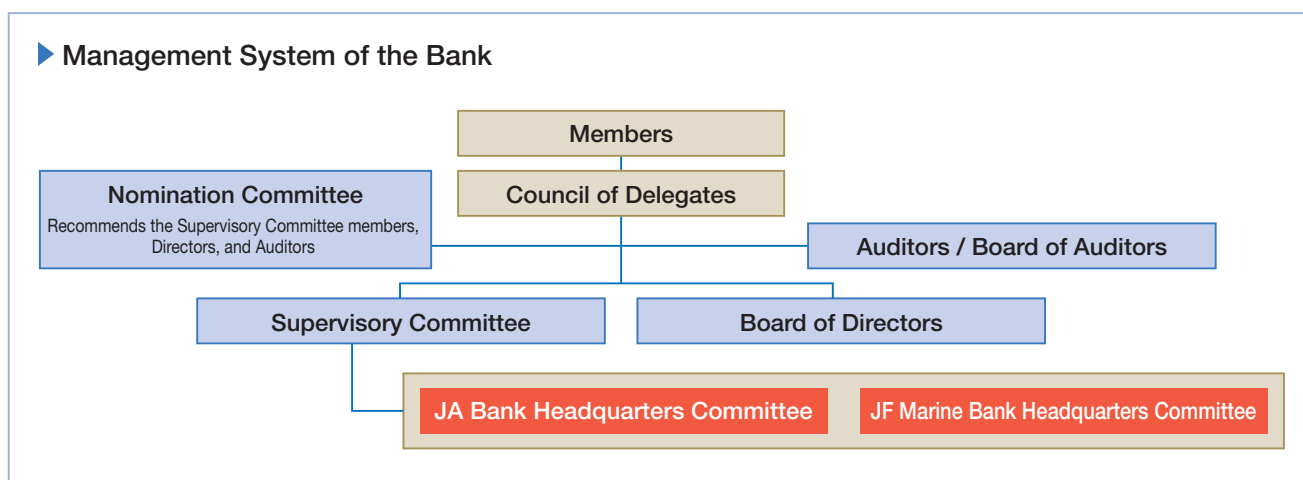
The Supervisory Committee is responsible for submitting agendas and reporting to the Council of Delegates as well as for making decisions on important issues related to the organization of the agricultural, forestry and fishery cooperatives. The Supervisory Committee

also has the authority to oversee the execution of business policies by the directors.

This includes: (1) the authority to request the board members to attend meetings to explain their business activities and (2) the authority to request the Council of Delegates to seek the dismissal of board members.

At present, the Supervisory Committee has 18 members, selected from among the board members of cooperative organizations, people engaged in the agricultural, forestry, and fisheries industries as well as individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of cooperative members, and then are appointed by the Council of Delegates.

Under the jurisdiction of the Supervisory Committee are the JA Bank Headquarters Committee and the JF Marine Bank Headquarters Committee, which are composed of representative committee members of cooperative organizations and the Bank's directors. These committees deliberate on the basic policies of the banking business conducted by the agricultural and fishery cooperatives as well as on operational guidance to be provided to cooperative members acting under the name of the headquarters.



## ◆ Board of Directors

The Board of Directors makes decisions regarding the exercise of business activities, excluding those matters under the jurisdiction of the Supervisory Committee, and performs a mutual cross-checking function on the exercise of business affairs by the directors. The members on the Board of Directors are elected by the Supervisory Committee and assume their position upon approval by the Council of Delegates. There are currently 13 full-time board members, 2 of whom are selected as the representative directors, and, at the same time, as members of the Supervisory Committee. Hence, decisions made by both the Supervisory Committee and the Board of Directors are closely coordinated.

## ◆ Auditors/Board of Auditors

Auditors are elected directly by the Council of Delegates and are responsible for auditing decisions made by the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business activities. The Board of Auditors currently comprises 5 members (3 full-time auditors and 2 part-time auditors), 4 of which must satisfy the conditions stated in Article 24-2 of the Norinchukin Bank Law.\* They are equivalent to external auditors in companies which list their shares.

*\* According to Article 24-2 of the Norinchukin Bank Law, at least one of the auditors must satisfy the following conditions: They must not be a director or employee of a corporation that is a member of the Norinchukin Bank and must not have held any of the following positions in the five years before being appointed auditor: (1) director, member of the Supervisory Committee, or employee of the Norinchukin Bank or (2) director, accounting advisor (if the advisor is a corporation, then an employee who performs such duties), or executive officer or employee of one of the Bank's subsidiaries.*

# Initiatives for Strengthening Internal Control

## ◆ Basic Approach

For the Bank to fulfill its fundamental mission as the central bank for Japan's agricultural, forestry, and fishery cooperatives as well as its social responsibilities, the Bank has positioned the structuring of management control systems as its first priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and the relevant laws and regulations, the proper management of risk, as well as effective and efficient business activities in general.

