

Corporate Governance

(The number of directors shown in the text below is as of July 1, 2014)

■ The Norinchukin Bank's Management System

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 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 the Bank's decision-making, while taking into consideration the internal and external situations of the cooperatives.

■ Supervisory Committee

The Supervisory Committee is responsible for submitting agendas for discussion and reporting to the Council of Delegates as well as for making decisions on important issues related to agricultural, fishery and forestry cooperatives. The Supervisory Committee also has the authority to oversee business activities performed by directors. This includes the authority to request that board members attend meetings to explain their business activities and to request the Council of Delegates to dismiss board members. At present, the Supervisory Committee has 14 members selected from among board members of cooperative organizations, people engaged in the agricul-

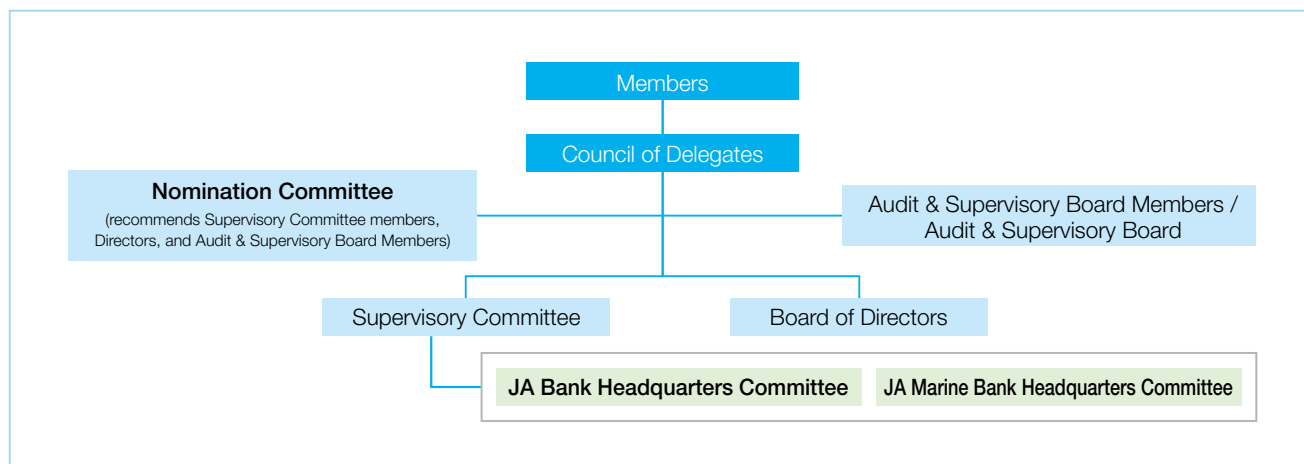
tural, fishery and forestry industries, as well as individuals with an in-depth knowledge of finance. Supervisory Committee members are recommended by the Nomination Committee, which mainly consists of representatives of the Bank's members, and are then appointed by the Council of Delegates.

Under the jurisdiction of the Supervisory Committee are the JA Bank Headquarters Committee and the JF Marine Bank Headquarters Committee, which are composed of representatives from member cooperatives and the Bank's directors. These committees deliberate on basic policies of the banking business conducted by the agricultural and fishery cooperative organizations as well as on operational guidance for the Bank's members acting in the name of the headquarters.

■ Board of Directors

The Board of Directors makes decisions regarding the execution of business activities, excluding those matters under the jurisdiction of the Supervisory Committee, and performs a cross-checking function on the exercise of directors' business affairs. Members of the Board are elected by the Supervisory Committee and assume their positions upon approval of the Council of Delegates. There are 14 full-time board members, two of whom are selected as representative directors and appointed as members of the Supervisory Committee. Hence, decisions made by the Supervisory Committee and the Board of Directors are closely coordinated.

Management System of the Bank



■ Audit & Supervisory Board Members/Audit & Supervisory Board

Audit & Supervisory Board Members are elected directly by the Council of Delegates, and are responsible for auditing the decisions of the Supervisory Committee and the Board of Directors as well as for general oversight of the Supervisory Committee and board members' business activities. Moreover, the Audit & Supervisory Board, comprised of Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Law. It currently comprises five Audit & Supervisory Board Members (three full-time and two part-time).

In addition, four Audit & Supervisory Board Members satisfy the conditions stated in Article 24-3 of the Norinchukin Bank Law*, and are equivalent to external auditors in publicly traded companies.

