

ZEN-NOH Report
2016



一人は万人のために、万人は一人のために

One for all, all for one.

Co-operative identity, values & principles

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

Principle 1 Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Principle 2 Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

Principle 3 Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Principle 4 Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Principle 5 Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

Principle 6 Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Principle 7 Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Source:ICA



We, the ZEN-NOH Group, are the trusted and reliable go-between linking producers and consumers.

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Helping Build Resilient

We wish to offer our sincerest thanks for the tremendous cooperation and support that ZEN-NOH enjoys in its businesses.

In fiscal 2015, the third and final year of our medium-term business plan, the entire ZEN-NOH organization worked toward completing up efforts in the Plan's three priority areas: (1) contributing to the vitality of production areas and the improvement of local livelihoods; (2) strengthening our sales capabilities of domestic farm products; and (3) actively developing international businesses. As a result of such efforts, we were able to broaden our reach steadily in each business area and to make progress on delving deeper into individual topics.

In the coming fiscal year we will begin implementing our new medium-term business plan, formulated to serve as the foundation for our operations over the coming three years. The JA ZEN-NOH Group will need to navigate through a variety of reforms, including enactment of the amended Agricultural Co-operatives Act, revisions to rice policies coming up two years from now, and the announcement of agreement on a general framework for negotiations on the Trans-Pacific Partnership (TPP). As such, we have identified the following three priority areas, aiming to enhance further our business functions while intensifying and expanding the initiatives we have already implemented: (i) contributing to sustainable agricultural production and agricultural management, (ii) actively developing international businesses, and (iii) support for invigorating local communities.

Chairman, Supervisory Board
Yoshimi Nakano

中野 吉実



Agriculture



**President & CEO,
Board of Directors**
Hitomi Narikiyo

成 清 一 臣

Specifically, we intend to contribute to invigorating communities by increasing farm income and growing agricultural production. We will do so through a variety of means, such as by actively investing in new business development and forming alliances with private businesses, enhancing our services in areas such as large-scale producers including agricultural corporations and village agricultural associations, furthering growth in our retail businesses, and enhancing our competitiveness in procurement of production materials.

As the value of agricultural production decreases from year to year, calls are being heard for making agriculture a growth industry. We agree with this vision. We first asked ourselves what we can do as an agricultural organization to contribute to increasing the incomes of those working in agriculture and enriching their livelihoods as a result of sustainable growth, as well as the expansion of agricultural production and incomes through making agriculture a growth industry. We decided to do everything we can to contribute to building resilient agriculture, by equipping our members with the various tangibles and intangibles they need to be able to carry out agricultural production profitably and fulfill their capacity to achieve sustainable growth in the agricultural management and livelihoods of our members.

We will appreciate your continued cooperation and understanding with regard to our operations in the future.

Cooperatives in Japan and the World

The Cooperative ZEN-NOH

Cooperatives support communities and livelihoods

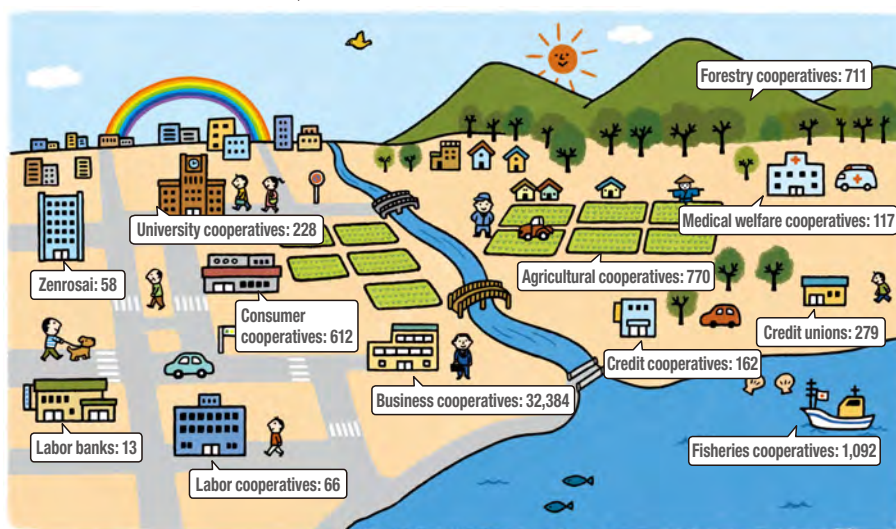
Cooperatives are organizations that manage their operations based on the principles of self-help and cooperation from long-term, multifaceted, and altruistic approaches, aiming to improve the livelihoods of their members. They are deeply involved in our lives over a broad range of areas from primary through tertiary industries. Under conditions in which overcompetition in the market economy can bring about global disruptions, such as the 2008 financial crisis, the role of cooperatives in providing fundamental support for local communities is growing more and more important. The Japanese government (in the online government magazine Highlighting Japan) has expressed its high regard for the roles of cooperatives, noting, "The growth of cooperatives should be supported as much as possible to enable the further spread of their mutual-aid activities rooted in the community, which play an important role in the lives of the public."

(Online as of October 2016)

Cooperatives cover a wide range of businesses from primary through tertiary industries

Figures shown represent numbers of cooperatives in Japan (source; Highlighting Japan; as of March 31, 2009)

36,000 organizations, 80 million members, 640,000 employees



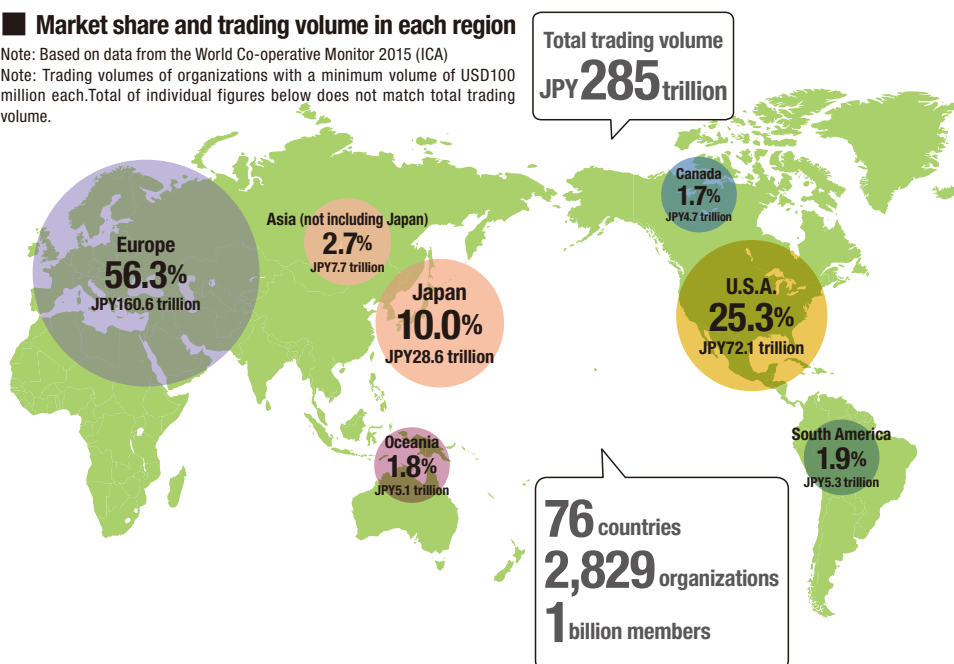
Note: Business cooperatives are organized by small and medium-sized enterprises (SMEs). A requirement for organizing a business cooperative is that at least four businesses (corporations or owner-operator businesses) participate. They are intended to facilitate more efficient management and improve trading conditions for SMEs.

A major presence in the international community

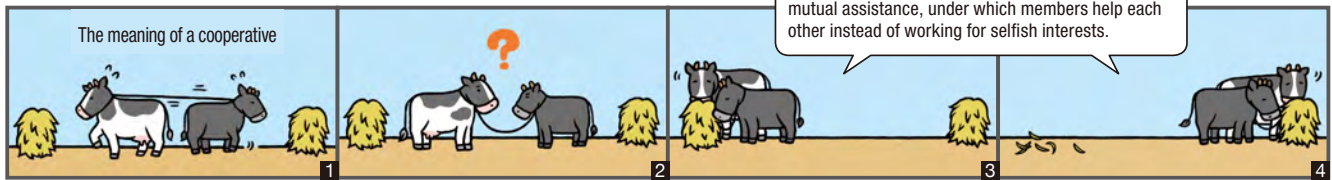
The membership of the International Cooperative Alliance consists of 2,829 organizations from 76 countries. Their total membership exceeds 1 billion people. Their total trading volume including financial and insurance products (interest and insurance premium revenues) is JPY285 trillion, and 1,478 (67%) of member cooperatives have trading volumes of USD100 million or more. In addition, cooperatives create employment for more than 100 million people worldwide, equivalent to 120% the number of jobs created by multinational enterprises. The United Nations declared 2012 the International Year of Cooperatives to highlight the importance of realizing sustainable local communities amid worsening international inequality, and it is encouraging the spread and growth of cooperatives worldwide.

Market share and trading volume in each region

Note: Based on data from the World Co-operative Monitor 2015 (ICA)
Note: Trading volumes of organizations with a minimum volume of USD100 million each. Total of individual figures below does not match total trading volume.



The cooperative concept



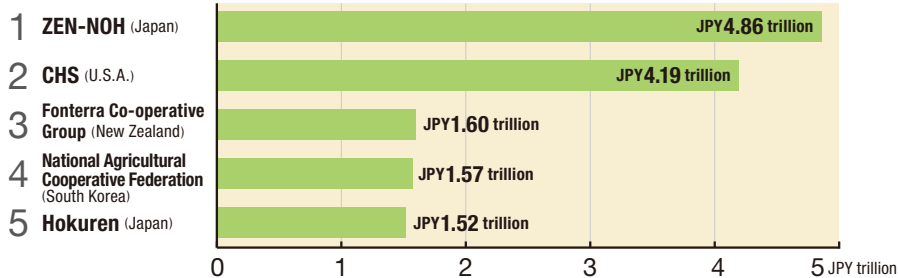
Source: Based on "What is a co-op?" Japanese Consumers' Co-operative Union

ZEN-NOH's standing among cooperatives worldwide

Around the world, cooperatives are involved in a wide range of businesses including agriculture and foods, consumer businesses, finance, insurance, and public services. A look at trading volume shows that the agriculture and foods segment accounts

for 27% of all cooperative business, and ZEN-NOH is the largest cooperative in that segment. Agricultural cooperatives around the world expect ZEN-NOH to play a leading role in the field.

The world's top five cooperatives by trading volume



Note: Prepared by ZEN-NOH based on data from the World Co-operative Monitor 2015 (ICA).

Note: Prepared based on FY2014 data for the National Agricultural Cooperative Federation in South Korea, since it had not yet released FY2015 figures.

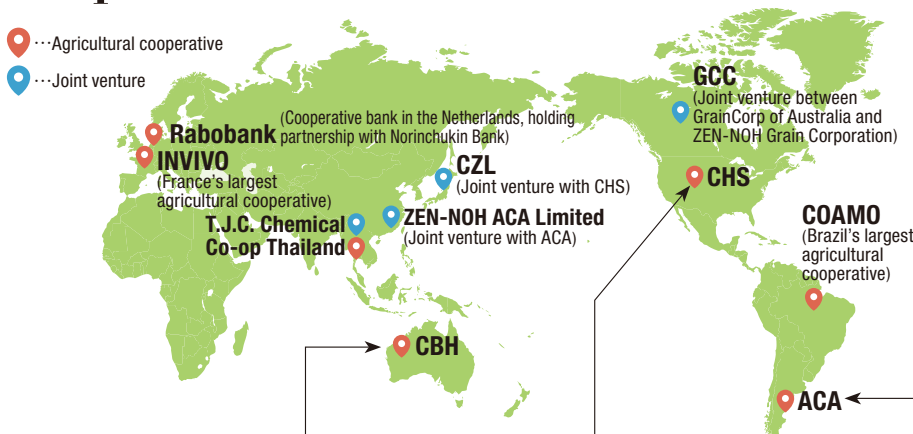
National Agricultural Cooperative Federation (South Korea)

Sang-Wook Lee, Representative Director, Agricultural Economics

The National Agricultural Cooperative Federation (NACF) is South Korea's largest cooperative and organization of agricultural producers, founded 55 years ago in 1961 as the Union of Agricultural Cooperatives. We have built strong ties with the JA Group in Japan for a long time as a partner in the international cooperative movement. In recent years, agriculture and rural communities in both Japan and Korea face a wide range of risks due to developments including the global spread of trade liberalization. It is hoped that under such challenging circumstances both countries' agricultural cooperatives will provide farmers with new hope and development through mutual cooperation.



Partnering with leading agricultural cooperatives around the world



Unlike joint-stock corporations, cooperatives are unable to invest in or acquire each other. Thus, to ensure stable transactions over the long term, based on fostering mutual trust through interpersonal exchange we are strengthening ties with leading agricultural cooperatives around the world through the following means: (i) concluding agreements on stable, long-term transactions, (ii) establishing joint ventures.



Australia
CBH

The Agricultural cooperative in Western Australia, Australia's largest cooperative

Since CBH began trading with ZEN-NOH in 1971, the two cooperatives have built an irreplaceable relationship through trade in a wide range of commodities including oats, lupine, barley, wheat, and rapeseed. Barley, in particular, is an essential material to production of wagyu beef in Japan, as a feed favored by the cattle. We are proud of how Western Australian barley aids in the production of world-famous wagyu beef.



Wally Newman, Chairman



U.S.A.
CHS

The largest federation of agricultural cooperatives in North America

CHS Inc. is a leading global agribusiness owned by 1,100 cooperatives and 75,000 farmers across the United States. Diversified in energy, grains and foods, CHS supplies energy, fertilizer, crop protection products, grain marketing services, animal feed, food and food ingredients, along with business solutions including insurance, financial and risk management services. CHS operates 1,400 petroleum refineries station covered 19 states in the United States. Also, manufacture, market and distributes Cenex brand refined fuels, lubricants, propane and renewable energy products.

CHS markets more than 52 million tons of grain and oilseeds annually to domestic and export customers in more than 65 countries.

CHS and Zen-Noh established the joint venture company called CZL Ltd. in 2012, to provide a steady supply of primarily wheat and barley to the Japanese market.



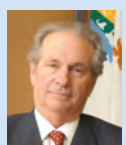
Carl Casale, President and CEO



Argentina
ACA

Asociación de Cooperativas Argentinas, the largest association of cooperatives in South America

ACA began trading with ZEN-NOH in 1964, and until now we have exported approximately 10 million tons of feed grains to Japan. We are proud of the way grains produced by Argentine farmers have contributed to livestock farmers in Japan for more than half a century. In addition, in 2011 we established a joint venture with ZEN-NOH in Hong Kong, ZEN-NOH ACA Limited, as our ties with ZEN-NOH strengthen further through joint activities including sale of soybeans to China.



Augusto Mariano González Alzaga, Chairman

International Network and Diversification of Sources

ZEN-NOH strives to secure stable, long-term supplies of feed and fertilizer materials through our international network.

In the livestock business, our activities in the United States, the world's largest exporter of cereals, include enhancement and strengthening of our cereals packing infrastructure in the Midwest, through our subsidiaries including ZEN-NOH Grain and

CGB, and developing a cereals packing and shipping network for the U.S., realized in partnership with CHS, the largest organization of agricultural cooperatives in the U.S., on the West Coast.

In addition, we are proactively diversifying our sources beyond the U.S., including strengthening alliances with agricultural cooperative organizations in numerous



Feed, fertilizer, and fuel producing centers

Feed Fertilizers Fuels

Overseas subsidiaries, etc.

Overseas ZEN-NOH offices

1 JA ZEN-NOH International Europe Limited (ZIE) - Established in 2015 (London) - Export/import of wheat variety, feed materials, livestock products, etc.	3 T.J.C. Chemical Co., Ltd. - Established in 1970 (Thailand) - Manufacture and sale of agricultural chemicals	5 Wengfu & Zijin Chemical Industry Co., Ltd. - Established in 2010 (China) - Manufacture of fertilizer materials	7 ZEN-NOH ACA Limited - Established in 2011 (Hong Kong) - Joint venture with ACA - Sale of cereals to Asia	9 JA ZEN-NOH International Limited, Vancouver Representative Office - Established in 1995 (Canada) - Purchase of wheat variety and transfer of materials
2 ZEN-NOH Green Resources Thailand Co., Ltd. - Established in 1964 (reorganized in 1977 and 1993) - Export/import of agricultural chemicals, chemical products, food products	4 JA ZEN-NOH International Asia Pte. Limited (ZIA) - Established in 2015 (Singapore) - Export/import of rice and wheat variety, feed materials, livestock products, etc.	6 JA ZEN-NOH Green Resources Corporation (ZGR), Shanghai Office - Established in 1991 (reorganized in 2005) - Information collection, attendant services, assistance with purchasing of fertilizer materials and production materials	8 JA ZEN-NOH International Limited, Perth Branch - Established in 1972 (relocated in 2007) - Export and sales of cereals and coarse feed	10 ZEN-NOH Hay Inc. - Established in 2011 (U.S.) - Manufacture, export, and sale of coarse feed

countries, including ACA in Argentina, COAMO in Brazil, CBH in Australia, and INVIVO in France.

At the same time, in the fertilizer business we consider the securing of stable supplies of materials to be a priority. Toward this end, we are strengthening our ties to overseas suppliers. While we rely on imports for most raw materials used in fertilizer, ZEN-NOH

strives to secure stable supplies by building relations of trust through transactions based on long-term trading with suppliers in various countries: China, Morocco, Jordan, South Africa, Vietnam, and the U.S. for phosphoric acid, Canada, Russia, Belarus, Germany, Taiwan, and the U.S. for potassium, and Malaysia for Urea.

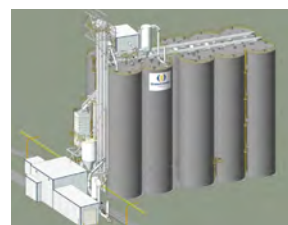
In 2012 we invested in Wengfu & Zijin

Chemical Industry Co., Ltd., a company producing ammonium phosphate in China, and secured a role in its management, to realize preferential and stable supplies of high-quality ammonium phosphate. Furthermore, in fuel business we are working to secure improved supplies of fuel products from overseas to ensure stable supplies to our service stations and filling stations in Japan.



16 GrainsConnect Canada Operations Inc.

GCC is a joint venture established in 2015 in Canada between the Australian grains packing, shipping, and sales company GrainCorp (originally an agricultural cooperative) and ZEN-NOH Grain Corporation. It is making progress on developing the infrastructure for stable shipping of feed materials such as wheat and barley, building four elevators in the Canadian breadbasket provinces of Saskatchewan and Alberta.



