

Business Outline

Human Rights Team and personnel in charge of human rights assigned to each division and branch.

Various kinds of training sessions featuring guest lecturers specializing in human rights-related fields are held at each division and branch 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.

In addition, as a member of JA Group, we are working in close collaboration with JA Zenchu (Central Union of Agricultural Cooperatives) to raise awareness throughout the Norinchukin Group regarding human rights issues, respect for diversity and create a work environment where all employees can participate actively.

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

In light of the Act on Advancement of Measures to Support Raising Next-Generation Children and other measures, the Bank has received the Kurumin Certification for Childcare Support Company for its efforts to realize a work-life balance and support for balancing work with childrearing.

The Bank is also making an effort to increase the rate of women among new graduate hires on main career tracks and the percentage of men taking childcare leave in recognition of laws like the Act To Advance Women's Success In Their Working Life, etc.



Women Employee Career Forum

FINANCING, etc

Financing provided by the Bank can be broadly divided into: financing for cooperative organizations; and financing for corporations.

First, as the main bank for the agriculture, fishery and forestry industries, the Bank has created a unique cooperative financing program, aimed at providing financial support for the development of Japan's agricultural, fisheries and forestry industries, as well as related cooperative organizations. This is accomplished by developing leaders in the agriculture, fishery and forestry industries and promoting environment-friendly agricultural practices.

Although cooperative organizations (JA, JF, JForest and related federations) are taking a leading role in these initiatives as financial contact points for leaders in the agriculture, fishery and forestry industries, the Bank is focused on providing financial support, etc., to large-scale leaders, cooperative organizations, etc. This financing for cooperative organizations, which is directly linked to the development of the agriculture, fishery and forestry industries, has been positioned as the Bank's core business since its establishment.

Financing for corporations covers a wide range of fields, including those directly involved in the agriculture, fishery and forestry industries, such as the food industry where agricultural, fishery and forestry products are processed; the pulp and paper industries; the chemical and machinery industries that produce production materials for primary industries; and the trading, supermarket and restaurant industries that distribute primary industry products. The Bank also deals with customers in other fields, including the leasing, credit, IT, telecommunications, real estate and service industries.

Furthermore, for customers entering overseas market and requiring funding for M&A, the Bank actively responds to them using its foreign currency funding ability through cooperation among its overseas branches located in New York, London and Singapore and branches in Japan.

Additionally, besides its financial service, the Bank offers business matching services for primary, secondary and tertiary industries to act as a "bridge" linking their needs. In addition, there are various nonfinancial initia-

tives by making use of “Support Program for Increasing Agricultural Income and Revitalizing Local Communities,” such as support for capturing share in the global food market, support for value-adding projects which encourage streamlining including, support for improving efficiency (e.g. expansion of business of leaders) and others.