* According to Article 24-3 of the Norinchukin Bank Law, at least one of the Audit & Supervisory Board Members must satisfy the following conditions: The Audit & Supervisory Board Member 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 Audit & Supervisory Board Member: (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), 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 organization for Japan's agricultural, fisheries and forestry cooperatives as well as its social responsibility, the Bank views the establishment 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, and appropriate business activities in general.

■ Basic Internal Control Policy

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

- (1) To ensure sound management through compliance with laws and regulations, the Bank has established its Corporate Ethics Charter and Compliance Manual. It has taken steps to ensure that all directors and employees are fully aware of the importance of strict observance of laws and regulations, and the performance of their duties with integrity and fairness.
- (2) To ensure that directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and Audit & Supervisory Board Members. In addition, the Compliance Division, which supervises the Bank's overall compliance matters, reviews important decisions in advance.
- (3) With respect to compliance matters, the Bank has set up the Compliance Hotline System, which allows employees to turn to the Compliance Division or outside legal counsel for advice or to file a report.
- (4) The Bank institutes a Compliance Program each fiscal year, which includes systematic compliance promotion and education and training programs for employees.
- (5) The Bank takes a strong and resolute stance against anti-social elements that pose a threat to social order and security, and maintains a policy of exclusion towards them.
- (6) With respect to internal controls on financial reporting, the Bank has in place measures to ensure that such reporting is reliable and appropriate.

● Systems for Retaining and Managing Information Related to Directors' Execution of Duties

- (1) Important documents related to the execution of directors' duties, such as minutes of Board of Directors meetings and other important meetings, as well as documents requiring approval, are properly managed by specifying their retention period and management standards.
- (2) The Bank's business units are obligated, upon the request of directors and Audit & Supervisory Board Members, to present information related to the performance of their duties for inspection.

● Rules and Other Systems for Managing the Risk of Loss

- (1) The Bank views the proper implementation of risk management as a major business challenge for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that the management must be aware of, and risk management systems and frameworks.
- (2) Risks that need to be managed are divided into two types. The first type consists of risks that the Bank takes on proactively and deliberately with the goal of generating profit. 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 procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.
- (3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds of risks and ensures that total risk capital remains within the

limits of the Bank's regulatory capital requirement.

- (4) To comply with requirements for ensuring management soundness set forth in the Norinchukin Bank Law, the Bank conducts regulatory capital management based on the conditions stipulated in laws and regulations.
- (5) In case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

● Systems for Ensuring Efficient Execution of Directors' Duties

- (1) The Bank establishes its medium-term management plans, business plans and other plans for business execution, and periodically assesses their progress.
- (2) To ensure that decision-making by the Board of Directors is efficient, 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 discuss management issues on a regular or as-needed basis. Their duties include the discussion of proposals on matters to be decided by the Board of Directors.
- (3) To ensure that directors and employees perform their duties efficiently, the Bank takes steps to improve its organizational system by clearly establishing its organizational structure, authorities and responsibilities.

● Systems for Ensuring that Operations are Conducted Properly at the Bank, Its Subsidiaries and Other Group Companies

- (1) To ensure the proper operation of the Norinchukin Bank Group, the Bank has established basic policies for the operation and management of its group companies.
- (2) The Bank and each group company have agreed on matters to be discussed and reported to ensure smooth operation within the group. In addition, the Bank monitors the conduct of management and operation of each group company, provides guidance, advice and supervision, and reviews performance, as needed.

● Internal Audit System

- (1) To contribute to the proper operation of its business, the Bank has created the Internal Audit Division, which is independent of units that carry out business