13 ZEN-NOH Grain Corporation

ZEN-NOH Grain Corporation was established, in 1979 in New Orleans, Louisiana, in the U.S. It handles the largest volume of grains in the world from a single elevator. It serves as a logistics facility for buying, shipping, storing, and loading feed materials purchased from the U.S. breadbasket and as an information center, striving to secure stable supplies of the main raw materials used in feed mixture (e.g., corn).



14 CGB Enterprises, Inc.

ZEN-NOH acquired CGB in 1988 to strengthen its infrastructure for shipping cereals from the Midwestern United States. The bulk of the grains it ships is exported by ZEN-NOH Grain Corporation. Currently, it operates about 90 storage facilities with a storage capacity of 5 million tons, the sixth largest in the United States.



15 ZEN-NOH Beijing Office

- Established in 1980 (reorganized in 2010)
- Support for exports of domestic agricultural products, assisting in transfer of fertilizer materials, etc., information collection, attendant services

12 ZEN-NOH Grain Corporation, Portland Division

- Established in 2005 (U.S.)
- Export and sales of cereals and coarse feed

14 CGB Enterprises, Inc. (CGB)

- Acquired in 1988 (U.S.)
- Collection, storage, and sales of cereals

16 GrainsConnect Canada Operations Inc. (GCC)

- Established in 2015
- Collection, storage, and sale of wheat, barley, and other feed materials

17 ZEN-NOH America Corporation (ZNA)

- Established in 1978 (reorganized in 1982)
- International trading in fertilizer materials, etc., development of and business support for trading partners for meat, etc.

13 ZEN-NOH Grain Corporation, Portland Division

- Established in 2005 (U.S.)
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14 CGB Enterprises, Inc. (CGB)

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The environment ZEN-NOH faces

1

Increasingly diverse needs of producers and consumers

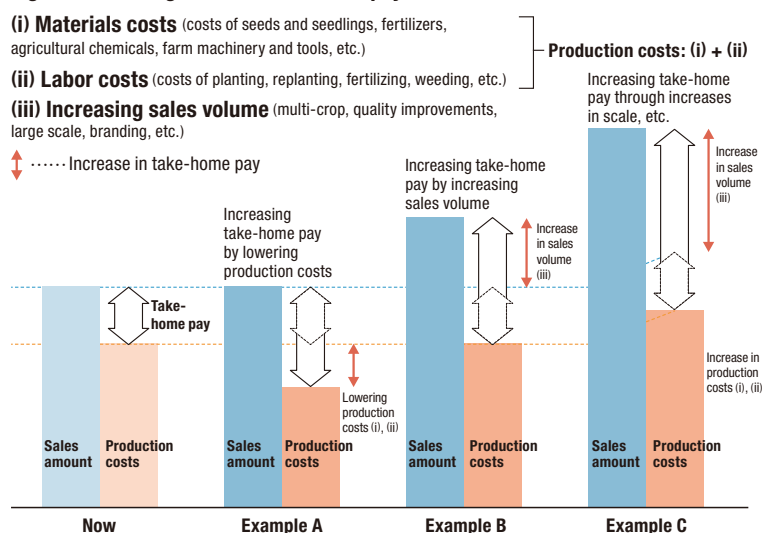
As their average age rises, Japan's numbers of farmers and persons employed in agriculture continue to decrease from year to year. At the same time, while the scale of agricultural management increases, the issue of how to improve farmers' incomes is becoming more critical. ZEN-NOH aims

to reduce materials costs and labor costs in order to lower total production costs, while also maximizing farmers' take-home pay by increasing sales in ways suited to producers' diverse needs (Fig. 1).

In addition, as a result of more diverse lifestyles, the trends in domestic

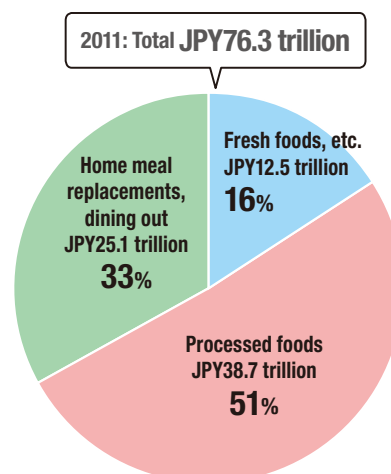
consumption pushing increases in eating out and buying prepared meals are becoming more pronounced from year to year. Demand for materials used in processed foods, home meal replacements, and food service industry now accounts for more than 80% of total food expenditures (Fig. 2).

Fig. 1. Maximizing farmers' take-home pay



Note for example C: Despite increased materials costs due to adoption of labor-saving machinery, reduced labor costs per area of land in cultivation enable increases in scale resulting in increased sales amounts and higher take-home pay.

Fig. 2. Consumption trends in food expenditures



Source: Based on Ministry of Agriculture, Forestry and Fisheries statistics on food and drink consumption

3

Aging of society and depopulation are advancing rapidly in rural Japan

After peaking in 2005, Japan's population has entered a decreasing phase due to low birth rates. What's more, there are regional disparities in the pace of the aging. A look at the share of population aged 65 and older by prefecture shows that it is less than 25% in urban areas but more than 30% in some regions (Fig. 5).

Furthermore, there are regional disparities in the pace of depopulation. A look at trends in numbers of elementary schools shows that depopulation is advancing rapidly in areas outside of the greater Tokyo and greater Kyoto-Osaka-Kobe areas (Fig. 6).



ZEN-NOH is implementing measures in the following three priority areas to increase agricultural income and production and to invigorate local communities.

- (i) Contributing to sustainable agricultural production and agricultural management
- (ii) Actively developing international businesses
- (iii) Support for invigorating local communities

2

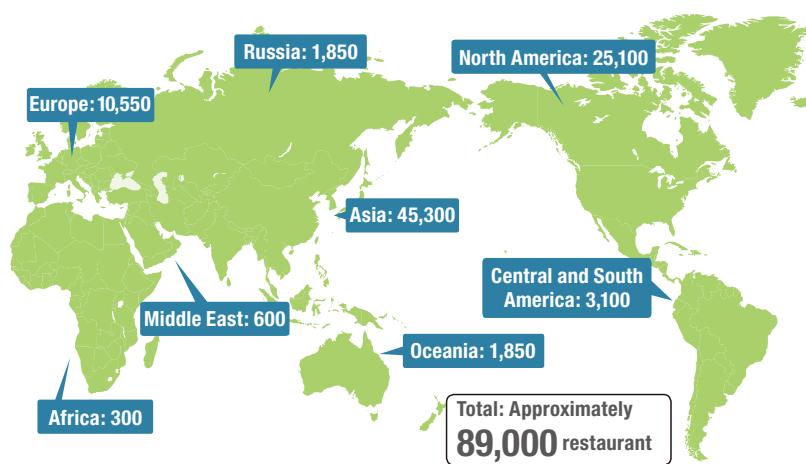
An international boom in Japanese cuisine Washoku and continual growth in resource demand

Washoku, or traditional Japanese dietary culture, was named to UNESCO's Intangible Cultural Heritage list in 2013, a sign that Japanese cuisine is attracting international attention. Today, there are about 90,000 Japanese restaurants worldwide. These are found not only in Asia but there are, with more than 10,000 on each of the continents of North America and Europe (Fig. 3).

At the same time, factors such as global population growth are resulting in increased international demand for cereals. Global population is projected to rise to 9.7 billion by 2050, an increase of roughly 30% from today's level (Fig. 4). Other pressing issues are shortages of resources for use in fertilizers, agricultural chemicals, and other necessities of agricultural production, as well as oligopolization of seeds by major agribusiness firms.

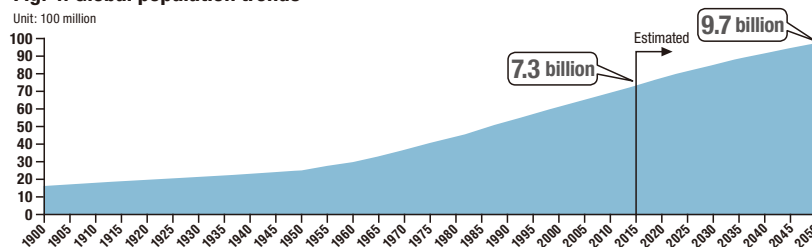


Fig. 3. Japanese restaurants around the world



Source: Based on Ministry of Agriculture, Forestry and Fisheries statistics (2015)

Fig. 4. Global population trends



Source: United Nations, World Population Prospects: The 2015 Revision; figures for 1900 and earlier years estimated in United Nations, The Determinants and Consequences of Population Trends, Vol. 1, 1973.

Fig. 5. Share of population aged 65 and older by prefecture (2015)

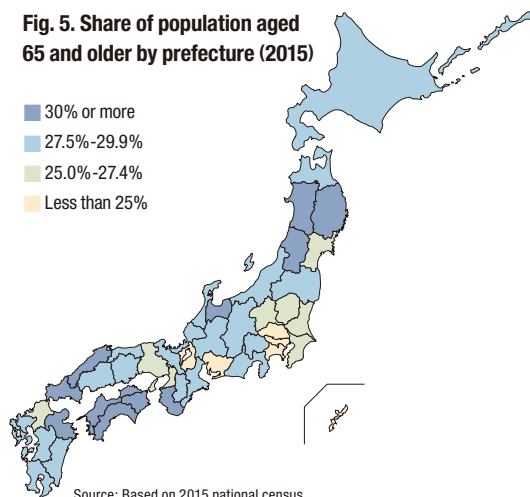
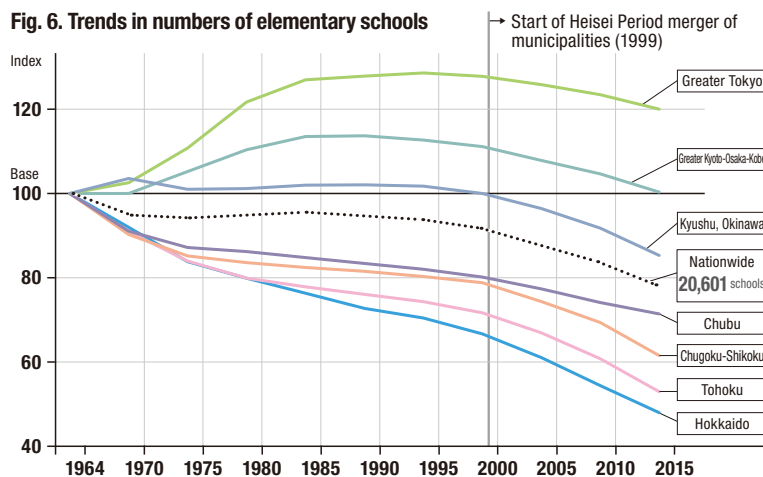


Fig. 6. Trends in numbers of elementary schools



Note: Figures for 1964 (year of Tokyo Olympics) used as base (100).

Source: Based on basic school survey, Ministry of Education, Culture, Sports, Science and Technology

より近く より深く より前へ

Closer, more in-depth, more forward-looking

Medium-term Business Plan

Three priority measures

1

Contributing to sustainable agricultural production and agricultural management

Shifting from a product-output to a market-input business model

- Enhancing the retail sector through means such as direct sales to consumers and cooperation with the food service industry
- Enhancing primary and secondary processing functions through means such as installation of processing facilities for vegetables and for commercial use
- Enhancing targets for inbound demand arising from increased tourism to Japan

Total cost reductions from production through sales

- Development, testing, and promotion of agricultural technologies to contribute to labor savings, cost savings, and productivity increases
- Enhancing logistics functions through development of joint shipping structures for fruits and vegetables across prefectural boundaries
- Development and promotion of innovative products and technologies to enhance livestock production infrastructure and increase productivity

Adaptation to diversifying farmer needs related to agricultural production

- Proposing standardized and specialized products corresponding to farmers' needs and studying and implementing measures to enhance the JA agricultural materials retail network
- Proposing and verifying solutions to establish high-productivity rice-paddy systems
- Expanding product lines of large-scale greenhouse facilities and implementing human-resources development plans to promote verified cultivation methods and develop production centers



Green Message Co., Ltd., a producer of salad vegetables for commercial use



Promotion of labor-saving technologies for direct seeding of iron-coated rice seeds



Yume Farm ZEN-NOH, established to test technologies for stable, multi-crop cultivation of tomatoes

2

Actively developing international businesses

- Deploying diverse initiatives suited to the needs of export markets, including expanding exports of products such as fresh and processed foods suited to the needs of overseas markets and opening restaurants to publicize domestic agricultural products and Japanese cuisine
- Maintaining and enhancing purchasing power through means such as diversification of sources of feed and fertilizer materials by strengthening relations with agricultural cooperatives in other countries and overseas suppliers



TOKIMEITÉ, a restaurant in London operated by ZEN-NOH directly

3

Support for invigorating local communities

- Enhancing business solutions such as support for establishing lifeline shops and compact self-service service stations along with adoption of vehicles for mobile purchasing based on the needs of co-operative members
- Making JA direct retail outlets for agricultural products more attractive to consumers, enhancing menus of support services to invigorate their sales floors, as well as opening more A-Coop stores combined with direct retail outlets as bases for sales of domestic agricultural products



An A-Coop store combined with a direct retail outlet: JA Farmers Kasuya at A-Coop Sue (the eighth store of its kind in Japan)

Three-year planned trading volumes

(Unit: JPY100 million)

Business	FY2016	FY2017	FY2018
Rice and grains	7,519	7,908	8,234
Fruits and vegetables	11,624	12,070	12,176
Livestock	10,888	10,936	11,181
Agribusiness/production materials	8,633	8,164	8,319
Consumer	8,024	8,003	7,984
Total	46,687	47,081	47,894

Six business segments supporting enhancements to local production and sales

Enhancements to local production and sales

- 1 Increasing production of agricultural products using safe, reliable, low-cost technologies
- 2 Developing facilities to train new farmers and farm workers and enhance agricultural guidance
- 3 Enhancing proposals for large-scale producers and agricultural production corporations in partnership with JAs, consumers, government, and others
- 4 Development of products with added-value to improve brand power and enhancing sales capabilities
- 5 Enhancing events in partnership with direct agricultural product retail outlets, supermarkets, and others to expand local production and consumption



Labor saving through subcontracting of agricultural work (Okayama Prefecture)

Rice and grains

- 1 Expanding long-term stable trading with consumers through means such as direct and advance contracts, and expanding offerings of rice products with high added value
- 2 Expanding retail business through e-commerce and other means
- 3 Continued promotion of a shift from growing rice as a staple food product to growing rice as a feed product
- 4 Encouraging production based on demand trends and establishing a stable supply structure through means such as production technology support, to secure domestic demand for wheat production



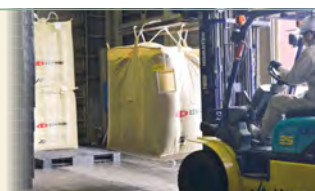
Fruits and vegetables

- 1 Proposing production solutions and expanding transaction contracts in production centers based on consumer needs, in cooperation with key wholesale markets, group companies, and others
- 2 Setting up processing facilities and enhancing primary and secondary processing functions through means such as alliances with processed foods makers, in response to demand for materials for use in processed foods and commercial use
- 3 Shifting from shipping by trucks to shipping by rail and sea, setting up stock points, and using other means to develop joint logistics networks across prefectural boundaries



Agricultural sales and planning

- 1 Testing and promoting agricultural technologies to save labor and costs and increase productivity, such as underground drip irrigation systems and agricultural ICT
- 2 Proposing and testing high-productivity rice paddy systems for full wet rice and field cultivation, and establishing full-fledged production and supply systems for feed rice
- 3 Increasing exports of brown rice through means such as alliances with partners overseas, developing logistics systems to maintain freshness, and other activities to enhance export businesses



Exporting brown rice using flexible containers

Production materials

- 1 Establishing a business structure to enhance competitive strengths, including development and promotion of labor- and cost-saving products and setting up supply and purchasing systems across prefectural boundaries
- 2 Strengthening ties with overseas suppliers, developing and securing rights to new agricultural chemicals suited to the needs of the field, and researching and registering new processing technologies
- 3 Proposing specialized products suited to farmers' needs, and establishing and promoting cultivation methods and technologies at large-scale greenhouse testing facilities



The Kumiai Fertilizer Co., Ltd. BB fertilizer plant (Iwate Prefecture) (There are nine BB fertilizer plants affiliated with ZEN-NOH across Japan.)

Livestock

- 1 Expanding retail businesses targeting consumers directly, including increases in meat sales at JA direct retail facilities and growing restaurant sales, and enhancing efforts to target inbound demand using souvenir shops and other outlets
- 2 Development and promoting of innovative products and technologies, through means such as use of ICT devices
- 3 Securing stable supplies of feed materials through enhancing packing infrastructure and diversification of sources
- 4 Enhancing demand-supply regulation functions to maintain and improve general dairy prices



Embryo transfer at the ET Laboratory

Consumer

- 1 Enhancing lifeline support through changes to the business models of JA consumer outlets and adoption of mobile purchasing vehicles, among other initiatives
- 2 Enhancing menus of support services to invigorate sales floors of JA direct retail outlets and opening more A-Coop stores combined with direct outlets
- 3 Reducing agricultural fuel costs through adoption of farming equipment using LP gas, to contribute to productivity increases



The JA service station network covers all of Japan (approximately 2,600 stations nationwide)

Distribution system

Rice distribution

The approximately 7.5 million tonnes of rice produced annually in Japan are delivered to consumers through a variety of channels. The JA Group handles about 40% of this production, while ZEN-NOH handles about 30% of total rice production (as of 2015).

Distribution of Produce

Production of produce (fruit and vegetables) in Japan has been decreasing from year to year since it peaked at ¥3,903 billion in 1991. In 2014, it stood at ¥3,004.9 billion.

At the same time, imports of fresh fruit and vegetables totaled ¥266.2 billion. JAs accounted for approximately 50% of total production, and ZEN-NOH handled about 30% of the total (as of fiscal 2014).

Distribution of Production Materials

ZEN-NOH is involved widely in the distribution of fertilizer, from import of raw materials through supply of finished fertilizer products. ZEN-NOH supports farmers' agricultural operations through the stable supply of high-quality fertilizers.

Agricultural machinery is distributed mainly through two channels: agricultural cooperatives and manufacturers' dealer networks. ZEN-NOH aims to deliver supplies of safe, low-cost agricultural machinery while also providing reliable after-sales services.

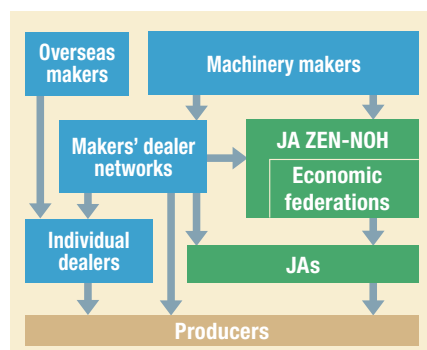
ZEN-NOH's share of distribution of cardboard boxes for packing fruit and vegetables is about 50%. It strives to cut costs through expanding the use of low-cost cardboard materials.

