



## **The Norinchukin Bank launches its Medium-Term Vision**

### **“Nochu Vision 2030 - Taking on challenges of a changing world as we look to the future -”**

The Norinchukin Bank (hereinafter referred to as “the Bank”) has launched its Medium-Term Vision for the period from FY2024 to 2030, “Nochu Vision 2030 - Taking on challenges of a changing world as we look to the future -” (hereinafter referred to as “the Medium-Term Vision”).

Looking back at the Medium-Term Management Plan period (FY2019-23), there were many things that could not be predicted when the plan was formulated, such as rapid progress in initiatives towards achieving a sustainable society, the development of technologies such as AI, the global inflation, and resulting rapid monetary tightening. We assume that the business environment surrounding the Bank Group will continue to change in a complex and accelerating manner.

Based on this outlook, rather than accurately predicting and precisely planning for changes in the next few years, we have determined our medium-term vision based on our Purpose\*, and believe that flexible and agile management with respect to changes in the external environment is important. The sooner management responds to change, the more options will be available and the greater the likelihood that the vision can be realized, even if detours may need to be taken along the way to some degree.

(\*) The Bank has defined its Purpose as “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. -”

Based on the above, we back-casted from the expected environmental and social changes (mega trends) by 2030, a little in the future, and formulated the state that the Bank Group wishes to achieve as the Medium-Term Vision. For each year’s initiatives, we formulate them based on changes in business environment and management conditions, recognizing the direction to be taken and the gap compared to the current position. We will demonstrate the Bank Group’s overall strengths and work toward our future Vision without fear of change.

## 1. The Medium-Term Vision (Nochu Vision 2030 - Taking on challenges of a changing world as we look to the future -)

The Bank positioned the “Vision for 2030” as the “compass” of our management and established the following visions. We believe that moving toward these five visions in response to changes in the environment surrounding the Bank Group will lead to our Purpose.

### *Vision for 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 agriculture, forestry, and fisheries 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 the primary industry and the cooperative organizations.

Create value for cooperative members and users through optimal integration of digital and real



Integrating digital and real 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 its members and play its 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 challenge 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.

## 2. Concept of the “Vision for 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.

Climate change, loss of biodiversity, and nature deterioration, which are directly linked to the “life” of people, organisms, and the planet, are becoming more urgent to be addressed. Currently, public and private sector efforts toward net zero are rapidly accelerating. The momentum for achieving nature positive by reversing the loss of biodiversity has also expanded rapidly, as we see the publication of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. We believe that such momentum will accelerate further toward 2030. In addition, in order to address these issues collectively, we believe that the perspective of realizing a circular economy will be indispensable.

With the foundation of the agriculture, forestry and fisheries industry and the investment and lending in the global financial markets, the Bank Group will work together with officers and employees to address the issues facing the planet and regions. We will work on creating positive impact\*1 with the power of cooperative organizations and finance to achieve sustainable environmental, social and economic development.

(\*1) Positive effects on the environment, society and economy through business activities

Support sustainable development of agriculture, forestry, and fisheries 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 the primary industry and the cooperative organizations.

Population decline, low birthrates, and aging are progressing, and there is a shift in engaging entities from individuals toward corporates in agricultural, forestry and fisheries industries. As the smart agri market develops toward 2030, we believe that the use of “food & agriculture x digital” will further accelerate, such as labor replacement using robot tractors and drones. In addition, we expect the increased awareness of building domestic production bases and circular agriculture, which are the foundations of food security.

Under such circumstances, while considering “increasing the income of farmers, fishermen and foresters” as a major goal, the Bank Group will develop data businesses such as providing advisory functions using digital IT technologies, build “glocal” value chains that are not bound by existing value chains. Through these efforts, the Bank works toward the sustainable development of people in agriculture, forestry and fishery industries and cooperative organizations.

Create value for cooperative members and users through optimal integration of digital and real



Integrating digital and real 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.

With the acceleration of population shift to urban areas, there are increasing expectations on and social values of JA and JF, which provide multi-business functions, as important players in regional economies and infrastructure. As we move toward 2030, we believe that while non-face-to-face financial channels will expand due to the rapid development of digital services, customers will increasingly require the provision of face-to-face and highly specialized advice and consultation functions as well.

Based on the recognition that both the approach to a wide range of customer groups using digital and the provision of highly specialized services in physical stores are essential, we will continue to enhance systems, utilize sales support functions, improve the UI and UX of non-face-to-face channels, and strive for the optimal integration of digital and real. Through these efforts, the Bank will continue to support JA and JA 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 its members and play its role as the national level banking institution for Japan's agricultural, fishery and forestry cooperatives.

The environment surrounding the financial industry is changing significantly with the end of great moderation (low inflation, low interest rates, low volatility), the return of a world with interest rates, and the increasing frequency of policy adjustments. As we move toward 2030, we believe that structural and significant changes in the financial business will further advance due to factors such as increased entry into the financial services from different industries, development of digital technology, and acceleration of M&A and business alliances.

Even amid such major changes in the environment, the Bank Group will work together to flexibly respond to the rapidly changing market environment and the needs of customers and business partners. We build and maintain a sustainable financial and revenue base by reviewing its investment and lending portfolio and taking on challenges of new areas and fields. With these efforts, the Bank will ensure stable returns to its members and plays its 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 challenge 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.

With discontinuous changes such as the rapid development of digital IT technologies and changes in consumer purchasing behavior, we expect that the scale and speed of environmental changes will further increase. In order to respond to these discontinuous environmental changes and enhances corporate value in the long term, we recognize the increasing importance of human capital management that regards human resources as capital and maximizes their value.

Under such circumstances, the Bank Group will pursue a flexible and resilient organization, taking on challenges for change. Advancing our expertise based on human resources with diverse ideas, we will create new business value and improve productivity through the penetration of the use of digital IT technologies and data.

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