Food and Agriculture Business

Vision for 2030

Support sustainable development of AFF industries and local communities

Developing data businesses that utilize digital IT technologies as a First Call Bank for food, agriculture, forestry and fisheries industries, and building new food and agriculture value chains, we aspire to provide more added value and realize the sustainable development of primary industry and cooperative organizations.

As the First Call Bank for the Food and AFF industries, we work with our customers to solve challenges and create new value.

The AFF industries face a range of challenges, including the decline in farmland and the number of producers, persistently high production material costs, and growing geopolitical uncertainty. Addressing these challenges requires not only supporting upstream AFF producers but also taking a comprehensive approach to the entire value chain, from the manufacture of machinery and inputs to the processing, distribution, food service, retail, export, and consumption of AFF products.
Specifically, through the Bank's proprietary financing and investment solutions, digital transformation support and other initiatives, we will support the scale-expansion and advancement of AFF leaders and contribute to maintaining and strengthening the production base. In addition, by leveraging our broad network, we will promote the strengthening and optimization of the entire food and agriculture value chain through measures such as improving efficiency across the food and AFF-related industries and supporting exports.

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

Overview of Food & Agriculture Business

Vision

Establish a Resilient and Sustainable Food System

Advancement of AFF Industries ⇄ Initiatives Across the Entire Value Chain ⇄ Advancement of food industry

Key Focus Areas

Support production base through investment and loans	Securing Future AFF Producers and Strengthening Management Capabilities	Strengthen and optimize value chain
Expand investment and loans to large-scale producers and facilities	Support for AFF producer's business operations and digital transformation	Industry consolidation and export growth through our network

The Bank's solutions

Food and agriculture value chain

Production Machinery and Inputs ▶ Production (AFF producers) ▶ Processing, distribution, food service (food & agriculture-related companies) ▶ Retail, export, and consumption

- Consulting activities for leading agricultural producers
- Investment and loans
- Export support
- Support for growth and streamlining of JA's Marketing & Supplying Business
- Research and M&A advisory services
- Leveraging data to provide solutions
- Solutions leveraging the Bank's networks

* Providing Solutions in Collaboration with Group Companies, Including Agri Business Investment & Development Co., Ltd., Norinchukin Research Institute Co., Ltd., JA Mitsui Leasing, Ltd., and the Bank's Overseas Subsidiaries

The Bank's Key Focus Areas

Supporting production base through investment and loans	The Norinchukin Group will maintain and strengthen the production base by establishing its proprietary financing and lending programs, and in collaboration with its group company Agri Business Investment & Consultation Co., Ltd. The group will expand investment and loans for core AFF producers and large-scale facilities, including jointly used facilities.
Developing AFF Producers and Strengthening Management Capabilities	The Bank will further strengthen its "consulting activity for leading agricultural producers", which provides comprehensive support to core AFF producers. In addition, the Norinchukin Group will invest in innovative companies offering new technologies and services, including digital transformation and AI solutions that will help improve productivity in the AFF industries, while providing accompanying support through AgVenture Lab.
Strengthen and optimize value chain	The Group will contribute to strengthening and optimizing the food and agriculture value chain through the promotion of production-region development, exports, and business restructuring, among other developments, and ensure the sustainability of the AFF industries. The Group will leverage its unique network of nationwide AFF producers, the JA, JF and JForest Groups, and approximately 1,700 client companies in Japan and overseas.

* Jointly used facilities, such as country elevators, collection facilities, and shipping facilities, that are used jointly by producers for drying, sorting, storage and processing, and other functions. The Bank recognizes that many jointly used facilities currently in operation are facing challenges, including aging equipment and infrastructure. To support the development of the AFF industries, we believe it is necessary to assist the renewal and consolidation of these facilities.

Main Initiatives in Fiscal 2025

Contribution to higher agricultural incomes

To help improve the income of agricultural producers, JA Bank, including The Norinchukin Bank, has been promoting consulting activities for leading agricultural producers. Through these consulting services, we identify management challenges, propose income-enhancing solutions, and provide ongoing support to help producers address those challenges. The Bank measures the impact of these consulting activities using the "Value-Added Contribution Amount Indicator" *.

The Bank has also been considering the provision of services in areas such as accounting and production management, which form the foundation for enhanced management visibility, with the aim of strengthening its advisory functions through the use of IT and digital technologies.