SECURITIES INVESTMENT

■ The Bank’s Basic Asset Management Approach

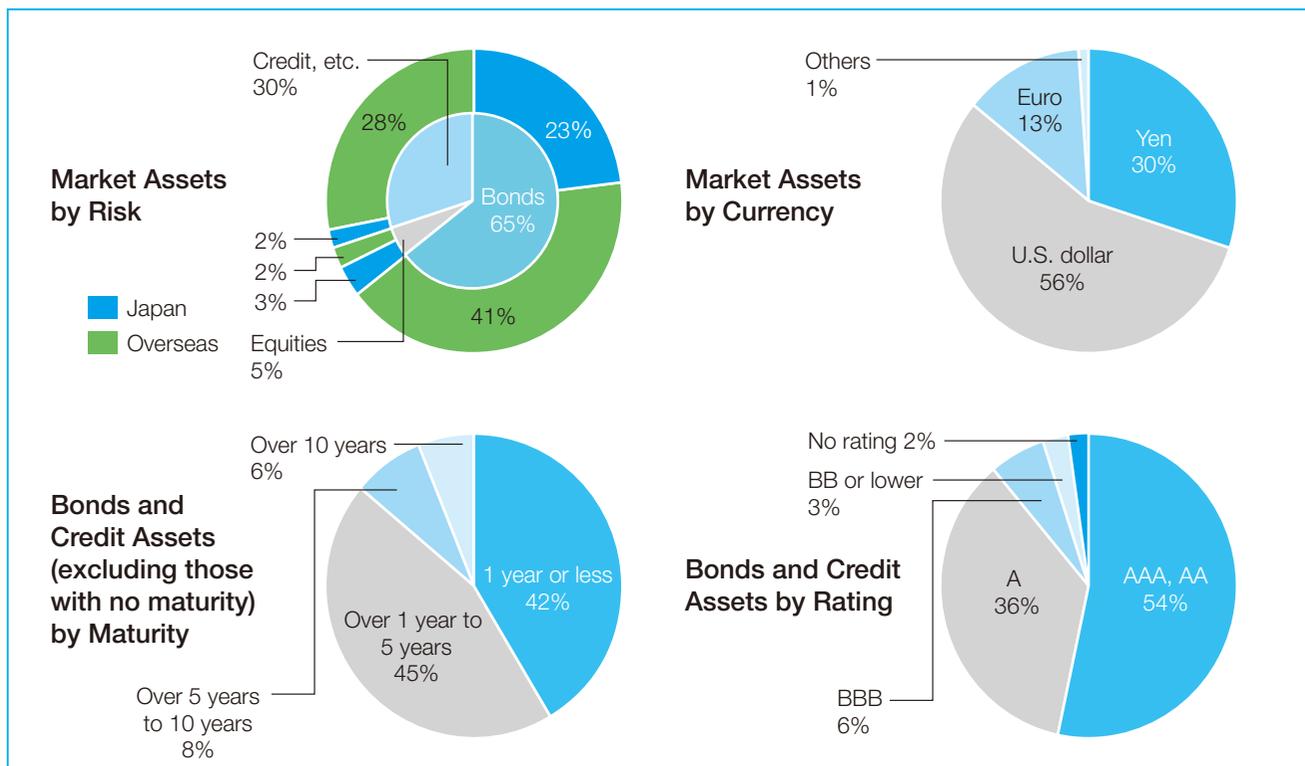
The Bank is one of the largest financial institutions in Japan and, at the same time, it is one of Japan’s leading institutional investors. Assets invested in the market by the Bank amount to approximately ¥64.0 trillion, which accounts for a major portion of the Bank’s total assets under management.

The Bank invests in securities under the basic concept of “globally diversified investment.” The goal of this approach is to achieve a high return in the medium-to long-term by investing in assets with diversified risk-return characteristics while minimizing risks encoun-

tered each fiscal year in situations such as rising interest rates and declining stock prices. The Bank conducts a multifaceted analysis based on geographical location (Japan, the United States, Europe, and other countries and regions) and asset class (bonds, equities, credit assets and alternative investments), and then flexibly reviews its allocation of assets depending on changes in market conditions.

In pursuit of investment returns, the Bank uses external investment companies. The Bank carefully reviews the investment processes, compliance systems, management philosophy and strategies, asset management records, and other matters of external investment companies under consideration. After selection, the Bank closely monitors their performance from both quantitative and qualitative perspectives. This allows the Bank to systematically examine their performance on a continuing basis to decide whether or not to continue business relationship.

Breakdown of Investment Assets (As of March 31, 2016)



■ Investment Approach by Asset Type

Bonds account for a major portion of the Bank's assets due to their risk-return characteristics and other attributes, and are the Bank's core investment tool. When making investment decisions, the Bank gives full attention not only to interest rate risk but also to credit and liquidity risks. The Bank has built up an efficient bond portfolio through investments in various types of bonds, including Japanese government bonds, government agency bonds, mortgage-backed bonds and foreign corporate bonds.

In selecting equity investments, the Bank considers risk-return characteristics and correlations with other asset classes to manage its portfolio with a long-term view. While the Bank's strategy for equity investments focuses on passive investing linked to various stock indices, the Bank complements this strategy with active investing aimed at generating returns beyond those obtained from the index-linked passive approach through diversified domestic and foreign stock investments.

