

Aiming to be the “First Call Bank” for the Food and AFF industries

The Food and Agriculture Business that aims to make agriculture, fishery, and forestry (AFF) industries a growing industry, to improve income levels, and to strengthen production base, cannot be completed by simply supporting producers.

It requires a comprehensive approach that spans the entire food and agriculture value chain, from the manufacturing of machinery and materials used in production, to processing, distribution, retail, food service, export, and consumption of agricultural, forestry, and fisheries products.

Leveraging our extensive experience with transactions across the entire value chain, we connect AFF operators nationwide with the JA, JF, and JForest Group and with over 1,700 customer companies. We coordinate projects that interlink producers, the JA, JF, JForest Group, and consumer companies and work to build up high-quality engagements that raise income levels, improve responses to sustainability issues, and resolve business challenges faced by our clients. In tandem with the development of Food and Agriculture business, we aim to expand the scale of our business' earnings by providing services that leverage the expertise of the Norinchukin Group, expanding investments and loans to include new product areas, and building a loan portfolio that is resistant to interest rate and economic fluctuations.



OZAKI Taro

Director and Senior Managing Executive Officer
(in charge of Food & Agri Banking Business)
Member of the Board of Directors
Head of Food & Agri Banking Business

Approach to Achieving Medium-Term Vision

Business Environment Outlook for 2030 (Food and Agriculture Business)

- Population decline and birth rates falling are progressing, and aging is in an accelerated pace. The number of individually owned businesses serving as the backbone of primary industry is decreasing and shifting to corporate-owned businesses.
- As the smart agriculture market advances, expectation for advisory functions utilizing IT and digital technology is rising, including the replacement of manual labor with robotic tractors and drones. The use of digital technology in food and agriculture industry is accelerating.
- Geopolitical risks are raising awareness of challenges such as rising material prices for producers—a phenomenon that makes productivity and sustainability within the food and agriculture value chain indispensable.
- Rising awareness of the need for a food security foundation is driving demand for the establishment of a supporting domestic production base and circular agriculture system. The utilization of natural-based credits, including J-Credits, is gaining attention, and initiatives in the sustainable sector continue to receive high expectations.

Approach to achieving our Vision for 2030

We are contributing to the sustainable development of AFF and cooperative system by developing data-driven businesses, such as advisory services utilizing IT and digital technologies, and by building new “glocal” value chains that transcend the existing model. In consideration of food security and the interlinked subject of income improvement, we are also focusing on “maintaining the agricultural production base” and promoting “environmentally friendly and sustainable agriculture.”

Achieving our goals: key concepts

1	Digitalization	Introduction of smart agriculture, digitalization of production management, farmland, and food chain, and measurement of environmental impact
2	Strengthening management capabilities	Data-driven management (providing supportive DX services and a wide range of consulting functions)
3	Building a “glocal” value chain	Expanding sales channels for environmentally friendly agricultural products and creating market-driven export production zones
4	Decarbonization and greening	Reduction of fertilizer and pesticide use (integrated crop-livestock farming, self-sufficiency in materials, and organic farming), promotion of impact finance and J-Credit scheme

Initiatives for fiscal 2024

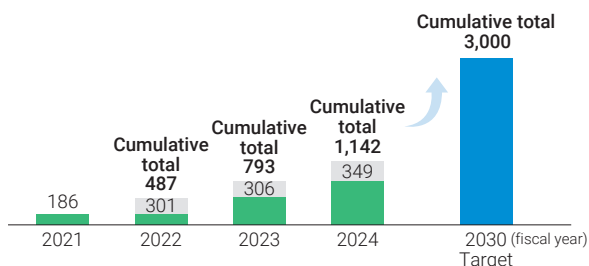
Contribution to improving agricultural income

The Bank has defined a metric, “Added Value Amount”, as a performance indicator of income improvement for farmers (leaders in the agricultural industry). This is defined as “improvement in added value amount (operating profit + depreciation + labor cost).” It encompasses not only profit growth but also appropriate capital investment and human resource investment. Based on this metric, we set medium-to-long-term target of improving farmers’ income level and JA Bank, including the Bank, engages in activities including consulting aimed at supporting leaders in the agricultural industry.

These consulting activities shed light on farmers’ management issues and led to solution proposal that would contribute to increasing their income.

