NORINCHUKIN

Climate & Nature Report 2026

Dedicated to sustaining all life.

TCFD・TNFD Report

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Message from the CEO

Returning to our core mission and connecting to the future with stakeholders

President and CEO
The Norinchukin Bank
Taro Kitabayashi

Climate & Nature are Directly Relevant to the Future of Food and Livelihood

Thank you very much for reading our Climate & Nature Report 2026.

As a cooperative banking institution rooted in the agriculture, fishery and forestry (AFF) industries, Norinchukin Bank has long supported the conservation and restoration of the natural environment, the sustainability of production, and the stability of local livelihoods, in line with our purpose of "Dedicated to sustaining all life. Work together with our stakeholders to foster the AFF industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment." Following the passage of an amendment of The Norinchukin Bank Act in April of this year (2026), we recognize the need to fulfill our designated role—in both its financial and non-financial aspects—more than ever before.

In this report we return to our core mission and offer a systematic overview of how the Bank views and addresses climate change and nature-related challenges, in accordance with the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

The operations of The Norinchukin Bank (hereinafter "the Bank") are deeply intertwined with the activities of its diverse members and clients in the agriculture, fishery, and forestry industries, which are all supported by climate and the blessings of nature, in the form of water, land, and ecosystems. From this perspective, we recognize that climate change and environmental degradation are not separate environmental issues, but rather fundamental challenges that impact the Bank's operations, and therefore also the future of our food and livelihoods.

In recent years, the international community has felt a strong and shared sense of urgency about the accelerating loss of biodiversity and degradation of natural capital that is occurring with continued climate change. Once it is lost, nature cannot easily be restored. These impacts are not limited to specific regions or industries; they are spreading out through supply chains to the whole of society. For The Norinchukin Bank, which is rooted in agriculture, fishery, and forestry, these crises are more than just changes in the external environment. They are serious risks that threaten the foundations of our business. At the same time, they represent a critical turning point in our transition to a more sustainable society.

Rather than taking climate change and nature as separate issues, the Bank views them as integrated challenges. That is why we have made support for the transition of food and agriculture value chains a central pillar of our strategy. Although the agriculture, fishery and forestry industries are highly dependent on nature, they also have the hidden potential to drive the transition to a nature-positive economy through environmentally regenerative agriculture, sustainable forest management, and the restoration of healthy fishery resources. Through continual dialogue with our members and clients, we deepen our understanding of risks and opportunities across entire supply chains, and work together with them to pave the way for transition through initiatives rooted in local communities and on-the-ground realities.

Disclosure as a Starting Point for Future-oriented Dialogue

The concepts and disclosure requirements of the TNFD are now being incorporated into discussions of the International Sustainability Standards Board (ISSB). In the future, markets in Japan may also require disclosures based on these standards. For us, this is not just a means of enhancing disclosure. We also see it as an opportunity to make use of such information for our management strategy and our investment and financing decisions. We firmly believe that disclosure is not an end in itself. Rather, it is a means of encouraging action to ensure the future of our food, agriculture, and natural environment.

From this perspective, this report presents the Bank's current understanding of climate and nature-related challenges and its initiatives to address the challenges, but it also serves as a point of departure for exploring ways to shape a better, more sustainable society through dialogue with our stakeholders.

We will continue to question the true nature of finance from the viewpoint of "life." And through this practice we will help to shape the future of food, agriculture, and nature together with all stakeholders.

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Highlights of the Year

Since the first edition of the Climate & Nature Report of The Norinchukin Bank ("the Bank") was published in 2024, the Bank has expanded the scope of its disclosures with a focus on compliance with international frameworks such as the TCFD and TNFD. This is the third edition of the annual report. This year we have upgraded our disclosure even further and deepened our examination in preparation to formulate an integrated climate and nature transition plan. The term "integration" here means viewing climate and nature as a unified whole and comprehensively thinking about the functions and roles of entire food and agriculture value chains (VCs).

With this approach, we revised the structure of the report to place "Transition of Food and Agriculture Value Chains" front and center. We are also working to advance nature-related analysis, deepen value chain analysis, and conduct scenario analysis trials of climate and nature integration. Through these initiatives, we are forging a strategy adapted to the nature of the Bank's business in more detail than ever before.

March 2023
Initial disclosures based on TNFD beta version

July 2024
Climate & Nature Report 2024

November 2025
Climate & Nature Report 2025

September 2026
Climate & Nature Report 2026

Toward a net zero and nature positive world

	March 2023	July 2024	November 2025	September 2026
General		• Made first integrated climate and nature disclosures by a Japanese bank	• Clearly defined concepts and directions for food and agriculture value chain transition	• Developed concepts and directions for food and agriculture value chain transition and specified the Bank's role in the transition • Studied an integrated climate and nature transition plan
Climate		• Set GHG reduction targets for oil and gas, coal, and steel sectors • Added steel sector to transition risk scenario analysis	• Set portfolio GHG emission reduction targets (real estate, automobiles, marine transport)	• Conducted scenario analysis for physical risk (acute)
Nature	• Conducted LEAP analysis for offshore wind power project financing	• Conducted value chain analysis for packaged foods, meat, soft drinks, distilled spirits and wine, agricultural products, and brewed products • Visualized the relationship between nature and value chains using trade statistics • Analyzed locations of borrowers sites in relation to protected areas	• Disclosed practical examples of a landscape approach centered on cooperatives • Conducted value chain analysis targeting restaurants, food distribution, agricultural machinery, department stores, food retail, consumer staples retail, fertilizers and pesticides, and tobacco • Studied integrated understanding of climate and nature in scenario analyses	• Measured nature-related impacts using nature footprint indicators developed in Japan • Trialed integration of climate and nature scenario analysis • Increased engagement with investees and borrowers by setting action targets for nature-related dialogue

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Executive Summary ①

Governance

Climate Nature

- Environmental and social issues are addressed through discussions by the Sustainability Management Committee under the Board of Directors together with other management committees, with reporting to the Board of Directors and Supervisory Committee as and when necessary.
- Appointed Co-CSuOs (Co-Chief Sustainability Officers)
- Established the Sustainability Advisory Board as an advisory body to the Board of Directors
- Established a framework to respect the rights of local communities and indigenous peoples based on our Human Rights Policy

Strategy

Climate Nature

- Incorporated measures to address climate change and biodiversity into our materialities and medium-term vision (Nochu Vision 2030) to help fulfill our environmental policy and purpose
- Recognized the business opportunities in the transition and technology development for decarbonization, demand for capital to sustain and restore natural capital and biodiversity, and transition support for investees and borrowers
- Collaborated and partnered with industry, government, and academia, and participated in national and international initiatives
- Set a target of 15 trillion yen in new sustainable finance by FY2030 (updated upward in FY2026)
- Expanded and upgraded engagement with investees and borrowers

Climate

- Set GHG emission reduction targets for FY2030 for our investment and loan portfolio based on our commitment to net zero by 2050
- Set targets for our loan portfolio for the electricity, oil and gas, coal, steel, marine transport, automobiles, and real estate sectors
- Collated and systematized initiatives in our net zero transition plan
- Aim to achieve net zero GHG emissions across The Norinchukin Bank Group sites by FY2030
- Collaborated with JForest members in establishing a forest carbon sink target of 9 million tCO_2 per year in FY2030
- Conducted scenario analysis of the impact of climate change-related risks on credit portfolios, etc., based on sector-specific risk assessments
  - Transition risk: Analysis of impact on credit costs in the electricity, oil and gas, coal, food and agriculture, beverage, chemicals, and steel sectors
  - Physical risk: Scenario analysis of the impact of flood damage on key locations of domestic and overseas borrowers, real estate held as collateral, and the Bank Group's locations (acute risk); Scenario analysis of the impact of heavy rainfall on forests (acute risk); analysis of impact of climate change on agriculture and fishery industries (chronic risk)

Nature

- Nature-related risks extend to the Bank in the form of physical risk and transition risk, since natural and ecological degradation are interrelated with climate change
  - Conducted analyses of dependencies and impacts on nature across our portfolio
    - Assessed physical and transition risk across our portfolio based on dependencies and impacts
    - ESG risk analysis based on the value chains of investees and borrowers (analysis of supply chains of imported fishery products)
    - Analysis of Nature-related Impacts Using Nature Footprint Indicator
  - Investigated integrated understanding of climate and nature in scenario analysis incorporating EUDR

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Executive Summary ②

Risk Management

Climate Nature

- The Board of Directors formulated the Risk Management Policy to ensure appropriate Bank-wide risk management. Under this framework, we manage and control environmental and social risks, including climate and nature-related risks.
- Upgrade environmental and social risk management
  - Response based on Policy on Environmental and Social Considerations in Financing and Investment Activities ("Sector Policies" hereinafter) (identifying high-risk sectors using ENCORE's by-sector analysis of dependencies and impacts, verifying coverage of Sector Policies, etc.)
  - ESG integration incorporated into credit ratings
  - Ensure conformity with the Equator Principles when financing large-scale development projects

Metrics and Targets

Climate Nature

Classification		Metrics	Latest Results	Target
GHG emissions of investees and borrowers		GHG emissions of investment and loan portfolio (including baseline figures)		Interim target for FY2030 toward net zero by 2050
	Loans	**[Electricity]** base year (FY2019): 213 gCO_2e/kWh	FY2023: 197 gCO_2e/kWh	138–165 gCO_2e/kWh
	Loans	**[Oil and gas]** Scope 1&2, base year (FY2019): 8.9 gCO_2e/MJ	FY2023: 13.2 gCO_2e/MJ	3.1 gCO_2e/MJ
	Loans	**[Oil and gas]** Scope3, base year (FY2019): 0.51 $MtCO_2e$	FY2023: 0.16 $MtCO_2e$	0.37 $MtCO_2e$
	Loans	**[Coal]**	Response and engagement based on Sector Policies	
	Loans	**[Steel]** base year (FY2019): 2.02 tCO_2e/t	FY2023: 2.06 tCO_2e/t	1.54–1.73 tCO_2e/t
	Loans	**[Real estate]** base year (FY2019): 82.7 $kgCO_2e/m^2$	FY2023: 56.4 $kgCO_2e/m^2$	34.1 $kgCO_2e/m^2$
	Loans	**[Automobiles]** base year (FY2019): 192.6 gCO_2e/vkm	FY2023: 333.5 gCO_2e/vkm	111 gCO_2e/vkm
	Loans	**[Marine transport]** See recent results (P48)	FY2023: Striving: 38.5%, Minimum: 30.2%	PCA≤0%
	Investments	**[Stocks and bonds]** Emissions per unit of investment Base year (FY2019): 0.83 tCO_2e/million yen	FY2023: 0.74 tCO_2e/million yen	0.41 tCO_2e/million yen
		Forest-based CO_2 Absorption in Partnership with Members	FY2024: 6.98 million tCO_2/year	9 million tCO_2/year in FY2030
		GHG emissions from The Norinchukin Bank Group locations	FY2025: 14,586 tCO_2	Net zero by FY2030
Pursue sustainable business		New sustainable finance	FY2021–2025: 11.4 trillion yen	15 trillion yen by FY2030 (revised up from 10 trillion yen in April 2026)
Strengthen risk management system		Reduce outstanding investments and loans for coal-fired power generation	Investment balance at end of FY2025: 37.0 billion yen	Zero by FY2040
Nature-related metrics		Biodiversity footprint in key investment and financing regions (E/MSY)	See "Nature-related Metrics and Targets"	—

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1 Introduction

Dedicated to sustaining all life.

A mountain landscape in Kumamoto, glowing in the morning sun

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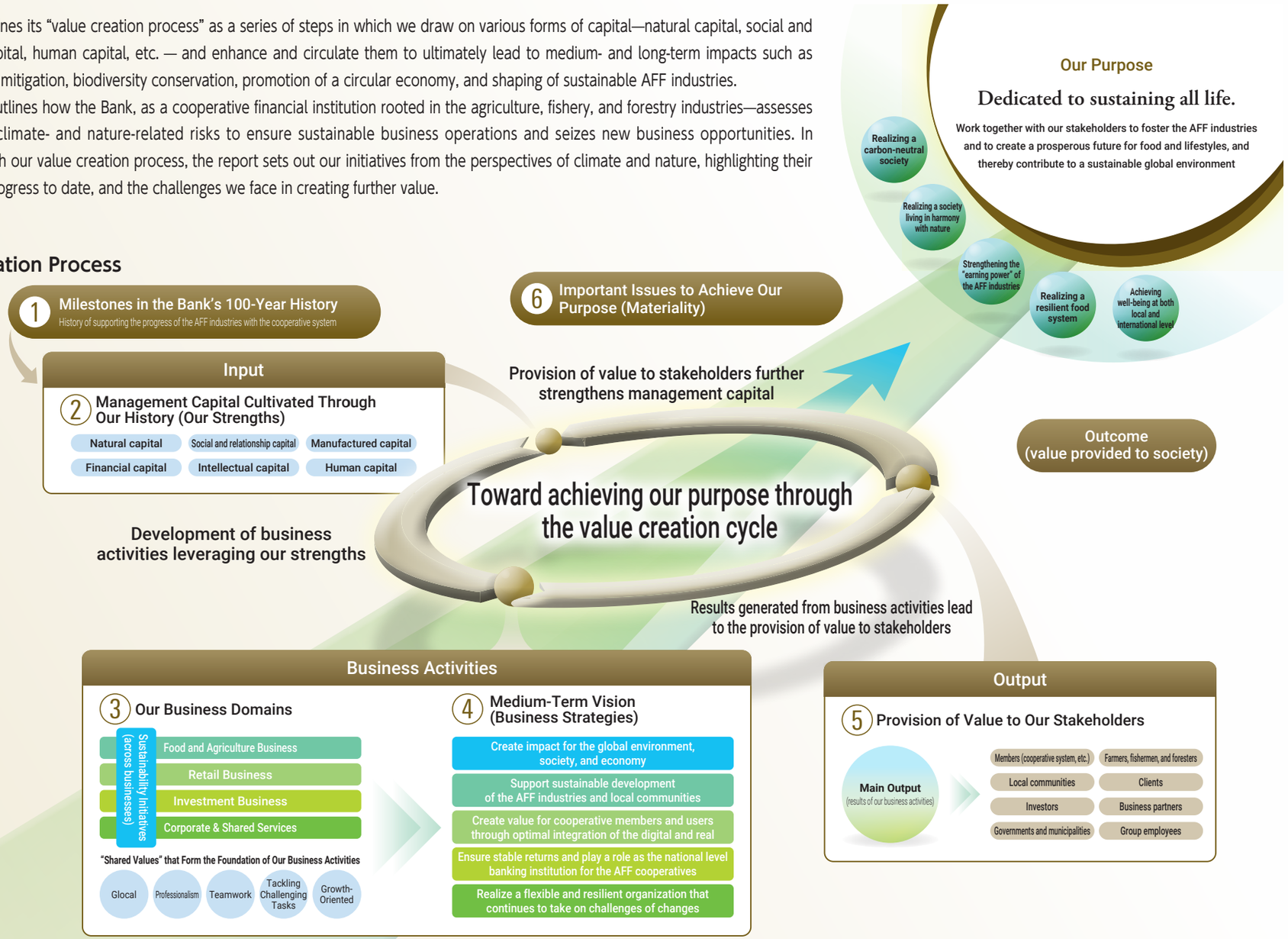
Value Creation Process

Climate Nature

The Bank defines its "value creation process" as a series of steps in which we draw on various forms of capital—natural capital, social and relationship capital, human capital, etc. — and enhance and circulate them to ultimately lead to medium- and long-term impacts such as climate change mitigation, biodiversity conservation, promotion of a circular economy, and shaping of sustainable AFF industries.

This report outlines how the Bank, as a cooperative financial institution rooted in the agriculture, fishery, and forestry industries—assesses and manages climate- and nature-related risks to ensure sustainable business operations and seizes new business opportunities. In accordance with our value creation process, the report sets out our initiatives from the perspectives of climate and nature, highlighting their background, progress to date, and the challenges we face in creating further value.

Value Creation Process



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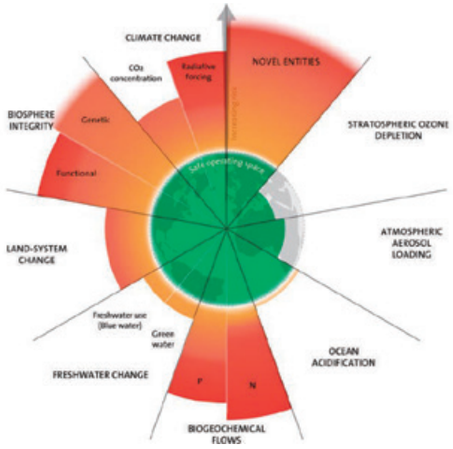
Motivation for Publishing the Report ①

Climate Nature

The publication of this report was motivated by a sense of crisis regarding the accelerating rate of climate change and nature's destruction. These trends are fundamentally altering the operating environment for the agriculture, fishery, and forestry industries-sectors central to the Bank's business. The latest 2026 assessment of planetary boundaries indicates that seven of the nine boundaries have been crossed, moving well beyond the safe operating space into the danger zone. These are novel entities including plastics, climate change, biosphere integrity, land-system change, freshwater change, and biogeochemical flows, and ocean acidification. In essence, the environmental impact of human activities is exceeding the Earth's limits. Scientists are ringing alarm bells not only about climate change but also concerning novel chemicals and the rapid loss of biodiversity (or biosphere integrity).

Planetary Boundaries (9 limits of Earth Systems)



Source: Stockholm Resilience Center

The fact that the Earth's "cry for help" is impacting human lives, health, and corporate business activities is reflected in the strong sense of crisis that global business leaders feel regarding the degradation of nature. The Global Risks Report 2026 (World Economic Forum) recognizes climate change and biodiversity loss as the top risks. Concerns about their impact on business continue to grow. In fact, the top three global risks over the next decade all relate to climate and nature.

In response to climate change, many companies and financial institutions have recently committed to achieving net zero by 2050, treating decarbonization as a fundamental business challenge. Similarly, regarding nature, we have reached a crucial juncture where businesses and financial institutions must confront the impact of their operations on the critical state of nature, addressing this as an urgent management priority. Crucially, we must now recognize climate and nature-related risks as inherent business risks, responding with transparency and a fundamental shift in mindset. These risks should not be viewed as external to our core business activities, but as management challenges that are an integral part of business strategy and risk management.

Top Global Risks in the Next 10 Years

1	Extreme weather events	6	Natural resource shortages
2	Biodiversity loss and ecosystem collapse	7	Inequality
3	Critical changes to Earth systems	8	Cyber insecurity
4	Misinformation and disinformation	9	Social polarization
5	Adverse outcomes of AI technologies	10	Pollution

Source: Global Risks Report 2026 (World Economic Forum)

Global discussions and initiatives to address climate change have significantly progressed since the adoption of the Paris Agreement at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2015. To help address nature-related challenges, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted at the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity in 2022. Awareness and discussion of these challenges are gradually growing in the business world. The 2030 mission of GBF is to take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery, or to be nature positive, in other words. GBF includes 23 targets for 2030. Target 15 calls for legal, administrative or policy measures to encourage businesses to disclose their biodiversity-related risks, dependencies and impacts, and to ensure such disclosure by large and transnational companies and financial institutions. This target is especially critical for large companies, multinational businesses, and financial institutions, which are asked to disclose data not only on their own operations but also related to their supply chains and portfolios.

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Motivation for Publishing the Report ②

Climate Nature

The Bank is a financial institution with a mission to contribute to the agriculture, fishery, and forestry industries, as well as to local communities, through profit returns from investment and financing in global financial markets. In line with this mission, we are pursuing initiatives that contribute to net zero and nature-positive goals across our investment and financing, engagement with stakeholders, and other corporate activities.

At the same time, we recognize our responsibility to contribute to the fulfillment of the Paris Agreement and the Global Biodiversity Framework (GBF) through the management of our investments and loans that support these goals, as well as through the establishment of risk management systems and disclosure practices.

Kunming-Montreal Global Biodiversity Framework (GBF)

2050 Vision	Global goals for 2050	
A world of living in harmony with nature	Goal A: Biodiversity conservation	Goal B: Sustainable biodiversity use
	Goal C: Access to genetic resources and benefit-sharing	Goal D:Securing the means to realize these goals

2030 Mission

Take urgent action to stop and reverse biodiversity loss to put nature on a path to recovery

2030 Global Targets

Reducing threats to biodiversity	Meeting people's needs	Tools and solutions for implementation and mainstreaming
T1 Spatial planning and effective management	T9 Sustainable management of wild species	T14 Mainstream biodiversity
T2 Ecosystem restoration	T10 Sustainable management of agriculture, fishery, and forestry	T15 Assess and disclose business impacts
T3 "30by30"/protected areas and OECM	T11 Restoring, preserving, and enhancing nature's bounty	T16 Sustainable consumption
T4 Species and genetic conservation, coexistence with wildlife	T12 Secure urban green and blue spaces	T17 Biosafety
T5 Regulate use, harvesting, and trading of living organisms	T13 Fair and equitable sharing of benefits from genetic resources (ABS)	T18 Identify and review harmful subsidies
T6 Measures to combat invasive alien species		T19 Mobilize funding
T7 Prevent pollution and cut nutrient runoff and pesticide risks by half		T20 Capacity-building, technology transfer and cooperation
T8 Climate action (incl. NbS/EbA)		T21 Strengthen access to information and knowledge
		T22 Participation of women, youth, and indigenous peoples
		T23 Gender equality

Source: Created by The Norinchukin Bank based on Ministry of the Environment, "Kunming-Montreal Biodiversity Framework—Global 2030 Goals for a Nature-positive Future"

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Our Relationship with Stakeholders and Nature

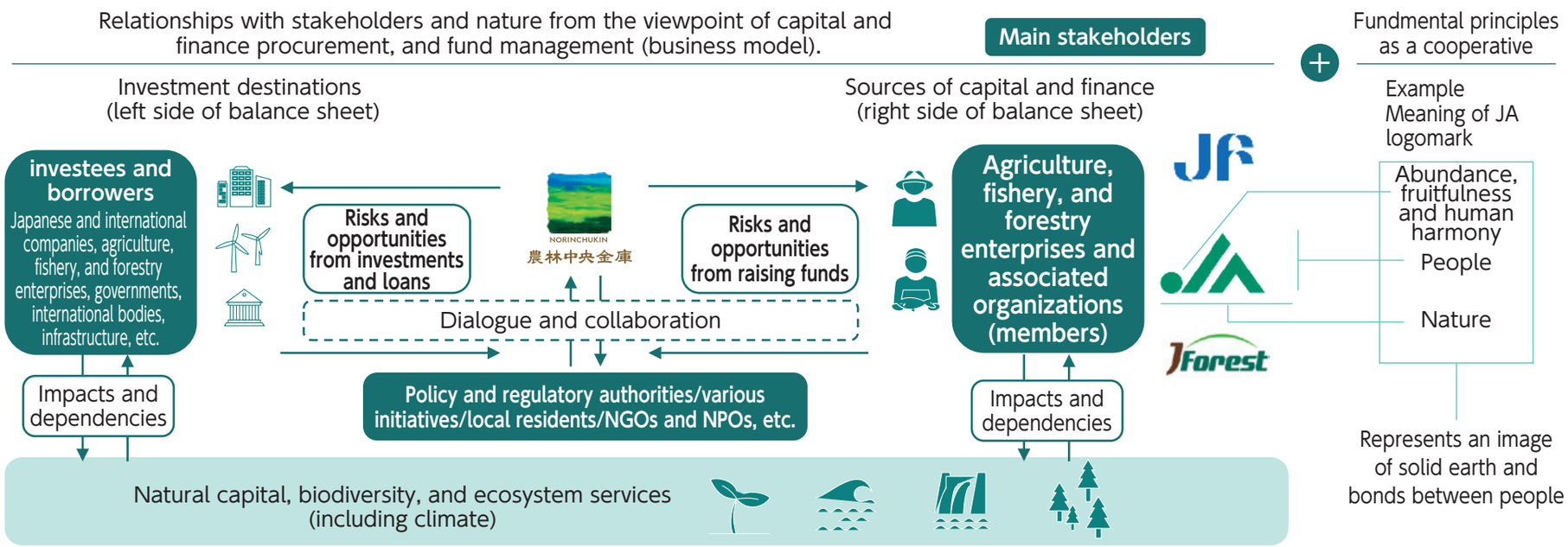
Climate Nature

The members (investors) who make up the organizational foundation of the Bank are cooperative organizations in agriculture, fishery, and forestry. As the terms *satoyama* and *satoumi* reflect, since ancient times, agriculture, fishery, and forestry in Japan have been pursued with a conscious effort to coexist with nature. This approach has long been preserved and handed down as fundamental principle of these cooperatives. For example, the design of the JA logomark expresses the connection between people and nature. It graphically represents the solid earth and the bonds between people.

This philosophy can be grasped more concretely through the Bank's business model and balance sheet, and our relationships with stakeholders and the natural environment. In other words, while the Bank's capital and funds are derived through its members from local communities and the agriculture, fishery, and forestry activities, they are invested in a wide range of investment and financing initiatives, both in Japan and overseas. Like this, we could be described as a financial institution that is closely tied to nature on both sides of the balance sheet in a unique way. In view of these characteristics, to ensure the stability and continuity of capital and funding into the future—in addition to investment and financing—it is essential for us to manage risks and seize opportunities for agriculture, fishery, and forestry enterprises and organizations within the cooperative system as they are heavily impacted by worsening climate change and biodiversity decline.

We also recognize that it is not easy for the Bank to fully address these challenges on its own. In addition to its members, agriculture, fishery, and forestry enterprises, and investees and borrowers, the Bank has identified various policy and regulatory authorities, initiatives, local residents, and other stakeholders with which it is advancing climate and nature-related initiatives through dialogue and collaboration. For example, the support we provide to our members and agriculture, fishery, and forestry enterprises goes beyond the procurement of capital and financing—it extends to revitalizing communities and strengthening sustainability systems. We also engage in dialogue with our investees and borrowers based on climate- and nature-related locations and supply chain analysis, to grasp challenges and promote business transition by providing financing and solutions.

Organizational context in which harmony between people and nature has been a priority



Source: Created by the Norinchukin Bank

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Our Approach to Climate and Nature Initiatives

Climate Nature

The Nexus Approach

With the adoption of the GBF and the growing momentum of private-sector initiatives such as TNFD, attention is turning increasingly to relationship and intersection (nexus) between climate change mitigation and adaptation and nature-positive approaches. The Norinchukin Bank recognizes the importance of the "nexus approach," which aims not just at climate change and nature issues, but also at addressing sustainability challenges. We are putting particular emphasis on the nexus with food-related issues, which are closely tied to climate and nature.

In December 2024, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) published "Summary for Policymakers of the Thematic Assessment on Interlinkages among Biodiversity, Water, Food and Health" (Nexus Assessment Report). This report analyzes the nexus and relationship between climate and nature, and elements such as water, food, and health, as well as presenting measures and options for solving multiple problems simultaneously. For example, based on analysis of the relative magnitude of the positive and negative impacts of various options for addressing crises, the report shows—from the perspective of the climate-biodiversity-food nexus—that conservation and restoration of soil health, forests, and coastal ecosystems are promising options that can simultaneously yield significant benefits across multiple challenges. These include, for example, initiatives that the Bank has applied and supported in various ways, such as spreading biochar over farmland, improving the management of privately owned forests, and creating blue carbon by restoring seaweed beds. We also recognize the need to promote such initiatives further.

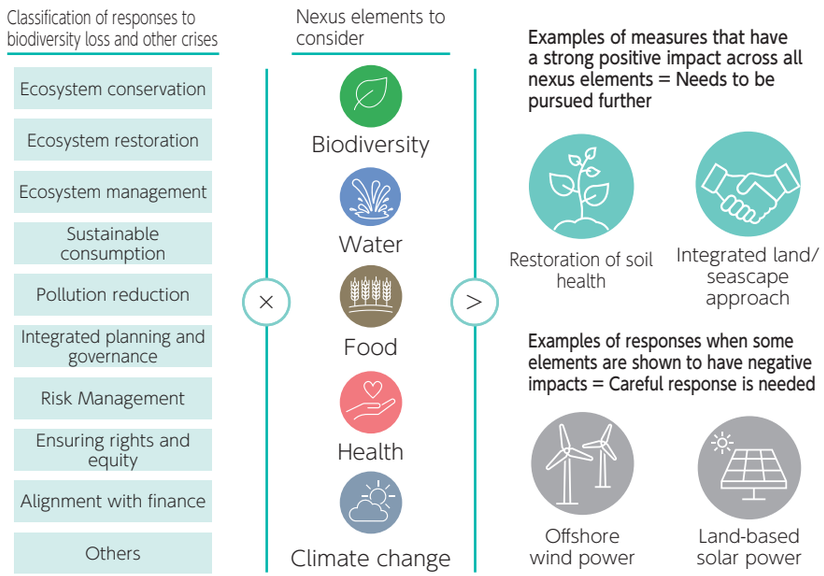
We reiterate the importance of promoting synergies and minimizing trade-offs to prevent climate change, natural environment changes, and degradation of nature. The report states, for example, that although offshore wind power helps to combat climate change, it also has negative impacts on biodiversity, water, food, and health, even if small. To mitigate such negative impacts in the medium to long term, it is necessary to consider combining different options (approaches), such as cultivating seaweed using offshore facilities to restore marine ecosystems.

Landscape/Seascape Approach

In addition to the nexus approach, the report and TNFD recommendations highlight the importance of an integrated landscape/seascape approach. In the conservation of the local natural environments, it is important to take an integrated approach to economic activities and nature by involving the various local (landscape or seascape) stakeholders.

A similar trend can be observed in discussions about agriculture, fishery, and forestry and the rural, mountain, or seaside communities that form the foundation of these industries. For example, in the FAO's Global Important Agricultural Heritage Systems (GIAHS), which includes 17 sites in Japan, landscapes and seascapes feature as key elements. Guidance by the Ministry of Agriculture, Forestry, and Fisheries (MAFF) on "Agricultural, Mountainous, and Fishing Villages" Impact Visualization" focuses on value creation by a diverse range of stakeholders, including city residents and businesses. This approach, of connecting a variety of actors to address challenges, is considered essential for building a mature society. The Bank too will place even greater emphasis on these perspectives in regional projects it pursues with its members and local partners.

Measures to address climate, nature, water, food, and health challenges and their interrelationships (positive and negative impacts)



Source: Figure SPM.8. Response options have substantial but widely varying impacts on the five nexus elements of biodiversity, water, food, health and climate change

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Expectations and Messages from Stakeholders

From academia

Ryo Kohsaka
Professor, Graduate School of Agricultural and Life Sciences
The University of Tokyo

In February 2026, IPBES published "Business and Biodiversity Assessment." I participated in the project as the Coordinating Lead Author (CLA). This assessment clearly demonstrates the importance of understanding the impacts of companies and financial institutions on nature, as well as how businesses and local economies "depend" on natural capital and ecosystems. The need to take a comprehensive view of risks and opportunities in accordance with these impacts and dependencies will increase in the years ahead.

For nature-related assessments and disclosures, it is necessary to use appropriate tools and metrics based on the level and purpose of decision-making for on-site conservation and regeneration activities; for procurement, production, and distribution in value chains; and for portfolio management by financial institutions. The Global Nature Positive Summit to be held in Kumamoto in July 2026 is expected to feature private sector-led discussions about how to measure the state of nature—including use of State of Nature metrics—to implement improvements.

The Norinchukin Bank is set to play a role in this effort. On top of its analytical and consultative function as a cooperative financial institution rooted in the agriculture, fishery, and forestry industries, it will help to link international trends with the implementation of local SDGs. One of the Bank's notable strengths is the ability to collaborate with local players such as farming, fishing, and forestry cooperatives. Support for the certification of Nationally Certified Sustainably Managed Natural Sites and blue carbon projects in partnership with local fishing cooperatives are also important practices for linking local livelihoods with the restoration of natural capital.

By effectively utilizing community-led monitoring, including citizen science, it can also visualize natural capital value and changes and upgrade mechanisms for circulating capital, data, and human resources within communities. We look forward to seeing the Bank connecting its members, communities, and enterprises, and demonstrating practical models of nature-positive finance originating in Japan.

From agriculture, fishery, and forestry cooperatives

Koji Nishiyama
Head of Public Relations
Kikuchi Forest Owners' Cooperative

The Kikuchi Forest Owners' Cooperative, located in northern Kumamoto Prefecture, has over 1,800 members. Through a wide range of business activities, such as providing information on local forestry, producing and selling logs, supplying sawdust, selling wood products, and forest management, we help to increase the profits of forest owners and promote regional development. In recent years, we have actively pursued initiatives such as tree planting and forest improvement in partnership with local municipalities and businesses. At the same time, as companies from around Japan and overseas expand into this region, and large production plants are built here, farmland and semi-rural forests are also being developed. Against this backdrop, the role played by forestry cooperatives is becoming more important than ever.

I have been involved in forestry for around 30 years now. As the number of people working in the industry continues to fall every year, forest management is becoming increasingly difficult.

The arrival of major corporations in the Kikuchi region is driving infrastructure development to support new production plant construction and ease traffic congestion. This too is leading to the conversion of forest and farmland. As a result, there are concerns that the multifaceted functions of forests, such as watershed protection, are weakening.

To address all these challenges, it is important to maintain and preserve these vital forest functions for future generations, in parallel with regional development.

As part of this effort, our cooperative is planning a new initiative in collaboration with Kumamoto Prefecture, titled "Creating Forests that Bring People Together." By creating opportunities for people to enjoy viewing forests and spending time in them to experience their healing power, we hope to increase public interest in forests and help to promote their continued conservation.

We look forward to continuing our partnership with The Norinchukin Bank and would appreciate support in connecting with companies that share our vision.

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2 Our Approach to Disclosure

Dedicated to sustaining all life.

Careful soil preparation for an abundant crop harvest

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General Requirements for TNFD Recommendations

Nature

In addition to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, issued by the IFRS Foundation, and other regulations, the TNFD recommendations include six general requirements. These are "The application of materiality," "The scope of disclosures," "The location of nature-related issues," "Integration with other sustainability-related disclosures," "The time horizons considered," "The engagement of indigenous peoples, local communities and affected stakeholders in the identification and assessment of the organization's nature-related issues." It is recommended that the disclosing entity define its approach to each of these general requirements to ensure integration with other disclosure standards and consistency of disclosed information. The Bank has organized its approach to each of these requirements as follows.

TNFD General Requirements and Bank's Approach

Application of materiality	• As a national financial institution rooted in organizations such as JA, JF, and JForest, our mission is to contribute to the development of agriculture, fishery, and forestry and the national economy. • Backed by capital contributions from our members and the stable financing of JA Bank and JF Marine Bank, we make diverse investments and loans, both in Japan and overseas, with the aim of managing funds efficiently and providing members with stable profit returns. • Focusing on the relationship between the business activities of investees and borrowers and the nature-related (including climate) dependencies and impacts of those activities, we analyze and disclose all the financial risks and opportunities that affect our investment and loan portfolio. • Negative environmental and social impacts can undermine the sustainability of agriculture, fishery, and forestry enterprises and local communities, and pose financial risk to the Bank in the medium to long term. • Given this reality, we analyze the environmental and social impacts of all our investment and financing activities. • We have prepared this report, which is focused on both financial materiality and impact materiality, for the benefit of our members and a wide range of other stakeholders.
Scope of disclosure	• The scope covers all business activities, upstream (members and agriculture, fishery and forestry enterprises) and downstream (investees and borrowers) in the Bank's value chains. • For our investees and borrowers (i.e., downstream) in particular, we analyze not only their direct business but also their value chains (e.g., raw materials procurement, indirect impacts of business). We also consider future risks and opportunities, as well as dependencies and impacts.
Location of nature-related issues	• For all our investees and borrowers, we refer to available data (information on the locations of their headquarters, offices, production plants, etc.) as far as possible and comprehensively consider the locations of all their business operations.
Integration with other sustainability-related disclosures	• In response to both TCFD and TNFD recommendations, we describe information about governance, strategy, risk (and impact) management, and metrics and targets.
Time horizon considered	• Short term: For several years from now • Medium term: For 10 years or so from now • Long term: Around 2050 or later
Engagement with indigenous peoples, local communities, and affected stakeholders in the identification and assessment of the organization's nature-related issues	• The Bank endorses and participates in initiatives such as the Equator Principles that take indigenous peoples, local communities, and other stakeholders into consideration when making investment and financing decisions. We conduct our investments and loans in accordance with these principles. • Sector Policies prohibit or restrict investments and loans for locations adjacent to World Heritage sites and other protected areas. The policy also requires clients in certain sectors to obtain certification to demonstrate a certain level of environmental and social responsiveness in their production activities. • The Bank recognizes the need to further our current engagement efforts (see P26) with respect to indigenous peoples, local communities, and other stakeholders. • We emphasize a landscape approach (an integrated approach incorporating geographical and ecological perspectives) and promote collaboration with diverse stakeholders such as members, agriculture, fishery, and forestry enterprises, local communities, businesses, government bodies, and NPOs and NGOs, focusing on "priority locations" such as watersheds, forest belts, and agricultural zones as units of concentrated natural resources.

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TNFD Recommended Disclosures

Nature

Given that TCFD and TNFD disclosures are similarly structured around four pillars (Governance, etc.), this report (like previous editions of Climate & Nature Report) combines climate and nature disclosures for Governance, Strategy, Risk (and Impact) Management, and Metrics and Targets to the greatest extent possible. Beyond the basic structure of both recommendations, we recognize the intrinsic connection between life and climate and nature that sustains it. We chose this integrated approach to inform a wide range of stakeholders about climate and nature-related risks and opportunities.