In credit and alternative investments, the Bank selects low-risk assets based on global credit cycle analysis, risk-return profile in various investment asset classes, and the analysis of correlations with conventional assets (bonds and stocks).

In managing foreign currency assets, the Bank takes steps to limit foreign exchange risk in most of these investments by employing various tools, such as foreign currency funding.

■ Market Asset Management System

Major decisions related to the Bank's market investment portfolio are reached systematically by the Portfolio Management Committee, both of which are composed of the management and general managers of relevant divisions. Moreover, in sections engaging in market transactions, the Bank has created a mutual checking system among the front office (for execution of transactions), middle office (for monitoring) and back office (for processing and settlement) that operate independently from each other.

The front office executes transactions based on policies drawn up at Portfolio Management Committee.

The committee also focuses on optimizing transaction efficiency, the constant and careful monitoring of market trends, developing proposals for new transaction plans, and other activities. To put the Bank's concept of globally diversified investment into practice, the front office sections create more efficient and effective management systems wherein domestic and international investments are integrated within bonds, equities and other investment instrument categories.

The middle office sections are responsible for checking the appropriateness of front office sections' execution, as well as measuring risk volumes utilizing stress tests and other methods.

■ Short-Term Money Market Transactions

In its role as the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank exercises efficient control over its available cash, principally surplus funds from the cooperatives, and manages these funds in the domestic money market. The Bank is a leading and active participant in Japan's short-term money market.

In addition, as a leading institutional investor, the Bank makes diversified investments in international capital markets and actively uses foreign currency markets to fund these investments.

Proper liquidity risk management is a prerequisite for the Bank's business continuity and stable management of its portfolio. Accordingly, the Bank monitors its cash flow and that of the cooperative banking system, as well as domestic and international market trends.

In Japan, the Bank is an active participant in the interbank market and other markets such as the repo market. The Bank assumes a leadership position in these markets and also plays a major role in expanding market functions. Through its participation in the Research Committee for Revitalization of Short-Term Money Market and other organizations, the Bank also contributes to improving market practices.

In foreign currency funding markets, backed by its high credit standing, the Bank conducts stable and efficient transactions, such as foreign currency funding transactions for globally diversified investment. Foreign

currency funding utilizing various funding tools is managed in unison among teams in the Bank's head office and its three overseas branches in New York, London and Singapore.

Additionally, the Bank exercises exacting control over settlement and liquidity risks while simultaneously providing settlement functions at the Bank of Japan on behalf of cooperative organizations. Through its participation in the CLS System (multi-currency cash settlement system), a framework for foreign currency settlement, the Bank contributes to building a network required for managing settlements in U.S. dollars, euros and other major currencies.

Foreign Exchange Transactions

As a market participant representing the cooperative banking system, the Bank has formed an efficient and highly skilled dealing team with the primary aim of responding to the needs of its customers, including cooperative organizations and companies related to the agriculture, fishery and forestry industries.

Trading Services

The Bank trades in financial derivatives and various other financial products in order to meet the needs of its customers. It also strives to improve dealing profitability from its various financial products through arbitrage transactions, options and a range of other techniques.



DEPOSIT SERVICES

Features of the Bank's Deposits

Deposits from member cooperatives comprise the majority of the Bank's deposits. Other deposits consist primarily of those from companies involved in the agriculture, fish-

ery and forestry industries and nonprofit organizations, such as local public bodies. This is due to the Bank's role as the national-level cooperative financial institution for the agriculture, fishery and forestry industries.

