

Initiatives for Strengthening Internal Control

■ Basic Approach

For the Bank to fulfill its fundamental mission as the central organization for Japan's AFF cooperatives as well as its social responsibility, the Bank views the construction of management control systems as its highest priority. It has established basic policies for internal control to secure compliance with corporate ethics rules and relevant laws and regulations, and proper risk management and business activities.

■ Basic Internal Control Policy

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

- 1) To ensure sound management through compliance with laws and regulations, the Bank has established its Code of Ethics and Code of Conduct. It has taken steps to ensure that all directors and employees are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.
- 2) To ensure that directors act in compliance with laws and regulations, their activities are monitored and audited by other directors and Audit & Supervisory Board Members. In addition, the Legal Affairs and Compliance Division reviews the details related to important decisions in advance, under its mission to supervise the Bank's overall compliance matters.
- 3) With regard to compliance matters, the Bank has set up the Compliance Hotline System, which allows the current and retired directors and employees of the Bank globally (including contract and temporary workers) to turn to the Legal Affairs and Compliance Division or an outside law firm for advice or to file a report.
- 4) The Bank institutes a Compliance Program each fiscal year, which includes systematic compliance promotion and education and training programs for employees.
- 5) The Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security and blocks all relationships with them.
- 6) The Bank has defined policies and rules and put in place measures against money laundering and financing of terrorism, mindful of the possible misuse of the products and services provided.
- 7) With regard to internal controls on financial reporting, the Bank has in place measures to ensure

reliability and appropriateness of such reporting.

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

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

● Rules and Other Systems for Managing the Risk of Loss

- 1) The Bank views the proper implementation of risk management as a major management issue for maintaining a business that is safe and sound while simultaneously establishing a stable profit base. Accordingly, the Bank has established basic policies for risk management that set out the types and definitions of risks that management must be aware of, and risk management systems and frameworks.
- 2) Risks that need to be managed are divided into credit risk, market risk, liquidity risk, model risk and operational risk. Based on the nature of these various kinds of risks, the Bank has established risk management policies and procedures, and undertakes risk management for the Bank and its group companies from a comprehensive and unified perspective. To properly carry out these risk management activities, the Bank has established decision-making bodies and units to be in charge, clearly defined each of their roles and responsibilities, and taken steps to implement an appropriate risk management system.
- 3) The Bank carries out comprehensive and more sophisticated risk management through economic capital management, which measures various kinds of risks and ensures that total risk capital remains within the limits of the Bank's regulatory capital requirement.
- 4) To comply with requirements for ensuring man-

agement soundness set forth in the Norinchukin Bank Act, the Bank conducts regulatory capital management based on the conditions stipulated in laws and regulations.

- 5) In the case of a major natural disaster, the Bank makes necessary preparations to maintain its business continuity.

• Systems for Ensuring Efficient Execution of Directors' Duties

- 1) The Bank establishes its medium-term vision, annual initiatives based on its vision and other plans for business execution, and periodically assesses their progress.
- 2) To ensure that decision making by the Board of Directors is efficient, the Bank has formed committees composed of directors and executive officers to which the board delegates specific matters and tasks for implementation. The Bank has also formed councils to discuss management issues on a regular or as-needed basis. Their duties include the discussion of proposals on matters to be decided by the Board of Directors.
- 3) To ensure that directors and employees perform their duties efficiently, the Bank takes steps to improve its organizational system by clearly establishing its organizational structure, authorities and responsibilities.

• Systems to Ensure Operations Are Conducted Properly at the Group Companies of the Bank and Its Subsidiaries

- 1) To ensure the proper operation of the Norinchukin Bank Group (hereinafter, the "Norinchukin Group"), the Bank has established basic policies for the operation and management of its group companies according to the group company's type of business, scale and importance.
- 2) Based on business management agreements concluded between the Bank and each group company, matters relating to management, compliance, risk management and internal audits to be discussed and reported to ensure smooth and appropriate operation within the group have been decided, and the status of execution of business at each group company is monitored.
- 3) In group companies, the Bank provides appropriate guidance, advice and supervision and conducts

performance reviews in order to improve rules and systems for managing the risk of loss; the efficient execution of directors' duties; and conformity of directors' and employees' duties to relevant laws and the Articles of Association.