TNFD Disclosure Recommendations			
Governance	Strategy	Risk and Impact Management	Metrics and Targets
Disclose the organization's governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organization's business model, strategy and financial planning where such information is material.	Describe the processes used by the organization to identify, assess, prioritize and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	A. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term .	A(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	A. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	**A(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).**	B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.
C. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	C. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	B. Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities.	C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.
	D. Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	

Bolded text indicates recommendatios unique to the TNFD. All other items are common to TCFD recommendations.
Source: TNFDv1.0

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Dependencies and Impacts on Nature

Nature

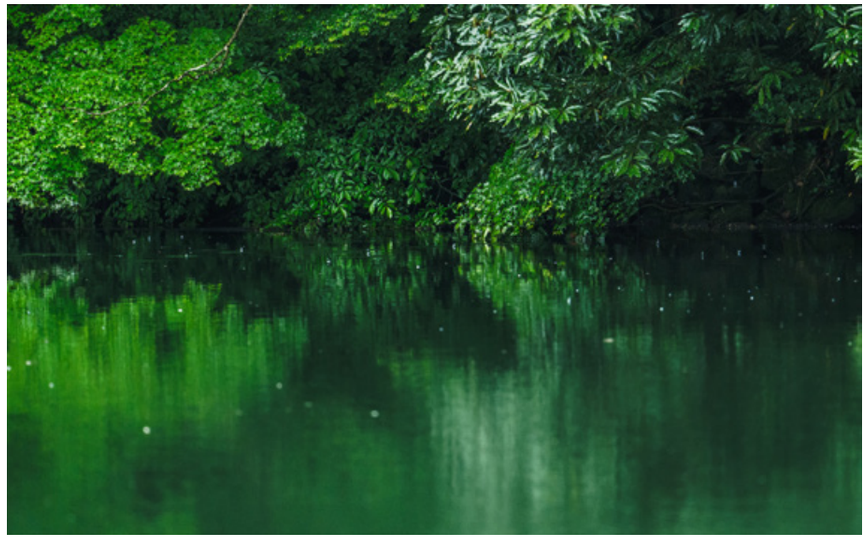
The Bank underscores the importance of dependencies and impacts, as well as the risks and opportunities, as recommended by the TNFD framework. By applying the recommendations, we correctly identify and understand these elements and are able to grasp the dependencies and impacts on land, oceans, atmosphere, and freshwater (e.g., pollutant emissions and environmental impacts arising from business activities). We also keep in mind the close connections and interactions of ecosystems and biomes with human communities.

As a financial institution, we need to identify dependencies and impacts on nature associated with our portfolio, through investments and loans to clients and other entities, and recognize the resulting risks and opportunities. Approaches to identifying the impacts and risks of climate change to a company, relating to measuring GHG emissions or assessing physical risks to business sites due to flooding, are recently becoming established. However, assessments of natural capital and biodiversity are complex. It is therefore necessary to first understand how the business depends on and impacts nature.

First of all, understanding dependencies requires identifying the indispensable elements in business processes that are rooted in nature. For example, food-related industries that produce drinking water are strongly dependent on water resources. In turn, it is necessary to understand that water resources are supported by groundwater and the ability of forests to conserve water. Understanding these relationships is essential to understanding dependencies. As deterioration of the natural resources on which the company is dependent progresses, companies face operational risks that may impede or disrupt conventional business activities. Lack of additional measures may lead to lower earnings and financial risks.

On the other hand, impacts refer to how a business affects natural capital and biodiversity. In addition to identifying impacts, it is important to understand how stakeholders are affected as a result of those changes in natural capital and biodiversity. For example, poorly planned natural rubber plantations can destroy rainforests and habitats of rare species and cause air and soil pollution. Automobile manufacturers and trading companies that procure raw materials from such sources may be considered to have negative impacts through their supply chains. Such impacts can lead to conflict with local communities and other stakeholders, resulting in reputational risks and other negative consequences.

We understand that the risks and opportunities arising from the dependencies and impacts of such a business can spill over to the Bank through our investment and financing activities. It is therefore important for us to identify such pathways and assess risks.



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3 Governance

Dedicated to sustaining all life.

Green bounty harvested from the blue sea

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Management Systems for Climate and Nature Initiatives

Climate Nature

The Norinchukin Bank is a national level cooperative financial institution for agriculture, fishery and forestry industries. As an institutional investor, we participate in financial and capital markets through large-scale fund management in Japan and overseas. Accordingly, our decision-making processes are based on sharing and collaboration while adhering to Council of Delegates decisions. The Supervisory Committee and Board of Directors share responsibilities and coordinate decision-making, taking account of conditions within and outside the cooperative system and adhering to decisions of the Council of Delegates, as stipulated by The Norinchukin Bank Act.

The Bank has established various management meetings to which the Board of Directors delegates executive decision-making on important management matters. The committees also discuss management issues. The Sustainability Management Committee holds regular discussions on environmental and social issues, including climate and nature. Additionally, the Risk Management Committee makes decisions on matters regarding the Bank's overall risk management system and risk management, including environmental and social risks. Under our risk management framework, we also hold discussions at the management level on responses to environmental risks and opportunities. For example, the Market Portfolio Management Committee visualizes the GHG emissions of investment portfolios while discussing allocation policies.

Agendas are discussed and reported to the Board of Directors and Supervisory Committee as necessary, establishing a system for committees to oversee responses to climate and nature-related issues.

The Bank's management framework for climate and nature

Source: Created by the Norinchukin Bank

Main Committees Handling the Bank's Climate and Nature Issues

Committee, etc.	Chairperson	Main agenda items, discussions and reports in FY2025 (relating to climate and nature)
Supervisory Committee	Chairperson of the Supervisory Committee	• Initiatives and business performance (including sustainable management matters)
Board of Directors	President and CEO	• Initiatives and business performance (including sustainable management matters) • Selection of top risks • Sustainability Advisory Board meeting results and responses
Sustainability Management Committee	Co-Chief Sustainability Officer (Corporate Planning)	A total of six meetings in FY2025 (including those co-hosted with other committees) • Natural capital and biodiversity initiatives • Initiatives for human rights in agriculture • Initiatives and business performance (including sustainable management initiatives) • Sustainability Advisory Board meeting results and responses
Risk Management Committee	Chief Risk Officer	• Selection of top risks • Revisions to risk management policy • Partial revisions to Sector Policies • Transition risk assessment framework • ESRM status
Market and Credit Portfolio Management Committee	Chief Investment Officer	• Partial revisions to Sector Policies • Development of allocation policy (visualization of GHG emissions in investment portfolios at Market and Credit Portfolio Management Committees)
Food and Agri Finance Committee	Managing Director of Food & Agri Banking Business	
Disclosure Committee	Executive Officer in Charge of PR and Communications	• Sustainability disclosure

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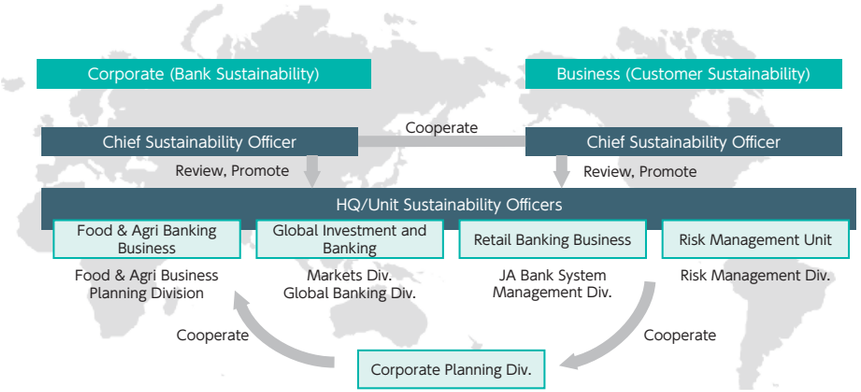
Framework for Addressing Climate and Nature Challenges

Climate Nature

Internal Implementation Structure of The Norinchukin Bank

The Bank appoints two Chief Sustainability Officers (Co-CSuO) responsible for overseeing and implementing sustainable management. In addition to collaboration between departments, they promote sustainable management with an awareness of global trends (making use of intelligence from overseas offices in Europe, Asia, the Americas, Australia, and other regions). They also work to cultivate business opportunities and conduct risk management.

Furthermore, to strengthen organization-wide sustainable management, we appointed HQ/Unit Sustainability Officers (SuO) to HQs and units (i.e., Food & Agri Banking Business HQ, Retail Banking Business HQ, Global Investment and Banking HQ and Risk Management Unit). The SuO advances the initiatives in each headquarter or unit based on organizational policies and is responsible for strengthening cooperation among HDs and units.



Sustainability Advisory Board

The Sustainability Advisory Board serves as an advisory body to the Board of Directors to reflect the opinions of outside experts and advance the sustainability management of the Bank. In FY2025, we held meetings in June and January, where we received feedback on sustainability initiatives of JA Bank and the JA Group, on broad strategies for food and agriculture value chain transition, and on plans for utilizing CSuO-led dialogue with different offices.

The discussions of the Sustainability Advisory Board lead to stronger sustainable management through intensified climate and nature efforts and participation in rulemaking.

Name	Affiliation and position
Takafumi Sato	Supervisory Committee Member, The Norinchukin Bank (former Vice-Chairman of the IFRS Foundation)
Yukari Takamura	Professor, Institute for Future Initiatives, The University of Tokyo
Keisuke Takegahara	Professor, National Graduate Institute for Policy Studies
Shinji Matsuoka	Senior Adviser, Meiji Holdings Co., Ltd.

As of June 30, 2026

Comments about the Bank's sustainable management from two new members who took office in FY2025

What has impressed me most about serving on the Sustainability Advisory Board is that the Board is very much treating sustainability as a core management challenge. The fact that there are active and free discussions about the Group's response, covering both backcasting from a long-term perspective and forecasting based on current strategies, is a good example of sustainability governance. For me personally, the opportunity to participate in the process of ensuring that deep insights into natural capital and finance from highly specialized sources are widely spread and shared has been a valuable learning experience.

Keisuke Takegahara

I highly regard the facts that the Bank's medium-term vision and management strategy are formulated based on detailed analysis of the societal challenges faced by food and agriculture value chains (VCs), and that the Bank views sustainability as a key management priority. From the perspective of a food manufacturer, I endorse the approach outlined in the Food and Agriculture VC Transition Strategy of midstream and downstream food-related companies supporting and investing in upstream agricultural producers working to reduce environmental impacts and promote regenerative agriculture. I expect that the Insetting Consortium—under the Bank's guidance and in collaboration with participating companies—will help to overcome upstream societal challenges.

Shinji Matsuoka

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Director Compensation

Climate Nature

The Bank is a financial institution founded on agriculture, fishery and forestry cooperatives in accordance with The Norinchukin Bank Act. As such, the Bank aims to contribute to the development of the agriculture, fishery and forestry industries, as well as the national economy, by offering financing and other services to these cooperatives. Implementing sustainable management and addressing climate and nature issues throughout our business will lead to the sustainability of the agriculture, fishery and forestry industries, and ultimately to a sustainable and prosperous society. The Bank designed our directors' compensation system to achieve this goal.

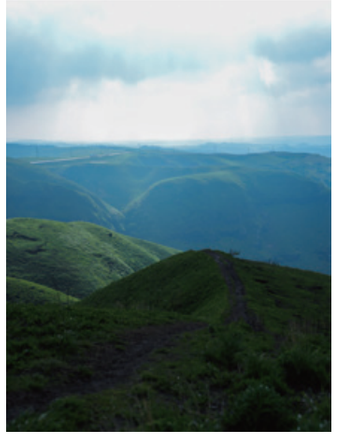
In principle, remuneration for Bank directors and executive officers consists of compensation and retirement benefits. Director compensation consists of fixed and variable systems. Compensation for Supervisory Committee Members, Audit & Supervisory Board Members, Outside Directors consists of fixed remuneration only to ensure effective leveraging of their responsibilities. The retirement benefits are common to all directors, Supervisory Committee Members, and Audit & Supervisory Board Members.

The procedure for determining compensation is as follows. Based on the results of discussions by the Director Compensation Deliberation Committee, the Supervisory Committee decides on proposals relating to total executive compensation and retirement benefits, with the final decision taken by the Council of Delegates after their deliberation.

The compensation of individual board members, Supervisory Committee members, and auditors shall be within the range determined by the Council of Delegates. Within the total remuneration approved by the Council of Delegates, individual remuneration is determined by the Board of Directors for directors, by the Supervisory Committee for its members, and through consultation among Audit & Supervisory Board Members for those members. The specific amounts of retirement benefits are decided by consultation of the Board of Directors for directors, by consultation of the Supervisory Committee for Supervisory Committee members, and by consultation of the Audit & Supervisory Board for auditors, based on resolutions of the Council of Delegates.

Overview of Compensation Structure (Directors)

Compensation Type		Compensation Description	
Directors' Compensation	Fixed Compensation	• Determined according to position and rank while considering the Bank's characteristics as a central, specialized financial institution for cooperatives and trends in organizations within the cooperative system and other business sectors.	70%
	Variable Compensation	• Paid as sound incentives for sustainable growth and determined in accordance with whether the goals set in our annual initiatives based on the Bank's medium-term vision are achieved. The goals are set to contribute to the realization of a sustainable environment, society, and economy; the sustainable development of agriculture, fishery and forestry, and the region; the creation of value for members and users; and the realization of a flexible and resilient organization. • A portion of variable compensation is awarded based on quantitative and qualitative evaluations of the degree to which individual executives successfully carry out the annual initiatives they set.	30%
Retirement Benefits		• Benefits are calculated by multiplying years of service and the amount of compensation during said service by a fixed weighting in accordance with the rules on retirement benefit payments.	



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Developing Sustainability Talent and Raising Internal Awareness

Climate Nature

Since the Bank's sustainability efforts are aligned with the initiatives of each HQ and unit to create synergies, we aim to develop all employees into "sustainability talent" who understand the importance of sustainability and possess the fundamental knowledge of business professionals. Building on the expertise of each HQ, we defined "sustainable business professionals" as individuals capable of planning and implementing initiatives using sustainability-related knowledge in addition to the expertise of their HQ. We intend to integrate these roles into our career development framework to foster professional talent and integrate them throughout the Bank.

Ideal human resources

Executives and management

Understanding external circumstances relating to sustainability, determine priorities for strategies and initiatives allocate the necessary resources, and implement the initiatives.

Leaders

Sustainable business professionals

Employees of dedicated planning departments | Implementers in each HQ/unit

Professionals capable of planning and implementing initiatives using sustainability-related knowledge on top of the expertise of their HQ

Dedicated planning departments are primarily responsible for formulating plans for each HQ and unit and driving their implementation.

These implementers serve as core members of their departments in the promotion of investment and financing and risk management.

Associates

Sustainability talent

Individuals who understand the importance of sustainability initiatives and acquire the sustainability knowledge essential for business professionals (and can explain it to others) View all employees as "sustainability talent"

Key measures

- Organizing lectures and discussions on sustainability with external experts for executives Results for FY2025 are as follows
  - Ryosuke Mizouchi, Advisor, Kirin Holdings Company, Limited "Kirin's CSV Management"
  - Eiichiro Adachi, Fellow, The Japan Research Institute, Ltd. "Measures Required for Financial Institutions in Response to Domestic and International Sustainability Trends"
- Implement human resource development for sustainability initiatives through on-the-job training (OJT) in both planning and execution
- Provide university-level specialized courses and professional training, as needed, to employees in dedicated planning departments
- Provide training with the support of the relevant departments to help implementers acquire practical knowledge
- Providing sustainability training as part of level-specific training in addition to environmental and human rights training for all executives and employees
- Organizing and sharing information using the in-house company portal
- Support for obtaining sustainability-related qualifications in coordination with employee development programs

CSuO-led dialogue with different offices (see column)

Column

CSuO-led dialogue with different offices

With the aim of promoting awareness of the importance of sustainability, the Bank's sustainability strategy, and fostering this awareness in all the Bank's work, our two CSuOs (Chief Sustainability Officers), who are responsible for overseeing and promoting sustainable management, are dividing the work of visiting all the Bank's offices in Japan for dialogue with approximately 300 employees.

In addition to general trends in sustainability and the Bank's initiatives, they engage in wide-ranging and lively discussions about the amendment of the Basic Act on Food, Agriculture and Rural Areas, corporate and financial trends, and issues raised in dialogues.

Many participants reported that they gained a renewed understanding of the relevance of sustainability to their work and developed a more positive attitude. We will continue to make use of this kind of communication with executives for employee training and to promote sustainability throughout the company.

Scene from a dialogue with a CSuO

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Understanding Human Rights, Indigenous Peoples and Local Communities

Climate Nature

The Norinchukin Bank recognizes that the perspective of a "just transition" is essential for addressing the issues such as climate change, natural capital, and biodiversity. Indigenous and local peoples around the world, who have long nurtured a culture of living in harmony with nature, still play a major role in protecting and ensuring the appropriate use of nature. Engagement with indigenous peoples, local communities and affected stakeholders is one of the six general requirements of the TNFD recommendations. For good governance, it is therefore necessary to engage in communication with indigenous peoples and local residents and ensure respect for human rights.

As stewards of regions rich in biodiversity, indigenous peoples have interacted with nature in ways that do not harm ecosystems (traditional knowledge). Such insights are important for achieving nature-positive objectives. Even in Japan, local stakeholders, such as farmers working to preserve terraced rice fields and fishermen engaged in maintaining and restoring seaweed beds, play a vital role. We recognize that local participation and opinions should be fully considered when assessing corporate risks and opportunities.

Against this backdrop, the Bank has formulated an environmental policy and human rights policy to serve as basic guidelines for tackling environmental and societal challenges. Our Environmental Policy states clearly that in addition to contributing to solving environmental problems through our business activities, we take action in accordance with TCFD and TNFD recommendations. Our Human Rights Policy, which is positioned under our Code of Ethics, clearly states that due diligence is required to prevent and mitigate any adverse human rights impacts arising from our financial services. Through our Basic Policy for Investment and Loans, we identify projects that impact negatively on indigenous peoples and local communities, or that involve involuntary resettlement for critical scrutiny. We also designate coal, palm oil, forestry, and large-scale hydropower as sectors requiring special attention.

Guided by our policies and our principle of mutual aid as a cooperative organization, we respect the rights and dignity of all people and strive to shape a fairer society. In response to international human rights issues, we support and honor a wide range of international standards, such as the Universal Declaration of Human Rights, the ILO Declaration, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises. As part of our commitment to supporting human rights in our supply chains, since 2016 we have been making disclosures based on the UK's Modern Slavery Act 2015.

We have also adopted the Equator Principles, which require our investees and borrowers to consider the rights of local communities and indigenous peoples in large-scale development projects. We also recognize the need to further strengthen our stakeholder engagement, based on identification of nature-related dependencies, impacts, risks, and opportunities, in line with TNFD guidance.

Environmental Policy: Key Points

- We declare that we are a responsible financial institution that proactively contributes to solving environmental problems through our business activities.
- We declare that as a financial institution rooted in the agriculture, fishery, and forestry industries, we are committed to working in partnership with local communities and industries to achieve both a sustainable society and economic development.
- We declare that we will actively support and endorse international frameworks and initiatives such as TCFD and TNFD and are committed to taking a progressive and highly transparent approach to addressing climate and nature-related challenges.
- We declare that we will promote the reduction of environmental impacts across society by requiring our investees and borrowers to adopt environmentally responsible practices, and engage in financial activities that appropriately address and reduce environmental risks.
- We declare that we will promote environmental initiatives organization-wide, through governance, corporate culture, and employee training, to achieve sustainable management.

* Refers to supporting and adopting the TCFD and TNFD recommendations, pursuing initiatives based on the purpose of said recommendations

Human Rights Policy: Key Points

- We declare that we will act as a responsible financial institution that respects human rights in all aspects of our business activities and organizational operations, and protects the dignity and rights of all people.
- We declare, as a financial institution rooted in agriculture, fishery, and forestry industries, that we will contribute to the realization of a fair and sustainable society through collaboration with all stakeholders.
- We declare that we will support and respect international standards such as the UN Guiding Principles and the ILO Declaration, and take a transparent approach to human rights issues that is consistent with international norms.
- We declare that we will require our investees and borrowers, and suppliers, to respect human rights, and practice responsible financial conduct through human rights due diligence.
- We declare that we will instill respect for human rights throughout our whole organization, through governance, remedial mechanisms, corporate culture, and employee training, and promote effective initiatives for this purpose.

* Universal Declaration of Human Rights; International Covenant on Economic, Social and Cultural Rights; International Covenant on Civil and Political Rights; ILO Declaration on Fundamental Principles and Rights at Work; UN Guiding Principles on Business and Human Rights; UN Global Compact; OECD Guidelines for Multinational Enterprises

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Identifying and Assessing the Impact of Human Rights Issues

Climate Nature

The 2011 UN Guiding Principles on Business and Human Rights (UNGP) clearly define corporate responsibility for human rights stating that business enterprises should carry out due diligence, avoid infringing on the human rights of those with whom they are associated, and address the enterprise's negative human rights impacts.

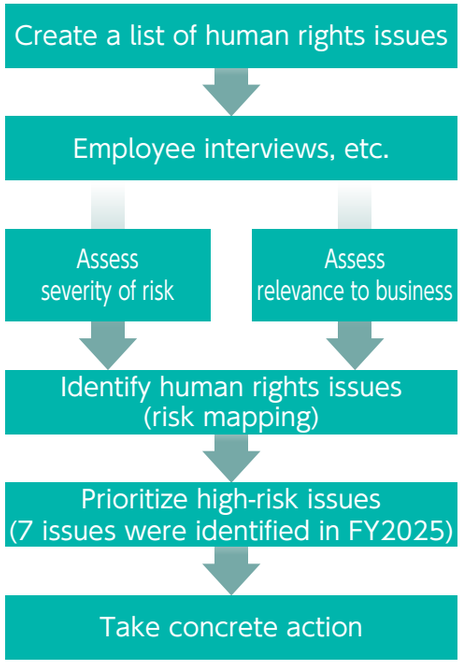
In its Human Rights Policy, the Bank clearly states its commitment to conduct due diligence to prevent or mitigate any negative human rights impacts of its corporate activities. Accordingly, we conduct human rights impact assessments across our entire organization and business activities.

The Bank conducts a human rights impact assessment once every three years. In FY2025, we focused on our corporate activities and value chains (including all Group companies), working in cooperation with U.S.-based NPO Business for Social Responsibility (BSR) to identify human rights issues through employee interviews and other means.

For the identified human rights issues, we create a risk map based on the severity of the risks (in terms of the degree of risk to the rights holders) and the relevance to our business. Taking into consideration changes since the previous survey and BSR feedback, we prioritize the issues that are most important for the Group to address. In FY2025, we identified the following priority issues: human rights impacts of money laundering, modern slavery (forced or child labor), privacy and information security, diversity and inclusion, workplace harassment, working conditions (wages and benefits, right to collective bargaining), and other human rights issues*.

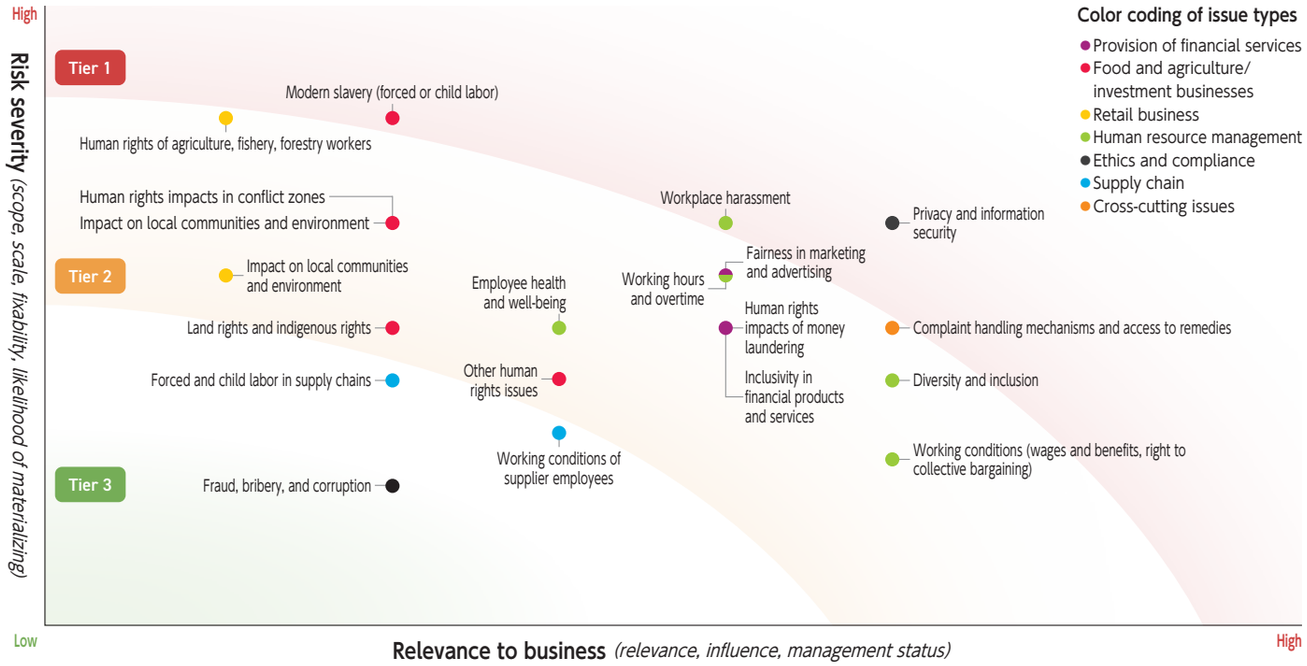
* Relating to the projects of investees and borrowers

Human rights impact assessment process



Source: Created by the Norinchukin Bank

Human rights risk mapping



Source: Created by BSR

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Mitigating Adverse Human Rights Impacts

Climate Nature

Column

Dialogue with external experts

As part of our human rights impact assessment, we conduct workshops with BSR for interested departments of the Bank, with the aim of promoting understanding of assessment results and clarifying future directions of action through exchanges of opinion. In FY2025, we engaged in dialogue with five departments.

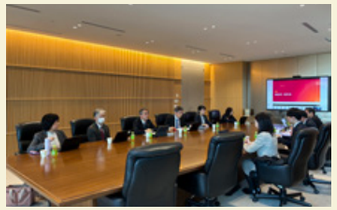
Additionally, we held an executive workshop with BSR, primarily aimed at executives in corporate departments who directly or indirectly engage frequently with human rights issues in the course of their work. The workshop aimed at promoting understanding of domestic and international trends in "business and human rights" and the results of human rights impact assessments, as well as at facilitating discussions on future directions and guidelines.

●Participating executives of the Bank

Chief Risk Officer, Co-Chief Sustainability Officers, Chief Diversity Officer, Chief Compliance Officer, Chief Human Resources Officer

●Main topics and discussions

- **Recent trends in "business and human rights" in Japan and overseas**
  Sharing an understanding of the close relationship between human rights action, risk management, and business decisions of financial institutions in the context of tightening international regulations and evolving market demands concerning "business and human rights."
- **Approaches to human rights risk management and knowledge-building**
  Confirming the importance of risk-based approach to investees and borrowers that raise human rights concerns according to the severity of impact and the Bank's involvement
  Sharing the understanding that new management themes such as AI adoption and diversity require careful consideration and explanation, taking into account the potential human rights and ethical impacts
- **Leverage strengths to create positive impacts on agriculture, fishery, and forestry, and local communities**
  Discuss the importance of creating positive impacts through securing workers and improving working conditions, as well as addressing human rights issues relevant to agriculture, fishery, and forestry, and local communities
- **Examples of innovative initiatives by other banks (companies)**
- **Results of human rights impact assessments and resulting recommendations**

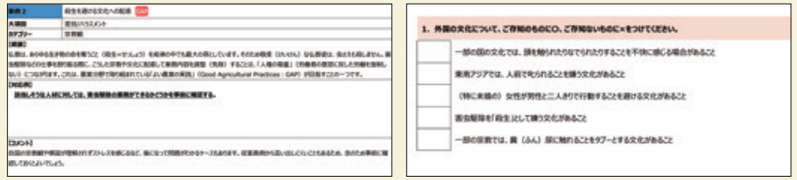


Scene of dialogue

Initiatives to promote respect for human rights of foreign workers (issue of modern slavery)

In our FY2022 human rights impact assessment, we determined that there was a high risk of negative human rights impacts on foreign workers in agriculture, construction, and food manufacturing (in relation to the issues of "modern slavery" (forced or child labor)).

As part of our work in these sectors, the Bank, whose roots lie in the agriculture, fishery and forestry industries, is promoting and raising awareness about the "Self-diagnosis Kit for Improving Workplace Environments for Foreign Workers in Agriculture" (hereinafter "Self-diagnosis Kit") among agricultural corporations that employ and make use of foreign workers.



Example of Self-diagnosis Kit for Improving Workplace Environments for Foreign Workers in Agriculture"

We began to use this tool in FY2025 as part of our dialogue about environmental and social risks with clients. Additionally, we presented the Self-assessment Kit at the "49th General Assembly and Summer Seminar Breakout Sessions of the Japan Agricultural Corporations Association" and at the National Chamber of Agriculture's 2025 Briefing Session on Accepting Foreign Workers in the Agricultural Sector (Saitama City, Nagoya City, and Fukuoka City).

In developing the Self-assessment Kit, we worked with the Norinchukin Research Institute to analyze publicly available information and conduct interviews with experts, industry groups, and the Ministry of Agriculture Forestry and Fisheries. Through this process, we verified the need to promote initiatives aimed at increasing understanding of human rights, receiving the cooperation of external experts, practitioners, agricultural bodies, sending organizations, supervisory organizations, and agricultural corporations.

In this field, we are also working to ensure sustainable development of agriculture by securing and retaining workers through improvements in agricultural workplace environment, while continuing to engage in dialogue with stakeholders in the agricultural sector.

Scene of presentation

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Engagement with Affected Stakeholders

Climate Nature

Dialogue with a diverse range of stakeholders is vital for addressing environmental and societal challenges and establishing sustainable AFF industries. At The Norinchukin Bank, we believe it is important to foster mutual understanding through interactive communication with all stakeholders and to translate that understanding into concrete action.

The Bank was established through capital contributions from JA, JF, JForest, and other organizations. As a member of these groups, we aim to tackle sustainability challenges, such as the need to address climate change and protect the natural environment, while increasing the sustainability of local communities.

The JA Group, for example, is structured as a cooperative system made up of prefectural and national federations and central organizations with JA as its foundation. JA cooperatives are supported by their local members, and as a group, it is committed to the development of agricultural and local communities by advancing its business operations and strategies, taking into consideration the voices of the local community. Both the Bank and Credit Federations of Agricultural Cooperatives (JA Shinnoren, prefectural level federations) incorporate feedback collected directly by local JA cooperatives from members and customers into the operations and policies of the group as a whole.

The Central Union of Agricultural Cooperatives (JA-Zenchu), one of the national federations of the JA Group, has stipulated the promotion of policies aimed at sustainable agriculture and agricultural rural community development in its business plan. Its most recent business plan (FY2026) outlines measures for building a sustainable food system in harmony with the environment, in accordance with the Basic Act on Food, Agriculture, and Rural Areas.

The JA Group has also established a policy on initiatives related to the UN's Sustainable Development Goals (SDGs). To this end, it is working to promote agriculture with low environmental impacts and develop a sustainable food system. Resolutions passed at the 30th JA National Convention in 2024 set forth the goal of achieving sustainable agriculture, centered on the pillars of securing the next generation of farmers and establishing harmony with nature. These policies also express a clear commitment to promoting environment-friendly agriculture that takes into account real-world conditions and challenges on the ground.

The initiatives that the Bank has implemented in collaboration with members and local communities are described on P33.

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4 Strategy

Dedicated to sustaining all life.

Colors of the land reflect a diversity of agriculture

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Purpose, Important Issues to Achieve our Purpose (Materiality) and Medium-term Vision

Climate Nature

Our Purpose

The Bank has defined its Purpose as follows.

Dedicated to sustaining all life.

Work together with our stakeholders to foster the AFF industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment

We view climate change mitigation and adaptation, as well as the conservation and restoration of natural capital and biodiversity, as essential for ensuring abundant food supplies and rich environments. These are issues that directly affect all life.

Materialities in achieving our Purpose

To achieve its Purpose, the Bank has identified the following key issues (materialities) to be addressed in the medium to long term.

- Realize a decarbonized society
- Realize a society that coexists with nature
- Increase incomes in agriculture, fishery and forestry
- Realize strong food systems
- Achieve prosperity in Japan and abroad

These materialities express the Bank's commitment to creating positive impacts and reducing negative impacts to promote the sustainability of agriculture, fishery, and forestry, and food production, as well as the sustainability of the natural environment and society, which are essential foundations for these goals.

Medium-term vision: Nochu Vision 2030

To help achieve our Purpose, in March 2024 we formulated a medium-term vision (Nochu Vision 2030) to serve as a compass for our management. It envisions our desired goals for 2030 as follows.

Nochu Vision 2030

Create impact for the global environment, society, and economy	Harnessing the power of cooperatives and finance, we aspire to continue to create positive impact toward sustainable environment, society, and economy.
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.
Create value for cooperative members and users through optimal integration of the digital and real.	Integrating the digital and real world in a way that is unique to cooperative financial institutions and pursuing optimal solutions, we aspire to continue to support JA and JF to further demonstrate their enhanced financial intermediation and their strengths of multi-business functions, creating values that impress cooperative members and users.
Ensure stable returns and play a role as the national level banking institution for the AFF cooperatives	Working together to respond flexibly to the rapidly changing market environment and customer/business partner needs, as well as taking on challenges for new areas and fields, and maintaining a sustainable financial and revenue base, we aspire to continue to ensure stable returns to our members and play our role as the national level banking institution for Japan's agricultural, fishery, and forestry cooperatives.
Realize a flexible and resilient organization that continues to take on the challenges of changes	With an open-minded corporate culture, diverse human resources learning and enhancing mutually, and the full use of digital IT technologies and data, we aspire to realize a flexible and resilient organization by continuing to take on challenges for change.

In the category "Creating impact for the global environment, society, and economy," we identified climate change, biodiversity, and circular economy as high-priority issues. We will promote cross-organizational measures to achieve the remaining four vision statements, which reflect the broad scope of our business, and leverage mutual complementarity and synergistic effects.

In addition, we intend to review and revise our materialities and medium-term vision in light of the various trends and changes affecting the internal and external environments of the Bank, and to appropriately reflect the accumulated discussions and developing circumstances surrounding climate and nature, both in Japan and internationally.

Also, as our economy and society transition to net zero, nature positive, and a circular economy, certain sectors and regions may face significant structural changes. We recognize the importance of a "just transition" as a common element of our strategy. This is to ensure that fairness and inclusivity in relation to working conditions, human rights, and cultural preservation are not compromised in the process of transition.

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Transition of Food and Agriculture Value Chains ①

Climate Nature

Redefining food and agriculture value chains as a strategic framework

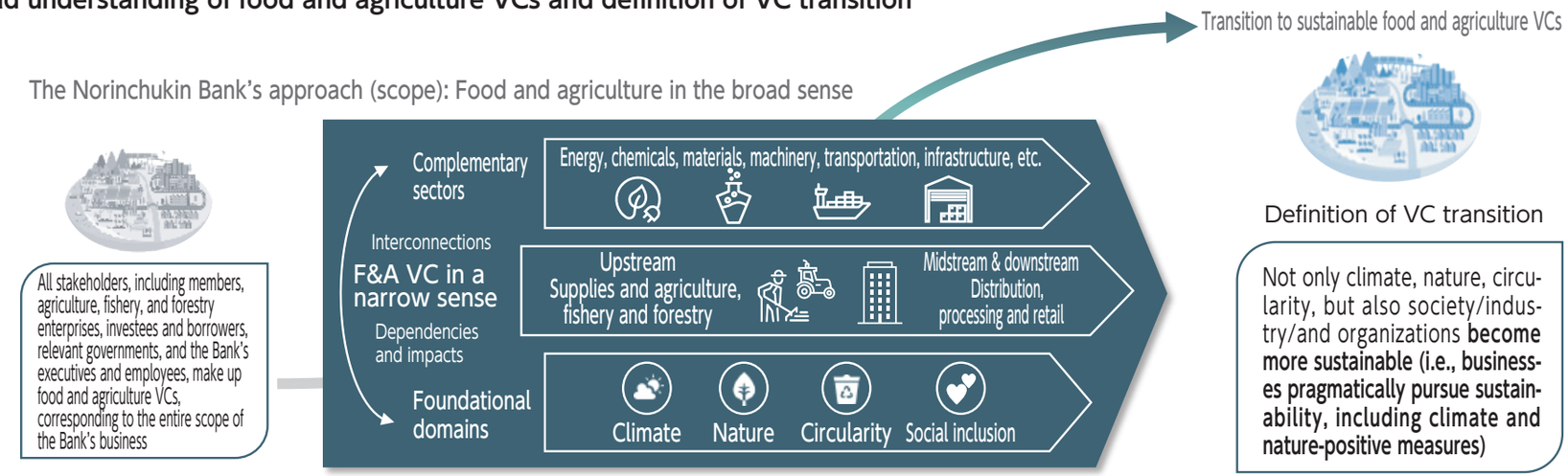
Agriculture, fishery, and forestry, which produce the food that is so essential to human life and shape the environments in which we live, are the industries that are most heavily impacted by changes in climate and nature. For this reason, in this report (as in previous editions), the Bank has positioned food and agriculture value chains (VCs) as a core strategic concept for our integrated approach to climate and nature.