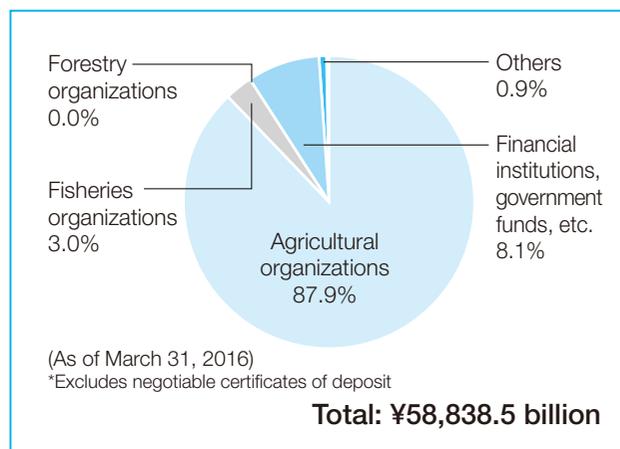
Deposits from JA Bank and JF Marine Bank Members

Savings deposited with JA and JF by their individual members and local customers are used to finance individual members, local customers, companies, local public bodies and other such organizations. Surplus funds are then deposited with JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) or JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives) at the prefectural level. These funds, in turn, are used by JA Shinnoren or JF Shingyoren to finance agricultural and fisheries organizations, companies involved in the agricultural and fisheries industries, local public bodies and other such organizations. Surplus funds are then deposited with the Bank.

In its capacity as the national-level cooperative banking institution in the cooperative banking system, the Bank is responsible for centrally managing funds steadily deposited in this manner.

To enable individual members and local customers to deposit their valued savings with a sense of security, JA, JF, JA Shinnoren, JF Shingyoren and the Bank are protected under the Agricultural and Fishery Cooperative Savings Insurance System, a public system that insures deposits.

Balance of Deposits with the Bank



NORINCHUKIN BANK DEBENTURES

In accordance with the Norinchukin Bank Law, the Bank is authorized to issue Norinchukin Bank Debentures as a source of funding. The Bank regularly issues two types of debentures: the Ritsuki Norinsai, primarily issued to institutional investors as a five-year investment product, and the Zaikeisai, issued as a savings product.

The balance of issued and outstanding debentures as of March 31, 2016 totaled ¥3,133.0 billion. The funds raised through the issuance of Norinchukin Bank Debentures have been used for purposes that include financing for the agriculture, fishery and forestry industries as well as for companies related to these industries.

SETTLEMENT SERVICES

Cooperative financial institutions, comprising JA, JA Shinnoren, JF, JF Shingyoren and the Bank, have one of the largest networks among private financial institutions in Japan, with approximately 8,200 branches (as of March 31, 2016). At the heart of this network is the Cooperative Settlement Data Transmission System, which is operated jointly by the cooperative financial institutions.

■ Domestic Exchange Business Leveraging Special Characteristics of Cooperatives

As the national-level financial institution for Japan's agricultural, fishery and forestry cooperatives, the Bank has focused on expanding and upgrading settlement services for all relevant cooperatives. Domestic exchange business plays an important role in the settlement of proceeds from the sale of agricultural, fishery and forestry products that connect points of consumption and production. Leveraging the special characteristics of the cooperatives with their extensive nationwide network, the Bank conducts domestic exchange transactions with banks that are members of the national bank domestic exchange system through the Interbank Online Data Telecommunication System in Japan (Zengin System).

■ Cash Dispenser and ATM Network

Through the JA Online Savings Service and the JF Online Savings Service, cooperative banking institutions are developing a nationwide network of ATM machines and cash dispensers. In addition, as a member of the Multi-Integrated Cash Service (MICS) network, a cross-sector online alliance service of cash dispenser and ATM operators, the cooperative banking institutions are part of an alliance of seven private sector banks (city banks, regional banks, trust banks, second-tier regional banks, shinkin banks, credit associations and labor banks). This enables savings withdrawals and balance inquiries at cash dispensers and ATMs, not only at the cooperative banking institutions, but also at most other financial institutions throughout Japan. Cooperative institutions have expanded their ATM networks through affiliation with Japan Post Bank and convenience store ATMs, and they now leads in the number of ATMs usable for free during the day on weekdays, including affiliated ATMs.

■ Direct Deposit and Fund Transfer Services

Massive volumes of various data related, for instance, to direct deposit of salary and pension and direct transfer of utility payments are swiftly processed in cooperation with the Cooperative Data Transmission System and unified IT infrastructure platforms for JA and JF. By connecting to the Zengin System, the Bank receives data on the direct deposits of salary and other information from other financial institutions.