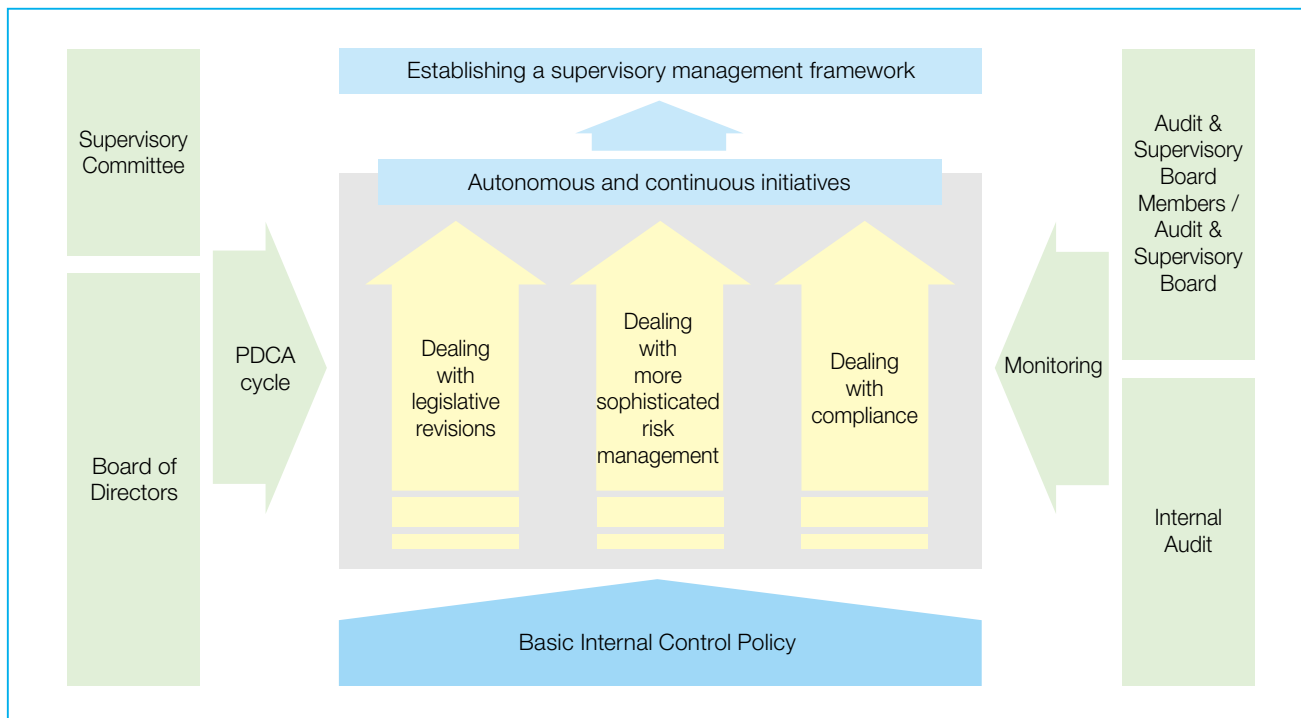
operations. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.

- (2) The scope of internal audits includes all aspects of the Bank’s operations as well as its group companies, and internal audits are implemented based on an auditing plan approved by the Board of Directors.
- (3) The Internal Audit Division periodically reports a

summary of audit results to the Board of Directors and related divisions.

- (4) Members of the Internal Audit Division meet periodically and as needed with Audit & Supervisory Board Members and accounting auditors to exchange views and information as well as to better coordinate their auditing activities.

Initiatives for Strengthening Internal Control



• Details regarding Staff who Support Audit & Supervisory Board Members and Their Independence from Directors

- (1) The Office of Audit & Supervisory Board Members, an independent unit, has been formed by the Bank to assist Audit & Supervisory Board Members in fulfilling their duties.
- (2) In principle, three or more full-time employees are assigned to the Office of Audit & Supervisory Board Members to perform clerical work to help administer the Audit & Supervisory Board and other tasks specified by its members.
- (3) Employees assigned to the Office of Audit & Supervisory Board Members work in accordance with the in-

structions of the Audit & Supervisory Board Members.

- (4) Full-time Audit & Supervisory Board Members’ views on the performance evaluations of the employees assigned to the Office of Audit & Supervisory Board Members and their reassignment to other departments are obtained in advance and duly respected.

• Systems for Directors and Employees to Report to Audit & Supervisory Board Members and Other Systems for Reporting to Audit & Supervisory Board Members

- (1) When a director discovers information that could cause serious damage to the Bank, it must be reported immediately to the Audit & Supervisory Board.

Internal Audit System

- (2) When the Compliance Division discovers information that is important from a compliance perspective or that is vital to the compliance system in general, the division must report these matters to Audit & Supervisory Board Members.
- (3) The Internal Audit Division reports its findings regarding internal audits to Audit & Supervisory Board Members, and the two groups engage in discussion periodically.
- (4) Documents related to major decisions and other important documents related to business conduct are provided to Audit & Supervisory Board Members for review.

• Other Systems to Ensure Effective Conduct of Audits by Audit & Supervisory Board Members

Fully aware of the importance and value of audits by Audit & Supervisory Board Members, the following systems have been created to ensure that they are conducted effectively.