At the same time, globally, there is some "anti-ESG" sentiment that views sustainability with skepticism, as well as moves to simplify regulations and disclosure requirements with a view to industrial competitiveness, and to address the vulnerabilities of global supply chains amid rising global political tensions. Against this backdrop, Japan has made food security and environmental harmony the pillars of its Basic Act on Food, Agriculture and Rural Areas (recently amended for the first time in 25 years) and its MIDORI Strategy for Sustainable Food Systems. Agriculture and food systems are also being viewed as high-priority issues for integrated action on climate and nature within international forums for policy and investor dialogue such as COP and PRI. Clearly, there is now a shared global understanding of the need to realistically and pragmatically pursue sustainability in food and agriculture, fishery, and forestry industries within business and policy circles—an approach that could be described as "integrated food security."

According to this understanding, to transition Food and agriculture VCs to more sustainable states, it is necessary to redefine the concept of VC—not in a narrow sense, as something related directly to food and agriculture, but in a broader sense, encompassing a wide range of interconnected elements. Food and agriculture VCs in the narrow sense—everything from supplies and agriculture, fishery, and forestry to processing, distribution, and retail — are interconnected with complementary sectors such as energy, chemicals, materials, and infrastructure. Furthermore, both VCs in the narrow sense and these complementary sectors influence and depend on the fundamental factors of climate and nature, which serve as the foundation of society, as well as social inclusion, including human rights and financial infrastructure.

The Bank reaffirms its view that the transition of food and agriculture value chains in the broad sense, encompassing the narrowly defined value chain together with its supporting and foundational domains and elements) is a crucial framework for an integrated approach to climate and nature.

A broad understanding of food and agriculture VCs and definition of VC transition



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Transition of Food and Agriculture Value Chains ②

Climate Nature

Direction of food and agriculture VC transition

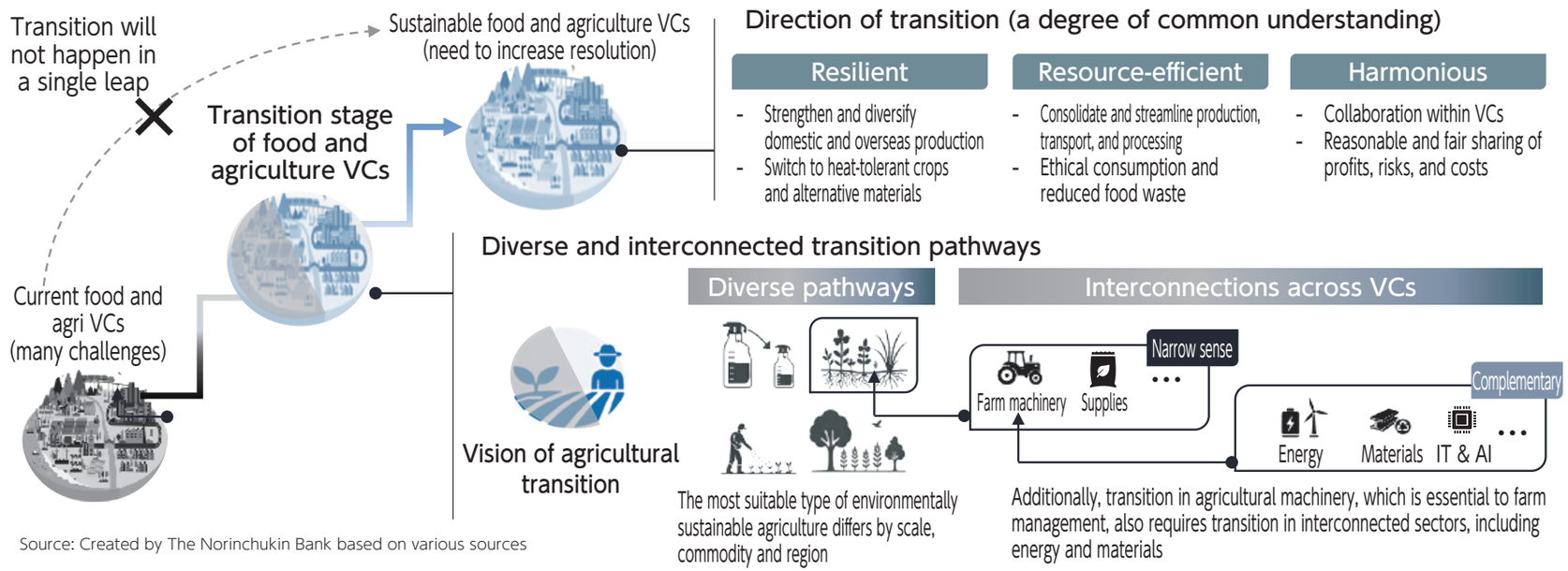
As the Bank positions food and agriculture VC transition as a framework for an integrated approach that encompasses climate and nature, it is necessary to define what the future of VCs will look like as transitions progress and are completed. Net zero and nature positive—the primary focus of this report—are undoubtedly two of the key milestones of transition. However, taking into consideration factors such as food abundance and the culture of local communities, we do not intend to act on this self-righteously. We plan to hold repeated discussions with all stakeholders to work out a detailed vision of sustainable food and agriculture VCs for co-creation.

With this in mind and being aware of the challenges that are coming to light, we believe that we can reach a degree of common understanding about the direction of agriculture and food VC transition. First, such VCs need to have a resilient structure capable of withstanding rising geopolitical tensions, climate change intensification, and supply chain disruptions. Second, this structure must be resource-efficient even with limited human and other resources. Lastly, it must be "harmonious" in the sense of enabling sustainable value distribution and mutual understanding across an entire VC.

Diversity in sectors and its connection to VCs

While the direction of transition is broadly consistent across food and agriculture VCs, it is important to note that transition pathways in specific sectors are diverse and interconnected. For example, when farmers transition to environmentally sustainable agriculture, the transition process will not be uniform and linear. Transitions are likely to be diverse, shaped by factors such as locality, crop type, scale, and management goals. The transition of elements that are fundamental to farm management, such as agricultural machinery requires technological development encompassing materials, energy, and IT/AI for control systems. It is important to understand the diversity of each of these sectors and their interconnections.

Direction of food and agriculture VC transition and diverse, interconnected transition pathways



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Transition of Food and Agriculture Value Chains ③

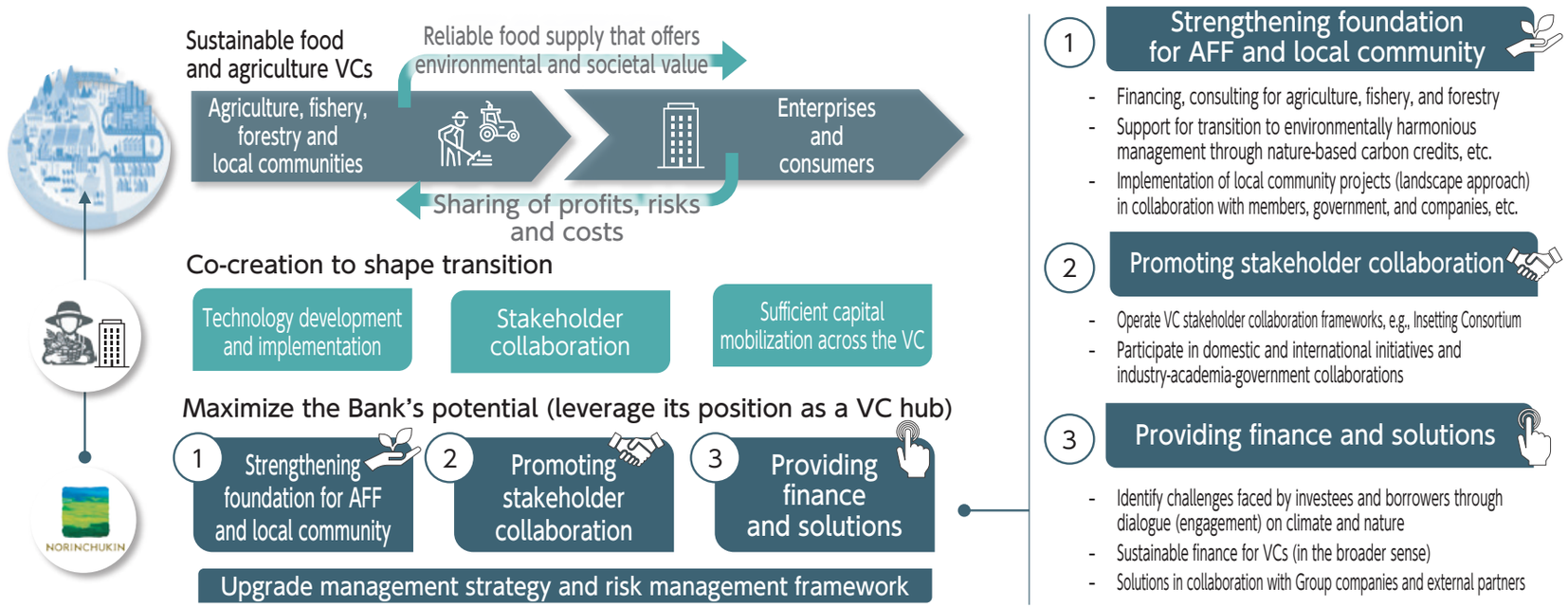
Climate Nature

Co-creation to shape transition and the Bank's role

Recognizing the above-mentioned direction of the VC transition and a diversity among the pathways for transition, deepening understanding of the challenges faced by the broad sense of food and agriculture VCs requires stakeholder collaboration. The co-creation necessary to realize transition could be described as "simultaneously advancing technology development and implementation" and "mobilizing sufficient funding of VCs in each sector."

Taking food and agriculture VCs (in the narrow sense) as an example, it is necessary to promote greater mutual understanding of how challenges in upstream production sites, such as worker shortages, deteriorating production infrastructure, and degradation of natural capital, are inseparable from the challenges facing midstream and downstream companies, such as procuring reliable supplies of raw materials, reducing GHG Scope 3 emissions, and securing access to nature. Furthermore, as part of their management and business strategies, midstream and downstream companies are required to collaborate with financial institutions and government bodies to establish a process of sharing profits, costs, and risks through investment and support for upstream agriculture, fishery, and forestry enterprises, thereby creating a virtuous cycle in which these upstream enterprises ensure a stable supply of raw materials and create value for climate, nature, and society.

Leveraging our unique position as a hub that connects a wide variety of enterprises in the agriculture, fishery, and forestry industries, as well as local communities and complementary sectors, we aim to realize sustainable food and agriculture VCs by fulfilling our functions, such as "strengthening the foundation of agriculture, fishery, and forestry and local communities," "promoting collaboration between stakeholders," and "providing financial solutions."



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Transition of Food and Agriculture Value Chains ④

Climate Nature

Column

Leverage our functions for food and agriculture VC transition

Operation of Insetting Consortium

In August 2024, the Bank established the Insetting Consortium, which aims at connecting upstream enterprises (i.e., producers) with midstream and downstream food-related companies to increase the incomes of producers and facilitate the transition of whole value chains (VCs) to carbon neutrality and nature-positive outcomes.

This consortium began with just four companies, including The Norinchukin Bank, but as of June 2026 it had expanded to 32 members—all working to address various climate and nature-related challenges along value chains. To promote the spread of insetting in Japan, we are currently setting up working groups for specific sectors such as livestock, and formulating guidelines based on discussions and practice in Japan and overseas.

Support for the creation and sale of carbon credits from agriculture, fishery, and forestry

By creating and supporting carbon credits derived from nature, the Bank promotes environmentally harmonious practices in the agriculture, fishery, and forestry industries. At the same time, it contributes to the sustainable development of primary industries by translating these initiatives into economic value.

In the agriculture, forestry, and marine sectors, we connect our members with partners offering solutions, as well as with companies that we invested in or financed. Since 2024, the total volume of carbon credits sold or expected to be sold through supported projects has reached at least 170,000 tonnes, including expected sales under long-term agreements.

We are also advancing discussions with The Nature Conservation Society of Japan (with which we concluded a collaboration agreement in July 2025) aimed at reflecting the value of contributions to nature-positive initiatives in carbon credits derived from nature.

Overview of the Insetting Consortium initiative

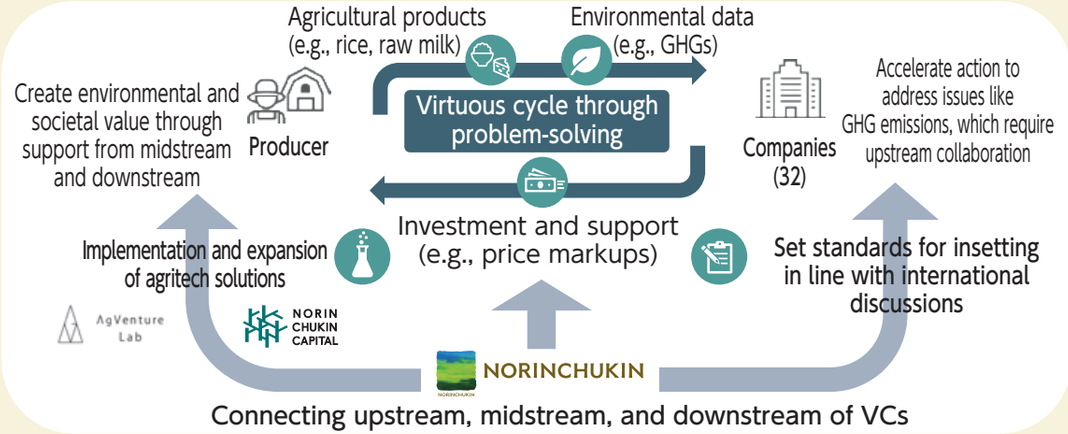
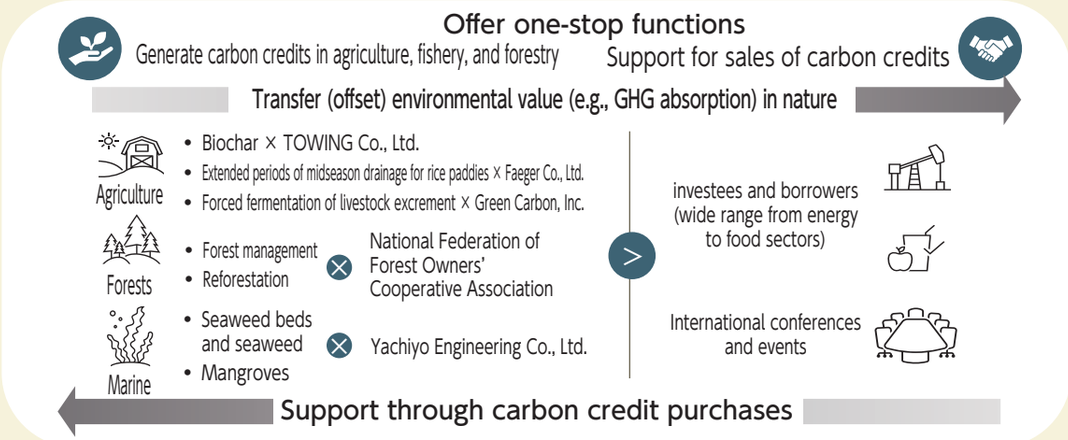


Illustration of support for the creation and sale of nature-based carbon credits



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Transition of Food and Agriculture Value Chains ⑤

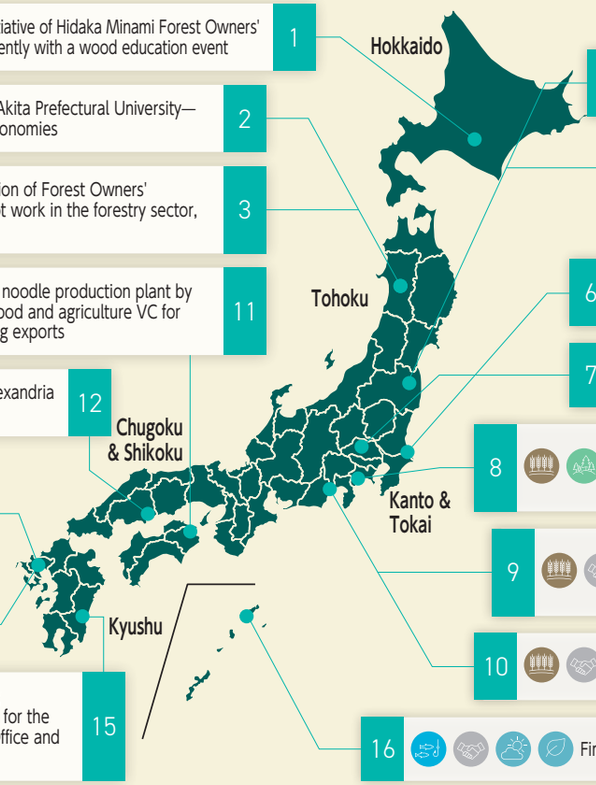
Climate Nature

Column

Sustainability initiatives related to agriculture, fishery, and forestry and food-related industries of local communities (implemented in FY2025)

To fulfill its role in strengthening the foundations of agriculture, fishery, and forestry and local communities, and promoting collaboration between stakeholders, the Bank is undertaking a variety of initiatives with local communities in partnership with members, investees and borrowers, and governments.

Initiative labels (guide): Agriculture, Forestry, Fisheries, Loans, Collaboration and matching, Climate, Nature, Circular economy, Social inclusion



1. "Hidaka, Hokkaido Natural Hardwood Plank Sale," joint initiative of Hidaka Minami Forest Owners' Cooperative, Reliable Co., Ltd., and the Bank, held concurrently with a wood education event
2. Outreach class on regional finance education at Akita Prefectural University—fostering talent to shape the future of regional economies
3. Business partnership between Akita Prefectural Federation of Forest Owners' Cooperatives and Timee, Inc. for the introduction of spot work in the forestry sector, achieved through mediation by the Bank
4. Joint financing for operation of dairy farm revitalization project of Shine Coast Co., Ltd., one of Japan's largest dairy farms in Namie Town, Fukushima Prefecture
5. Signing of collaboration agreement for "Carbon Neutral Fukushima Iwaki Forest Conservation Project" in Iwaki City, Fukushima Prefecture
6. Investment in FRD Japan Co., Ltd. to contribute to food security through promotion of land-based aquaculture
7. Wood education classes at junior high schools in Chichibu City, Saitama Prefecture
8. Signing of a collaboration agreement on the utilization of forest-based J-Credits in Kanagawa Prefecture, the first collaboration in Japan on forest-based credits between prefectural agricultural and forestry cooperatives
9. Joint development of farm-integrated solar power plants on farmland used for growing tencha plants (leaves are used for matcha tea), aimed at sustaining and expanding the tea industry and increasing the incomes of tea farmers in Shizuoka Prefecture
10. Signing of a virtual PPA agreement for "agrivoltaic" (farm-integrated solar power) plants, aimed at balancing the expansion of renewable energy with sustainable agriculture
11. Comprehensive support for construction of a new dried noodle production plant by Ishimaru Seimen Co., Ltd., to promote development of food and agriculture VC for expanding use of Kagawa Prefecture wheat and boosting exports
12. Release of fragrance products made using Muscat of Alexandria grapes grown in Okayama
13. Signing of a collaboration agreement between Kyushu Seino Transportation Co., Ltd. and the Bank (Nagasaki Branch) on addressing issues relating to agriculture, fishery, and forestry, local communities, and the environment
14. "1-day Event @ Bio Park Utilizing Imperfect Vegetables"
15. The first case of offering "carbon-offset city gas" utilizing forest-derived J-Credits generated through reforestation for the main building of the Miyazaki Prefectural Government Office and the gas lamps in the gardens of the office site
16. First in Japan to obtain certification for J-Blue Credits derived from mangroves

Source: Created by The Norinchukin Bank Note: This is only a partial selection of items that were publicly disclosed at this time through press releases, etc. in FY2025

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Working to Develop an Integrated Climate and Nature Transition Plan ①

Climate Nature

Although steady progress in the formulation and implementation of transition plans related to climate and nature is being made based on discussions within the Glasgow Financial Alliance for Net Zero (GFANZ) and TNFD, The Norinchukin Bank recognizes that international debate on this topic is still ongoing, even though the importance of integrated climate and nature transition plans is now well highlighted.

Recognizing the importance of the nexus between climate and nature, the Bank is exploring an integrated climate and nature transition plan as a framework centered on food and agriculture value chains (VCs). As mentioned above, food and agriculture VCs encompass the whole scope of the Bank's business. We believe that it is valuable to clearly and fully map out our approach to climate and nature—that has always been rooted in agriculture, fishery, and forestry, and in local communities—as we engage in global investment and financing. The organization, employees and executives of the Bank, who are committed to sustaining all life and contributing to society (as expressed in our "Purpose"), view food and agriculture VCs as a unique and "tangible" concept that helps us to embed and put into practice our mission within and beyond our specific projects.

We also understand that integrated transition plans serve to align corporate and financial institution policies and initiatives within the Global Biodiversity Framework (GBF). Accordingly, we are organizing our various initiatives and discussions with reference to relevant GBF targets. Current state and direction of integrated (climate and nature) transition plans Relevant GBF target

Basis	T8	T10	T15	T21
Framing and scope	● View climate and nature as inseparable management challenges, as we build on our organizational commitments—such as our Purpose, environment and human rights policies, and materialities—and recognize the food and agriculture VC transition as a strategic framework ● Define scope primarily around food and agriculture VCs in the broad sense, encompassing climate, nature, circulation, social inclusion, financial infrastructure, and other complementary and foundational sectors, in addition to VCs in the narrow sense			
Business models and value chains	● Recognize our unique position of engaging in global investment and finance, while sourcing capital from agriculture, fishery, and forestry industries and local communities in Japan, thereby maintaining connections with nature on both sides of our balance sheet ● Seizing food and agriculture VC transition as an opportunity, focus on strengthening the foundations of agriculture, fishery, and forestry and local communities, promoting stakeholder collaboration and providing financial solutions—taking the challenge of solving the problems of our members and investees and borrowers as a starting point			
Planning priorities	● Promote discussions about the milestones and processes involved in food and agriculture VC transition as necessary elements of discussions about planning priorities ● At the same time, give priority to the development and implementation of policies that move in the direction of transition, in the sense that they embody a common understanding that transitions should be "resilient," "resource-efficient," and "harmonious".			
Key assumptions and external factors	● With a focus on aligning with the goals of becoming nature positive by 2030, strive to achieve net zero by 2050 to shape a world in harmony with nature ● Align with policy trends such as the MIDORI Strategy for Sustainable Food Systems and the Basic Act on Food, Agriculture and Rural Areas ● Closely monitor impacts on food, materials, and logistics from domestic factors, as well as from rising global geopolitical risks, and policy and regulatory changes			

Source: Created by The Norinchukin Bank based on various sources

Implementation strategy	T10	T14	T15	T19
Business planning and operation	● Reflect the concept of food and agriculture VC transition in business strategy, sustainable finance, providing solutions, and risk management (incorporate in FY2026 management plan and other documents)			
Products and services	● Identify challenges in food and agriculture VCs (in the broad sense) through dialogue with investees and borrowers and members and deploy solutions involving financing, carbon credits, insetting, and consulting together with Group companies and external partners ● Provide financial infrastructure to support agriculture, fishery, and forestry, and local communities through JA Bank and JF Marine Bank, which operate in partnership with their members			
Policies and terms	● Aim to seize business opportunities by setting sustainable finance goals and enhancing engagement, based on repeated discussions about food and agriculture VC transition, and external trends ● At the same time, work to advance our risk management framework by reviewing and expanding the Sector Policies and assessing transition risks for investees and borrowers.			
Financial planning	● Build a track record while progressively discussing the distribution of new resources, such as investment and loan allocations, with a view to expanding financing and solutions related to food and agriculture VCs ● Consider rebalancing resources based on impact assessments, including agriculture, fishery, and forestry and regional revitalization projects to help to maintain and strengthen economic foundations in the medium to long term, and reskilling initiatives to secure human resources			

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Working to Develop an Integrated Climate and Nature Transition Plan ②

Climate Nature

Engagement strategy

T2 T3 T10 T22

Landscapes, rivers, and seascapes	● View Japan's landscapes and seascapes as *satoyama* and *satoumi*—areas in which human activities such as agriculture, fishery, and forestry coexist with nature—and collaborate with members and local communities to implement measures that take into account nexuses (connections) with climate and nature.
Value chains	● Through dialogue with agriculture, fishery, and forestry enterprises, and companies involved in processing, distribution, retail, food service, raw materials, and logistics, promote co-creation aimed at developing a shared understanding of challenges and at transition of food and agriculture VCs (in the broad sense) ● Connect, in detail, the raw material procurement, Scope 3 emissions, and nature-related initiatives of midstream and downstream companies with transition to environmentally harmonious management in the upstream sector. Support the creation of environmental and social value upstream and promote a virtuous cycle of investment and support from midstream and downstream companies.
Industry	● Promote cross-industry collaboration across food, logistics, materials, energy, IT, and finance through participation in various initiatives and alliances ● Link challenges faced by agriculture, fishery, and forestry industries on the ground, where climate and environmental issues converge, to the challenges of food and agriculture VCs, including complementary sectors
Government, public institutions and society	● Continue to voice opinions on climate and environmental responses centered on food and agriculture VCs within government advisory panels, study groups, etc. ● Deepen climate- and nature-related analyses in collaboration with research institutions and startups, and develop best practices ● Promote decarbonization and nature conservation through collaboration with members and local governments

Metrics and targets

T10 T15 T19 T21

Dependencies and impacts	● Through portfolio analysis, identify high-impact and high-dependency sectors such as consumer staples, consumer discretionary, and materials, and then engage in dialogue aimed at identifying nature-related risks and opportunities (set as action goals) in food-related sectors based on these findings ● Continue to clearly define nexuses and trade-offs between climate and nature At the same time, promote quantification—including the development of E/MSY indicators—to increase understanding of risks and opportunities as a financial institution
Governance, business and operations	● As part of our governance, monitor and manage organization-wide progress through reports to committees, etc. such as the Sustainability Management Committee, Board of Directors, and Sustainability Advisory Board ● From a business and operations perspective, appropriately monitor the number and impacts of initiatives involving dialogue, financing, providing solutions, and project structuring ● Steadily implement efforts to meet decarbonization targets, focusing on high-emission sectors
Finance	● Set and implemented a target of ¥15 trillion in cumulative new sustainable financing by FY2030 (revised upward in FY2026) ● Continue to consider setting financial targets related to upgrading sustainable finance targets (to ensure quality), strengthening the foundations of the agriculture, fishery, and forestry industries and local communities, promoting stakeholder collaboration, and providing finance and solutions

Governance

T14 T15 T20 T21

Oversight of and reporting to Board of Directors	● Decisions on transition plan reports and reviews are taken only after they are reported and deliberated on by the Sustainability Management Committee, Board of Directors, and Supervisory Committee
Management responsibility and accountability	● Sustainability is systematically promoted under the oversight of the Co-Chief Sustainability Officers (Co-CSuOs) through the collaboration of HQ/Unit Sustainability Officers (SuOs)
Culture	● Transition of food and agriculture VCs is positioned as a concept linking sustainability issues such as climate and nature with the business strategies of each HQ, with the aim of embedding this idea both inside and outside the Bank
Incentives and compensation	● Executive compensation and employee salaries are adjusted based on whether the goals set for the initiatives pursued in each fiscal year are met
Skills, competencies and training	● Promotion and education about the integrated approach to climate and nature through the development of sustainability professionals (for different levels of the organization) and dialogue with CSuOs is seriously pursued

Source: Created by The Norinchukin Bank based on various sources

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Participation in Collaborations of Industry, Academia and Government, Initiatives and Alliances ①

Climate Nature

To accurately identify climate- and nature-related risks and seize resulting opportunities, it is essential to conduct continual discussions and repeated trials in collaboration with a wide range of stakeholders. Through participation in various initiatives, study groups, industry-academia-government collaborations (joint research), and partnerships related to climate, nature, and circular economy, The Norinchukin Bank keeps track of Japanese and global trends concerning targets, measurements, and engagement, and contributes to developing best practices.

Initiatives in which The Norinchukin Bank Group* is a participant or signatory (as of March 31, 2026)

		Climate change	Natural capital & biodiversity	Circular economy & society
High-level commitment	Cross-domain	WE SUPPORT, FAIRR, EQUATOR PRINCIPLES, インパクト志向金融宣言, PRI Principles for Responsible Investment, UN Principles for Responsible Banking, 21世紀金融行動原則, JAFAS		
	Domain-specific	CDP, JAPAN CLIMATE INITIATIVE, Keidanren Initiative for Biodiversity, 30by30, Circular Partners, JCLP, GX League, JBIB		
Measurement & visualization		PCAF Partnership for Carbon Accounting Financials, PBAF Partnership for Biodiversity Accounting Financials		
Engagement (dialogue)		Climate Action 100+, AIGCC		
Disclosure		TCFD TASK FORCE on CLIMATE-RELATED FINANCIAL DISCLOSURES, TNFD Taskforce on Nature-related Financial Disclosures		

* Includes projects in which some group companies are taking part

Various study groups, research committees, etc. that the Bank is a member of (as of March 31, 2026)

	Overview
TNFD Taskforce member	The Bank contributes to the development and communication of this global disclosure framework as a member of the TNFD Task Force. As a co-convener of the TNFD Consultation Group Japan (TNFD Japan Council), the Bank promotes awareness and understanding of TNFD in Japan.
Member of Nature Positive Economy Study Group (Ministry of the Environment)	The Bank has participated as a member of this study group—established to facilitate comprehensive discussion and study of natural capital and biodiversity, and corporate management—since its inception, contributing to the formulation of a strategy for transition to a nature-positive economy and discussions on the roadmap to get there.
Study Group on Accelerating GX in the Food, Agriculture, Forestry and Fisheries Sectors (Ministry of Agriculture, Forestry and Fisheries)	As a member of this study group, which aims at promoting green transformation (GX) initiatives through acceleration of strategies under the MIDORI Strategy for Sustainable Food Systems, we contribute to various discussions including the direction of GX policies, attracting private investment, promoting organic agriculture, and adapting to climate change.
Member of the Study Group on Social Impacts in Rural Areas (Ministry of Agriculture, Forestry and Fisheries)	As an active member of this study group, which aims at visualizing the social impacts of various initiatives being implemented in rural Japan, we contribute to the formulation of guidance on visualizing impacts on rural areas.
Member of the FY2025 Food Loss Reduction Survey Projects Review Committee (Ministry of Agriculture, Forestry and Fisheries)	As an appointed member of this study group, aimed at establishing and implementing a system for appropriately assessing the initiatives of food-related businesses, we take part in discussions about reducing food loss. (Survey for establishing a framework for visualizing efforts to reduce food waste generation, etc.)
Practical Panel on Climate Change-related Data Utilization and Adaptation (Financial Services Agency, etc.)	To ensure that climate-related data can be accurately and effectively used for climate change-related adaptation, risk reduction, and opportunity creation, we participate in a panel that shares case studies and challenges of initiatives (including those related to efficient use of data) by stakeholders and discusses possibilities for collaboration.
Moonshot Program for Agriculture, Forestry and Fisheries (Cabinet Office)	The Bank has been appointed as an R&D advisor to the Innovation Advisory Board of "Construction of circulating production platform by environmental control based on Soil Microbe Atlas," a project undertaken by a consortium led by Waseda University as part of the Cabinet Office's Moonshot Program for Agriculture, Forestry and Fisheries (research promoted by Bio-oriented Technology Research Advancement Institution). We are providing advice on R&D.

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Participation in Collaborations of Industry, Academia and Government, Initiatives and Alliances ②

Climate Nature

Main industry-government-academia collaborations (as of March 31, 2026)

	Overview
Programs for bridging the gap between R&D and the ideal society (Society 5.0) (BRIDGE) (Cabinet Office)	We are participating in the research projects below to help develop nature positive-related practices. ・ "Development and demonstration project of Nature Footprint for promoting Nature-related Financial Disclosures by investors and financial institutions and international standardization"
Collaboration Agreement for Achieving Sustainable Food and Agriculture (National Agriculture and Food Research Organization)	To help achieve sustainable food and agriculture, we signed a collaboration agreement aimed at seeking solutions to various sustainability challenges (e.g., GHG emissions reduction, carbon credits, natural capital and biodiversity, circular economy, and animal welfare).
Itsubo Lab., Waseda University	We are conducting joint research on portfolio analysis using LIME3, an LCA tool, covering the nine domains of climate change, air pollution, photochemical ozone, water, fossil fuels, mineral resources, forest resources, land use, and waste.
Gastronomic geopolitics (Tohoku University and other institutions)	We entered into a joint research agreement on gastronomic geopolitics (selected for the JST Program on Open Innovation Platforms for Industry-academia Co-creation (COI-NEXT)) aimed at realizing greener food supply chains and consumer activities that take climate and nature into account.

Partnerships for developing climate and nature-related solutions (as of March 31, 2026)

	Overview
Finance Alliance for Nature Positive Solutions (FANPS)	This alliance was formed in 2023 jointly by four parties—The Norinchukin Bank, Sumitomo Mitsui Financial Group, MS&AD Insurance Group Holdings, and Development Bank of Japan—for the purpose of promoting and supporting the nature-positive transition of companies. We are working on initiatives such as producing concept papers to promote nature-related dialogue between companies and financial institutions and catalogs that outline solutions that contribute to nature-positive outcomes.
Technical partnership with Yachiyo Engineering	We entered into a technical partnership agreement aimed at developing and deploying solutions for nature-related challenges. Under the agreement, we are jointly providing consulting services and solutions to address the needs of the TNFD recommendations and blue economy.
Partnership agreement for promotion of nature positive initiatives in rural areas and industries related to agriculture, fishery, forestry, and food (The Nature Conservation Society of Japan)	To promote nature-positive initiatives in rural areas, and in industries related to agriculture, fishery, forestry, and food, we entered into a partnership agreement focused on developing practices utilizing State of Nature metrics, developing finance solutions for nature positive outcomes, and building projects connected with nature-positive practices in agriculture, fishery, and forestry.

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Sustainable Finance Strategy

Climate Nature

As a member of a cooperative organization that supports agriculture, fishery, and forestry, we address environmental and social challenges through sustainable finance, clearly understanding that our business is inseparably linked to the operations of these industries, the cycles of nature, and the prosperity and livelihoods of people in local communities.

In FY2021, we set ourselves a target of making 10 trillion yen of new sustainable financing by FY2030, but after reaching the target in the first half of FY2025, in April 2026 we raised the target to 15 trillion yen.

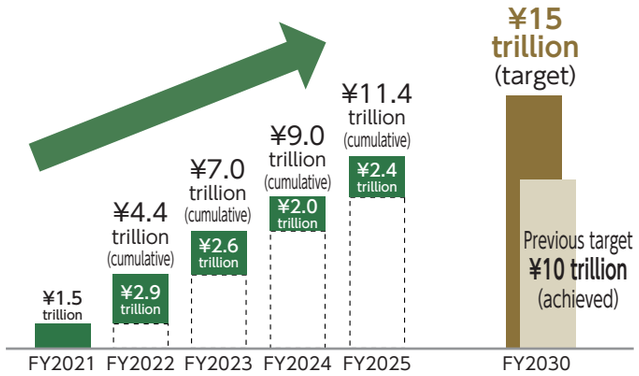
The Bank defines sustainable finance as investments, loans, and fundraising (collectively "finance") that fall into the definitions below under the categories of green, social, sustainability, and transition.

Green	• Finance that contributes to environmental areas such as decarbonization, the protection and enhancement of natural capital, and the circular economy, or where progress and actions in these areas are considered in investment and lending strategies or decisions. – Bond issues and loans that comply with the principles of ICMA, LMA,* etc. – Project finance transactions cover assets such as renewable energy, transmission and distribution infrastructure, and energy-efficient buildings.
Social	• Finance that contributes to social areas such as poverty reduction, employment, education, and socio-economic development, or where progress and actions in these areas are considered in investment and lending strategies or decisions. – Bond issuances and loans are aligned with relevant principles, such as those established by the ICMA and LMA. – Project finance transactions cover essential social infrastructure assets, such as schools and hospitals, that contribute to the sustainable development and maintenance of society.
Sustainability	• Finance that meets both the Green and Social criteria described above. – Bond issuances and loans are aligned with relevant principles, such as those established by the ICMA and LMA.
Transition	• Finance that supports the transition toward medium- to long-term net zero and nature-positive goals, or where progress and actions related to the transition are considered in investment and lending strategies or decisions. – Bond issuances and loans are aligned with relevant guidance, such as those established by the ICMA.

*ICMA (International Capital Market Association), LMA (Loan Market Association)

Sustainable finance also includes loan origination by our group company, The Norinchukin Trust & Banking Co., Ltd.; externally managed mandates for funds operated by Norinchukin Zenkyoren Asset Management Co., Ltd.; as well as lending, investment, and funding activities conducted by Norinchukin Australia Pty Limited and Norinchukin Bank Europe N.V.

Sustainable finance target (FY2021–FY2030)



Breakdown of cumulative sustainable finance (approx. ¥11.4 trillion)		
Investments and loans	Marketable assets, etc.	Approx ¥6.7 trillion
	Project finance	Approx ¥2.6 trillion
	Loans	Approx ¥1.7 trillion
Fundraising	Green bonds and green deposits	Approx. ¥0.4 trillion

Key examples of sustainable finance

Signing of "blue loan agreement" with Taisei Corporation

Taisei Corporation has taken a "blue loan" to fund investment in water circulation technologies aimed at realizing a Zero Water Building (ZWB)*—a project that qualifies as a blue project under the Sustainability Finance Framework defined by the company.