Exports of rice and produce (2015)

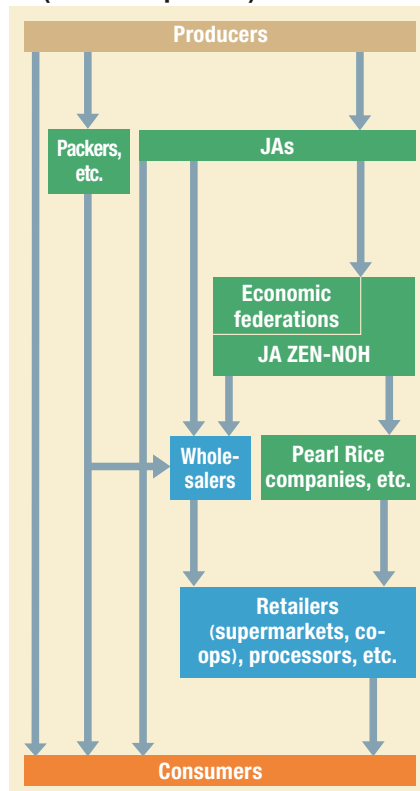
Rice: ¥2.2 billion (5,200 tonnes) including ¥500 million (1,700 tonnes) of exports by the ZEN-NOH Group
Produce: ¥24.7 billion including ¥4.4 billion of exports by the ZEN-NOH Group

Note: Nationwide figures above are on a calendar-year basis, while ZEN-NOH figures are on a fiscal-year basis.

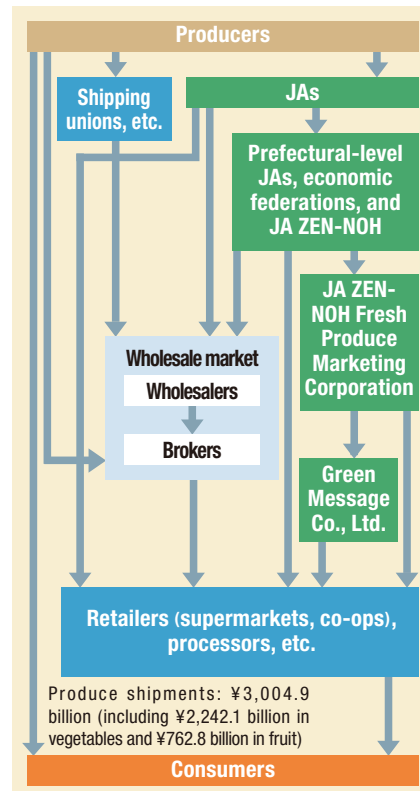
Main Agricultural Machinery Distribution Channels



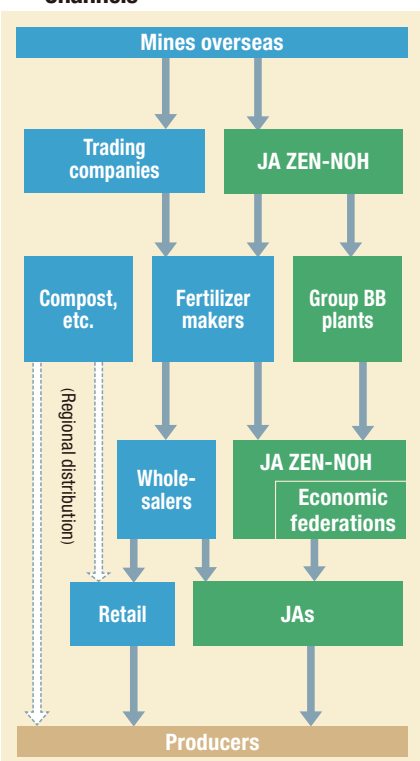
Main Rice Distribution Channels (rice for staple food)



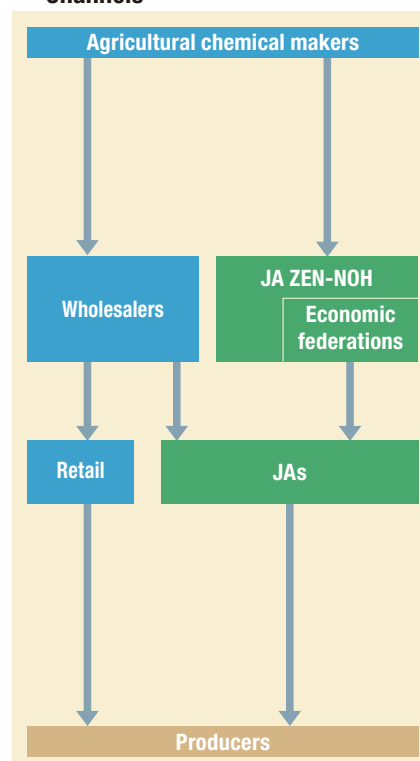
Main Fruit and Vegetable Distribution Channels



Main Fertilizer Distribution Channels



Main Agricultural Chemical Distribution Channels



Priority measures

Initiatives in partnership with model JAs to maximize farmers' take-home pay

In response to calls to establish and implement clear business strategies to increase farmers' earnings during the debate to amend the Agricultural Co-operatives Act, ZEN-NOH is partnering with model JAs to advance total cost savings and respond with flexibility to the diversifying needs of farmers.

The 55 JAs participating in these efforts are considered model JAs, and we implement practical measures together with them while also striving to grow the JAs through cost-saving

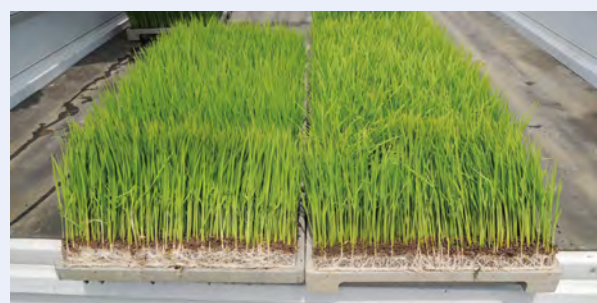
measures derived from the model JAs.

Specific initiatives include review and verification of producers' total expenses from purchase of materials through shipping of production, cutting materials costs, reducing labor costs, and studying and testing cost-saving measures to increase production of cultivated land, intended to increase farmers' take-home pay.

	Purchasing	Sales	Agricultural operations
	Reducing materials costs ● Materials storage costs ● Shipping costs from facilities to producers ● Materials costs of fertilizer, agricultural chemicals, etc. ● Low-cost materials ● Rationalization of materials used ● Workforce materials costs ● Specialized workforce measures ● Operating costs of materials dealers ● Operating costs of agricultural machinery centers, etc.	● Delivery cost from producers to business facilities (elevators, shipping facilities, etc.) ● Business facility operating costs ● Delivery cost from business facilities to the market ● Materials costs of packing and related materials, etc.	Reducing labor costs ● Adoption of labor-saving cultivation ● Full fertilization of flooded nursery seed beds ● Water-flow fertilization of wet-rice fields ● Direct seeding of iron-coated rice seeds under submerged conditions, etc. Productivity improvements ● Adoption of low-cost cultivation ● Outdoor drip irrigation systems ● Facility box-pool hydroponics, etc. ● Adoption of new varieties and new species ● Commercial rice, feed rice, export rice ● Vegetables for processing, commercial use, etc.
Examples	☐ JA Group implemented 200,000 of approx. 480,000 soil diagnostics nationwide ☐ Nine ZEN-NOH regional soil analysis centers were established	☐ Cutting materials shipping costs through regional logistics across JA territories, under contract to ZEN-NOH ☐ Integrated consulting for agribusiness facilities (cumulative total of 20 JAs)	☐ Expansion of use of direct seeding of iron-coated rice seeds under submerged conditions (15,000 ha in FY2015) ☐ Experimental cultivation of commercial varieties such as high-yield varieties (seven varieties in FY2015)



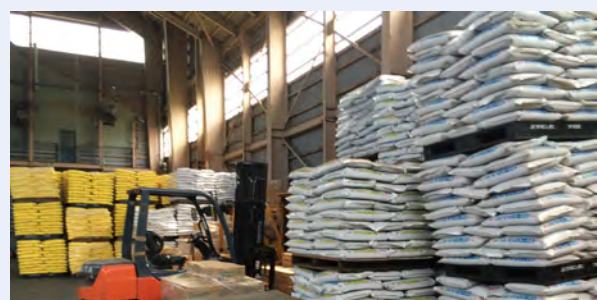
Low-cost wet rice cultivation experiment (JA Fukuoka-Keichiku)



Testing sparse planting cultivation through dense seeding in wet-rice cultivation; right: high-density seedlings (JA Fukuoka-Keichiku)



Adoption of cost-saving, labor-saving techniques such as direct seeding: a farmer speaks with a JA staff member (JA Tsugaru Nishi-Kita)



Beginning screening of brands of production materials to maximize farmers' take-home pay (JA Tsugaru Nishi-Kita)

Rice and grain production business

Production of rice and wheat

As consumption of rice decreases, in the area of sales we are working to expand stable, long-term transactions with consumers through means including enhancing our functions for matching producers with consumers as well as direct contracts and advance contracts, reflecting conditions in which demand for commercial use, including home-meal replacements and restaurants, is increasing. In addition, together with developing and expanding our offerings of high-value-added rice related products, we are strengthening direct sales to consumers through use of the Internet and other means as well as growing our retail businesses, including opening restaurants in partnership with the food-service industry.

In production and shipping, in preparation for the change in rice policies planned for 2018, we are carrying out continual measures to shift to planting of feed rice, in order to stabilize demand and supply conditions and prices, as well as expanding pick up methods to reflect the needs of large-scale producers and others in order to secure pickup of staple rice and strengthen our ties with farmers.

In the wheat production business, we are striving to develop a stable supply structure through means including stimulating production based on demand trends and support for production technologies to contribute to increasing harvest yields, in order to secure domestic demand.

Affiliates

ZEN-NOH Pearl Rice Corp.

As the sales company for polished rice in the JA Group, ZEN-NOH Pearl Rice Corp. processes rice produced in production centers into high-quality polished rice, selling it through a wide range of channels including co-ops and supermarkets as well as restaurant chains, processors, and the Internet, centered on the greater Tokyo and Kyoto-Osaka-Kobe areas. In addition, at its rice-preparation facility in Chiba it cooks delicious prepared rice using inductive-heating equipment, processing it for sale as a wide range of rice food products including not only white rice but also vinegared rice, sekihan, and inari sushi.



Topics

A wide range of initiatives aiming to increase rice consumption

Japan's food self-sufficiency rate is decreasing from year to year, falling to 39% on a calorie basis in FY2014. Under such conditions, rice is an essential product for increasing Japan's food self-sufficiency rate, since the Japan's rice self-sufficiency rate is close to 100 percent.

At the same time, per-capita consumption of rice in Japan stands at 55 kg/year (as of FY2014), roughly one-half what it was 50 years ago.

Considering increasing consumption of rice to be essential to raise the nation's food self-sufficiency rate, ZEN-NOH is carrying out initiatives including development of new products using rice as an ingredient, such as rice milk, and providing information on methods of dieting by eating rice.

We also are focusing on use of rice in feed for livestock such as beef, pork, and poultry. Through now, the bulk of feed raw materials has been dependent on imported cereals such as corn, but switching to rice should be able to increase rice demand while improving supply-demand conditions.

As a result of efforts to increase production of feed rice in partnership with relevant government agencies, in 2015 420,000 tonnes of feed rice was produced across Japan.

In addition, through alliances with producer corporations and co-ops, we are striving to establish a brand for rice-fed pork.



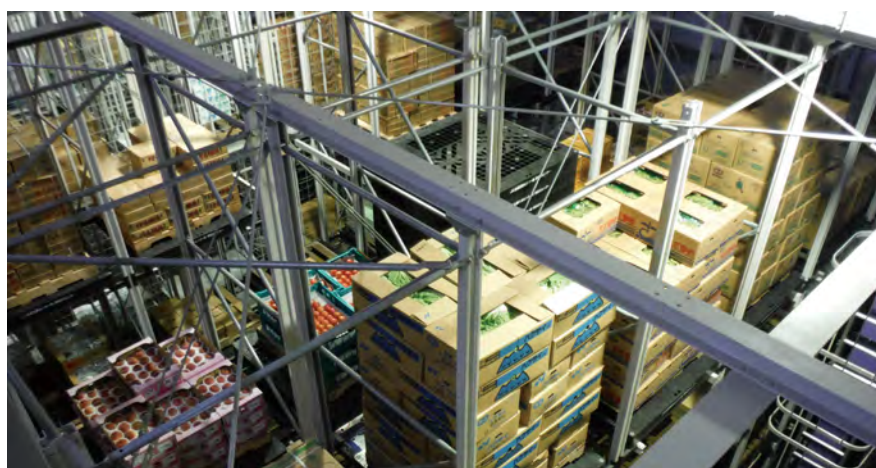
Fruit and vegetables/ farm products

We are making progress on expanding proposal of production solutions and contractual transactions with production centers based on actual consumer needs, together with partners including key wholesale markets and Group member companies. Priority initiatives focus on developing production corners for produce intended for processing and commercial use, for which demand is growing in particular, and fresh produce for household consumption, of which imported produce has secured a steady market share.

To enhance our sales functions in accordance with demand for processing and commercial use, we are working to enhance primary and secondary processing functions

through means including establishment of processing facilities and alliances with manufacturers of processed foods. We also are advancing research and product development on processed products using domestic produce as raw materials, while reflecting consumers' needs.

In addition, we are striving to streamline the distribution of produce by transitioning from shipping with trucks to freight and marine shipping as well as setting up stocking points in production centers and consumer regions, to establish a joint shipping structure extending across prefectural boundaries in response to logistics issues such as a shortage of qualified truck drivers.



Produce stored temporarily in an automated low-temperature warehouse

Affiliates

ZEN-NOH Fresh Produce Marketing Corporation

ZEN-NOH Fresh Produce Marketing Corporation sells fruit and vegetables produced by JAs across Japan to customers including co-ops, supermarkets, processors, and commercial buyers, through facilities that secure a cold distribution chain. By equipping each of its main facilities with packing equipment, it also carries out high-value-added packing operations to meet consumer needs as well as the particular needs of producers. (In FY2015, it packed approximately 210 million packs in total).

It also works together with the Agricultural Research and Development Center and partners from other industries including seed and seedling companies and food-product manufacturers, to propose production solutions suited to industry-specific needs (in areas such as varieties, species, standards, and timing of production). Its future plans include advancing into the production and sales businesses for products including processed foods using domestic Japanese produce as raw materials and active development of new products (including chilled precooked vegetables, frozen vegetables, prepared dishes, and precut fruit).

Topics

Green Message Co., Ltd.: Connecting producers to the dining table

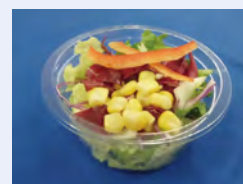
One year has passed since Green Message's plant began operation in May 2016. Since then, its sales have grown steadily, and today it ships more than 100 tonnes of products per month.

Its high-quality products -made using methods that prevent harm to vegetables, to process safe, reliable domestic Japanese ingredients supplied by ZEN-NOH into products in highly sanitary facilities based on production technologies from Kewpie Corporation- have been recognized by many consumers to convey the natural deliciousness of vegetables.

Changes in consumer lifestyles and working conditions in the restaurant and home-meal replacement industries have resulted in needs for commercial salad vegetables in sizes ranging from 60 g to 1 kg. To meet such needs, Green Message has added new production lines for filling single-serving cups and arranging vegetables on trays, as it increases production of in-flight meals and kits for prepared meals packed with vegetables.

Based on its management philosophy of "delivering good health to consumers, production centers, and communities through vegetable processing," Green Message strives to develop new products able to deliver delicious Japanese vegetables to even more consumers, as a vegetable processing plant that connects producers to the dining table.

A manufacturer of commercial salad vegetables formed as a joint venture between Kewpie Corporation and ZEN-NOH



Cut vegetables processed for commercial use

Agribusiness sales and planning

In addition to testing and promotion of agricultural technologies to contribute to labor savings, cost savings, and productivity improvements, including underground drip irrigation systems (→?), we also carry out R&D on new cultivation technologies, varieties, and other improvements, all toward the goal of increasing agricultural production. We also propose and test high-productivity crop-rotation systems for irrigated rice fields capable of full wet-rice production and dry-field production along with working to establish full-fledged production and supply systems for feed rice.

To increase sales of domestic agricultural and livestock products, we strive to enhance the sales capabilities of direct-sales companies in the ZEN-NOH Group and expand trade shows, as well as endeavoring to expand exports of brown rice and enhance

other export businesses through means including development of logistics methods capable of maintaining the freshness of fresh produce.

We also implement HR development plans to raise the level of TAC activities and help develop producing centers.



Agricultural Research and Development Center

The activities of the Agricultural Research and Development Center include R&D on agricultural production technologies, quality testing on products sold through the ZEN-NOH organization, and HR development. It develops new varieties to meet the needs of both producers and consumers, carries out R&D on processed food products, and proposes various solutions to producing centers and business partners in cooperation with the ZEN-NOH Rice Division and the Kanagawa Center of ZEN-NOH Fresh Produce Marketing Corporation.



Opening ZEN-NOH Tomato Land

ZEN-NOH Tomato Land opened in April 2016 on the Kashiwanoha Campus of Chiba University as a facility for selecting tomato varieties, promoting production based on actual consumer needs, and proposing varieties to secure new sales opportunities.

Together with selection of superior varieties using ZEN-NOH's 'With One' small-volumesoil medium nutrient culture, it also carries out testing and research on production of produce including ZEN-NOH's exclusive Angelle variety of cherry tomato. It also contributes to HR development through training JA staff and others on cultivation technologies.



? Subsurface Drip Irrigation system

This technology for drip irrigation using tubes buried underground makes it possible to save on labor related to fertilization by fertilizing crops at the same time it irrigates them. It has been shown to result in higher yields and improved quality for green onions in particular.

Topics

Actively communicating to the world the delicious flavor of Japanese rice

ZEN-NOH strives to promote Japan's safe, reliable, high-quality agricultural and livestock products overseas and to expand their sales, to help grow agricultural production in Japan.

Among these products, for rice in particular we've made it possible to buy Japanese rice at department stores and supermarkets in places including Hong Kong, Singapore, and London in the same ways as it can be purchased in Japan, by exporting rice products milled by ZEN-NOH Pearl Rice Corp. and other group member companies from brown rice shipped from JA cooperatives across Japan and exporting brown rice directly for milling by partner companies overseas.

