

Initiatives during the First Half of Fiscal 2025

The Bank has set out five key “visions” for 2030 in its Medium-Term Vision. This section introduces the relevant initiatives carried out in the first half of fiscal 2025.

1. Create Impact for the Global Environment, Society, and Economy

Through engagement with investees, borrowers, and other counterparties, the Bank gained an understanding of the social and environmental issues faced by corporate entities, and provided a range of solutions to aid in resolution of their issues, including financial ones.

Furthermore, in order to increase the sustainability of the entire food & agriculture value chain from production, processing, distribution, and retail, the Bank cooperated with its members to support the origination and sale of carbon credits derived from the AFF industries. In addition, the Bank runs an Insetting Consortium with 19 food & agriculture companies and bodies to discuss the promotion of insetting*¹.

*1 Insetting is a subset of corporate activity aimed at reducing indirect greenhouse gas emissions (Scope 3). It involves investing in or providing support for emission reductions by companies within the same value chain, the benefits of which accrue not only to the company itself but to the value chain as a whole. Through the Consortium, the Bank aims to investigate ways of promoting insetting together with member companies and bodies, and prepare guidelines for domestic companies.

2. Support Sustainable Development of AFF Industries and Local Communities*²

The Bank aims to lead growth across the food & agriculture value chain and contribute to the formation of resilient and sustainable food systems. To this end, the Bank provided various forms of support to AFF producers and food & agriculture-related companies, from both a financial and non-financial perspective. From a financial perspective, the Bank provided loans, equity finance via the group company The Agribusiness Investment & Consultation Co., Ltd., and supported clients in making appropriate management improvements and in business succession. In a non-financial perspective, the Bank provided consulting services to help producers in agriculture industry grow operations, promoted exports, and provided M&A advisory support.

*2 Please refer to Revitalization of Local Communities on page 7

3. Create Value for Cooperative Members and Users through Optimal Integration of Digital and Real

As a national level financial institution supporting JA Bank and JF Marine Bank*³, The Norinchukin Bank supported JA, JF, and other entities in their efforts to enhance management strategy and strengthen earnings base, including their lending capability. Initiatives were implemented across the whole JA Bank and JF Marine Bank to combat money laundering and financial crime, and to strengthen related measures.

JA Bank executed a nationwide campaign to raise the number of members and users, and further deepen its relationships as part of the “Connection-Strengthening Strategy” set out in its Medium-term Strategies. In addition, as part of its strategy to “Build contact points that integrate real and digital world,” JA Bank installed tablet devices in JAs for in-person transactions, and upgraded the functionality of JA Bank App Plus to offers bank and account transfers for digital transactions. Through these initiatives, JA Bank has improved both in-person and digital customer experience.

*3 JA Bank and JF Marine Bank are the nation-wide financial networks where member cooperatives effectively function as one financial institution. JA Bank consists of JA, JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) and The Norinchukin Bank. JF Marine Bank consists of JF, JF Shingyoren (Prefectural Banking Federations of Fishery Cooperatives), and The Norinchukin Bank.

4. Ensure Stable Returns and Play a Role as the National Level Banking Institution for the AFF Cooperatives

The Bank returned to profitability in the first half of fiscal 2025, with a Profit Attributable to the Owners of Parent of ¥84.6 billion, from the progress of portfolio improvement initiatives since the previous fiscal year. As part of efforts to diversify revenue sources and “Rebuild Earnings Power,” the Bank strengthened diversification of its investment portfolio across asset classes, regions, maturities, and investment timing. It also established a dedicated internal department to strengthen the asset management business conducted through group companies.

In addition, the Bank has worked to strengthen financial management and risk management, which forms the foundation for the above initiatives. The Bank established and operates a new management framework that facilitates appropriate checks over financial management, risk management, and investment execution, including the establishment of the Financial Strategy Committee.

5. Realize a Flexible and Resilient Organization that Continues to Take on Challenges of Changes

As competition for highly skilled professionals intensifies, the Bank moved forward with measures to enhance mid-career recruitment, including the introduction of an employee referral system. The Bank worked to ensure stable IT and operational infrastructure by upgrading core systems, strengthening its BCP systems and enhancing cybersecurity measures. The Bank also advanced measures to raise the efficiency and sophistication of operating platforms that underpin its businesses, by further promoting the use of IT, digital technology, and data such as generative AI.