

Business Outline

FINANCING, etc

As the main bank for the agriculture, fishery and forestry industries, the Bank has created a unique cooperative financing program, aimed at providing support not only from the aspect of financial support, but also from a business operations perspective to turn the agriculture, fishery and forestry industries into growth industries and to support customers' growth and development.

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 agricultural, fisheries and forestry industries has been positioned as the Bank's core business since its establishment.

In addition, the Bank's financing covers a wide range of industries, including not only 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, but also customers in other fields, including the leasing, credit, IT, telecommunications, real estate and service industries.

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

Leveraging its deep relationships with leaders in the agriculture, fishery and forestry industries, long-term transactions with the business community and its domestic and overseas networks, the Bank offers various solutions to expand sales, add higher value, reduce production costs, and revitalize diverse regions and local communities.

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 ¥62.0 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 stable return in the medium- to long-term by investing in assets with diversified risk-return characteristics while minimizing risks encountered 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.

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.

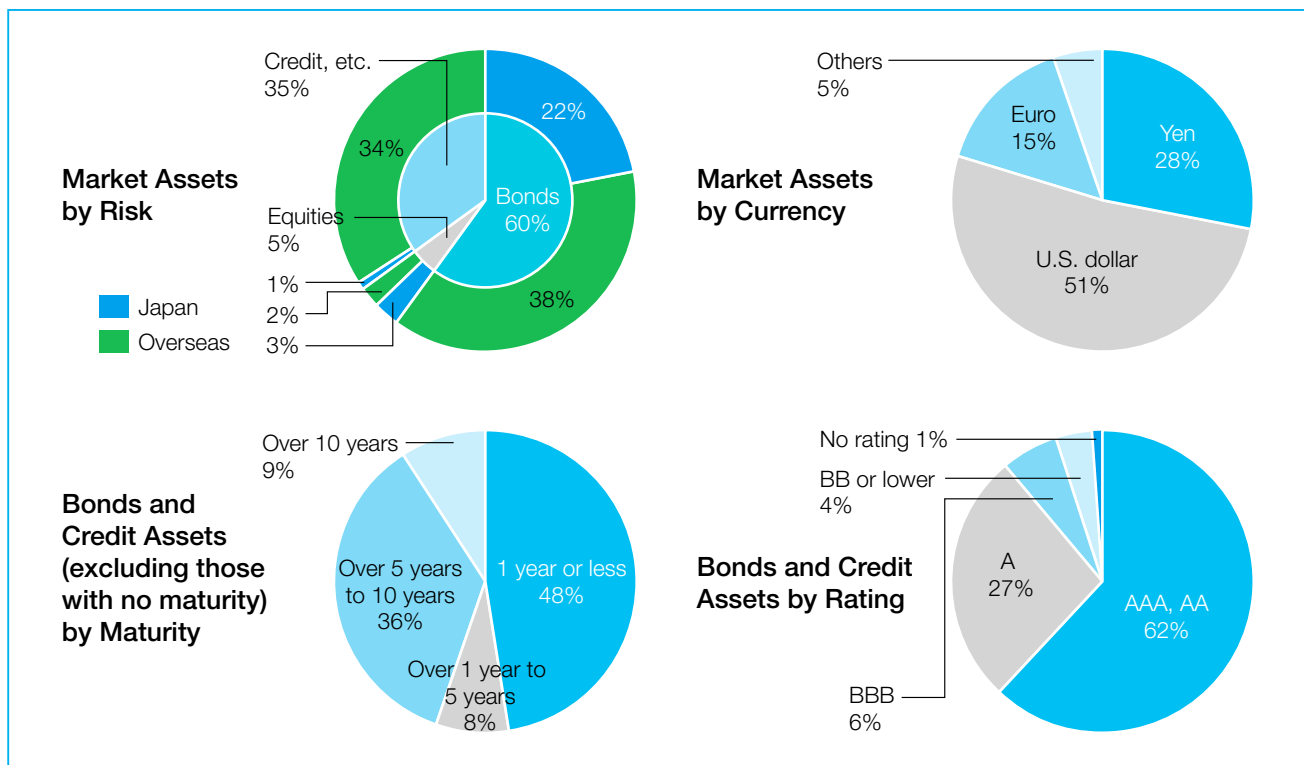
In selecting equity investments, the Bank considers risk-return characteristics and correlations with other asset classes to manage its portfolio with a long-term view. While the Bank’s strategy for equity investments

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.