In addition, as the number of Japanese restaurants increases around the world, so that more and more consumers overseas can taste the delicious flavor of Japanese dishes prepared using Japanese rice we are carrying out comprehensive initiatives from production and distribution to sales, through activities including cutting distribution costs, keeping down production costs, planting high-yield rice, and developing production centers specializing in exports.

We also carry out active efforts to promote Japanese cuisine overseas, including shipping Japanese rice to the food court in the Japan Pavilion at Expo Milano 2015, sponsored by the JA Group.



← Japanese rice on sale in Hong Kong and Singapore
↓ The food court in the Japan Pavilion at Expo Milano 2015



Production materials business

Fertilizer, agricultural chemicals/production materials

In order to reduce total production costs, we develop and promote power-saving, low-cost products such as controlled-release fertilizer and brands using domestic regional materials, and also establish business systems to strengthen competitiveness, by developing supply and purchasing systems extending across prefectural boundaries. In addition, by strengthening ties with mines overseas, we are advancing development and securing of rights to new agricultural chemicals to meet the needs of the field and research on and registration of new processing technologies.

We are proposing products to meet the needs of diverse farmers, improving

documentation of cultivation records and advance orders, and studying and implementing measures to enhance JA materials stores, through which we strive to establish and promote cultivation methods and technologies in large-scale experimental greenhouse facilities, aiming for higher yields and higher earnings. In addition to enhancing our handling of large, high-performance machinery suited to more intensive wet-field farming and expanding rentals of agricultural machinery, we are also making progress on proposing restructuring and integration of co-operative facilities through integrated consulting.



Affiliates

ZEN-NOH America Corporation

ZEN-NOH America contributes to ZEN-NOH's overseas businesses in North America and other regions, through efforts such as the purchase of fertilizer raw materials and products and gathering and researching information on North American agribusiness and agricultural cooperatives.

ZEN-NOH Green Resources Corporation

ZEN-NOH Green Resources comprehensively handles import operations for cargo including fertilizer raw materials and products as well as port loading and unloading, storage, and transportation. It also sorts fertilizers by customer needs and selects packing and other processing work as well as optimal shipping methods to streamline distribution.



Topics

The “Dream Farm ZEN-NOH” project, proposing a new kind of greenhouse farming

The Yume Farm ZEN-NOH (“Dream Farm ZEN-NOH”) project is an experimental cultivation facility started with the aim of contributing to the promotion of production centers, through verification of cultivation facilities, selection of species, cultivation control, harvesting, and shipping (sales) by ZEN-NOH itself as well as proposing expansions in size and adoption of new technologies as comprehensive greenhouse farming packages for motivated farmers. It began in 2014 in the city of Tochigi as an experiment focusing on technologies for stable, high-yield cultivation of tomatoes, and in that year succeeded in meeting its target yield of 40 tonnes per 10 areas. In 2015, it is increasing the rate of superior products through improvements in small tomatoes.

The Yume Farm ZEN-NOH project is striving to propose greenhouse farming packages exclusive to ZEN-NOH that farmers can run with peace of mind, through selection of optimal facilities and machinery, standardization of stable, high-yield cultivation technologies, and collection and analysis of data using the Agrinet system for environmental controls inside greenhouses. It also aims to train the next generation of farmers and facilitate networking.



Distribution system

Distribution of mixed feed

While compound feeds are made using a wide range of mixing ratios depending on the type of livestock, on average the most common ingredient, corn, accounts for about 50% of their content.

ZEN-NOH has established functions for procurement of grain from North America without having to rely on the major multinational grain companies, by establishing the cereals shipping company ZEN-NOH Grain Corporation in the United States and acquiring the grain originating company CGB in the Mississippi River watershed. We also are carrying out a variety of efforts to secure stable supplies of a wide range of feed materials from other countries, through means originating from the conclusion of long-term agreements with agricultural cooperatives overseas and setting up joint ventures, as we take maximum advantage of our status as an agricultural cooperative to ensue stable procurement activities.

The total volume of compound feed traded in Japan is approximately 23.5 million tonnes (as of FY2015), of which the ZEN-NOH Group handles about 29 percent. In addition, we strive to disclose information on raw-material market conditions during quarterly price adjustments.

Distribution of livestock products

Livestock such as beef and pork are made into meat products through the process of butchering of livestock carcasses. Butchering mainly takes place in meat processing centers in production centers and in wholesale meat markets, where the meat is cut into large pieces such as legs. After that, it is cut into standard cuts of meat and wrapped, before ultimately reaching consumers through businesses such as supermarkets and restaurants. JA ZEN-NOH Meat Foods Co., Ltd. handles about 19% of the volume of beef distributed in Japan and about 13% of the volume of pork (as of FY2015).

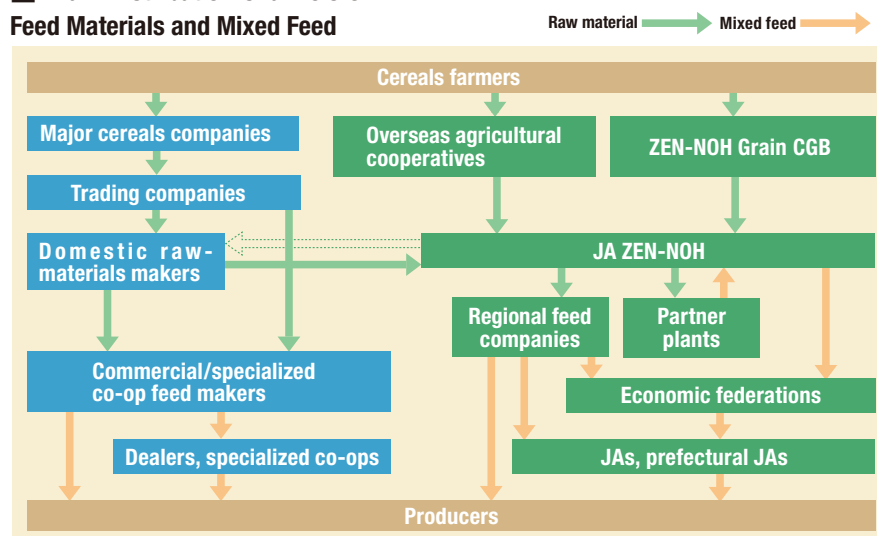
Eggs basically are collected from hens every day, and then they are washed (disinfected), sorted by size, and packed into egg cartons or cardboard boxes for distribution at the grading and packing center. Since freshness is vital, we strive to shorten time in transit by shipping eggs directly from production centers to wholesalers, processors, supermarkets, co-ops, and others. JA ZEN-NOH Tamago Co., Ltd. handles about 15% of all eggs distributed in Japan (as of FY2015).

Beef exports (2015)

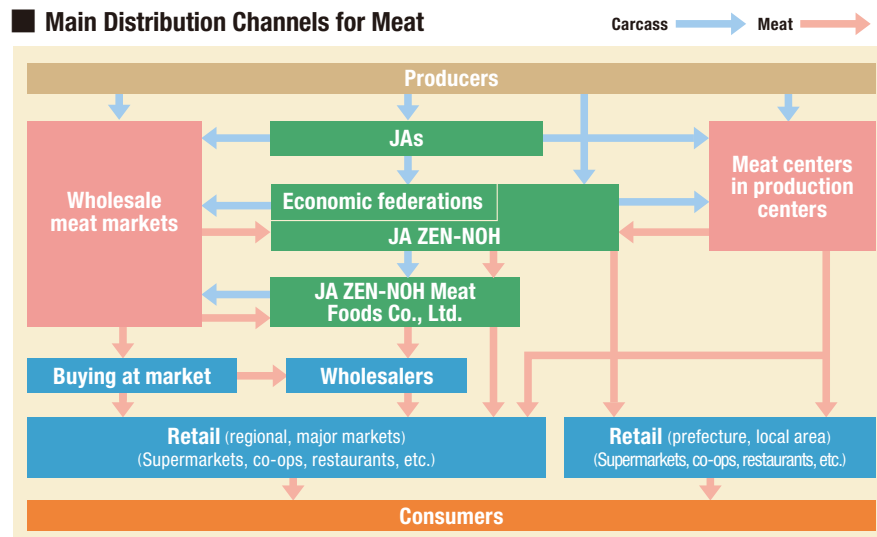
1,611 tonnes
Including 268 tonnes
by ZEN-NOH Group

Note: Nationwide figures above are on a calendar-year basis, while ZEN-NOH figures are on a fiscal-year basis.

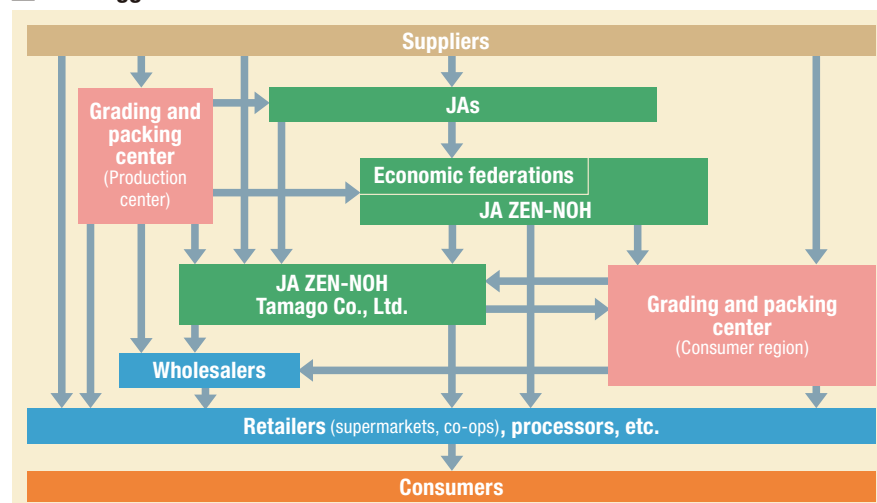
Main Distribution Channels of Feed Materials and Mixed Feed



Main Distribution Channels for Meat



Main Egg Distribution Channels



Priority measures

Measures related to the infrastructure for production of wagyu motoushi

Production of wagyu motoushi has been decreasing continually since its peak in 2010. In 2015, the number of cattle being raised by breeding cows totaled 580,000 and the number born was 493,000—both numbers down 100,000 from their peaks.

At the same time, the average price of motoushi cattle is increasing from year to year due to the short supply, reaching an average of approximately ¥650,000 per head in 2015. That price is about ¥300,000 higher than the 2009 average, and this increasing trend in prices is expected to continue in the future as well.

In response to such conditions, ZEN-NOH is aiming to improve the production infrastructure and stimulate the livestock industry through the priority measures outlined below.

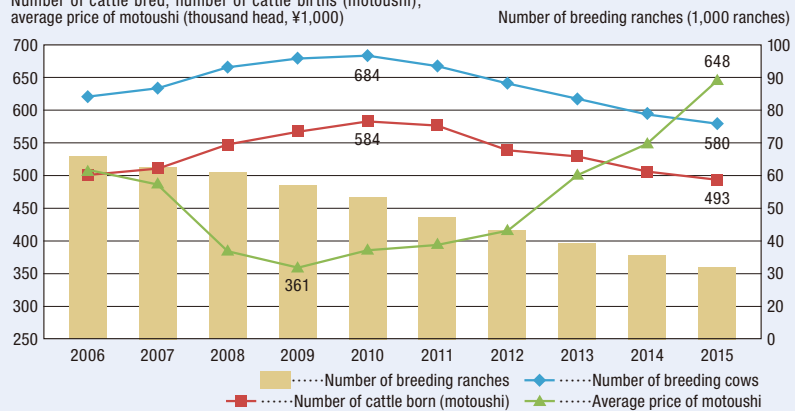
Increasing head of cattle through productivity improvements

In cooperation with IT companies, we began offering the Mobile Gyuonkei system for monitoring signs of birth in cattle in 2014.

As of the end of January 2016, it had been adopted by 630 ranchers, helping them to prevent incidents of

Trends in numbers of cattle bred and ranches, cattle births (motoushi), average price of motoushi

Number of cattle bred, number of cattle births (motoushi), average price of motoushi (thousand head, ¥1,000)



stillbirth in their cattle. In addition, the Central Institute for Feed & Livestock has developed a smart barn using 100 cameras and a variety of sensors.

We are striving to develop new ICT devices to contribute to farmer saving by livestock ranchers.

Increasing production through embryo transfer (ET) technology

The ZEN-NOH ET Laboratory produced and supplied approximately 21,300 cattle embryos in 2015. To further increase this number, in 2014 it began experimental use of an oocyte self-collection system for ranchers, enabling them to harvest fertilized eggs. We aim to supply 26,500 fertilized eggs in FY2016, including those harvested by ranchers themselves.

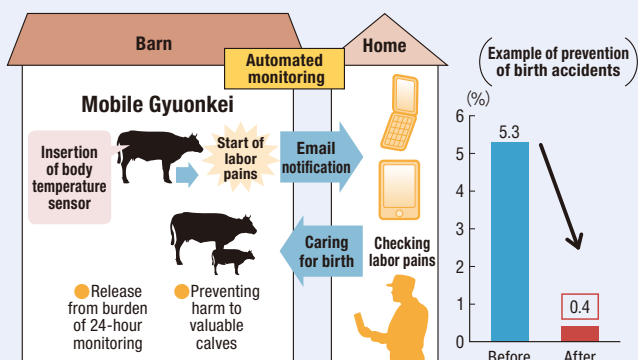
Supporting increases in head of cattle by supplementing the production infrastructure

We are working to reduce labor requirements of cattle breeding and improve productivity by establishing cattle stations to raise young cattle for ranchers.

In addition, we are carrying out a variety of measures to enhance the production infrastructure in accordance with the circumstances in each region, including building and buying simple barns and then renting them out.

Notes:
Cattle station: A facility for nursing and raising young cattle on ranchers' behalf
Motoushi: Purebred seed stock cattle

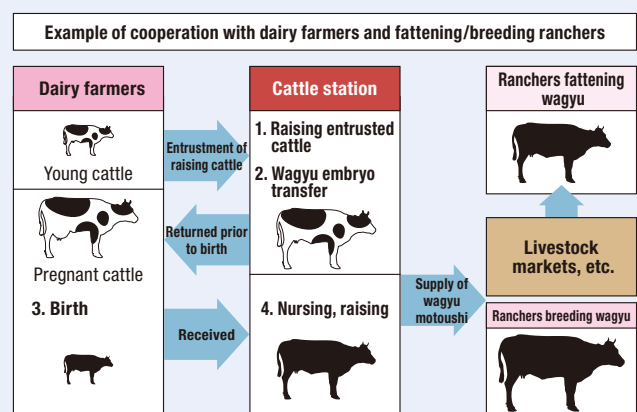
Preventing accidents through birth monitoring using body temperature sensors and ICT



Notes: ICT: Information and communication technology
Mobile Gyuonkei is a cooperative project with NTT DoCoMo, Inc. and Remote, Inc.

Note: Estimated by ZEN-NOH based on a survey by Remote, Inc.

Increasing numbers of wagyu motoushi through establishment of cattle stations



Livestock business



JA's retail shops selling agricultural products directly are expanding their sales of meat, while our chain of restaurants in major urban areas and elsewhere is growing as well. Through these and other efforts, we are growing meat sales business by engaging consumers directly. Also, in addition to expanding the number of countries to which we export beef and opening restaurants overseas, we are enhancing our efforts to target inbound tourist demand, including increasing sales of domestic Japanese meat products to visitors from overseas through restaurants and souvenir shops.

In the area of production, we are increasing productivity and enhancing measures to address production infrastructure for various types of livestock in ways that reflect the actual conditions of each region, while advancing development and promotion of innovative products

and technologies using ICT devices and other technologies. In addition, together with enhancing price competitiveness through means such as the streamlining of production and distribution of feeds, we are also striving to ensure stable supplies of highly competitive feeds by enhancing the packing infrastructure through cooperation with overseas subsidiaries and diversifying producing centers through alliances with agricultural cooperatives and other organizations overseas.

In dairy farming, ZEN-NOH makes efforts to manage nationwide adjustments to supply and demand, including regional adjustments, for fresh milk, to maintain and improve general milk prices. Other efforts include striving to expand sales of commercial milk to soft drink manufacturers.

IP handling

In the U.S., the world's largest exporter of corn, genetically modified organism (GMO) seeds have increased their share of planted crops to 92% (as of 2016). In response to the needs of consumers including consumer cooperatives, the ZEN-NOH Group uses identity-preserved (IP) handling to supply feeds made using PHF/NON-GMO corn. IP handling involves thorough separation of production and supply of grains from growth through harvest, storage, shipping, and production and supply of feeds. Demonstrating to the maximum our own packing and exporting capacities, the ZEN-NOH Group delivers stable supplies of NON-GMO corn with reliable quality levels.

PHF: avoiding use of chemicals to maintain quality after harvesting
Non-GMO: non-genetically modified organisms



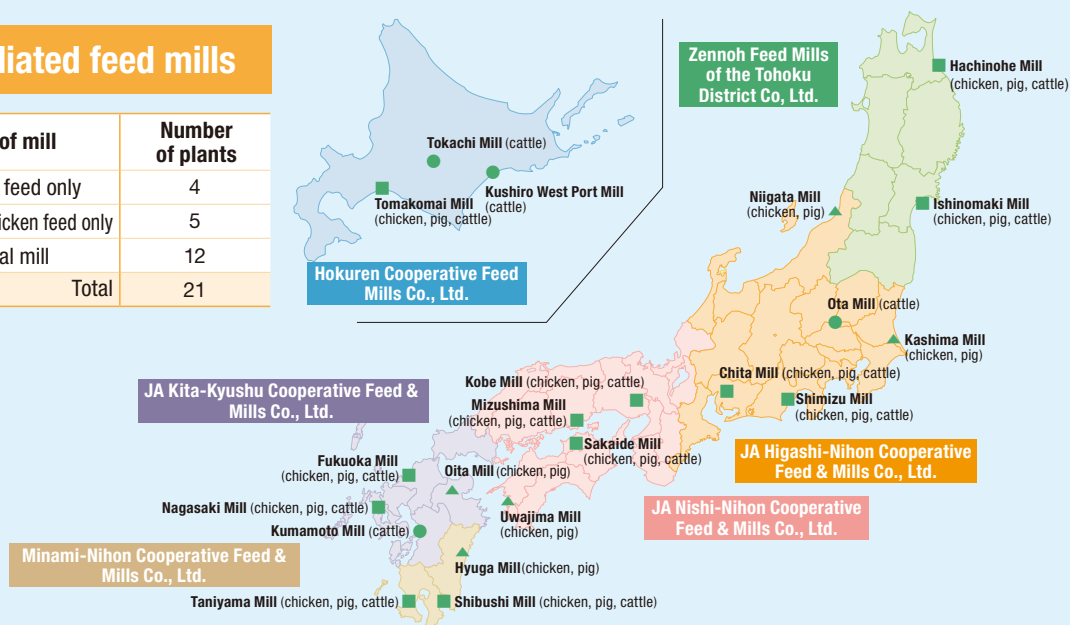
Grain farmer members organized by CGB implement an IP handling program



ZEN-NOH Grain Corporation supports a stable supply of feed raw materials

Affiliated feed mills

Type of mill	Number of plants
● Cattle feed only	4
▲ Pig/chicken feed only	5
■ General mill	12
Total	21



(As of August 2016)

Affiliates

Zennoh Feed Mills of the Tohoku District Co, Ltd.

