

Pursuing stable profit as the ultimate manager of funds for JA Bank and JF Marine Bank

The ultimate goal of the Investment Business is to return profits to our members by efficiently managing JA Bank's and JF Marine Bank's funds based on "globally diversified investment" and "taking advantage of economies of scale" as keywords. We invest across a wide range of assets, including not only traditional ones such as stocks and bonds but also securitized products like CLOs, alternative investments such as private equity funds and hedge funds, project finance, and real estate, leveraging the specialized expertise and networks we have built over many years. Additionally, this business is also committed to sustainable finance through investments in products that contribute climate change mitigation and biodiversity conservation.

Furthermore, aiming to leverage the Bank's investment expertise and diversified revenue sources, we are also strengthening our asset management business centered on our group companies.



USHIKUBO Katsuhiko
Director and Senior Managing Executive Officer
(in charge of Global Investment and Banking)
Member of the Board of Directors
Chief Investment Officer

Approach to Achieving Medium-Term Vision

Business Environment Outlook for 2030 (Investment Business)

- The investment environment is changing, with the demise of the Great Moderation (low inflation, low interest rates, and low volatility), a resurgence of rising interest rates across the globe, and policy adjustments taking place at a greater frequency. On the other hand, the economic cycle to certain degree and the strict financial regulations surrounding our bank remain largely unchanged.
- We aim to improve and diversify our revenue sources while bearing in mind what changes and what stays the same over the long term.

Approach to achieving our Vision for 2030

As we look back on our financial management to date, we will further develop globally diversified investments, including a review of the investment and lending portfolio, while taking into account expected changes in the environment.

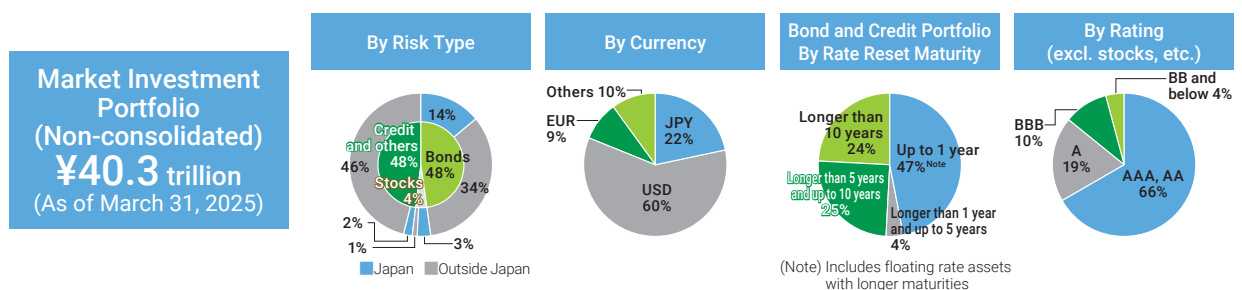
In addition, as we work to improve the earnings of our lending and asset management businesses, we will strive to build and maintain a sustainable financial and earnings base as well as meet member expectations for stable earnings and functional returns.

Initiatives for fiscal 2024

Initiatives to improve the profitability from fiscal 2025 and onwards

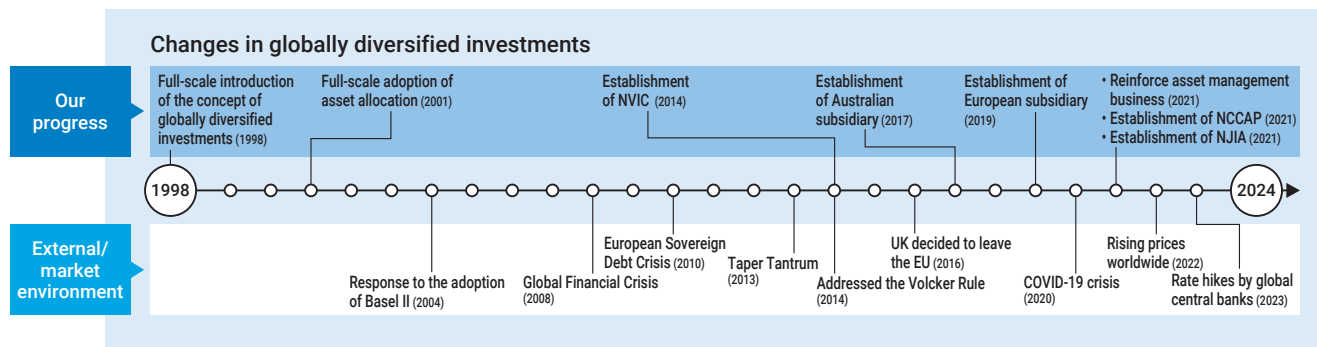
To improve the investment and loan portfolio and enhance profitability from fiscal 2025 and onwards, in fiscal 2024, we sold low-yielding assets consisting mainly of European Government Bonds, US Treasuries and investment-grade corporate bonds. As a result, the market investment portfolio balance at the end of fiscal 2024 decreased to ¥40.3 trillion (down ¥16.0 trillion year-on-year).