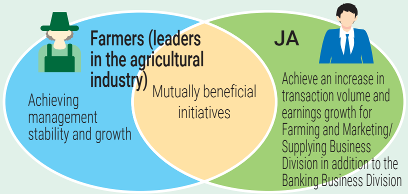
* Defined as an increase in value added (operating profit + depreciation and amortization + personnel expenses), taking into account both profit growth and appropriate investment in equipment and human resources.

What are JA Bank's consulting activities for leading agricultural producers?

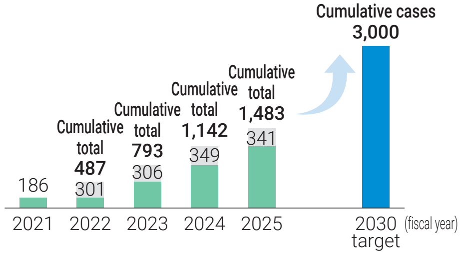
These activities are led by JA's Banking Business Division, JA Shinnoren or the Norinchukin Bank, starting off with a financial analysis and interviews with agricultural producers. After an evaluation of business viability, both quantitatively and qualitatively, then solutions are proposed to address any management issues identified.

A unique characteristic of these solutions is that they leverages JA Group's comprehensive capabilities. In coordination with Farm Guidance Division and Marketing/Supplying Business Division of JAs enables JA Bank 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.

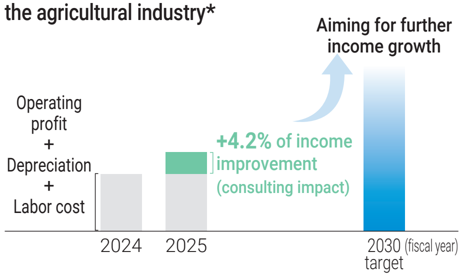
Overview of consulting activities for leading agricultural producers



Number of consulting activities conducted by JA Bank*



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



* The scope of the calculation is the cumulative total of measurable cases (144 cases) among implemented solutions in fiscal 2025 as defined in JA Bank's consulting activities for leading agricultural producers.

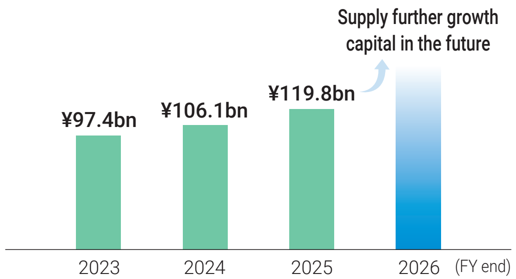
Performing financial intermediary functions to build and strengthen the food and agriculture value chains

The Bank and the Agribusiness Investment & Consultation Co., Ltd. have provided a cumulative total of ¥119.8 billion of equity finance to strengthen capital of AFF operators, and provide growth capital to companies that support the food and agriculture value chain and innovation in the food & agriculture sectors.

In fiscal 2025, the Bank established the Agriculture and Food System Development Fund (lending facility) totaling ¥100 billion. The fund is intended to proactively address the needs of AFF producers for business expansion and equipment renewal at jointly used facilities.

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

Growth Capital Provided by the Norinchukin Group (investments)



* Cumulative investments by the Bank and its Group company, Agribusiness Investment & Consultation Co., Ltd., in AFF producers, food and agriculture-related companies, and innovation companies. Figures for prior years have been revised following a partial change in the calculation methodology in fiscal 2025.

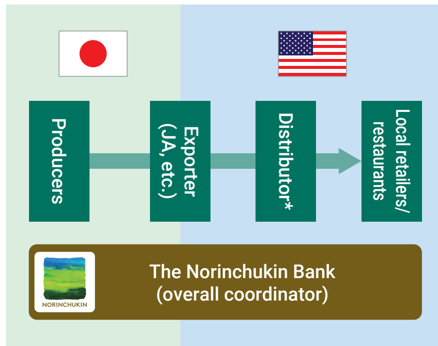
Overview of Agriculture and Food System Development Fund

	For AFF producers	For jointly used facilities
Eligible Borrowers	AFF producers pursuing growth through expansion and other initiatives	Members, organizations, corporations that fulfill an indispensable role for local AFF industries
Use of Funds	Capital expenditure, working capital, etc.	Capital expenditure for jointly used facilities
Financing terms and conditions	Favorable loan terms and interest rates compared with typical conditions	
Lending facility	Total: ¥100bn (*including existing lending facilities)	

Support for export growth

In the United States, where connections with distributors are critical, the Bank acted as a bridge to arrange a Wagyu beef export project to the U.S., supporting not only export growth but also greater brand recognition and demand creation for Wagyu among local restaurants and other businesses in the U.S.