■ Networks with Customers in Japan and Overseas

The Bank has formed a network for customer transactions placing the Cooperative Data Transmission System and the Norinchukin Online Banking System at its core. It also offers a diversified range of sophisticated services, such as remittance services through the “firm banking” system for cooperative banking customers, and uses the Society for Worldwide Interbank Financial Telecommunication (SWIFT) settlement system for transactions between the Bank’s head office or overseas branches and overseas financial institutions.

Number of Branches, Cash Dispensers and ATMs

(As of March 31, 2016)

	Number of cooperative members*	Number of branches*	Number of cash dispensers and ATMs
Norinchukin Bank	1	20	0
JA Shinnoren	32	47	722
JA	667	7,963	11,351
JF Shingyoren	29	114	281
JF	82	139	130
Total	811	8,283	12,484

*Number of cooperative members and branches that handle domestic exchange operations

HEAD OFFICE AND BRANCH OPERATIONS (DOMESTIC AND OVERSEAS)

● The Bank’s Domestic Offices

The Bank’s domestic offices are comprised of its head office and 19 branches located throughout Japan (as of July 31, 2016).

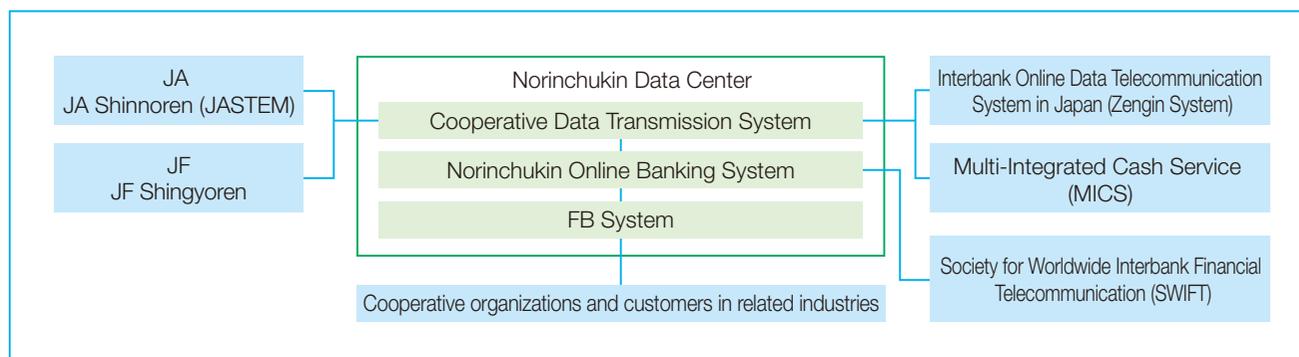
The principal business roles of domestic branches are to: (1) receive deposits from cooperative members, (2) extend loans to agricultural, fishery and forestry sectors including individuals and corporations related to these sectors as well as public sectors in each region, and (3) conduct business related to the JA Bank System and the JF Marine Bank System.

● The Bank’s Overseas Branches and Representative Offices

To respond appropriately to changes in the global financial markets, the Bank operates business in the major financial centers around the globe, and is expanding and enhancing its financial capability.

In addition to branches in New York, London and Singapore, the Bank has representative offices in Beijing and Hong Kong.

Networks with Customers in Japan and Overseas



The Norinchukin Group Companies (As of July 1, 2016)

The Bank, in line with its overall strategy for the cooperative banking business, works together with its group companies engaging in a wide range of business activities related to the Bank.

(Note) Number of directors and employees as of March 31, 2016

■ Trust and Banking Company

The Norinchukin Trust & Banking Co., Ltd.

The Norinchukin Trust & Banking Co., Ltd. plays the following basic roles by providing: (1) trust products and services to individual members of cooperatives such as JA and local communities, leveraging the network of the agricultural, fishery and forestry cooperatives, (2) asset investment and management products to organizations connected to the Bank and its group companies, and (3) financing and fund management tools for customers including corporations and pension funds that leverage its trust services. Assets under management and administration by this company exceed ¥12.0 trillion. The Norinchukin Trust & Banking also focuses on asset management for individual members of JA, offering inheritance trust services.

