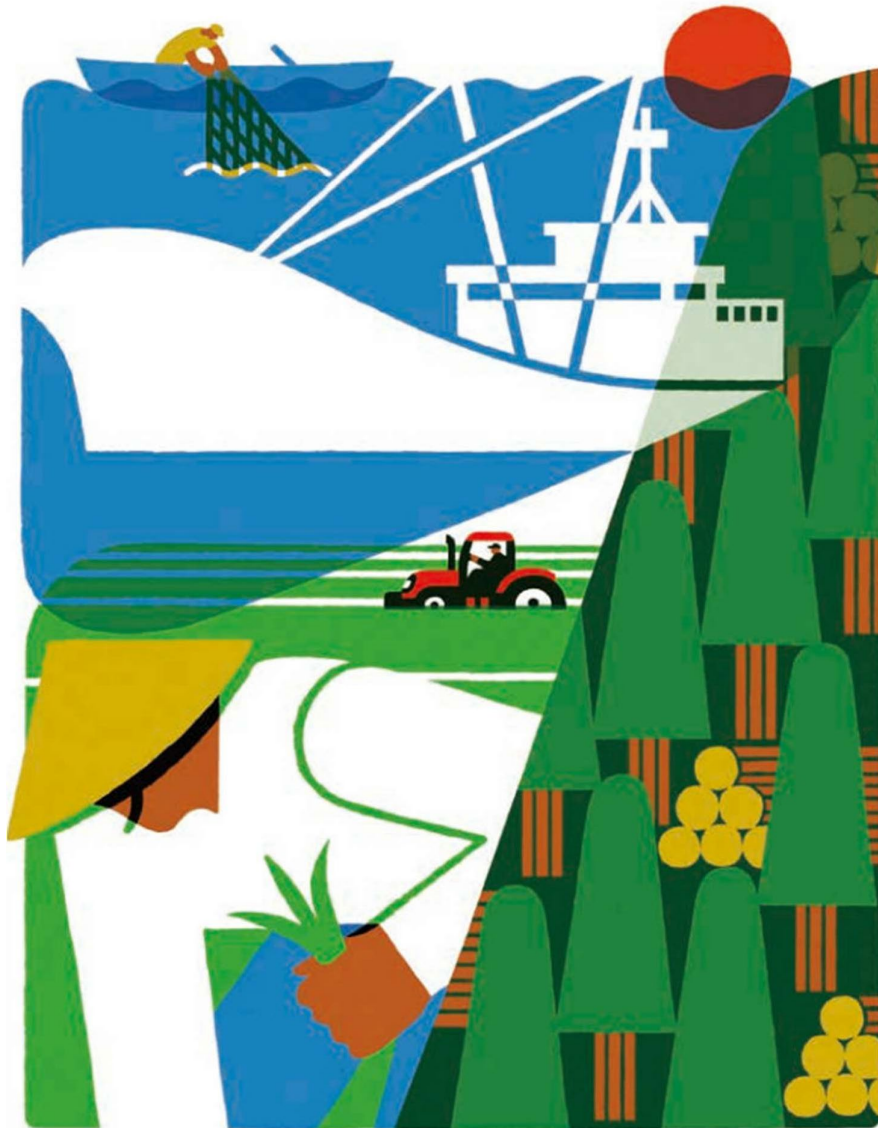


The Norinchukin Bank (“Nochu”) Sustainable Bond Framework



March 2024

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1. Introduction

Main Business

As the national-level financial institution for agricultural, fishery and forestry (“AFF”) cooperatives in Japan, the mission of The Norinchukin Bank (“the Bank”) is to contribute to the development of AFF industries and to national economic prosperity based on the Norinchukin Bank Act through three business areas (“food and agriculture business”, “retail business”, and “investment business”).

Through “food and agriculture business”, the Bank engages in and enhances the food and agriculture value chain that connects producers, industries and consumers by offering comprehensive solutions, including financial services, aiming to become the leading food and agriculture bank in Asia.

Through its “retail business”, the Bank offers a wide range of retail financial services to cooperative members and other users.

The Bank also engages in “investment business”, which is currently the main source of the Bank’s overall net income, trying to reinforce its portfolio’s resilience to economic cycles and aiming to enhance basic profitability with a well-balanced and globally diversified portfolio. The Bank’s lending and investment portfolio includes a number of activities that address environmental issues such as GHG reduction, as well as solving social issues by improving social infrastructure such as facilities that carefully conserve water resources, and other public facilities such as schools, hospitals and public housings around the world.