## ◆ Content of Basic Internal Control Policy

### 1. Systems for Ensuring the Duties Exercised by the Directors and Employees Conform to the Relevant Laws and the Articles of Association

- (i) To ensure sound management through compliance with laws and regulations, the Bank has established its Corporate Ethics Charter, Compliance Manual, etc. It has taken steps to make all management and staff fully aware of the importance of strictly observing laws and regulations, and performing their duties with both integrity and fairness.
- (ii) To ensure that the directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and auditors. In addition, the Compliance Division, which supervises the Bank's overall compliance matters, checks important decision-making in advance.
- (iii) In terms of compliance matters, the Bank has set up a Compliance Hotline System which allows employees to turn to the Compliance Division or outside legal counsel for advice or to file a report.
- (iv) The Bank prepares a "Compliance Program" on an annual basis and implements a program that includes such activities as promoting compliance and training employees.

- (v) The Bank adopts a strong and resolute stance with regard to anti-social elements that pose a threat to social order and security, and maintains a policy to exclude such elements.
- (vi) Regarding internal controls on financial reporting, the Bank has in place measures to ensure that such reporting is reliable and appropriate.

### 2. Systems for Retaining and Maintaining Information Related to the Duties Performed by the Directors

- (i) Important documents related to carrying out the Bank's business, such as the minutes of the directors' meetings and other important meetings as well as approval documents, are maintained appropriately, as specified in our document retention standards and other control standards.
- (ii) The Bank's business units are obliged, upon the directors' and auditors' request, to present information related to business activities for inspection.

### 3. Systems Related to the Policies & Procedures of the Risk Management

- (i) The Bank views the proper implementation of risk management as a major business challenge to maintain a business that is safe and sound while simultaneously establishing a stable earnings base. Accordingly, the Bank has identified and defined the risks that the management must be made aware of, and has established basic policies for risk management that define risk management organizations and frameworks.
- (ii) Managed risks are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of earning income. These risks include credit risk, market risk, and liquidity risk. The second type of risk is operational risk. Based on the nature of these various kinds of risks, the Bank has established risk

management policies and processes for managing these risks, and undertakes the conduct of risk management for the Bank and its other group companies from a comprehensive and unified perspective. To carry out such risk management activities properly, the Bank has established decision making organizations and operating units to be in charge, has clearly defined each of their roles and responsibilities, and has taken steps to implement an appropriate risk management system.

- (iii) After assessing the various kinds of risk assumed, the Bank pursues more sophisticated comprehensive risk management, through economic capital management that ensures total risk capital remains within the scope of the Bank's regulatory required capital.
- (iv) To comply with requirements for ensuring the soundness of operations set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management, based on the conditions stipulated in the legal provisions.
- (v) In the case of major natural disasters, the Bank works to put into place the business continuity plan, which needs to be refined continuously.

#### 4. Systems for Ensuring that the Directors Execute their Duties Efficiently

- (i) The Bank establishes its Medium-Term Management Plan, annual business plans, and other plans in connection with the conduct of its operations and makes periodic assessments of progress towards the goals of each of these plans.

- (ii) In order to carry out the decisions made by the Board of Directors efficiently, the Bank has formed committees composed of directors, to which the board delegates specific matters and tasks for implementation. The Bank has also formed councils to confer regarding management issues on a regular or as-needed basis, and its duties include the discussion of proposals regarding matters to be decided by the Board of Directors.
- (iii) With the objective of having the directors and employees perform their duties efficiently, the Bank works to make improvements in its organizational systems, including clarifying the organizational structure, authorities, and responsibilities.

#### 5. Systems for Ensuring that Operations are Conducted Properly at the Bank, its Subsidiaries, and other Group Companies

- (i) To ensure the proper administration of the Norinchukin Bank Group, the Bank has established basic policies for the operation and management of its group companies.
- (ii) The Bank and each of its other group companies have agreed on various matters to be discussed and reported to ensure smooth operation within its group. In addition, the Bank monitors the management, conduct of operations, and related issues in its group companies and gives appropriate guidance, advice, supervision and performance analysis, as needed.

## 6. Systems for Internal Auditing

- (i) To contribute to the proper operations, the Bank has created the Internal Audit Division that is independent of the units conducting business operations. The Bank also maintains proper systems and frameworks where an internal audit is effectively carried out for the Bank's overall operations.
- (ii) The scope of internal audits includes all aspects of the Bank's operations and group companies, and the internal audits are implemented based on an auditing plan approved by the Board of Directors.
- (iii) The Internal Audit Division makes periodic reports on the results of its auditing activities to be submitted to the Board of Directors and related internal divisions.
- (iv) Members of the Internal Audit Division meet periodically and on an as-needed basis with the auditors and the accounting auditors to exchange opinions and information as well as to better coordinate their auditing activities.

