

# Corporate Governance

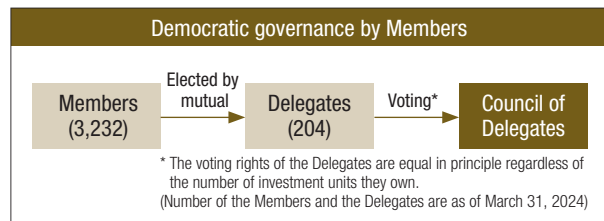
## The Norinchukin Bank's Management System

The Bank is both the national-level organization for Japan's AFF cooperatives and 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. Accordingly, while adhering to decisions made by the Council of Delegates, the Bank's decision-making duties are shared and coordinated by the Supervisory Committee and the Board of Directors, as stipulated by the Norinchukin Bank Act, while taking into consideration the internal and external situations of the cooperatives.

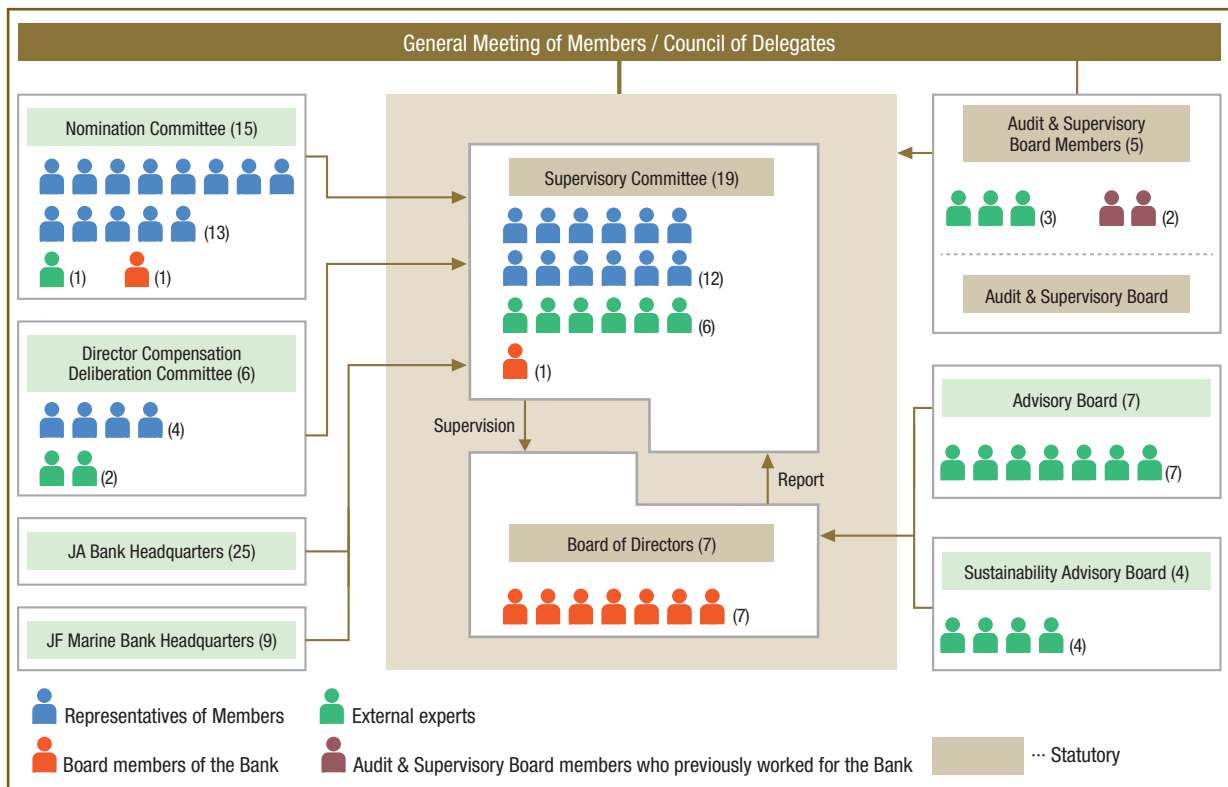
## General Meeting of Members / Council of Delegates

The Norinchukin Bank Act and the Bank's Articles of Incorporation stipulate the General Meeting of Members as the supreme decision-making organization, and that the Council of Delegates is a decision-making organization that substitutes for the General Meeting of Members. The Norinchukin Bank's regular decision-making is based on the Council of Delegates.

Unlike stock companies, where one share represents one vote, the voting rights of the Delegates, who are elected by the mutual vote of members, are equal in principle at the Council of Delegates, regardless of the number of investment units they own, where organizational decisions are made on business reports and appropriation of surplus, as well as amendments to the Articles of Incorporation and the election of the Supervisory Committee Members.



## Management System of the Bank (As of July 1, 2024)



## Supervisory Committee

The Supervisory Committee makes decisions regarding issues to be proposed at or reported to the Council of Delegates as well as important issues related to the AFF 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. The Supervisory Committee members have been selected from senior management of member cooperative organizations; people engaged in the AFF industries; and 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 member cooperatives, and are then appointed by the Council of Delegates.

As of July 1, 2024, the Supervisory Committee has 19 members, consisting of 12 members elected from among top management of the AFF cooperative organizations as the representatives of the Bank's members (shareholders), six external experts with in-depth knowledge of finance, and one board member of the Bank.

Under the jurisdiction of the Supervisory Committee are the Nomination Committee, the Director Compensation Deliberation Committee, the JA Bank Headquarters, and the JF Marine Bank Headquarters. (For details, see page 61.)

| Expected roles of representative members and external experts  |
|--|
| The following roles are expected of representative members, from a standpoint of representing people engaged in the AFF industries and cooperative organizations, and of external experts from an independent and objective standpoint |
| Supervise the Directors' business execution and conflicts of interest  |
| Contribute to achieving the Purpose of the Bank  |
| Make appropriate decisions in response to proposals from the business execution side   |
| Provide opinions, advice, and requests to the business executors and have discussions with them, based on skills and experience  |

## 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 the Directors mutually supervise the execution of their business affairs. Members of the Board are elected by the Supervisory Committee and assume their positions upon the approval of the Council of Delegates. Of the seven board members, one is appointed as a member of the Supervisory Committee. Hence, decisions made by the Supervisory Committee and the Board of Directors are closely coordinated.

## Effectiveness Evaluation of the Supervisory Committee and the Board of Directors

The Bank conducts evaluations of the effectiveness of the Supervisory Committee and the Board of Directors periodically. Effectiveness analyses and evaluations of these management bodies are performed based on the questionnaires and interviews targeted at Supervisory Committee Members, Directors, and Audit & Supervisory Board Members, and Executive Officers. The result of the evaluations is reported at the Supervisory Committee and Board meetings to improve management.

A summary of the effectiveness evaluation for FY2023 is as follows.

### (1) Supervisory Committee

The effectiveness evaluation of the Supervisory Committee began in FY2023 and as a result of the Bank's efforts to review the member composition of the Committee, provide training opportunities, and carefully select topics for discussion, it was confirmed that discussions have become more productive and that the Supervisory Committee has appropriately fulfilled its expected role.

To further advance the management of the Committee, the Bank will continue to make improvements in such areas as reviewing meeting materials to realize more productive meetings, efficient meeting management, deepening discussions on more important themes in light of the business environment, and further strengthening the follow-ups of business execution by the Board.

### (2) Board of Directors

As a result of continuous efforts to enhance the management of the Board meetings, it was evaluated that the effectiveness continued to be improving, while further improvement is expected in the areas of reviewing meeting materials to realize more productive meetings and efficient meeting management, as in the case of the Supervisory Committee, as well as integrally discussing risk and return during strategy reviews.