- (1) Audit & Supervisory Board Members are allowed to attend Board of Directors meetings, Supervisory Committee meetings and other important meetings, and are free to express their opinions.
- (2) Representative directors and Audit & Supervisory Board Members periodically meet to exchange views.
- (3) Directors and employees must cooperate with Audit & Supervisory Board Members' investigation and interview requests.
- (4) In general, directors and employees must comply with the matters set forth in the Rules of the Audit & Supervisory Board and the Standards for Audits.

■ Position of the Internal Audit

The Bank defines internal audit as objective and rational verification and evaluation of the appropriateness and effectiveness of the internal management system by an independent internal audit unit based on the Bank's business characteristics and risk conditions.

The objective of internal audit is to contribute to the proper execution of business by helping audited divisions develop corrective action plans to resolve issues that have been identified as a result of verification and assessment, and then by verifying the effectiveness of these plans.

The scope of internal audit includes all operations and assets managed by all divisions and branches of the Bank. Internal audits are conducted on affiliates that have signed agreements for business audits and on contractually outsourced businesses for which business audit contracts have been signed as long as these audits do not infringe on the scope of agreements, contracts, laws and regulations. For businesses of affiliates and contractually outsourced businesses that are not subject to audit, internal audits are conducted on the management status of relevant businesses by responsible divisions.

■ Outline of the Internal Audit System

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

Based on this policy, the Bank has established the Internal Audit Division as an internal auditing unit that is independent from other business divisions.

In addition, the Bank has formed the Internal Audit Committee, which includes representative directors. The purpose of the committee is to consider and discuss matters related to internal audits in general, including planning, implementation and improvements, and to facilitate reporting of internal audit matters to the management and follow up of audit results.

Moreover, the Internal Audit Division, Audit & Supervisory Board Members and accounting auditors meet to exchange views and information on a periodic and as-needed basis in order to strengthen their cooperative efforts.

■ Preparation of Internal Audit Plans

Internal audits are implemented by instituting individual audit execution plans based on medium-term and annual internal audit plans approved by the Board of Directors.

An efficient and effective audit execution plan is established after first understanding the status of risk management in the department to be audited and then taking into account the frequency and depth of the audit based on the type and extent of risks.

■ Implementation of Effective Internal Audits

To ensure the effectiveness and improvement of internal audits, personnel with highly specialized knowledge are assigned to the Internal Audit Division. After assignment, they continue to upgrade their knowledge and skills through training and are encouraged to obtain external qualifications.

In addition, the Internal Audit Division makes use of a variety of auditing methods to conduct internal audits effectively and efficiently. They include off-site audits for which on-site auditing is not required, off-site monitoring to gather daily audit-related information, and unannounced audits.

■ Reporting of Audit Results and Follow-Up

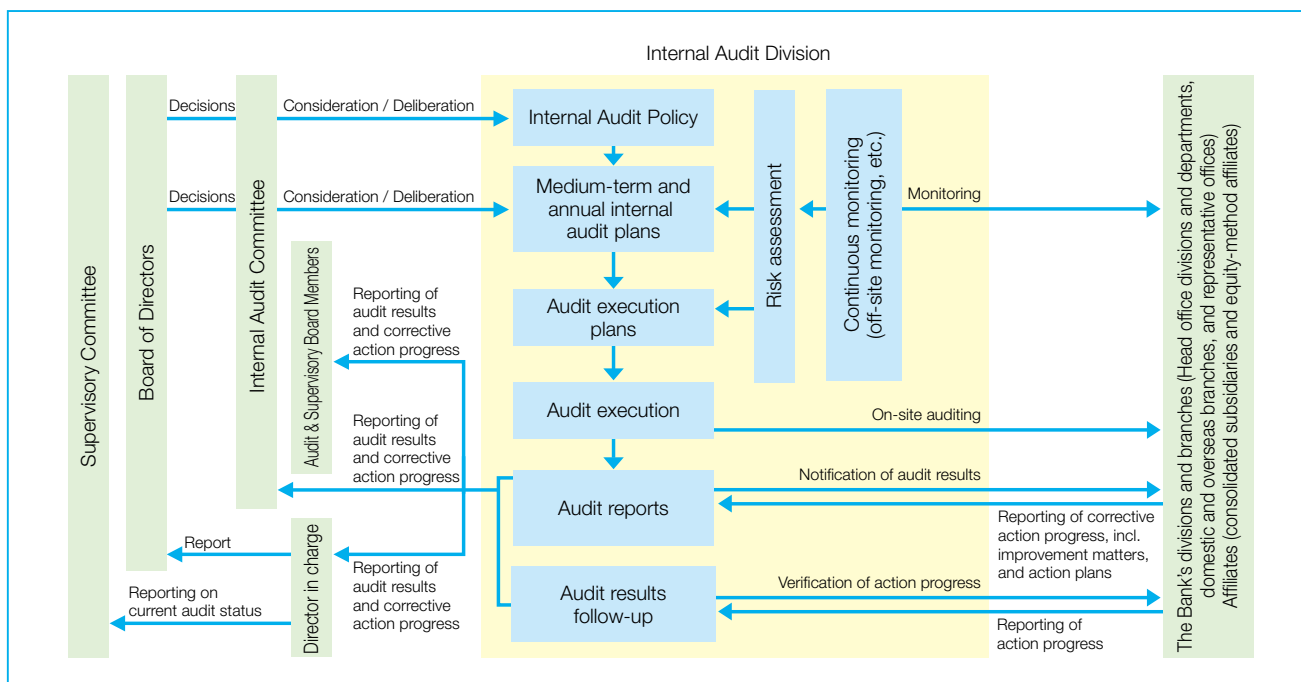
After audits are completed by the Internal Audit Division, the audited divisions or branches are notified of the results by the Internal Audit Division. The audited divisions or branches are to take corrective actions on the recommendations by the Internal Audit Division by specified deadlines. They prepare corrective action plans when necessary, and report them to the Internal Audit Division.