## 7. Details Regarding the Staff who Support the Auditors and their Independence from the Directors

- (i) The Office of the Corporate Auditors, an independent unit, was formed by the Bank to assist the auditors in fulfilling their duties.
- (ii) In principle, three or more full-time employees need to be assigned to the Office of the Corporate Auditors to conduct activities related to the operation of the Board of Auditors as well as other activities as directed by the auditors.
- (iii) Employees assigned to the Office of the Corporate Auditors act in accordance with the auditor's instructions.

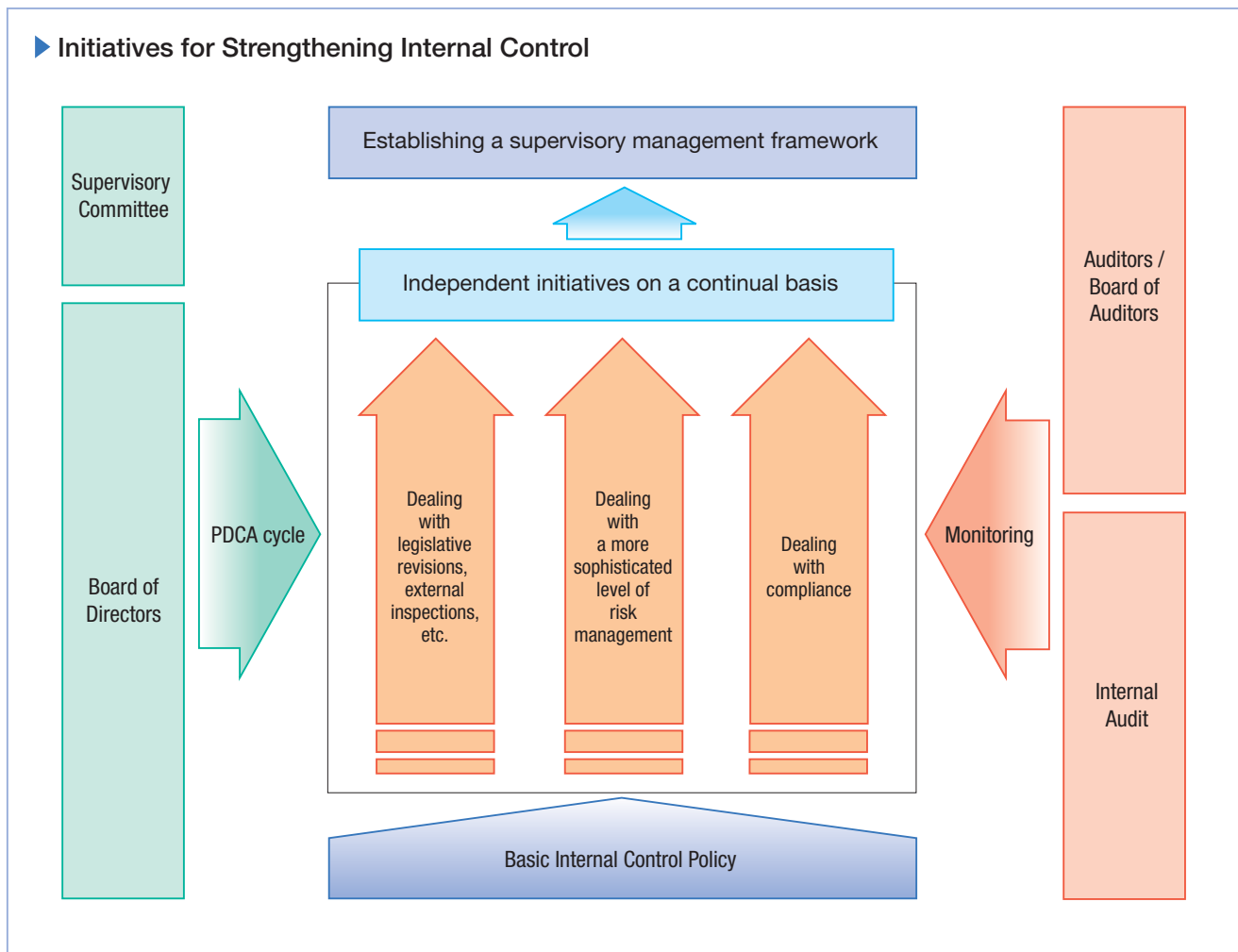
- (iv) Regarding evaluations of the performance of employees assigned to the Office of the Corporate Auditors, and their reassignment to other departments, the full-time auditors' opinions will be obtained in advance and duly respected.