JA Kita-Nihon Cooperative Feed & Mills Co., Ltd. produces and sells livestock feed for ranchers and JA organizations in six prefectures in the Tohoku region of northeastern Japan. Working day and night utilizing the full capacity of the ZEN-NOH Group livestock business from production through sales, it contributes to business stability for Tohoku ranchers.

Both the Hachinohe and Ishinomaki mills have acquired ISO 9001 certification and been certified under the antibacterial agent GMP guidelines, a process management program administered by the Japanese government, ensuring safe, secure, and reliable feed production.

Recently, in response to increasing production of feed rice, both mills have expanded their acceptance and processing capacities to approximately 200,000 tonnes, as they strive to contribute to the growth of agribusiness throughout the rice-growing region of Tohoku as a whole.

ZEN-NOH International Corporation

In addition to enhancing procurement capacity through the ZEN-NOH Group's efforts to advance development of an overseas production network for feed raw materials, ZEN-NOH International Corporation is also contributing further to maintain and expand the domestic livestock business and development and deployment of overseas businesses. This is done by means including developing export supply chains for domestic Japanese meat and processed food products and deploying overseas strategies dynamically by making progress on establishment of overseas facilities and strengthening its network, as it communicates information on Japanese ingredients through expanding its overseas store network (for example, through the TOKIMEITE directly operated restaurant in London).

ZEN-NOH Silo Corporation

ZEN-NOH Silo Corporation stores raw materials such as grains that have been imported from around the world in its silos and other state-of-the-art facilities under a safe and reliable control system and then ships the materials to feed manufacturers and food processors.

In addition to obtaining ISO 9001 certification and making other efforts to improve its quality control, ZEN-NOH Silo Corporation also contributes to the

streamlining of distribution and reduction of feed costs by building a fully integrated silo business that covers everything from warehouse receipt/shipping and storage to final delivery systems.

JA ZEN-NOH Tamago Co., Ltd.

JA ZEN-NOH Tamago is a member of the JA Group that supplies domestically produced eggs to customers across Japan. Its primary emphasis is on fresh, safe, and tasty eggs. It strives to improve the quality of eggs through joint efforts with designated producer centers and the feed division. In the area of safety, it has established various hygiene control and inspection systems backed by scientific research.

Building on these efforts, it proposes new products and sales-floor concepts to meet the wide-ranging needs of consumers. Its "Shin-Tamago: delicious even when raw" a premium egg product has been on the market for 25 years. This beloved long-selling product is produced from chickens fed on domestic brown feed rice fortified with omega-3 (alpha-linolenic acid) and folic acid. To enhance communication with consumers, JA ZEN-NOH Tamago has launched a social media program (on Facebook). As a result, its official character Om-Let's-kun has been gaining popularity. It also posts numerous egg recipes through the Cookpad website's My Kitchen feature, proposing new ways of eating eggs. In July 2016, it began manufacture and direct sales of sweets made using large quantities of domestic Japanese eggs. It aims to establish a presence even more familiar to consumers.



ZEN-NOH Chicken Foods Corporation

Chicken is the most widely consumed meat in Japan. ZEN-NOH Chicken Foods Corporation has subsidiary plants in the three large domestic chicken-producing regions of Miyazaki, Kagoshima, and Iwate prefectures. Miyazaki Kumiai Chicken Foods Corporation, Kagoshima Kumiai Chicken Foods Corporation, and Sumita Foods Corporation together make up one of Japan's largest groups of companies in the poultry industry, handling everything from production, butchering, and processing to marketing. All of the group's butchering facilities and processing plants have earned ISO 9001 certification (and are preparing to earn FSSC 22000 certification) and adopted traceability systems, delivering safe, delicious and fresh domestically produced chicken.

In June 2016, it began sales of the new Kagoshima-

litoko-chicken brand, raised under low-stress conditions with feed that contains turmeric and five types of herbs as well as palm oil to improve texture. This new chicken brand, developed to meet consumer needs, is the first one to be introduced in 12 years. In 2016 the Group adopted a new mission: "Delivering the joy of tasty Japanese chicken raised with care to Japanese consumers."

As dietary culture in Japan undergoes massive changes, ZEN-NOH Chicken Foods Corporation will market new products through new channels as it aims to create a top brand trusted most by consumers.



JA ZEN-NOH Meat Foods Co., Ltd.

Serving as the base for the ZEN-NOH Group's marketing, processing and distribution of meats in major consumption areas, JA ZEN-NOH Meat Foods Co., Ltd. brings together meats and processed meat products from farming areas around Japan and delivers them to consumers in a prompt and consistent manner.

Through the development of a traceability system and the introduction of the ZEN-NOH Reassurance System, it supplies safe and reliable domestically produced meats and serves as a bridge between producers and consumers. At the same time, efforts are being made to expand SQF certification at processing facilities, enhance hygienic facilities, and improve product quality.

The company sells its domestic meats and related products mainly at co-ops and supermarkets, with an overriding emphasis on reliable safety and taste. It also is responding to a variety of market needs through means including the Yakiniku Pure restaurant chain, Jun, and directly managed shops. To expand exports of Japan's traditional wagyu beef, the company is making inroads into overseas markets and working to increase awareness of Japanese meat abroad.



Topics

ZEN-NOH Wagyu in global markets

Around the world, wagyu is a byword for luxury beef. The wide acceptance of the term can be seen in the marketing of U.S. wagyu and Australian wagyu, and to establish a strong brand for Japanese-produced wagyu ZEN-NOH sells beef under the ZEN-NOH Wagyu brand. In addition, in markets where Japanese production center brands can be sold (Hong Kong, Singapore), we are striving to promote use of local brands.

In recent years, we have opened restaurants operated directly by the ZEN-NOH Group to sell products on our own in order to enhance the retail business, instead of simply selling wholesale to businesses overseas.

Through means such as these, we continue to strive to communicate the appeal of wagyu to consumers overseas directly.

We first opened the creative Japanese restaurant Shiki Beverly Hills in the U.S. in April 2014, followed by the restaurants Kacho in Singapore and Vietnam and TOKIMEITE in London. JA ZEN-NOH Meat Foods Co., Ltd. has opened two Jun wagyu barbecue restaurants in Hong Kong. Future plans call for opening restaurants in regions including the Americas and Southeast Asia in order to further strengthen the retail business.



Central Institute for Feed & Livestock

As a research facility that aids from a technological standpoint in the management of livestock farms and the JA Group's feed and livestock businesses, the Central Institute for Feed & Livestock is involved in the commercialization of compound feed and superior livestock production materials, the development of technologies related to nutrition management and productivity improvements, holding training courses, and other activities. These activities are carried out by a staff of 37 researchers at four facilities, including ones in Tsukuba and Kasama, Ibaraki Prefecture, and Kamishihoro and Kunneppu in Hokkaido.

Its recent achievements include (i) development of feed suited to the breeding improvements that continue to advance from year to year in the poultry industry, (ii) commercialization of new pork varieties promising high growth potential, outstanding meat, and increased shipments as well as development and promoting of feeds and management systems for them, and (iii) development of technologies for improving productivity and saving labor in the beef industry through reducing the occurrence of accidents in birth of wagyu and dairy cattle using ICT equipment, and of low-cost breeding systems and feeds.

Further efforts underway include (iv) feeder improvements through genome analysis and (v) development of compound feeds and livestock assessment methods through new analytical methods. The Institute will continue to develop and promote innovative products and technologies using scientific knowledge and the latest technologies, as it aims to earnestly utilize feedback from field studies.



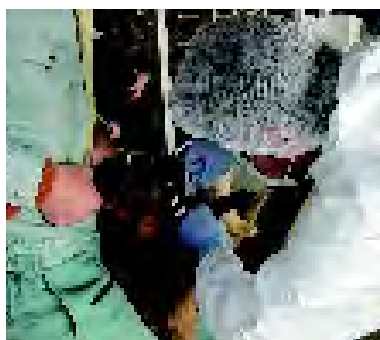
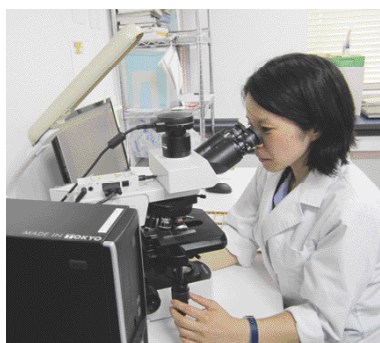
Institute of Animal Health

At the Institute of Animal Health, a staff of more than 50, the majority of whom are veterinarians, strives to prevent infectious diseases of livestock, the greatest enemy of ranchers. In doing so, it devotes about 40% of its efforts to guiding and instructing farmers in the field, about 30% to health and sanitation testing of livestock, and the remaining roughly 30% to research and development. Staff are assigned to five sites across Japan to provide instruction and guidance to farmers, visiting ranches every day to discuss topics including sanitation management and breeding management and help them to raise healthy livestock.

The testing and R&D sections support these activities. The testing section screens for pathogens that may harm livestock and ones that may lead to food poisoning in humans, testing as many as 200,000 specimens per year. The results of its testing are used in feedback provided to ranches on a daily basis by staff who provide instruction and guidance to farmers.

On the other hand, the R&D section carries out development in areas including vaccines to prevent disease, functional feeds to improve livestock's immune systems, and new testing methods, all from a long-term perspective.

The Institute of Animal Health will continue working hand in hand with its partners in the JA Group, aiming for the continued success of Japan's ranchers.



ET Center

Embryo transfer (ET) technology is utilized widely in Japan to produce high genotypic wagyu (Japanese black beef) cattle. As a member of the JA Group, the ET Center, a research and development unit that was one of the first to pursue leading-edge ET technology, supplies about 23,500 bovine embryos and 1,050 pregnant heifers to farmers across Japan each year.

With the goal of achieving as many pregnancies as possible, members of ET Center staff visit farmers in every region of Japan, offering a full range of services, including the selection of recipient females, treatment of estrus synchronization, and ET. Going forward, the ET Center will continue to focus on the field of animal reproduction and to develop, test, and provide farmers with the latest technologies.

The center also plays an active role in R&D on bovine ET technology. The results of such research are used in production activities. However, since this field of study is one in which many areas still remain unexplored, it will continue making progress to develop products that more and more farmers will be able to use widely in the future.



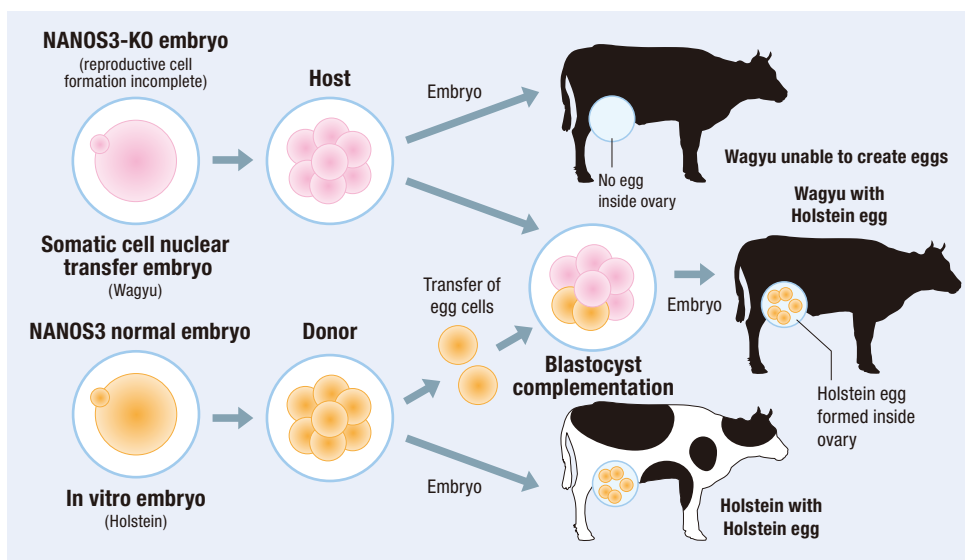
Three world firsts in a row

On the cutting edge of technological development

ZEN-NOH's R&D units are focusing on both development of technologies that support the everyday activities of producers and fundamental research with an eye toward the future. These initiatives include collaboration between research institutes and also R&D in cooperation with government research institutes and private-sector businesses as well.

Instead of simply following the lead of other researchers, these R&D efforts have been successful in generating a succession of new technologies never seen before in the world.

In April 2016, a team of researchers from the three research institutes of the Livestock Production Div., centered on the ET Center, developed technology for replacing the breeding function of a cow with that of another species of cow. They were the first in the world to develop such technology for use in large animals. In the future, this revolutionary technology is expected to be used in fields other than livestock as well, including preservation of endangered species and efficient production of lab animals such as miniature pigs, a costly type of animal used in the medical field.



In partnership with Toshiba Medical Systems Corporation, the Institute of Animal Health has developed a bulk genetic testing system for bovine respiratory disease complex (BRDC) using DNA chips. It began offering the new system as a new option in medical testing in June 2016. This is the first time such technology has been used in medical testing of livestock. It helps to identify pathogens quickly through simple, bulk testing of multiple pathogens instead of the previous practice of testing for one pathogen at a time. This enables testing at about half the cost of the previous method. To support prevention of cattle diseases across the JA Group, the Norinchukin Bank offers subsidies to cover part of the cost of testing, to help promote and spread use of this new method among producers.



In July 2016, a research group led by the Central Institute for Feed & Livestock succeeded in breeding multiple specimens of pig that lacked genes related to growth hormones.

This was an attempt to breed miniature pigs, costly animals used in medical research, from ordinary domesticated pig stock, as the Institute broadens its R&D scope from the field of agriculture to include the field of medicine as well. It also was the first attempt in the world at breeding pigs through this method.

The goal is to realize highly efficient production of pigs for lab testing, for which demand is growing rapidly, by producing large numbers of miniature pigs from mother pigs of ordinary size, utilizing technology for replacing pigs' breeding functions.



Distribution system



Distribution of consumer goods

ZEN-NOH supplies essential consumer goods (such as food, sundries, apparel, and durable goods) and services that members and others need every day, through JA. Through means including product planning and purchasing on a prefectural and nationwide basis, which generate economies of scale, ZEN-NOH provides wide-ranging support to consumers in their communities.

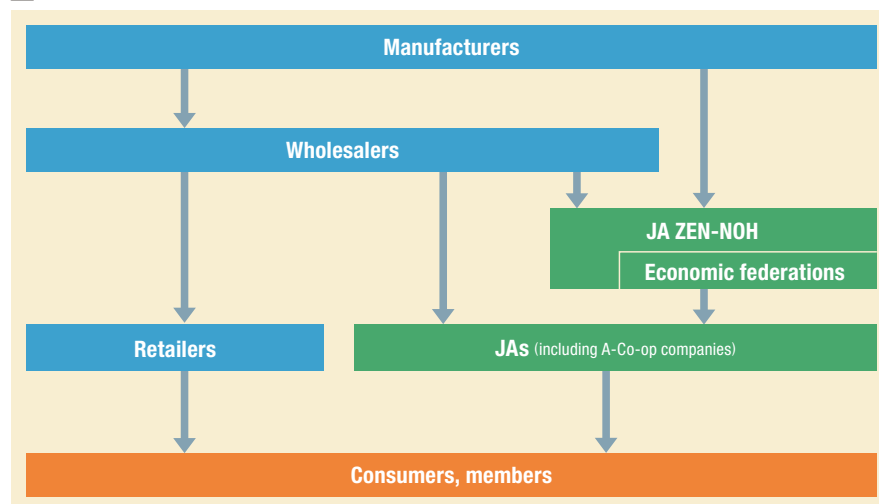
Distribution of petroleum products

About 80% of gasoline in Japan is distributed by subsidiaries of the major oil companies and their exclusive distributors. Due to factors including more fuel-efficient vehicles and the decreasing population, domestic demand in Japan has decreased since its peak in FY2004. ZEN-NOH delivers a stable supply of petroleum products essential to members' agricultural activities and daily lives through its distribution from domestic oil companies to JA-SS service stations.

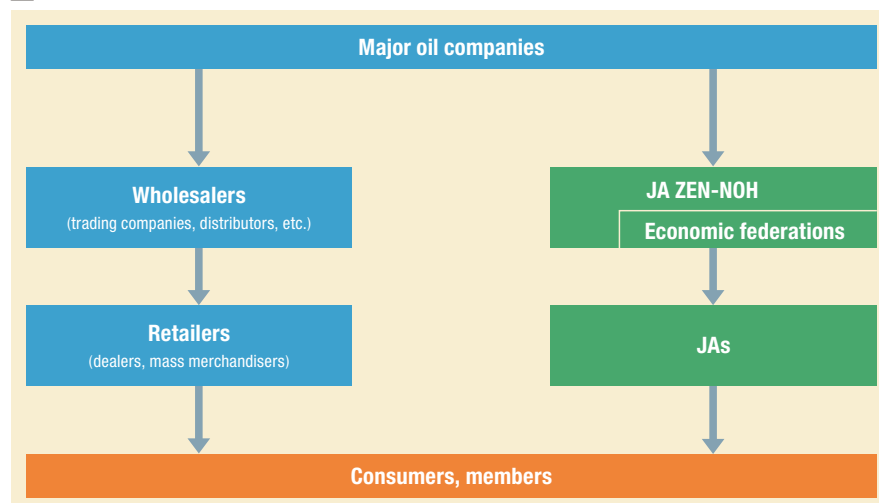
Distribution of LP gas

The bulk of LP gas distributed in Japan is imported in finished product form. The ZEN-NOH Group handles 4.7% of the total volume of LP gas sold in Japan. We strive to deliver a stable supply of LP gas to support the safe and comfortable lives of our members.