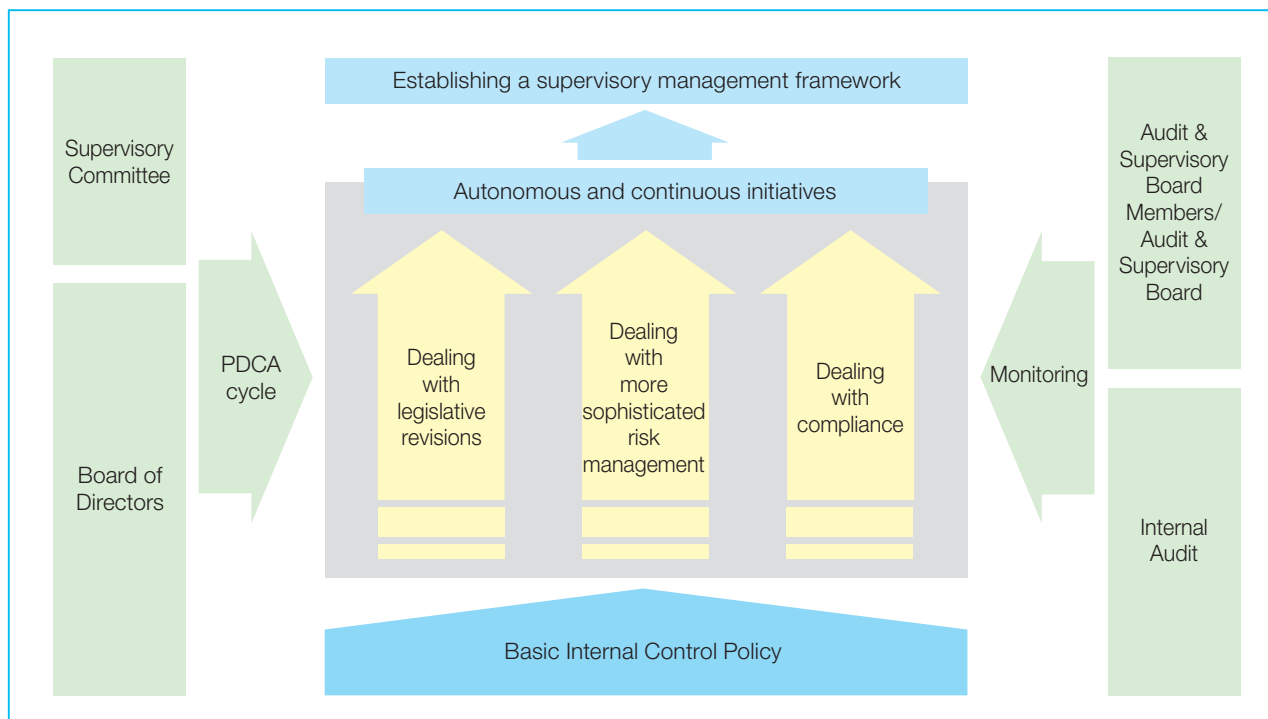
• Internal Audit System

- 1) To contribute to the proper operation of its business, the Bank has created the Internal Audit Division, which is independent of business operation units. The Bank strives to maintain a system to ensure that internal audits are effectively carried out for its entire operations.
- 2) Internal audits are conducted for the Bank and group companies that have concluded agreements for audits and are implemented based on an auditing plan approved by the Board of Directors.
- 3) The Internal Audit Division periodically reports a summary of audit results to the Board of Directors and related divisions.
- 4) Members of the Internal Audit Division meet periodically and as needed with Audit & Supervisory Board Members and accounting auditors to exchange views and information as well as to better coordinate their auditing activities.

• Details, Independence and Governance Regarding Support Staff for Audit & Supervisory Board Members

- 1) The Bank has formed an independent unit, the Office of Audit & Supervisory Board Members, in order to assist Audit & Supervisory Board Members in fulfilling their duties.
- 2) In principle, three or more full-time employees are assigned to the Office of Audit & Supervisory Board Members to perform clerical work to help administer the Audit & Supervisory Board and other tasks specified by its members.
- 3) Employees assigned to the Office of Audit & Supervisory Board Members work in accordance with the instructions of the Audit & Supervisory Board Members.
- 4) Full-time Audit & Supervisory Board Members' views on the performance evaluations of the employees assigned to the Office of Audit & Supervisory Board Members and their reassignment to other departments are obtained in advance and duly respected.

Initiatives for Strengthening Internal Control



- **Systems for Reporting to Audit & Supervisory Board Members**

- 1) A director must report immediately to the Audit & Supervisory Board in case of discovering information that could cause serious damage to the Bank and the Norinchukin Group.
- 2) When the Legal Affairs and Compliance Division discovers information that is important from a compliance perspective or that is vital to the compliance system in general in the Bank and the Norinchukin Group, the division must report these matters to Audit & Supervisory Board Members.
- 3) The Internal Audit Division reports its findings regarding internal audits to Audit & Supervisory Board Members, and the two groups engage in discussion periodically.
- 4) Documents related to major decisions and other important documents related to business conduct are provided to Audit & Supervisory Board Members for review.

- **Systems for Reporting to Audit & Supervisory Board Members from Group Companies**

In addition to reports based on the provisions of the preceding paragraph, the Legal Affairs and Compliance Division receives reports on the internal reporting situation in group companies from the department in charge of the group company internal reporting program and reports to Audit & Supervisory Board Members.

- **Systems to Ensure Persons Who Report to Audit & Supervisory Board Members Are Not Treated Unfairly Because of the Reporting**

The Bank ensures that directors and employees of the Bank and those of the group companies who report to Audit & Supervisory Board Members for appropriate purposes are not treated unfairly because of having made the report and disseminates this matter throughout the Bank and its group companies.

• Expense Policy for Duties Exercised by Audit & Supervisory Board Members

To defray expenses, etc., arising due to the performance of duties by Audit & Supervisory Board Members, an appropriate budget framework shall be established, and except when deemed not necessary for the performance of duties by Audit & Supervisory Board Members, all expenses claimed by Audit & Supervisory Board Members shall be borne by the Bank.