## 8. Systems for Directors and Employees to Report to the Auditors and other Systems for Reporting to the Auditors

- (i) When a director discovers something that may result in serious damage to the Bank, such information and circumstances must be reported immediately to the Board of Auditors.
- (ii) When the Compliance Division obtains important information regarding the facts that are material from a compliance perspective or that may affect the compliance system as a whole, the division reports these matters to the Board of Auditors.
- (iii) The Internal Audit Division reports its findings regarding internal audits of operations to the Board of Auditors, and the two exchange information on a periodic basis.
- (iv) Documents related to major decisions and other important documents related to business operations are provided to the auditors for review.

## 9. Other Systems for Ensuring that the Auditing Activities of the Auditors are Conducted Effectively

The following system has been created to ensure that the auditors and their auditing activities are conducted effectively, as the Bank is fully aware of their importance and value.



- (i) The auditors are allowed to attend the Board of Directors meetings, the Supervisory Committee meetings, and other important meetings, and are free to express their opinions.
- (ii) The representative directors and the auditors have periodic meetings to exchange opinions.
- (iii) The directors and employees are to cooperate with the auditors' investigations and interviews.
- (iv) In general, the directors and employees are to comply with matters specified in the Rules of the Board of Auditors and Standards for Audits.

# Internal Auditing System

## ◆ Positioning of the Internal Auditing Function

The Bank has established an internal auditing function, the Internal Audit Division, which operates independently from the other operations and business affairs of the Bank. The mission of this internal auditing function is to review and assess the appropriateness and effectiveness of internal controls from an objective and rational perspective, taking into account the special features of specific business processes and risk conditions.

The objective of this internal auditing function is to contribute to the proper conduct of operations by monitoring corrective action plans made by the audited division to resolve issues that have been identified as a result of its verification and assessment activities, and then to follow up to confirm that these corrective action plans have been effective.

The scope of activities of the Internal Audit Division includes all operations of all departments and branches of the Bank, its consolidated subsidiaries, and those operations that have been subcontracted to other companies, to the extent that such auditing activities are not in violation of legal regulations.

## ◆ Outline of the Internal Auditing System

The Bank's Board of Directors has prepared its "Internal Audit Policies," which sets out the basic elements of the internal auditing functions, including definitions, objectives, scope of auditing, and positioning within the organization.

Based on these policies, the Bank has established the Internal Audit Division as an internal auditing unit that is independent from the other operations and business affairs of the Bank.

In addition, the Bank has formed the Internal Audit Committee, which includes the representative directors and senior managing directors, to consider and discuss

matters related to internal audits in general—including planning, implementation, and improvements—and to improve and facilitate reporting of internal audit matters to management.

Moreover, the Internal Audit Division, the auditors, and the accounting auditors meet to exchange opinions and information on a periodic, as well as on an as-needed, basis in order to strengthen their cooperative efforts.

## ◆ Preparation of Internal Audit Plans

Internal audits are implemented based on annual internal audit schedules, which are, in turn, based on a three-year, medium-term internal audit plan which is approved by the Board of Directors.

In preparing internal audit plans, and in order to conduct its auditing activities effectively and efficiently, the Internal Audit Division completes risk assessments of all of the Bank's operations, and determines the significant issues to be audited and the frequency and the depth of audits based on the types and volumes of risks identified by the risk-based approach.

## ◆ Implementation of Effective Audits

To ensure the effectiveness and ongoing improvement of internal audits, auditors with a high level of specialized knowledge and practical experience from the Market, International, and Systems divisions are assigned to the Internal Audit Division to be in charge of auditing activities. Following their assignment, they will continue to upgrade their knowledge and skills through training and other activities, and they are encouraged to obtain qualifications from outside organizations.

In addition, the Internal Audit Division makes use of a variety of auditing methods in order to conduct internal audits effectively and efficiently. These include conducting unannounced audits, the implementation of

off-site audits that do not require fieldwork, and off-site monitoring to gather audit-related and other information on a daily basis.

### Reporting Methods and Following Up on the Audit Results

After audits are completed by the Internal Audit Division, the audited divisions or branches are then notified of the results by the Internal Audit Division.