Based on these analyses and evaluations, the Bank will work to further improve effectiveness by constantly reviewing the way the materials are presented and by refining the overall strategic direction through comparing the expected returns and resource inputs across strategies using the Risk Appetite Framework and other tools. This approach will facilitate more in-depth discussions on more important themes in light of the management issues surrounding 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, comprising Audit & Supervisory Board Members, is established in accordance with the Norinchukin Bank Act.

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

\* According to Article 24-3 of the Norinchukin Bank Act, at least one of the Audit & Supervisory Board Members must satisfy all the following conditions:

- 1) The member must not be a director or employee of a corporation that is a member of The Norinchukin Bank.
- 2) The member must not have held the positions of director, member of the Supervisory Committee or employee of The Norinchukin Bank, or the position of 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, in the five years prior to their appointment.
- 3) The member must not be the spouse or relative within the second degree of kinship of a Norinchukin Bank director, Supervisory Committee member, manager or other principal employee.

## Functions under Supervisory Committee

### Nomination Committee

In 2001, the Bank installed the Nomination Committee to deliberate on the selection of candidates for Supervisory Committee members, Directors, and Audit & Supervisory Board members and make recommendations to the Supervisory Committee and the Council of Delegates. As of July 1, 2024, the Nomination Committee has 15 members, consisting of 13 representatives of the Bank's members, one external expert and one director of the Bank.

### Director Compensation Deliberation Committee

The Bank installed the Director Compensation Deliberation Committee in 2010 to deliberate on issues related to compensation and retirement benefits of officers as a subcommittee of the Supervisory Committee. As of July 1, 2024, the Director Compensation Deliberation Committee has six members, consisting of four representatives of the Bank's members and two external experts.

### JA Bank Headquarters, JF Marine Bank Headquarters

The JA Bank Headquarters and the JF Marine Bank Headquarters mainly consist of senior management of member cooperative organizations, which represent the Bank's members, 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.

As of July 1, 2024, the JA Bank Headquarters has 25 members, consisting of 23 external representatives of the Bank's members and two Directors of the Bank. In addition, the JF Marine Bank Headquarters has nine members, consisting of seven external representatives of the Bank's members and two Directors of the Bank.

## FY2023 Activity Status of Supervisory Committee and Subcommittee Meetings

| Committee name                               | Number of meetings | Attendance ratio |
|--|--------------------|------------------|
| Supervisory Committee                        | 14 times           | 90.1%            |
| Nomination Committee                         | 3 times            | 81.6%            |
| Director Compensation Deliberation Committee | 2 times            | 83.3%            |
| JA Bank Headquarters Committee               | 12 times           | 89.7%            |
| JF Marine Bank Headquarters Committee        | 11 times           | 92.9%            |

## Advisory Board

In April 2021, the Bank established the Advisory Board as an advisory body to the Board of Directors to deliberate on the Bank's roles and adequacy of its initiatives to develop the AFF industries and strengthen local communities.

Members of the Advisory Board are external experts with in-depth knowledge in the fields of the food/agriculture value chain, IT/digital, socioeconomics, and locality/food.

The Advisory Board has seven members as of May 31, 2024.

### Advisory Board Members

| Name            | Organization   |
|-----------------|--|
| ISHII Hayato    | Editor-in-chief of Kyodonews Agri Laboratories<br>(Former Director of K.K. Kyodo News)<br>Specially Appointed Professor at Miyagi University   |
| KIUCHI Hirokazu | Representative Director of WAGOEN<br>Representative Director of WAGO   |
| KOBAYASHI Eizo  | Director Emeritus of ITOCHU Corporation<br>(Member of the Supervisory Committee of the Bank)   |
| TAKASHIMA Kohey | Representative Director, CEO of Oisix ra daichi Inc.   |
| NOGUCHI Sakae   | President & CEO of JA Zen-Noh  |
| HAYASHI Mikako  | Visiting Professor of Graduate School of Agriculture,<br>Research Faculty of Agriculture, Hokkaido University<br>Ph.D. Project Professor of Graduate School of SDM,<br>Keio University |
| MIWA Yasufumi   | Expert of the Center for the Strategy of Emergence,<br>The Japan Research Institute, Limited   |

(As of May 31, 2024, in Japanese phonetic order)

## Sustainability Advisory Board

In April 2022, the Bank established the Sustainability Advisory Board as an advisory body to the Board of Directors to deliberate on the direction of the Bank's roles and adequacy of its initiatives to achieve its Purpose based on a good understanding of the domestic and overseas trends on sustainability issues.

Members of the Sustainability Advisory Board are external experts with in-depth knowledge in such fields as financial business and corporate management as well as the domestic and international trends of regulations concerning sustainability.

The Board has four members as of July 1, 2024.

## Sustainability Advisory Board Members

| Name             | Organization  |
|------------------|---|
| ADACHI Eiichiro  | Senior Counselor of The Japan Research Institute, Limited                                     |
| SATO Takafumi    | Member of the Supervisory Committee of the Bank (Former Vice-Chairman of the IFRS Foundation) |
| TAKAMURA Yukari  | Professor, The University of Tokyo Institute for Future Initiatives                           |
| MIZOUCHI Ryosuke | Professional Advisor, Kirin Holdings Company, Limited   |

(As of July 1, 2024, in Japanese phonetic order)

## Basic Policy on Governance

Given the spirit of the Corporate Governance Code of Japan issued by Japan Exchange Group, Inc. (JPX), the Bank has formulated the Basic Policy on The Norinchukin Bank Governance. Details are described in "About The Norinchukin Bank—Corporate Governance" on the Bank's website (<https://www.nochubank.or.jp/en/governance>).

## Strategic Shareholdings—Holding Business Partner Firm's Securities

### Policy for Holding Strategic Shareholdings

Based on an understanding of the outline of the Corporate Governance Code, which the Bank has adopted, and the increasingly stringent environment around international financial regulations, the Bank has made it an overall policy to reduce the balance of its strategic shareholdings after detailed dialogue with its clients.

The Bank's strategic shareholdings are regularly examined for their merit and effectiveness from a comprehensive perspective based on quantitative criteria combined with qualitative evaluations, and the results are reported to the Board of Directors. The strategic shareholdings deemed to have merit and effectiveness refer to such shareholdings that contribute to supporting the AFF industries and the food/agricultural value chain through the enhancement of the Bank and its cooperative organizations' business value and the growth of food and agricultural businesses, based on the comprehensive business relationships with the business partners.

The Bank, in principle, will take action to sell the strategic shareholdings of which the merit and effectiveness of the holdings are not recognized as a result of its examination.

### Criteria for Exercising Voting Rights

Concerning the voting rights associated with strategic shareholdings held by the Bank, the Bank exercises such voting rights, in principle, making judgment for or against each proposal based on the following criteria:

1. Whether the proposal contributes to improving the medium- to long-term corporate value of the business partner
2. Whether the proposal contributes to improving the value of the Bank's business

In particular, regarding the following proposals that could have a significant impact on the above viewpoints, the judgment will be made upon due consideration through dialogue with the issuers and other means.

- Proposal on appropriation of surplus (in the case of a significant lack of balance between growth investments and internal reserves)
- Proposal on election of directors and corporate auditors (in the case of violation of law or misconduct, etc., or negative earnings successively for a certain period, etc.)
- Proposals on retirement benefits / increasing directors' compensation (in the case of performance-based compensation, compensation increase despite the event of misconduct, etc.)
- Proposal on appointment of the accounting auditor
- Proposal on takeover defense measures
- Proposal on organizational restructuring (e.g., acquisitions, mergers)
- Shareholder proposals
- Proposals on social issues and environmental problems, etc.

