



**Our work at The Norinchukin Bank won't change the world overnight.**

**Our focus is on the agriculture, fishery and forestry industries.**

**This means that nature is our partner,**

**and nothing in nature bears fruit overnight.**

**Industries in this sector don't make things**

**—they produce and nurture life as a legacy for future generations.**

**This is precisely why we are dedicated to serving those who sustain these industries**

**and their local communities, no matter how small the scale of their operations.**

**As the sole financial institution wholly devoted to this sector**

**—the very cornerstone of our nation, we strive consistently**

**to generate solid outcomes in the global financial markets.**

**Our history spans more than 90 years.**

**But that alone is no longer enough.**

**We must take on a greater role than ever before**

**if this sector is to continue developing in response to the changing times.**

**We must harness our financial knowledge to make**

**new contributions that extended beyond our past functions and scope.**

**We must do our utmost to address on-the-ground issues.**

**We must respond to the needs not only of producers,**

**but also to those of processors, distributors and consumers.**

**The life generated by the agriculture, fishery and forestry industries**

**sprouts the workings of all life well into the future.**

**Now is the time for each and every one of us to give our all.**

**We aim to make the chain of life that connects us to the future**

**more bounteous and more certain.**

**Dedicated to sustaining all life.**

**The Norinchukin Bank**



# Contents

## 002 | MESSAGE FROM THE MANAGEMENT

## 004 | MESSAGE FROM THE CEO

## 010 | CURRENT STATE OF THE COOPERATIVE BANKING BUSINESS AND THE NORINCHUKIN BANK'S ROLE

- 010 The Cooperative System and the Cooperative Banking Business
- 014 Operations of the JA Bank System
- 016 Operations of JF Marine Bank
- 019 JForest Group Initiatives
- 021 Safety Net for the Cooperative Banking System

## 023 | MANAGEMENT SYSTEMS

- 023 Corporate Governance
- 025 Framework for Business Administration (Risk Appetite Framework (RAF))
- 027 Initiatives for Strengthening Internal Control
- 032 Internal Audit System
- 034 Continuing as a Publicly Trusted Financial Institution
- 038 Revitalization of Local Communities and Finance Facilitation Initiatives
- 041 Develop Human Resources Essential to Achieve the Bank's Missions and Goals and Promote Employee Engagement

## 044 | RISK MANAGEMENT

- 044 Risk Management

## 053 | BUSINESS OUTLINE

- 053 Business Outline
- 059 The Norinchukin Group Companies

## 063 | FINANCIAL STATEMENTS, CAPITAL ADEQUACY, COMPENSATION AND CORPORATE INFORMATION

- 063 Financial Statements
- 113 Capital Adequacy
- 204 Compensation
- 210 Corporate Information

### Forward-Looking Statements

This report contains information about the financial condition and performance of the Bank as of March 31, 2020 (as of the latest date for information on business locations), as well as forward-looking statements pertaining to the prospects, business plans, targets, etc. of the Bank. The forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may affect our businesses, which could cause actual results to differ materially from those currently anticipated.

In this report, Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF, and Japan Forest Owners' Cooperatives as JForest.

## Message from the Management



NAKAYA Toru  
Chairman of the Supervisory Committee

OKU Kazuto  
President and Chief Executive Officer



First, we would like to sincerely thank all our stakeholders for their support and cooperation with The Norinchukin Bank.

This annual report contains details of the business performance for fiscal 2019, as well as a summary of the general situation at JA Bank, JF Marine Bank and JForest Group, so we ask that you please have a look through it.

## The Basic Role of The Norinchukin Bank as the Central Organization for Cooperatives

As the national-level financial institution for agricultural, fishery and forestry cooperatives in Japan, the mission of The Norinchukin Bank (“the Bank”) is to contribute to the development of the agriculture, fishery and forestry industries and to national economic prosperity by facilitating access to financial resources. With the capital provided by Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forest Owners’ Cooperatives (JForest), etc., as well as the stable funding base through customer deposits at JA Bank and JF Marine Bank, the Bank, to achieve its mission, lends funds to its members, agricultural, fishery and forestry workers, and companies related to the agriculture, fishery and forestry industries. The Bank also conducts various lending and investment activities in Japan and abroad, efficiently manages funds, and stably returns profits to its members.

Moreover, the Bank provides various services for supporting the cooperative banking business of JA and JF, including the planning and implementation of policies, development of human resources, and provision of business infrastructure. The Bank also provides operational guidance for the cooperative banking business based on

relevant rules and regulations, and is working to build a safety net for the JA Bank and JF Marine Bank Systems. The Bank continues to work to improve trust in its cooperative banking business, while playing the important role of strengthening and expanding the cooperative banking business.

## Operation of the Medium-Term Management Plan (FY2019-FY2023)

The environment surrounding the Bank and cooperatives is becoming increasingly harsh amid such developments as global profit margin compression and accelerating digitalization. Meanwhile, public interest in and expectations for turning the agriculture, fishery and forestry industries into growth industries are higher than ever before.

In light of the situation surrounding the Bank and cooperatives and the basic role of the Bank, we have formulated a Medium-Term Management Plan (fiscal 2019 through fiscal 2023), comprising management and business management policies for five years from fiscal 2019, and are engaged in business management based on the Plan.

JA Bank, JF Marine Bank, JForest Group and the Bank will continue to perform their roles and functions with the goal of becoming financial institutions and organizations that win the confidence of their customers, and contribute to the advancement of the agriculture, fishery and forestry industries and their rural communities.

Finally, we would like to ask you all for your continued support for JA Bank, JF Marine Bank, JForest Group and The Norinchukin Bank.

July 2020

TORU NAKAYA Kazuto Oku