The Internal Audit Division reports and explains its audit results together with the audited divisions' report to directors and Audit & Supervisory Board Members. In addition, a summary of the audit results is reported to the Board of Directors on a quarterly basis, and reports on the performance of internal audits are presented to the Supervisory Committee periodically. Matters of special importance must be immediately reported to representative directors, Audit & Supervisory Board Members and the Board of Directors, and, when deemed necessary, to the Supervisory Committee as well.

■ Auditing of Assets

The Internal Audit Division audits the Bank's assets and verifies the accuracy and appropriateness of the Bank's internal ratings, self-assessments, loan write-offs and amounts of capital set aside for reserves.

Overview of Internal Audit System



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 an enhanced and 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 global financial institution that plays a central role in Japan's financial system, and the national-level financial institution serving as the umbrella organization for JA Bank and JF Marine Bank, 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.

As part of this effort, we have defined our basic compliance policy in our Corporate Ethics Charter and a code of conduct for all Bank directors and employees. To further ensure full compliance awareness among all directors and employees, we have incorporated in the Compliance Manual the following sections: the "Interpretation of laws and regulations to be observed by directors and employees of the Bank" and the "Outline of the compliance systems of the Bank." These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business.

In response to recent growing societal demand for greater customer protection, based on its Customer Protection Management Policy, the Bank has taken steps to reinforce its management systems as part of its compliance efforts aimed at winning customer trust. These steps include providing explanations to customers, handling customer complaints and inquiries, managing customer information, managing contractors in case of outsourcing customer-related business, and managing transactions that may involve a conflict of interest with customers.

Corporate Ethics Charter

The Bank's Basic Mission and Social Responsibilities

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

Provision of High-Quality Financial Services

2. By providing high-quality financial services that take advantage of the Bank's creativity and ingenuity, the Bank fulfills its role as the national-level financial institution engaging in the cooperative banking business that meets the needs of its customers and users. The Bank also contributes to the economic and social development of Japan 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 business in a fair and impartial manner according to social norms.