Roles in AFF Cooperatives

The Bank is one of the components of the cooperative system, which is composed of national-level organizations, prefectural-level organizations, municipal-level organizations and individual members such as farmers, fishermen and forest owners. The Bank is positioned at the national level above JA Shinnoren (Prefectural Banking Federations of Agricultural Cooperatives) and JA Shingyoren (Prefectural Banking Federations of Fishery Cooperatives). The Bank’s capital is provided by organizations such as Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), Japan Forest Owners’ Cooperatives (JForest) at the municipal level, as well as a stable funding base through customer deposits at JA Bank (consisting of JA, JA Shinnoren, and the Bank), JF Marine Bank (consisting of JF, JF Shingyoren, and the Bank) and the Bank itself, with its mission to lend funds to its members, AFF workers, and companies related to AFF industries. The Bank also conducts various lending and investment activities in Japan and abroad, by efficiently managing funds, and stably returning profits to its members.

Purpose, Vision, and Mission

The Bank defines its corporate identity and business philosophy as follows:

Purpose: The Bank’s reason of existence (raison d’être), “Dedicated to sustaining all life.
-Work together with its stakeholders to foster AFF industries and to create a

prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment.”

Vision: To become the leading bank that supports AFF industries, food production and consumption, and daily lives of local communities, and thereby contribute to the progress of AFF industries and a carbon-free society.

Mission: Fundamentals of business activities aimed at fulfilling its vision and philosophy. Medium/Long-Term goals are established, and its management plan is set, executed, and reviewed annually to achieve these goals.

2. Commitment to Sustainability¹

The Bank aims to improve the sustainability of the Bank’s business management as well as that of the environment and society by addressing related issues, which are important not only for the Bank but also to all of the Bank’s stakeholders based on its “Code of Ethics²”.

In Japan, AFF industries are contributing to the environment through the progress in environment-friendly agricultural operations, the development of resource-managed fisheries and the outcomes of the multifaceted functioning of forests through measures such as thinning and reforestation. On the other hand, these industries are the most exposed to the environment, and are susceptible to issues such as climate change as well as the fact that the industries themselves burden the environment through greenhouse gas emissions and other factors. The Bank recognizes these situations and that these sustainability issues go to the very foundation of its business, and is determined to take on GHG emissions and other global-level issues through its business activities.

The Bank has established two medium to long term targets to fulfill this purpose: (1) Reduce GHG emissions Net Zero by 2050 and (2) Increase the income of farmers, fishermen and foresters.

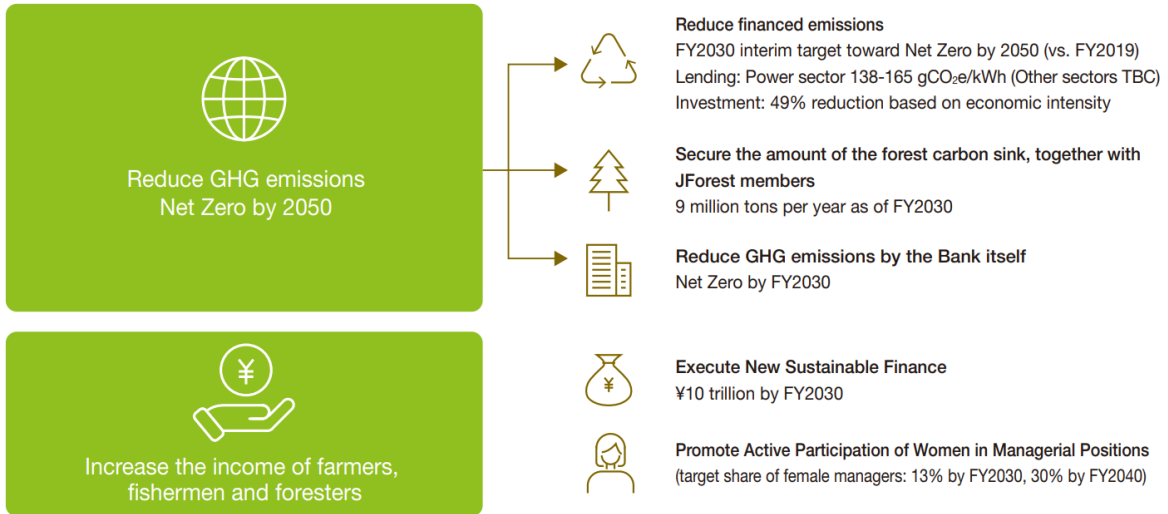
“Reduce GHG emissions Net Zero by 2050” consists of three initiatives toward building decarbonized societies: (1) Reduce financed emissions (net zero by the year 2050), (2) Secure the amount of the forest carbon sink, together with JForest members; and (3) Reduce the GHG emissions by the Bank itself (net zero by FY 2030). We seek to achieve our goals through constructive dialogue with investees and borrowers and by providing decarbonization solutions in collaboration with our business partners.