Established	August 17, 1995
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Kazumi Torii, President
Number of directors and employees	139

■ Investment Advisory Firm

Norinchukin Value Investments Co., Ltd.

<https://www.nvic.co.jp>

Norinchukin Value Investments Co., Ltd. is an investment advisory firm founded by the Norinchukin Bank and Norinchukin Trust & Banking Co., Ltd., and it provides investment advisory services with the concept of "long-term concentrated portfolio" where the firm makes investment advices, with respect to companies which are capable of generating sustainable cash flow in a long time horizon, on back of the increasing needs from institutional investors.

Established	October 2, 2014
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Kazuto Oku, President
Number of directors and employees	19

■ Companies that Support the Organizational Base of the Cooperative Banking Business

Norinchukin Research Institute Co., Ltd.

<http://www.nochuri.co.jp/english/index.html>

Norinchukin Research Institute Co., Ltd. is the think tank of cooperative financial institutions and supports the cooperative banking business through its survey and research activities. The scope of its activities includes (1) performing medium- to long-term research for the agriculture, fishery and forestry industries and on environmental issues, (2) practical research on agricultural, fishery and forestry cooperatives, (3) providing economic and financial information to cooperative organizations and customers, and (4) research that contributes to recovery from the Great East Japan Earthquake. The Institute's periodicals and research including The NORIN KINYU, Monthly Review of Agriculture, Forestry and Fishery Finance and the Kinyu Shijo (Financial Markets) can be viewed on its website.

Established	March 25, 1986
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Shinichi Saitoh, President
Number of directors and employees	76

Norinchukin Academy Co., Ltd.

Norinchukin Academy Co., Ltd., as a training specialist for cooperative members, is involved in training directors and employees engaging in banking business by conducting group trainings, correspondence courses, certification exams, dispatching lecturers, and publishing training materials. In fiscal 2015, approximately 13,000 and 18,000 employees took correspondence courses and certification exams, respectively.

Established	May 25, 1981
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	Nobuo Igarashi, President & CEO
Number of directors and employees	42

■ Companies that Complement the Business Base of the Cooperative Banking Business

Kyodo Housing Loan Co., Ltd.

Kyodo Housing Loan Co., Ltd. provides mortgages in partnership with more than 400 companies in the fields of housing and real estate sales, housing manufacturing and other related areas, in addition to providing guarantee services for JA Bank and JF Marine Bank's mortgages. The company also handles Flat 35 mortgages in alliance with the Japan Housing Finance Agency.

Established	August 10, 1979
Location	15-3, Chuocho 1-chome, Meguro-ku, Tokyo 152-0001, Japan
Representative	Hideaki Iida, Managing Director
Number of directors and employees	131

Norinchukin Zenkyoren Asset Management Co., Ltd.

Norinchukin Zenkyoren Asset Management Co., Ltd. responds to the asset management needs of a range of financial institutions and institutional investors, including cooperative members, through development and offering of investment funds. It is one of Japan's top originators of funds sold through private offering. This company also offers main investment trust products sold at branches and offices of cooperative banking institutions.

Established	September 28, 1993
Location	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo 102-0093, Japan
Representative	Kazuo Yoshida, Chairman & CEO
Number of directors and employees	127

The Cooperative Servicing Co., Ltd.

The Cooperative Servicing Co., Ltd. is a Ministry of Justice-approved debt collection company that manages and collects non-performing loans held by cooperative members. It also seeks early repayment of delinquent loans.

Established	April 11, 2001
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Hiroyuki Harada, President & CEO
Number of directors and employees	65

JA MITSUI LEASING, LTD.

www.jamitsuilease.co.jp/en/

JA MITSUI LEASING, LTD. is a general leasing company that responds to the increasingly diverse and sophisticated financial needs of customers. It plays a key role in providing lease-related services to cooperative members and people engaged in the agriculture, fishery and forestry industries.