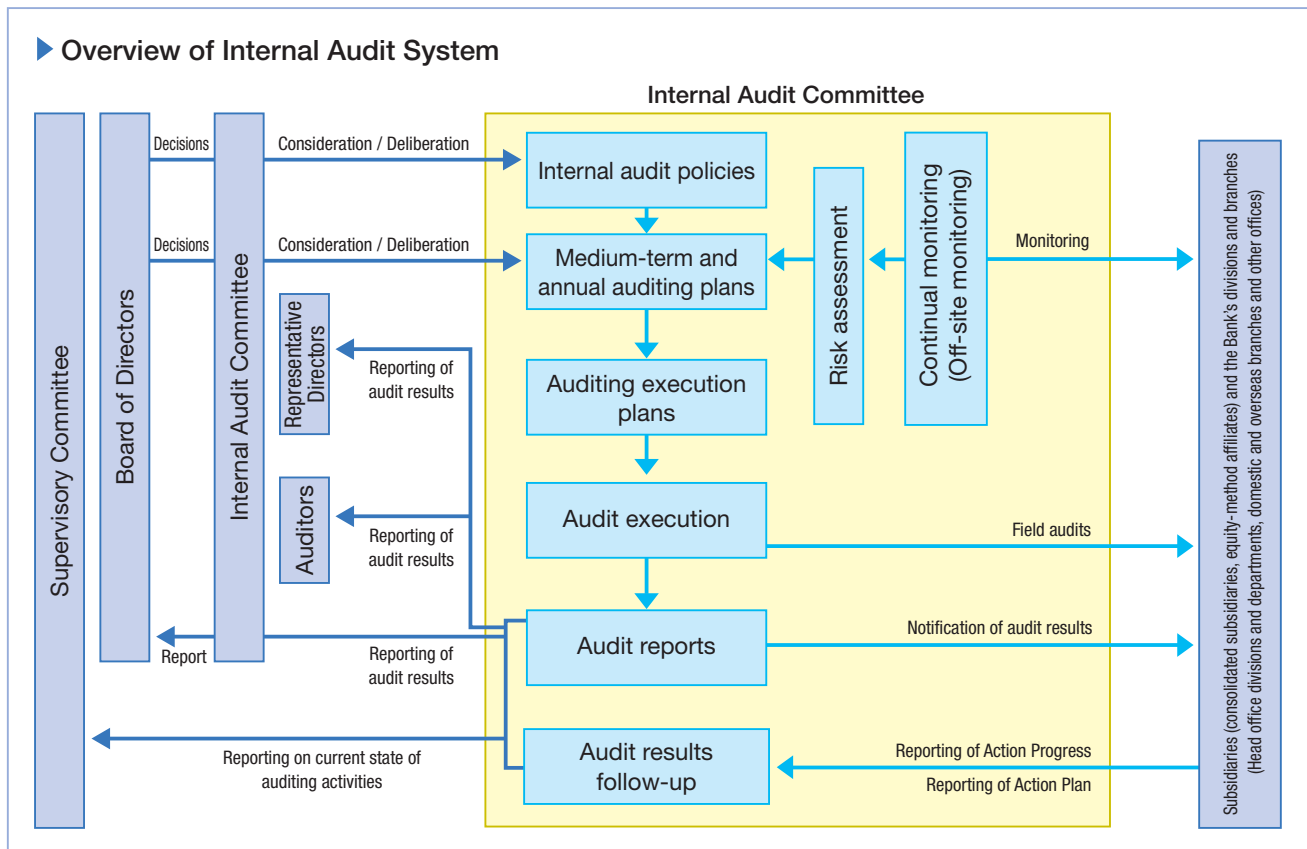
The audited divisions or branches are to take corrective actions toward recommendations made by the Internal Audit Division within a specified deadline. When necessary, they must prepare corrective action plans and report them to the Internal Audit Division.

The Internal Audit Division reports the results of its audits, and the audited divisions' management responses to the representative directors and the auditors. In

addition, a summary of the audit results is reported to the Board of Directors on a quarterly basis, and reports on the conduct of internal audits are presented to the Supervisory Committee periodically. For issues which are considered to be significant, the division is to immediately report them to the representative directors, auditors, and the Board of Directors, and, when deemed necessary, to the Supervisory Committee.

### Auditing of Assets

The Internal Audit Division conducts audits of the Bank's assets and strives to ensure the soundness of the Bank's asset portfolio through the verification of the accuracy, and appropriateness of its internal ratings, self-assessments, and loan write-offs, as well as the amount of capital set aside for reserves.





# Continuing as a Financial Institution Trusted by the Public

## COMPLIANCE INITIATIVES

### ◆ Basic Compliance Policies

As a financial institution whose business is founded first and foremost on trust and confidence, the creation of a better, more effective compliance framework is becoming an increasingly important management objective, especially in light of strong public criticism of corporate and other organizational improprieties.

As a core member of Japan's financial system, a global financial institution, and a nationwide financial institution of the cooperative banking business, the Bank is committed to fulfilling its fundamental mission and social responsibilities as well as to taking full account of changes in the social and management

environments to respond to the trust of its customers and members. Accordingly, the Bank is continuing to make proactive initiatives in the compliance area, by managing in conformity with social norms, including complying fully with rules and regulations, based on the principle of self-reliance, and is constantly striving to achieve a high degree of transparency by placing emphasis on proper disclosure and accountability.