In addition, as part of our effort to diversify revenue sources, along with our sale of low-yielding assets, we reviewed our portfolio balance of market risk assets such as bonds and stocks, and invested in a wide range of asset classes including credit risk assets. Furthermore, we undertook organizational reforms such as the consolidation of planning and promotion functions about enhancing profitability of credit risk assets, including those in overseas.



What is globally diversified investment?

With the ultimate goal of steady investment returns for our members, we have diversified our investment portfolio globally since 1998, leveraging our scale to invest efficiently and make the best use of the global financial markets. After carefully examining the wealth of information obtained from our global network, including our overseas branches and subsidiaries, instead of concentrating investments in limited markets or assets, we target investments across a wide spectrum of markets and assets with different risk-return characteristics, thereby managing the overall risk of our portfolio. In order to further stabilize earnings over the medium-to-long term, we constantly review our investment methodologies and risk management tactics and unrelentingly pursue sophistication in our internationally diversified investment strategy.



Asset Management Business initiatives

In the asset management business, we expanded our product lineup at Norinchukin Zenkyoren Asset Management (NZAM) to explore external revenue opportunity and provide investment opportunities for our members. In addition, Norinchukin Capital (NCCAP) and Nochu-JAML Investment Advisors (NJIA), which were established in 2021, have steadily conducted sourcing activities to deliver promising investment opportunities.

What is our Asset Management Business?

With the goal of fulfilling and demonstrating the Bank's Purpose, our Asset Management Business aims to grow and stabilize investment revenue through diversification of revenue sources by acquiring management fees that are less vulnerable to economic fluctuations. To leverage our extensive investment experience and meet our customers' diverse requirements, since fiscal 2021, we have developed our Asset Management Business with the five group companies listed below as the core. With the aim of further integrating the functions of the Bank and its group companies and strengthen the asset management business, we newly established the Business Development & Strategic Investment division in April 2025.