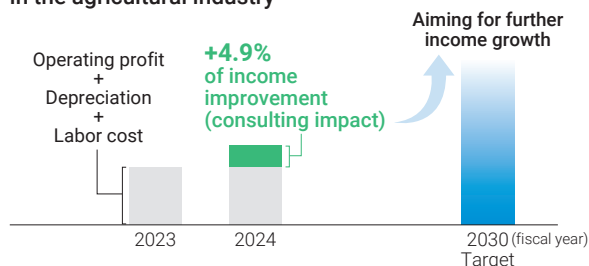
Furthermore, to strengthen advisory functions that leverage IT and digital technology, we are considering the launch of services in areas such as accounting and production management, which are important pieces for the visualization of client farmers’ management problems.

Number of consulting activities conducted by JA Bank*



* Total for JA, JA Shinnoren, and the Bank

Contribution to added value amount for leaders in the agricultural industry*



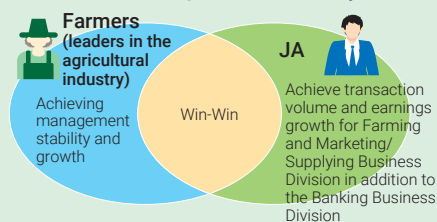
* The scope of the calculation is the cumulative total of measurable cases (152 cases) among implemented solutions in fiscal 2024 as defined in JA Bank's consulting activities to leaders in the agricultural industry.

What are JA Bank's consulting activities to farmers?

These activities are led by JA's Banking Business Division or by banking institutions such as JA Shinnoren and The Norinchukin Bank. Process wise, first a financial analysis and interviews with producers in agriculture industries are conducted, and then their business viability is evaluated both quantitatively and qualitatively, and based on the evaluation, solutions are proposed to address any management issues identified.

A unique characteristic of these solutions are that it leverages JA Group's comprehensive capabilities, not only JA's Banking Business Division but in coordination with Farm Guidance Division and Marketing/Supplying Business Division, enabling to propose a wide range of solutions that go beyond finance. After solutions are proposed, JA Bank continues to support producers by following up on the progress of initiatives proposed for addressing identified issues.

(Overview of Consulting Activities to leaders in agricultural industry)



Performing financial intermediary functions to build and strengthen the food and agriculture value chains

The Bank and its group company including the Agribusiness Investment & Consultation Co., Ltd. have provided a cumulative total of 115.2 billion yen of equity finance to strengthen capital of AFF operators or provide growth capital to companies that support the food and agriculture value chain and the innovation in the food & agri (as of March 31, 2025).

We provide appropriate management support and financing to AFF businesses facing difficult conditions due to high input material prices and other factors.

(Agricultural loan results for JA Bank and The Norinchukin Bank are shown on [page 12.](#))

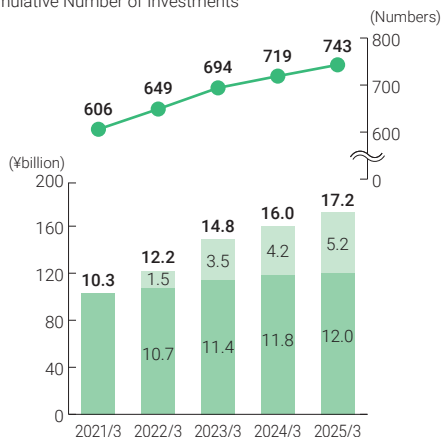
Carbon Credit Business

To contribute to sustainable food and AFF systems, we launched a carbon credit intermediation service specializing in domestic AFF industries in fiscal 2023. Since then, we have expanded credit intermediation activities not only to GHG reduction credit but also to nature-capital related credit throughout Japan.

Additionally, in collaboration with the JForest Group, we have launched a transaction platform for forest carbon credits. Since its launch in March 2024, multiple transactions have been concluded via this platform.

Equity financing to AFF industries and food and agriculture-related companies through the Agribusiness Investment & Consultation

■ Cumulative Investment Amount (AFF industries corporations)
■ Cumulative Investment Amount (Food & agriculture-related companies)
◆ Cumulative Number of Investments



* Due to rounding, the sum of each value may not match the total. Also, the number and amount of investments for food and agriculture-related companies include transfers from The Bank's F&A Growth Industrialization Investment Framework.