Signing of "positive impact finance" agreement with Valor Holdings Co., Ltd.

In collaboration with JA Bank members, we comprehensively assessed the environmental and social impacts of Valor Holdings' business activities and provided Positive Impact Finance, using KPIs to support continued improvements such as access to food, promote health, address climate change, and conserve biodiversity.

* A ZWB is a building with a self-sufficient water circulation system, designed to reduce water consumption by circulating and reusing water within the building or site. The adoption of ZWBs enables sustainable use of water resources and water environments, even in areas lacking developed water supply and sewerage infrastructure.

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Recognition of Climate and Nature Opportunities

Climate Nature

Climate change presents current and future risks. At the same time, it may give rise to business opportunities related to mitigating and adapting to these risks. For example, the transition to renewable electric power generation will lead to capital investment and financing, which in turn will lead to financing opportunities for the Bank. At COP28 in 2023, the goals of tripling renewable power generation capacity and doubling energy efficiency were agreed on. In Japan, the Basic Policy for the Realization of GX (green transformation) (approved by the Cabinet in February 2023) calls for the promotion of GX investment using "GX Transition Bonds." The policy aims at realizing public-private investments of 150 trillion yen over the next 10 years.

Nature-related business opportunities arise from the need for investment in the process of transition to a nature-positive economy. The World Economic Forum (WEF) estimates that business opportunities worth approximately US$10 trillion per year will emerge by 2030 in three sectors—energy and extractives; infrastructure and the built environment; and food, land, and ocean use.* Multiplying this by Japan's share of global GDP (approx. 3.4%) yields a figure of 52 trillion yen, which clearly represents an enormous potential just in Japan. The Bank recognizes the need for diverse entities to work together on setting goals, disclosing information, and promoting investment and innovation to shape a nature-positive economy that leads to sustainable economic development in harmony with nature.

We will strive to appropriately identify demand for financing and solutions for decarbonization and ecosystem restoration, and to transfer these into business opportunities. As announced by the Climate Policy Initiative (CPI) and the UN Food and Agriculture Organization (FAO) at COP29 in 2024, an additional investment of US$1.1 trillion per year, corresponding to 40 times the current investment level, is needed to achieve sustainable food and agriculture value chains (VCs).** Given the organizational background of the Bank, we recognize that closing this investment gap offers an important area of opportunity that we will try to seize, working in collaboration with our investees and borrowers and members, focusing our effort on food and agriculture VC transition.

* World Economic Forum New Nature Economy Report II: The Future of Nature and Business http://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf

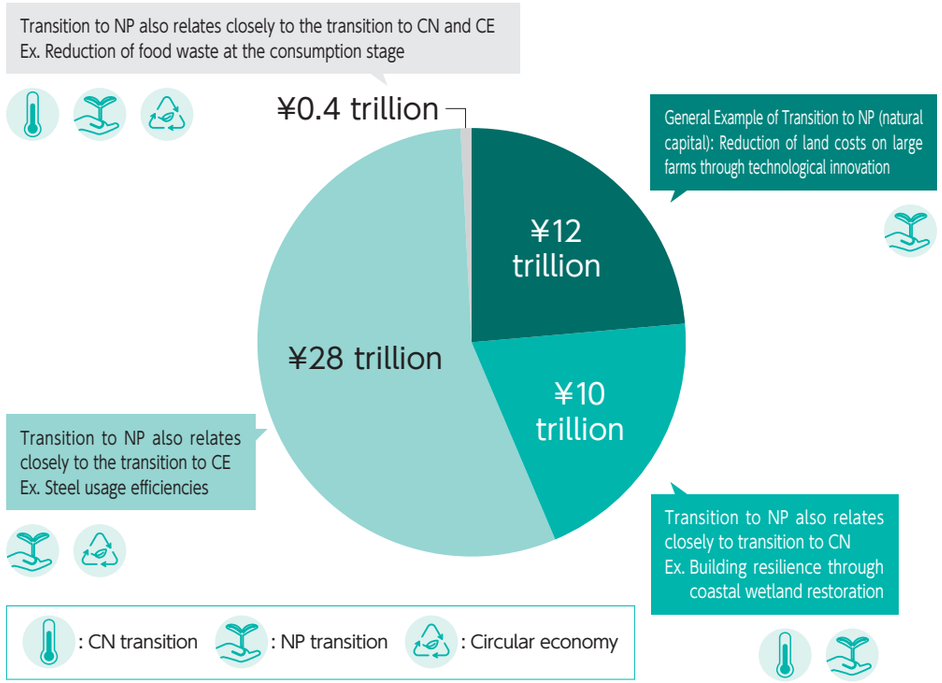
** FAO, FAO at COP29: Calling for investment in agrifood systems to tackle the climate crisis https://www.fao.org/newsroom/detail/fao-at-cop29--calling-for-investment-in-agrifood-systems-to-tackle-the-climate-crisis/en

Estimated value of nature positive business opportunities in Japan in 2030 (associated with carbon neutrality and circular economy)

¥52 trillion Share of Global Opportunity: 3.4%

¥27 trillion	¥11 trillion	¥14 trillion
Circular economy: Cars, appliances, buildings, renewable energy expansion, reconstruction of dams, etc.	Home sharing, energy-efficient buildings, waste management, sewage reuse, green roofs, etc.	Ecotourism, organic food and beverages, sustainable pesticides and fertilizers, sustainable forestry, wild fisheries management, utilization of food waste, etc.

■ Energy, mining activities ■ Infrastructure, Construction environment systems ■ Food, land and ocean use



Source: Prepared by The Norinchukin Bank based on Toward the Development of a Strategy for the Transition to a Nature Positive Economy (working title), Ministry of the Environment, Japan

Note: Calculated at ¥150 to US$1

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Net Zero Transition Plan

Climate

In response to intensifying climate change, in March 2023 The Norinchukin Bank announced its "Commitment to Achieving Net Zero by 2050." Our series of initiatives aimed at meeting this goal are systematically outlined in our "Net Zero Transition Plan."

Foundation

Our Purpose

- Environment Policy and Human Rights Policy
- Important Issues to Achieve our Purpose (Materiality)
- Commitment to Achieving Net Zero by 2050

Nochu Vision 2030: Create Impact for the Global Environment, Society and Economy

Through the power of cooperatives and finance, we want to continue creating positive impacts for a sustainable environment, society, and economy.

Implementation strategy

Pursue sustainable business

- Provide decarbonization solutions to investees and borrowers
- Work with members to support and create environmental value in agriculture, fishery, and forestry through initiatives to reduce the environmental impact of production activities and create carbon credits

Strengthen risk management system

- Address environmental and social risks based on an integrated risk management framework
- Expand scenario analysis

Engagement strategy

Engage with investees and borrowers

- Pursue initiatives based on transition plans and responses of borrowers
- Conduct engagement according to asset class characteristics
- Improve effectiveness and gain insight through collaborative engagement

Collaborate with diverse stakeholders

- Collaborate with members to address local sustainability challenges
- Collaborate with industry, government, and academia
- Participate in various initiatives

Metrics and targets

Metrics and targets for strategy execution

See P75.

Governance

Approach to governance in transition plan

- Major policies and significant revisions of the transition plan are discussed by the Sustainability Management Committee and decided by the Board of Directors. Progress reviews of specific implementation based on policy and plan revisions are reported to and approved by the Sustainability Management Committee, with oversight by the Board of Directors and the Supervisory Committee. (Executive compensation and employee salaries are adjusted to reflect performance against targets set based on annual initiatives.)
- Co-Chief Sustainability Officers (Co-CSuOs) oversee and direct sustainability, with internal collaboration of the HQ/unit sustainability officers.
- We regularly review transition plan details and progress, reporting to external stakeholders.
- Training sustainability professionals (internal integration, education)

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ①

Climate

Action to reduce the GHG emissions of investees and borrowers

In addition to setting emission reduction targets for high-emission sectors in our loan portfolio, the Bank has set emission reduction targets across its investment portfolio, taking into consideration the proportion of total portfolio assets of each investment.

To increase the efficiency of managing the progress of emission reductions, we are using business intelligence (BI) tools to visualize financed emissions, assets, and sector-specific targets and metrics. This tool allows us to easily monitor the emissions, emissions intensity, and outstanding investments and loans of any business, fund, or asset management company. They also enable us to build a PDCA framework that integrates front office, middle office, and planning activities.

Investment portfolio objectives and progress

The Bank has set the following interim targets for FY2030 for economic intensity per unit of investment within its investment portfolio.

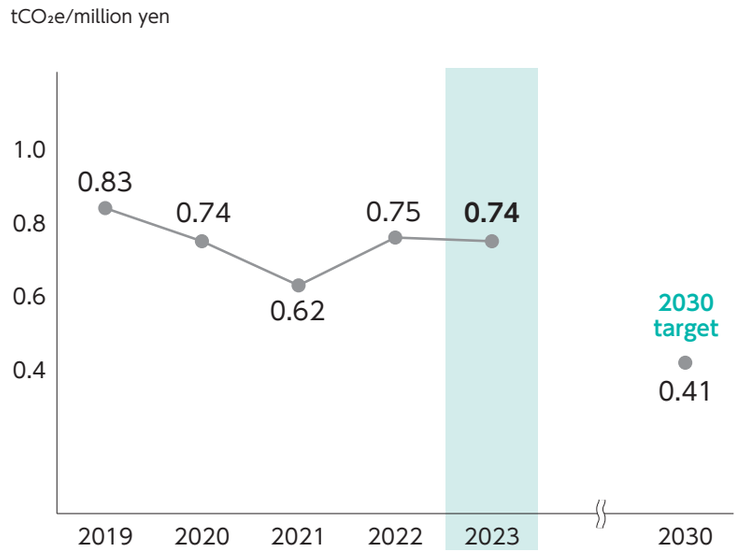
For now, the only assets covered are stocks and bonds, but we are thinking of expanding the scope of assets, as and when appropriate, according to the progress of discussions about measurement of financed emissions for specific assets. For example, for measuring emissions from investments in collateralized loan obligations (CLO), which account for a significant percentage of the Bank's investment assets, we are researching emission measurement methodologies to gain a better understanding within the Bank, even though the PCAF methodology for this asset class has not yet been finalized. Specifically, we are collecting data on individual underlying loans and other instruments backing the CLO tranches we hold. We are working to calculate attribution factors based on investment balances and financial information.

Investment portfolio objectives and performance

Base year	FY2019 (March 31, 2020)
Assets	Stocks and bonds
Indicators	Economic intensity (t-CO_2e/million yen)
Target	49% reduction (rel. to base year) (0.41 tCO_2e/million yen)* * Refer to Version 2 of the Net-Zero Asset Owner Target Setting Protocol of the Net Zero Asset Owner Alliance (NZAOA)

Source: Created by The Norinchukin Bank based on various sources

Performance



This indicator value remains flat, reflecting stagnation in decarbonization across the economy as a whole.

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ②

Climate

Setting loan portfolio targets

Taking into account financed emissions, exposures, and connection between sectors, the Bank has set GHG emission targets for the electricity, oil and gas, coal, steel, real estate, automobiles, and marine transport sectors.

We set the targets for each sector based on current practices and dialogues with relevant borrowers. However, we also consider appropriate revisions of indicators and their levels in accordance with new developments in domestic and international discussions.

Targets and progress in the electricity sector

The electricity sector is very important because it serves as the foundation of economies and societies, supporting all our industries and lifestyles. However, electricity accounts for approximately 40% of global GHG emissions by demand sector. We recognize the need for initiatives that take into consideration the expected increase in demand for electric power due to both electrification across a wide range of sectors and projected global economic growth, including in developing countries.

With this in mind and taking into account Japan's energy mix, we are setting targets based on the assumption that decarbonization of the electricity sector requires appropriate use of renewable energy and nuclear power, increase of grid efficiency in the electricity distribution network, and development of next-generation technologies using solar power, hydrogen, and the like.

Identifying risks and opportunities, setting targets, and performance in the electricity sector

Risk

Fossil fuel power generation facilities become stranded assets

- Due to stricter regulations and renewable energy development, fossil fuel power generation facilities are becoming stranded assets

Next-generation technology developments are becoming stranded assets

- Feasibility and validity of next-generation technologies such as hydrogen, ammonia, and nuclear power

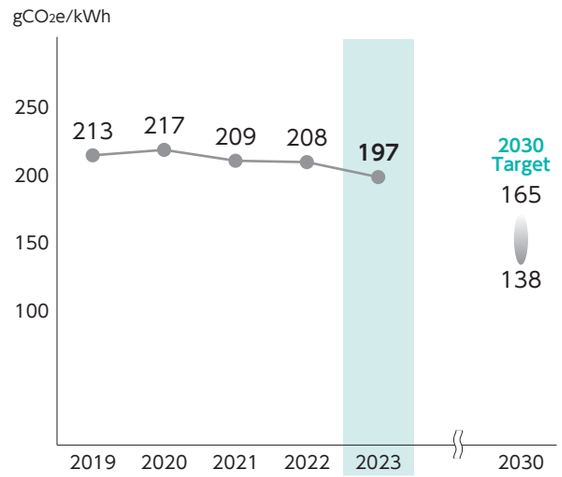
Opportunities

Power generation from renewable energy sources

- Expansion and development of renewable energy
- Development of power transmission and distribution grids and increased grid efficiency

Scope	Power generation business Scope1
Assets	Loans to power sector + Project finance
Indicators	Physical intensity (gCO_2e/kWh) (GHG (CO_2 equivalent) emissions (g) per kWh of electricity generated)
Target	138–165 gCO_2e/kWh
Base year	FY2019 (March 31, 2020) (Impact of COVID-19 is considered)
Scenario	IEA, World Energy Outlook 2021&2022, NZE (Upper limit aligns with 2022 scenario; lower limit with 2021 scenario)
Data source	Borrower disclosure data, CDP, etc.

Performance



Despite the influence of tight electricity supply and demand, decarbonization in the power sector is steadily progressing. So, the indicator value is declining due to the accumulation of financing for renewable energy.

Source: Created by The Norinchukin Bank based on various sources Note: For details of GHG emissions by demand sector, refer to IEA, World Energy Outlook 2025 & Global Energy Review 2025

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ③

Climate

Targets and progress in the oil and gas sector

The oil and gas sector accounts for approximately 55% of the world's CO_2 emissions from energy sources, so efforts to achieve net zero emissions for this sector are crucial.

At the same time, oil and gas remain fundamental energy sources for economies and societies. We therefore appreciate the importance of ensuring a balanced transition to lower GHG emissions and renewable energy and accept the need for a stable energy supply in the face of growing geopolitical risks.

In this process, we are setting targets taking into consideration that decarbonization of this sector requires deployment of equipment to increase the efficiency of existing oil and gas production, a shift to alternative fuels such as hydrogen and ammonia, and implementation of technologies such as CCUS.

Identifying risks and opportunities, setting targets, and performance in the oil and gas sector

Risk

Energy transition due to stricter regulations, etc.
- Regulations and the declining cost of renewable energy

Changes in outlook on technology trends
- Feasibility and validity of technology development and implementation timing

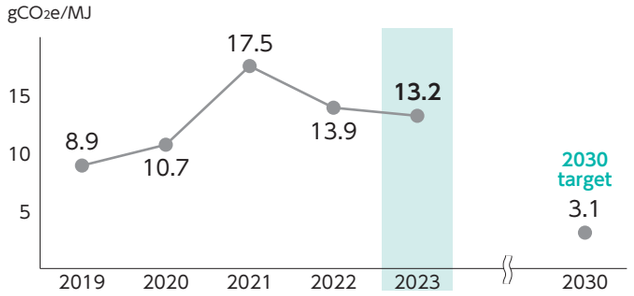
Opportunities

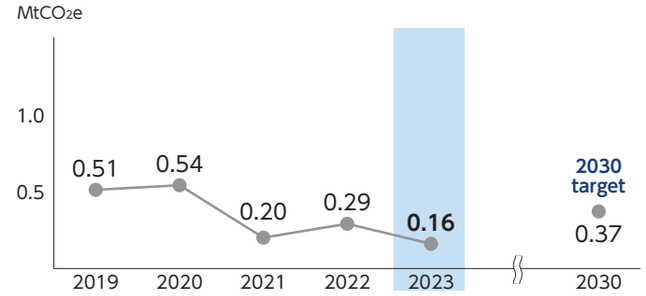
Decarbonization across existing businesses
- Increasing equipment efficiency and introducing CCUS and similar solutions

Next-generation technology development
- Develop hydrogen and ammonia supply chains

Scope	Scope 1, 2, and 3 emissions of upstream production enterprises (including integrated companies)	Assets	Loans to the oil and gas sector + Project finance
Base year	FY2019 (March 31, 2020) (Impact of COVID-19 is considered)	Scenario	IEA, World Energy Outlook 2023 / IEA, Global Methane Tracker 2022, etc.
Data source	Borrower disclosure data, CDP, etc.		
Indicators	Scope 1&2: Physical intensity (gCO_2e/MJ)* * GHG (CO_2 equivalent) emissions (g) per energy units generated in oil and gas extraction (MJ)		Scope 3: Absolute ($MtCO_2e$)
Target	3.1 gCO_2e/MJ		27.3% reduction

Performance





Due to the limited number of borrowers, individual companies account for a large proportion of exposure, causing the indicator value to fluctuate. We will continue to monitor trends, focusing on Scope 1 and 2 metrics.

Source: Created by The Norinchukin Bank based on various sources Note: For details of GHG emissions from energy in the oil and gas sector, refer to IEA, World Energy Outlook 2025 & Global Energy Review 2025

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ④

Climate

Targets and progress in the coal sector

The coal sector is a major source of GHG emissions. For this reason, there are efforts to phase out production and use of thermal coal all over the world. A certain level of demand for metallurgical coal is expected to persist due to the difficulty of substituting it with an alternative in the supply chains of steelmaking and other processes. We recognize the need to coordinate our work on this challenge with the relevant sectors.

Given the very high transition risks associated with the coal sector, we have set separate qualitative targets for thermal coal and metallurgical coal. Our current exposure is extremely limited, but we are maintaining a steady dialogue with borrowers whose core business involves metallurgical coal. The Bank intends to have zero exposure to thermal coal. We also expect to maintain only a minimal exposure to metallurgical coal, but we will continue to monitor trends.

Assumptions and policies (qualitative targets) and exposure (performance) relating to the coal sector

	Thermal coal	Metallurgical coal
Assumptions	● The Bank has established the following rules about initiatives and policies for consideration of the environmental and societal aspects of coal mining-related investments and loans. Coal mining [...] involves the risk of stranded assets, as well as [...] the risk of negative environmental and societal impacts. We are also aware of the importance of consideration for human rights issues such as infringement of the rights of indigenous peoples and communities, adverse health impacts, and forced and child labor. Based on this recognition, when considering investments and loans [...] for coal mining enterprises, the Bank checks on the implementation of environmental and social considerations by the client. Furthermore, we do not invest in or finance coal mining projects in the Appalachian region of the U.S. that use the "mountaintop removal" method . . . that is highly damaging to the natural environment. Additionally, we do not invest in or finance thermal coal mining projects.	● Given the Bank's minimal exposure to borrowers whose core business involves metallurgical coal, we believe it is appropriate to set qualitative guidelines as necessary targets to support transition. ● We understand that to achieve decarbonization and transition of metallurgical coal, we must work in concert and engage in discussion with the steel sector and other relevant sectors that are closely connected with metallurgical coal value chains and supply chains.
Guidelines (qualitative targets)	● Appropriate management of initiatives and policies for considering environmental and social aspects of investment and loans and reviewing them in light of domestic and international trends ● As a result, we will maintain our current exposure (zero)	● Engage in dialogue at least once a year **with all borrowers whose core business involves metallurgical coal and check their decarbonization policies** ● Continue to follow trends in metallurgical coal use in steel and other relevant sectors
Exposure (performance)	0 (Exposure to coal-fired power generation and coal mining. As of March 31, 2026)	**Less than 0.1% of total loan portfolio** (as of March 31, 2026)

Source: Created by The Norinchukin Bank based on various sources

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ⑤

Climate

Targets and progress in the steel sector

In the steel sector, GHG emissions from blast furnaces are the subject of growing global attention. In Japan, where the sector structure relies heavily on blast furnaces to meet the demand for high-grade steel for automobiles and other applications, steel accounts for approximately 40% of total energy-related CO_2 emissions from all industrial sectors.

Therefore, even as the transition to electric furnaces progresses, it is still important to pursue decarbonization of blast furnaces through technological innovations such as hydrogen reduction, and related technologies such as CCUS. Targets are being set in this sector based on Japan's commitment to decarbonization of its industrial structure, centered on blast furnaces.

Identifying risks and opportunities, setting targets, and performance in the steel sector

Risk

Outlook on technology trends as a basis for decarbonization
- Feasibility and validity of technology development and implementation timing

Blast furnace facilities becoming stranded assets
- Blast furnace facilities are becoming stranded assets due to the rapid shift to electric furnaces

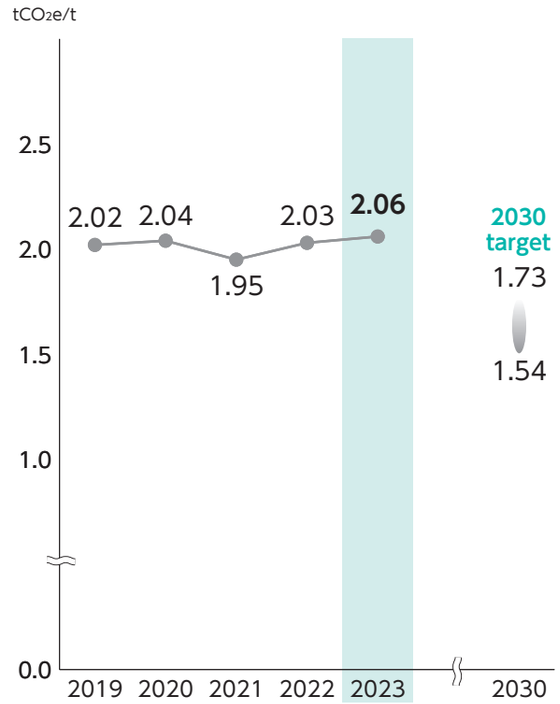
Opportunities

Decarbonization of blast furnace production
- Rationalize and increase efficiency of existing blast furnaces
- Introduce new technologies such as hydrogen reduction

Promote electric furnaces
- Develop electric furnace technology capable of producing high-grade steel

Scope	Scope 1&2 emissions of crude steel production (blast furnaces, electric furnaces)
Assets	Loans to steel sector
Indicators	Physical intensity (tCO_2e/t) (GHG (CO_2equivalent) emissions (t) per tonne of crude steel produced)
Target	1.54–1.73 tCO_2e/t
Base year	FY2019 (March 31, 2020) (Impact of COVID-19 is considered)
Scenario	Borrower roadmaps, Mission Possible Partnership (MPP), Technology Moratorium (TM) scenarios (Lower limit of target range consistent with 1.5℃)
Data source	Borrower disclosure data, CDP, etc.

Performance



According to the roadmap of the Ministry of Economy, Trade and Industry, etc., the implementation of blast furnace technology is expected to proceed in stages starting in around 2030, so the indicator value remains flat.

Source: Created by The Norinchukin Bank based on various sources Note: For CO_2 emissions from energy in the steel sector, refer to the Ministry of the Environment's data on GHG emissions and removals.

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ⑥

Climate

Targets and progress in the real estate sector

Although the real estate sector accounts for no more than around 8% of global CO_2 emissions, this figure rises to approximately 26% when indirect emissions from electricity and heat are included. In light of this and the Bank's relatively large exposure to real estate as a proportion of its portfolio, we recognize the need to take action that takes into account the interconnections of real estate with steel, cement, and other sectors.

We are therefore setting targets based on an understanding that decarbonizing this sector requires not only promoting the construction of new net zero energy buildings and houses (ZEBs and ZEHs) but also deploying energy-saving equipment for existing buildings that will continue to be used over the medium and long term.

Identifying risks and opportunities, setting targets, and performance in the real estate sector

Risk

Stranded assets due to stricter environmental regulations
- Decline or loss of asset value of aging properties with inferior energy-saving performance

Increasing physical risks due to climate change
- Real estate damage or loss of value due to flooding, storm surges, etc.

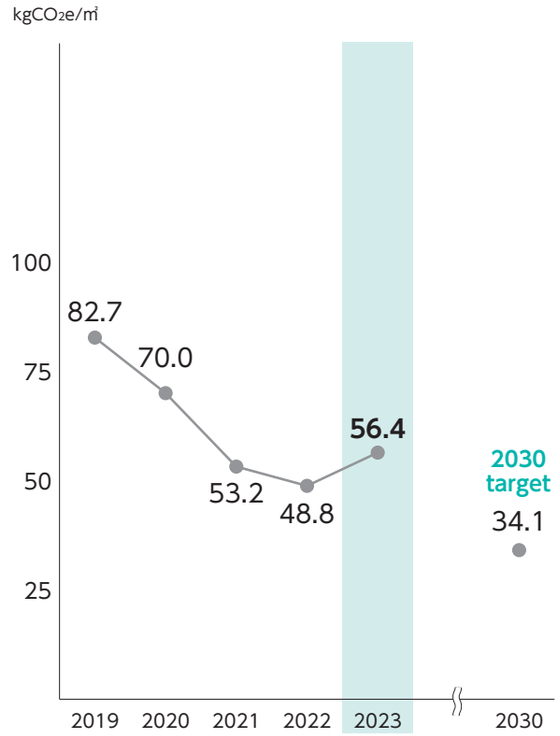
Opportunities

Popularization of newly constructed ZEB and ZEH properties
- Construction and renovation of properties to ZEB/ZEH standards

Increasing demand for data centers, etc.
- New demand for real estate driven by advancements in AI technology and other factors

Scope	Scope 1, 2, 3 emissions from real estate use [Category 13]
Assets	Loans for real estate businesses and REITs, non-recourse real estate loans
Indicators	Physical intensity ($kgCO_2e/m^2$) (GHG (CO_2 equivalent) emissions (kg) per m^2 of real estate floor area)
Target	34.1kg CO_2e/m^2
Base year	FY2019 (March 31, 2020) (Impact of COVID-19 is considered)
Scenario	CRREM (Carbon Risk Real Estate Monitor) 1.5℃scenario
Data source	Borrower disclosure data, CDP, etc.

Performance



The value of the indicator also rose due to increasing exposure as a result of robust real estate demand

Source: Created by The Norinchukin Bank based on various sources Note: For details of CO_2 emissions in the real estate sector, refer to IEA, World Energy Outlook 2025 and IEA, Buildings - Energy System

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ⑦

Climate

Targets and progress in the automobiles sector

The automobiles sector accounts for approximately 85% of the total energy-related CO_2 emissions of the transportation sector. With its extensive supply chains, it is also one of Japan's most important industries. Given that global demand for automobiles is expected to keep growing, we recognize the importance of increasing the emissions efficiency of automobiles, through the adoption of HEVs and EVs, and other means.

We are therefore setting targets with an understanding that the decarbonization of this sector requires not only technological development and implementation to promote the shift to HEVs and EVs, but also the development of charging facilities and other infrastructure to facilitate smooth adoption for both commercial and private use.

Identifying risks and opportunities, setting targets, and performance in the automobiles sector

Risk

Intensifying competition due to rapid shift to EVs
- Rapid commoditization of automobiles, increasing new market entrants, and intensifying competition

ICE-related equipment and other technology becoming stranded assets due to stricter environmental regulations
- Declining demand for ICE automobiles is turning related equipment into stranded assets

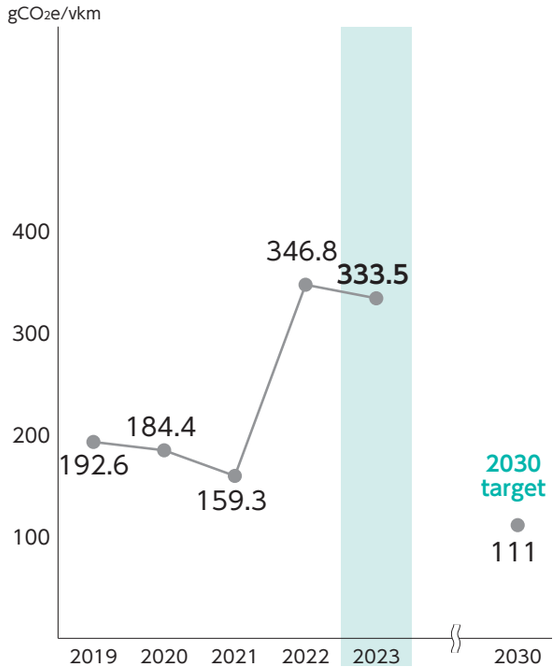
Opportunities

Shift to HEV, EV and hydrogen vehicles
- Shift in production to and growing demand for HEV, EV, and hydrogen vehicles

Associated infrastructure development
- Development of associated infrastructure such as chargers and hydrogen stations

Scope	Scope 3 emissions of LDVs (new vehicles) [Category 11 & Well-to-Wheel]
Assets	Loans to OEM auto makers
Indicators	Physical intensity (gCO_2e/vkm) (GHG (CO_2 equivalent) emissions (g) per km of distance traveled)
Target	111 gCO_2e/vkm
Base year	FY2019 (March 31, 2020) (Impact of COVID-19 is considered)
Scenario	IEA, NZE scenario
Data source	Borrower disclosure data, CDP, etc.

Performance



Due to the limited number of borrowers, individual companies account for a large proportion of exposure, causing the indicator value to fluctuate. Note too that demand for EVs is slowing due to geopolitical risks and rising electricity demand.

Source: Created by The Norinchukin Bank based on various sources Note: For details of CO_2 emissions in the automobiles sector, refer to Ministry of Land, Infrastructure, Transport and Tourism, CO_2 Emissions in the Transportation Sector (2024).

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Climate Strategy : Recognizing Climate-related Opportunities and Risks ⑧

Climate

Targets and progress in the marine transport sector

The marine transport sector accounts for no more than around 5% of the total energy-related CO_2 emissions of Japan's entire transport sector. However, with the volume of marine transport expected to keep growing, we view the sector as important for decarbonization through the expansion of LNG ships, the adoption of next-generation fuels, and development of related infrastructure. From the perspective of natural capital, the sector is also important for the conservation of marine ecosystems.

We are therefore setting targets that take into account trends in decarbonization discussions at the International Maritime Organization (IMO), while also recognizing that technically, the expansion of LNG ships and the deployment of next-generation ships powered by hydrogen and ammonia are indispensable for decarbonizing this sector.

Identifying risks and opportunities, setting targets, and performance in the marine transport sector

Risk

Increase in days of operation and damage to port facilities due to abnormal weather
- Cost increases due to additional fuel resulting from increase in days of operation and damage to port facilities

Stranded assets due to stricter environmental regulations by IMO and governments
- Existing ships become stranded assets due to carbon taxes and stricter regulations

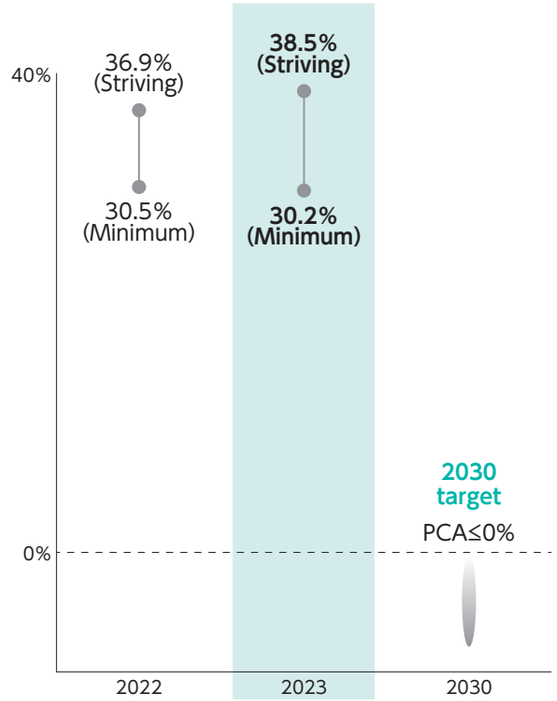
Opportunities

Progress in deployment of LNG and next-generation fuels
- Introduce LNG ships and deploy next-generation fuels

Associated infrastructure development
- Develop associated infrastructure at ports such as facilities for hydrogen and ammonia

Scope	Scope 1 emissions of shipping operations [Well-to-Wake]
Assets	Ship-secured financing
Indicators	Portfolio Climate Alignment (PCA)
	$AER : xi = \frac{\text{Annual } CO_2 \text{ emissions from operations}}{\text{Annual operation distance} \times \text{Deadweight tonnage}}$
	$VCA : \Delta i = \left(\frac{xi - rs}{rs}\right) \times 100$
	$PCA : \sum \Delta i \times \frac{\text{Outstanding loans of shipi}}{\text{Total outstanding balance of ship} - \text{secured loans held by the Bank}}$
Target	PCA≤0%
Measurement year	End of December 2023 (Most recent time point is selected based on the nature of the indicator)
Scenario	IMO decarbonization scenario (Refer to both "Striving" and "Minimum" standards)
Data source	Borrower disclosure data, CDP, Technical Guidance of the Poseidon Principles, data vendors, etc.

Performance



The "Striving" indicator value rose due to factors such as increasing assets and revised coefficients in The Technical Guidance of the Poseidon Principles, whereas the "Minimum" value stayed largely flat.

Source: Created by The Norinchukin Bank based on various sources Note: For details about energy-related CO_2 emissions in the marine sector as a proportion of total transport sector emissions, refer to Ministry of the Environment, National Greenhouse Gas Inventory Report of Japan (breakdown of CO_2 emissions in the transport sector by mode of transport).

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Climate Strategy: Climate Change-related Risk and Scenario Analysis

Climate

The risks of climate change can be divided into transition risks and physical risks. Transition risks are risks that emerge in transitioning to a decarbonized society. For example, the introduction of a carbon tax on GHG emissions could lead to a negative financial impact on investees and borrowers that generate high emissions. This, in turn, could result in higher credit costs at financial institutions.

Physical risks, on the other hand, are risks related to the greater intensity and frequency of extreme weather events due to climate change, as well as risks arising from long-term changes in climate patterns. Physical risks are further classified into acute risks (e.g., increased extreme weather events such as flooding) and chronic risks (e.g., impact of prolonged high temperatures on agriculture and fishery). The results of our scenario analysis of both kinds of risks are presented on the following pages.

Climate change risks recognized by the Bank

Risk	Subcategory	Major risks	Time scale
Transition risk	Policy, legal, technology and market	• Increased credit costs due to the impact of regulatory compliance on business models and performance of investees and borrowers to achieve the 1.5℃ target • Increased credit costs due to changes in the supply-demand relationship for goods and services and the impact on corporate performance as markets become more decarbonization-oriented	Medium to long term
	Policy	• Changes in regulations in response to growing international concern about climate change	Short term
	Reputation	• Risk of inadequate climate change efforts and information disclosure	Short term
Physical risk	Acute	• Downturn resulting from stagnation of the businesses of investees and borrowers due to natural disasters such as typhoons and torrential rains, as well as increasing credit costs resulting from damage to the collateral value of real estate and other assets	Short, medium and long term
	Chronic	• Risk that climate change will affect land use, productivity of primary industries, etc. • Impact on business continuity due to damage to the Bank's assets caused by extreme weather	

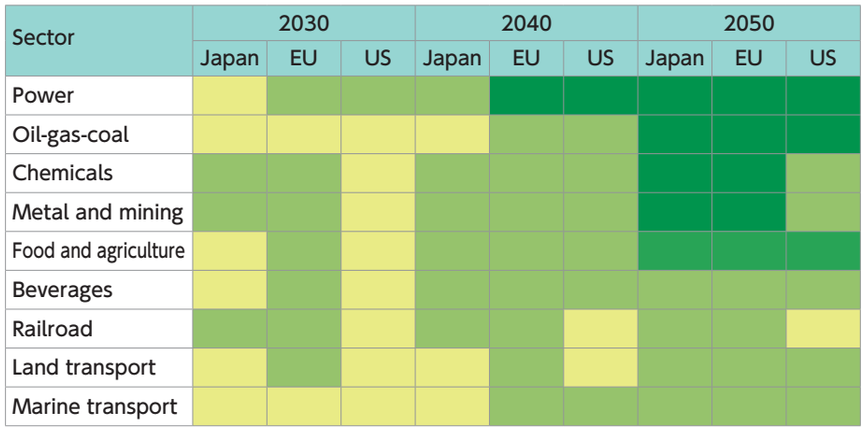
Progress made on scenario analysis so far

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Transition risk		• Scenario analysis of the electricity, oil-gas-coal, food and agriculture, and beverage sectors		• Added chemicals sector • Conducted more advanced analyses based on NGFS scenario, etc.		• Added steel sector • Updated NGFS scenario (Ver. 2 to Ver. 4)	
Physical risk	Acute risk			• Scenario analysis of the impact of flood damage on key locations in Japan of borrowers in Japan and real estate collateral held by the Bank	• Added key overseas locations of borrowers and the Bank Group's own offices		• Scenario analysis of the impact of torrential rains on forests
	Chronic risk			• Scenario analysis of income change rates in the agriculture sector (rice and livestock)	• Added fishery sector		

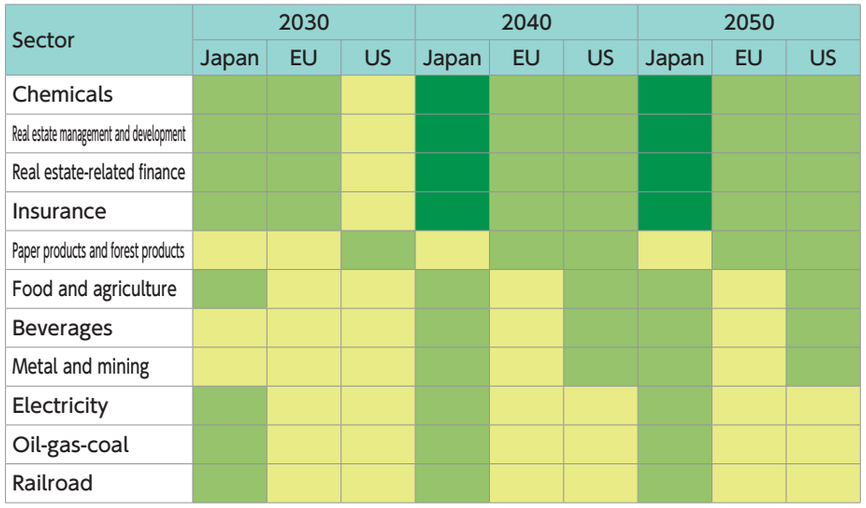
Assessment of climate change-related risk by sector

Low — Risk — High

Assessment of transition risks*



Physical risk assessment*



(Transition risks are assessed based on a 2℃ scenario in which policy measures mitigate climate change, while physical risks are assessed based on a 4℃ scenario in which global warming worsens.)