Initiatives of Group Companies

Group companies	Product offerings	Overview and recent initiatives
Norinchukin Zenkyoren Asset Management Co., Ltd. NZAM	Government bonds, listed stocks, credit, alternative investments	<ul style="list-style-type: none"> NZAM offers a diverse range of investment products and is able to provide a full lineup of products according to economic cycles. By leveraging this strength, the company provides institutional investors with a wide range of investment opportunities while also further enhancing its solutions business in areas such as specialized talent development, portfolio management, and risk management. Additionally, to support asset formation and asset management at JA Bank, NZAM holds seminars for JA customers and study sessions for JA staff.
The Norinchukin Trust & Banking Co., Ltd. 農中信託銀行株式会社	Trust products	<ul style="list-style-type: none"> Norinchukin Trust & Banking offers a variety of asset management solutions, including debt securitization, loans syndication, and business matching for real estate. The trust bank also offers testamentary trust services to individual customers through JA and JA Shinnoren. In addition, to further expand investment opportunities in the future, in fiscal 2024 Norinchukin Trust & Banking invested in a company that operates a platform for issuing and managing digital assets*. <p>* General term for valuable property that can be electronically transferred on electronic data processing systems such as blockchains.</p>
Norinchukin Value Investments Co., Ltd. (NVIC) Norinchukin Value Investments Co., Ltd.	Listed stocks	<ul style="list-style-type: none"> NVIC is an investment firm that pursues long-term returns under the concept of long-term concentrated investments in carefully selected stocks. In addition to serving institutional investors, NVIC also offers the "Ohbune" series of mutual funds for individual investors. It also runs seminars for students and focuses on nurturing investment talent. Currently, NVIC is also promoting the adoption of defined-contribution corporate pensions.
NCCAP NORIN CHUKIN CAPITAL	Private equity, corporate venture capital	<ul style="list-style-type: none"> NCCAP manages its own private equity funds and invests in companies at various stages, from start-ups to mature companies. In fiscal 2024, NCCAP closed one new buyout acquisition, and strategically invested in a variety of domestic and overseas companies with focus on start-ups, through its innovation investment fund.
Nochu-JAML Investment Advisors Co., Ltd. INJIA	Private REIT with domestic focus	<ul style="list-style-type: none"> NJIA provides real estate investment opportunities to institutional investors through the management of its private REIT (Nochu JAML REIT Investment Corporation) and private real estate funds (entrusted with management and advisory services covering such assets as SPCs). Targeting a wide range of domestic real estate assets, including offices, commercial facilities, residential properties, and logistics facilities, NJIA addresses the needs of investors seeking stable real estate income. As of March 31, 2025, NJIA manages 25 investment properties, with total assets under management of approximately ¥70 billion. Additionally, NJIA supports the corporate real estate (CRE) strategy needs of customers of the Norinchukin Group.

Current Challenges and Direction of Responses

Current Challenges

- The market environment remains volatile in reflection of political and monetary policies in various countries and broader geopolitical risks. We recognize the need for establishing and managing loan and investment portfolios that can withstand various risks and market conditions as well as enhancing the sustainability of our financial foundation and profitability base.

Direction of Responses

- We are more effectively balancing our portfolio to diversify revenue sources while aiming to controlling risks of market abruptness. We are also striving to enhance profitability in each areas such as market risk assets, credit risk assets, and asset management business.

Examples of Initiatives for Fiscal 2024

Investment Business (1) Project finance

Contributing to decarbonization through project finance

As part of our international investment diversification strategy, we engage in various domestic and international project finance initiatives. One such example is Eni's Liverpool Bay Transportation and Storage (T&S) Project, a project to construct and operate infrastructure for transporting captured carbon dioxide from the coastal regions of northwestern England and northern Wales and permanently storing in depleted gas fields under the seabed in Liverpool Bay.

Our London Branch has provided financing for this project with a total investment of approximately GBP2.5 billion.

The facility is to commence operations by 2028, using Carbon Capture and Storage (CCS) to help support net zero. CCS is gaining importance as a key solution for achieving carbon neutrality in industries where decarbonization through electrification is challenging.

Our Investment Business generates earnings through investment and lending with the aim of returning profits to our members. At the same time, it also focuses on sustainable finance* that contributes to addressing environmental and social issues as the Liverpool Bay T&S project does. As of the end of March 2025, we had made the balance of the sustainable finance totalling approximately ¥1.2 trillion for environmental initiatives, including renewable energy, and approximately ¥1.6 trillion for social infrastructure, including public facilities.

The Bank will maintain its sustainable finance activities in pursuit of both profitability and decarbonization, with the goal of realizing the two objectives set forth in its Medium-Term Vision:

"Ensure stable returns and play a role as the national level banking institution for the AFF cooperatives" and "Create impact for the global environment, society, and economy."

* For details, please refer to [page 51](#).



CO₂ transportation and storage facilities related to the project

Investment Business (2) NVIC's defined-contribution corporate pension plan

Efforts by Norinchukin Value Investments to promote the adoption of defined-contribution corporate pension plans

In recent years, amid growing awareness of long-term asset formation, defined-contribution corporate pension plans (DC plans) have been attracting attention, and the number of employers and beneficiaries introducing DC plans is rising¹. On the other hand, issues remain to be addressed before DC plans can become more widespread. For example, some employees may have difficulty selecting investment products on their own due to limited investment experience, and particularly in small and midsize companies, the burden of providing employee support, such as investment education after the introduction of a DC plan, falls on the business owner.

