

# Revitalization of Local Communities

## JA Bank's Agriculture Finance

JA Bank supports farmers' agricultural management and livelihoods by providing various types of loans. As of March 31, 2024, JA Bank's outstanding balance of agricultural loans was ¥1,864.8 billion (of which loans to farmers amounted to ¥1,249.8 billion). The outstanding balance of loans in trust of Japan Finance Corporation and other entities came to ¥635.9 billion.

### Outstanding Balance of Agricultural Loans, by Type

(Unit: ¥ billion)

Type	March 31, 2024
Direct agricultural loans	1,477.3
Agricultural policy-based loans	387.5
Agriculture Modernization Loans	206.6
Other policy-based loans	180.8
Total	1,864.8

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 (Super S Fund) and agricultural management assistance support loans.

4. This table includes outstanding loan balance of The Norinchukin Bank, on the basis of excluding policy-based loans such as the Bank of Japan's loan support program etc. which are financed by The Norinchukin Bank on behalf of the members.

### Outstanding Balance of Agricultural Loans in Trust

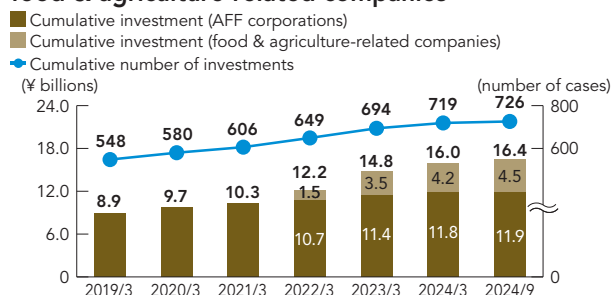
(Unit: ¥ billion)

Type	March 31, 2024
Japan Finance Corporation loans	635.7
Other	0.1
Total	635.9

## Investment in AFF corporations and food & agriculture-related companies

Agribusiness Investment & Consultation Co., Ltd., was established in October 2002, with funding from the Japan Finance Corporation and JA Group, to invest in agricultural corporations. With the revision of the Act on Special Measures for Facilitating Investment in Agriculture, Forestry and Fisheries Corporations, etc., in April 2021 and the enactment of said revisions in August 2021, the scope of investment was expanded to include AFF industries along with the entire value chain related to these industries (food and agriculture value chain). The company's aim is to enhance access to capital by AFF corporations and food & agriculture-related companies, and to contribute to the sustainable development of the AFF and food industries. As of end-September 2024, a total of 726 investments worth ¥16.4 billion had been made.

## Investments in AFF corporations and food & agriculture-related companies



## Promoting the "Hometown Co-creation Business"

As described below, the Bank has implemented its "Hometown Co-creation Business" to support regional revitalization measures initiated by JA and deployed in collaboration with local stakeholders. Its aim is to demonstrate JA Bank's unique financial intermediary functions through the implementation of regional revitalization measures that address the issues and realities of each region.

### (1) Enhancing digital inclusion - JA Smartphone Class

Digital services are ever more present in various aspects of our lives. Given smartphones have become an increasingly important infrastructure tool for day-to-day living, the Bank and JA Zenchu (Central Union of Agricultural Cooperatives) co-worked with major smartphone carriers to develop the JA Smartphone Class program to meet the needs of the community. By the end of fiscal 2023, approximately 7,400 classes had been held. We will continue to administer the program to JA locations throughout the country to provide new opportunities for experiencing digital services and enhance digital inclusion.

### (2) Improving financial literacy - Developing regional financial education

Financial and economic education are becoming more important, as shown by the expansion of the national curriculum guidelines in Japan, in response to evolving economic, social, and living conditions. JA Bank has long provided financial and economic education either at the prefectural level or at the JA level and, from fiscal 2024, has commenced nationwide programs, including (1) development of financial education classes for elementary school students that can be held in conjunction with food and agriculture events, and (2) classes for high school students taught by instructors dispatched to local schools and other locations. JA Bank promotes regional financial education with focus on local community, which is its unique nature as cooperatives. JA Bank hopes students have

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opportunity to nurture their values for work and living in future, consider agriculture as career options, beyond "money" and "asset formation" which are taught in the program.

### | 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, 128 students have graduated and begun farming nationwide.

Celebrating its 10th anniversary in April 2023, the Institute began an online school to expand the scope of agricultural management education. The institute will continue to provide new value to the agricultural industry by changing its curriculum at the Shinagawa school in April 2024 to foster innovators in the agribusiness field.

### | 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 a total of 75 projects and initiatives.

### | 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

2024, we donated about 1.27 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 Graduate School of Agricultural and Life Sciences, 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. For the third *course*, WSN has selected the SDGs, the significance of lumber use, and regional economic promotion as the themes for promoting its activities.

### | Promoting the use of domestic lumber

Among our regional contributions to the expanded use of domestic lumber and the development of forests and the forestry industry, the Bank and each JForest member sponsor tree-planting events, support the sale of wood products, and provide business-matching services.

### | Norinchukin Potential Forest Productivity Fund

Since its foundation in 2005 as the Bank's 80th anniversary forest rejuvenation fund, the Norinchukin Potential Forest Productivity Fund has provided ¥2.68 billion cumulatively in subsidies for 130 projects covering 18,762 hectares nationwide by the end of fiscal 2023. From the 2024 application period, criteria for project eligibility have been changed from "regeneration of degraded privately owned forests in Japan" to "activities aimed at demonstrating the public interest of privately owned forests in Japan, not limited to regeneration of degraded privately owned forests". The program has been expanded beyond conventional forest maintenance to include proactive support for projects related to forestland utilization and biodiversity conservation.

### | Building a comprehensive forest carbon credit platform spanning from creation to sale

In collaboration with JForest Zenmoriren (National Federation of Forest Owners' Cooperative Associations), the Bank launched a forest carbon credit platform at the end of March 2023 with the aim of contributing to the green growth of forests and forestry and to a carbon neutral society. In March 2024, the first transaction was completed on the platform. The Bank is committed to ongoing support in such areas as efficient forest credit creation assistance by JForest nationwide, to support for matching JForest with

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companies wishing to purchase credits on the platform.

### **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 workshop expenses for fishery business management.

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.

### **JF Marine Bank: Support for fishery environmental conservation**

Amid changes in the environment surrounding the fishing industry, including ecosystem interruption due to rising sea temperatures and the dispersal of marine plastic waste and floating trash across national borders, a declining number of fishermen and their JF organizations face an increasing burden in connection with these issues.

In light of this situation, in 2023 we as JF Marine Bank\* began supporting activities to preserve the fishing environment and help expanding the activities of JF and fishermen to preserve the fishing environment.

\* JA Marine Bank is the nation-wide financial network which consists of JF, JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives), and the Bank. JF Marine Bank functions essentially as a single institution.