Source: The Norinchukin Bank

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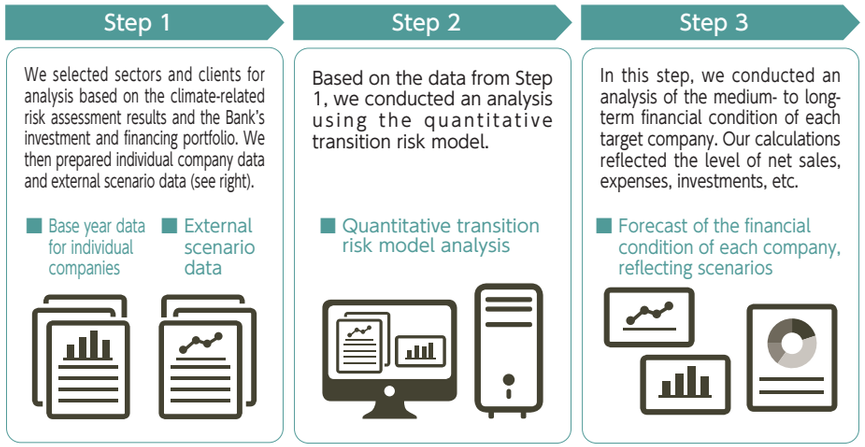
Climate Strategy: Transition Risks ①

Climate

Based on risk analysis of climate change by sector, we selected the sectors at high-risk: power, oil-gas-coal, chemical and steel sectors as well as the food and agriculture, beverages sectors, which form the food and agriculture value chain. We conducted scenario analysis to evaluate the medium- and long-term changes in credit costs caused by the progress of decarbonization.

Scenarios analyzed include the Net Zero 2050 scenario published by the Network for Greening the Financial System (NGFS), as well as scenarios published by the leading International Energy Agency (IEA) and the Food and Agriculture Organization of the United Nations (FAO). For further information, please refer to the Appendix.



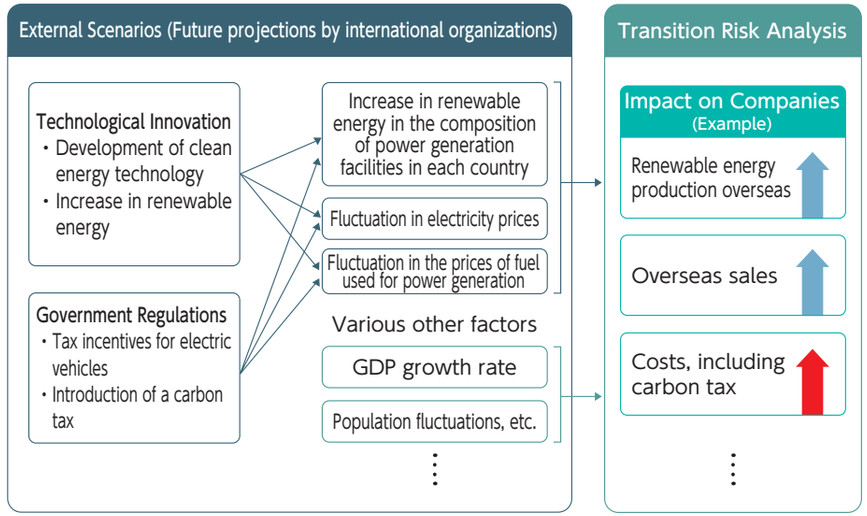
Source: Created by The Norinchukin Bank

Six Ways of Scenario Analysis

	Dynamic Approach (An approach reflecting new capital investments in response to market demand)	Static Approach (An approach reflecting the status quo without additional capital investment)
Current Policies (a scenario that assumes that only policies currently in place will be retained)	Current Policies × Dynamic	Current Policies × Static
Delayed Transition (Scenario in which annual GHG emissions do not decline by 2030, followed by strong emissions reduction policies)	Delayed Transition × Dynamic	Delayed Transition × Static
Net Zero 2050 (a scenario that limits global warming to 1.5°C through rigorous climate policy and technological innovation, achieving net zero global CO_2 emissions in or around the year 2025)	Net Zero 2050 × Dynamic	Net Zero 2050 × Static

Source: Created by The Norinchukin Bank

Reference Analysis Overview Example (Electric power company)



Source: Created by The Norinchukin Bank

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Climate Strategy: Transition Risks ②

Climate

Scope of analysis	Selected scenario	Complementary scenario	Results
Energy (electricity, oil-gas-coal)	NGFS ・Current Policies ・Delayed Transition ・Net Zero 2050		In all scenarios, increased demand for renewable energy and stricter regulations on carbon emissions in various countries would result in stranded fossil fuel assets and reduced market demand. Businesses dependent on fossil fuels would experience deteriorating profits. At the same time, companies that view renewable energy as a climate-change-related opportunity tend to enjoy higher earnings after making capital investments.
Food and agriculture, beverages		・WRI, Creating a Sustainable Food Future: Final Report, July 2019	In all scenarios, food demand will increase due to global population growth and other factors, leading to greater production and earnings for companies engaged in business activities on a global scale. At the same time, companies operating in a particular region may see earnings increase or decrease depending on regional characteristics (e.g., changes in food culture, population increase or decrease). Analysis results therefore varied from region to region.
Chemicals		・IEA, World Energy Outlook 2023, "Global oil demand and production by scenario Industry and petrochemicals"	Scenario analysis results varied depending on the chemical products manufactured and the region in which the company in question operates. Analyses using the Delayed Transition scenario and Net Zero 2050 (toward decarbonization) scenarios indicated slower economic growth. With a few exceptions, the result was relatively lower demand for each chemical product compared with the Current Policies scenario. On the other hand, demand for hydrogen and ammonia as fuels that do not directly emit CO_2 is expected to increase. Demand for functional chemical products used as battery materials is also likely to increase with the spread of electric vehicles. However, the ability to pass these costs on to product prices is expected to be limited.
Steel		・IEA, Iron and Steel Technology Roadmap	Scenario analysis results varied according to business structure and the region in which the company in question operates. In the Delayed Transition scenario and the Net Zero 2050 scenario for decarbonization, the impact of carbon costs varies significantly between companies, according to the quantity of GHG emissions. Companies with business facilities in the U.S., where steel demand is expected to keep rising, as well as Asia countries (e.g., those in Southeast Asia), have tended to enjoy profit growth as a result of capital investment for decarbonization.

Impact on credit portfolio

The total impact of transition risk in these four sectors could increase the cost of credit by about 1 billion to 25 billion yen per year up to 2050 (i.e., by the difference between the Current Policies scenario and Net Zero 2050 scenario). However, the impact of this on our credit portfolio would be limited.

Using analysis results

Based on the results of our transition risk analysis, we initiated engagement on climate change initiatives with our investees and borrowers in sectors where we identified a relatively large impact. By sharing an awareness of the issues with our investees and borrowers, we will strengthen our efforts to address climate change together and work toward creating a decarbonized society.

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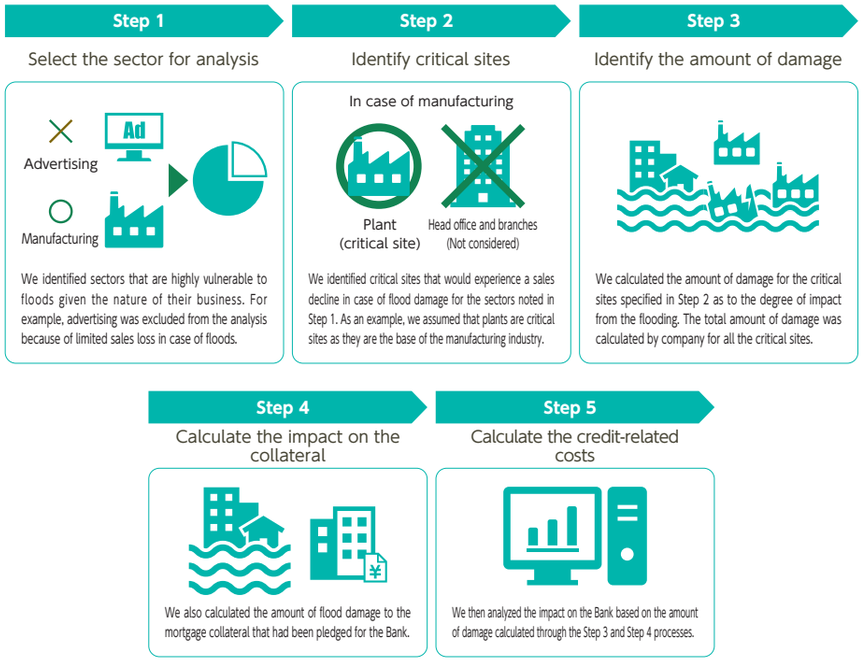
Climate Strategy: Physical Risks (Acute) ①

Climate

We analyzed acute risk related to flood damage, which has caused significant problems in recent years. In addition to key global locations of domestic and overseas borrowers and real estate collateral pledged to the Bank, we included the assets of Bank Group locations (buildings and fixtures) in the analysis.

Our acute risk scenario analysis indicated a cumulative additional loss of about 22 billion yen (sum of credit costs and damage to Norinchukin Bank Group assets) to the year 2100. The impact of additional losses would be limited. See the Appendix for details.

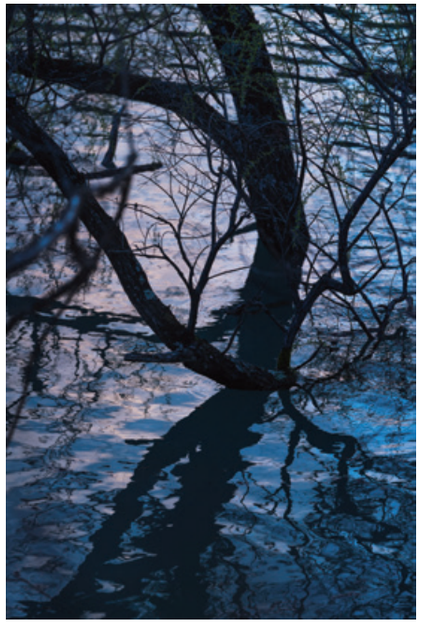
Physical Risk (Acute Risk) and Scenario Analysis Overview

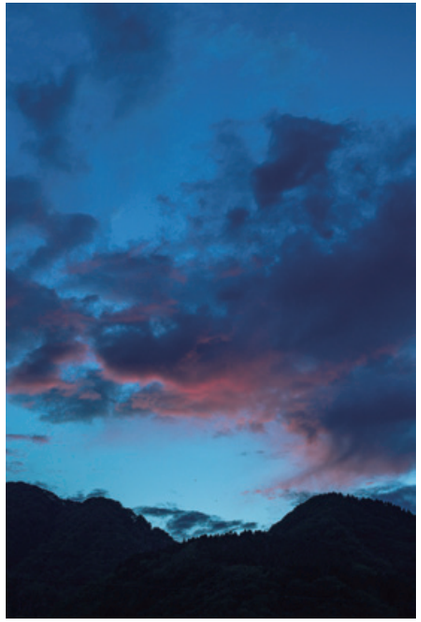


Source: The Norinchukin Bank

Physical risk (acute risk) analysis overview

Scope of analysis	①Key domestic and overseas locations of borrowers expected to be affected by flooding ②Real estate collateral pledged to the Bank ③Assets at the Bank Group's domestic and overseas locations (buildings and fixtures)
Not subject to analysis	Industries not likely to be affected by flood damage (e.g., advertising, publishing, finance)
Analysis scenarios	IPCC RCP2.6 and RCP8.5
Measurement results	Cumulative additional losses of approximately 22 billion yen to the year 2100 (credit costs plus damage to Bank Group assets)





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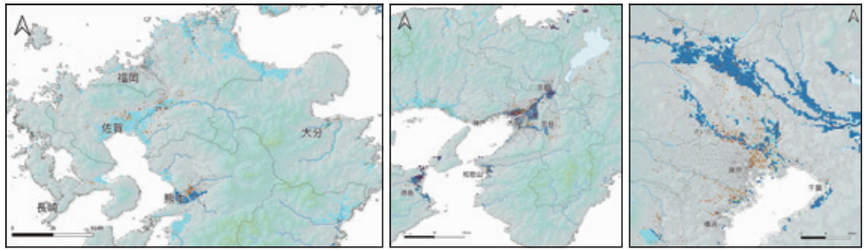
Climate Strategy: Physical Risks (Acute) ②

Climate

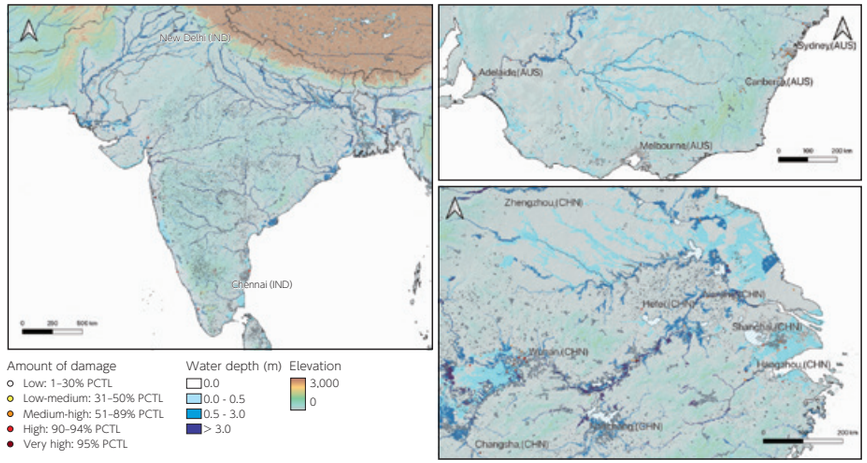
Utilizing the results of earlier scenario analyses of physical risks, we plotted the locations of companies in the Bank's investment and loan portfolio on a flood risk map for 2030 to analyze the medium-term risks arising from the kind of extreme weather events that have recently occurred. Specifically, we plotted the locations of our investees and borrowers on the Flood Hazards Maps available with the Aqueduct tools provided by the World Resources Institute (WRI) to identify where they overlap with areas of high flood risk. For sites expected to incur large losses in 2100 and to be exposed to high flood risks in 2030, we believe that we need to deeply understand the probability of financial risks. We can do this by investigating the nature of business operations at each site, the number of floors (of operational buildings), and the state of adaptation measures from the perspective of short- to medium-term physical risk management or the necessity of adaptation.

2030 Flood Risk Map by Location of Investee/Borrower Operation Site (Japan)



Note: The "Flood Navi" used in the flood risk analysis of sites in Japan for the 2100 scenario takes into account levee breaches. Thus, the analysis method used for the 2030 risk analysis is different to the 2100 analysis method.
Source: aiESG

2030 Flood Risk Map by Investee/Borrower Location (China, Australia, India)



Note: The top three countries (excluding Japan) in terms of loss of sales of the Bank's investee/borrower companies (China, Australia, India) were identified.
Source: aiESG

Using analysis results

For this physical risk analysis, we identified the cumulative additional losses that should be provided for up to the year 2100. We will also consider analyzing and measuring the impact of hazards other than flooding associated with physical risks, taking into account supply chains, utilizing the information related to the key domestic and overseas locations of investees and borrowers surveyed in this analysis.

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Climate Strategy: Physical Risks (Acute) ③

Climate

The Norinchukin Bank is committed to achieving net zero GHG emissions across our investees and borrowers by 2050. At the same time, we are striving to increase incomes in the agriculture, fishery, and forestry industries as a medium- to long-term goal for 2030 to support the sustainability of these industries and relevant local communities. Given that the agriculture, fishery, and forestry industries are vulnerable to the effects of climate change, we are trying to analyze the impact of climate change on these industries.

To assess acute risk, we are focusing on analysis of the forestry industry, which is one of the pillars of the Bank's business. We are analyzing the damage of increasingly frequent heavy and torrential rains on mountains.

In this analysis, we examined the potential damage to forest value—such as forest service roads and other infrastructure, and trees—by the end of the 21st century due to the increase in heavy and torrential rains. For the analysis, we utilized the IPCC's RCP2.6 ("2℃ rise") and RCP8.5 ("4℃ rise") scenarios. We also utilized hazard maps and other map information to identify forest areas at high risk of mountain disaster, and we assessed and visualized the risks.

Step1

Estimate impact in terms of forest damage

We analyzed the (proportional) increase in forest damage caused by climate change, such as heavy and torrential rains. Factors such as forest service road length and forest cover ratio were taken into account.

Step2

Identify specific areas using map data

Areas where forest overlapped with disaster-prone areas were identified as areas at high risk of mountain damage.

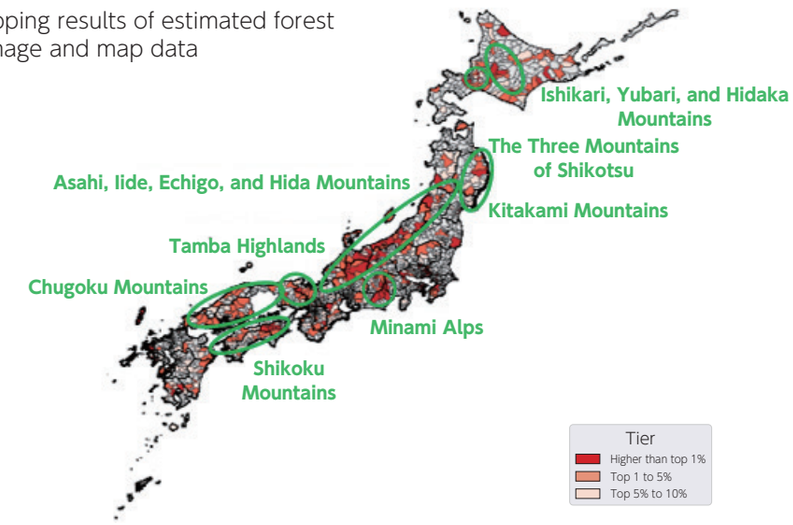
An overview (excerpt) of our analysis of acute risk of mountain disasters is as follows. Climate change will cause more severe and frequent damage to forest service roads and other infrastructure

It was confirmed that there are many high-risk areas on hazard maps, such as the Ishikari, Yubari, and Hidaka Mountains, and the area around the Three Mountains of Shikotsu.

Estimate impact in terms of forest damage

Prefecture	Projected increase in future mountain damage based on estimation model								Estimated risk of mountain disaster based on map data analysis
	Service roads				Forest value				Relevant area (Mountain area/ range, etc.)
	2℃		4℃		2℃		4℃		
	Rank	X (change)	Rank	X (change)	Rank	X (change)	Rank	X (change)	
Hokkaido	3	2.69	1	7.69	31	1.16	6	1.76	Ishikari and Yubari Mountains Hidaka Mountains, etc.
Iwate	6	1.98	6	3.23	16	1.21	8	1.72	Kitakami Mountains, etc.
Miyagi	1	2.97	2	5.55	29	1.17	21	1.59	Kitakami Mountains, etc.
Nagano	15	1.33	16	1.74	1	1.37	2	1.91	Hida Mountains, etc.
Hyogo	4	2.65	4	4.53	26	1.18	34	1.45	Chugoku Mountains, etc.
Okayama	14	1.36	14	1.80	2	1.34	3	1.90	Chugoku Mountains
Yamaguchi	22	1.21	20	1.56	4	1.32	1	1.98	Chugoku Mountains
Ehime	2	2.74	3	4.63	3	1.33	4	1.81	Shikoku Mountains

Mapping results of estimated forest damage and map data



(Projected future increase in damage is color-coded as follows: Top 1: dark red; Top 2: red; Top 3&4: light red)

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Climate Strategy : Physical Risks (Chronic)

Climate

For the analysis of chronic physical risks, we selected the agriculture and fisheries sectors as target sectors, given their importance to the Bank, whose business foundation is rooted in the agriculture, fishery, and forestry industries. The specific commodities analyzed were rice cultivation, livestock farming (raw milk and beef cattle), and marine fisheries (skipjack tuna). The analysis assesses the impacts of climate change, including rising air and sea surface temperatures, on the income of farmers and fishers, as well as potential adaptation measures. (The analysis of the agriculture sector is identical to that disclosed in the 2022 Sustainability Report.) This analysis estimates changes in income at the end of the 21st century relative to the end of the 20th century under two scenarios: (i) no adaptation measures taken in response to rising temperatures, and (ii) adaptation measures implemented in response to rising temperatures. For the scenario analysis, the IPCC's RCP2.6 scenario (hereafter, the "2℃ scenario") and RCP8.5 scenario (hereafter, the "4℃ scenario") were adopted, resulting in four analytical cases in total.

Step 1

Estimate the impacton production volume

We analyzed the change in production volume due to climate change. We considered the impact of climate change, for example, higher air temperatures and the precipitation variations regarding rice cultivation.

Step 2

Estimate the impact on prices

We estimated the impact on product prices due to variability in quality or other factors caused by climate change.

Step 3

Provisionally estimate the impact on revenue

We analyzed the impact on revenue for producers considering the analysis in Steps 1 and 2.

Overview of Chronic Physical Risk Scenario Analysis

Analysis method: Rate of change in production volume + Rate of change in product prices = Rate of change in revenue

A summary of the results of the chronic risk analysis for the agriculture sector is provided below. Although climate change is expected to have a negative impact on income, the analysis suggests that the adoption of appropriate adaptation measures could largely offset such impacts and enable income levels to be maintained. Please refer to the Appendix for details.

	Scenarios	Production Output	Prices	Revenue (w/out Adaptive Measures)	Revenue (w/ Adaptive Measures)
Rice cultivation	4℃ rise	-6.4%	+1.4%	-5.0%	+3.5%
	2℃ rise	+3.3%	-1.6%	+1.7%	-
Raw milk	4℃ rise	-1.1%	+0.9%	-0.1%	±0.0%
	2℃ rise	-0.2%	+0.2%	± 0.0%	-
Beef cattle	4℃ rise	-1.2%	+0.6%	-0.6%	±0.0%
	2℃ rise	-0.3%	+0.2%	-0.2%	-

A summary of the results of the chronic risk analysis for the fisheries sector is provided below. Although the impacts of climate change on income are expected to vary by region, the analysis suggests that the adoption of appropriate adaptation measures could help reduce income losses. Please refer to the Appendix for details.

	Scenario	Catch	Prices	Revenue (w/out Adaptive Measures)	Revenue (w/Adaptive Measures)
Marine fisheries (bonito)	4℃ rise	-9.2% to +4.7%	-0.6% to +1.3%	-8.0% to +4.0%	-7.6% to +4.0%
	2℃ rise	-9.2% to +9.5%	-1.2% to +1.3%	-8.0% to +8.1%	-6.1% to +4.0%

It should be noted that the scenario analyses for the agriculture and fisheries sectors are subject to a number of limitations and are therefore based on multiple assumptions and hypotheses. These limitations include: (i) the absence of internationally established methodologies, (ii) incomplete data, and (iii) diverse and complex impact pathways. Furthermore, the analysis assesses revenue rather than income (defined as revenue less expenses and other costs), and therefore the results may not fully reflect the actual impacts on farm and fishery management.

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Climate Strategy: Adaptation to Climate Change

Climate

As climate change increasingly leads to severe damage from wind, flooding, and landslides, climate change adaptation measures are becoming more important. Based on analyses of physical risk scenarios, The Norinchukin Bank is promoting climate change mitigation measures in collaboration with a variety of stakeholders. These efforts include engaging with investees and borrowers and members, providing financing solutions, and promoting initiatives through dialogue with the Ministry of the Environment and relevant government agencies.

Specifically, we are providing funds for infrastructure development to reduce damage from flooding and other natural disasters through means such as project financing for seawater desalination facilities in the Middle East—where there are fears that droughts will make access to water resources more difficult—and investment in the Sustainability Awareness bonds issued by the European Investment Bank. Additionally, to foster technologies for adaptation, we are supporting startups through The Norinchukin Bank Group companies. For example, in 2022, we invested in Ac-Planta Inc., a company that is pursuing R&D and sale of biostimulants that provide resistance to drought, high temperatures, and salt damage.

Considering the damage suffered by agriculture, fishery, and forestry—the industries that serve as the Bank's foundation—as a result of repeated natural disasters in recent years, we are working with our members to provide low-interest emergency relief funds and interest subsidies, as well as consulting services through JA Bank and JF Marine Bank.

As certain environmental changes, such as rising temperatures, become irreversible, we recognize that the implementation of adaptation measures to agriculture, fishery, and forestry, and to regional planning, requires more discussion than mitigation measures. We believe that as we collaborate with diverse stakeholders, it is essential to accumulate case studies of mitigation measures that also take into account local agriculture, fishery, and forestry industries, and natural environments, and to expand such initiatives more widely.

Column

Developing Model Cases and Accumulating Knowledge Blue Carbon Project in Setouchi Town

Mangroves are drawing worldwide interest as "blue carbon ecosystems" capable of absorbing and fixing carbon. They are useful not only for climate change mitigation, but also for adaptation, by acting as a buffer against storm surges and high waves, by providing habitat for wildlife, and for sustaining fishery resources. However, the natural distribution of mangroves in Japan has historically been limited to areas such as the Nansei Islands (south of Amami Oshima). It is therefore necessary to accumulate more knowledge about how to make use of the formation and conservation of mangroves for climate change adaptation and regional development.

A blue carbon project led by the "Setouchi Town Neriyakanaya Sea Promotion Council" and supported by Group company Norinchukin Research Institute Co., Ltd. promotes the conservation and regeneration of coastal ecosystems such as seaweed beds and mangroves through partnerships between fishing enterprises, local governments, businesses, and experts. In December 2025, the project acquired "J-Blue Credit" Certification, resulting in the first mangrove-derived carbon credits in Japan.

Mangroves offer co-benefits that go beyond preventing and mitigating disasters by damping waves. These include conservation of marine resources in areas used for activities such as Pacific blue fin tuna aquaculture and opportunities for environmental education through observation events. We intend to keep building model case studies like this one and expanding such initiatives more widely.

Source: Created by The Norinchukin Bank based on various sources

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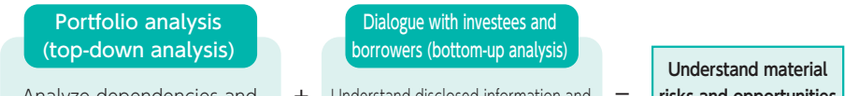
Nature Strategy: Recognizing Nature-related Opportunities and Risks

Nature

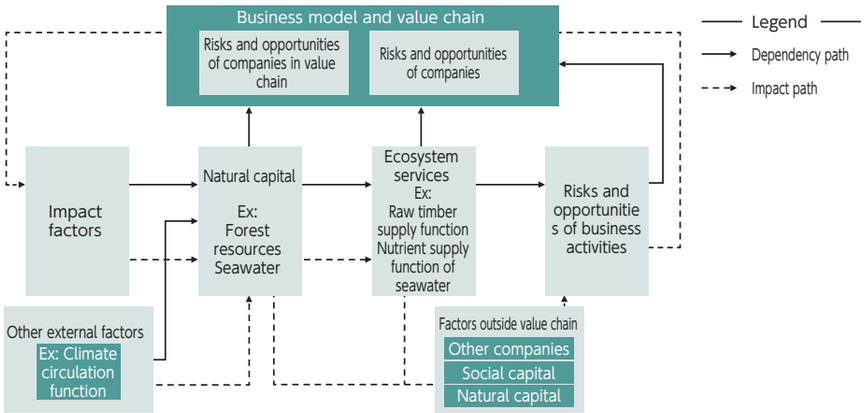
To recognize and understand nature-related opportunities and risks and to accurately capture the Bank's nature-related financial risks, we believe it is necessary to address the complex relationships with nature that arise throughout business operations and value chains. In addition to a top-down analysis that narrows down material relationships from a big picture (in terms of sectors and regions), we need bottom-up analysis to understand the actual state of dependencies and impacts at the level of individual business activities and locations.

The Bank has collaborated with research institutes and startups on conducting top-down ("big picture") analyses of sectors and regions. At the same time, starting in FY2025, we have begun learning the current status of risks and opportunities that are specific to our investees and borrowers through dialogue.

As we continue our portfolio analyses, we will also deepen our understanding of the specific risks faced by businesses and sectors through dialogue with our investees and borrowers. This will help us to improve our ability to recognize nature-related opportunities and manage the risks.



Relationship of natural ecosystem services and natural capital to corporate risks and opportunities



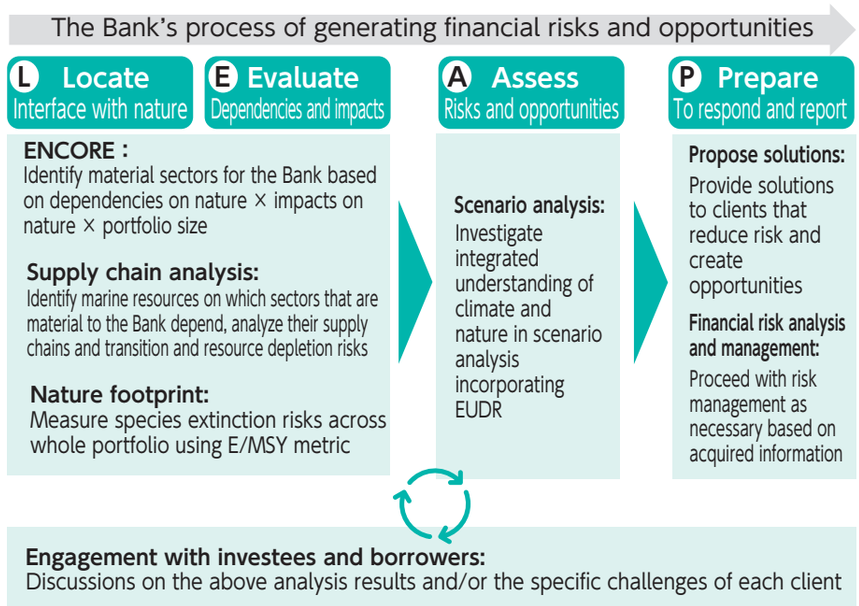
Source: The Norinchukin Bank

The Bank's investees and borrowers extend beyond Japan to the whole world. We view our relationship with nature not as limited to specific regions and locations, but rather as something that exists across our entire global investment and loan portfolios.

Given these characteristics, we do not see the "L" in the LEAP approach (L=Locate: interface with nature) as specifying particular locations, but rather as a stage of capturing a "big picture" view of key interfaces with nature, taking into consideration industry, sector, location, and the characteristics of business activities.

Our policy is to build on this by starting with a top-down analysis of the entire portfolio to identify sectors of relatively significant nature-related opportunities and risks, and then, while engaging with investees and borrowers, we proceed in stages through "E" (evaluate), "A" (assess), and "P" (prepare).

Relationship of the Bank's nature-related analysis with LEAP



Source: The Norinchukin Bank

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Nature Strategy: Nature-related Portfolio Analysis (Overview)

Nature

Locate and Evaluate

The Bank conducted a portfolio analysis to identify sectors with significant nature-related exposures and impacts and to understand the types and locations of their nature-related dependencies and impacts. This analysis corresponds to the "L" (Locate) and "E" (Evaluate) in the LEAP approach recommended by TNFD. Through a multifaceted analysis combining multiple tools, we can identify sectors that require prioritized risk management and strategic treatment in the portfolio.

Identifying the Bank's material sectors based on Nature dependencies × Impacts × Portfolio size

As we did in FY2025, we conducted analyses of the dependencies and impacts of our investees and borrowers across our entire portfolios to determine nature-related risks and opportunities.

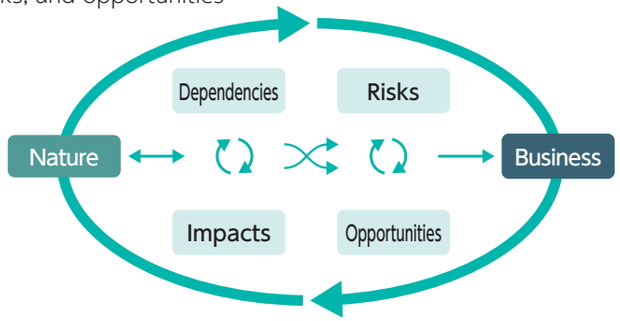
We recognize that analysis methodologies for identifying nature-related risks and opportunities are not fully developed. The Bank based this portfolio analysis on the methodologies proposed by the TNFD recommendations, PBAF, NGFS, and other initiatives. We also consulted with experts in environmental economics, environmental science, life cycle impact assessment, and ecology.

To fully understand how our investment and loan portfolios interface with nature on a sector-by-sector basis, we used ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) (data as of October 2024) and the Materiality Screening Tool of the Science Based Targets Network as analysis modules to analyze dependencies and impacts directly related to operations in each sector. (This analysis did not account for the specific business models, locations, or value chains of individual companies in these sectors at this point in time.)

Note that in the ENCORE data of October 2024, the term "impact" was substituted with "pressure." For the sake of clarity, however, whatever is termed "pressure" under ENCORE is described as "impact" in this report.

The industry classification in this nature-related analysis is based on GICS, and the asset classes subject to analysis are loans, stocks and bonds, and certain funds. Note that commitment lines for loans, as well as public-sector bonds and securitised products such as CLOs for investments, were excluded from analysis due to a lack of data and methodologies.

Correspondence between the state of nature and nature-related dependencies, impacts, risks, and opportunities



Source: Prepared by the Bank based on TNFDv1.0

Sector	Subsectors
Energy	Energy equipment and services; oil, gas and consumable fuels
Materials	Chemicals; construction materials; containers and packaging; metals and mining; paper and forest products
Capital goods and services	Capital goods; commercial and professional services; transportation
Consumer staples	Consumer staples distribution and retail; food, beverage and tobacco
Consumer discretionary	Automobiles and components; consumer durables and apparel; household and personal products
Health care	Biotechnology, health care equipment and supplies; health care services; pharmaceuticals
Financials	Banks; insurance; investment funds; asset management; securities; trading markets
Information technology	Communications equipment; electronics and components; semiconductors and semiconductor equipment; software; technology hardware; storage and peripherals; IT services
Communication services	Telecommunication services; wireless telecommunication services; cable telecommunication services; media; entertainment
Public utilities	Electricity (including renewable energy); gas and water
Real estate	Real estate management and development

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Nature Strategy: Nature-related Portfolio Analysis (ENCORE)

Nature

Analysis of nature dependencies and impacts in the Bank's portfolios

Sectors that are highly dependent on nature may present financial risks through impacts on business activities if the state of nature deteriorates. On the other hand, they can also be viewed as sectors that have established business models that benefit from and coexist with nature. Since such business models are deeply rooted in nature, these sectors may well involve operations that help to conserve nature. In a society that increasingly values the importance of nature, the earnings made from the dependencies in such business models could potentially rise.

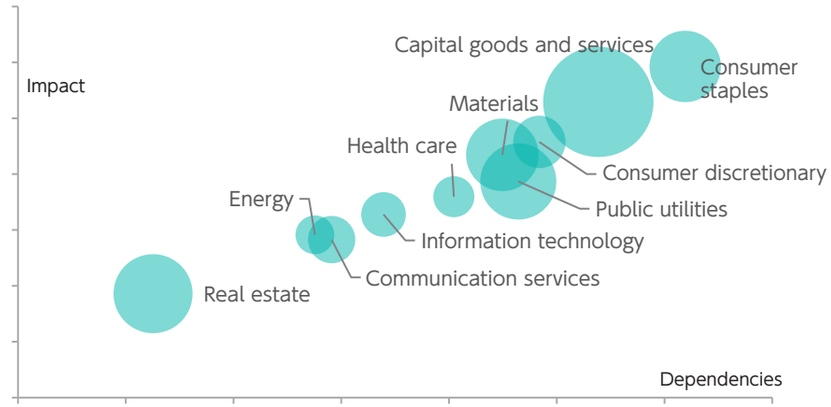
While dependency is one factor in assessing nature-related risks and opportunities, we recognize that assessing location-specific risks and opportunities—such as evaluating water resources at the watershed level over water intake sites—is essential for gauging the financial impact on the Bank.

The business activities of our investees and borrowers can change (impact) natural capital and ecosystem services. Excessive negative impacts can lead to the degradation of the natural resources on which the business of the investee or borrower relies, as well as to reputation risk. Such risks can in turn lead to financial risk in the medium and long term. On the other hand, positive impacts can enhance the value of nature and increase the sustainability of a business, leading to a positive outcome for stakeholders.