An increase in the incomes of farmers, fishermen and foresters will lead to rising populations of the areas where AFF are the main industries by attracting more potential workers, thus ultimately will result in regional revitalization. This is our goal in pursuit of sustainable AFF industries and sustainable communities.

¹ Further details: <https://www.nochubank.or.jp/en/sustainability/disclosure/report/>

² <https://www.nochubank.or.jp/en/about/ethics.html>

Medium/Long Term Goals



3. Rationale for Issuance

Through the issuance of Green Bonds, Social Bonds and Sustainability Bonds, the Bank aims to finance the transition to a low carbon economy as well as to contribute to a sustainable society and environment by engaging in Sustainable Finance as a responsible issuer.

4. Framework Overview

The Bank has established the Sustainable Bond Framework in alignment with the Green Bond Principles 2021 (“GBP”), the Social Bond Principles 2023 (the “SBP”) and the Sustainability Bond Guidelines 2021 (“SBG”) as administered by the International Capital Market Association (“ICMA”). The GBP, SBP and SBG are guidelines for best practices when issuing Green Bonds, Social Bonds and Sustainability Bonds and Nochu Sustainable Bond Framework is aligned with the four core components of the GBP, SBP and SBG.

4.1 Use of Proceeds

The Bank intends to allocate an amount equal to the net proceeds of Green Bonds, Social Bonds and Sustainability Bonds to finance or refinance, in whole or in part, existing or future projects, which include investments made by the Bank or by its subsidiaries that meet at least one of the “Eligibility Criteria”. Project must be “Eligible Green Projects” as described herein to be eligible for Green Bonds, “Eligible Social Projects” as described herein to be eligible for Social Bonds, or either “Eligible Green Projects” or “Eligible Social Projects” to be eligible for Sustainability Bonds.

Eligibility Criteria

Eligible Projects will meet ALL of the conditions below:

- (i) A project meets one or more of the eligible project categories below,
- (ii) A project has been financed by the Bank within 24 months as of the issue date of a relevant Bond, or will be newly financed on or after the issue date.

The Bank aims to support the achievement of the United Nations Sustainable Development Goals (“SDGs”) by issuing Green Bonds, Social Bonds and Sustainability Bonds as illustrated below.

<Green Eligible Categories>

GBP Eligible Project Category	Eligibility Criteria and Example Projects	Environmental Objective	SDGs Alignment
Renewable Energy	Funds to finance or refinance renewable energy projects (including construction, maintenance and/or operation of power generation and/or transmission)	Climate change mitigation Pollution prevention and control	7. Affordable and Clean Energy



	<ul style="list-style-type: none"> a. Solar, solar thermal, wind (onshore and offshore), geothermal power assets (with the emission threshold of 100g of CO2 per kwh or less) b. Biomass power plant using forestry residue (chips and pellets) from the forestry with a suitable certification on resource conservation and management (with the emission threshold of 100g of CO2 per kwh or less) c. Green hydrogen and/or green ammonia production facilities (with the emission threshold of below 3tCO2e/tH2) d. Transmission and distribution of renewable energy (including power lines and related infrastructure such as substations) on the condition that more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period 		
Clean transportation	Funds to finance or refinance exclusively use for clean transportation projects with emission threshold of 50g of CO2 per passenger-km or less:	Climate change mitigation	11. Sustainable Cities and Communities



	<ul style="list-style-type: none"> a. Construction, maintenance and/or operation of light rail lines and/or high speed rail line projects b. Construction, maintenance and/or operation of tunnels for clean transportation such as electric trains c. Manufacture of electric trains, including spares and related parts for sale or lease 	Pollution prevention and control	
Green Buildings	<p>Funds to finance or refinance real-estate properties (including those owned by Japanese Real Estate Investment Trusts (J-REITs)) which have earned or are expected to earn one of the following:</p> <ul style="list-style-type: none"> a. Gold or Platinum rating under LEED b. Excellent or Outstanding rating under BREEAM c. A or S rating under CASBEE d. 4 or 5 stars under DBJ Green Building Certification 	<p>Climate change mitigation</p> <p>Pollution prevention and control</p>	9. Industry, Innovation and Infrastructure
Sustainable Marine Value Chains	<p>Funds to finance or refinance projects that improve the environmental sustainability of marine value chains</p> <p>Fisheries and aquaculture (including land-based) that meet the Marine Stewardship Council (MSC) certification standard, Aquaculture Stewardship Council (ASC) certification standard, Marine Eco-Label Japan (MEL) certification standard, or investments to meet the above standards</p>	<p>Natural resource conservation</p> <p>Biodiversity conservation</p> <p>Pollution prevention and control</p> <p>Climate change mitigation</p> <p>Climate change adaptation</p>	<p>13. Climate Action</p> <p>14. Life below Water</p>