Breakdown of Investment Assets (As of March 31, 2020)



■ 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. For foreign currency settlement, through its participation in the CLS System (multi-currency cash settlement system), the Bank is 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, fishery 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

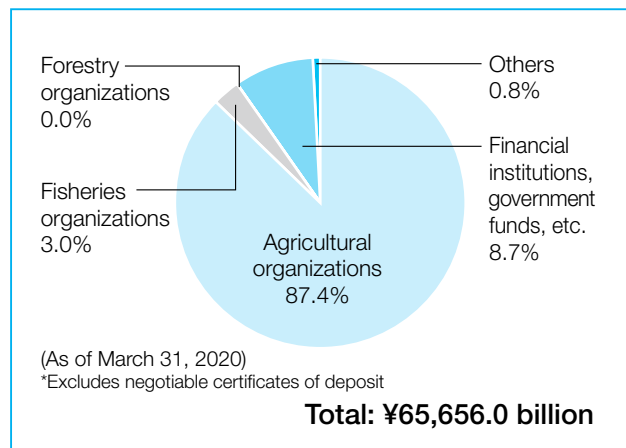
Savings deposited with JA and JF by their individual members and local customers are used to finance individual members, local customers, companies, local public bodies and other such organizations. Surplus funds are

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 balance of issued and outstanding debentures as of March 31, 2020 totaled ¥791.4 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. The issuance of the Ritsuki Norinsai, primarily issued to institutional investors as a five-year investment product, has been suspended for the time being since April 2019.

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 7,400 branches (as of March 31, 2020). 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 aiming to facilitate a smooth operation of 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.

■ 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, 2020)

	Number of cooperative members*	Number of branches*	Number of cash dispensers and ATMs
Norinchukin Bank	1	20	0
JA Shinnoren	32	49	654
JA	603	7,220	10,853
JF Shingyoren	28	89	414
JF	75	99	159
Total	739	7,477	12,080

*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 March 31, 2020).

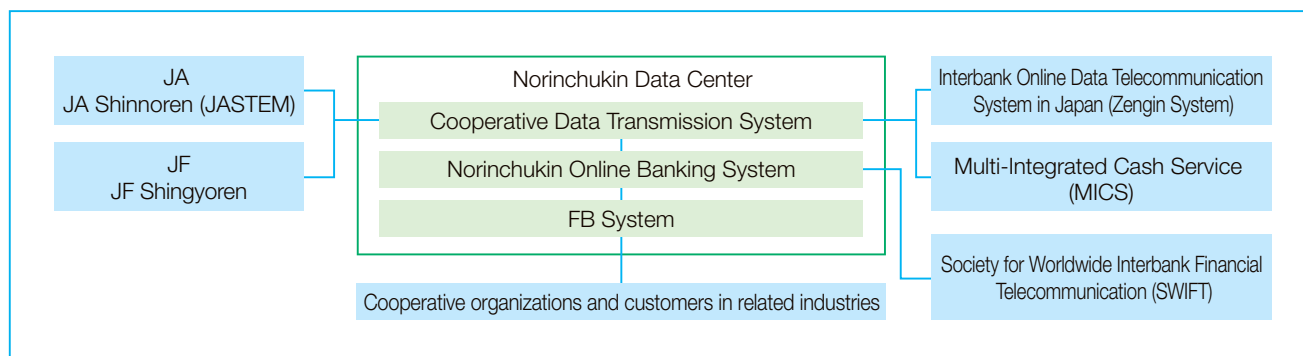
The principal business roles of domestic branches are to: (1) receive deposits from cooperative members, (2) extend loans to agricultural, fishery and forestry sectors including individuals and corporations related to these sectors as well as public sectors in each region, and (3) conduct business related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

Networks with Customers in Japan and Overseas



The Norinchukin Group Companies (As of March 31, 2020)

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.

■ 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 ¥13.0 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	TOUYAMA Katsuyuki, President
Number of directors and employees	147
*As of May 7, 2020, the location changed to 2-1, Kanda Nishiki-cho 2-chome, Chiyoda-ku, Tokyo, Japan.	