As part of this endeavor, we have included our basic compliance policy in our Corporate Ethics Charter and code of conduct for all Bank directors and employees. To further ensure full compliance awareness among all directors and employees, we have compiled a Compliance Manual in line with our "Interpretation of laws and regulations to be observed by directors and employees of the Bank" and our "Outline of the compliance systems of the Bank." These measures

## Corporate Ethics

### *The Bank's Fundamental Mission and Social Responsibility*

1. Always cognizant of the importance of its fundamental mission and social responsibilities, as a financial institution, the Bank is committed to forging even stronger bonds of trust with society by fulfilling its mission and responsibilities through sound management policies.

### *Provision of High Quality Financial Services*

2. By providing high-quality financial services that draw fully on the Bank's creativity and ingenuity, the Bank fulfills its role as a national-level financial institution rooted in the cooperative banking business, responding to the needs of our customers and protecting the interests of our end-users. The Bank also contributes to the development of Japan's economy and society as a member of the financial system.

### *Strict Compliance with Laws and Regulations*

3. The Bank complies with all relevant laws and regulations, and conducts its operations in a fair and impartial manner in accord with social norms.

### *Disavowal of Anti-social Elements*

4. The Bank takes a resolute stance against anti-social elements.

### *Creating an Organizational Culture Committed to Highly Transparent Disclosure*

5. The Bank continually strives to improve communication with parties inside and outside the cooperative system, beginning with proactive and fair disclosure of business information. The Bank also works to maintain effective relationships with these parties while maintaining an organizational culture that is amenable to a high degree of transparency based on respect for human rights.

will ensure that compliance awareness is thoroughly understood and practiced by all employees as they go about their daily operations.

In response to a recent surge in demand for customer protection measures, the Bank operates a Customer Protection Management Policy and is working to reinforce management systems for providing information to customers, handling customer complaints or inquiries, and managing customer information, as well as for subcontractor management when tasks are outsourced. Combined with compliance initiatives, these measures are designed to give customers total confidence.

In addition, in response to recent revisions of the Financial Instruments and Exchange Law and the Norinchukin Bank Law, the Bank has established a policy regarding conflicts of interest in the management of business transactions (a summary of the policy has been posted on the Bank's website). The Bank is moving forward with such initiatives as establishing conditions for supervising transactions which take into account transactions with affiliated financial institutions, as well as initiatives aimed at achieving a higher level of quality in protecting our customers' interests.

### ◆ Compliance Activities that are Directly Linked to Management

The Bank's compliance framework comprises the Compliance Committee (chaired by the Deputy President & Co-CEO) and the Compliance Division (which is in charge of overall compliance-activities), as well as the person responsible for compliance and the person in charge of compliance in the Bank's, Operating Supervisory Section, divisions and branches. The Compliance Committee, which is responsible for considering basic issues and policies related to compliance, was established as a unit reporting directly to the Board of Directors. Topics of high-level importance discussed in the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, basic matters relating to care for the Bank's customers are discussed by this committee.

### ◆ Compliance Arrangements within the Bank

The compliance framework at individual branches and divisions is based on the combined efforts of each and every member of staff, revolving primarily around the head of the relevant branch or division, in the role of the person responsible for compliance, and a compliance supervisor. Appointed directly by the head of the Compliance Division, compliance supervisors in particular oversee all compliance-related matters at their branch or division. They are expected to keep track of day-to-day compliance activities, using checklists, to handle requests for advice or questions from other members of staff, to organize branch or divisional training and educational programs, and to liaise with, report to and handle requests from the Compliance Division.

The Compliance Division acts as the secretariat for the Compliance Committee, which is in charge of overall compliance activities. It also works to strengthen the Bank's compliance framework through activities such as conducting compliance reviews, responding to requests for advice from branches and divisions, and monitoring compliance, which includes visiting branches and divisions to check their compliance situation directly and providing direct guidance.

The Compliance Division has also put in place a Compliance Hotline to enable employees to provide information on compliance issues to the Compliance Division or outside legal counsel by telephone or email.

The Compliance Division is in charge of overall compliance activities with regard to customer protection as well, and works to ensure that branches and divisions are effectively implementing compliance while also supervising and advising other related divisions.

## ◆ Compliance Program

Each fiscal year, the Bank formulates a Compliance Program outlining an agenda of measures designed to enhance and promote its compliance and management (customer protection and information security, etc.) frameworks and a series of related awareness and training activities. The Compliance Division implements the Compliance Program and monitors progress in an effort to further reinforce the Bank's overall compliance framework.

## ◆ Cooperation with Subsidiaries and Affiliates

The Bank holds periodic meetings for the personnel in charge of compliance at its group companies to promote a common awareness of compliance initiatives. It is also implementing initiatives to strengthen compliance systems throughout its group.