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

Being fully aware of the importance and value of audits by Audit & Supervisory Board Members, the Bank has established the following systems to ensure that they are conducted effectively.

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

■ Status of Activities of Audit & Supervisory Board Members

Each Audit & Supervisory Board Member has conducted audits, fulfilling his/her roles in accordance with the criteria prescribed by the Audit & Supervisory Board and the audit policy, and requested reports, as needed, on business execution from Directors and members of the Supervisory Committee.

In addition, Audit & Supervisory Board Members hold Audit & Supervisory Board Meetings regularly to share information among the members to pursue their duties. Also, the Audit & Supervisory Board Members receive explanations of the audit plan from

the Accounting Auditor at the beginning of the fiscal term, have a hearing on the audit progress during the term and receive a report on the audit results at the end of the term, thereby verifying the adequacy of the audit methods and results.

18 Audit & Supervisory Board meetings were held during fiscal 2023.

■ Auditing Firm

Status of the Accounting Auditor

• Outline of the Certified Public Accountants (CPAs), etc., Who Conduct the Audit

- 1) Name of the auditing firm, CPAs who executed audit duties and the composition of CPAs and persons assisting the audit duties
 - a. Name of the auditing firm
EY Japan (Ernst & Young ShinNihon LLC)
 - b. Audit period under contract
The Bank has had a contract of audit with EY Japan (Ernst & Young ShinNihon LLC) since fiscal 2006.
 - c. CPAs who executed audit duties
MATSUMURA Hiroki, NAGAO Mitsuhiro, SAKUMA Kei
 - d. Composition of CPAs and persons assisting audit duties
Eight CPAs and 45 assistants (as of March 31, 2024)
- 2) Policy for selecting an auditing firm, reason for the selection and evaluation
The Audit & Supervisory Board considers whether to reappoint the auditing firm based on the firm's independency, quality control framework, team structure, the amount and content of the charges for audit duties, the status of the firm's communication with the Bank's Audit & Supervisory Board Members and other personnel, relationships with the Bank's management staff, the status of audit duties of the consolidated financial reports, preparedness for the risk of fraudulent acts and legality, etc.
As a result, if it judges it necessary, the Audit & Supervisory Board deliberates on submitting a proposal to dismiss or not reappoint the auditing firm to the Council of Delegates at its regular meeting.

As a result of evaluation from the viewpoints stated above, the Bank has found no issue with the

firm's execution of audit duties for this fiscal year and determined to reappoint the firm.

• Details of Compensation for Audit Duties

1) Compensation for CPAs and other staff ("CPAs, etc." below) of the accounting firm

(Millions of Yen)

Category	Fiscal 2022		Fiscal 2023	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	247	74	266	98
Consolidated subsidiary	48	8	63	10
Total	296	82	330	109

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the accounting firm includes services to guarantee internal controls related to the operation of the trust business.
 2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the accounting firm includes services to guarantee internal controls related to the operation of the trust business.
 3. In accordance with amendments to the Japanese Institute of Certified Public Accountants' code of ethics, the scope of aggregation for compensation, etc. has been changed to be the same as under such code of ethics from the fiscal year under review.

2) Compensation paid to the same network as that of these CPAs, etc. (Ernst & Young Global Limited) (other than 1))

(Millions of Yen)

Category	Fiscal 2022		Fiscal 2023	
	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation	Compensation for audit and attestation duties	Compensation for duties other than auditing and attestation
Reporting company	—	88	—	53
Consolidated subsidiary	14	15	17	47
Total	14	103	17	101

Notes: 1. The content of the duties other than auditing and attestation for which the Bank is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes tax-related support.
 2. The content of the duties other than auditing and attestation for which the Bank's consolidated subsidiary is paying the same network as that of the accounting firm (Ernst & Young Global Limited) includes due diligence services concerning investees.
 3. In accordance with amendments to the Japanese Institute of Certified Public Accountants' code of ethics, the scope of aggregation for compensation, etc. has been changed to be the same as under such code of ethics from the fiscal year under review.

3) Compensation for other important auditing and attestation duties

None applicable

4) Policy for determining compensation for audit duties

Concerning compensation for audit duties, after

receiving explanation from the Accounting Auditor on their auditing structure, procedure, audit plan including schedule and estimated hours required for audit duties, etc., the Bank inspected and verified the adequacy and received approval by the Audit & Supervisory Board.

Internal Audit System

■ Position of the Internal Audit

The mission of internal audit of the Bank is to enhance and protect the Bank's organizational value through provision of independent and objective assurance services via risk-based approach.

The Internal Audit Division helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the governance, risk management and control processes.

The scope of an internal audit includes all operations and assets managed by all divisions and branches of the Bank. Internal audits are conducted on subsidiaries that have signed agreements on audit and on contractually outsourced businesses for which audit contracts have been signed as long as these audits do not infringe on the scope of agreements, contracts, laws and regulations.

■ Outline of the Internal Audit System

The Bank has formulated the Internal Audit Policy, which specifies the purpose, authority and responsibility and scope of an internal audit, as determined by the Board of Directors. The Internal Audit Division consists of the Head Office Internal Audit Division and Overseas Internal Auditors. General Manager of the Internal Audit Division serves as the chief audit executive.