## Directors' Compensation System

### Directors' Compensation Policy

The Bank is a financial institution founded by AFF workers' cooperative organizations based on The Norinchukin Bank Act. Through the provision of financial and various other functions for these cooperative organizations, the Bank aims to contribute to the development of the AFF industries and the nation's economy. To help the Bank realize this aim, the Bank has designed its director compensation system.

### Compensation Structure

The compensation for the Bank's directors consists of directors' compensation and retirement benefits, in principle.

The compensation for Directors consists of fixed and variable compensation, whereas the compensation for Supervisory Committee Members and Audit & Supervisory Board Members consists only of fixed compensation from the standpoint of ensuring effective fulfillment of their responsibilities.

As for the retirement benefits, a common structure is applied for Directors, Supervisory Committee Members, and Audit & Supervisory Board Members.

### Compensation Determination Process

The process for determination of the directors' compensation is as follows: Based on the result of deliberations by the Director Compensation Deliberation Committee, the Supervisory Committee determines proposals on the total amount of directors' compensation and presentation of retirement benefits. Said proposals are finally deliberated and adopted at a meeting of the Council of Delegates.

The individual amounts of compensation for Directors, Supervisory Committee Members, and Audit & Supervisory Board Members are decided by the Board of Directors, the Supervisory Committee, and by consultation among the Audit & Supervisory Board Members, respectively, within the range of the total amount resolved by the Council of Delegates.

In addition, upon the resolution of the Council of Delegates, the specific amounts, etc., of retirement benefits for Directors, Supervisory Committee Members, and Audit & Supervisory Board Members are decided by the Board of Directors, the Supervisory Committee, and by consultation among the Audit & Supervisory Board Members, respectively.

### Outline of the Compensation Structure for Directors

| Type of compensation    |                       | Description  |     |
|-------------------------|-----------------------|--|-----|
| Directors' compensation | Fixed compensation    | <ul style="list-style-type: none"> <li>The fixed compensation is determined on the basis of the titles and positions, etc., of directors, while considering the Bank's special nature as the central bank and the specialized financial institution for cooperatives as well as the trends in cooperative organizations and other business sectors.</li> </ul>   | 70% |
|                         | Variable compensation | <ul style="list-style-type: none"> <li>As a sound incentive toward sustainable growth, the variable compensation is determined based on the achievement of targets, etc., set forth in the annual initiatives based on the Medium-Term Vision to enhance sustainability management, contribute to the AFF industries and local communities, reinforce the managerial foundation of members, and contribute to employee engagement.</li> <li>Part of the variable compensation is offered according to the quantitative and qualitative evaluations, etc., based on the degree of achievement of targets in the annual initiatives entered by each director/officer.</li> </ul> | 30% |
| Retirement benefits     |                       | <ul style="list-style-type: none"> <li>Retirement benefits are calculated by applying a fixed weighting based on a director's term of office and his or her compensation during the term in line with the retirement benefit payment rule.</li> </ul>  |     |



# Management

## Supervisory Committee Members (As of July 1, 2024)



### YAMANO Toru

#### Chairman of the Supervisory Committee

- 2012 Member of the Supervisory Committee of JA Kagoshima Shinnoren
- Member of the Supervisory Committee of JA Kagoshima Keizairen
- 2017 Chairman of the Supervisory Committee of Kagoshima Kouseiren
- Chairman of JA Zenkyoren Kagoshima Prefectural Headquarters Administrative Committee
- Chairman and Director of JA Soo-Kagoshima
- 2019 Representative Director and Chairman of JA Kagoshima Chuokai
- 2023 Director of JA Zenkoren
- Representative Director and Chairman of JA Zenchu
- Member of the Nomination Committee of the Bank
- Member of the Director Compensation Deliberation Committee of the Bank
- Chairman of the Supervisory Committee of the Bank



### TERASHITA Saburo

#### Supervisory Committee Member

- 2017 Representative Director and Cooperative President of JA Sakaishi
- 2022 Representative Director and Chairman of JA Osaka Chuokai
- Chairman of the Supervisory Committee of JA Osaka Shinnoren
- Chairman of JA Zen-Noh Osaka Prefectural Headquarters Administrative Committee
- Chairman of JA Zenkyoren Osaka Prefectural Headquarters Administrative Committee
- Member of the Supervisory Committee of JA Zenkyoren
- Member of the Supervisory Committee of the Bank
- 2023 Representative Auditor of IE-NO-HIKARI ASSOCIATION
- Chair of National Council of JA Bank Representatives
- Chairman of JA Bank Headquarters
- Member of the Nomination Committee of the Bank
- Member of the Director Compensation Deliberation Committee of the Bank



### SAKAMOTO Masanobu

#### Supervisory Committee Member

- 2009 Director of Chiba Gyosai
- Representative Director and Cooperative President of JF Choshi
- 2012 Representative Director and Chairman of JF Chiba Gyoren
- 2022 Representative Director and Chairman of JF Zengyoren
- Member of the Nomination Committee of the Bank
- Member of the Director Compensation Deliberation Committee of the Bank
- Member of the Supervisory Committee of the Bank



### NAKAZAKI Kazuhisa

#### Supervisory Committee Member

- 2005 Representative Director and Cooperative President of JForest Kuzumaki
- 2011 Representative Director and Chairman of JForest Iwate Moriren
- 2021 Representative Director and Chairman of JForest Zenmoriren
- Member of the Nomination Committee of the Bank
- Member of the Director Compensation Deliberation Committee of the Bank
- Member of the Supervisory Committee of the Bank



### ITO Seikoh

#### Supervisory Committee Member

- 2023 Chairman and Director of JA Hanamaki
- Representative Director and Chairman of JA Iwate Chuokai
- Chairman of the Supervisory Committee of JA Iwate Shinnoren
- Representative Director and Chairman of JA Iwate Kouseiren
- Chairman of JA Zen-Noh Iwate Prefectural Headquarters Administrative Committee
- Chairman of JA Zenkyoren Iwate Prefectural Headquarters Administrative Committee
- Member of the Nomination Committee of the Bank
- Director of The Japan Agricultural News
- Member of the Supervisory Committee of the Bank
- Vice President of IE-NO-HIKARI ASSOCIATION



### HIRAMOTO Mitsuo

#### Supervisory Committee Member

- 2020 Representative Director and Chairman of JA Yokohama
- 2023 Member of the Supervisory Committee of the Bank
- Representative Director and Chairman of JA Kanagawa Chuokai
- Chairman of the Supervisory Committee of JA Kanagawa Shinnoren
- Chairman of the Supervisory Committee of Kanagawa Kouseiren
- Chairman of JA Zen-Noh Kanagawa Prefectural Headquarters Administrative Committee
- Chairman of JA Zenkyoren Kanagawa Prefectural Headquarters Administrative Committee
- Auditor of JA Zenchu
- Director of IE-NO-HIKARI ASSOCIATION



### SAITO Taneji

#### Supervisory Committee Member

- 2020 Representative Director and Cooperative President of JA Nishi-Mikawa
- Member of the Supervisory Committee of JA Aichi Keizairen
- Member of the Supervisory Committee of JA Aichi Kouseiren
- Member of JA Zenkyoren Aichi Prefectural Headquarters Administrative Committee
- 2023 Director of JA Aichi Chuokai
- Chairman of the Supervisory Committee of JA Aichi Shinnoren
- Member of the Supervisory Committee of the Bank