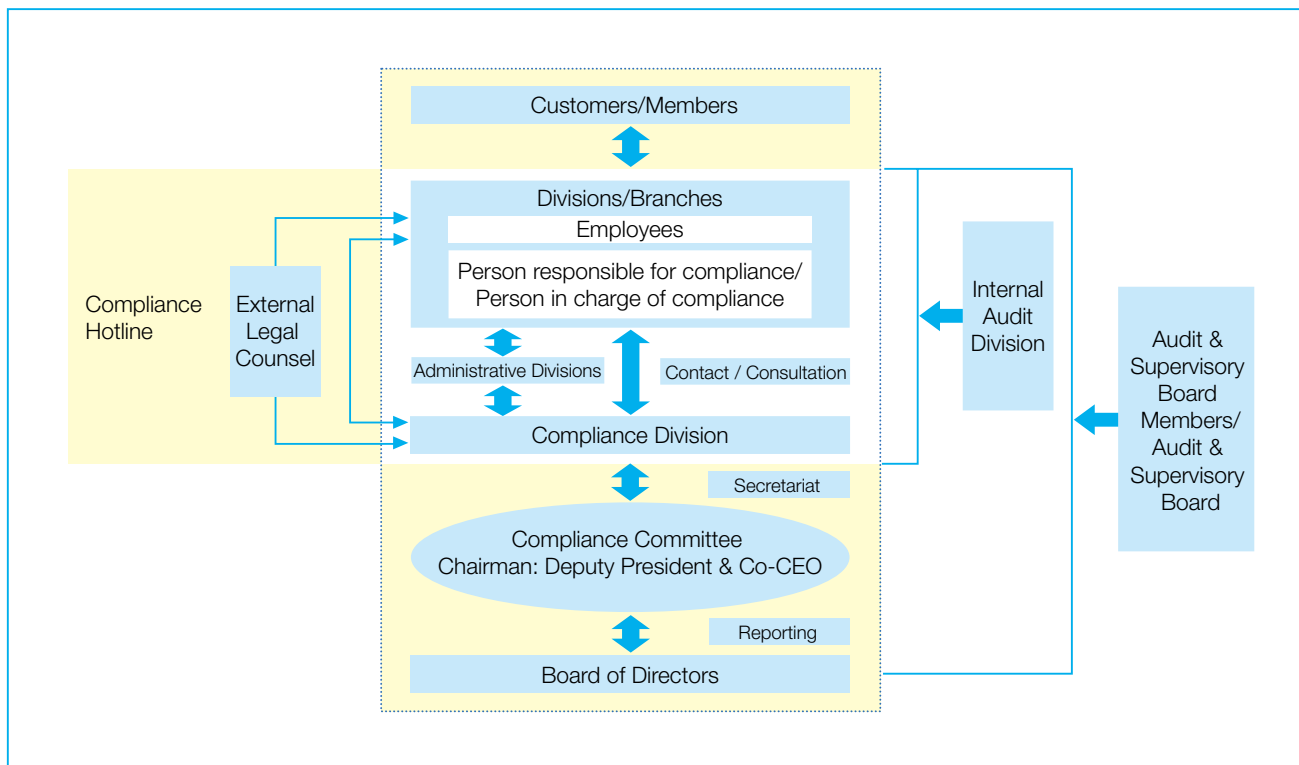
Elimination of Anti-social Elements

4. The Bank maintains a resolute stance in opposition to anti-social elements who pose a threat to social order and security.

Creation of an Organizational Culture Committed to Highly Transparent Disclosure

5. The Bank continually strives to improve communication with parties inside and outside the cooperative system, for instance through forthcoming and fair disclosure of business information. The Bank also maintains good relationships with these parties while building a corporate culture with a high degree of transparency based on respect for human rights.

Compliance Framework



■ Compliance Activities Directly Linked to Management

The Bank’s compliance framework is comprised of the Compliance Committee, the Compliance Division (in charge of overall compliance activities) and administrative divisions of relevant businesses, as well as personnel responsible for compliance, those in charge of compliance and compliance leaders assigned to the Bank’s divisions and branches. The Compliance Committee (chaired by the Deputy President) has been established as a body under the Board of Directors to deliberate on basic compliance issues. Topics of high-level importance discussed by the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the Compliance Framework Analysis and Assessment Subcommittee, a subcommittee under the Compliance Committee.

Furthermore, basic issues relating to customer protection are discussed by this committee.

■ Compliance Practices within the Bank

The Bank’s compliance framework at individual branches and divisions is based on the combined efforts of each and every employee, centered primarily on the general manager of the relevant branch or division who is assigned responsibility for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Compliance Division, persons in charge of compliance oversee all compliance-related matters at their branches or divisions. They are expected to keep track of day-to-day compliance activities by 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 to the Compliance Division.

The Compliance Division, supervising overall compliance activities, acts as the secretariat for the Compliance Committee. It strives to strengthen the Bank’s compliance framework by conducting compliance reviews,

responding to requests from branches and divisions for compliance-related advice, and conducting compliance monitoring, which includes visiting branches and divisions to verify their compliance practices directly while providing guidance.

The Compliance Division has also installed a Compliance Hotline to enable employees to report on compliance issues to the Compliance Division or outside legal counsel by telephone or email.

The Compliance Division supervises compliance activities in the area of customer protection as well, and ensures that branches and divisions are practicing compliance while coordinating and guiding other related divisions.

■ Compliance Program

Each fiscal year, the Bank institutes a Compliance Program incorporating its management frameworks for compliance, customer protection and information security, as well as promotion, education and training plans for them. The Compliance Division implements the Compliance Program and monitors its progress to further reinforce the Bank's compliance framework.