In this report, we tried to analyze the impacts of the business activities of our investees and borrowers by analyzing our portfolios for five root causes of changes to the natural environment (impact drivers) based on the TNFD recommendations, focusing on areas where data was available.

The figure below shows the relationships between nature dependencies and impacts across our entire portfolios, projected sector by sector. The size of circles represents investment and loan size.

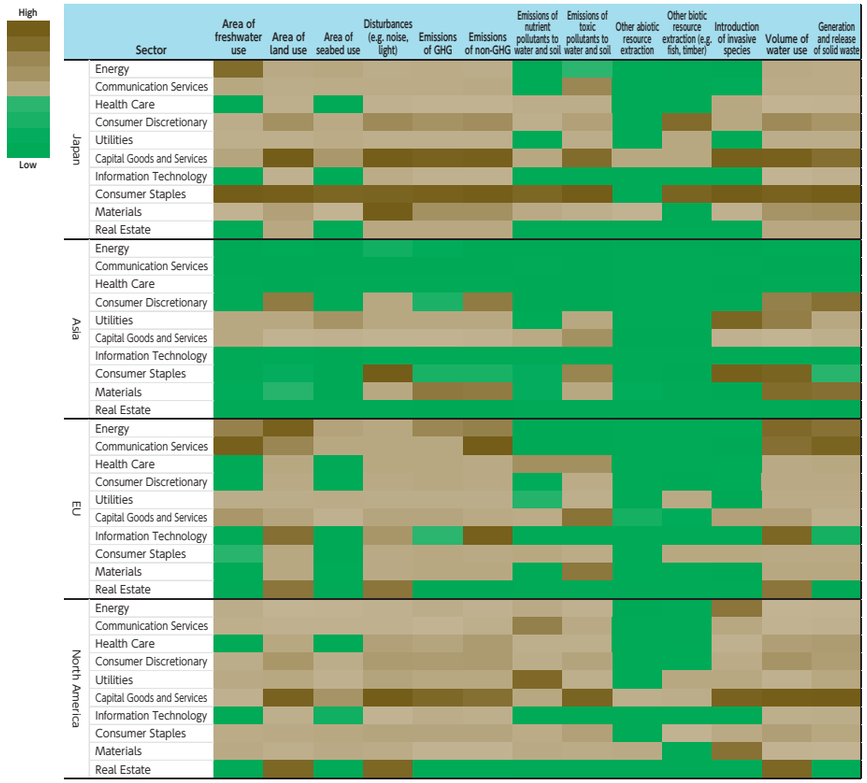
Relationship of portfolios and nature dependencies and impacts



Source: The Norinchukin Bank

The following table analyzes regional impacts on nature by sectors in which the Bank makes investments and loans. We identified sectors with strong impacts in Japan and North America, the principal regions of the Bank's investment and financing.

Distribution map of portfolio, regions, and impacts



Source: The Norinchukin Bank

From the results of our analysis of direct operations in each sector above, we identified consumer staples (food-related sectors and agriculture, fishery and forestry), and capital goods and services as sectors requiring priority in the development of nature-related strategies and risk management because they rank highest in terms of dependencies and impacts on nature.

While ENCORE analysis is useful for identifying sectors of high dependency and impact on nature in a portfolio, there are limitations to the analysis and understanding with this data. This is because regional differences are not taken into account, and value chain considerations are limited to immediate upstream and downstream levels (tier 2).

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Nature Strategy: Nature-related Portfolio Analysis (Supply Chain Analysis) ①

Nature

Analysis background and objectives

Taking into account the limitations of the analysis with ENCORE on the previous page, we conducted a portfolio analysis in collaboration with aiESG, Inc.—a startup company specializing in AI-based supply chain analysis that originated at Kyushu University. In FY2025, we analyzed the environmental and social impacts of Japan's food-related sectors on upstream supply chains (production areas), primarily through the procurement of agricultural products. In the current fiscal year, we focused on the activities within food-related sectors in Japan that are closest to consumers, such as retail and department stores, to analyze the procurement of imported seafood to determine the kinds of marine resources that upstream parts of supply chains depend on, as well as impacts on marine ecosystems.

The production sites of the fishery products handled by these subsectors (waters where products are harvested or landed) change, and distribution channels are global and complex. Consequently, it is not easy for downstream sectors to obtain supply chain data (e.g., details about resource management, distribution channels).

In June 2025, the TNFD released a discussion paper on marine-related challenges in business, which collects opinions on metrics that companies can refer to from far and wide, and advances analysis of marine sector-related risks to business. Through dialogue with investees and borrowers based on the results of these fishery product supply chain analyses, the Bank too can deepen its understanding of nature-related risks associated with the procurement of fishery products. As the analysis of marine-related risks and opportunities is still in its early stages due to a lack of data, we believe it is essential for the Bank—as an institution that is built on the foundation of fishery—to analyze supply chains from the perspective of fishery product distribution to gather insights.

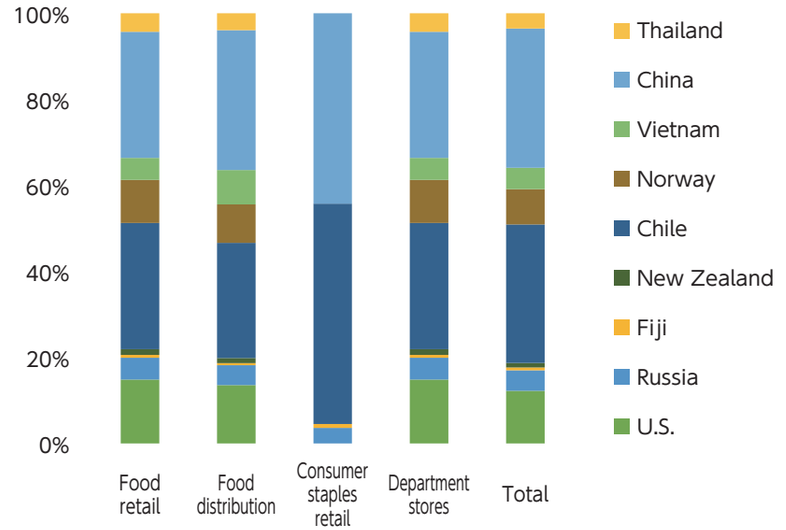
Methodologies

Using input-output tables, we conducted an analysis to trace the distribution of imported fishery products upstream, starting from the subsectors of our investees and borrowers located at the downstream end of supply chains. Based on this analysis, we have compiled information about the state of fishery resources and resource management, and the presence (or absence) of biodiversity conservation measures in countries of origin.

Results

The graph on the right shows the monetary degree of dependence of consumer-adjacent food-related subsectors on the fishery sectors of various countries. The results on the countries Japan relies on most heavily for fishery imports reveal significant dependencies on the U.S., Chile, China, Norway, Russia, Thailand, Vietnam, and New Zealand.

Share of fishery resources that food-related subsectors depend on by country (by value)



Source: Created by The Norinchukin Bank based on materials from a report commissioned from aiESG, Inc.

Selecting some key fishery products of each country based on the degree of dependency, we compiled information about resource management measures, bycatch prevention measures, IUU fishing risks, and current stock status.

It has been confirmed that regulations in various forms—such as limits on allowable catches and fishing effort based on MSY (maximum sustainable yield) indicators—have been implemented for major fishery products in various countries. On the other hand, there have also been instances of fishery products where resource conditions have remained poor even with regulations in place, such as squid caught by China off the coast of Peru and Norwegian mackerel. In other cases, enforcement cannot keep up with regulations due to a lack of domestic capacity.

In this analysis, we traced the supply chains of the main fishery products handled in the subsectors of our investees and borrowers. This enabled us to broadly check the levels of risk of resource depletion (resource management measures), of biodiversity loss (bycatch prevention measures), and of regulatory evasion (IUU fishing* risk ranking). Recognizing that aquaculture can pollute the marine environment, we also confirmed that Chile has adopted measures to combat the risk of marine pollution with aquaculture.

For details, refer to the table on the next page.

* IUU fishing: Illegal, Unreported and Unregulated fishing

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Nature Strategy: Nature-related Portfolio Analysis (Supply Chain Analysis) ②

Nature

Environmental regulations and resource status of imported fishery products handled by subsectors of investees and borrowers

Source country	Main fishery products	Coastal areas of fishery and aquaculture	Resource management measures (catch/effort controls)	Bycatch prevention measures *2	IUU fishing risk ranking *4 (source country)	State of fishery resources *7
U.S.	Alaska pollock	Gulf of Alaska Bering Sea	Focus on catch control: TAC control using MSY *1, fishing area and method restriction, etc. are used in combination	Yes	23rd	Good
Russia	Alaska pollock	Okhotsk Sea Bering Strait	Focus on catch control: TAC control using MSY, fishing season restriction, etc. are used in combination	Yes	3rd	Okhotsk Sea areas: good Bering Sea areas: generally good
Norway	Atlantic mackerel	Atlantic Ocean	Focus on catch control: TAC control using MSY, fishing participation restriction, etc. are used in combination	Yes	45th	Not good (deteriorating)
Thailand	Skipjack Tuna and other tunas	Western and Central Pacific Ocean (managed by international organizations)	Combined use of catch and effort controls: catch control using MSY, operating day restrictions, etc. depending on species	Yes	72nd *5	Good
Fiji					97th*5	
China	Humboldt squid	Eastern Pacific (managed by international organizations)	Focus on effort control: Restrictions on number of authorized fishing vessels and total gross tonnage of vessels	No3	1st	Uncertain (not yet in a state of "overfishing" but deteriorating)
New Zealand	Merluccid hake and Bue hake	Waters around NZ	Focus on catch control: TAC control using MSY, fishing season restriction, etc. are used in combination	Yes	117th	Generally good
Chile	Coho salmon, rainbow trout	Coastal areas (aquaculture)	Marine environment conservation measures: There are obligations to perform environmental impact assessments, maintain good sea floor sediment environment, etc.	— *6		More investigation needed (It is necessary to verify the state of fishery resources from which aquaculture raw materials (fishmeal and fish oil) are derived.)
Vietnam	Shrimps	Coastal areas (aquaculture)	Marine environment conservation measures: There are obligations to perform environmental impact assessments and design facilities to reduce impacts.	— *6		

*1. TAC: Total Allowable Catch; MSY: Maximum Sustainable Yield (maximum catch that can be continually taken without depleting the resource)
*2. Includes measures to prevent bycatch of juvenile fish of target species
*3. Bycatch risk is low
*4. IUU Fishing Risk Index (a composite risk indicator combining factors such as vulnerability to, incidence of, and capacity to respond to IUU fishing as a coastal, flag, or port state; a higher value indicates higher risk)
*5. Country of origin and country of catch of skipjack tuna and other tunas are not necessarily the same, but this information is included for reference
*6. Not listed because product is farmed
*7. Classified as "Good," "Generally good," "Not good," "Uncertain," or "More investigation needed"

Source: The Norinchukin Bank

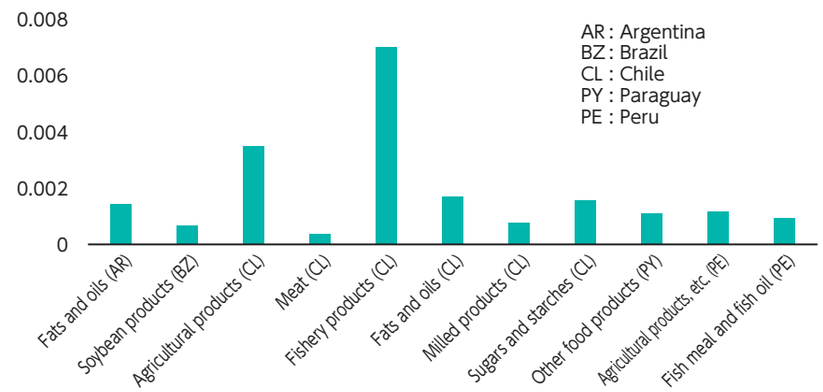
This analysis has confirmed that aquaculture operations in the main countries from which Japan procures fishery products, such as Chile and Vietnam, also indirectly impact natural marine resources through the feed that they use. In addition to soybean meal, feed used in aquaculture contains ingredients derived from natural fishery products (e.g., fish meal, fish oil). For this reason, the status of these marine resources affects the sustainability of aquaculture. We therefore traced the supply chains for supplies (feed and fishing gear) used in Chile's aquaculture industry further back to analyze the natural resources on which it depends.

The analysis results showed that Chile's aquaculture sector is dependent not just on Chile's domestic fishery products, but also on fishmeal and fish oil from Peru. The fish meal used as feed in Chile's salmon aquaculture is believed to be derived primarily from sardine species caught off the coasts of Chile and Peru. Since the management and state of these sardine resources impact the sustainability of aquaculture in Chile, they also ultimately lead to procurement risks in Japan. This analysis allowed us to visualize how Chile's aquaculture sector depends on Brazilian soybean oil, oil cake, and other soy-based products, and on Chilean agricultural products.

Note that this analysis presents results based on input-output tables, focusing on the resources on which aquaculture depends. It does not assess the impact of aquaculture in a specific country or region on marine ecosystems.

This analysis has shown that it is possible to obtain a certain level of understanding of upstream supply chain activities and the raw materials they rely on—something that is difficult for individual companies or financial institutions to grasp on their own.

Resources on which Chilean aquaculture depends (value of procured resources per USD of value)



Source: The Norinchukin Bank

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Nature Strategy: Nature-related Portfolio Analysis (Nature Footprint) ①

Nature

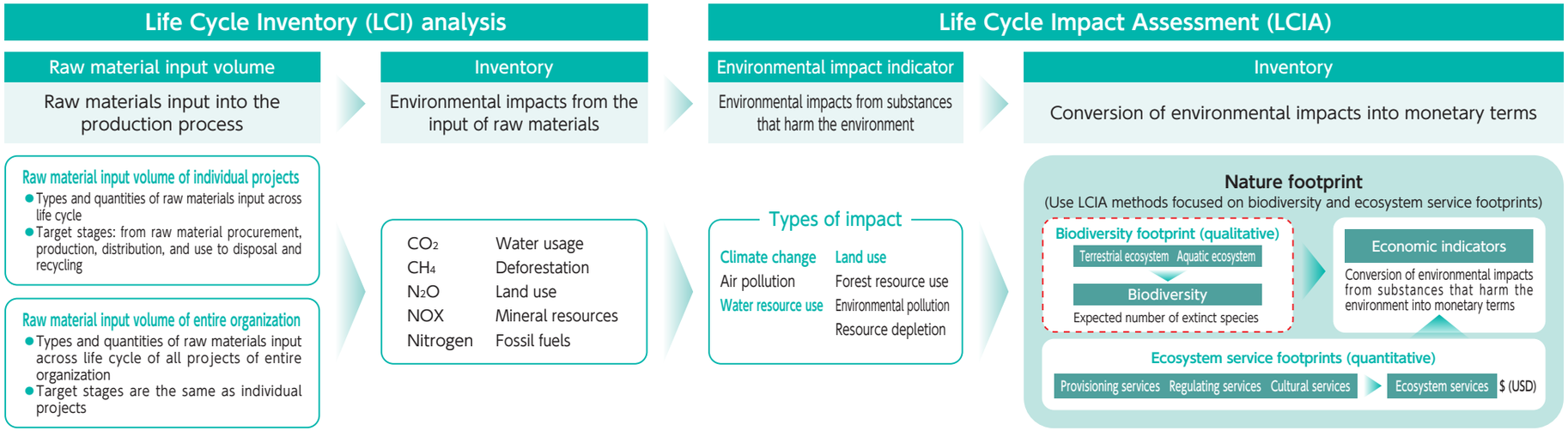
Analysis of nature-related impacts using nature footprint indicators

In FY2023, The Norinchukin Bank launched a joint research project with Waseda University's Norihiro Itsubo Lab. (including Tokyo City University) aimed at developing a deeper systematic understanding of the impacts of investment and financing on climate change, natural capital, and biodiversity. To assess the impacts of the businesses of the Bank's investment and loan portfolio on biodiversity, we used the method of Life Cycle Assessment (LCA) to estimate an equity footprint indicator.

In the first edition of this report, issued in FY2024, we conducted an environmental impact assessment of GHG emissions (Scope 1 and 2) of our investees and borrowers. We found that the sectors of the Bank's portfolio that contribute most to species extinction risk (through GHG emissions) were consumer staples in Japan, health care in the U.S., capital goods and services in Japan, and consumer goods in the U.S. In the second edition of the report in FY2025, we expanded the scope of analysis to include Scope3 upstream GHG emissions, and we added land use changes (changes in exclusively occupied land area based on FAO statistics) as an impact category. We estimated that the biodiversity impacts associated with the Bank's investments and loans in FY2023 amounted to 0.021 EINES (indicating that our activities for the year generated an extinction risk equivalent to 0.021 species). The analysis also found that the sectors in our portfolios that contributed most to species extinction risk through the GHG emissions and land use changes were power and meat processing sectors in Japan.

In parallel with the above research, in FY2024 and FY2025 we participated in a project under BRIDGE (Programs for Bridging the Gap between R&D and the Ideal Society (Society 5.0) and Generating Economic and Social Value). The project aimed at "promoting nature-related information disclosure by financial/investment institutions and developing and demonstrating nature footprints for international standards." The initiative aimed at (1) developing a nature footprint for "visualizing" environmental impacts across a company's supply chains by building on LIME, a method of Life Cycle Assessment (LCA) impact assessment; (2) conducting case study analyses of nature footprints focusing primarily on manufacturing sectors and other specific sectors, in conjunction with the development work of (1); and (3) formulating guidance on the utilization of nature footprints, with reference to investment and financing initiatives related to natural capital by financial institutions.

The report presents the results of measuring portfolio impacts using the nature footprint developed under the BRIDGE project. The biodiversity footprint developed under the BRIDGE project is an indicator that quantifies extinction risk for 10,000 terrestrial ecosystem species and 1,000 aquatic ecosystem species—E/MSY: Extinctions/Million Species Year. E/MSY is an indicator that represents the number of species becoming extinct per million species. As a nature footprint, it makes it possible to quantify extinction risk based on the environmental impact of economic activities on nature.



Source: Created by The Norinchukin Bank based on the FY2024 BRIDGE R&D Project, "Guidance on the Use of Nature Footprints by Financial and Investment Institutions"

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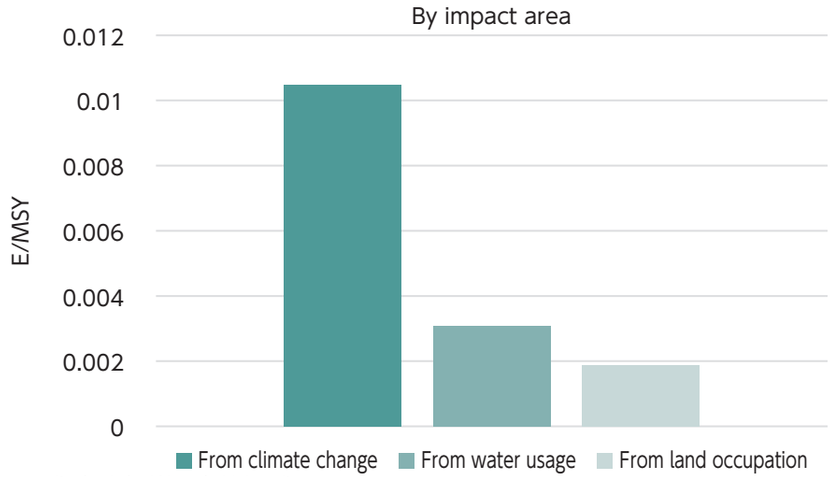
Our biodiversity footprint was calculated as follows.

Inventory Environmental impact (e.g., $kgCO_2$)	×	Biodiversity impact coefficient (E/MSY)/Environmental impact	=	Impact on biodiversity (E/MSY)

Source: Created by The Norinchukin Bank based on "Guidance on the Use of Nature Footprints by Financial and Investment Institutions"

The results of this year's analysis show that the total equity biodiversity footprint (E/MSY) of the Bank's portfolios amounts to 0.0154 E/MSY. This indicates an annual extinction rate of 0.0154 species per million species. Note that the E/MSY value of all of Japan's economic activities is 0.255. The Stockholm Resilience Centre defines the threshold value for safe operation for "biodiversity integrity"—one of the planetary boundaries mentioned on P9—as 10 E/MSY.

E/MSY of the Bank's investment and loan portfolios by impact area

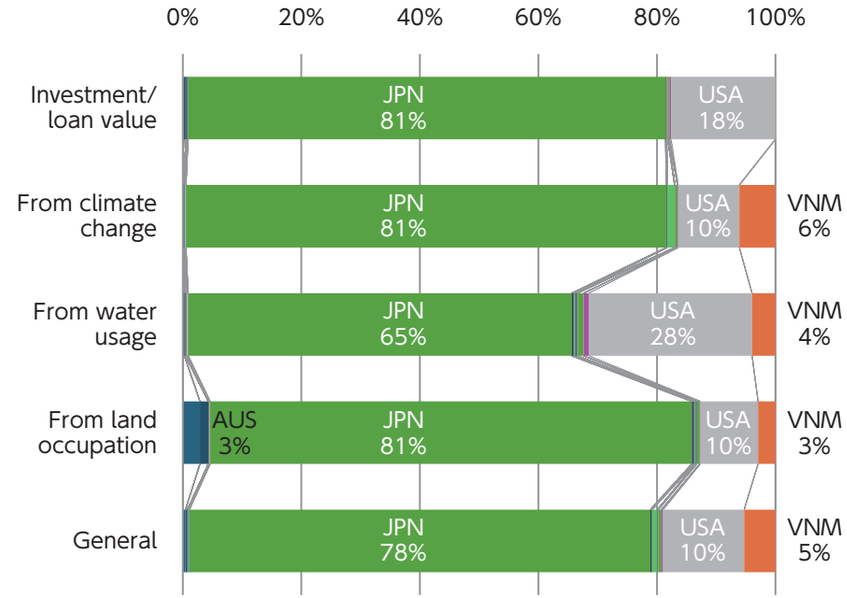


Source: Itsubo Lab., Waseda University

Note that the results derived from water usage are estimates based on a simplified model utilizing empirical correlation between water resource use and biodiversity impact. The results are therefore subject to revision as research advances and the model becomes more sophisticated.

The figure below shows a comparison of investment and loan values and equity biodiversity footprint by country. The analysis by country shows that Japanese companies in our investment and loan portfolios account for a relatively large share of our whole equity biodiversity footprint, whereas U.S. companies account for a relatively small share. A look at areas of impact reveals that the U.S. makes a relatively large contribution to water usage, while Australia makes a relatively large contribution to land occupation. The reason that the calculated equity biodiversity footprint for Vietnam is quite large relative to the limited presence of the country in our investment and loan portfolios is that specific investees and borrowers in Vietnam are in the food and livestock sectors, which have a high biodiversity impact intensity (impact per unit of sales). For this reason, a more detailed analysis that takes into account corporate structure and sales breakdown is needed.

Comparison of equity biodiversity footprint and investment/loan value by country



Source: Itsubo Lab., Waseda University

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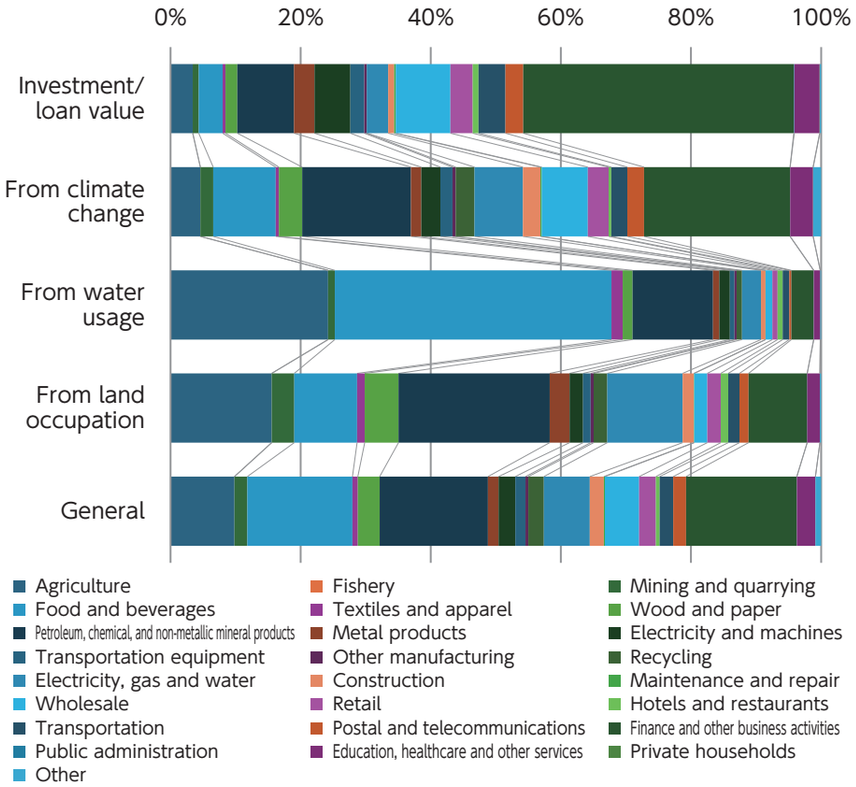
The figure below shows a comparison of investment and loan values and equity biodiversity footprint by sector. The comparison by impact area shows that the value of investment and loans is highest in the "finance and other" sectors. From a climate change perspective, however, the impact of these sectors is relatively small. The sectors of petroleum and chemical products, and food and beverages impact climate much more. In terms of water usage, the sectors of agriculture, and food and beverages account for the majority of impact. While the impacts derived from land occupation in the sector of petroleum, chemicals and non-metallic mineral products are calculated to be relatively significant, this may be attributable to the fact that upstream processes such as petroleum and coal extraction are included in the same sector under the classification used in this analysis.

Comparison of equity biodiversity footprint and investment/loan value by sector



Source: Itsubo Lab., Waseda University

Through a series of analyses, we found that the sectors in the Bank's portfolio companies that contribute most to species extinction risk due to climate change, water usage, and land occupation are petroleum and chemical products, food and beverage, and agriculture sectors.

We are looking to not only refine our biodiversity footprint analysis, but also to calculate an ecosystem services footprint (an indicator that represents the economic value of specific biomes using conjoint analysis, focusing on provisioning services, regulating services, and cultural services). We intend to determine monetary values for all these services to calculate economic indicators for them.

At the same time, we recognize that like financed emissions, nature footprint indicators for assessing impacts do not, alone, necessarily provide information about risk magnitude or future risks (or opportunities) in investments and loans. To step up the promotion of transition initiatives aimed at realizing a nature-positive economy, we hope to better understand these correlations—how the business dependencies and the impacts measured in this analysis affect the risks and opportunities—through dialogue with investees and borrowers. As a financial institution, we can benefit from such understanding.

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Nature Strategy: Nature-related Portfolio Analysis (Scenario Analysis) ①

Nature

Evaluate and Assess

Investigate integrated understanding of climate and nature in scenario analysis incorporating EUDR

In our Climate & Nature Report 2024, we used the IPR Forecast Policy Scenario + Nature (FPS+Nature) scenario to conduct an analysis focused on food- and agriculture-related sectors (key industries in food and agriculture value chains). This scenario enables integrated analysis of climate and nature-related risks. FPS+Nature is the first integrated nature and climate scenario developed for investors through Inevitable Policy Response (IPR), a climate change scenario formulation program under Principles for Responsible Investment (PRI). It was released in 2023.

With reference to the "Discussion paper on conducting advanced scenario analysis" published by TNFD, we conducted assessments covering three regions—Japan/South Korea, North America, and the EU—for the time frames of 2030 (medium term) and 2050 (long term), focusing on the two "state of nature" parameters that relate closely to food and agriculture-related sectors—water scarcity and pollination—and using data on nature-related physical risks in the transition scenarios provided by FPS+Nature. (Note that this data was not publicly available at the time of this report's publication.) The results suggest that in Japan a decline in pollinators will become a risk factor in the agricultural products and services sector, and in North America that water risks are likely to increase in sectors of high water usage. They confirm that the degree of physical risk varies due to regional differences in state of nature changes.

In the 2025 edition of this report, the Bank interpreted the NGFS climate change scenarios (Phase IV), used in our climate-related scenario analysis, the nature-related scenario narratives presented by the TNFD in its "Guidance on scenario analysis," and those envisaged by FPS+Nature. We then plotted each one according to the degree of transition risk and physical risk, organizing the depictions of future scenario narratives relating to climate and nature.

For this fiscal year, we narrowed our focus to the food, agriculture, and beverages sector—one of the sectors on which we had already done a climate scenario analysis. We identified multiple potential patterns of transition risk emergence by depicting narrative that account for the relationship between climate and nature, incorporating the EUDR as a variable. We also made a quantitative estimate of the financial impact on a specific company under a narrative scenario, using one of our borrowers in the food sector as an example.

About selected risk types and sectors

The Bank has previously conducted scenario analyses of physical and transition risks associated with climate change. We noticed that physical risks lack sufficient data for estimating impacts due to changes in ecosystem services and other factors, whereas for transition risks, envisioning future potential scenarios taking into account the impacts of specific laws and regulations is relatively easy.

For this report, we conduct an analysis of transition risk assuming the EUDR (EU Deforestation Regulation), which is expected to significantly impact business operations.

Additionally, from the sectors that we used in our climate change scenario analysis—energy, chemicals, steel, and food, agriculture, and beverages sectors—we selected food, agriculture, and beverages as the specific focus of analysis because of this sector's deep connections to the agriculture, fishery, and forestry industries throughout its supply chains, and for its significant dependencies and impacts on nature (as shown by various other analyses in this report).

Overview of EUDR

The EU Deforestation Regulation (EUDR) is aimed at minimizing the EU's contribution to global deforestation and forest degradation. Covering seven commodities traded on EU markets, the EUDR requires companies to prohibit the trading of products linked to deforestation and to conduct supply chain due diligence for this purpose. In the case of infringement of the regulation, companies may face penalties such as fines or exclusion from the EU market. Thus, EUDR has the potential to impact a wide range of companies in food-related and other sectors.

Regulatory conditions	Overview of conditions
Products	・Cacao, coffee, palm, cattle, soybeans, timber, natural rubber
Size of regulated enterprises	・SMEs: Enterprises that (as of the balance sheet date) do not exceed the numerical limits for two or more of the following three criteria: a) total balance sheet value: €25 million; b) net sales of €50 million; and c) average number of employees (for the fiscal year) of 250 people ・Non-SMEs: Enterprises that do not meet the above definition of an SME
Regulated companies within supply chains	・The enterprise that first brings the product to market (Operator) ・Operator: A natural or legal person that puts a relevant product on the market or exports it in the course of commercial activity ・Trader: A person within the supply chain (not an Operator) who puts a relevant product on the market in the course of commercial activity
Penalties	・Fine: Maximum fine of at least 4% of total EU gross sales in the previous fiscal year ・Confiscation: Confiscation of relevant products and earnings ・Exclusion: Ban from public procurement processes and access to funding for up to 12 months ・Ban: Temporary ban of relevant products from market entry and exports
Definition of deforestation	・Any land converted from forest on or after December 31, 2020

Source: Created by The Norinchukin Bank based on various sources

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Scenario depiction

The four-quadrant chart below incorporates EUDR elements into a base scenario published by the Bank last year.

Estimating the financial impact on companies using the Bank's borrowers as examples—and future outlook

To grasp the specific financial impact on a company, we selected one of our borrowers as a sample to test under Scenario (3), which involves the highest transition risk. We created a story describing how the risks might realistically materialize and then investigated the probability of the risk materializing from a qualitative perspective.

In this investigation, we considered multiple factors that could impact business operation, such as a decline in sales due to supply constraints and rising management costs due to compliance demands. We then analyzed the direction and magnitude of the potential impact under Scenario (3). These efforts represent an attempt to analyze and understand likely future impacts; they do not constitute a definitive assessment at this time.

On the basis of these analyses, the Bank plans to pursue its investigations, refining its underlying assumptions and methods of analysis, incorporating time frames, and considering physical risk perspectives, to deepen applicability to all food, agriculture, and beverages-related sectors. We also intend to expand our analysis to other sectors in the future.

[Legend] ● Contents examined in the 2025 edition of this report
■ Added elements after taking EUDR into account

High transition risk

Low transition risk

Low–medium physical risk

High physical risk

3 Delayed Transition

- ● Temperatures in 2100 are expected to be about 1.7℃ higher.
- ● Climate and nature policies are introduced slowly.
- ■ Regulations like those of the EUDR spread slowly across major developed nations up to 2050, easing the pressures driving deforestation and forest degradation.
- ● Negative financial impacts from climate change and nature-related physical risks are therefore limited.
- ■ Companies face difficulties in avoiding transition risks due to market shifts, as well as challenges such as supply constraints, rising operating costs, and the risks of market access loss and hefty fines for compliance violations.

4 Fragmented World

- ● Temperatures in 2100 are expected to be about 2.3℃ higher.
- ● Material physical risks quickly become evident in all aspects of business. It is necessary to shift from uncoordinated policies to system-level nature-related policies. Negative financial impacts from climate change and nature-related physical risks are therefore limited.
- ● As nature emerges as a key challenge, investment in nature-positive technologies grows rapidly.

2 Net Zero 2050

- ● Temperatures in 2100 are expected to be about 1.4–1.7℃ higher.
- ● Climate-related policies are quickly introduced, so physical risks and transition risks are relatively contained.
- ■ Regulations like those of the EUDR spread slowly across some developed nations. Though this is inadequate for the long term up to 2050, the regulations help to ease the pressures driving deforestation and forest degradation.
- ● Carbon reduction is driving financial markets, spurring active efforts to reduce the short-term burden on natural capital.
- ■ Although transition risk is not particularly high, the small number of companies that need to take action incur costs for due diligence. Companies explore a shift to the limited unregulated markets to avoid transition risks, so they can contain penalty costs.

1 Current Policies

- ● Temperatures in 2100 are expected to be about 2.4–2.9℃ higher.
- ● Some climate-related policies are introduced, but they are insufficient to contain global warming.
- ■ The EUDR applies only within the EU region. Even when a long time-frame to 2050 is considered, the number of adopting countries does not increase and the pressure driving deforestation and forest degradation does not decrease.
- ● This increases the motivation to exploit natural capital, and externalities are maintained wherever possible.
- ● Irreversible physical risks materialize.
- ■ Although transition risk is not particularly high, the small number of companies that need to take action incur costs for due diligence. Companies explore a shift to the limited unregulated markets to avoid transition risks and minimize penalty costs.

Source: Created by The Norinchukin Bank based on various sources

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Engagement with Investees and Borrowers ①

Climate Nature

Prepare

Climate- and nature-related engagement with investees and borrowers

Through engagement (dialogue) regarding climate change and nature, we identify the challenges of our investees and borrowers and provide them with solutions to support their transition. Such dialogue also helps to improve understanding of climate- and nature-related risks associated with the clients' sectors and business models, and therefore the impacts on the Bank's financial risks. We promote the integration of such engagement with risk management through assessments of client transition plans and other frameworks.

For our nature-related engagement, we are focusing on 106 companies across the consumer staples, consumer discretionary, and materials sectors, which are important to the Bank. After assessing the state of these loan clients in FY2025, this fiscal year we implemented dialogue based on that assessment and set appropriate nature-related goals (including metrics and targets) that are now being addressed. (See P82 for details.)

Process of climate- and nature-related engagement (dialogue) with loan clients and examples of the Bank's solutions

< XXX···Examples of the Bank's solutions

Focus	Climate change: All borrowers		Natural capital & biodiversity: Borrowers in food-related sectors	
Understanding relevant trends and assessing the current state of the client	Monitor climate-related trends and assess management oversight	☑ Identify issues through dialogue ☑ Provide information and conduct study meetings and workshops	Monitor nature-related trends and assess management oversight	☑ Identify issues through dialogue ☑ Provide information and conduct study meetings and workshops
GHG measurement / Nature-related risk analysis	Implement and expand scope of GHG measurements	☑ Propose solutions for GHG measurement (introduce partner companies)	Analyze nature-related dependencies, impacts, risks, and opportunities	☑ Identify material activities and locations across value chains ☑ Analyze nature-related risks and opportunities
Setting policies and goals	Set goals and assess feasibility of transition plan	☑ Consulting and advice on plan formulation and implementation	Address material (priority) challenges	☑ Consulting on setting targets incorporating TNFD disclosure, SBTN, etc.
Initiatives and information disclosure	Implementation and disclosure based on initiatives and disclosure framework	☑ Make proposals for sustainable finance and nature-derived carbon credits	Implementation and disclosure based on initiatives and disclosure framework	☑ Make proposals for finance and carbon credits ☑ Support formulation of transition plan
Further development	We aim to reduce risks and create opportunities for the Bank by supporting the climate and nature transitions of our loan clients (and further promoting integration of risk management and engagement).			

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Engagement with Investees and Borrowers ②

Climate Nature

Prepare

Engagement with asset management companies

The Norinchukin Bank keeps a relatively large share of its assets in market-based investments. Accordingly, it operates as an institutional investor, but always very mindful of the connections and relationships between risk, return, and sustainability. Given that fund investments account for a large proportion of our market investments, we put a lot of effort into dialogue with fund managers of asset management companies.