### FUKUMOTO Hiroyuki

#### Supervisory Committee Member

- 2020 Representative Director and Cooperative President of JA Hyogo-Nishi
- Member of the Supervisory Committee of JA Zenkyoren
- Chairman of JA Zenkyoren Hyogo Prefectural Headquarters Administrative Committee
- Representative Director and Chairman of JA Hyogo Kouseiren
- 2023 Chairman of the Supervisory Committee of JA Hyogo Shinnoren
- Representative Director and Chairman of JA Hyogo Chuokai
- Chairman of JA Zen-Noh Hyogo Prefectural Headquarters Administrative Committee
- Member of the Supervisory Committee of the Bank



### URABE Hiromichi

#### Supervisory Committee Member

- 2022 Representative Director and Cooperative President of JA Fukuyamashi
- Member of the Supervisory Committee of JA Hiroshima Kouseiren
- Member of JA Zen-Noh Hiroshima Prefectural Headquarters Administrative Committee
- Member of JA Zenkyoren Hiroshima Prefectural Headquarters Administrative Committee
- 2023 Vice Chairman and Director of JA Hiroshima Chuokai
- Chairman of the Supervisory Committee of JA Hiroshima Shinnoren
- Member of the Supervisory Committee of the Bank



### SHIROUZU Kiyohiro

#### Supervisory Committee Member

- 2016 Representative Director and Cooperative President of JA Chikushi
- 2020 Director of JA Fukuoka Chuokai
- 2023 Chairman of the Supervisory Committee of JA Fukuoka Shinnoren
- Member of the Supervisory Committee of the Bank



**KUBOTA Tadashi**  
Supervisory Committee Member

2016 Member of the Supervisory Committee of the Bank  
2019 Chairman of JF Marine Bank Headquarters  
2021 Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren  
2022 Vice President of JF Zengyoren



**MAEKAWA Osamu**  
Supervisory Committee Member

1993 Member of the Kumamoto Prefectural Assembly  
2011 Representative Director and Chairman of JForest Kumamoto Moriren  
2018 Chairman of the Federation of Kumamoto Liberal Democratic Party Branch  
2020 Member of the Supervisory Committee of the Bank  
2023 Vice Chairman and Director of JForest Zenmoriren



**BANDO Mariko**  
Supervisory Committee Member

1969 Joined Prime Minister's Office (currently, Cabinet Office)  
1994 Cabinet Secretariat and Director-General of the Bureau for Gender Equality  
1995 Vice-Governor of Saitama Prefecture  
1998 Japanese consul general in Brisbane, Australia  
2001 Director-General of the Gender Equality Bureau, Cabinet Office of Japan  
2007 President of Showa Women's University  
2008 Chairman of the Rural Women Empowerment and Life Improvement Association  
2014 Chancellor of Showa Women's University  
2017 Outside Director of MS&AD Insurance Group Holdings, Inc. Member of the Supervisory Committee of the Bank  
2019 Outside Director of Mitsubishi Research Institute, Inc.  
2023 External Director of Itoki Corporation Distinguished Professor, Center for General Education, Showa Women's University



**TANABE Masanori**  
Supervisory Committee Member

1975 Joined Bank of Japan  
2001 Deputy Director-General, Credit Systems Department (in charge of credit systems), Bank of Japan  
2004 Director-General, Credit Systems Department, Bank of Japan  
2010 Governor of Deposit Insurance Corporation of Japan  
2015 Director and Chairman of AXA Life Insurance Co., Ltd. Chairman of AXA GENERAL INSURANCE COMPANY LIMITED Visiting Professor, Musashino University  
2016 Director and Chairman of AXA Investment Managers  
2019 Member of the Supervisory Committee of the Bank



**KOBAYASHI Eizo**  
Supervisory Committee Member

1972 Joined C. Itoh & Co. Ltd. (Former name of ITOCHU Corporation)  
2000 Executive Officer of ITOCHU  
2002 Managing Executive Officer of ITOCHU  
2003 Managing Director of ITOCHU  
2004 Senior Managing Director of ITOCHU President & C.E.O. of ITOCHU  
2010 Chairman of ITOCHU  
2020 Director Emeritus of ITOCHU Member of the Supervisory Committee of the Bank



**SATO Takafumi**  
Supervisory Committee Member

1973 Joined the Ministry of Finance, Japan  
2001 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency, Japan  
2002 Director-General, Inspection Bureau, Financial Services Agency  
2004 Director-General, Supervisory Bureau, Financial Services Agency  
2007 Commissioner, Financial Services Agency  
2010 Professor, Hitotsubashi University Graduate School of Commerce (currently, Hitotsubashi University Graduate School of Business Administration)  
2013 President, Tokyo Stock Exchange Regulation (currently, Japan Exchange Regulation (JPX-R))  
2020 Member of the Supervisory Committee of the Bank



**MINAGAWA Yoshitsugu**  
Supervisory Committee Member

1978 Joined the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan  
2006 Director-General of Staple Food Department, General Food Policy Bureau, MAFF  
2007 Deputy Director-General of Forestry Agency  
2008 Deputy Director-General of Rural Development Bureau, MAFF  
2009 Director-General of Kanto Regional Agricultural Administration Office, MAFF  
2010 Director-General of Forestry Agency  
2012 Vice-Minister of Agriculture, Forestry and Fisheries  
2016 Chief Counselor of Norinchukin Research Institute Co., Ltd.  
2020 Member of the Supervisory Committee of the Bank  
2024 Member of the Director Compensation Deliberation Committee of the Bank



**KUNIHIRO Tadashi**  
Supervisory Committee Member

1994 Managing Partner, Kunihiro Law Office (currently T. Kunihiro & Attorneys-at-Law)  
2007 Outside Director, Tokyo Marine & Nichido Fire Insurance Co., Ltd.  
2008 Member of the Director Compensation Deliberation Committee of the Bank  
2012 Outside Audit & Supervisory Board Member, Mitsubishi Corporation  
2015 Outside Director, LINE Corporation (currently, LY Corporation)  
2017 Outside Audit & Supervisory Board Member, OMRON Corporation  
2021 Outside Director (Independent Director), Audit and Supervisory Committee Member, Z Holdings Corporation (currently, LY Corporation)  
2022 Outside Auditor & Supervisory Board Member, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
2023 Member of the Supervisory Committee of the Bank Member of the Nomination Committee of the Bank



**OKU Kazuto**  
Supervisory Committee Member

1983 Joined The Norinchukin Bank  
2003 Deputy General Manager, Corporate Planning Div.  
2004 Head of Business Development Dept. Corporate Planning Div.  
2007 General Manager, JA Bank System Management Div.  
2009 General Manager, Corporate Planning Div.  
2011 Managing Director, Member of the Board of Directors  
2013 Senior Managing Director, Member of the Board of Directors  
2016 Senior Managing Director, Member of the Board of Directors, Head of Corporate and Shared Services  
2017 Representative Director, Senior Managing Director, Member of the Board of Directors, Head of Corporate and Shared Services  
2018 Representative Director, Senior Managing Director, Member of the Board of Directors Representative Director and President, Chief Executive Officer, Member of the Board of Directors, Member of the Supervisory Committee