Current Challenges and Direction of Responses

Current Challenges

- The number of small-scale AFF producers has been decreasing, while a limited number of large AFF companies continue business expansion and consolidation. To ensure the sustainability of agriculture, rationalization of agriculture related industries, including processing and logistics companies, and promotion of consumers' understanding about the mechanism of food price formation would be necessary.
- To this end, cooperative institutions would need to further demonstrate its ability as one group that provides both financial and non-financial solutions, to raise productivity and add value of the AFF producers and related industries.

Direction of Responses

- We are mobilizing the collective strength as cooperative organizations to support farmers, fishermen, and foresters from a medium-to-long-term perspective, by expanding measures that support business scale expansion, productivity growth and increase added value of core players in each region.
- We support solutions to industry-specific challenges, such as infrastructure reorganization and the elimination of inefficiencies, that are necessary to maintain and build the food and agriculture value chains.
- We are expanding initiatives that contribute to increasing AFF producers' incomes and broadening the stakeholder base through measures such as promoting DX via loans and investments to companies with innovative ideas and solutions.

Examples of Initiatives for Fiscal 2024

Food and Agriculture Business (1) Consulting Activities to leaders in agricultural industry

Building relationships with future core regional agricultural corporations through Consulting Activity

In Tottori Prefecture, JA Tottori Inaba (Banking Division and Farm Guidance and Marketing/Supplying Division) has formed a consulting team in collaboration with JA Tottori Shinnoren and the Bank to provide consulting services to One Seed Farm Co., Ltd. (hereinafter "OSF"). OSF is an agricultural corporation established in 2023. Cultivated area has currently expanded to 60 hectares, and the company is expected to become the region's leading agricultural corporation in the future.

Initially, interviews were conducted to clarify OSF's medium-to-long-term management vision and its needs, which included the construction of its own rice center in support of future expansion. Through the income and expenditure analysis as part of the quantitative analysis, we visualized items with high profit margin which enabled to list and present issues in yield per area and unit price as well as medium-to-long-term income and expenditure simulations to ensure that spending on constructing the rice center would not be excessive. As OSF is newly established, stabilizing and strengthening its financial base to accommodate future capital investment was an important issue, so we also proposed equity finance through Agribusiness Investment & Consultation Co., Ltd.

In addition to financial support, the Bank provided nonfinancial support by introducing manufacturers that are customers of the Bank to support OSF's idea to develop a rice center business. Furthermore, considering OSF's interest in carbon credits, we proposed introducing credit scheme aimed at addressing environmental issues and diversifying revenue sources, which also aligns with the company's interest. We formally kicked off this initiative on carbon credits in fiscal 2024.

As a result of these analyses and solutions, OSF's added value amount is expected to increase, and the ties between the company and JA are strengthening, as the purchase of materials from JA and shipments via JA is increasing. The consulting team will continue to follow up with the company and provide various forms of support to help OSF realize its medium-to-long-term management vision.



One Seed Farm Co., Ltd.

Food and Agriculture Business (2) Forest carbon credits

Initiatives to promote carbon neutrality and conservation of biodiversity

In December 2024, ENEOS Corporation, Tsuruimura JForest, and the Bank, with the support of Tsurui Village in Hokkaido, concluded a partnership agreement dedicated to decarbonization through the utilization of forest. The three parties and Tsurui Village share a vision of achieving the maximization and long-term maintenance of forests' CO₂ absorption capacity in support of carbon neutrality and the nature-positive preservation and enhancement of public benefits of forests, including biodiversity, through the cultivation of healthy forests.

The Bank began brokerage services for carbon credits derived from AFF activities in November 2023 and, based on this agreement, it has brokered the sale of approximately 8,000 tons per year of forest-derived J-Credits^{*1} between ENEOS and Tsuruimura JForest. Additionally, considering that these initiatives will be implemented around the Kushiro Marshland, a site registered under the Ramsar Convention, we plan to collaborate with our group company, Norinchukin Research Institute, to conduct surveys and evaluations of biodiversity.

ENEOS plans to apply credits created through this initiative to offset CO₂ emissions from its business activities in Hokkaido and other regions. Going forward, ENEOS will maintain its collaboration with the Bank to expand initiatives from the creation to utilization of forest-derived credits nationwide and promote the conservation of domestic forest resources through proper forest management. Tsuruimura JForest will promote forest CO₂ absorption through well-thought-out forest management based on the village's forest management plan, obtain J-Credit certification, and apply the resulting credit revenue to forest maintenance projects.