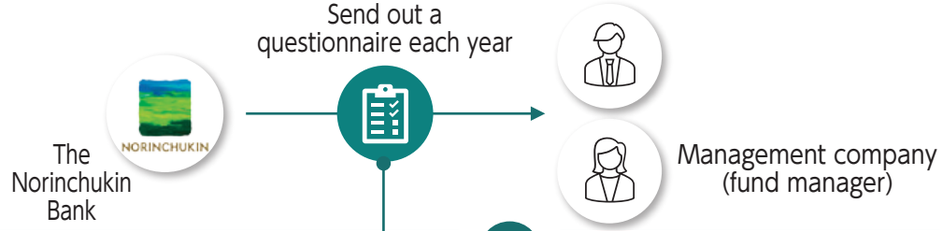
Specifically, we send them annual questionnaires, prepared in collaboration with our front office, risk management, and planning teams with reference to Principles for Responsible Investment (PRI), and use their responses as an input in our assessments of investment strategies. We also exchange views with them, including explanations about the Bank's risks, returns, and sustainability. This kind of engagement fosters an understanding of our sustainability-related investment policies and encourages asset management companies to make positive changes that help in reducing risks, improving returns, and meeting GHG emission reduction targets.

Since the characteristics of investments and the relevance of environmental and social challenges to investment performance vary with asset class, the Bank has formulated specific action policies for each asset class, which it reflects in its engagement. In our regular exchanges of views with bond issuers, such as national governments and international institutions, we try to identify investment opportunities through deeper mutual understanding by expressing the Bank's position on sustainability (as outlined above), as well as communicating the sustainability and bond conditions that we seek as an institutional investor.

Our engagement with real estate asset management companies in Japan allows us to share insights on the relationship between acquiring sustainability-related certifications and financial performance for investment properties, as well as to better understand the constraints and challenges that such companies face. Real estate asset management companies that we have engaged with have reported that they gained a deeper appreciation of the value of acquiring certification. We expect that this engagement will accelerate their efforts to acquire relevant certifications and set up necessary frameworks for sustainability.

As an institutional investor, we plan to keep ourselves up to date with best practices and monitor trends through global activities, while continuing to increase the effectiveness of our engagement.

Overview of using an annual questionnaire



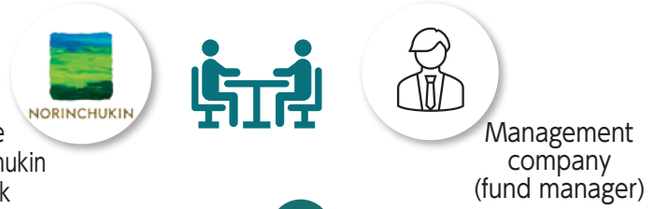
Example questions

- ☑ Responsible investment policies and processes (approach to sustainability)
- ☑ Climate-related initiatives (targets, GHG measurement, transition strategy, technology assessment methods)
- ☑ Status of nature-related commitments
- ☑ Plans to engage with portfolio clients

Intentions

- ☑ To understand the practices of the fund manager/asset management companies
- ☑ To help improve our future engagement

Overview of dialogue with a real estate asset management company



Dialogue topics (examples)

- ☑ Sustainability investment status and engagement policy of the Bank
- ☑ Relationship between real estate sustainability certifications and investment decisions, and the Bank's investment policy

Result of dialogue

- ☑ Promoting an understanding of the need to strengthen frameworks and initiatives, especially in asset management companies lacking a team dedicated to ESG assessment

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5 Risk Management
(Risk and Impact Management)

Dedicated to sustaining all life.

Cultivating and utilizing trees to protect *satoyama* landscapes

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Basic Risk Management Policy and Framework for Managing the Environmental and Social Risks of Investments and Loans

Climate Nature

Risk Management Policy

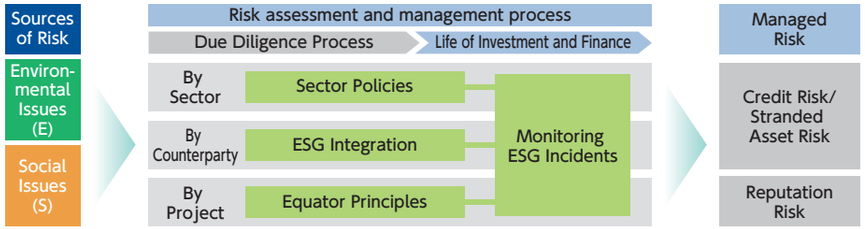
To properly manage risks throughout the company, the Board of Directors of the Bank formulated the Risk Management Policy. This policy defines a basic framework for risk management, including the types of risks to recognize, management systems, and methods. In accordance with this core policy, the Bank strives to fulfill its role and take full advantage of its unique characteristics and presence as a financial institution involved in agriculture, fishery, forestry, and food. Our management goal is to deliver stable returns to members by further strengthening our credit business infrastructure while further developing our existing international diversified investments. Like this, we continue to enhance our risk management framework.

The Bank manages risks in an integrated manner by assessing risk materialities faced in business operations and identifying risks to be managed. We manage these risks individually, based on their unique characteristics, while using quantitative methods to comprehensively grasp and manage them appropriately, in proportion to our financial strength. This is what we consider integrated risk management. The main risks that the Bank manages are credit risk, market risk, liquidity risk, model risk, and operational risk. We also manage environmental and social risks (including climate and nature-related risks), controlling them based on individual risk characteristics under specific risk categories.

Environmental and social risk management framework for investments and loans

In assessing the climate- and nature-related risks associated with its investments and loans, our investment and loan front office assesses and determines environmental and social risks based on an environmental and social risk management (ESRM) system. We have also established a framework for the risk management department to control and contain risks, as well as a framework for escalation in cases where there is a need for decision-making by management. We will also work on gradually developing and improving our ESRM system, with the aim of including it in our integrated risk management.

The ESRM Framework



Column

Assessing transition plans of investees and borrowers and integrating them into risk management

The Bank has begun a trial of assessing the transition plans of clients in high-emissions sectors and utilizing the results in our risk management practices. We are working to develop an approach to assessment that considers the characteristics of specific sectors. In setting assessment criteria, we are focusing mainly on "ambition" and "reliability" for now.

The assessment results are intended to be used not only to improve our progress management for meeting emission reduction targets for our portfolio, but also for credit risk management and engagement with individual investees and borrowers. We are also considering incorporating the results of transition plan assessments into the existing framework for reflecting environmental and social risk assessments in the qualitative component of internal credit ratings.

At the same time, we are preparing a handbook that outlines the relationship between the key points of transition plan assessments and credit risks, etc. based on impact pathways. This will be useful in building employee capabilities and facilitating external communication. We will keep improving our assessment methods and organizational framework in preparation for official deployment.

● Scope of implementation

Sectors	Areas	Assets
Electricity	Japan, U.S., EU	Corporate loans

● Assessment points (overview)

Assessment views	Assessment points	Points to check (examples)
Ambitiousness of goals	① Emission reduction targets	● Ambitiousness of emission reduction targets (based on country's NDC)
Reliability of plan	② Concrete strategies	● Alignment of specific strategies and goals / Validity and rationality of assumptions
	③ Investment plans	● Alignment of specific strategies and financial planning
	④ Performance	● Action in line with plans (or not), progress in GHG reduction
	⑤ Governance	● Governance framework for emissions reduction

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Sector Policies

Climate Nature

The Bank has established a policy to ensure that it takes into consideration environmental and social issues in all investment and financing activities that may have significant negative environmental and social impacts, including climate change, natural capital, and biodiversity. (See the Bank's website for more details on this policy.)

Policy on environmental and social considerations in investment and financing

	Cross-sector items	Sector-specific items	
Transactions for which the Bank prohibits investment and financing	■ Projects with an adverse impact on UNESCO World Heritage sites ■ Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention ■ Projects engaging in child labor, forced labor, or human trafficking	■ Cluster munitions manufacturing sector	
Transactions for which the Bank restricts investment and financing	■ Projects with adverse impacts on high conservation value areas ■ Projects with adverse impacts on indigenous peoples' communities ■ Projects involving land expropriation leading to involuntary resettlement ■ Projects with adverse human rights impacts in conflict areas	■ Coal-fired power generation ■ Coal mining ■ Palm oil ■ Forestry ■ Inhumane weapons	■ Oil and gas ■ Large-scale agriculture ■ Large-scale hydropower generation ■ Woody biomass power generation ■ Mining (excl. coal)

In March 2026, we revised our Sector Policies, taking into account progress of international discussions surrounding mine development and other issues, and growing interest in climate change action and impacts on biodiversity and human rights. Specifically, we added the "mining sector (excl. coal)" as a new item under "sector-specific items." In selecting this sector, we performed an analysis based on the importance of impact drivers defined in the ENCORE tool, released in FY2025, and took into account the finding that the mining sector poses a relatively high risk to natural capital.

The environmental and social issues that require special attention in specific sectors—including the recently added "mining (excl. coal)"— are shown in the table below. The table highlights the main environmental and social issues that the Bank focuses on in each sector policy. With each policy, we assess the responses of our clients to these environmental and social issues. Then, as necessary, we make careful investment and financing decisions following discussion at the management level.

Environmental and social issues recognized by specific sectors

Environmental and social issues / Specific sectors	Environmental					Social	
	Climate change	Changes in land, freshwater, marine use	Pollution	Resource use	Invasive species	Modern slavery	Consideration for indigenous peoples, avoidance of involuntary resettlement
Coal-fired power	■						
Coal mining	■	■	■	■		■	■
Palm oil	■	■			■	■	■
Forests	■	■			■		■
Oil and gas	■		■	■			■
Large-scale agriculture	■	■				■	■
Large-scale hydropower				■	■		■
Woody biomass power		■					■
Mining (excl. coal)		■	■			■	■

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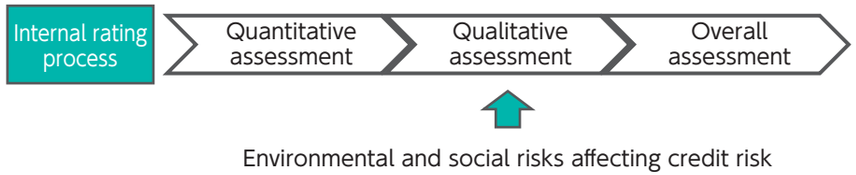
ESG Integration in Risk Management

Climate Nature

The risk management department evaluates environmental and social risks for Bank investments and loans and serves as a second line of support for ESG integration conducted by front-line departments.

The Bank implements integrated operations with credit risk management in our internal rating system for assessing the creditworthiness of clients. We use the Environmental and Social Risk Check Sheet as a qualitative factor to assess clients in certain sectors—mainly those facing high transition risk due to climate change. The Environmental and Social Risk Check Sheet is a tool that fosters understanding of response status to environmental and social risk factors according to sector. Specifically, the Bank's internal credit rating process involves quantitative and qualitative assessments before a final rating is determined. In this context, we incorporate environmental and social risk assessments of borrowers into the qualitative assessment component of our internal credit rating process.

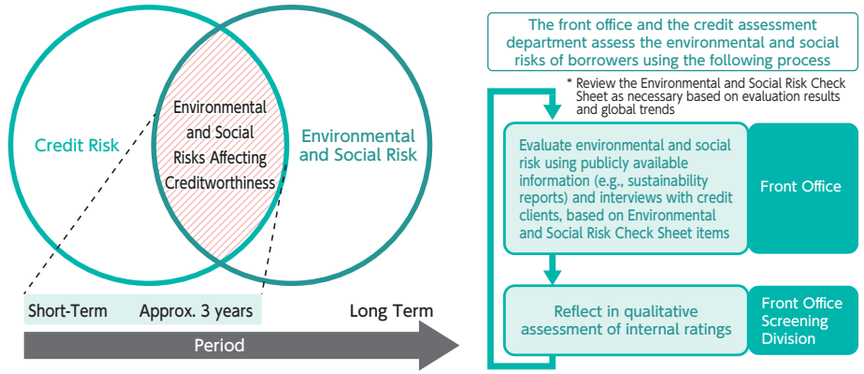
Overview of environmental and social risk assessment inclusion in internal rating systems



This initiative began in FY2023. As mentioned above, the scope is not uniform across all industries. In addition to five high-transition risk sectors, selected through a risk-based approach—electricity, oil and gas, etc.—we are focusing on the agriculture (livestock) sector because it is a primary industry that is subject to relatively high environmental and social risks, as well as a longstanding pillar of the Bank's business. We also aim to make use of information gained through ESG integration initiatives in our engagement with clients, particularly in the livestock sector, which we added in FY2025.

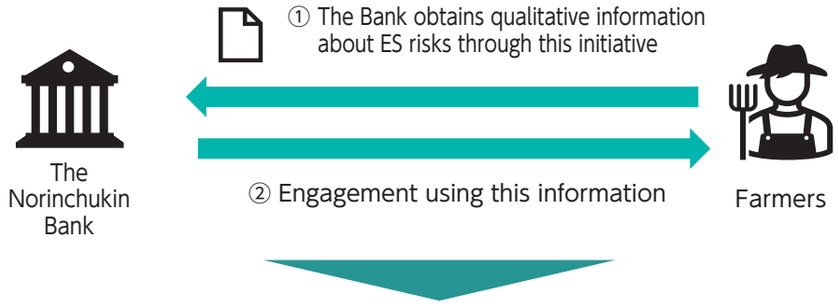
Periodically, we also verify that the assessments based on environmental and social risk factors have been appropriately conducted according to the specified criteria. Additionally, each year we conduct a review to determine whether any other sectors should be added to our assessment, taking into account changes in external recognition on environment and exposure.

Scope of Consideration of Environmental and Social Risk Factors in Creditworthiness Assessment



* The Bank strives to incorporate environmental and social risk that may affect credibility over a relatively short period of time (approximately three years) into the assessment.

Overview of engagement initiatives in agriculture, fishery and forestry through ESG integration (future vision)



- Farmers: Promote the spread of sustainable agricultural production initiatives to production sites
- The Bank: Builds capacity for ES risk management by accumulating tracking data

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Initiatives as a Signatory to the Equator Principles and Response to Environmental and Social Incidents

Climate Nature

Initiatives as a signatory to the Equator Principles

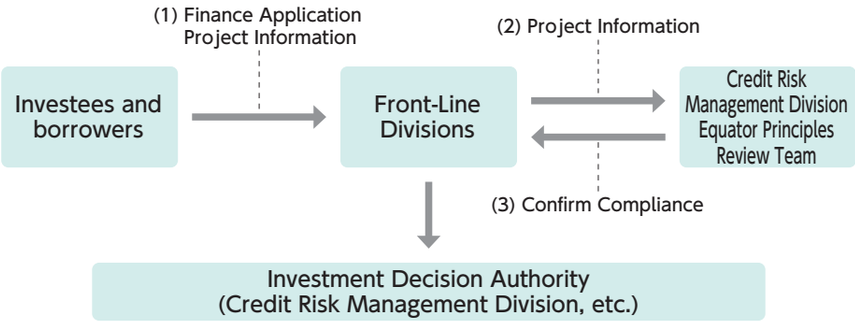
The Equator Principles constitute an assessment framework used by private financial institutions when financing large-scale development projects. This framework is used to assess whether the development project pays the appropriate attention to the natural environment and local communities. They are widely applied in the field of project finance for identifying, assessing, and managing environmental and social risks.

Financial institutions that have adopted the Equator Principles are required to incorporate them into their internal policies and procedures and to construct appropriate management and administrative systems. They are also required to avoid participation in projects that are not compliant with the Equator Principles.

The Bank adopted the Equator Principles in May 2017 in response to growing public awareness and expectations in connection with environmental and social issues, to further strengthen its commitment to sustainable environmental stewardship.

More specifically, we formulated the Basic Policy Regarding the Equator Principles and the Administration Guidelines for the Equator Principles, based on our Basic Policy for Investment and Loans. As part of our investment and loan decision-making, we check for compliance with the Equator Principles and support our clients in addressing the environmental and social considerations required for project categories.

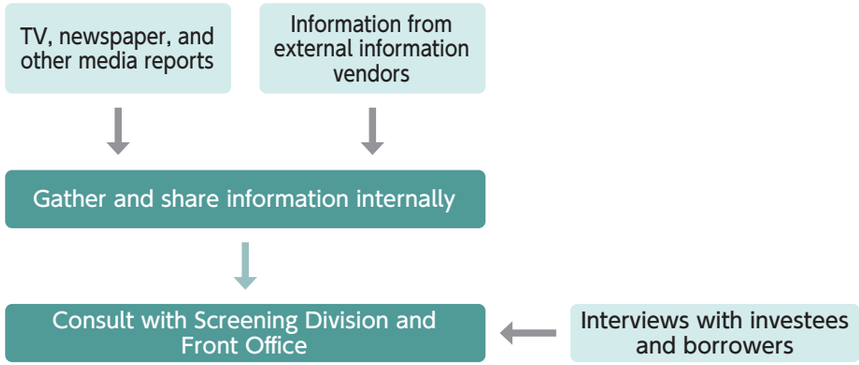
Process of verifying compliance with the Equator Principles



Responding to environmental and social incidents

The Bank regularly monitors information on environmental and social incidents (corporate actions, business activities, and related incidents that risk causing serious environmental and social impacts) of its investees and borrowers. This helps us to respond to avoid reputation and credit risks arising from environmental and social risks.

Process of responding to environmental and social incidents



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6 Metrics and Targets

Dedicated to sustaining all life.

A wild bird lingering on a pond in a *satoyama* landscape

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Roadmap to Net Zero by 2050

Climate

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2030	FY2040	FY2050
Reduce GHG emissions of clients	Loans <Electricity>	213 gCO_2e/kWh	217 gCO_2e/kWh	209 gCO_2e/kWh	208 gCO_2e/kWh	197 gCO_2e/kWh			138–165 gCO_2e/kWh		Net zero
	<Oil and gas> Scope1&2 emissions of clients	8.9 gCO_2e/MJ	10.7 gCO_2e/MJ	17.5 gCO_2e/MJ	13.9 gCO_2e/MJ	13.2 gCO_2e/MJ			3.1 gCO_2e/MJ		
	Scope3 emissions of clients	0.51 $MtCO_2e$	0.54 $MtCO_2e$	0.20 $MtCO_2e$	0.29 $MtCO_2e$	0.16 $MtCO_2e$			Vs. FY2019 Down 27.3%		
	<Coal>	Response and engagement based on Investment and Financing Sector Policy									
	<Steel>	2.02 tCO_2e/t	2.04 tCO_2e/t	1.95 tCO_2e/t	2.03 tCO_2e/t	2.06 tCO_2e/t			1.54–1.73 tCO_2e/t		
	<Real estate>	82.7 $kgCO_2e/m^2$	70.0 $kgCO_2e/m^2$	53.2 $kgCO_2e/m^2$	48.8 $kgCO_2e/m^2$	56.4 $kgCO_2e/m^2$			34.1 $kgCO_2e/m^2$		
	<Automobiles>	192.6 gCO_2e/vkm	184.4 gCO_2e/vkm	159.3 gCO_2e/vkm	346.8 gCO_2e/vkm	333.5 gCO_2e/vkm			111 gCO_2e/vkm		
	<Marine transport>	(Measured December 2023) Striving : 38.5% Minimum : 30.2%							PCA≦0%		
	Investments <Stocks and bonds>	0.83 tCO_2e/million yen	0.74 tCO_2e/million yen Down 11%	0.62 tCO_2e/million yen Down 25%	0.75 tCO_2e/million yen Down 10%	0.74 tCO_2e/million yen Down 10%			Vs. FY2019 Down 49%		
Reduce GHG emissions of all Bank Group locations			22,859 tCO_2	21,947 tCO_2	17,621 tCO_2	15,814 tCO_2	15,254 tCO_2	14,586 tCO_2	Net zero		
Establish forest CO_2 sinks with members			5.8 million tCO_2	6.12 million tCO_2	6.42 million tCO_2	6.71 million tCO_2	6.98 million tCO_2		9.00 million tCO_2		
Value of new sustainable finance (cumulative)				¥1.5 trillion	¥4.4 trillion	¥7.0 trillion	¥9.0 trillion	¥11.4 trillion	¥15 trillion		
Upgrade environmental and social risk management systems							<Coal-fired power generation and coal mining (thermal coal)> General ban on new investments and loans based on use of funds/business				
	<Investment and loan balance for coal-fired power generation>							¥37.0 billion (based on use of funds)	¥24.0 billion	Zero balance	

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Calculating the GHG Emissions of Investees and Borrowers (Calculation Method)

Climate

Indirect GHG emissions arising from investments and loans (Financed Emissions, Scope 3 Category 15) account for a significant proportion of total GHG emissions from financial institutions. We recognize the importance of measuring and reducing these emissions.

In FY2023, the Bank set out to determine the current level of GHG emissions across a wide range of assets within our investment and loan portfolio. We measured emissions associated with loans, bonds, and stocks of business entities (including investments and loans through funds) and project financing (for power generation, and oil and gas).

Calculation method

To measure GHG emissions, we referred to the calculation method proposed by the Partnership for Carbon Accounting Financials (PCAF). Since joining the PCAF in March 2022, the Bank has stepped up its efforts to measure and disclose the GHG emissions of its investment and loan portfolios, including estimates based on the expertise and database of the PCAF.

Assets	**Loans, bonds, and stocks (including investments and loans through funds[1]) in business entities and project financing (power generation and oil and gas projects)** 1. Calculations include non-look-through funds when calculating risk-weighted assets related to Basel requirements for private equity (PE) funds.
Calculation method	**[Total GHG Emissions of The Norinchukin Bank's investees and borrowers]** **[Loans, bonds, and stocks]** $= \sum \left(\frac{\text{The Bank's outstanding investments and loans in each company}}{\text{Shareholders' equity in each company + debt}} \times \text{Total GHG emissions of each company} \right)^{2}$ 2. Scope 1 and 2 emissions **[Project financing]** $= \sum \left(\frac{\text{Amount of loan by the Bank for each project}}{\text{Equity in each project + Interest-bearing debt}} \times \text{Total GHG emissions of each project} \right)^{3}$ 3. Scope 1 emissions for power generation and Scope 3 emissions for oil and gas businesses
Analysis year	**FY2023** The Norinchukin Bank investments and loans: Balance as of March 2024 Financial and emissions data: Available data for the most recent three years to March 31, 2024
Emissions data source	● **Loans, bonds, and stocks** We used Trucost (external information vendor) for disclosures and estimate data related to investees and borrowers. If no information was available from Trucost, we estimated intensity using data from the PCAF database (by region, by sector). ● **Project financing (power generation projects)** Estimated based on [annual power generation (of the project)] x [emissions factor (published by the European Investment Bank (EIB))]. 4. Calculated based on [generation capacity] × [24 hours] × [365 days] × [capacity factor (value published by IEA)]. 5. The emissions factor for renewable energy projects is set to zero. ● **Project financing (for oil and gas projects)** Estimated based on [annual fuel consumption (of the project)] × [unit calorific value] × [emissions factor] × [44/12].[6] 6. To calculate energy-derived CO_2 emissions, we referred to the Ministry of the Environment's GHG Emissions Accounting, Reporting, and Disclosure System formula.

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Calculating the GHG Emissions of Investees and Borrowers (Results)

Climate

Results

The total measured GHG emissions for the assets described above amounted to 38.9 million tCO_2e. The following is a breakdown based on the sectors recommended for disclosure by the TCFD.

Sector	GHG emissions (million tCO_2e)	Economic emissions intensity (tCO_2e/¥100 million)	Measurable exposure (¥ trillion)	Non-measurable exposure (¥ trillion)
Electricity	5.53	353	1.57	0.12
Oil and gas	3.15	716	0.44	0.08
Coal	0.02	240	0.01	0.00
Energy subtotal	**8.70**	**432**	**2.02**	**0.20**
Air cargo	2.67	3,739	0.07	0.00
Passenger airlines	0.31	466	0.07	0.00
Marine transport	0.45	352	0.13	0.01
Railway	0.15	33	0.46	0.00
Truck service	0.02	93	0.02	0.03
Automobiles/components	0.19	21	0.89	0.02
Transportation subtotal	**3.79**	**230**	**1.65**	**0.05**
Metals & mining	4.77	1,290	0.37	0.01
Chemicals	1.77	169	1.05	0.05
Construction	0.29	336	0.09	0.01
Capital goods	1.39	58	2.40	0.14
Real estate	0.05	6	0.89	0.12
Materials & buildings subtotal	**8.26**	**173**	**4.79**	**0.33**
Beverages	0.05	14	0.33	0.01
Agriculture	0.55	737	0.07	0.00
Packaged foods & meat	8.56	1,040	0.82	0.02
Paper & forest products	2.71	213	1.27	0.00
Agriculture, food & forest products subtotal	**11.86**	**475**	**2.50**	**0.03**
Above sectors total	**32.62**	**298**	**10.95**	**0.60**
All sectors total	**38.85**	**190**	**20.44**	**2.41**

Note: This table is based on current measurements and may change significantly in the future as companies expand emissions disclosures and refine measurements. We have not obtained third-party certification for the measurement results included in this table.

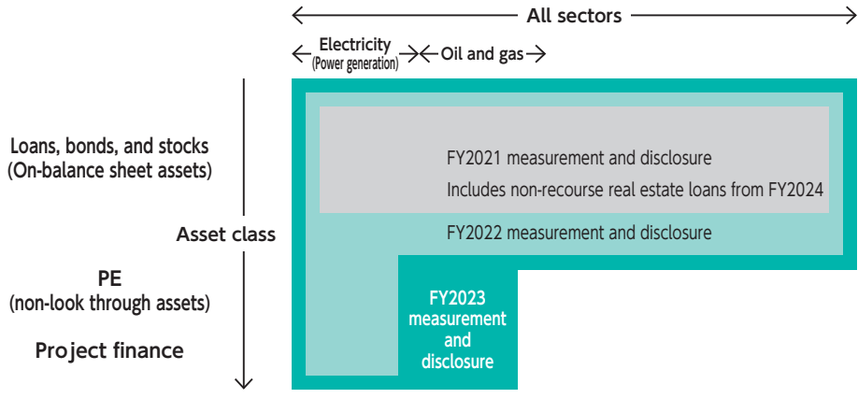
Supplementary notes on measurement results

The measurements on the left represent investments and loans to clients from the Bank's on-balance sheet assets. Measurements for fund investments and loans include not only look-through exposures—where the underlying entities can be identified for the purpose of calculating risk-weighted assets under Basel requirements—but also non-look-through exposures held in private equity (PE) funds, with supplementary data adjustments.

The measurable exposure above includes approximately 1 trillion yen in project financing (power generation, and oil and gas projects) and 5 billion yen in PE funds (non-look-through assets) based on new PCAF-based measurements, which we started in FY2022. As far as possible, investments and loans for group finance and captive finance are considered and measured as exposures on the part of the parent company from the viewpoint of measuring emissions in line with actual conditions.

The inability to measure exposures on the left is mainly due to a lack of financial data.

(Reference) Expanded scope of GHG emission measurements for investment and loan client assets



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Calculating the GHG Emissions of Investees and Borrowers (State of Carbon-related Assets)

Climate

The Bank has expanded the sectors covered by disclosure to reflect updated definitions of carbon-related assets based on the October 2021 revision of the TCFD Recommendations. As of the end of March 2025, our carbon-related asset exposure (investments) stood at 1.5 trillion yen, equivalent to 25.9% of exposure to all sectors, while carbon-related asset exposure (loans) amounted to 6.1 trillion yen, equivalent to 50.0% of exposure to all sectors.

We will continue to pursue measures toward the goal of net zero GHG emissions across our investment and loan portfolios by 2050, monitoring exposure appropriately.

Exposure to carbon-related assets (investments) (as of March 31, 2025)

Sector	Exposure (¥ trillion)	Concentration ratio
Electricity	0.1	1.5%
Oil and gas	0.2	2.8%
Coal	0.0	0.0%
Energy subtotal	**0.2**	**4.2%**
Air cargo	0.0	0.1%
Passenger airlines	0.0	0.2%
Marine transport	0.0	0.2%
Railway	0.1	1.6%
Truck service	0.0	0.2%
Automobiles/components	0.1	0.9%
Transportation subtotal	**0.2**	**3.3%**
Metals & mining	0.0	0.8%
Chemicals	0.1	2.5%
Construction	0.0	0.2%
Capital goods	0.3	5.9%
Real estate	0.1	1.5%
Materials & buildings subtotal	**0.6**	**10.9%**
Beverages	0.1	1.8%
Agriculture	0.0	0.0%
Packaged foods & meat	0.3	5.3%
Paper & forest products	0.0	0.3%
Agriculture, food & forest products subtotal	**0.4**	**7.5%**
Above sectors total	**1.5**	**25.9%**
All sectors total	**5.6**	**100.0%**

Exposure to carbon-related assets (loans) (as of March 31, 2025)

Sector	Exposure (¥ trillion)	Concentration ratio
Electricity	0.5	3.7%
Oil and gas	0.2	1.4%
Coal	0.0	0.1%
Energy subtotal	**0.6**	**5.2%**
Air cargo	0.0	0.4%
Passenger airlines	0.0	0.3%
Marine transport	0.1	1.0%
Railway	0.3	2.5%
Truck service	0.1	0.8%
Automobiles/components	0.2	1.6%
Transportation subtotal	**0.8**	**6.6%**
Metals & mining	0.3	2.8%
Chemicals	0.7	5.3%
Construction	0.1	0.6%
Capital goods	1.8	14.7%
Real estate	1.1	8.6%
Materials & buildings subtotal	**3.9**	**32.0%**
Beverages	0.1	0.6%
Agriculture	0.1	0.5%
Packaged foods & meat	0.4	3.2%
Paper & forest products	0.2	1.9%
Agriculture, food & forest products subtotal	**0.8**	**6.2%**
Above sectors total	**6.1**	**50.0%**
All sectors total	**12.3**	**100.0%**

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Calculating the GHG Emissions of Investees and Borrowers (Data Quality Scores)

Climate

PCAF has established a data quality score for evaluating the quality of estimated emissions, as shown in the table below. It recommends calculating this score.

The status of emissions data disclosure varies among the companies in our investment and loan portfolios. For companies that do not disclose emissions data, we used emissions data from an external information vendor (Trucost), estimating emissions based on economic activities using emissions intensity by unit of sales and by sector as supplementary data (referencing the latest PCAF database, updated in FY2023). (In the case that the sector of a client was unclassified, we used the median value of emissions intensity of the country in question.)

To improve the calculation logic, we used the CDP database in addition to existing Trucost data. We achieved a Score 1 rating by determining the presence (or absence) of external certifications based on an individual company's responses to CDP questionnaires. (Score 1 is the highest quality level on the five-point scale.) The data quality score calculated for this measurement is approximately 2.49. We will continue working to improve this score.

Level	Methodology to measure financed emissions		
Score1	Company's disclosed data	1a	● There are data on the balances of investments and financing, and financial data of the target company. ● Certified emissions are disclosed.
Score2		1b	● There are data on the balances of investments and financing of the target company, and financial data of the target company. ● Uncertified emissions are disclosed.
	Emissions based on physical activities	2a	● There are data on the balances of investments and financing, financial data and energy consumption data of the target company, but emissions are not disclosed. ● Emissions are computed using energy consumption and relevant coefficients.
Score3		2b	● There are data on the balances of investments and financing, and financial data of the target company. Emissions are not disclosed. ● Emissions are computed using production volume and emission intensity.
Score4	Emissions based on economic activities	3a	● There are data on the balances of investments and financing, financial data and sales data of the target company, but emissions are not disclosed. ● Emissions are computed using sales and emission intensity.
		3b	● There are data on the balances of investments and financing of the target company, but emissions are not disclosed. ● Emissions are computed using the data on the balances of investments and financing of the target company, as well as emission intensity per asset unit.
Score5		3c	● There are data on the balances of investments and financing of the target company, but emissions are not disclosed. ● Emissions are computed using the data on the balances of investments and financing of the target company, emission intensity per sales unit and asset turnover.

Further action

In our latest analysis, we expanded the scope of measurement for project financing. We are thinking of expanding the scope of measurement to other assets for which the PCAF has finalized methodologies once we have confirmed the availability and continuity of data.

An increasing number of entities pursue Scope 3 measurements (Categories 1–15), reflecting a growing awareness of the importance of understanding emissions throughout value chains. At present, the Scope 3 (Categories 1–15) data available from vendors and the PCAF database is not sufficiently comprehensive. Therefore, with some exceptions, we have not implemented this disclosure. However, as more companies disclose information, the situation is expected to improve. We will continue to consider ways to enhance disclosure.

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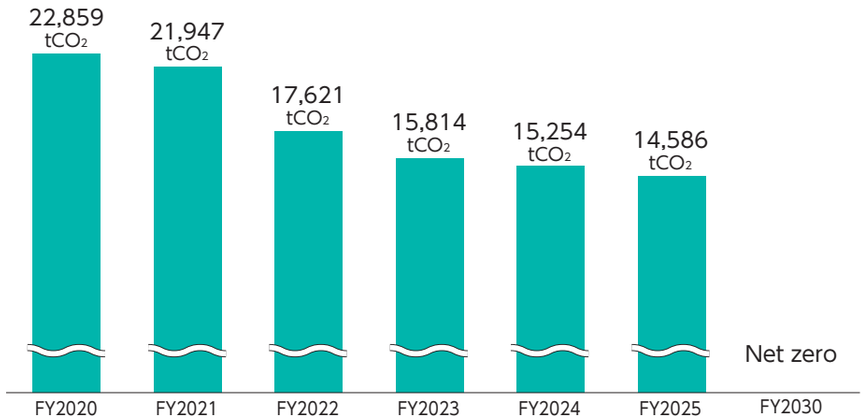
GHG Emissions and Resource Usage at the Bank's Facilities

Climate Nature

The Norinchukin Bank is aiming to achieve net zero GHG emissions from all Bank Group locations by FY2030. In FY2025, total GHG emissions from our locations amounted to 14,586 tCO_2. This result reflects our efforts to incorporate renewable energy and other energy conservation measures in the buildings we occupy. We continue striving to reduce GHG emissions by switching to renewable energy sources and installing LED lighting.

Since TNFD requires companies to disclose their impacts on nature, we are also estimating the quantities of resources that we are using.

Trend in GHG emissions at the Bank Group's locations



Estimate quantity of resources used by the Bank Group's locations

	Unit	FY2023	FY2024	FY2025
Water resource input [1]	m^3	51,059	47,936	46,367
Paper usage [2]	t	169	116	89
Waste generated [3]	t	85	81	93
Reuse [3]	t	28	26	28

1. Water usage at the Bank's head office building (Otemachi One Tower), Akishima Center, Group companies and overseas offices. 2. Amount of copy paper delivered to the Bank's offices, Group companies and overseas offices.
3. Amount of waste generated at the Bank's head office building (Otemachi One Tower), Group companies and overseas offices.

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Forest-based CO_2 Absorption in Partnership with Members

Climate Nature

The Bank has set itself a target of achieving 9 million tCO_2 per year of forest-derived CO_2 absorption by FY2030 based on projections of managed forest area* targeted by forestry cooperatives and assuming collaboration with our members.

Forests play an important role in absorbing CO_2 and conserving biodiversity. At the same time, forests face challenges that include low prices for standing timber, costs associated with reforestation, and securing a sufficient forestry workforce. The Bank works to solve upstream-midstream-downstream issues related to forests and forestry to support sustainable forest operations among forestry cooperatives to ensure CO_2 absorption.

Upstream issues

Management intensification, integration and expansion of raw wood production

Midstream issues

Productivity improvement of processing and distribution

Downstream issues

Productivity improvement of processing and distribution

	The Norinchukin Bank and forestry cooperative networks
Nochu Potential Forest Productivity Fund	Established in 2005, the fund has provided ¥2.919 billion in grants to 140 projects covering 18,926 hectares nationwide through FY2025. The fund contributes to the regeneration of privately owned forests by subsidizing activities aimed at sustaining the public benefits and multifunctional role of forests.
Forestry labor safety improvement measures	The annual death and injury rate per 1,000 workers in the forestry industry is around 10 times the average for all industries, so improving labor safety is an urgent challenge. This project offers subsidies for the purchase of forestry work safety equipment for forestry cooperatives, private forestry enterprises (that work on contract for cooperatives), and forestry educational institutions, etc. (5,434 cases of subsidies from FY2015 to FY2025). In FY2020, we also developed and introduced an education tool, Forestry Safety Education 360°, aimed at improving the work safety of forestry workers.
Forest-derived credit platform	With the aim of promoting the green growth of forests and forestry and helping to shape a carbon-neutral society, we collaborated with the National Federation of Forest Owners' Cooperative Association (JForest) to launch a platform that offers comprehensive support for forest-derived credits, from creation to sale (creation support site: FC BASE-C, and sale support site: FC BASE-M). Multiple trades have been successfully concluded through this platform.
Investment in overseas forest funds	We have invested in overseas forest funds with the aim of exploring initiatives for promoting carbon neutral and nature positive outcomes, as well as contributing to the development of domestic forestry by increasing the efficiency and sophistication of forest management and acquiring knowledge about carbon credits.
Export support	As the world's population grows, global demand for wood is expected to expand. Forestry cooperatives are working to support exports through the aggregation of timber supplies and cultivating new demand overseas.
Japan Wood Design Association (JWDA)	The Bank participates in the Japan Wood Design Association (JWDA), which was formed to help shape a sustainable society by promoting the use of domestic forest resources and materials.
Expanding the use of wood products nationwide	As part of our effort to increase the incomes of producers, we are collaborating with forestry cooperatives nationwide to support the sale of wood products and conduct business matching. To support the national government's efforts to expand timber supply, we are providing subsidies for initiatives that stimulate demand for domestic timber.

* "Managed forest" here includes new planting (reforestation), removing undergrowth, clearing, thinning, and final cutting.