Sustainable Marine Transport	Funds to finance or refinance projects for production, maintenance and/or operation of the vessels which have zero direct (tailpipe) CO2 emissions	Climate change mitigation Pollution prevention and control Biodiversity conservation Natural resource conservation	11. Sustainable Cities and Communities 14. Life below Water
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<Social Eligible Categories>

SBP Eligible Project Category	Eligibility Criteria and Example Projects	Target Population	SDGs Alignment
Access to Essential Services (Healthcare)	Funds to finance or refinance public hospitals that provide service regardless of ability to pay.	Underserved people, needing access to quality healthcare, but may also include the general public	3. Good Health and Well-Being
Access to Essential Services (Education)	Funds to finance or refinance public schools that provide service regardless of ability to pay.	Underserved people, needing access to quality education, but may also include the general public	4. Quality Education
Affordable Housing	Funds to finance or refinance public housing for people with mainly low-to-medium income.	Underserved people, needing access to adequate, safe and affordable housing	11. Sustainable Cities and Communities
Affordable Basic Infrastructure (Water)	Funds to finance or refinance water supply and/or treatment infrastructure	Underserved people, needing access to safe drinking water and adequate sanitation facilities	6. Clean Water and Sanitation

Exclusionary Criteria

The Bank has developed a list of exclusionary criteria to be applied to the allocation of the net proceeds from the issuance of relevant bonds.

- a. Cluster bombs/munitions
- b. Projects with an adverse impact on UNESCO World Heritage sites
- c. Projects with an adverse impact on wetlands designated as Wetlands of International Importance under Ramsar Convention
- d. Projects involving in child labor and forced labor
- e. Business dedicated to extraction, refining, or transportation of fossil fuel

- f. Palm oil
- g. Deforestation
- h. Inhumane weapons
- i. Projects with an adverse impact on high conservation value areas (IUCN Category I-IV)
- j. Projects with an adverse impact on indigenous peoples' communities
- k. Projects involving land expropriation leading to involuntary resettlement

4.2 Process for Project Evaluation and Selection

Application of Eligibility Criteria in Project Selection

ESG risk assessment and management are governed by the policy and procedures based on an environmental and Social Risk Management ("ESRM") framework. After being qualified through the basic ESRM framework, the Eligible Projects are identified to align with the Eligibility Criteria described above via the following process:

The Bank's Project Finance Division and Real-estate Investment and Solution Division, both of which deal with project assets directly as Front Business Units, draft the list of projects that are suited to any of the Project Categories mentioned above (i), and that meet condition (ii) above in Eligibility Criteria. Front Business Units submit their lists to the Bank's Treasury and Forex Division.

The Treasury and Forex Division, which oversees the Sustainable Bond implementation of the allocation and selection process, combines the candidate lists into one Eligible Green Projects List and double-checks them against the framework criteria.

Finally, the Bank's Corporate Design Division (Sustainability Management Team), which is responsible for the Bank's business planning including sustainability management, jointly authorizes the Eligible Projects List together with all the divisions mentioned above.

Monitoring Projects

All Eligible Projects, as with all other investment assets of the Bank, shall be under periodical monitoring by the front business units during the entire lifecycle of the assets until they are redeemed on maturity or sold to the market. Upon the unlikely event where those projects are to be found no longer eligible, they will be immediately disqualified as an eligible project and deleted from the list of Eligible Projects.

4.3 Management of Proceeds

The Bank has established an internal tracking system to monitor and account for the proceeds. Until full allocation of an amount equal to the net proceeds, proceeds will be held temporarily

in cash, cash equivalents, or in a bank account or invested in current funds. In the case of divestment or if a project no longer meets the Eligibility Criteria, the funds will be reallocated to other Eligible Projects. Payment of principal and interest will be made from the Bank's general account and will not be linked to the performance of eligible projects.

4.4 Reporting

The Bank will publish a Sustainable Bond Report on its website (<https://www.nochubank.or.jp/en/>) at least annually until full allocation of the net proceeds, or an amount equal thereto, from the Bank's Green, Social and Sustainability Bond issuance. After the full allocation, the report will be updated at least annually. Each Sustainable Bond Report is expected to contain an Allocation Report and an Impact Report.