General Manager of the Internal Audit Division reports to and receives instructions from the President & CEO regarding administrative matters. On the functional matters to be submitted and reported to and discussed at the Board of Directors, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall submit and report such content directly to the Board of Directors. Also, on the matters related to internal audits of the Supervisory Committee, General Manager of the Internal Audit Division reports to the President & CEO. The President & CEO shall report on these matters directly

to the Supervisory Committee.

Furthermore, General Manager of the Internal Audit Division shall make periodic reports on issues regarding the execution of internal audits directly to the Audit & Supervisory Board/Members. Concerning the matters to be reported to and discussed at the Board of Directors or to be reported the Supervisory Committee, General Manager of the Internal Audit Division shall report on such matters directly to the Audit & Supervisory Board/Members before they are reported to the Board of Directors or the Supervisory Committee.

General Manager of the Internal Audit Division meets with Audit & Supervisory Board Members and the Accounting Auditor to exchange views and information on a periodic and as-needed basis to strengthen their cooperative efforts.

■ Implementation of Effective Internal Audits

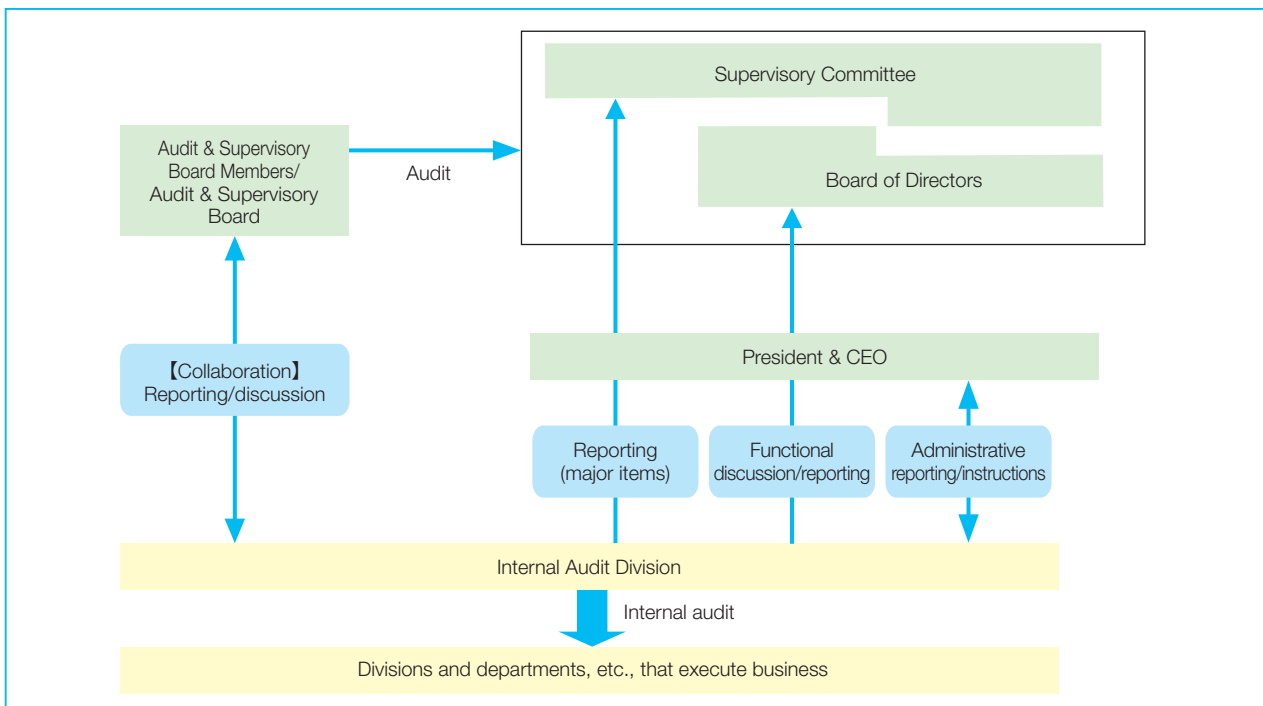
To implement internal audits, the Internal Audit Division adheres to the IIA* standards and makes best effort to encourage the Bank's overseas branches to comply with the internal audit standards that are applicable to the countries where those branches are located.

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

In addition, aiming to conduct internal audits effectively and efficiently, the Internal Audit Division implements off-site monitoring to gather daily audit-related information and conducts full risk assessments, thereby engaging in risk-based audits.

* IIA (*The Institute of Internal Auditors Inc.*) is an international body related to internal auditing that aims to improve the expertise of internal auditors and establish their professional status.

Overview of the Internal Audit System



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, Environmen-

tal Policy and Human Rights Policy. In addition, the Bank disseminates the "Code of Conduct" to all senior management 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 shared values into action. These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business.

In addition, we regularly conduct internal audits related to the appropriateness of matters including initiatives for the dissemination of compliance and sound risk culture. Further, 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.