**Representatives of the Bank's members (representatives elected from among individuals representing AFF business organizations investing in the Bank)**

| Name              | Organization   |
|-------------------|--|
| YAMANO Toru       | Representative Director and Chairman of JA Zenchu                            |
| TERASHITA Saburo  | Chair of National Council of JA Bank Representatives                         |
| SAKAMOTO Masanobu | Representative Director and Chairman of JF Zengyoren                         |
| NAKAZAKI Kazuhisa | Representative Director and Chairman of JForest Zenmoriren                   |
| ITO Seikoh        | Chairman of the Supervisory Committee of JA Iwate Shinnoren                  |
| HIRAMOTO Mitsuo   | Chairman of the Supervisory Committee of JA Kanagawa Shinnoren               |
| SAITO Taneji      | Chairman of the Supervisory Committee of JA Aichi Shinnoren                  |
| FUKUMOTO Hiroyuki | Chairman of the Supervisory Committee of JA Hyogo Shinnoren                  |
| URABE Hiromichi   | Chairman of the Supervisory Committee of JA Hiroshima Shinnoren              |
| SHIROUZU Kiyohiro | Chairman of the Supervisory Committee of JA Fukuoka Shinnoren                |
| KUBOTA Tadashi    | Chairman of the Supervisory Committee of JF Kyushu inter-regional Shingyoren |
| MAEKAWA Osamu     | Representative Director and Chairman of JForest Kumamoto Moriren             |

| External experts with in-depth knowledge of finance |   |
|---|---|
| Name  | Reason for the appointment  |
| BANDO Mariko  | Ms. Bando was appointed because she has assumed various posts, including Director-General of the Gender Equality Bureau, Cabinet Office of Japan, Chairman of the Rural Women Empowerment and Life Improvement Association, and Chancellor of Showa Women's University and possesses ample occupational experience and is highly knowledgeable in various social fields, including finance. |
| TANABE Masanori                                     | Mr. Tanabe was appointed because he has assumed various posts such as Director-General, Credit Systems Department, Bank of Japan and Governor of Deposit Insurance Corporation of Japan and possesses in-depth knowledge and ample experience related to finance.   |
| KOBAYASHI Eizo                                      | Mr. Kobayashi was appointed because he has assumed various posts, including President & C.E.O. and Chairman of ITOCHU Corporation and possesses in-depth knowledge and ample experience in various social fields including finance.   |
| SATO Takafumi                                       | Mr. Sato was appointed because he has assumed various posts, including Director-General, Inspection Bureau and Supervisory Bureau, Commissioner, Financial Services Agency, Japan and President, Japan Exchange Regulation (JPX-R) and possesses in-depth knowledge and ample experience related to finance.  |
| MINAGAWA Yoshitsugu                                 | Mr. Minagawa was appointed because he has assumed various posts, including Director-General of Forestry Agency and Vice-Minister of Agriculture, Forestry and Fisheries, Japan and possesses in-depth knowledge and ample experience related to the AFF industries.   |
| KUNIHURO Tadashi                                    | Mr. Kunihiro was appointed because, as the Managing Partner of T.Kunihiro & Attorneys-at-Law, he has deep insight and expertise in various legal affairs and regarding the establishment of corporate crisis and risk management systems.   |

| Board members of the Bank |                                       |
|---------------------------|---------------------------------------|
| Name                      | Title                                 |
| OKU Kazuto                | President and Chief Executive Officer |

## Directors (As of July 1, 2024)



### OKU Kazuto

Representative Director and President, Chief Executive Officer  
 1983 Joined The Norinchukin Bank  
 2003 Deputy General Manager, Corporate Planning Div.  
 2004 Head of Business Development Dept. Corporate Planning Div.  
 2007 General Manager, JA Bank System Management Div.  
 2009 General Manager, Corporate Planning Div.  
 2011 Managing Director, Member of the Board of Directors  
 2013 Senior Managing Director, Member of the Board of Directors  
 2016 Senior Managing Director, Member of the Board of Directors, Head of Corporate and Shared Services  
 2017 Representative Director, Senior Managing Director, Member of the Board of Directors, Head of Corporate and Shared Services  
 2018 Representative Director, Senior Managing Director, Member of the Board of Directors  
 Representative Director and President, Chief Executive Officer, Member of the Board of Directors, Member of the Supervisory Committee



### YAGI Masanobu

Representative Director and Managing Executive Officer  
 Chief Operating Officer  
 1988 Joined The Norinchukin Bank  
 2009 Deputy General Manager, Financial Planning & Control Div.  
 2010 Head of Branch Strategy & Management Dept, Corporate Planning Div.  
 2012 General Manager, Fixed Income Investment Div.  
 2013 General Manager, Human Resources Div.  
 2016 General Manager, Corporate Planning Div.  
 2017 Executive Officer, General Manager, Corporate Planning Div.  
 2018 Managing Executive Officer  
 2021 Representative Director and Managing Executive Officer, Member of the Board of Directors



### KITABAYASHI Taro

Representative Director and Managing Executive Officer  
 Chief Financial Officer  
 Co-Chief Sustainability Officer  
 1994 Joined The Norinchukin Bank  
 2015 Deputy General Manager, Financial Planning & Control Div.  
 2017 General Manager, Secretariat  
 2018 General Manager, Coordination Div.  
 2021 Managing Executive Officer  
 2023 Director and Managing Executive Officer, Member of the Board of Directors  
 2024 Representative Director and Managing Executive Officer, Member of the Board of Directors



### IMAI Masato

Director and Managing Executive Officer  
 Co-Chief Investment Officer  
 Head of Global Banking  
 1999 Joined The Norinchukin Bank  
 2012 Deputy General Manager, Financial Planning & Control Div.  
 2014 Deputy General Manager, Credit and Alternative Investments Div.  
 2015 General Manager, Project and Asset Finance Div.  
 2019 Managing Executive Officer  
 2024 Director and Managing Executive Officer, Member of the Board of Directors



### AKIYOSHI Ryo

Director and Managing Executive Officer  
 Co-Head of JA and JF Business Support  
 1990 Joined The Norinchukin Bank  
 2011 Deputy General Manager, Next Generation JASTEM System Planning Div, Corporate Planning Div.  
 2013 Deputy General Manager, Systems Planning Div.  
 2014 General Manager, JA Bank System Monitoring & Consulting Div.  
 2017 Executive Officer, General Manager, JA Bank System Management Div.  
 2018 Managing Executive Officer  
 2021 Director and Managing Executive Officer, Member of the Board of Directors



### HAMBA Yuji

Director and Managing Executive Officer  
 Chief Information & Digital Officer  
 1993 Joined The Norinchukin Bank  
 2014 Deputy General Manager, Systems Planning Div.  
 2016 General Manager, Corporate Planning Div.  
 2018 General Manager, IT & Systems Planning Div.  
 2021 General Manager, IT & Systems Planning Div. (EA Planning & Global Technology Research)  
 2023 Director and Managing Executive Officer, Member of the Board of Directors



### YOSHIDA Hikaru

Director and Managing Executive Officer  
 Chief Risk Officer/Chief Compliance Officer  
 1990 Joined The Norinchukin Bank  
 2009 General Manager, Miyazaki Branch  
 2011 Deputy General Manager, JA Bank System Management Div, Corporate Planning Div.  
 Deputy General Manager, Cooperative System Human Resource Development Div, JA Bank System Management Div.  
 2012 Deputy General Manager, JA Bank System Planning & Promotion Div.  
 2014 General Manager, JA Bank System Planning & Promotion Div.  
 2016 General Manager, IT & Systems Planning Div.  
 2018 Managing Executive Officer  
 Managing Director, Member of the Board of Directors  
 2021 Director and Managing Executive Officer, Member of the Board of Directors