Established	April 1, 2008
Location	13-1, Ginza 8-chome, Chuo-ku, Tokyo 104-0061, Japan
Representative	Shuzo Furuya, President & CEO
Number of directors and employees	1,000

The Agribusiness Investment & Consultation Co., Ltd.

The Agribusiness Investment & Consultation Co., Ltd. incorporated in accordance with the Act on Special Measures concerning Facilitation of Investment to Agricultural Corporations, invests in agricultural corporations nationwide and in companies involved in processing and distribution of agricultural products in order to help secure the financial stability and growth of agricultural leaders of tomorrow.

Established	October 24, 2002
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Teruo Uto, Operating Officer
Number of directors and employees	14

Mitsubishi UFJ NICOS Co., Ltd.

Mitsubishi UFJ NICOS Co., Ltd. is a leading Japanese credit card company. It issues JA Cards, cash-and-credit cards for JA, and arranges guarantees for JA Bank loans. There are currently about 1.91 million JA Card members.

Established	June 7, 1951
Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan
Representative	Haruo Inoue, President
Number of directors and employees	3,384

■ Companies Working to Rationalize and Streamline the Cooperative Banking Business

Nochu Business Support Co., Ltd.

Nochu Business Support Co., Ltd. is entrusted with the administrative work of the Bank and its group companies to meet their outsourcing needs. For instance, the Bank's Operations Center entrusts its work to the company.

Established	August 18, 1998
Location	1-12, Uchikanda 1-chome, Chiyoda-ku, Tokyo 101-0047, Japan
Representative	Hideo Gamou, President & CEO
Number of directors and employees	146

Norinchukin Facilities Co., Ltd.

Norinchukin Facilities Co., Ltd. is entrusted with facilities-related work such as cleaning and security as well as food service operation at Bank-owned facilities.

Established	August 6, 1956
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	Kohei Taneda, President & CEO
Number of directors and employees	265

Nochu Information System Co., Ltd.

Nochu Information System Co., Ltd. is entrusted with the development and operation of the Bank's various computer systems, including the core banking system. It also plays a major role in the Bank's IT strategy. The company is responsible for all developmental and operational aspects of the nationwide JASTEM System, JA Bank's key computer system (a large retail system, which administers approximately 44 million accounts and 12,000 ATMs).

Established	May 29, 1981
Location	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan
Representative	Shoji Yukimoto, President & CEO
Number of directors and employees	594

Others

Ant Capital Partners Co., Ltd.

www.antcapital.jp/english/

Ant Capital Partners Co., Ltd. invests in and manages private equity funds.

Established	October 23, 2000
Location	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Representative	Ryosuke Inuma, President and CEO
Number of directors and employees	46

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry, and Fisheries

Investment Limited Partnership for Renewable Energy in Agriculture, Forestry, and Fisheries is a limited liability partnership for investment that, in the spirit of the Act on the Promotion of Renewable Energy in Rural Areas, invests in those renewable energy projects engaged in rural communities and hilly and mountainous areas that contribute to the revitalization of local communities and for which stable and management is expected.

Established	April 30, 2014
Location	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8420, Japan

Norinchukin Finance (Cayman) Limited

Norinchukin Finance (Cayman) Limited is a special purpose company incorporated outside Japan for the purpose of raising capital for the Bank.

Established	August 30, 2006
Location	PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands

JAML MRC Holding, Inc.

JAML MRC Holding, Inc., invests in Mitsui Rail Capital, LLC, which conducts a railcar leasing business in North America.

Established	March 6, 2015
Location	286 Madison Ave., Suite 301, New York, NY 10017

Gulf Japan Food Fund GP

Gulf Japan Food Fund GP invests in and manages private equity fund aimed at expanding exports of Japanese agricultural and livestock products to six Gulf states in the Middle East.

Established	July 29, 2015
Location	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

*Daiichi Life Norinchukin Building Management Co., Ltd. was dissolved effective June 30, 2016. As liquidation proceedings are currently underway, it has been excluded from the above list.