The Bank will continue its support of J-Credit creation activities by the JForest Group and serve as a bridge between the JForest Group and companies such as ENEOS that are addressing global warming, with the aim of realizing sustainable forest and forestry management that contributes to a carbon-neutral society.

^{*1} The J-Credit system, which is certified by the Japanese government, allows companies to receive credits for reducing greenhouse gas emissions, such as CO₂, through the introduction of energy-saving equipment and the use of renewable energy, as well as for absorbing CO₂ through effective forest management. In this case, credits obtained through appropriate forest management are referred to as forest-derived J-Credits.



The forest where carbon credits are generated in this initiative

VOICE Consulting Activities to leaders in the agricultural industry

▶ Sharing a vision for the future of local agriculture through consulting activities



FUKUDA Yusuke

Okayama Branch
(Currently Food and Agri Banking Div.)

I was responsible for the consulting activities in Okayama and Tottori prefectures. I was primarily targeting farmers who already use JA as their main bank and had established a relationship with JA. The majority of projects aimed to further strengthen relationships between JA and the Bank.

On the other hand, One Seed Farm Co., Ltd. (hereinafter "OSF") is a rising-star agricultural corporation but the relationships with the JA Group was still just getting started.

The initiative began when a representative from JA Tottori Inaba approached us with a request for support, noting that "Although JA was not the main bank for OSF, it has the potential to become important agricultural corporation in the region. By supporting the growth of the company, we would like to contribute to the sustainability and development of regional agriculture."

After meeting with OSF, I was impressed by their passion for revitalizing regional agriculture and their sophisticated management perspective, and I strongly felt that supporting their growth would lead to the sustainability and development of regional agriculture. Therefore, after consulting and collaborating with JA Tottori Inaba and JA Tottori Shinnoren, we decided to officially start a consulting activity.

With the permission from OFS, we shared OFS's vision with a wide range of experts, including group companies and major manufacturers who are customers of the Bank, when proposing specific solutions. Based on a common understanding that supporting the company's growth will aid in the sustainability and development of local agriculture, we led in-depth discussions from multiple perspectives and were able to make high-quality proposals.

As a result, we received the gratitude from OFS and were able to share a vision for the future centered on OFS in revitalizing regional agriculture. We were also mandated to provide ongoing support for realizing this vision.

I believe that for the sustainable development of regional agriculture, it is essential for agricultural businesses to collaborate by leveraging their expertise and to work together to create a shared vision for the future.

One of the key strengths of JA Bank's consulting activities is that it enables farmers and the JA Group to collaborate on the sustainable development of regional agriculture and to provide ongoing guidance toward a shared vision for the future. We will continue to strive for the sustainable development of regional agriculture through this initiative.

VOICE Forest Carbon Credits

▶ Building win-win relationships as a bridge between AFF industries and our corporate clients



HOSOGAI Kazuki

Corporate Banking Div.I

Through Forest carbon credits initiative, we believe that we can contribute to making a positive impact on the global environment, society, and economy and to the sustainable development of AFF industries and local communities. This objective is set forth in the Bank's Medium-Term Vision and can be achieved by bridging ENEOS, which aims to achieve carbon neutrality, and Tsuruimura JForest, which aims to achieve sustainable and stable forestry management.

Under the agreement, ENEOS will apply the credits to offset CO₂ emissions from its business activities including in Hokkaido, while Tsuruimura JForest will use income from the credits for forest management projects. We understand that this is the first time ENEOS has engaged in a transaction solely with a JForest, and we appreciate its recognition of our network and relationships with cooperatives. The Corporate Banking Div.I acts as a point of contact for our client, ENEOS, and has worked

to identify potential collaborative partners and coordinate with relevant parties to facilitate smooth negotiations while remaining mindful of ENEOS' needs and expectations. This initiative is, however, not something that can be accomplished by a single division alone. By collaborating with the Sapporo Branch, which is the point of contact for JForest, and the Food & Agri Business Planning Div., which handles credit structuring and sales support, we were able to fulfill our role as part of the Norinchukin Group.

Serving as a bridge between the AFF industries and our clients that facilitates mutually beneficial relationships is the essence of the Bank's Food and Agriculture Business. Going forward, we will continue to earnestly address our clients' needs, leverage our internal and external networks and expertise, and explore and promote frameworks, including forest-derived credits, that benefit all parties.