

Revitalization of Local Communities

● Initiatives to Cope with the Prolonged Impact of the COVID-19 Pandemic

The AFF industries, the foundation of the Bank's business, have been affected significantly by the prolonged impact of the COVID-19 pandemic. As a member of JA Bank and JF Marine Bank, the Bank has facilitated financing for businesses, including low-interest-rate loans for AFF business operators. Moreover, cooperating with government agencies and our peer organizations, the Bank promotes non-financial initiatives as well, including helping to find buyers of agricultural produce, to reduce excess inventory.

● Smartphone Classes Aimed at Eliminating the Digital Divide Throughout the Country

The presence of digital services in our daily lives is rapidly increasing. Smartphones have become an increasingly important infrastructure tool in individuals' lives. Since July 2021, the Bank has operated the "JA Smartphone Class" nationwide together with JA Zenchu, in collaboration with a leading smartphone operator, to meet the needs of local residents. In fiscal 2021, about 1,100 classes were held around the nation. We will make continued efforts to eliminate the digital divide by offering JA facilities nationwide to serve as venues for digital experiences.

● Training of Next-Generation Farm Operators

The Bank encourages the training of next-generation farm operators through the Japan Institute of Agricultural Management, operated by AgriFuture Japan of which the Bank is the main sponsor. Since the opening of the institute in 2013, 115 students have graduated and begun farming nationwide. At present, Class of 2022 and 2023 students are studying hard, encouraging each other at the institute located inside The Norinchukin Bank Shinagawa Training Center.

● 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, a public interest incorporated association, consisting of pioneering agricultural corporation members nationwide. By utilizing the Bank's network, the Bank provides a wide range of support for the creation of new customers and the export of agricultural and livestock products toward solving issues that the association's members face.

● Agricultural, Forestry, and Fisheries Future Fund

To support initiatives of agricultural, fishery, and forestry workers/business entities, the Bank established the "Agricultural, Forestry, and Fisheries Future Fund" in 2014, to which the Bank contributed ¥20.0 billion. The Fund has provided subsidies for 60 projects.

● Initiatives to Donate Food and Farming Study Materials

Toward the development of local communities, the Bank supports and encourages initiatives such as donating study materials on the theme of agriculture and food for fifth graders in primary schools. Since fiscal 2008, the Bank has distributed more than 20 million books cumulatively to primary schools nationwide and Japanese schools overseas. In fiscal 2022, we donated about 1.3 million books.

● Wood Solution Network

The Bank operates the Wood Solution Network (WSN), which consists of lumber-related companies and groups, in liaison with an endowed research department studying lumber-using systems at the University of Tokyo. The aim of WSN activities is to achieve the knowledge and wisdom to tackle challenges and promote the expansion of lumber use. The WSN activities are in the second *course* currently, and that *course* focuses on facilitating an understanding of the benefits and importance of lumber use among local authorities by using the WSN's guidebook to promote the use of wood for nonresidential construction, as well as on the effective utilization of the Forest Environment Transfer Tax regime and wood-use advocacy from SDGs/ESG perspectives.

● Expand Domestic Lumber Use and Provide Wood Use Education

As support for initiatives that contribute to the expansion of domestic lumber use and the development of forests and the forestry industry, the Bank has created and donated wood products, sponsored tree-planting events, and subsidized wood-use education activities, in alliance with JForest and its cooperative organizations.

● Nochu Potential Forest Productivity Fund

Established in 2005, this fund—which had been operated as the Norinchukin 80th Anniversary Forest Rejuvenation Fund until 2013—subsidized 115 projects nationwide over 18,399 hectares valued at ¥2.32 billion by the end of fiscal 2021. This fund contributes to the regeneration of degraded privately owned forests

across the country by subsidizing forward-looking projects that aim to maintain the public benefits and multiple sustainable functions of forests.

● Support Project for JF Women's Groups/ Youth Groups

To support the activities of JF Women's Groups/Youth Groups and maintain and rejuvenate the foundation

of local fishery businesses, since fiscal 2013 the Bank has subsidized cooperatives' campaign activities and expenses for training sessions related to life plan support.

In addition, in alliance with *Umitonagisa*, a public fund for environmental beautification, and to address oil contamination, the Bank has supplied cleaning tools for JF to support coastal cleaning activities.

JA Bank's Agriculture Financing

● Lending to Agricultural Corporations

JA Bank supports farmers' agricultural management and livelihoods by providing various types of loans. As of March 31, 2022, JA Bank's outstanding balance of agricultural loans was ¥2,140.3 billion (of which loans to farmers amounted to ¥1,273.2 billion). The outstanding balance of loans in trust of Japan Finance Corporation and other entities came to ¥566.9 billion.

Outstanding Balance of Agricultural Loans, by Type

(Billions of Yen)

Type	March 31, 2022
Direct agricultural loans ¹	1,733.9
Agricultural policy-based loans ²	406.4
Agriculture Modernization Loans	201.9
Other policy-based loans ³	204.5
Total	2,140.3

● Equity Financing to Agricultural Corporations

The Agribusiness Investment & Consultation Co., Ltd., was established in October 2002 by the JA Group jointly with Japan Finance Corporation to invest in agricultural corporations. The company aims

Notes: 1. "Direct agricultural loans" are non-policy-based loans funded by JA Bank.

2. "Agricultural policy-based loans" refer to: (1) those financed directly or indirectly by local authorities; and (2) those provided by JA Bank at a low interest rate based on interest subsidies, etc., from local authorities.

3. "Other policy-based loans" include agricultural management improvement promotion loans (New Super S Fund) and agricultural management assistance support loans.

4. Of the "direct agricultural loans" funded by JA Bank, the outstanding balance of loans of The Norinchukin Bank excludes the source fund for financing facilities extended to JA Bank, such as the Bank of Japan's loan support program and other policy-based loans.

Outstanding Balance of Agricultural Loans in Trust

(Billions of Yen)

Type	March 31, 2022
Japan Finance Corporation loans	566.6
Others	0.2
Total	566.9

to contribute to the sustainable development of the agricultural industry by promoting the adequacy of equity capital of agricultural corporations, thereby ensuring their sound growth. As of the end of September 2022, the company's accumulated investments amounted to ¥11.0 billion in 637 projects.

Investments in Agricultural Corporations

(The Number of Items, Millions of Yen)

	Accumulated		Breakdown of Funds							
			Direct funds		Agri-Seed Fund		Reconstruction Fund		Support Fund for Business Entities of Agricultural Leaders	
	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments	No. of funds	Amount of investments
FY2002-2018	548	8,946	136	4,209	317	2,404	70	1,653	25	680
FY2019	32	811	11	597	14	94	4	52	3	67
FY2020	26	505	8	253	11	78	4	53	3	120
FY2021	25	405	8	278	14	88	2	20	1	20
First Half of FY2022	6	372	4	296	0	0	1	20	1	56
Total	637	11,039	167	5,634	356	2,665	81	1,798	33	943