## ◆ Enhancing Disclosure

To improve and strengthen its disclosure initiatives, the Bank, in fiscal 2006, formed the Information Disclosure Committee to review and discuss the appropriateness of the Bank's information disclosure initiatives.

## ◆ Measures to Prevent Money-Laundering

The Bank has developed a policy to combat money-laundering and is strengthening preventive measures in this area as part of an international cooperative effort.

## ◆ Measures to Eliminate Anti-Social Elements

To ensure soundness of management, the Bank has devised a basic stance and set of measures for elimination of anti-social elements that pose a threat to social order and security, based on its rules for avoiding all transactions with such elements.

## ◆ Measures to Combat Bank Transfer Fraud

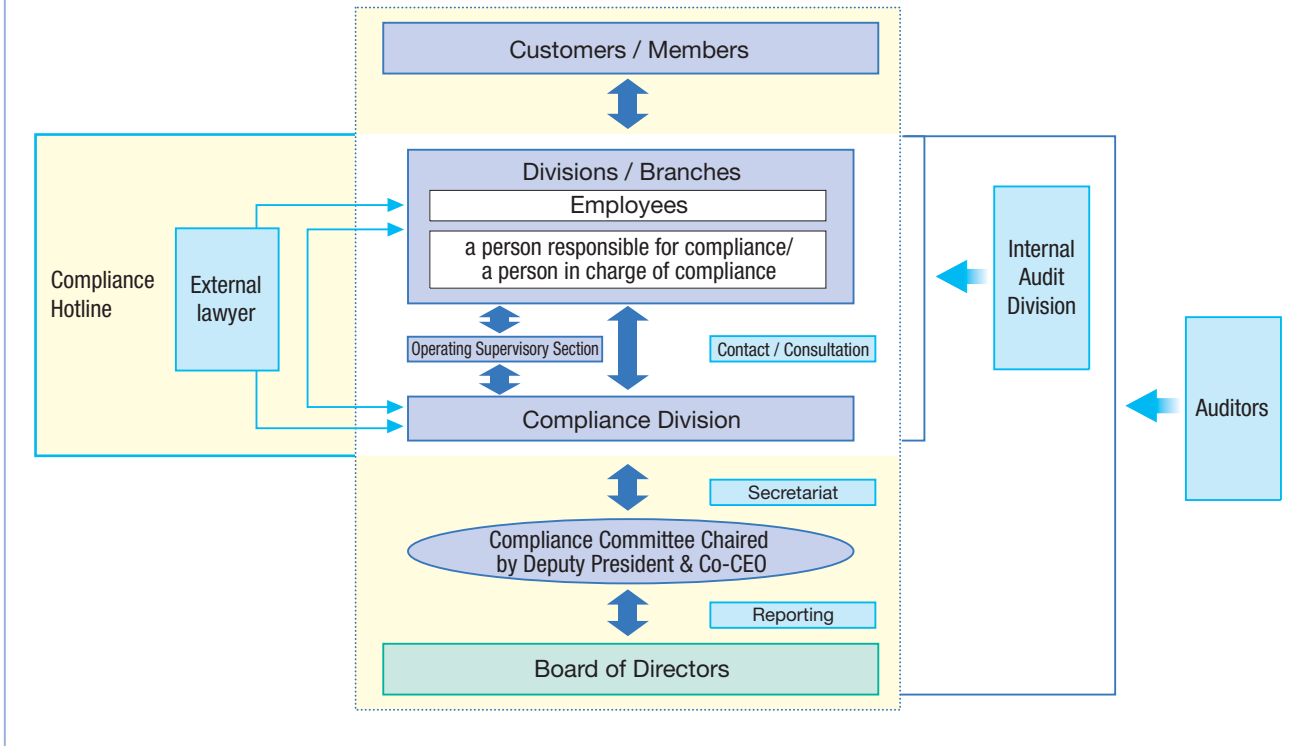
To help victims of bank transfer fraud and similar crimes, the Bank has compiled procedures based on the Law Concerning Remedies to Remittance Solicitation Fraud, and is taking measures for prevention of such fraud.

## NORINCHUKIN CUSTOMER SERVICE

## ◆ Offering Customer Consultation and Listening to Complaints

The Bank strives to enhance its ability to handle customer complaints by taking them seriously, responding to them quickly and systematically, as well as actively taking proper measures in its operations.

► Compliance Framework



## Disclosure Policy

The Bank, as the national-level financial institution for Japan's agricultural, forestry, and fishery cooperative organizations, positions as key management priorities the fulfillment of its fundamental mission and its social responsibilities, as well as the management of its business activities according to high standards of transparency through emphasis on information disclosure and accountability. Accordingly, the Bank complies with disclosure requirements, striving to disclose information appropriately, under applicable laws and regulations, including securities and exchange laws, in Japan and overseas.