■ Company That Conducts Project Financing Operations

Norinchukin Australia Pty Limited

www.nochu-au.com.au/

Norinchukin Australia Pty Limited conducts project financing operations in Australia and New Zealand.

Established	February 8, 2017
Location	Level 29, 126 Phillip Street, Sydney, NSW2000, Australia
Number of directors and employees	14

■ Local Firm of The Bank in Europe

Norinchukin Bank Europe N.V.

Norinchukin Bank Europe N.V. is a local firm of the Norinchukin Bank in Europe established by the Bank investing 100%. This company engages in commercial banking business in Europe together with the Bank as one team.

Established	September 21, 2018
Location	Gustav Mahlerlaan 1216, 4th Floor, 1081 LA Amsterdam, The Netherlands
Number of directors and employees	30

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

Norinchukin Research Institute Co., Ltd.

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	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, Japan
Representative	SAITOH Shinichi, President
Number of directors and employees	70

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.

Established	May 25, 1981
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	IGARASHI Nobuo, President & CEO
Number of directors and employees	59

■ Investment Management Firm

Norinchukin Value Investments Co., Ltd.

www.nvic.co.jp

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

Established	October 2, 2014
Location	2-3, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan
Representative	SHIMBU Keito, President
Number of directors and employees	31

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	YOSHIDA Kazuo, Chairman & CEO
Number of directors and employees	143

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

Kyodo Housing Loan Co., Ltd.

Kyodo Housing Loan Co., Ltd. operates mainly in the Tokyo and Osaka metropolitan areas to provide mortgages in partnership with major manufacturers of residential housing, condominium developers, real estate brokerage firms, etc., in addition to providing guarantee services for JA Bank and JF Marine Bank's mortgages.

Established	August 10, 1979
Location	27-11, Sendagaya 5-chome, Shibuya-ku, Tokyo 151-0051, Japan
Representative	IIDA Hideaki, Managing Director
Number of directors and employees	169

JA Card Co., Ltd.

JA Card Co., Ltd. ("JA Card"), plans and promotes settlement solutions centering on the JA Card business in the retail field under a business alliance among the Bank, Mitsubishi UFJ Financial Group, Inc., and Mitsubishi UFJ NICOS Co., Ltd.

Established	October 2, 2017
Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8960, Japan
Representative	ISHIDA Takahiro, President
Number of directors and employees	47

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	23-14, Higashiikebukuro 3-chome, Toshima-ku, Tokyo 170-0013, Japan
Representative	KAWASAKI Shinichiro, President & CEO
Number of directors and employees	73
*Due to a personnel change, SHINODA Takashi newly assumed office as President & CEO and Representative Director as of April 1, 2020.	

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	FURUYA Shuzo, President & CEO
Number of directors and employees	1,002

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	2, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo 101-0062, Japan
Representative	MORIMOTO Kentaro, Operating Officer
Number of directors and employees	17

■ 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	13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	OTA Minoru, President & CEO
Number of directors and employees	120
	*Due to a personnel change, UTSUMI Tomoe newly assumed office as President & CEO and Representative Director as of June 25, 2020.

Norinchukin Business Assist Co., Ltd.

Norinchukin Business Assist Co., Ltd., is entrusted with administrative work related to the financing of the Bank and its group companies, while expanding the employment of people with disabilities as a special subsidiary company based on the Act on Employment Promotion, etc., of Persons with Disabilities.

Established	December 1, 2016
Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan
Representative	HAYAMA Yuji, President and CEO
Number of directors and employees	41

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	YAGI Masanori, President & CEO
Number of directors and employees	144
	*Due to a personnel change, ITO Yoshihiro newly assumed office as President & CEO and Representative Director as of April 1, 2020.

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 approximately 12,000 ATMs).

Established	May 29, 1981
Location	2-3, Toyosu 3-chome, Koto-ku, Tokyo 135-0061, Japan
Representative	YUKIMOTO Shoji, President & CEO
Number of directors and employees	672
	*Due to a personnel change, YOSHIDA Hikaru newly assumed office as President & CEO and Representative Director as of June 25, 2020.

■ 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	IINUMA Ryosuke, President and CEO
Number of directors and employees	47

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
*Norinchukin Finance (Cayman) Limited is expected to complete liquidation within fiscal 2020.	

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, U.S.A.

Gulf Japan Food Fund GP

Gulf Japan Food Fund GP invests in and manages private equity funds 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