Code of Ethics

1. Fundamental Mission and Social Responsibility

We are always aware of the importance of our fundamental mission and social responsibilities, and commit to forging even stronger bonds of societal confidence by fulfilling the mission and responsibilities through sound business operations.

2. Offering High-Quality Services

We meet the needs of customers by offering customer-oriented services and fulfill a role as a national-level institution engaged in the cooperative banking business and contribute to economic and social development through offering high-quality services that are supported by enhancements in security levels to prepare for natural disasters and cyberattacks that could threaten civil life and corporate activities, and ensuring business continuity at the time of disaster.

3. Strict Compliance with Laws and Regulations

We comply with all relevant laws and regulations, and conduct business operations in an honest and fair manner in response to society's expectation and trust.

4. Severing Antisocial Forces and Combating the Threat of Terrorism

We have a zero-tolerance policy against antisocial forces that threaten the safety and order of civil society and thoroughly sever any relations with them. We endeavor to enhance measures against money laundering and financing of terrorism, recognizing the current heightened risks of international society being under the threat of terrorism.

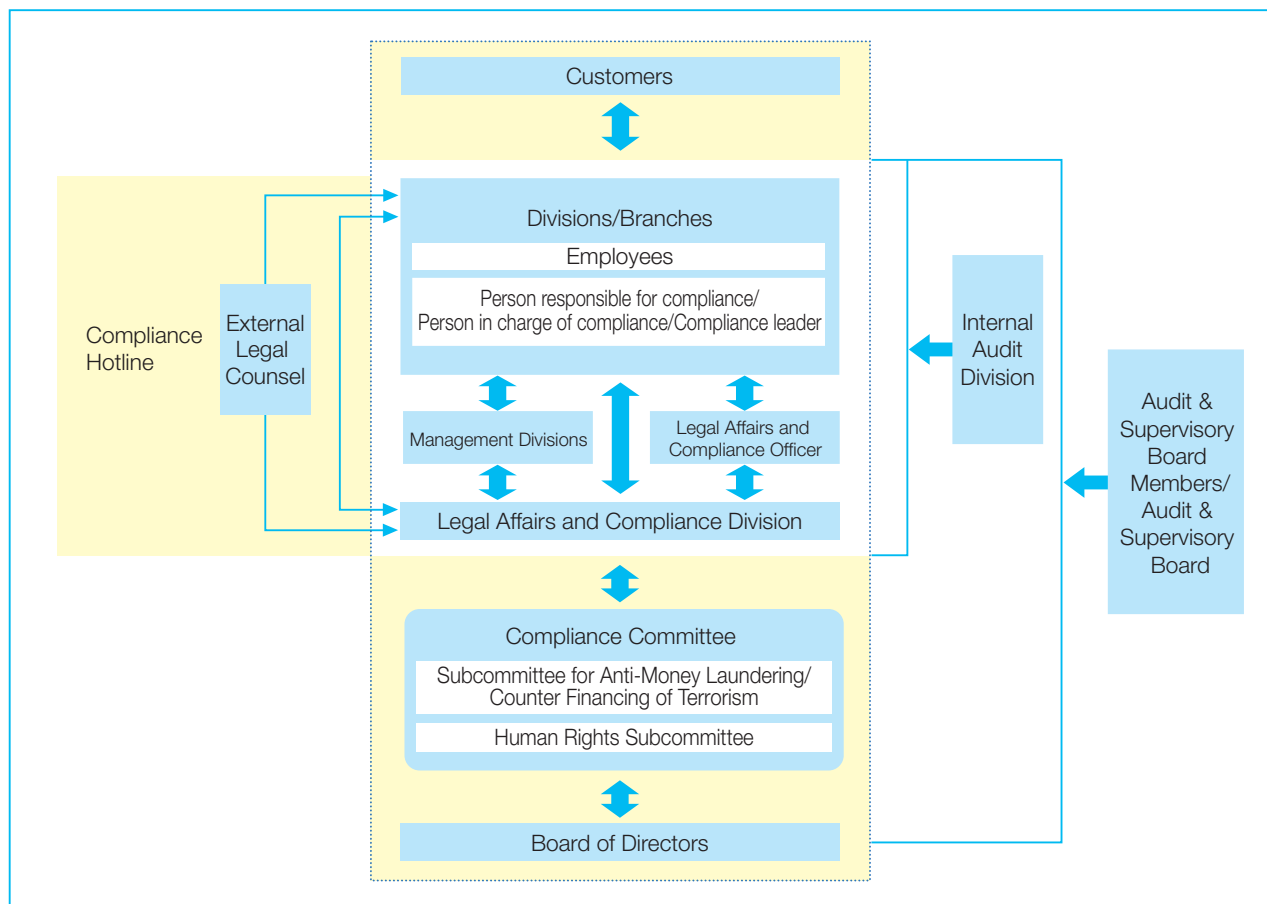
5. Building a Highly Transparent Organizational Culture

We have built a highly transparent organizational culture by respecting employees' individuality and ensuring a pleasant working environment considering employees' health and safety, while endeavoring to enhance communication and maintain satisfactory relationships with society, including proactively and fairly disclosing business information.