Allocation Report

- (i) The amount of net proceeds allocated to Eligible Projects
- (ii) The outstanding amount of net proceeds yet to be allocated to projects at the end of the reporting period

Impact Report

The list of Eligible Projects including the information listed in the box below with brief descriptions and expected impact metrics such as GHGs emissions avoided in tonnes of CO₂ equivalent, where feasible

<Green Eligible Categories>

Type of Eligible Project Category	Example of impact indicators
Renewable Energy	<ul style="list-style-type: none"> ■ Distribution by sub-sector and location ■ Annual power generation ■ Subject to confidentiality and clients' prior consent, high-level description of select projects ■ Where feasible, quantitative assessment of expected positive environmental impacts on an aggregate basis (Example KPI: estimated CO2 emission avoidance)
Clean Transportation	<ul style="list-style-type: none"> ■ Distribution by sub-sector and location ■ Subject to confidentiality and clients' prior consent, high-level description of select projects ■ Where feasible, quantitative assessment of expected positive environmental impacts on an aggregate basis (Example KPI: operating distance or estimated CO2 emission avoidance)
Green Buildings	<ul style="list-style-type: none"> ■ Certification vintage ■ Subject to confidentiality and clients' prior consent, high-level description of select projects ■ Where feasible, quantitative assessment of expected positive environmental impacts on an aggregate basis (Example KPI: estimated CO2 emission avoidance)
Sustainable Marine Value Chains	<ul style="list-style-type: none"> ■ Number of types of environmental certifications obtained ■ Subject to confidentiality and clients' prior consent, high-level description of select projects
Sustainable Marine Transport	<ul style="list-style-type: none"> ■ Number of clean and sustainable vessels financed ■ Subject to confidentiality and clients' prior consent, high-level description of select projects ■ Where feasible, quantitative assessment of expected positive environmental impacts on an aggregate basis (Example KPI: estimated CO2 emission avoidance)

<Social Eligible Categories>

Type of Eligible Project Category	Example of impact indicators
Access to Essential Services (Healthcare)	<ul style="list-style-type: none"> ■ Number of patients receiving the medical services or number of hospitals beds ■ Subject to confidentiality and clients' prior consent, high-level description of select projects
Access to Essential Services (Education)	<ul style="list-style-type: none"> ■ Number of students receiving the educational services ■ Subject to confidentiality and clients' prior consent, high-level description of select projects
Affordable Housing	<ul style="list-style-type: none"> ■ Number of residences provided ■ Subject to confidentiality and clients' prior consent, high-level description of select projects
Affordable Basic Infraestructure (Water)	<ul style="list-style-type: none"> ■ Capacity of water supply or treatment facilities or m³ of water supplied or treated annually ■ Subject to confidentiality and clients' prior consent, high-level description of select projects

5. External Review

5.1 Second Party Opinion

The Bank has retained Sustainalytics, an independent provider of ESG research and ratings, to provide a Second Party Opinion (“SPO”) assessing alignment of Nochu Sustainable Bond Framework with the GBP, SBP and SBG. The SPO will be available on the SPO’s provider’s website.

5.2 Compliance Review

Until full allocation of the net proceeds of Green Bond, Social Bond and Sustainability Bond issuance, to eligible projects, the Bank will appoint Sustainalytics (or any other party appointed by the Bank as a successor for Sustainalytics) to conduct an external review on an annual basis of the allocation of the proceeds of such Green Bond, Social Bond and Sustainability Bond to eligible projects, to provide assurance that the proceeds have been allocated in compliance with all material respects of the criteria set forth in this Sustainable Bond Framework in all material respects.

Disclaimer

The information and opinions contained in this Nochu Sustainable Bond Framework (the “Framework”) are provided as at the date of the Framework and are subject to change without notice. None of the Bank or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. The Framework represents current the Bank’s policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. The Framework is intended to provide non-exhaustive, general information. The Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Bank and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Bank as to the fairness, accuracy, reasonableness or completeness of such information. The Framework may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation for such bonds regarding the use of proceeds and its purchase of bonds should be based upon such investigation as it deems necessary. The Bank has set out its intended policy and actions in the Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the Bank’s Sustainability Bonds. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such bonds if the Bank fails to adhere to this Framework, whether by failing to fund or complete Eligible Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in the Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise. In addition, it should be noted that all of the expected benefits of the Eligible Projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Projects. Each environmentally focused potential investor should be aware that Eligible Project may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. The Framework does not constitute a recommendation regarding any securities of the Bank or any member of the Bank. The Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by the Bank or any member of the Bank. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase any bonds should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such bonds. Prospective investors are required to make their own independent investment decisions.