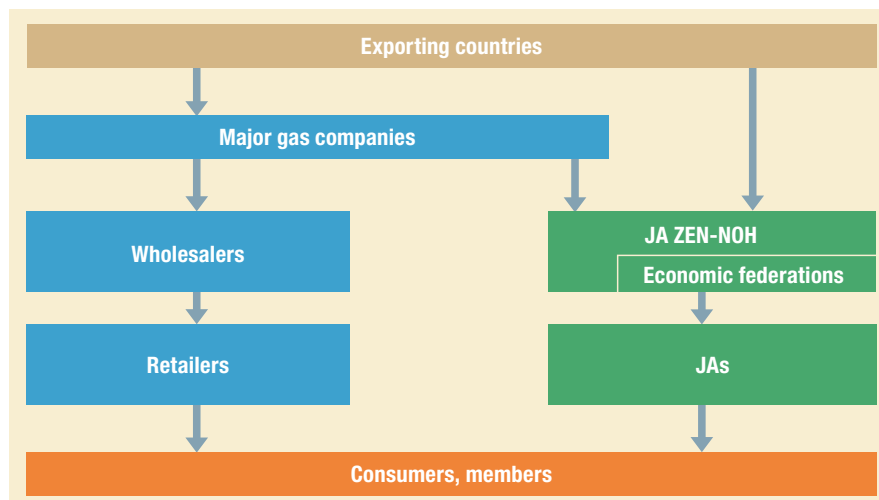
Main Distribution Channels for Consumer Goods



Main Petroleum Distribution Channels



Main LP Gas Distribution Channels



Consumer business

In our campaign to implement a new JA lifestyle business (→?) we are ascertaining the needs of members and accumulating information on successful case studies at model JAs, along with enhancing our support for consumers' lifelines by introducing new business models for JA consumer shops along with mobile shops. In addition, we also are striving to grow the sales of ZEN-NOH branded products by expanding the menu of support services we provide, including proposal of additional facilities to stimulate the sales floors of JAs' shops selling agricultural products directly, as well as opening more A-Coop stores combined with directly operated shops and strengthening the power of our products.

In the fuel business, together with making progress on our master plan,

including conversion of core full-service service stations to self-service, we also are working to cut farmers' fuel costs through introduction of equipment such as gas heat pumps and photosynthesis promotion devices in greenhouse farming and improving the efficiency of shipping, by increasing the sizes of shipping lots and shipping directly from coastal facilities.



Fuel oil is distributed from seven petroleum facilities across Japan to about 2,600 JA-SS service stations nationwide

Affiliates

ZEN-NOH Energy Corporation

Starting with operating service stations, mainly self-service, and operating and shipping petroleum products from six oil facilities across Japan (in Sendai, Niigata, Kanazawa, West Japan, Karatsu, and Ariake), ZEN-NOH Energy Corporation's other businesses include wholesale and retail sales of LP gas and operation and management of placement and receipt of orders at LP gas import facilities. Note: The Kushiro facility is operated by Hokuren.

Campaign to implement a new JA lifestyle business

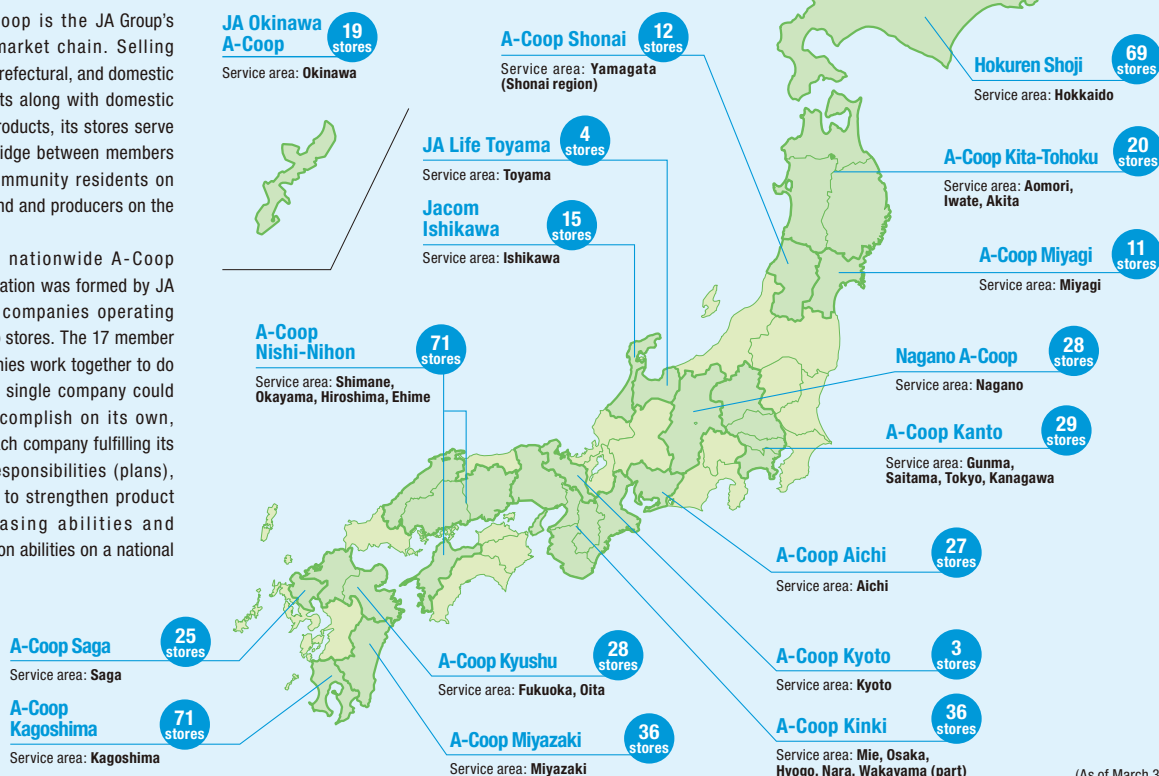
The campaign is an initiative intended to propose JA lifestyle business activities for the future that reflect community issues and needs, based on surveys of members conducted by each JA. These proposals will be studied by JAs and ZEN-NOH together and then coordinated and implemented.

A-Coop

A-Coop companies across Japan

A-Coop is the JA Group's supermarket chain. Selling local, prefectural, and domestic products along with domestic farm products, its stores serve as a bridge between members and community residents on one hand and producers on the other.

The nationwide A-Coop organization was formed by JA Group companies operating A-Coop stores. The 17 member companies work together to do what a single company could not accomplish on its own, with each company fulfilling its own responsibilities (plans), aiming to strengthen product purchasing abilities and operation abilities on a national scale.



(As of March 31, 2016)

JA Town

JA Town is an Internet mall run by ZEN-NOH. As of April 2016, JA Town had 95 shops and about 300,000 members. JA Town is intended to serve as a new distribution channel for domestically produced farm products by utilizing information technology.

Along with seasonal farm products and carefully selected local goods, JA Town also sells JA Town Gift Cards and operates a business service serving restaurants, bars, and other commercial customers. In addition, in January 2015, JA Town started selling through major e-commerce sites, seeking to raise its profile and expand its customer base.

In April 2016, the Furusato Nozei Shien System, created to support tax payment based on the JA Town system, was developed and the service introduced to local governments and members of the JA Group across Japan.

We aim to invigorate production centers and local communities through use of this system to expand use of domestic farm products as gifts.



JA-Kurashi-no-Takuhaibin

JA's consumer business sells consumer products (foods and sundries) centered on those under the A-Coop logo, a private JA Group brand that indicates products chosen carefully for safety and peace of mind. Until recently, its focus has been on joint purchasing by groups of consumers based on flyers distributed among them. However, in 2010 the new JA-Kurashi-no-Takuhaibin service was introduced.

JA-Kurashi-no-Takuhaibin is a service that lets members and users order products on a dedicated Internet website for delivery directly to their homes. It not only greatly shortens the lead time from when an order is placed to its delivery, but also can help reduce inventory at prefectural facilities and JAs and simplify administrative processing.

In addition, our product range is being enhanced to include a diversity of products that were difficult to offer before, such as frozen and refrigerated products, as we make progress in improving service that make it even more convenient for members and users.

ZEN-NOH Brand

ZEN-NOH develops and markets original products, mainly processed foods, under its own brand, as an initiative to strengthen its sales capabilities for domestic farm products. As of spring/summer 2016, a total of 162 items are offered under the brand.

With a priority on use of domestic ingredients and carefully chosen materials and production methods, the basic concept of the brand is to contribute to comfortable, healthy living. Its rice milk, one of the brand's best-known products, is regarded highly for its novel approach to identifying a new way to expand rice consumption. It is having a major impact, for example, by winning the top prize in the products section of the Food Action Nippon Awards 2015.

Contributing to increase consumption of domestic farm products, ZEN-NOH Brand products are increasingly being sold through ordinary supermarkets and consumer cooperatives, not just the JA Group. We are involved in joint product development and promotional activities with major distributors.

ZEN-NOH rice milk made with domestic rice

In October 2015, ZEN-NOH began selling safe, reliable rice milk made in Japan from domestic ingredients, to take advantage of the natural sweet taste of rice.

This product is sold in a paper container made using wood from forest thinning efforts, and it includes the healthy ingredients of brown rice, to create a product that's good for both the body and the environment.

ZEN-NOH is working actively to increase consumption of rice by growing use of and demand for rice as an ingredient in beverages in addition to its use as a staple food.



Topics

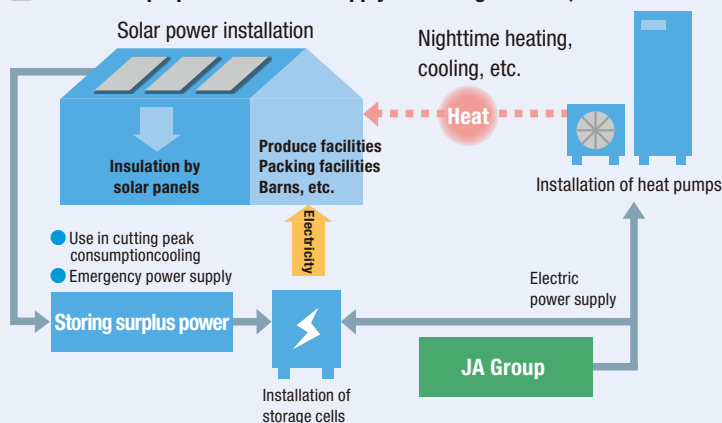
Power diagnostics and retail sales business : helping cut farm energy costs

There is strong demand for reducing electricity costs as rising rates since the Great East Japan Earthquake (up approximately 20%) have led to increased farming costs. In addition, while new power suppliers are offering more proposed solutions, there is a lack of information for judging matters such as their reliability and the appropriateness of their pricing. This has led to demand for provision of power information.

In light of these circumstances, ZEN-NOH is carrying out initiatives in the area of power diagnostics and retail sales in the JA Group.

Specifically, we propose measures to cut power costs, conserve energy, and ensure a stable supply. We are developing power supply infrastructure through consolidation of demand and proposing models for supply to produce, livestock, and other farming facilities, by beginning to supply electric power at JA Group facilities, chiefly at high voltage (50 kW or higher).

Overview of proposed model for supply to farming facilities, etc.



Recovery of local farming, promoting production, and other initiatives

Japan, which is highly susceptible to natural disasters due to its climatological and geological conditions, has experienced many massive disasters over the years. ZEN-NOH supports swift restoration and recovery of the agricultural production infrastructure and promotion of production in areas damaged by torrential rains, flooding, blizzards, earthquakes, and other disasters.

Great East Japan Earthquake (March 2011-)

We are supporting recovery of affected areas since the immediate aftermath of the quake. During 2015, we carried out the following initiatives.

Realizing large-scale production through restoration of farming land

JAs invested in a farming corporation established in the eastern district of Yamamoto, Miyagi Prefecture, an area damaged by the tsunami, which is playing a leading role in supporting production and sales of produce by introducing large machinery, new technologies, and new varieties.



Branding the Tohoku region

To help the region recover, we are communicating information on Tohoku ingredients and cuisine through activities such as holding the Six Tohoku Prefectures Market to establish a brand for the Tohoku region, which includes the disaster affected areas.



Opening of Minori Cafe and Grill Minoru

Minori Cafe and Grill Minoru have opened in S-Pal Sendai, a retail facility at Sendai Station. These directly operated facilities are intended to promote Tohoku agriculture and farm products and spread the practices of local production, local consumption in dining through use of Tohoku ingredients.



Snow damage centered on the Kanto region (Feb. 2014-)

In cooperation with the government, JAs, manufacturers, and others, we have developed a system to supply pipes needed to repair greenhouses that were damaged by the snow, secured construction workers from other prefectures, prepared DVDs, and held training sessions on building pipe greenhouses, among other efforts.



Torrential rains in Kanto/Tohoku (Sept. 2015-)

The strawberry-producing regions of Ibaraki and Tochigi prefectures suffered massive damage as strawberry seedlings were submerged by flooding before being planted.

In response, we delivered 53,000 seedlings from the town of Watari, Miyagi Prefecture, providing them free of charge to affected farmers in both prefectures.

Exchange between regions has continued since the JA Group provided strawberry seedlings and other materials to Miyagi Prefecture after its seedlings had been washed away by the tsunami following the Great East Japan Earthquake.



Kumamoto Earthquakes (April 2016-)

In cooperation with ZEN-NOH Group companies, the JA Group, and others, we delivered food supplies and helped work on recovery of damaged agricultural facilities in response to the damage the quakes caused to farmlands and agricultural facilities.

〈Main ZEN-NOH initiatives〉

- ☐ Support for recovering rice stored in agricultural warehouses
- ☐ Securing seed beans for planting soy beans
- ☐ Staffing support for vegetables sorting facilities and other facilities in Kumamoto Prefecture
- ☐ Provision of rental equipment to affected farmers



Nationwide Store Network

The ZEN-NOH Group operates a variety of stores in national production areas and in the greater Tokyo area. We promote domestic farm products directly through a diverse range of stores including direct-sales shops for domestic farm products, restaurants/diners, and other shops, combined with spaces for holding events. We plan to open 17 new stores in the near future.

We also are actively expanding our store network overseas, where we have opened Japanese restaurants and yakiniku barbecue restaurants. The goals of these efforts are to promote the high quality, delicious taste, and safety of wagyu beef from Japan while also growing its consumption by proposing new ways of enjoying it.



ZEN-NOH Group stores page



ZEN-NOH official app

- A special-purpose app is needed to read QR codes.
- The above codes might not work properly depending on telecommunications conditions, device properties, or other factors.

● Directly operated ● Subsidiary ● Affiliate



Minori-Minoru Project



Official website

The Minori-Minoru Project began in 2010 as a project intended to respond to the views and requests of individual farmers collected through TAC (see p. 21). It involves implementing new business plans related to topics on which it was difficult for existing ZEN-NOH business divisions to react swiftly, such as community revitalization, increasing self-sufficiency ratio, gaining the understanding of the public regarding agriculture, and creating places where producers and consumers can meet. As part of these efforts, in September 2010 Minori Cafe and Minoru Diner opened in Ginza's Mitsukoshi Department Store. These outlets use 100% domestic ingredients (except oils, spices, and coffee), in an attempt to transform the structure of the food-service industry, which uses large volumes of imported ingredients, to increase self-sufficiency ratio. Over the five years since they opened, Minori-Minoru have served an average of 340,000 diners and generated average sales of 330 million yen per year.

In November 2014, a Minori Cafe that uses 100% Kyushu ingredients opened in the Fukuoka Parco department store, as a restaurant stressing local consumption and one that also aims to serve as a direct-sales facility. In March 2016, Minori Cafe and Grill Minoru opened in S-PAL Sendai, using only ingredients from the Tohoku region. The project also provides advice and support.



Grill Minoru S-PAL Sendai
Opened March 2016

- Minori Cafe Ginza Mitsukoshi [Tokyo]
- Minoru Diner Ginza Mitsukoshi [Tokyo]
- Minori Cafe S-PAL Sendai [Miyagi Prefecture]
- Grill Minoru S-PAL Sendai [Miyagi Prefecture]
- Minori Cafe Takashimaya Kyoto [Kyoto Prefecture]
- Minoru Diner Takashimaya Kyoto [Kyoto Prefecture]
- Minori Cafe Fukuoka Tenjin [Fukuoka Prefecture]

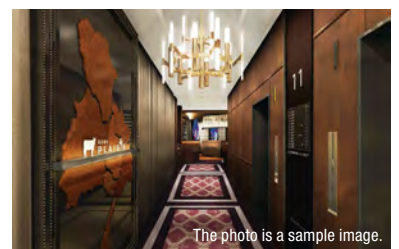
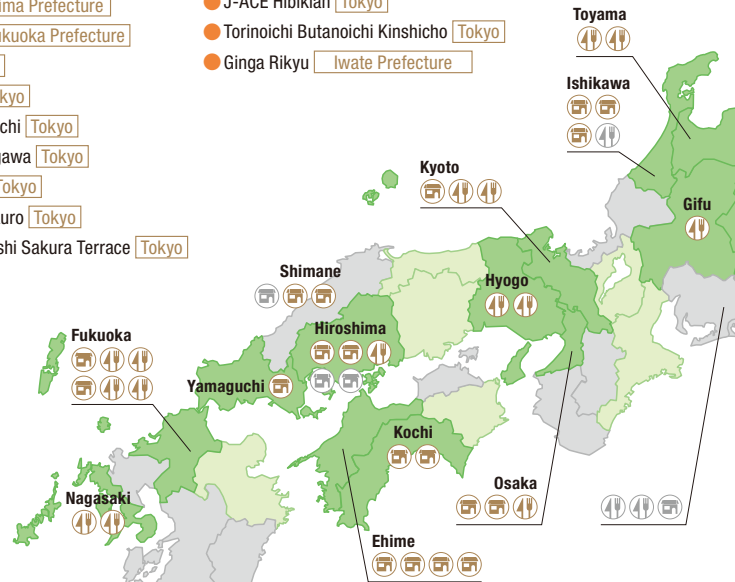


Restaurants

- La Campagne [Tokyo]
- Iwate Junjimai no Mise/ Ginga Diner [Iwate Prefecture]
- Fukushima-gyu Yakiniku Gyuho Asahi [Fukuoka Prefecture]
- Fukushima-gyu Yakiniku Gyuho Yatsuyamada [Fukuoka Prefecture]
- Pocket Farm Dokidoki Ibaraki-machi Mori no Katei Ryori Restaurant [Ibaraki Prefecture]
- Pocket Farm Dokidoki Tsukuba Ushiku Dokidoki Restaurant [Ibaraki Prefecture]
- Wafu Yakiniku Toyama Sodachi [Toyama Prefecture]
- Hidagyu Ryori Takumi [Gifu Prefecture]
- Kobe Plaisir [Hyogo Prefecture]
- Genki-Ichi Shokudo [Hiroshima Prefecture]
- O-Kome Cafe Musubime [Fukuoka Prefecture]
- Yakiniku Pure Kanda [Tokyo]
- Yakiniku Pure Shinbashi [Tokyo]
- Yakiniku Honpo Pure Otemachi [Tokyo]
- Yakiniku Honpo Pure Shinagawa [Tokyo]
- Yakiniku Honpo Pure Mita [Tokyo]
- Yakiniku Honpo Pure Ikebukuro [Tokyo]
- Yakiniku Honpo Pure Iidabashi Sakura Terrace [Tokyo]