6. Contribution to a Sustainable Society

We, as members of society, work closely with local communities to support them with respect to the human rights of each person and with social issues such as environmental concerns, and we seek to contribute to the realization of a sustainable society.

Compliance Framework



■ 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 PDCA cycle pertaining to the operation of the framework is being strengthened by the Subcommittee for Anti-Money Laundering/Counter Financing of Terrorism and the Human Rights Subcommittee, which are subcommittees under the Compliance Committee.

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 Risk Appetite Framework (hereinafter, the “RAF”).

■ 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.

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 directors and employees to report on compliance issues. 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 whistleblower, makes necessary improvements and implements corrective measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. These are necessary efforts to improve directors' 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 Norinchukin Group's compliance systems by promoting a common awareness of compliance issues discussed at regular meetings with compliance divisions at its group companies.

■ 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 at 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 its 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 Information Officer" to clarify roles and responsibilities regarding cyber risks. Under the supervision of the Chief Information Security Officer, various measures are in place, 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 signs 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 confirm 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, in addition to vulnerability assessments and penetration tests.

• Education on Cybersecurity

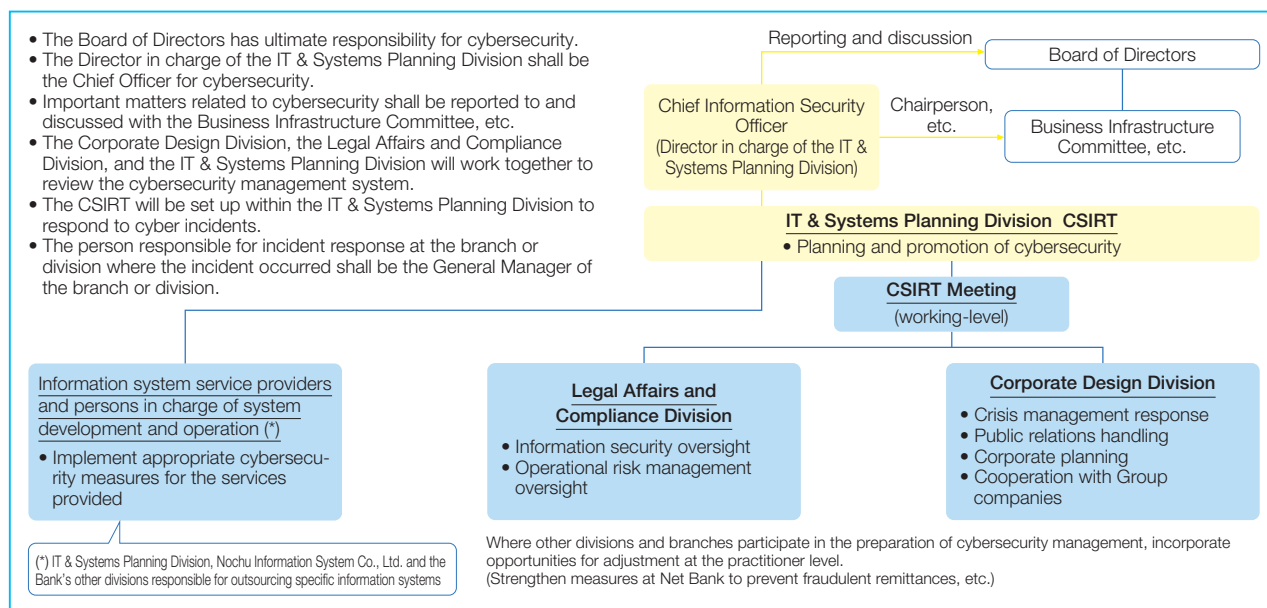
The Bank provides education for different purposes to improve the knowledge and awareness required of each of its directors and employees.

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

- Trainings 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



Enhancing Disclosure

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

Measures to Prevent Money Laundering

The Bank has established policies to prevent money laundering as follows to ensure that the entire group complies with the relevant laws and regulations and fulfills its sound financial intermediary function.

Group-wide Basic Policy

The Bank and the Norinchukin Group comply with all applicable laws and regulations, take robust confirmation measures when accepting customers to exclude antisocial elements, terrorists, etc., and implement continuous customer management measures based on a risk-based approach. The Bank ensures the maintenance of its effective management system to prevent money laundering, in accordance with the characteristics of the Bank and the Norinchukin Group.

Customer Management Policy

With an appropriate internal system to prevent money laundering and other risks, the Bank takes the follow-

ing measures according to the risk-based approach.

- Strict confirmation before each transaction using various information gathered when accepting customers initially, and the preservation of confirmation records
- Management measures to reduce money laundering and other risks, such as monitoring of transactions based on business characteristics, notification of suspicious transactions, and analysis and management thereof
- Control measures in accordance with the magnitude of money laundering and other risks for each customer, such as strict control of additional confirmation for customers with high money laundering and other risks
- Review of customer management measures based on the results of periodic investigation and analysis of all customer transactions
- Measures such as terminating transactions if appropriate customer management cannot be implemented or for other reasons

- Measures such as freezing assets of terrorists
- Confirmation of the anti-money laundering measures within foreign banks with which the Bank concludes correspondent agreements
- Continuous management and review of the above measures

● Internal Management System Policy

The Bank takes the following measures to improve its internal management system to prevent money laundering and other risks.