In consideration of these challenges, the Bank's group company NVIC, which serves as the plan sponsor, is promoting the "Owners' Class" (OC) DC plan offered by Okasan Securities Co., Ltd. OC is designed with small and midsize companies in mind, offering the following features:

(1) enrollment is available from one employee, (2) product lineup is selected from the perspective of the ultimate beneficiaries and is suitable for long-term investment aligned with the future asset formation, and (3) access to comprehensive investment education content. The Bank also supports this initiative through various channels, including introducing the Bank's business partners etc.

Since its establishment, NVIC has consistently focused on providing investment opportunities centered on the theme of long-term selective investment. Corporate DC plans serve as important pension asset management infrastructure due to their long-term, monthly contributions structure, making them highly compatible with a long-term selective investment strategy. The Bank will continue to enhance value for all stakeholders and strengthen our asset management business by offering various financial products through corporate DC plans and other initiatives across the group.

* DC Management Organization Liaison Council, "Defined Contribution Pension Statistics (as of March 31, 2024)"

OWNERS CLASS

Okasan Securities

Norinchukin Value Investments

Initiatives and considerations following the business alliance

(1) Enhancement of investment products	Ongoing review of product lineup, improvement of fund monitoring, enhanced information disclosure, etc.
(2) Enhancement of investment education	Improvement of content quality, user experience (UX) enhancements, investment seminars, and support for business operators, etc.
(3) Enhancement of administrative IT infrastructure	Improvement of usability for business operators, strengthening of customer support systems, etc.
(4) Enhancement of organizational structure and management	Increased personnel, establishment of joint ventures, and ongoing efforts to strengthen operational management systems, etc.

Aiming to promote the adoption of corporate defined contribution pension plans.

▶ Contributing to the achievement of carbon neutrality by leveraging our overseas network



INAGAKI Shun

London Branch

CCS is an advanced technology that closes a gap that cannot be filled by renewable energy alone in achieving carbon neutrality. It is critical to decarbonization in hard-to-abate industries where CO₂ emissions are considered unavoidable. This project is among the firsts financing of a CO₂ transport and storage project in the UK and, as one of the most advanced CCS clusters in the world, is attracting attention both domestically and internationally. This project promotes decarbonization of the industrial area along the coast of Liverpool, UK, and ultimately to the UK's net-zero goal.

In undertaking this project, we leveraged our London branch's connections to obtain information on CCS technology from European companies and advisory firms, carefully assessed project risk, and ultimately decided to

provide financing.

In recent years, global trends toward sustainability have fueled a growing funding need relating to infrastructure assets. In response, we have set a target of ¥10 trillion in new sustainable finance loans by fiscal 2030 and are contributing to the resolution of environmental and social issues through our financing activities.

In Europe, the sustainability leader, several new initiatives for decarbonization such as CCS and Hydrogen are underway, and the demand is expected to increase in the medium-to-long term. In addition to assuring an investment return, we look to contribute to the global environment of the future by proactively taking on the challenge of financing in these areas.

▶ Diversifying revenue sources through intra-group collaboration and business investment



KANAI Kota

Business Development & Strategic Investment Div.

NVIC has been offering investment opportunities through its "Ohbune" series of mutual fund products, based on the concept of "long-term, carefully selected investments." Corporate DC plans are gaining attention as a means for individuals to enable long-term asset formulation, and the number of participants continues to grow. This business is highly compatible with NVIC's concept. The company has entered into a business partnership with Okasan Securities to further enhance and strengthen its services, with a particular focus on providing value to small and midsize enterprises, while also fortifying the Norinchukin Group's asset management business.

The Business Development & Strategic Investment division to which I belong is promoting initiatives with a medium-term

horizon of five to ten years, rather than focusing on immediate profits, in cooperation with other group companies. As the role of financial institutions evolves with competitors from other sectors enter the financial industry, we at the Bank seek to create a "group of companies that have significance in society" and provide value to our stakeholders through a diverse lineup of investment operations. Additionally, NVIC and other group companies involved in asset management seek to secure revenue through strategic partnerships with external companies, such as the one mentioned here. Ultimately, we aim for these asset management businesses to build a unique business portfolio within the Norinchukin Group that is resilient to market fluctuations and to secure stable revenue.