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Nature-related Metrics and Targets (Response Metrics)

Nature

In addition to the resource-use figures described above, the Bank is setting nature-related metrics and targets as a financial institution, with reference to TNFD documents. In August 2025, the TNFD published "Discussion paper on identification, assessment and disclosure of dependencies and impacts on nature in financial portfolios" for financial institutions, presenting three specific metrics for their use: (1) response metrics; (2) financed impact drivers; and (3) biodiversity footprint metrics.

The Bank is applying measures involving (1) and (3), taking into account trends in discussions about indicators in Japan and overseas, and data availability. In relation to (1) response metrics, we have identified 106 borrowers involved in food and agriculture value chain transition—a key focus of the Bank—specifically in the sectors of consumer staples, consumer discretionary, and materials. For all these clients, we have set metrics and targets for assessing their nature-related disclosures and response to the EU Deforestation Regulation (EUDR), and for promoting dialogue aimed at mitigating risks and seizing opportunities.

Metrics likely to be used by financial institutions

1 Response metrics

Proportion of exposure to companies that have defined nature-related policies and action in their strategies

2 Financed impact drivers

Share of impact of investees and borrowers in the portfolio for the five impact drivers defined in IPBES, etc.

▶Analysis and disclosure are difficult under current state of discussions

3 Biodiversity footprint metrics

Specific metrics that integrate complex natural conditions

Consumer staples, consumer discretionary, and materials sectors
106 companies (most of them publicly listed)

FY2025 Metrics and targets (result): Assessed current state

State of disclosure of impacts of nature-related dependencies, impacts, risks and opportunities on the organization's business model, strategy and financial planning

No disclosure — Approx. 65% — If disclosures are not made, the state of response remains unclear, making it difficult to understand risks and opportunities

State of measures addressing risks relevant to EUDR

No action is taken to prevent deforestation in the form of a procurement policy or traceability target — Several companies — If an investment or loan client that procures timber, palm oil, beef cattle, rubber, cacao, coffee, or soybeans from within the EU contributes to deforestation anywhere in their supply chains, this may constitute a violation of EUDR, resulting in a procurement risk.

FY2026 Metrics and targets: Engage in dialogue

Assess current state → Dialogue

- Engage in dialogue that includes consulting and financing proposals based on current action of client
- Work to reduce risks and seize opportunities for both the client and the Bank

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Nature-related Metrics and Targets (Biodiversity Footprints)

Nature

To assess biodiversity footprint metrics (3), The Norinchukin Bank conducts analysis focused on extinction risk and discloses the results as a metric.

We are conducting trial measurements of E/MSY based on the discussion paper on the footprint approach published by the TNFD for financial institutions. As stated on P62, E/MSY is an indicator of extinction risk that covers 10,000 terrestrial ecosystem species and 1,000 aquatic ecosystem species. The E/MSY values for each sector and region are shown in the table below. These represent our pro-rata shares of the environmental footprints (calculated based on our investment and loan balances) relative to the environmental impacts generated by sectors in each region. Discussions on appropriately incorporating these indicators into our assessments of risks and opportunities as a financial institution are ongoing. We are continuing to improve our analysis and its application. The Nature Positive Initiative (NPI) and TNFD have also proposed State of Nature Metrics—indicators for measuring the condition of nature, through extinction risk and ecosystem condition at specific sites, landscapes, and seascapes. These are expected to be finalized based on the results of consultations. Although footprints—integrated indicators of impact drivers—and State of Nature Metrics—indicators of changes in the condition of the land and ocean or species from the baseline—are not identical, both are attracting attention as metrics that facilitate the assessment of business risks and opportunities arising from the impacts of economic activities on nature.

Metrics likely to be used by financial institutions

1 Response metrics

Proportion of exposure to companies that have defined nature-related policies and action in their strategies

2 Financed impact drivers

Share of impact of investees and borrowers in the portfolio for the five impact drivers defined in IPBES, etc.

▶Analysis and disclosure are difficult under current state of discussions

3 Biodiversity footprint metrics

Specific metrics that integrate complex natural conditions

E/MSY by region and sector (as of March 31, 2025)

	North America	Central & South America	Asia	Middle East	Europe	Africa	Oceania
Agriculture, fishery, and forestry	1.36.E-11	4.05.E-06	1.30.E-03	1.59.E-05	1.57.E-06	6.13.E-04	2.26.E-04
Mining	0.00.E+00	0.00.E+00	5.90.E-07	5.95.E-11	0.00.E+00	5.66.E-06	0.00.E+00
Manufacturing	1.52.E-03	2.96.E-04	5.65.E-03	1.07.E-03	3.58.E-04	3.83.E-03	3.46.E-04
Energy	0.00.E+00	0.00.E+00	3.14.E-10	0.00.E+00	4.43.E-14	1.15.E-08	0.00.E+00
Construction & management	1.63.E-10	6.20.E-07	6.17.E-05	1.94.E-06	3.27.E-07	3.46.E-05	3.20.E-06
Commerce, transport & communications	0.00.E+00	0.00.E+00	0.00.E+00	0.00.E+00	0.00.E+00	2.46.E-05	0.00.E+00
Services	0.00.E+00	2.88.E-06	1.95.E-05	9.70.E-10	7.02.E-07	4.58.E-05	1.87.E-06

List of indicators presented by the Nature Positive Initiative

	Ecosystem extent	Ecosystem condition	Species extinction risk	Species population size
Site (What is the situation on my site) Indicators	① Site ecosystem extent Area (absolute and percentage) of loss, gain and net change in extent of natural ecosystems (ha, %)	② Site ecosystem condition Area and change by condition class (ha, %)	③ Site species extinction risk Species extinction risk measurement showing the contributions of the site to global extinction risk	④ Site species population Number and proportion of priority species with populations that are 1)declining, 2) slowing in decline, 3) stable, and 4)increasing.
Landscape/ seascape (What is happening in the area around my site that could impact it (or vice versa)) Indicators	⑤ Land/seascape ecosystem extent Area (absolute and percentage) of loss, gain and net change in extent of natural ecosystems (ha, %)	⑥ Land/seascape ecosystem condition Values and change in structural and functional connectivity between natural ecosystems	⑦ Land/seascape extinction risk Species extinction risk measurement showing the contributions of the landscape/seascape to global extinction	

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Current Contribution to Kunming-Montreal Biodiversity Framework (GBF)

Nature

As international discussions about nature positive-related metrics continue, the targets specified under the Global Biodiversity Framework (GBF, an international agreement) are considered to define a shared understanding, among diverse stakeholders, of impacts that should be achieved.

The Bank will advance initiatives with a conscious focus on connecting and linking to the GBF—ranging from dialoguing and offering financing solutions to investees and borrowers, to collaborating with members (as a cooperative in the agriculture, fishery, and forestry industries), and promoting nature-related information disclosure and fund mobilization.

Logic model that describes the relationship between GBF targets and the Bank's activities

Activities	Outputs / Main achievements to date		Outcomes	Impacts (GBF targets)
Committing to a world in harmony with nature ↓ Studying strategies for nature positive ↑ Analyzing nature-related opportunities and risks Engaging in dialogue and collaborating with diverse stakeholders Studying finance and solutions for members and investment/loan clients Participating in TNFD Task Force and initiatives	Formulate strategies and report disclosures that integrate considerations of climate and nature risks, opportunities, dependencies, and impacts	● Published Climate & Nature Report 2026 ● Promote an integrated approach centered on transition of food and agriculture value chains (VCs)	Expand the practice of strategy formulation and disclosure among companies and financial institutions	Target 1: Spatial planning and effective management Target 2: Ecosystem restoration Target 3: "30by30" / Conservation zones and OECM Target 8: Climate action (NbS) Target 10: Sustainable management of agriculture, fishery, and forestry Target 14: Mainstream biodiversity Target 15: Assess and disclose business impacts Target 19: Mobilize funding Target 20: Capacity building, and science and technology transfer and cooperation Target 22: Participation of women, youth, and indigenous peoples
	Enhance risk analysis in collaboration with academia and startups	● Expansion of portfolio and supply chain analysis in collaboration with academia and startups	Spread nature-related risk analysis and formulate practices	
	Implement sustainable finance relating to climate, nature, and social issues	● Cumulative total value of new sustainable finance of ¥11.4 trillion (as of March 31, 2026)	Accelerate and deepen the transition of investees and borrowers to nature positive through nature-related finance and solutions	
	Offer nature-related solutions such as carbon credits derived from agriculture, fishery, and forestry and TNFD disclosure support	● Created and brokered carbon credits derived from agriculture, fishery, and forestry ● TNFD disclosure support and other consulting services		
	Operate alliances and business partnerships with companies, financial institutions, and NGOs	● Setup and operation of Insetting Consortium, FANPS, etc.	Accelerate the transition to environmentally conscious management and adoption of landscape/seascape approaches in agriculture, fishery, and forestry	
	Support the transition to environmentally conscious management in collaboration with producers and members and the application of landscape/seascape approaches	● Supported circular agriculture through consulting ● Supported certification of Nationally Certified Sustainably Managed Natural Sites and formulated project strategies in collaboration with producers, members, and governments		
	Participate in discussions of the TNFD Task Force and the Ministry of the Environment's Study Group on Nature Positive Economies	● Raised awareness of and promoted nature positive and TNFD through various events and media	Formulate rules and practices that enable both businesses (including agriculture, fishery, and forestry) and nature positive to thrive together.	

Source: Created by The Norinchukin Bank based on various sources

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7 Future Outlook

Dedicated to sustaining all life.

Identifying fishing grounds in the open sea, guided by experience

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Future Outlook

Climate Nature

Worldwide, it is becoming increasingly evident that worsening climate change, as well as biodiversity loss and degradation of natural capital present fundamental risks to social and economic sustainability. Through 2025 and 2026, financial institutions are starting to face demands for practical and convincing responses to address climate and nature challenges in an integrated way. These demands are driven by factors such as transition to the implementation stage of the Kunming-Montreal (Global) Biodiversity Framework (GBF) and the growing disclosure and utilization of nature-related information based on the TNFD recommendations.

The Norinchukin Bank has embraced these trends as key management challenges and worked consistently to practically address the risks and opportunities associated with climate change, natural capital, and biodiversity through initiatives such as investment and financing, engagement, and partnerships. As we continue to gain knowledge through our business and dialogue with stakeholders, we intend to improve the effectiveness of our responses and better integrate them into our management.

In the process of advancing our information disclosure, we recognize the importance of refining our own risk awareness and deepening our dialogue with stakeholders. In accordance with the TCFD and TNFD recommendations, this report aims to clearly communicate the Bank's initiatives and challenges, giving importance to promoting discussion and action directed to solving sustainability problems surrounding the agriculture, fishery, and forestry industries.

Climate change, natural capital, and biodiversity are closely interconnected issues, such that any action taken to address one tends to impact the others too. Given these interconnections, the Bank strives to take an integrated approach to climate and nature when managing risks, identifying opportunities, and considering strategies. We also aim to achieve sustainable value creation by enhancing the alignment between our sustainability initiatives and our business operations, to generate synergies between the two.

While fully recognizing areas of uncertainty and data limitations, we will work at continual improvement and repeated trial-and-error, deepening our responses through both practice and disclosure. We will keep building a solid foundation that anticipates future SSBJ disclosure by constantly enhancing the precision of our analysis methods, metrics, and explanations.

At the same time, we will deepen our commitment to sustainable management, centered on climate and nature, to help fulfill our Purpose, so that we keep helping to shape a sustainable future for the agriculture, fishery, and forestry industries, and for the global environment.

The areas where we need to expand our efforts further, to achieve our vision and address the issues of climate change, nature, and biodiversity are as follows.

Addressing climate change issues

The Bank is considering the development of a transition risk assessment framework and its formal integration into our credit risk management practices. We will also push ahead with short-term scenario analysis using NGFS data.

We will work to resolve sustainability challenges facing food and agriculture value chains (VCs) and pursue the sustainability of such VCs by supporting the widespread implementation of insetting and providing both financial and non-financial solutions.

Utilizing the results of our research and analysis of risks and opportunities and our dialogue engagement with investees and borrowers, we will accumulate insights into the characteristics of clients, as well as increase the precision with which we identify their needs and growth opportunities. Like this, we can further expand our sustainable finance initiatives and high-value added financial and non-financial solutions.

Addressing nature and biodiversity challenges

The Bank is working to expand and improve its sector policies based on the results of our nature-related risk assessments.

We are supporting the creation of carbon credits that represent the value of nature and biodiversity and collaborating with external organizations and on various initiatives to find solutions to the challenges faced by agricultural enterprises in pursuing regenerative agriculture.

We recognize the necessity of more advanced scenario analysis based on a more integrated approach to risks associated with climate change and nature. In addition to exploring ways to address data gaps—particularly in nature-related information—we are building up practices for quantifying risk. In the future, we will also consider making use of the resulting findings in our engagement with investees and borrowers.

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Dedicated to sustaining all life.

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Climate Change: Details of Transition Risk Scenario Analysis

Method of transition risk scenario analysis

■ Scope and sectors of analysis

Based on the results of our qualitative assessment of climate change-related risks, we analyzed transition risk scenarios for the electricity, oil-gas-coal, food and agriculture, beverages, and chemicals, and steel sectors. The final TCFD report and SASB standards recognize the electricity, oil-gas-coal, chemicals, and steel sectors as high carbon-emitting sectors that are highly vulnerable to transition risks. The Bank's selection criteria align with these global perspectives. We selected the food and agriculture, and beverages sectors based not only on our qualitative assessment of climate change, but also because these two sectors have always been fundamental to the Bank. Considering the characteristics of our investment and loan portfolio, this analysis focused not only borrowers in Japan and overseas, but also issuers of corporate bonds held by the Bank.

■ Analysis scenarios and data

The Bank uses the three scenarios published by the NGFS. The Current Policies scenario envisions that only current policies are maintained. The Delayed Transition scenario envisions that annual GHG emissions do not decline before 2030, with strict policies implemented after 2030. The Net Zero 2050 scenario assumes that global temperatures do not rise by more than 1.5°C due to rigorous climate policies and technological innovation, and that net zero CO_2 emissions are globally achieved by 2050. We use all three of these future scenarios in our analysis. We predicted impacts on the Bank's investees and borrowers and analyzed fluctuations in credit costs by integrating scenario data with dynamic and static approaches. In a dynamic approach, companies make new capital investments in response to climate change, whereas in a static approach they do not make additional capital investments.

Where we lacked analytical data in the NGFS scenario, we used supplementary data from the IEA, WRI (World Resources Institute), and other bodies. The details are as follows.

- For data gaps relating to the chemicals sector, we referred to some of the scenario data in the IEA's World Energy Outlook 2023.
- For additional data on the steel sector, we referred to various forecast data in the IEA's Iron and Steel technology Roadmap and other sources.
- For the food and agriculture, and beverages sectors, we made use of supplementary data from WRI.

■ Improving scenario analysis models

The Norinchukin Bank began disclosing the results of its scenario analyses in its Sustainability Report 2021, but it continues working to improve its analysis models to better explain and leverage analysis results for engagement with clients and stakeholders.

One way we improve analytical models is by altering parameters (variables) to produce more precise and practical results. We will continue enhancing these models to refine analysis results.

For our transition risk scenario analysis, we use version 4 of the NGFS scenario, released in 2023. There are three models in the NGFS scenarios, but we analyze scenarios using the values of the REMIND-MAgPIE model. These values are consistent with those of the Pilot Scenario Analysis Exercise on Climate-related Risks Based on Common Scenarios conducted by the Financial Services Agency and the Bank of Japan, the results of which were published in August 2022.

Overview of NGFS Scenarios Analyzed

	Net Zero 2050	Delayed Transition	Current Policies
Overview	Global temperature rise is limited to 1.5°C through strict climate policies and technological innovation, and net zero CO_2 emissions are achieved by 2050	Annual CO_2 emissions do not start falling until after 2030, when strict policies are introduced	Current policies are maintained without any changes
Temperature rise (by 2100)	Approx. 1.4°C rise	Approx. 1.7°C rise	Approx. 2.9°C rise

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Climate Change: Details of Transition Risk Scenario Analysis

Each NGFS scenario represents a different vision of the world's future. The Net Zero 2050 scenario assumes that countries implement immediate, strict climate change policies and regulations, leading to a steady decline in CO_2 emissions of companies and organizations. On the other hand, the Current Policies scenario assumes that CO_2 emissions are not controlled, while the Delayed Transition scenario assumes a rapid decline in CO_2 emissions starting around 2030, after strict policies and measures are taken.

A "carbon price" is a price assigned to the CO_2 emitted by companies and other entities. Each scenario assumes that governments impose a carbon tax based on the amount of emitted CO_2. For example, Japan introduced a limited carbon tax to address global warming. The Current Policies scenario assumes that this will be maintained. While the tax per tonne of CO_2 emissions is limited, the Net Zero 2050 and Delayed Transition scenarios envision the introduction of more substantial carbon taxes. The Bank assumes the introduction of a carbon tax in its scenario analysis, with impacts on corporate earnings and other factors reflected in the analysis results.

The Net Zero 2050 and Delayed Transition scenarios aim for carbon neutrality by 2050. In these scenarios, solar power, wind power, and other renewable energy sources serve as the main energy sources for reducing CO_2 emissions. At the same time, power generation using coal and natural gas, which emits large amounts of CO_2, is reduced in these scenarios.

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Climate Change: Details of Physical Risk (Acute Risk) Scenario Analysis for Flood Damage

Method of physical risk (acute risk) scenario analysis

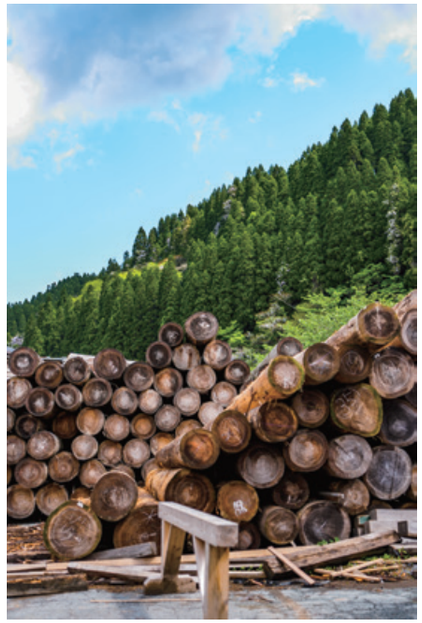
Flooding has been causing significant damage all over the world in recent years. The Bank is assessing the impacts of flooding up to the year 2100. This analysis covers the global key locations of domestic and overseas loan clients, as well as impacts of flooding on real estate collateral pledged to the Bank. For the first time, the analysis also covers assets (buildings and fixtures) of the Bank Group's offices and other locations. The analysis scenarios are based on the scenarios of the Intergovernmental Panel on Climate Change (IPCC). In our risk analysis, we referred to the methodology outlined in A Guide to Flood Risk Assessments for Enhanced TCFD Disclosures by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

Since some of our loan clients operate in sectors that are not affected by flooding due to the nature of their business, we narrowed the scope of analysis to specific sectors. Then, as a next step, we identified, for each sector, which of the client's locations would suffer a loss in sales if damaged by flooding. After identifying these locations, we surveyed the impact on the key global locations of the loan client and analyzed supply chains for acute risk.

We also analyzed real estate collateral pledged to the Bank, as flooding affects the valuation of such assets, which in turn impacts credit costs. We are analyzing the impact on the Bank's portfolios, factoring in the impacts on our loan clients and real estate collateral. We also conducted an analysis of the impact of flooding, such as damage and deterioration of assets (buildings and fixtures) of all the Bank Group's locations in Japan and overseas, and calculated the final additional loss.

Physical risk (acute risk) analysis

We estimated the total cumulative impact of acute risk to be an additional loss of approximately 22 billion yen by 2100 (sum of credit costs and damage to Bank Group assets). This figure suggests that the impact of such additional losses would be limited. When we looked at the projected depth of flooding at the key global locations of loan clients by region (Japan, the Americas, Europe/Middle East, and Asia/Oceania), we found that the proportion of locations with a high flooding depth was significantly higher in Japan than in other regions. No overseas regions had a high proportion of locations subject to deep flooding. The differences in proportion between regions were also minimal.



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Climate Change: Details of Physical Risk (Acute Risk) Scenario Analysis for the Forestry Sector

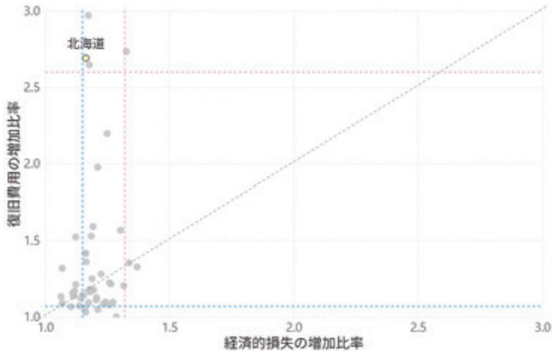
In the forestry sector, mountain disasters caused by heavy and torrential rains can be very severe, with a high probability of seriously impacting the Bank's business continuity. We therefore conducted a scenario analysis of acute risks facing the forestry sector. Our scenario analysis of mountain disaster risk due to climate change is based on multiple assumptions and hypotheses, because the models are subject to numerous limitations, such as (1) a lack of globally established methodologies; (2) incomplete or poor data; and (3) diverse and complex impact pathways. It should be noted that the analysis focuses on the monetary value of damage to forests and forest service roads, which may be different to the actual financial impact on forestry operations.

The analysis focuses on forests and forest service roads that are considered highly susceptible to heavy and torrential rains. We estimated the impact of heavy and torrential rains associated with climate change on the value of forests and forest service roads, and then we visualized the results using mapping data of municipalities and forest sites.

In this analysis, we estimated the change in damage to forests and forest service roads as of the end of the 21st century compared to the end of the 20th century under two scenarios—IPCC's RCP2.6 ("2°C rise") and RCP8.5 ("4°C rise") scenarios. We therefore conducted a total of four analyses.

Scope of analysis	Damage data	Impact on forest service roads and forest value
Damage to forest service roads	The cost of restoring degraded forest land and forest conservation facilities caused by torrential rain or typhoons (including *baiu* rain front). This analysis uses rough estimates of restoration costs for degraded forest land and forest conservation facilities made by the Forestry Agency (hereinafter "forest land damage value").	• Rainfall of a magnitude that exceeds the protective capacity of forests can cause large-scale landslides, resulting in damage that requires recovery. • Data suggests that forest service roads increase the risk of landslides in adjacent forest areas. • Naturally occurring old-growth conifers are widely distributed in terrain of decomposed granite soil or granite that is vulnerable to erosion and collapse. While old conifers themselves do not cause landslides, it is thought that the uneven distribution of such trees is an indirect indicator that the terrain is vulnerable to landslides.
Damage to forest value	This indicates the monetary loss of value of forests due to damage to standing trees. In this analysis, we utilized data on forest insurance compensation published by the Forest Insurance Center of the Forestry and Forest Products Research Institute (a National Research and Development Agency). Specifically, we considered instances of trees being uprooted, buried, or washed away due to landslides or debris flows as a result of rainfall or flooding in terms of their monetary damage to the value of forests.	• Rainfall capable of causing landslides of a scale that forests can prevent can be considered an economic loss to standing trees. • Forest roads increase the risk of landslides, but they also indirectly impact the scale of forestry operations and the discovery of damage. • It is suggested that forest maturation reduces the risk of landslide-type disasters. Forests made up mostly of young trees are at a high risk of damage, but the risk level declines as the forest transitions to maturity (as trees grow older and bigger).

(Example: Impact analysis for Hokkaido)



Rate of increase level	2°C→4°C scenario sensitivity	Analysis results
Restoration cost: High Economic loss: Medium	Recovery cost: Rapid rise Economic loss: Rapid rise	The rate of increase in restoration cost is substantial under "2°C rise," but it increases sharply under "4°C rise." A sharp increase in forest damage is likely under the "4°C rise" scenario, so if preparations are only for a "2°C rise," additional investment and changes in operation are likely to be needed. A comparison of the rates of increase in restoration cost and economic loss suggests that the infrastructure damage inferred from the restoration costs is likely to become increasingly apparent.

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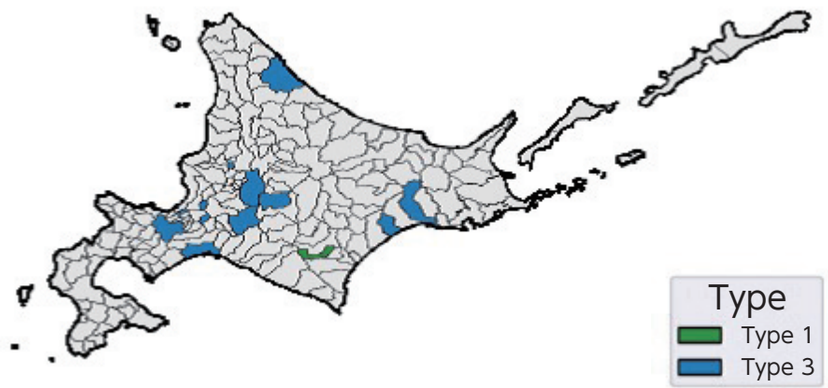
Climate Change: Details of Physical Risk (Acute Risk) Scenario Analysis for the Forestry Sector

To analyze the geographical impact factors of heavy and torrential rain on forestry, we identified areas of forest that overlap with areas for which data is provided by the Geospatial Information Authority of Japan (GSI), and then we classified the primary hazard risks at the level of municipalities.

(Example: Analysis of municipalities in Hokkaido)



Hazard type	No. of applicable municipalities	Applicable municipality
Type 1: Mountain collapse/steep slope	1	Nakasatsunai village
Type 2: Landslide	–	–
Type 3: River flooding	11	Kita-ku (Sapporo City), Minami-ku (Sapporo City), Kushiro City, Ashibetsu City, Furano City, Shinshinotsu Village, Nanporo Town, Moseushi Town, Esashi Town, etc.
Type 4: Embankment/ development periphery	–	–
Type 5: Multi-hazard	–	–
Type 0: Moderate	180	Chuo-ku (Sapporo City), Hakodate City, Otaru City, etc.

Overview of hazard types

These are the results of classifying each municipality into one of five hazard types based on the ratio of the area where forest cover overlaps with various hazard zones.

Municipalities classified as Type 1 (mountain collapse/steep slope) or Type 3 (river flooding) include areas that are highly vulnerable to heavy rainfall disasters based on topographical factors (e.g., Satsunai River basin 1, characterized by numerous collapse sites and heavy sediment) and geographical factors (e.g., basins of Class A rivers such as the Ishikari River 2).

Kushiro City, which recorded its highest ever hourly rainfall in September 2025, is classified as Type 3.

Implications from macro and micro analysis

Macro analysis reveals a significant rate of increase in the monetary value of damage to forest land. The large amount of natural, old-growth forest and the longest network of forest service roads in Japan, combined with the impacts of climate change, are considered to be factors that are driving up the monetary value of damage to forest land.

Micro analysis reveals that key downstream cities in Hokkaido, such as Kushiro and Tomakomai, as well as areas of forests and mountains along the Ishikari River system, such as Yubari and Ashibetsu, fall under Type 3.

Therefore, in downstream areas of river systems where rainfall from upstream accumulates, damage is likely to be greater due to driftwood and damage to forest roads resulting from increasingly frequent heavy rainfalls associated with rising temperatures.

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Climate Change: Details of Physical Risk (Chronic Risk) Scenario Analysis for the Agricultural Sector

The Bank conducted a scenario analysis of chronic risks in the agricultural sector, which has long been a fundamental pillar of its business. Under the TCFD recommendations, the agricultural sector is considered vulnerable to the impacts of climate change. We also believe that climate change risks in the agricultural, fishery, and forestry industries can significantly impact the Bank's business continuity. Note that our scenario analysis of the agricultural sector is based on multiple assumptions and hypotheses due to the many limitations of the model, such as (1) a lack of globally established methodologies; (2) incomplete or poor data; and (3) diverse and complex impact pathways. Note also that the analysis focuses on revenue, not income (i.e., revenue minus expenses), so the results may not precisely reflect the real impact on agricultural operations.

Our analysis covered rice cultivation and livestock production (raw milk and beef cattle), the sectors with the largest number of farmers and the greatest production volume. We estimated the impact of rising temperatures and other factors associated with climate change on the production volume and prices of the analyzed commodities. Finally, we estimated the impact on producer revenue.

For beef cattle, we conducted separate analyses, assuming that wagyu and other domestic cattle have different heat tolerances.

This analysis estimates changes in revenue at the end of the 21st century relative to the end of the 20th century in two scenarios. One scenario assumes no measures are taken to address rising temperatures, while the other assumes measures are taken to adapt to rising temperatures. For our analysis, we adopted the IPCC RCP 2.6 and RCP 8.5 scenarios ("2 °C rise" and "4 °C rise," respectively), conducting a total of four analyses.

Item	Scenario	Impact on production volume	Impact on price	Revenue (without adaptation)	Revenue (with adaptation)
Rice cultivation	4°C rise	National production falls by 6.4% as temperatures exceed the optimum temperature for rice cultivation across most of the country.	Rice quality (proportion of top-grade rice) declines, but prices rise by 1.4% due to lower production.	By the end of the 21st century, revenue may be 5.0% lower due to lower production volumes and quality compared to the end of the 20th century.	Nationally, revenues increase by 3.5% (8.5% compared to non-implementation) due to the introduction of (1) rice varieties tolerant to high temperatures and (2) measures such as postponing rice transplant dates by one to two months.
	2°C rise	Nationally, production increases by 3.3% as many regions, particularly in eastern Japan, experience more suitable temperatures for rice cultivation.	Prices fall by 1.6% due to higher production and a slight deterioration in quality.	Revenue is expected to be 1.7% higher by the end of the 21 st century, due to an increase in land suitable for rice cultivation.	–
Raw milk	4°C rise	Seasonal differences become significant throughout the year. While there is no significant impact in winter, in summer, the hot environment results in 4.0% less milk production. National annual production falls by 1.1%.	Under a "4°C rise" scenario, raw milk prices are estimated to increase by 0.9%, due to lower milk production caused by higher temperatures.	Raw milk production revenue will be up to 0.1% lower at the end of the 21st century (compared to the end of the 20th century). This result is due to an increase in prices to offset the impact of lower production volume.	We conducted our analysis assuming the adoption and upgrading of fine misting equipment as an adaptation measure for raw milk production. The results show that adaptation measures can limit the impact of rising temperature and ensure that revenue remains stable.
	2°C rise	Rainfall is not a significant factor, but annual production declines slightly (by 0.2%) due to higher temperatures. While production remains unchanged from winter to spring, summer production falls by roughly 1.0% across all regions.	Under the "2°C rise" scenario, raw milk prices are likely to increase by 0.2% due to lower production caused by higher temperatures.	Results show that revenue from raw milk production at the end of the 21st century will remain flat, with a maximum change of ±0.0% compared to the end of the 20th century. This result is due to an increase in prices to offset the impact of lower production volume.	–
Beef cattle	4°C rise	Higher temperatures affect cattle fattening, resulting in a decline of 0.8% in beef carcass production for wagyu and a decline of 1.6% in carcass production for domestic cattle, corresponding to an overall decline of 1.2% in total beef carcass production nationwide.	Prices are expected to increase by 0.6% due to supply and demand factors, as well as subsidies from the Beef Marukin system.	Revenue is up to 0.6% lower at the end of the 21st century (compared to the end of the 20th century). While revenue from wagyu increases slightly, domestic beef revenue is up to 1.4% lower due to lower production volumes.	As with raw milk production, our analysis assumed the adoption and upgrading of fine misting equipment for adaptation. The results showed that, as with raw milk production, it is possible to maintain or moderately increase revenue if adaptation measures are adopted.
	2°C rise	Production of wagyu beef cattle and domestic cattle decrease by 0.2% and 0.4%, respectively, resulting in a decline of 0.3% in total national beef cattle production.	Net prices are expected to increase by 0.2% due to supply and demand factors, as well as subsidies from the Beef Marukin system.	Revenue is up to 0.2% lower at the end of the 21st century (compared to the end of the 20th century). While revenue from wagyu increases slightly, domestic beef revenue is up to 1.4% lower due to lower production volumes.	–

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Climate Change: Details of Physical Risk (Chronic Risk) Scenario Analysis for the Fishery Sector

The Bank analyzed scenarios for chronic risks in the fisheries sector. Under the TCFD recommendations, the fishery sector (like the agricultural sector) is considered highly vulnerable to climate change. At the same time, climate change risks in the agricultural, fishery, and forestry industries are likely to significantly impact the business continuity of the Bank. As in the case for the agricultural sector, our scenario analysis for the fishery sector is based on multiple assumptions and hypotheses due to the many limitations of the model, such as (1) a lack of globally established methodologies; (2) incomplete or poor data; and (3) diverse and complex impact pathways. Note also that the analysis focuses on revenue, not income (i.e., revenue minus expenses), so the results may not precisely reflect the real impact on fishery operations.

The Bank decided to analyze skipjack tuna because it is a species that significantly impacts the revenues of fishing enterprises throughout Japan. Large quantities of skipjack tuna are caught in Japan, with catches quite evenly distributed among prefectures. We estimated the impact of rising sea surface temperatures resulting from climate change on catches and prices, as well as the final impact on the revenues of fishing enterprises.

The impacts of sea surface temperatures and other climate change effects on skipjack tuna vary with habitat area and fishing grounds. On this assumption, we conducted separate analyses for offshore fisheries operating near Japan (Pacific side) and distant-water fisheries operating in the Western and Central Pacific Ocean separately. For our coastal fisheries analysis, we divided the coastal waters of Japan bordering the Pacific Ocean into six regions: Hokkaido-Tohoku, Kanto, Chubu, Kinki, Chugoku-Shikoku, and Kyushu.

Sector		Scenario	Impact on catch	Impact on price[1]	Revenue (without adaptation)	Revenue (with adaptation)
Bonito Marine fisheries	Coastal fisheries	4°C rise	Rising sea temperatures are likely to cause fluctuations in ocean currents, including the Kuroshio Current, which in turn affects skipjack tuna habitats and catches. Skipjack tuna catches in coastal fisheries increase by 1.3–4.7% in Kanto and Chubu, while catches in Kinki and Kyushu decrease by 2.7–9.2%.	Prices of fresh skipjack tuna in the Kanto and Chubu regions decrease by 0.1–0.6%, while prices in Kinki and Kyushu increase by 0.3%–1.3%.	Regional differences are likely to emerge, with revenue at the end of the 21st century likely to be anywhere from 8.0% lower to 4.0% higher (compared to the end of the 20th century). While revenue may increase in Kanto and Chubu, where the Kuroshio and Oyashio currents converge, revenue in Kinki and Kyushu may decline due to lower catches, caused by faster currents.	Our analysis indicates that making changes to fishing seasons can reduce the impacts of rising sea surface temperatures and mitigate future declines in revenue.
		2°C rise	Skipjack tuna catches in coastal fisheries increase by 1.1–9.5% in Kanto and Chubu, while catches in Kinki and Kyushu decrease by 2.6–9.2%.	Prices of fresh skipjack tuna in the Kanto and Chubu regions decrease by 0.1–1.2%, while prices in Kinki and Kyushu increase by 0.3%–1.3%.	Regional differences are likely to emerge, with changes in revenue ranging from 8.0% lower to 8.1% higher.	
	Distant-water fisheries	4°C rise	Distant-water fishing catches are expected to rise by 1.6%.	Frozen skipjack tuna prices are expected to drop by 0.4%.	Deep sea fishing revenues are expected to rise by 1.2% due to larger catches.	–
		2°C rise	Distant-water fishing catches are expected to increase by 0.5%.	Frozen skipjack tuna prices are expected to drop by 0.1%.	Deep sea fishing revenues are expected to rise by 0.4%.	

1. Due to differences in price levels of skipjack tuna, we conducted separate analyses for fresh and frozen fish prices. We analyzed fresh fish prices based on catches from coastal fisheries and frozen fish prices based on catches from deep sea fisheries. To allow for supply and demand factors, we assumed a price sensitivity (elasticity) per 1% reduction in catch of 0.14% for fresh fish prices and 0.24% for frozen fish prices. (Frozen fish prices are likely to be more elastic.)

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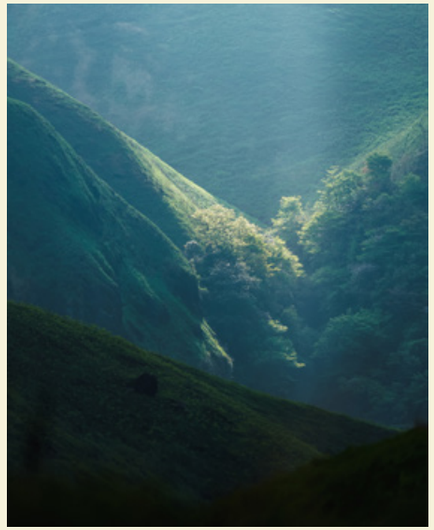
Photos in this Report

nature photographer **Hiroshi Takano**

I feel that photos and images have the power to convey the atmosphere of a place, the emotions of its people, and the warmth of human activity in a way that text and words cannot. Agriculture, fishery, and forestry are all vital industries that involve the direct engagement with nature to receive its bounty. They also provide us with livelihoods and sustain our future.

In capturing scenes, I wanted to do more than just document an industry. I also hoped to convey a sense of the pride, inner conflicts, a-nd the day-to-day struggles of the people who do this work. The Global Nature Positive Summit offered me an opportunity to shoot some new images in and around the host city of Kumamoto. This experience allowed me to observe the warm interactions of the people who work on the frontlines in contact with rich natural environments. It was an opportunity to enjoy numerous precious and irreplaceable moments and appreciate the dignity and dedication of workers in these essential industries.

I hope that my photos stimulate reflections on nature and people, human communities, and our future.



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