- Establish and implement policies, procedures and plans for the prevention of money laundering and other risks; inspect and verify the status of compliance; and continually improve the system based on the results of such inspection and verification
- Promote all directors and employees awareness of the importance of their roles in preventing money laundering and other risks and foster a corporate culture of such awareness, through guidance and trainings
- Appoint managers in charge
- Clarify the roles of the divisions such as business divisions/branches that handle customers, operation management divisions, and audit divisions
- Report to the management on the status of measures to improve the management system over the entire Norinchukin Group, including its overseas offices; the status of customer management and other updates; and continue improvement measures
- Other necessary measures

■ Measures to Combat Bank Transfer Fraud

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

■ Measures to Eliminate Antisocial Elements

Under the Code of Ethics, the Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security, and in order to

block all relationships with such antisocial elements, the Bank has established a systematic exclusionary system, in line with the following basic principles, and strives to ensure sound management.

1) Response as an organization

The Bank has established the foundation of express provisions under the Code of Ethics and will respond as an entire organization, from the top management downward, and not simply leave it to the personnel or department in charge.

In addition, the Bank will guarantee the safety of employees who are asked to respond to unjustified demands from antisocial elements.

2) Cooperation with outside agencies

In preparation for unjustified demands from antisocial elements, the Bank endeavors to establish continuing cooperation with outside agencies such as the police, the National Centers for Removal of Criminal Organizations and lawyers.

3) Blocking of relationships including business transactions

The Bank shall block all relationships with antisocial elements including business relationships. In addition, unjustified demands from antisocial elements will be rejected.

4) Civil and criminal legal responses in times of emergency

The Bank shall reject unjustified demands from antisocial elements and take legal action, if necessary, on both a civil and criminal basis.

5) Prohibition of secret deals and provision of funds

Even in cases where the unjustified demands from antisocial elements are based on misconduct related to business activity or involving an employee, the Bank will absolutely not engage in secret deals.

Furthermore, the Bank shall absolutely not provide funds to antisocial elements.

■ Bribery and Corruption Prevention

The Bank's "Rules on Gift and Hospitality," which are set forth under the Code of Conduct, clearly state that the Bank is committed to preventing corruption in all its forms, including extortion and bribery. Bribery includes the act of providing or offering to provide goods or other things (including non-monetary

benefits) with the intention of influencing the recipient, and the act of accepting or requesting goods or other things with the intention of offering benefits to the provider.

In accordance with the said rules, the Bank stipulates the necessary procedures to ensure the appropriateness of gifts and hospitality acts involving the Bank or its directors and employees and ensures that all directors and employees are fully aware of these procedures. When those acts are conducted, the Bank ensures that the personnel responsible for and in charge of compliance confirm in advance that there

are no problems from such perspectives as appropriateness and legal compliance.

In addition, the Legal Affairs and Compliance Division periodically monitors the status of gifts and hospitality acts and reports to the Compliance Officer, the Compliance Committee and the Board of Directors.

Moreover, the Compliance Hotline is in place to enable directors and employees to whistleblow on compliance issues, including corruption and bribery, by telephone or e-mail.

Revitalization of Local Communities and Finance Facilitation Initiatives

Revitalization of Local Communities

● Training of Next-Generation Farm Operators

The Bank encourages the training of farm operators of the next generation by providing operational support chiefly for the Japan Institute of Agricultural Management run by AgriFuture Japan, of which the major sponsor is the Bank. Since the opening of the Japan Institute of Agricultural Management in April 2013, 128 students have graduated and begun engaging in farming nationwide.

Celebrating its 10th anniversary in April 2023, the Institute began an online school to expand the scope of agricultural management education from June 2023 and held 8 courses that have been appreciated by 152 students. In addition, the institute will continue to provide new value to the agricultural industry, holding courses as a new innovator training academy at the Shinagawa school from April 2024, with the aim of providing innovator training in the agri-business field.

● Environmental Finance Initiatives

The Bank introduced the Agricultural, Forestry, Fishery and Ecology Rating System in 2010 to evaluate its members and companies that practice pro-environmental activities. The Bank added its own evaluation items to those of the system, including initiatives for environmentally sound AFF industries and for the sixth industrialization, thereby continuing to support environmental measures taken by corporations.

● Agricultural, Forestry, and Fisheries Future Fund

To support the voluntary initiatives of farmers, fishermen and foresters/business entities and promote the dispatch of related information toward the further growth of the AFF industries, the Bank established the Agricultural, Forestry, and Fisheries Future Project and, as the entity to implement the project, founded the Agricultural, Forestry, and Fisheries Future Fund in 2014, to which the Bank contributed ¥20.0 billion.

The Agricultural, Forestry, and Fisheries Future Fund has provided subsidies for 72 projects. For fiscal 2024, the Fund started solicitation in May 2024.