Going forward, we will continue to promote exports in collaboration with the JA Group by leveraging the Bank's overseas network.



* Indicates businesses involved in wholesale and distribution in the US

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. By the end of fiscal 2025, we had intermediated approximately 170 thousand tonnes*.
Additionally, in collaboration with the JForest Group, we have launched a transaction platform to support the creation and sale of forest carbon credits called FC-BASE. Since its launch in March 2024, multiple transactions have been concluded via this platform.

*1 Includes expected volumes under long-term sales agreements.

Location where carbon credits supported by the Bank were generated

Forest in Hakone and Yugawara, Kanagawa Prefecture

Forest-based credit platform

Creation support platform (FC-BASE-C)
https://fcbase-c.jp/

Sales support platform (FC-BASE-M)
https://fcbase-m.jp/

Food & agriculture business open innovation

AgVenture Lab (hereinafter, "AgLab"), a general incorporated association established by eight JA Group organizations nationwide, promotes open innovation aimed at addressing social issues related to food, agriculture and lifestyles. In addition to supporting operations, the Bank's Food & Agriculture Business is also working closely with AgLab.
Since fiscal 2019 JA Accelerator has been supporting start-up companies involved in addressing social issues. Selected companies work to create new value and provide services in collaboration with the JA Group, while receiving hands-on support from JA Group employees over a half-year period. As the seventh term of the JA Accelerator Program, nine companies were selected from 189 applicants in fiscal 2025.

JA Accelerator Program: selected startups (7th term)

Number of selections

Cumulative Total (Terms 1–7)	
Number of applications	1,328
Number of selections	61

Current Challenges and Direction of Responses for Fiscal 2026

Current Challenges

- AFF industries are facing a range of challenges, including the decline in agricultural land and producers, as well as persistently high input costs. Achieving sustainable AFF industries will require not only support for upstream production, but also solutions across the entire value chain, including midstream and downstream segments, such as the rationalization of aging infrastructure and promoting consumer understanding of price formation.
- To address these challenges, cooperative organizations must further strengthen their integrated capabilities to provide both financial and non-financial solutions, leveraging the collective strengths as a cooperative, to support higher productivity and value creation among AFF producers and related industries.

Direction of Responses for Fiscal 2026

1. Maintain and strengthen the production base

- The Norinchukin Group will promote scale-expansion and sophistication of AFF producers' operations, while sharing roles among JA and JA Shinnoren , utilizing the Group's unique investment and lending programs (dedicated financing for large-scale producers and jointly used facilities) and Agricultural Modernization Funds, and providing consulting activities for AFF leaders.

2. Strengthen and optimize the food and agriculture value chain

- The Group will work to strengthen and optimize the entire food and agriculture value chain through initiatives such as supporting business restructuring and business succession using the Groups' M&A advisory function, investing in innovation companies in areas such as agritech and foodtech, and promoting production-region development and exports to address the challenges faced by each industry.

Examples of Initiatives during Fiscal 2025

Food and Agriculture Business | Contribution to Higher Agricultural Incomes

Consulting for Mitchan Kobo Co., Ltd.