### *Disclosure and Handling of Material Information*

1. The Bank considers the following information material:
  - (i) Information that must be disclosed under applicable laws and regulations, including securities and exchange regulations, in Japan and overseas.
  - (ii) Information, other than mandatory disclosure in (i), that may have a significant influence on the decisions of investors.

### *Methods of Disclosure*

2. For information that must be disclosed under applicable laws and regulations, including securities and exchange regulations in Japan and overseas, the Bank transmits the information through the stock exchanges in Japan and overseas in accordance with each country's respective disclosure procedures. In addition, the Bank is working to enhance disclosure through its website.

### *Fairness of Disclosure*

3. When the above information is disclosed, the Bank strives to observe the principles of fair disclosure so that this information is made available in a timely and appropriate manner.

### *Disclosure of Forward-Looking Information*

4. The Bank discloses information containing forecasts of future developments in order to enable capital market participants to make accurate assessments regarding its current status, future outlook, capabilities for debt repayment, and other matters. This forward-looking information is based on judgments regarding information that was obtainable at the time the forecasts were prepared, and may contain elements of risk and uncertainty. For this reason, actual results may differ substantially from the forecast because of changes in economic conditions and the operating environment influencing the Bank's operations.

### *Enhancement of Internal Systems*

5. To conduct the disclosure of information in line with this Disclosure Policy, the Bank is striving to improve and expand the necessary internal systems.

### *Policy Regarding Market Rumors*

6. When it is clear that the source of a rumor does not come from within the Bank, the Bank's fundamental policy is not to comment on such a rumors. However, when the Bank deems that the rumors may or will have a major impact on capital markets, when there are requests from the stock exchanges and other parties for an explanation, and when certain other circumstances are present, the Bank may comment on such rumors at its own discretion.

## Information Security Initiatives

### ◆ Importance of Information Security

Along with the growing diversity of the activities of financial institutions, deregulation, and the rapid development of information technology, the appropriate protection, management, and use of information assets (including both information and information systems) have become extremely important management issues.

In processing transactions for its customers, the Bank is in the position of being the recipient of information. It also possesses many kinds of its own information, including confidential data that is strategic from a management perspective, and uses this data in conducting its operations. On the other hand, the trend toward standardization and common systems has moved forward, and exchanging data with individuals has become common.

As a result of these and other developments, the environment and objectives for handling information has become rather varied. Accordingly, organized and systematic information security initiatives, especially in handling customer data appropriately, have become more important than in the past.

### ◆ Control Structure

The Bank appoints information security supervisors (division/branch managers servicing concurrently as data managers) and staff in charge of information security in its divisions and branches, for systematic strengthening of information security, with central role of management section (Compliance Division) in charge of planning, implementation, and supervision of progress in the Bank's information security.

The Bank's Compliance Committee discusses the basic matters related to the Bank's information security.

### ◆ Protection of Personal Information

The Personal Information Protection Law came into full effect in April 2005 in Japan, and the Bank, as an institution responsible for processing personal information, created the required framework to facilitate the proper handling of personal information. As part of these activities, the Bank conducts educational and training programs for employees, to ensure that such information is properly handled and managed in an efficient manner.

In addition, the Bank has enhanced its abilities in responding to complaints and inquiries related to the handling of personal information. It has conducted appropriate reviews, and made improvements in its measures to ensure the proper handling and secure management of personal information.

## Creating Pleasant Working Environments

### ◆ Offering Employees Job Opportunities

As a nationwide central financial institution for the agricultural, forestry, and fisheries cooperatives of Japan, the Bank handles a wide range of operations with a minimal workforce. For the Bank to fulfill its basic mission in every field, it is absolutely vital to create a pleasant working environment in which all employees can put the full range of their abilities to good use and feel motivated and fulfilled as they go about their work.

### ◆ Creating a Working Environment where Human Rights are Respected

The Bank strives to maintain a highly transparent organizational culture underpinned by an ethical charter and respect for human rights, and organizes an ongoing program of educational and awareness activities dealing with a wide range of human rights issues for directors and employees.

Measures designed to ensure respect for human rights are discussed by the Human Rights Education Promotion Committee, and policies are finalized by the Board of Directors. Measures are implemented primarily by the Personnel Division's Human Rights Team and the personnel responsible for human rights assigned to each branch and division.

Training sessions featuring guest lecturers specializing in human rights-related fields are held at the Bank's head office, branches, and representative offices to ensure that directors and employees have an accurate understanding of human rights issues, and to raise awareness. Other steps include countermeasures against sexual harassment and abuse of authority. In addition to establishing a hotline within the Bank for lodging formal complaints, we have also set up an outside hotline. These are just some of the measures we have implemented.

As a member of the JA Group, we will work in close collaboration with the Central Union of Agricultural Co-operatives to further raise awareness throughout the Norinchukin Group regarding human rights issues.