- Yakiniku Honpo Pure Kitanenju Marui [Tokyo]
- Yakiniku/Sukiyaki Jun Umeda main store [Osaka Prefecture]
- Yakiniku/Sukiyaki Jun Ebista Nishinomiya [Hyogo Prefecture]
- Yakiniku/Sukiyaki Jun Tenjin-Kego [Fukuoka Prefecture]
- Shinsen Hormone Futsukaichi [Fukuoka Prefecture]
- Yakiniku Aguri Asakusa [Tokyo]
- Yakiniku Aguri Maebashi main store [Gunma Prefecture]
- Yakiniku Aguri Kura [Gunma Prefecture]
- Yakiniku Aguri Kaburaen [Gunma Prefecture]
- Yakiniku Aguri Rakurakuen [Gunma Prefecture]
- Miyagi Junmaishu Club Sanaburi [Miyagi Prefecture]
- O-kome Gallery [Miyagi Prefecture]
- Moton [Fukuoka Prefecture]
- Tonami Sodachi [Toyama Prefecture]
- Nagasaki Wagyu Yakiniku Pure [Nagasaki Prefecture]
- A-Coop Restaurant Isahaya [Nagasaki Prefecture]
- Yakitori Mizutaki Kanda Kashiwaki [Tokyo]
- J-ACE Hibikien [Tokyo]
- Torinoichi Butanoichi Kinshicho [Tokyo]
- Ginga Rikyu [Iwate Prefecture]

- Restaurants (Food service) 46 locations
- Shops & Markets (Direct sales) 43 locations
- Areas served
- Restaurants (food service) Planned store openings: 6 locations
- Shops & Markets (direct sales) Planned store openings: 10 locations



Kobe Plaisir (Hyogo Prefecture)
Kobe Plaisir Ginza (Tokyo) opened in October 2016



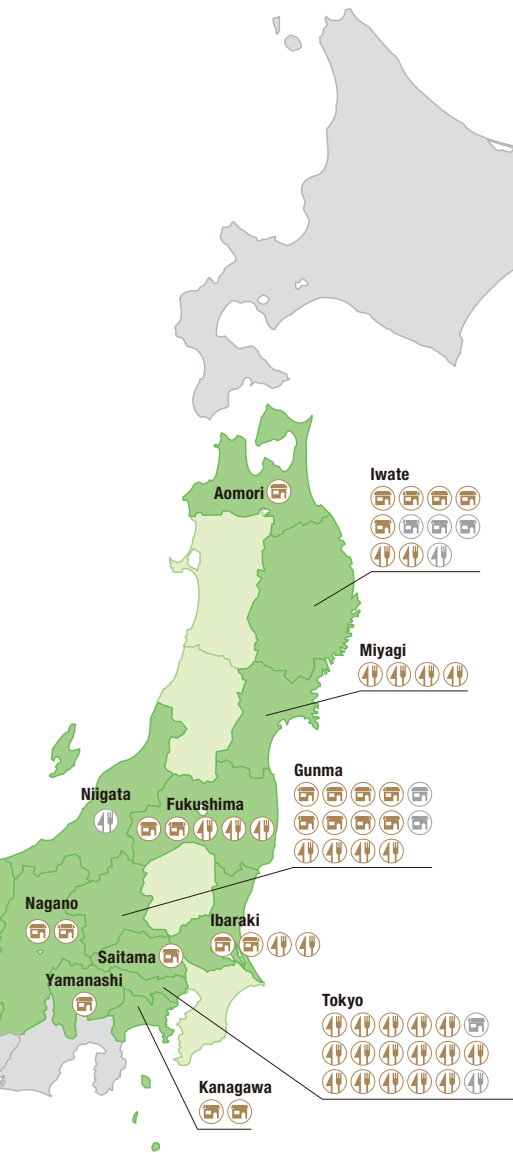
Yakiniku Honpo Pure
Kitasenju Marui
Opened April 2016



FamilyMart-ZEN-NOH
Fresh Hiroba (Ehime Prefecture)
Opened April 2016



Iwate Junjimai no Mise
Ginga Shokudo (Iwate Prefecture)
Opened June 2016



TOKIMEITÉE(London)
Opened October 2015



- SHIKI BEVERLY HILLS [U.S.A.] ①
- TOKIMEITÉ [U.K.] ②
- Japanese Wagyu Yakiniku Pure 1 (Causeway Bay Store) [Hong Kong] ③
- Japanese Wagyu Yakiniku Pure 2 (Tsim Sha Tsui Store) [Hong Kong] ④
- Singapore Kacho [Singapore] ⑤
- Vietnam Ho Chi Minh Kacho [Vietnam] ⑥



Shops & Markets

- Agri Shop Aomori [Aomori Prefecture]
- JA Nosanbutsu Chokubaijo Aijokan [Fukushima Prefecture]
- Pocket Farm Dokidoki Ibaraki-machi [Ibaraki Prefecture]
- Pocket Farm Dokidoki Tsukuba Ushiku [Ibaraki Prefecture]
- Kaki Ryutsu Center Brand Yasai-kan [Gunma Prefecture]
- Shin-Maebashi Nochiku Sanbutsu Chokubaijo Aisaikan [Gunma Prefecture]
- JA Green Kanagawa [Kanagawa Prefecture]
- Taberu JA-n Yamanashi [Yamanashi Prefecture]
- JA Green Mineyama-Tango Yasai-kan Kicharina [Kyoto Prefecture]
- JA Koryu Hiroba Toretate Genki-ichi [Hiroshima Prefecture]
- JA no Onikuya-san Higashi-Onomichi [Hiroshima Prefecture]
- JA Green Core Yamaguchi [Yamaguchi Prefecture]
- FamilyMart-ZEN-NOH Fresh Hiroba [Ehime Prefecture]
- ZEN-NOH no Onikuya-san [Ehime Prefecture]
- Nokyo Tokusan Center Tosa no Sato [Kochi Prefecture]
- A-Coop Kagami [Kochi Prefecture]
- Fureai Junjo Ichiba Sakkora [Iwate Prefecture]
- Chokubaijo Pure Sagami-hara [Kanagawa Prefecture]
- Chokubaijo Pure Kawauchi Nagano [Osaka Prefecture]
- Atashi no Chokubaijo Jun Dazaifu [Fukuoka Prefecture]
- JA Farmers Nodajuku [Gunma Prefecture]
- JA Farmers Asahi-cho [Gunma Prefecture]
- JA Farmers Annaka [Gunma Prefecture]
- JA Farmers Iruma [Saitama Prefecture]
- JA ZEN-NOH Farmers Lalaport Izumi [Osaka Prefecture]
- FamilyMart + A-Coop Shinji [Shimane Prefecture]
- FamilyMart + A-Coop Kobu [Shimane Prefecture]
- FamilyMart + A-Coop Iyo [Ehime Prefecture]
- A-Coop Sue/JA FARMERS Kasuya [Fukuoka Prefecture]
- Niku no Eki main store [Gunma Prefecture]
- Niku no Eki Raran Fujioka [Gunma Prefecture]
- Niku no Eki Tamamurajuku [Gunma Prefecture]
- JA Green Kanazawa [Ishikawa Prefecture]
- A-Gaia [Ishikawa Prefecture]
- Farmers' Market Iyokkora [Ehime Prefecture]
- Giovanni [Iwate Prefecture]
- Iwachiku Kitchen Morioka Station Fesan [Iwate Prefecture]
- Iwachiku Parc Avenue Kawatoku [Iwate Prefecture]
- Iwachiku Annex Kawatoku [Iwate Prefecture]
- Shokuniku Chokubaiten Fresh [Fukushima Prefecture]
- A-Coop Farmers Ueda [Nagano Prefecture]
- A-Coop Farmers Minami-Nagano [Nagano Prefecture]
- Beishin O-Kome Kitchen Anto [Ishikawa Prefecture]

New retail business

ZEN-NOH is making progress on opening large-scale facilities combining direct-sales outlets for agricultural products in cooperation with local JA organizations with the JA Group's A-Coop supermarket chain, as a new type of retail business. These new stores aim to stock the widest variety of products from local and nearby JA organizations and prefecture agricultural products, by utilizing the JA Group's product procurement power, and to serve as bridges between producers and consumers as well as stocking JA Group processed food products and local specialties in their own areas.

This new retail business began with the opening in 2010 of A-Coop Farmers Ueda in Nagano Prefecture. At present, it includes a total of eight stores nationwide (as of June 2016).



JA Farmers Nodajuku

Social Responsibility Activities

As an active member of local communities, ZEN-NOH employs a proactive approach to social responsibility. Covering a wide range of areas from food and agricultural education through sports and the environment, these activities contribute to building the future of our communities. They include support for professional and amateur sports, activities to deepen education on food and agriculture for children, who will form the Japanese society of the future, and welfare and cultural activities.

Sports

Support for professional sports

- **Table tennis**
Contracts with the Japan National Team and player Kasumi Ishikawa
Sponsoring the Emperor's Cup and Empress's Cup All-Japan Table Tennis Championship Tournament
Sponsor of the Laos Japan Open Tokyo, Women's World Cup
Provider of food supplies to Japan National Team players participating in international tournaments
- **Curling**
Contracts with the Japan National Women's Team and the Japan National Mixed Doubles Team
Sponsor of the Japan Curling Championships
Provider of food supplies to Japan National Team players participating in international tournaments
- **Basketball**
Sponsor of the Women's League Playoff Finals
- **Rugby**
Sponsor of the Scrum Japan Program
- **Baseball**
Advertiser and sponsor of
ZEN-NOH Nagomi Seats in Yahoo!
Auction Dome
Lead sponsor of broadcasts of the National High School Baseball Championship (BS Asahi)



Environment

Support for the next generation

- **Table tennis**
ZEN-NOH Cup All-Japan Table Tennis Championship Tournament (elementary school age and younger)
ZEN-NOH Presents Kasumi Ishikawa's table tennis lessons
- **Football**
ZEN-NOH Chibi-lympics
eight-player football for elementary school students
- **ZEN-NOH Chibi-lympics**
- **Baseball**
ZEN-NOH WCBF youth baseball lessons
- **ZEN-NOH Charity Fair**
- **Basketball**
ZEN-NOH Girls' Basketball Camp
- **Swimming**
ZEN-NOH/"Hagitomo"swimming lessons

- **Rice Paddy Organism Survey**
- **Participating on the Japan Committee for the United Nations Decade on Biodiversity**
- **Visiting classes**



Food and agricultural education

- **ZEN-NOH parent-child agricultural experience tours**
- **ZEN-NOH parent-child cooking classes**
- Sponsor of Bento Day project
- Sponsor of the Earth X Heart Live 2015 live radio broadcast
- Sponsor of Shufu Kore! 2015, organized by Benesse Corporation
- Support of the Japan Agricultural News readers' photo contest
- Sponsor of the Mainichi Agricultural Records Prize



Table tennis

In addition to sponsoring tournaments held in Japan and publicizing domestic agricultural products through provision of additional prizes and food samples, ZEN-NOH also supplies Japanese foods to players taking part in international tournaments and supports them. Table-tennis player Kasumi Ishikawa, under contract to ZEN-NOH, won the Emperor's Cup and Empress's Cup for the third time in a row in January 2016. In February, her team won the silver medal in the World Table Tennis Championships (held in Malaysia).



ZEN-NOH provides support by supplying Japanese ingredients at the venues of the World Table Tennis Championships each year



Curling

ZEN-NOH sponsors the Japan Curling Championships and provides additional prizes as well as food samples in the Championships venue.

Furthermore, we also support the activities of athletes participating in the World Curling Championships by providing them with Japanese foods overseas. At the World Curling Championships held in Canada in March 2016, the Japan women's team won a silver medal for the first time in its history.



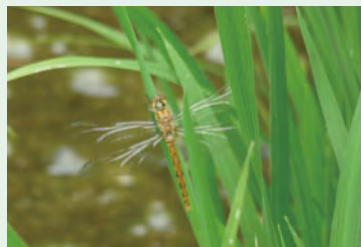
Photo courtesy of World Curling Federation



Providing samples of domestic agricultural products to spectators at the ZEN-NOH Japan Curling Championships (held in Aomori)

Rice Paddy Organism Survey

ZEN-NOH is carrying out the Rice Paddy Organism Survey in conjunction with JAs, producers, consumers, and children nationwide, arranging activities to enable participants to learn, through the five senses, about the deep connection between the environment and farming and the importance of conserving biodiversity.



ZEN-NOH parent-child cooking classes

ZEN-NOH hosts parent-child cooking classes using fresh domestic farm products, in cooperation with various ZEN-NOH Group companies. This program allows children to take on the challenge of preparing a bento box lunch without relying on their parents, to enhance their understanding of and interest in the importance of food and food ingredients.

In these classes, employees of ZEN-NOH Group companies and ZEN-NOH itself deliver classes on Japanese agriculture and ingredients along with food quizzes, communicating to participants the importance of agriculture and food.



ZEN-NOH parent-child agricultural experience tours

These tours are organized with the cooperation of JAs to provide consumers who are generally unfamiliar with agricultural practices with an opportunity to interact with producers by experiencing farm work, including planting and harvesting vegetables, flowers, and rice, so that they can have a better understanding of agriculture.



JA Group Organization and Businesses

Local-level JAs (combined JAs) are organizations that conduct business activities through the participation and collective efforts of their members. They collectively purchase the materials necessary for agricultural production and market agricultural products under the provisions of the Agricultural Cooperative Association Act. They are also involved in a wide range of business activities including those that provide members with products necessary for daily life; savings accounts and credit services such as loans; and mutual insurance services that offer life, property, and car insurance.

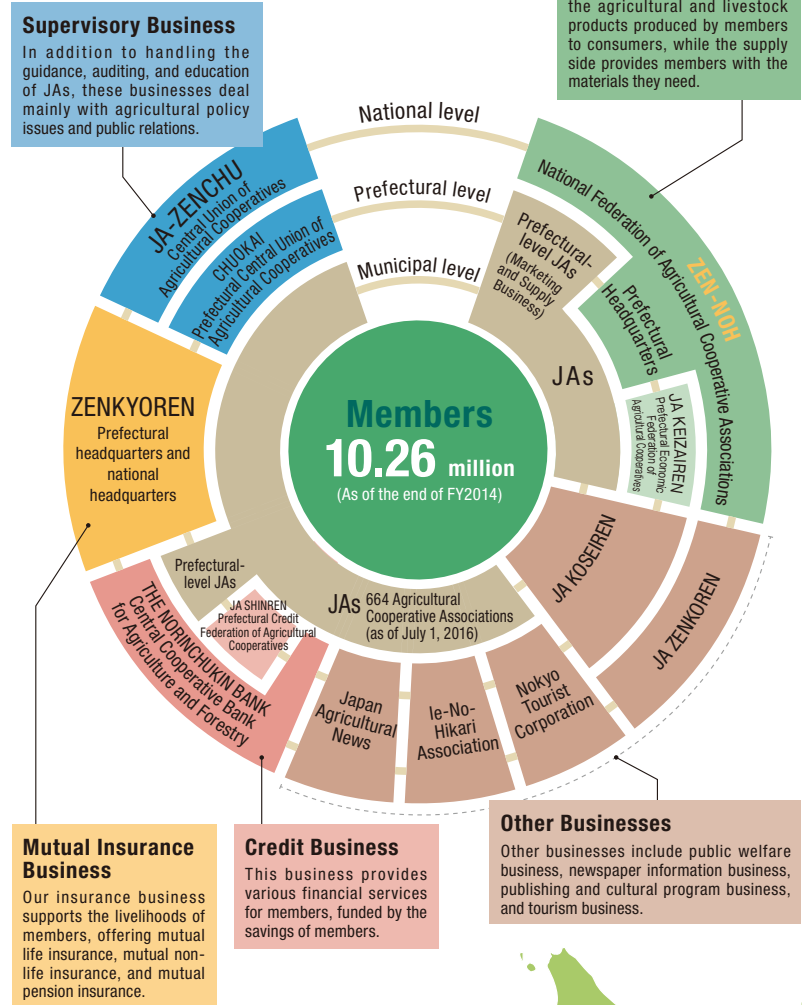
Prefectural-level federations and central unions as well as the national-level federation ensure that the business activities of local-level JAs are conducted efficiently. The entire JA organization is known as the JA Group. It consists of three levels: local-level JAs; prefectural-level JA federations and CHUOKAI (Prefectural Central Union of Agricultural Cooperatives) organizations; and the national-level JA federation.

In ZEN-NOH's marketing and supply businesses, the unification of prefectural-level JA federations and ZEN-NOH continues to advance as part of the reorganization of JA federations. Currently, there are 34 ZEN-NOH Prefectural Headquarters and one Prefectural Office around the country.

What is ZEN-NOH's role?

The ZEN-NOH Group is responsible for the marketing and supply business of the JA Group, including sale of agricultural products and supply of materials for use in agricultural production. It cooperates with local-level JAs, who are members of the ZEN-NOH Group, and prefectural federations to create scale advantages in carrying out competitive marketing and supply activities. These activities support increases in members' farm incomes and expansion of their agricultural production capacity. ZEN-NOH's role is to supply food products to consumers across Japan through such activities.

Structure of the JA Group



ZEN-NOH Profile

Established

March 30, 1972

Business goal

All member cooperative unions work together to promote ZEN-NOH businesses, thereby increasing the production efficiency of the work of member farmers, improving their economic conditions, and contributing to the raising of their status in society. Our businesses, which provide production materials, daily necessities, and process and market agricultural products, are conducted with this goal in mind.