## Skill Matrix of the Supervisory Committee Members and Directors (Expertise)

In order to realize our Purpose and Medium-Term Vision, as shown in the Skill Matrix, the Bank appoints a well-balanced group of officers. This group comprises Supervisory Committee Members who possess diverse knowledge and expertise as a financial institution, including management, AFF industries, and cooperatives, and Directors who, in addition to financial knowledge, possess unique knowledge and experience as a cooperative financial institution, including AFF industries and cooperatives.

|                               |  | Management          | Finance / Accounting | Legal Affairs / Risk Management | IT / Operation | AFF Industries | Cooperatives | International | Financial | ESG / Sustainability | Human Resource Development / DE&I |   |
|-------------------------------|--|---------------------|----------------------|---------------------------------|----------------|----------------|--------------|---------------|-----------|----------------------|-----------------------------------|---|
| Supervisory Committee Members | Representative members (12)<br>[ Skills expected commonly are shown. ] | ●                   |                      |                                 |                | ●              | ●            |               |           |                      |                                   |   |
|                               | External experts   | BANDO Mariko        | ●                    |                                 | ●              |                |              | ●             | ●         |                      | ●                                 | ● |
|                               |  | TANABE Masanori     | ●                    | ●                               | ●              |                |              |               | ●         | ●                    |                                   |   |
|                               |  | KOBAYASHI Eizo      | ●                    |                                 |                | ●              | ●            |               | ●         |                      |                                   |   |
|                               |  | SATO Takafumi       | ●                    | ●                               | ●              |                |              |               | ●         | ●                    | ●                                 |   |
|                               |  | MINAGAWA Yoshitsugu |                      |                                 | ●              |                | ●            | ●             |           |                      | ●                                 | ● |
|                               |  | KUNIHICO Tadashi    |                      |                                 | ●              |                | ●            | ●             | ●         |                      | ●                                 |   |
| Board member                  | Board members of the Bank  | OKU Kazuto          | ●                    |                                 |                | ●              | ●            | ●             | ●         | ●                    | ●                                 |   |
|                               |  | YAGI Masanobu       | ●                    |                                 |                |                | ●            |               | ●         | ●                    | ●                                 |   |
|                               |  | KITABAYASHI Taro    |                      | ●                               |                |                |              |               | ●         | ●                    | ●                                 | ● |
|                               |  | IMAI Masato         |                      | ●                               |                |                |              |               | ●         | ●                    | ●                                 |   |
|                               |  | AKIYOSHI Ryo        |                      |                                 |                | ●              | ●            | ●             |           | ●                    |                                   |   |
|                               |  | HAMBA Yuji          |                      |                                 |                | ●              |              |               |           | ●                    |                                   |   |
|                               |  | YOSHIDA Hikaru      |                      |                                 | ●              | ●              |              | ●             |           | ●                    |                                   |   |

Note: The matrix illustrates the fields of expertise that are particularly expected to demonstrate by the Supervisory Committee members and Directors, and does not include all the knowledge/experience they own.

## Managing Executive Officers (As of July 1, 2024)

### OZAKI Taro

Managing Executive Officer  
Co-Head of Food, Agribusiness and Corporate Banking

### TSUCHIDA Tomoko

Managing Executive Officer  
Co-Head of Food, Agribusiness and Corporate Banking  
Co-Chief Sustainability Officer

### NAGANO Masaki

Managing Executive Officer  
Treasurer  
Global Head of ALM and Investor Relations

### YAMADA Yukihiko

Managing Executive Officer  
Co-Chief Investment Officer

### KAWATA Junji

Managing Executive Officer  
Co-Head of JA and JF Business Support  
Head of Agriculture & Fisheries Banking and Regional Revitalization

### TAKII Kazutaka

Managing Executive Officer  
Co-Head of JA and JF Business Support

### UTSUMI Tomoe

Managing Executive Officer  
Head of Operations  
Chief Diversity Officer

### KAWASHIMA Kenji

Managing Executive Officer  
Chief Administrative Officer/Chief Strategy Officer

## Audit & Supervisory Board (As of July 1, 2024)

### ITO Akiko

### IWASO Satoshi

### MUROI Masahiro

### SAKAI Hiroyuki

### TOCHIO Masaya

Note: Of the Audit & Supervisory Board Members, MUROI Masahiro, SAKAI Hiroyuki and TOCHIO Masaya satisfy the conditions stated in Article 24-3 of the Norinchukin Bank Act.

# Framework for Business Administration (Risk Appetite Framework (RAF))

## Basic Approach

The business environment surrounding financial institutions is changing radically. For the Bank to maintain its high soundness and continue to meet stakeholders' expectations and perform its basic roles, the forward-looking recognition of risks and the appropriate risk controls, as well as risk-taking in a disciplined manner, are increasingly important.

To implement such measures, the Bank has introduced the Risk Appetite Framework (RAF) for business administration. Under the RAF, the Bank aims to achieve the goals of the priority strategies and initiatives and works to foster and disseminate a sound risk culture that supports its business administration framework.

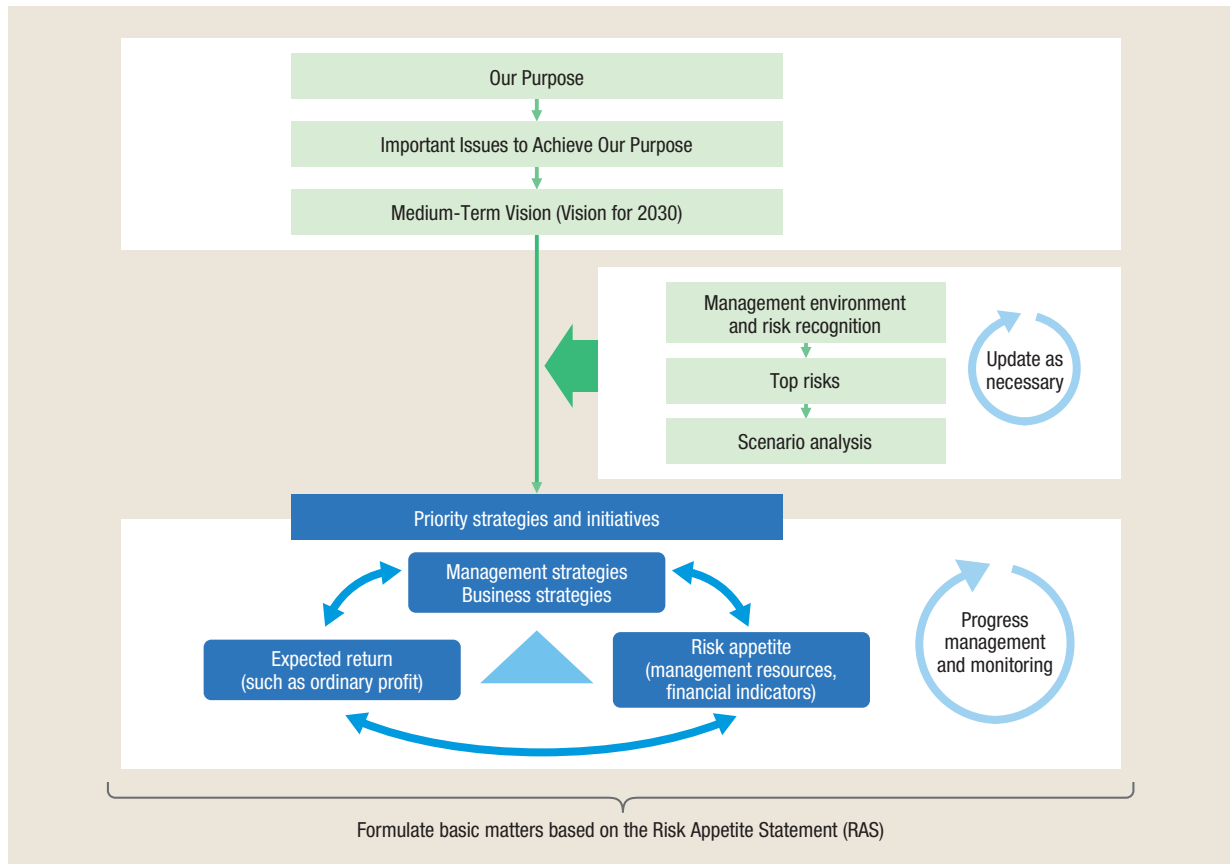
## Risk Appetite Framework (RAF)