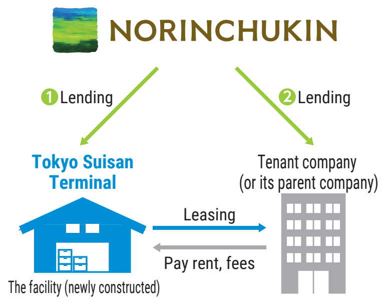
The Bank's Kumamoto Branch conducted its AFF leader consulting service for Mitchan Kobo Co., Ltd., an agricultural corporation that produces baby leaf vegetables in Kumamoto Prefecture. Through financial analysis and interviews with the management, the Bank identified management issues that needed to be addressed to realize the company's future vision and has provided comprehensive support ranging from proposing solutions to following up on implementation progress.
Specifically, the Bank proposed, and implemented, additional packaging machinery for the packaging process which used to rely heavily on manual work. The Bank also conducted profitability analysis on sales channels, visualizing which channels were highly profitable and which were not, and supported price revision for certain channels. The Bank has helped improve the productivity and profitability of the business by visualizing the day-to-day issues faced by management and the expected impact of the proposed solutions, and by providing follow-up support through implementation.
In addition, the Bank supported the redesign of the company's personnel evaluation system, an issue that came to attention through employee surveys, helping to create a workplace environment in which employees can work with greater motivation.
The Norinchukin Group has also supported Mitchan Kobo by providing the necessary funding to smoothly implement these initiatives, in collaboration with the Bank and its Group companies, such as Agribusiness Investment & Consultation Co., Ltd. Going forward, the Bank will continue to support the company's growth and profitability through ongoing follow-up and engagement.

Employees of Mitchan Kobo

Food and Agriculture Business | Building and strengthening the food and agriculture value chain Through Financial Intermediation

Contributing to the establishment and expansion of domestic cold-chain logistics networks (financing to Tokyo Suisan Terminal Co., Ltd.)

The Bank provided lending to Tokyo Suisan Terminal Co., Ltd., a company that operates refrigerated warehouses, for the construction of a new refrigerated warehouse. The proceeds were used to fund the relocation and reconstruction of an aging existing warehouse. In addition to Tokyo Suisan Terminal, the Bank also provided financing to confirmed tenant companies of the new warehouse, covering the funds required for occupancy and related purposes.
In recent years, demand for frozen and processed foods has continued to grow, while the proportion of refrigerated warehouses aging more than 40 years has increased, making the development and expansion of Japan's cold-chain logistics infrastructure a key challenge for the industry. The new refrigerated warehouse being developed by Tokyo Suisan Terminal is expected to be one of the largest in the world, with a storage capacity of 300,000 tonnes. The project is expected to contribute to addressing the aforementioned challenges through further improvements in logistics efficiency, while also reducing environmental impacts, including lower CO_2 emissions accompanying the facilities renewal.
The Bank aims to strengthen the food and agriculture value chain and will contribute to the development of sustainable logistics infrastructure through initiatives such as this project.



Financing scheme for the project

Illustration of New refrigerated warehouse

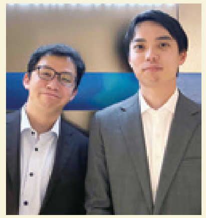
VOICE Accelerating Establishment of food and agriculture value chain Through Close, Hands-on Support for Producers

The Bank's consulting activities for leading agricultural producers are more than simply addressing individual management issues. They enable AFF producers and the JA Group to share the common vision for the future of their regions and realize it through long-term multifaceted support. We are convinced that this is the greatest value of these initiatives and unique role that the Bank plays. We intend to further strengthen our solution proposals and hands-on support, including helping AFF leaders gain an accurate understanding of their financial condition.
Going forward, in addition to the expertise accumulated through our activities to date, we will leverage the Bank's extensive network to further accelerate the development of the food and agriculture value chain that takes a broad view of the entire region, spanning everything from production to sales and all the way through succession to the next generation.

OBAMA Ryota
Kumamoto Branch

VOICE Financial support for more robust food and agriculture value chain

This project has high public utility, involving the construction of a refrigerated warehouse that supports the low-temperature logistics network centered on the Tokyo metropolitan area. The operation of the new refrigerated warehouse is also expected to contribute to a more robust food and agriculture value chain.
We were able to support the project from a financing perspective by providing financing not only to Tokyo Suisan Terminal, the owner of the warehouse, but also to the tenant companies scheduled to occupy the new facility. In providing financing, we conducted a series of interviews with Tokyo Suisan Terminal and the prospective tenant companies, striving to understand and analyze all aspects of the project, from its significance and value to its associated risks.
Through this project, we gained invaluable experience in providing financing for a replacement of aging facilities. As aging jointly used facilities and other infrastructure have likewise become an issue in the agricultural sector, we hope to leverage the insights gained through this experience to help address such issues and contribute to the development of the AFF industries.



KANEKO Shu (left side)
TAKEHARA Masatoshi (right side)
Food & Agri Banking Business Division II