● Stronger Collaboration with the Japan Agricultural Corporations Association

In February 2014, the Bank entered into a comprehensive partnership agreement with the Japan Agricultural Corporations Association (“JACA”), a public interest incorporated association with 2,100 (as of March 31, 2024) pioneering agricultural corporation members nationwide. The partnership enables the association’s members to easily address issues they face, including their capital investments, management streamlining and value-adding to agricultural and livestock products, as well as provides a wide range of supports for the creation of new customers and export of products by utilizing the Bank’s network.

In fiscal 2023, the Bank cosponsored the Farmers’ & Kids’ Festival (cosponsored since fiscal 2010), an annual event where agricultural and other corporations throughout the nation sell their agricultural products and/or conduct workshops targeted at consumers in urban areas, and the Next Generation Agriculture Summit (cosponsored since fiscal 2016) to solicit self-motivated young farmers.

Also, the National Federation of Agricultural Labor Support Conference, which is operated by JACA, is promoting alliances with other organizations to understand the real situation of the labor shortage at agricultural sites and strengthen measures to address this issue.

● Initiatives for Food and Farming Education Projects

The Bank provides subsidies for “food and farming education” projects that aim to deepen children’s understanding of agriculture and food and to contribute to the development of local communities. We donate textbooks for fifth graders as agriculture and food-related teaching aids, support initiatives to incorporate local agricultural products into school lunch menus and organize cooking classes from the perspective of local production for local consumption.

In fiscal 2023, we donated around 1.3 million textbooks to primary schools nationwide. Cumulatively since fiscal 2008, we have distributed more than 22 million textbooks domestically.

Response to the Principles of Fiduciary Duty

JA Bank is engaging in life plan support by making proposals tailored to life plans desired by individual members and customers considering each individual's asset situation and specific needs.

This policy corresponds with the Principles of Fiduciary Duty announced by the Financial Services Agency. Accordingly, the Bank and the Bank's group companies, as well as JA and JA Shinnoren, both of which handle mutual funds, have adopted the seven Principles of Fiduciary Duty and announced the policies and measures to address those principles.

Moreover, to offer financial products and services that address the needs of JA's customers, the Bank regularly evaluates mutual funds sold by JA, in terms of the product profile, fee levels and investment efficiency. The Bank offers "The JA Bank Select Funds," which comprise only mutual funds that have passed these evaluations. In April 2022, the "JA Bank

Asset Management Service," a discretionary investment service, was added to the service lineup. In April 2023, JA Bank Investment Trust Online Service was launched to enhance customer convenience.

To provide these customer-oriented services, the Bank is striving to strengthen JA's initiatives and develop human resources through various training programs and lectures.

Through steady implementation of the items under those policies and making improvements mainly via regular reviews of the content to ensure that necessary updates are reflected, we will familiarize throughout the group our business operation, tailored to the business activities and lives of agricultural, fishery and forestry workers and community residents, as the corporate culture of JA Bank and The Norinchukin Group.

Finance Facilitation Initiatives

● Policies on Finance Facilitation

As the financial institution founded on AFF cooperatives, the Bank considers one of its most important roles is to provide necessary funds smoothly to its customers engaging in AFF operations and SMEs, and conducts initiatives under basic policies for finance facilitation, including the flexible handling of loan applications from customers, making changes to financing conditions in response to customers' request for reduction of debt repayment burdens, proactive response to management consultation from customers and support for customers' initiatives for management improvement.

In addition, to proceed with these initiatives properly, the Bank has developed a structure including discussions and reporting at meetings organized by relevant directors and executive officers, the designation of the department in charge of financing facilitation, the assignment of a financing facilitator at each branch who can collaborate with the department in charge of financing facilitation and the creation of a customer service counter to respond to consultations and complaints from customers.

● Management Support Initiatives for Customers

The Bank provides services to customers in need of support for management improvement and business reconstruction with greater care about and due consideration to the impact on their local communities and other factors. The Bank's divisions and branches that handle customer transactions, together with a department in charge of financing facilitation, assist with the customers' efforts in the development and execution of plans, and review their progress and revise them as appropriate. The Bank also collaborates with external parties, including consulting firms, Small and

Medium-Sized Enterprise Revitalization Councils (SMERCs) and Regional Economy Vitalization Corporation of Japan (REVIC) as the need arises, using various tools to achieve the best solution.

● Policy to Address the Guidelines for Management Guarantee

The Bank has made loans without relying on personal guarantees from management ("management guarantee") of SMEs, supporting the Guidelines for Management Guarantee (hereafter the "Guidelines") published in December 2013. With the amendments to the Guideline in April 2023, the Bank strengthens this initiative further.

Specifically, the Bank does not request in principle management guarantees when making loans, taking into consideration of the amended Guidelines and our clients' preferences.

In the event that the Bank requests a guarantee for specific reasons, it will provide a careful and detailed explanation about the following points to the extent possible. The Bank's actual explanation is preserved in its records.

- Which part is not adequate and hence requires a guarantee agreement
- What improvements could be made to increase the possibility of amending or removing the guarantee agreement
- In principle, the Bank does not make a uniform performance request for the full amount of the guarantee to the guarantor when fulfilling the guarantee.

In addition, the Bank will also address appropriately in light of the amended Guidelines, in case a client seeks to revise the guarantee agreement or restructure guaranteed debts based on the amended Guidelines.

Image of Finance Facilitation System