The Bank's RAF is a "framework for business administration leading to disciplined risk taking and optimizing the balance between risk and return" by clarifying the Bank's management strategies, business strategies, expected return (types and amounts of return that are set as goals), and risk appetite (types and amounts of risks that the Bank is willing to take or are acceptable to the Bank, and optimal management resources) and managing them in an integrated manner. Under the RAF, with the aim of an optimal balance between risk and return, the Bank further improves its soundness while adjusting to changes in the surrounding environment.

## Implementation of the RAF

The Bank issues its Risk Appetite Statement, formulates, and documents the basic matters related to implementation of the RAF. To formulate management fields, based on the Risk Appetite Statement, the Bank identifies the "Top Risks" (risk events to which the Bank needs to pay special attention in the future), considering the management environment and risk recognition, and analyzes scenarios of risk events that could happen in the future. Based on the analysis results, the Bank clarifies the expected return from the implementation of the management strategies and business strategies as well as the risk appetite and formulates management fields. In addition to clarifying the policies for managing expected return and risk appetite, the Bank sets the Key Goal Indicators (KGIs) and Risk Appetite Indicators. During a fiscal year, while updating the information on the management environment and risk recognition, the Bank monitors the status of management strategies, business strategies, and expected return, as well as the risk appetite, and reviews them if necessary. Thus, the RAF is implemented with the PDCA cycle of initiatives.

## Outline of the RAF



## Examples of Top Risks

| Risk events  | Risk scenario (example)  |
|--|--|
| Deterioration of financial standing and earnings due to rising and persistently high long-term and short-term interest rates | Decline in profitability and destabilization of the financial base due to interest-rate fluctuations   |
| Rising inflation   | Negative impact on the business base due to continued global inflation   |
| Occurrence of damages caused by cyberattacks   | Long-term suspension of customer services caused by damage to systems, payment of large amounts of damage compensation, and damage to the Bank's reputation  |
| Climate change, biodiversity, and other sustainability-related issues  | Deterioration of the financial base and reputation, loss of stakeholders, and adverse effect on the AFF industries and local communities due to the delayed implementation of measures to address environmental issues such as climate change and biodiversity |
| Weakening of the business base due to a decline in customers   | Customer turnover leading to shrinkage of the Bank's business base due to not capturing the changing needs of customers amid increasingly severe competition and aging populations   |

Note: Please note that the above are a portion of the risks the Bank has identified to date.

## Risk Culture

Corporate culture has a multifaceted nature that is formed collectively by the organizational norm of behavior, sense of value, and/or habits that are built on the thoughts and behavior of each officer and employee of the organization. At the same time, as a financial institution with social responsibility, it is necessary to ensure profitability through a certain level of risk taking to maintain its soundness and continue to fulfill its responsibilities consistently. To this end, it is especially important for the appropriate implementation of the RAF that officers and employees throughout the organization share the risk culture concerning risk recognition, risk taking, and risk management.

The Bank fosters a sound risk culture throughout the organization by defining and internally disseminating the Code of Conduct, so that all officers and employees of the Bank can always act with a mind-set to establish and maintain trust with diverse stakeholders.

# Compliance

## Compliance Initiatives

### Basic Compliance Policies

As a financial institution whose business is founded first and foremost on trust and confidence, the Bank recognizes that the creation of an enhanced and more effective compliance framework is an increasingly important management objective, especially considering strong public criticism of corporate and other organizational improprieties and the significant public expectations of corporations today.

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 and expectations considering 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, the Bank has defined its basic compliance policy in its Code of Ethics, Environmental Policy, and Human Rights Policy. In addition, the Bank disseminates the Code of Conduct to all officers and employees to show the criteria for judgment and action to ensure good faith and fair execution of duties as a prerequisite for business operations and advises specific ways of thinking to put the Shared Values into action. These measures will ensure that compliance awareness is thoroughly understood and practiced by all officers and employees as they go about their daily business. In addition, internal audits are conducted regularly concerning the adequacy of the Bank's efforts, including those to ensure compliance and to instill a sound risk culture. 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 the case of outsourcing customer-related business, and managing transactions that might involve a conflict of interest with customers.

### Compliance Activities Directly Linked to Management

The Bank's compliance framework comprises the Compliance Committee, the Compliance Division (Legal Affairs and Compliance Division), Legal Affairs and Compliance Officer, and the management 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 has been established as a body under the Board of Directors to deliberate on the Bank's 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 Subcommittee for Anti-Money Laundering / Counter Financing of Terrorism and the Human Rights Subcommittee, which are subcommittees under the Compliance Committee, are working to enhance discussions on the compliance framework and strengthen the PDCA cycle pertaining to the operation of the framework.

The Bank also has clarified its efforts to disseminate a sound risk culture and systematically prevent inappropriate behavior as part of its risk handling policy in the RAF.



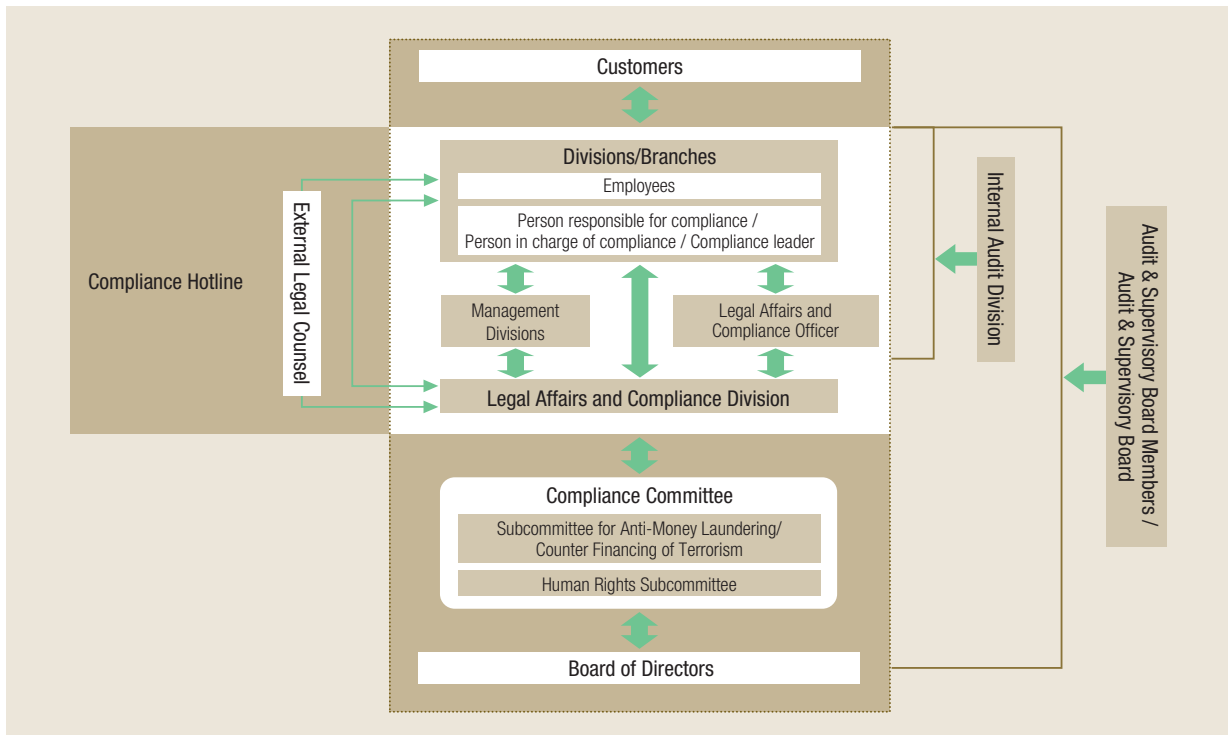
Please review the Code of Ethics here:

<https://www.nochubank.or.jp/en/about/ethics.html>

### Compliance Practices within the Bank

The Bank's compliance framework at branches and divisions is based on the combined efforts of each employee, primarily centered on the General Manager of each branch or division and other equivalent persons who are responsible for compliance, together with a person in charge of compliance and a compliance leader. Directly appointed by the General Manager of the Legal Affairs and Compliance Division, persons in charge of compliance oversee all compliance-related matters at their branches or divisions. They are expected 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 Legal Affairs and Compliance Division.

## Compliance Framework



Legal Affairs and Compliance Officers appointed in the Food & Agri Banking Business, the Retail Banking Business, the Global Investments, and the Corporate & Shared Services headquarters have been responsible for supporting each headquarters' operations from the aspect of compliance.

The Legal Affairs and 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 Legal Affairs and Compliance Division has also installed the Compliance Hotline to enable officers and employees to report on compliance issues by phone, email, or other means. The Compliance Hotline offers several contacts to report to the Legal Affairs and Compliance Division or outside lawyers while enabling the reporter to choose anonymity or non-anonymity. When a compliance issue is reported, the Bank maintains close contact with the whistle-blower, makes necessary improvements, and implements corrective measures. The Bank's compliance operation prioritizes protecting whistle-blowers such as prohibiting disadvantageous treatment of a whistle-blower and keeping the information of reported content secret. These are necessary efforts to improve officers' and employees' trust in the Bank.

The Legal Affairs and Compliance Division supervises compliance activities in the area of customer protection as well and ensures that branches and divisions are practicing compliance while collaborating with other related divisions.

## Compliance Program

Each fiscal year, the Bank institutes a Compliance Program incorporating its management frameworks for compliance and customer protection, as well as promotion of initiatives, education, and training plans for them. The Legal Affairs and 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 the compliance systems of the entire Norinchukin Group by promoting a common awareness of compliance issues discussed at regular meetings with compliance divisions of its group companies.



# Cybersecurity

## Information Security Initiatives

The Bank utilizes a variety of information obtained during transactions with customers, etc., for various kinds of operations. Amid the increasingly diverse environments and purposes for information handling due to the rapid progress and evolution of information technology, the Bank is focused on information security measures to protect and manage customers' information appropriately.

The Bank's Board of Directors has the ultimate responsibility for establishing and maintaining an information security management system. The Bank works systematically to enhance its information security, which is led by the Legal Affairs and Compliance Division with overall responsibility for information security planning, promotion, and progress management, together with the persons responsible for information security (General Managers) and other personnel in charge of information security of each branch or division. Also, important matters related to the improvement of the information security management frameworks are discussed mainly at the Operational Risk Management Committee.

Regarding the handling of personal information, the Bank has set out the Personal Information Protection Declaration and has established the security framework that complies with Japanese legal requirements as a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number as defined under "Act on the Protection of Personal Information." For all employees, the Bank provides trainings on the appropriate handling of personal information to raise their awareness of the handling of customers' personal information. The Bank's policy extends to suppliers (outsourcing contractors) to ensure their appropriate personal information management in case outsourced work involves personal information. Specifically, the Bank's "Basic Policies for Risk Management" stipulates that processes and contractual relationships must be established to ensure the same level of risk management as if the Bank were performing the tasks internally.

Overseas, the Bank has established a privacy policy applicable to the Bank's London Branch and Norinchukin Bank Europe N.V., as well as a privacy policy for residents in the United States.

## Cybersecurity Initiatives

The Bank is strengthening its cybersecurity measures as it recognizes the threat of increasingly sophisticated and intricate cyberattacks as an important managerial risk.

### Basic Policy on Cybersecurity

The Bank has established a basic policy for cybersecurity management in the Basic Regulations on Cyber Security to minimize the risk of cyber incidents causing damage to the Bank's customers and/or disrupting the Bank's operations or the financial system as a whole.

### Cybersecurity Structure

As for organizational structure, we designate the Director in charge of the IT & Systems Planning Division as the "Chief Cyber Security Officer" to clarify roles and responsibilities regarding cyber risks. Under the supervision of the Chief Information Security Officer, various measures are promoted, led by the IT & Systems Planning Division in charge of cybersecurity.

The occurrence of cyber incidents, threat trends and the status of cybersecurity measures in place are regularly reported to the Board of Directors and other management-level meetings such as the Business Infrastructure Committee and the Operational Risk Management Committee, where cybersecurity policies are discussed.

Within the IT & Systems Planning Division is a team specializing in cybersecurity called the Computer Security Incident Response Team (CSIRT). The Bank's CSIRT works closely with the SOC, or Security Operation Center, which is staffed by an external security vendor, and monitors events that could be a sign of a cyber incident 24 hours a day, 365 days a year, thereby preparing for an initial response when a cyber incident occurs. The CSIRT also collaborates with the government, law enforcement agencies, and various organizations such as ISAC to gather information on cyberattack tactics and new vulnerabilities and to strengthen countermeasures.

Furthermore, to ensure cyber resilience, the Bank established procedures and contingency plans for responding to cyber incidents and confirms the roles and procedures of each department through periodic incident response exercises.

## Cybersecurity Management Process

Regarding the confidentiality, integrity, and availability of its information systems, the Bank assesses system risks based on the Security Guidelines on Computer Systems for Banking and Related Financial Institutions and other information from the Center for Financial Industry Information Systems (“FISC”), and implements necessary control measures.

As a cross-organizational cybersecurity management process, the Bank organizes cybersecurity programs in accordance with NIST’s Cybersecurity Framework from the perspectives of “identify,” “protect,” “detect,” “respond,” and “recover,” and reviews necessary measures based on external threats such as changes in attackers’ tactics and internal vulnerabilities.

The effectiveness of these cybersecurity management efforts is confirmed through annual internal and external audits, as well as vulnerability assessments and penetration tests.

## Education on Cybersecurity

The Bank provides education for different purposes to improve the knowledge and awareness required of each of its officers and employees.

- E-learning for all officers and employees to acquire basic knowledge of security
- Newsletters for presenting cybersecurity-related articles to raise awareness of cybersecurity among all officers and employees
- Suspicious e-mail training for all officers and employees to increase their awareness of and readiness for targeted e-mail attacks
- Lectures by experts to improve the knowledge on cybersecurity of officers
- Incident response training for officers and staff of relevant departments to confirm response procedures in the event of a cyber incident
- Training by external experts to improve CSIRT’s forensic skills

The Bank also established an external qualification incentive program to develop cybersecurity specialists and improve their professional skills.

## Cybersecurity Structure