■ Cooperation with Group Companies

The Bank is taking steps to strengthen its group's compliance systems by promoting a common awareness of compliance issues discussed at regular meetings with personnel responsible for compliance at its group companies.

■ Enhancing Disclosure

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

■ Measures to Prevent Money Laundering

The Bank has established policies to prevent money laundering and is strengthening preventive measures in this area as part of an international cooperative effort.

■ Measures to Combat Bank Transfer Fraud

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

■ Measures to Eliminate Anti-Social Elements

To ensure sound management, the Bank has devised a set of measures for eliminating anti-social elements by establishing the Corporate Ethics Charter, a code of conduct for all Bank directors and employees and other related measures, and through continuing cooperation with outside agencies such as the police, the National Center for the Elimination of Boryokudan (criminal organizations) and attorneys. These measures are based on our policy of maintaining a firm stance and strong conviction to eliminate unjustified demands from these anti-social elements by taking civil and criminal legal action.

Disclosure Policy

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank places fulfillment of its basic mission and social responsibilities and management of its business to high standards of transparency by focusing on information disclosure and accountability as its key management priority. Accordingly, the Bank strives for appropriate information disclosure by complying with disclosure requirements under applicable foreign and domestic laws as well as securities and exchange laws.

Handling of Material Information

1. The Bank considers the following information material and subject to public disclosure:
 - (i) Information subject to mandatory disclosure under applicable domestic and foreign laws as well as securities and exchange laws.
 - (ii) Information not subject to mandatory disclosure as (i) above but may have a significant impact on investor decisions.

Methods of Disclosure

2. The Bank discloses information that is subject to mandatory disclosure under applicable domestic and foreign laws and securities and exchange laws using predefined disclosure procedures, such as the information distribution systems of domestic and foreign securities and stock exchanges. In addition, the Bank has taken steps to diversify its methods of information disclosure, for instance online disclosure.

Fairness of Disclosure

3. When disclosing the aforementioned information, the Bank observes the principle of fair disclosure so that information is disclosed timely and appropriately.

Disclosure of Forward-Looking Information

4. The Bank discloses information containing future forecasts to enable capital market participants to accurately assess its present condition, future outlook, debt repayment ability and other matters. This forward-looking information is based on estimates from information available at the time the forecasts were prepared, and contains elements of risk and uncertainty. For this reason, actual results may differ substantially from the forecasts because of changes in economic and business conditions affecting the Bank's operations.

Enhancement of Internal Systems

5. To disclose information in line with its Disclosure Policy, the Bank strives to upgrade and expand necessary internal systems.

Policy Regarding Market Rumors

6. The Bank's basic policy is to not comment on rumors once it is clear that the source of the rumors did not originate from within the Bank. However, when the Bank decides that the rumors could have a major impact on capital markets, or when stock exchanges or other parties demand an explanation, the Bank may comment on such rumors at its own discretion.

Information Security Initiatives

■ Importance of Information Security

Because of the progress and evolution of information technology, appropriate protection and management of information assets (information and information systems) have become extremely important management issues.

In transactions with customers, the Bank is in the position of receiving information from them and it also retains a wide variety of information, which it uses in its various businesses. As information technology has progressed, the speed of communication has rapidly changed. At the same time, the environment where information is handled and the purpose of its use have become much more diverse. Therefore, because the Bank places great emphasis on information security, it is further tightening its security-related measures.

■ Control Structure

The Bank works systematically to enhance its information security, centered on the Compliance Division with overall responsibility for information security planning, promotion and progress management. It appoints

personnel responsible for information security (division and branch managers serving concurrently as data administrators) and staff to be in charge of information security in each division and branch.

The Bank's Compliance Committee discusses basic issues concerning the Bank's information security.

■ Protection of Personal Information

The Personal Information Protection Law went into full effect in April 2005 in Japan. As a business responsible for handling personal information, the Bank created a mandatory framework to facilitate proper handling of personal information. As part of these activities, the Bank educates and trains employees to ensure that personal information is properly handled and managed effectively and efficiently.

In addition, the Bank is working to speed up its response to complaints and inquiries regarding the handling of personal information. When necessary, it reviews and improves its measures for handling personal information and information security management.

Personal Information Protection Declaration (Excerpt)

Collection of Personal Information

Personal information is collected to the extent needed for business by lawful and just means.

Purpose of Use of Personal Information

Collected personal information is used to the extent needed in accordance with the purpose of use of the personal information.

Provision of Personal Information to Third Parties

Personal information shall never be provided to third parties without obtaining the prior consent of the user, except in special cases.

Handling of Sensitive Information

Sensitive information shall never be collected, used or provided to third parties, except in special cases.

Outsourcing the Handling of Personal Information

Part of the clerical work related to the handling of personal information is outsourced.

Provision of Personal Security Management Measures

The Bank takes steps to securely manage personal information. The Bank conducts necessary and appropriate supervision of its employees and contractors.

Disclosure, Revision, Suspension of Use, etc. of Personal Information

The Bank will disclose, revise and suspend the use of personal information in its possession based on the Private Information Protection Law.

Handling of Complaints and Other Inquiries

The Bank responds to complaints and inquiries regarding the handling of personal information swiftly and in good faith.

Creating a Pleasant Working Environment

■ Offering Employees Opportunities to Excel

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank operates a wide range of services with a small workforce. To fulfill its basic mission in every field, the Bank believes it is absolutely essential that it create a pleasant work 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.

With this approach, our efforts are focused on the proper 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 improves employee awareness and efforts to contribute to the Bank's performance and develop competency while also supporting it through extensive training options.

The Bank bases its deployment and assignment of personnel on the competency, aptitude and career perspective of each person assessed through competency assessment, various interviews, self-assessment and other means. In this way, it supports employee career development and self-fulfillment through work, by recruiting and assigning the right person to the right job, with consideration given to employee rotation during a fixed period.

Further, we are 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. In health management, not only does it provide periodic health examinations, but the Bank also conducts programs that lead to a healthier life, organizes mental health counseling with a medical specialist and offers self-care techniques for managing stress. Moreover, the Bank has focused on building an environment in which employees can devote themselves. To that end, it is providing stronger child-raising and nursing-care support and establishing a system of obtaining legal advice from a lawyer.

In this way, the Bank is providing each and every employee with the opportunity to grow and succeed while maximizing innate strengths, regardless of gender or age.

■ Human Resource Initiatives

With the goal of training core personnel in each division to have a spirit to take on challenges that enables them to flexibly deal with changes in the business environment, 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.

In addition to group training, 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 and Saturday seminars based on required subjects in each business field. The Bank is also focusing on education in such areas as compliance and human rights through group study organized by years of service or by rank.

To raise the management capabilities of managers, not only do we offer group training according to management level, we offer programs for employees to study at European and U.S. business schools to develop global management skills as well as personal coaching to help managers steadily implement the Bank's management plan.

We are deepening employee understanding of the Bank's basic mission by sending new and mid-career employees along with management-level employees to JA, JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) and other cooperative organizations and by holding workshops led by specialists in the cooperative system and the agricultural, fisheries and forestry industries. At the same time, we are developing human resources who can play a role in the Bank's business as employees of the cooperative system.

In addition to entry training, new employees are sent for two weeks at a time to JA nationwide to experience a wide range of work at JA and on-site agricultural work. Based on a workplace training system for new employees, the Bank also provides on-the-job training to each and every new employee supervised by training supervisors and senior Bank associates acting as instructors.

Along with these various training systems, the Bank operates the Career Development Support System to help employees with their career development.

In this system, employees take stock of their abilities through career development interviews with their superi-

ors and career development training. After defining their career goals, employees proactively work on their own career development based on the ability requirements of employees to carry out their job in each business field.



Entry training for new employees

Principal Human Resource Programs

Group Training

- 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, branch and division 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

- 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

- 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

- Workplace training system for new employees, instructor training
- Entry training, basic training for new employees, on-site training at JA

Other

- Personal coaching
- After-work training, Saturday seminars
- Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops
- In-house English language classes
- e-Learning

■ Creating a Working Environment that Respects Human Rights

In order to comply with the Act on Promotion of Education and Enlightenment of Human Rights, the Bank strives to create a highly transparent corporate culture underpinned by respect for human rights, which is incorporated in our Corporate Ethics Charter. The Bank therefore conducts ongoing education and awareness programs for directors and employees on various human rights issues.

Measures designed to instill respect for human rights are discussed by the Human Rights Education Promotion Committee, and policies are set by the Board of Directors. Measures are implemented primarily by the Personnel Division's Human Rights Team and personnel in charge of 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, local offices and overseas locations 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 set up an outside hotline. These are just some of many measures we are taking.

As a member of JA Group, we are working in close collaboration with JA Zenchu (Central Union of Agricultural Cooperatives) to further raise awareness throughout the Norinchukin Group regarding human rights issues.