Offices

Main office: Tokyo

Prefectural and municipal headquarters:

Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Nagano, Niigata, Toyama, Ishikawa, Gifu, Mie, Shiga, Kyoto, Osaka, Hyogo, Tottori, Okayama, Hiroshima, Yamaguchi, Tokushima, Ehime, Kochi, Fukuoka, Nagasaki, Oita

Membership

1,012 cooperative unions
(including 156 secondary unions)

Capitalization

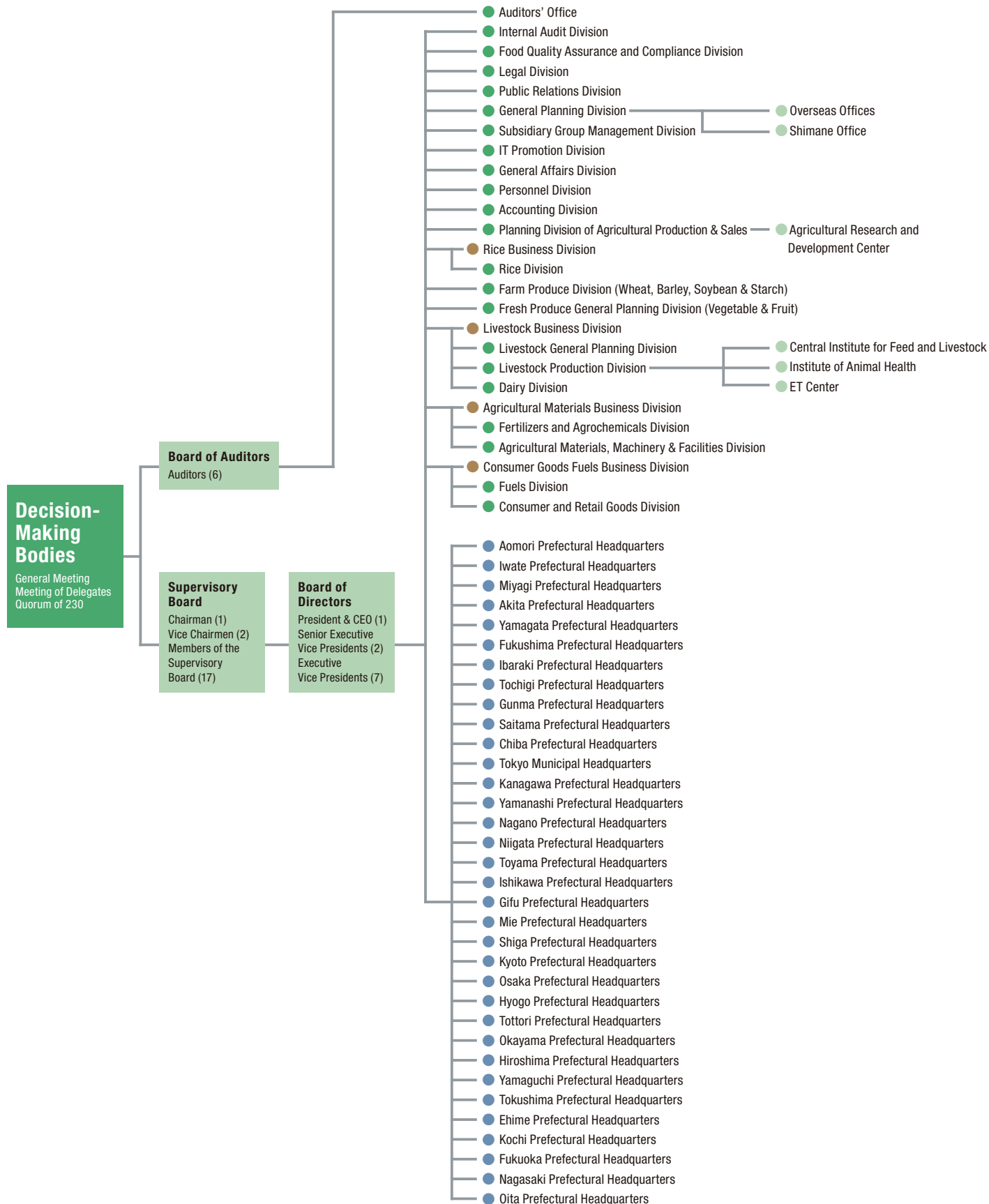
115.2665 billion yen

Employees

7,965



ZEN-NOH Organizational Chart (As of August 1, 2016)



Officers

Supervisory Board

Chairman	Yoshimi Nakano (Chairman, JA Saga)
Vice Chairman	Yutaka Nagasawa (Chairman of Administrative Committee of Yamagata Prefectural Headquarters)
Vice Chairman	Atsunobu Nakade (Chairman of the Supervisory Board, JA Nara)
Member	Toshiaki Sato (Chairman, Hokuren Federation of Agricultural Cooperatives)
Member	Naonobu Abo (Chairman of Administrative Committee of Aomori Prefectural Headquarters)
Member	Takeshi Takahashi (Chairman of Administrative Committee of Tochigi Prefectural Headquarters)
Member	Kenichi Osawa (Chairman of Administrative Committee of Gunma Prefectural Headquarters)
Member	Tokuwo Sekimoto (Chairman of Administrative Committee of Yamanashi Prefectural Headquarters)
Member	Katsuji Hosoda (Chairman of Administrative Committee of Toyama Prefectural Headquarters)
Member	Yoshio Adachi (Chairman of Administrative Committee of Gifu Prefectural Headquarters)
Member	Yasuhiro Nakagawa (Chairman of Administrative Committee of Kyoto Prefectural Headquarters)
Member	Masayuki Takeshita (Chairman, JA Shimane)
Member	Yoshifumi Sawaguchi (Chairman of Administrative Committee of Tokushima Prefectural Headquarters)
Member	Yukio Kanno (Chairman of Administrative Committee of Ehime Prefectural Headquarters)
Member	Sakae Hongou (Chairman of the Supervisory Board, Kagoshima Prefectural Economic Federation of Agricultural Cooperatives)
Member	Masaaki Oka (Lawyer)
Member	Toshio Ikeda (Certified Public Accountant)
Member	Nobuko Ichimasa (Seikatsu Club Consumers' Cooperative Union)
Member	Kazumasa Nomura (Professor, Chiba Institute of Science)
Member	Koichi Ikeda (Director, Research Institute of Society and Enterprises)

Board of Directors

President & CEO	Hitomi Narikiyo
Senior Executive Vice President	Genichi Jinde
Senior Executive Vice President	Masanobu Yoshinaga
Executive Vice President	Yoshinori Ohara
Executive Vice President	Haruya Iwaki
Executive Vice President	Shuji Yamazaki
Executive Vice President	Makoto Kongoji
Executive Vice President	Hitoshi Yoshimi
Executive Vice President	Sakae Noguchi
Executive Vice President	Yoshifumi Kuwada

Board of Auditors

Auditor	Noriaki Fujii
Auditor	Kenzo Enomoto
Auditor	Tatsumi Hamada
Auditor	Takako Otsuka (Lawyer)
Auditor	Hirofumi Suzuki (Certified Public Accountant)
Auditor	Hiroshi Matsuura (Part-time Corporate Auditor, Aica Inc.)

Senior Vice Presidents

Senior Vice President	Tomoaki Yoshizumi (Chairman, JA Youth)
Senior Vice President	Yuki Kawai (Director, National Council of the Agricultural Cooperative Women's Association)

Chairman and Vice Chairmen of Supervisory Board



Chairman, Supervisory Board
Yoshimi Nakano



Vice Chairman, Supervisory Board
Yutaka Nagasawa



Vice Chairman, Supervisory Board
Atsunobu Nakade

Board of Directors



President & CEO
Hitomi Narikiyo



Senior Executive Vice President
Genichi Jinde



Senior Executive Vice President
Masanobu Yoshinaga



Executive Vice President
Yoshinori Ohara



Executive Vice President
Haruya Iwaki



Executive Vice President
Shuji Yamazaki



Executive Vice President
Makoto Kongoji



Executive Vice President
Hitoshi Yoshimi



Executive Vice President
Sakae Noguchi



Executive Vice President
Yoshifumi Kuwada

Financial Information

FY2015 Profit and Loss Statement

(April 1, 2015 - March 31, 2016)

(Unit: million yen)

Item	Amount	Previous year	Year-on-year
1. Total operating income	92,724	91,489	101%
(1) Operating earnings	4,788,790	4,964,261	96%
(2) Operating expenses	4,696,066	4,872,771	96%
2. Business administrative expenses	95,025	95,181	100%
(1) Personnel expenses	59,090	60,034	98%
(2) Business expenses	8,500	8,164	104%
(3) Office expenses	7,698	6,621	116%
(4) Taxes and dues	7,620	8,281	92%
(5) Equipment/facility expenses	8,860	8,808	101%
(6) Depreciation expenses	3,255	3,269	100%
Operating profit	△ 2,301	△ 3,691	-
3. Non-operating profit or loss	13,130	12,671	104%
Ordinary income	10,829	8,980	121%
4. Extraordinary profit or loss	△ 4,124	2,533	-
Income before taxes	6,704	11,513	58%
Provision for corporate, residential and business taxes	328	334	98%
Adjustment to corporate tax, etc.	△ 583	3,026	-
Net income	6,959	8,152	85%

FY2015 Turnover

(Unit: 100 million yen)

Business Operation	Amount	Previous year	Year-on-year
Rice and grains business total	7,140	7,674	93%
Pearl Rice	390	430	91%
Rice	5,475	6,039	91 %
Wheat and barley	234	229	102%
Soybean and coleseed	328	268	123%
General farming products	707	705	100%
Sales projects	6	3	179%
Fruits and vegetables business total	11,754	11,119	106 %
Fruits and vegetables	11,704	11,074	106 %
Prefecture-level direct sales	50	45	110%
Livestock business total	11,116	11,361	98%
Livestock production business	1,430	1,491	96%
Single-ingredient feed and feed ingredients	3,861	4,200	92%
Livestock product sales	1,975	1,971	100%
Dairy farming business	3,128	3,069	102%
Livestock sales	723	630	115%
Agribusiness and production materials business total	8,611	8,268	104%
JA Green	55	56	99%
Fertilizer	2,189	2,196	100%
Agrochemical	1,227	1,226	100%
Production materials	442	425	104%
Packing materials	166	174	95%
Cardboard products	986	968	102%
Agricultural machinery	1,301	1,154	113%
Facility and housing	2,245	2,069	108%
Consumer business total	8,325	10,161	82%
Automobiles	164	168	98%
Oil	5,258	6,617	79%
Gas	761	975	78%
Daily necessities	2,142	2,401	89%
Grand total	46,946	48,584	97%

FY2015 Balance Sheet (As of March 31, 2016)

(Unit: million yen)

Assets	Amount	Previous year	Change over previous year	Liabilities and Member's Equity	Amount	Previous year	Change over previous year
1. Current assets	824,985	886,716	△ 61,730	3. Current liabilities	780,909	831,509	△ 50,600
Cash	211	228	△ 16	Notes payable	16,028	16,691	△ 663
Deposits	23,003	14,860	8,143	Short-term borrowing	174,200	175,072	△ 871
Notes receivable	792	832	△ 39	Accrued liabilities	493,862	537,677	△ 43,814
Marketable securities	13,498	46,396	△ 32,898	Unliquidated liabilities	12,294	18,551	△ 6,256
Accounts receivable	439,524	448,939	△ 9,415	Other current liabilities	78,520	76,893	1,627
Unliquidated claims	207,276	201,387	5,889	Reserve for bonus	4,472	4,564	△ 91
Inventories	128,157	140,832	△ 12,675	Reserve for disaster response	-	550	△ 550
Other current assets	10,689	33,257	△ 22,567	Reserve for losses from gift voucher redemption	1,497	1,454	43
Deferred tax assets	5,499	3,688	1,810	Reserve for point card certificates	31	54	△ 22
Allowance for doubtful accounts	△ 3,668	△ 3,707	38	4. Fixed liabilities	87,430	100,249	△ 12,818
2. Fixed assets	369,993	359,006	10,986	Long-term borrowing	8,377	9,193	△ 816
Tangible fixed assets	330,687	330,445	242	Long-term accrued liabilities	6,010	6,346	△ 336
Less accumulated depreciation	△ 193,004	△ 192,290	△ 714	Long-term deposits received	1,394	1,469	△ 74
Intangible fixed assets	6,665	7,309	△ 643	Long-term business deposits	1,182	1,267	△ 85
Outside investments	158,559	145,823	12,736	Asset retirement obligations	2,399	2,457	△ 57
Long-term securities	34,956	30,976	3,980	Reserve for retirement benefits	67,691	79,117	△ 11,425
Long-term accounts receivable	5,995	1,131	4,864	Miscellaneous reserve	374	397	△ 23
Long-term prepaid expenses	1,537	1,531	5	Total liabilities	868,340	931,759	△ 63,418
Other fixed assets	19,089	19,312	△ 223	5. Net assets	326,639	313,963	12,675
Long-term deferred tax assets	11,312	15,992	△ 4,680	Capital	115,265	115,266	△ 1
Allowance for doubtful accounts	△ 4,898	△ 429	△ 4,468	Capital reserve	9,622	9,622	-
Allowance for doubtful accounts - outside investments	△ 908	△ 796	△ 111	Revaluation reserve	36	36	-
				Earned surplus reserve	94,537	92,897	1,640
				Voluntary reserve	80,753	75,810	4,942
				Unappropriated earnings	12,653	15,676	△ 3,022
				Evaluation adjustment	13,770	4,654	9,116
Total	1,194,979	1,245,723	△ 50,743	Total	1,194,979	1,245,723	△ 50,743

FY2015 Consolidated Profit and Loss Statement

(April 1, 2015 - March 31, 2016) (Unit: million yen)

Item	Amount	Previous year	Year-on-year
1. Total operating income	220,073	214,952	102%
(1) Operating earnings	6,065,869	6,216,366	98%
(2) Operating expenses	5,845,795	6,001,414	97%
2. Business administrative expenses	196,560	194,877	101%
(1) Personnel expenses	124,318	124,519	100%
(2) Business expenses	17,328	16,652	104%
(3) Office expenses	10,439	9,552	109%
(4) Taxes and dues	10,529	10,860	97%
(5) Equipment/facility expenses	24,260	23,862	102%
(6) Depreciation expenses	9,310	9,230	101%
(7) Other expenses	372	198	188%
Operating profit	23,512	20,075	117%
3. Non-operating profit or loss	14,354	15,204	94%
Ordinary income	37,867	35,279	107%
4. Extraordinary profit or loss	△ 5,379	599	-
Income before taxes	32,488	35,878	91%
Provision for corporate, residential and business taxes	9,426	9,494	99%
Adjustment to corporate tax, etc.	647	3,671	18%
Total corporate tax, etc.	10,073	13,166	77%
Income	22,415	22,712	99%
Income attributable to noncontrolling interests	3,056	2,318	132%
Net income	19,358	20,394	95 %

Breakdown of Operating Earnings by Business Segment

(April 1, 2015 - March 31, 2016) (Unit: million yen)

Item	Amount	Previous year	Year-on-year
Rice and grains	778,387	837,257	93%
Fruits and vegetables	1,252,107	1,183,932	106%
Livestock	2,163,907	2,208,207	98%
Agribusiness and production materials	889,461	843,331	105%
Consumer	889,156	1,044,683	85%
Other (transportation, etc.)	208,573	222,349	94%
Total	6,181,593	6,339,762	98 %
Elimination *	△ 115,723	△ 123,395	-
Grand total	6,065,869	6,216,366	98%

* This indicates inter-segment sales/transfers.

Turnover by Different Business Operations

FY2011	7,806	10,465	10,449	8,617	10,690	48,028
FY2012	8,219	10,080	10,638	8,589	10,725	48,250
FY2013	8,170	10,541	11,421	9,405	11,314	50,852
FY2014	7,674	11,119	11,361	8,268	10,161	48,584
FY2015	7,140	11,754	11,116	8,611	8,325	46,946

■ Rice and grains
 ■ Fruits and vegetables
 ■ Livestock and dairy farming
 ■ Agribusiness and production materials
 ■ Fuel and consumer

Total
(Unit: 100 million yen)

FY2015 Consolidated Balance Sheet

(As of March 31, 2016) (Unit: million yen)

Assets	Amount	Previous year	Change over previous year	Liabilities and Member's Equity	Amount	Previous year	Change over previous year
1. Current assets	1,123,388	1,203,041	△ 79,652	3. Current liabilities	934,036	1,027,728	△ 93,692
(1) Cash and deposits	121,902	103,057	18,845	(1) Notes payable	17,791	18,222	△ 431
(2) Notes receivable	2,475	2,835	△ 360	(2) Short-term borrowing	254,994	316,102	△ 61,108
(3) Marketable securities	13,981	51,850	△ 37,868	(3) Accounts payable	497,665	522,104	△ 24,439
(4) Accounts receivable	476,129	483,934	△ 7,804	(4) Unliquidated liabilities	12,337	18,547	△ 6,210
(5) Unliquidated claims	197,547	200,723	△ 3,175	(5) Other current liabilities	141,637	143,185	△ 1,548
(6) Inventories	215,377	237,668	△ 22,291	(6) Reserve for bonus	9,372	9,365	6
(7) Other current assets	91,566	121,114	△ 29,547	(7) Deferred tax liabilities	236	199	37
(8) Deferred tax assets	7,820	5,622	2,198	4. Fixed liabilities	209,857	198,434	11,423
(9) Allowance for doubtful accounts	△ 3,411	△ 3,764	352	(1) Long-term borrowing	75,190	54,534	20,656
2. Fixed assets	590,596	565,481	25,114	(2) Liabilities for retirement benefits	91,880	102,832	△ 10,951
(1) Tangible fixed assets	979,582	954,380	25,201	(3) Other long-term provisions	9,751	9,584	167
Less accumulated depreciation	△ 620,967	△ 606,586	△ 14,380	(4) Long-term monetary liabilities	20,447	19,539	907
(2) Intangible fixed assets	12,599	13,628	△ 1,028	(5) Asset retirement obligations	6,007	5,991	16
(3) Outside investments	134,227	115,490	18,737	(6) Long-term deferred tax liabilities	5,789	4,459	1,330
(4) Long-term securities	36,089	31,989	4,099	(7) Other fixed liabilities	789	1,491	△ 702
(5) Long-term loans receivable	13,534	8,172	5,361	Total liabilities	1,143,893	1,226,162	△ 82,269
(6) Long-term prepaid expenses	1,971	1,969	1	5. Net assets	570,090	542,360	27,730
(7) Fixed assets for retirement benefits	1,354	1,267	87	(1) Capital	115,265	115,266	△ 1
(8) Other fixed assets	20,237	23,518	△ 3,280	(2) Capital reserve	9,663	9,659	4
(9) Long-term deferred tax assets	18,342	23,323	△ 4,980	(3) Retained earnings	386,679	370,682	15,996
(10) Allowance for doubtful accounts	△ 6,149	△ 1,448	△ 4,700	(4) Valuation and exchange adjustments	18,776	9,690	9,086
(11) Allowance for doubtful accounts - outside investments	△ 228	△ 224	△ 3	(5) Minority equity	39,774	37,129	2,644
				(6) Other	△ 68	△ 68	0
Total	1,713,984	1,768,522	△ 54,538	Total	1,713,984	1,768,522	△ 54,538

ZEN-NOH Subsidiaries and Affiliated Companies

• A subsidiary is a company in which ZEN-NOH or its subsidiary holds more than 50% of voting rights.
 • An affiliate is a company over which ZEN-NOH or its subsidiary can exercise control by holding 40% to 50% of voting rights and a majority of seats on the board of directors.
 Total: 130 companies (including overseas companies)

(As of August 1, 2016)

	Rice and grains/Fruits and vegetables/Production materials	Livestock		Consumer	General	
Production, packing, storage, logistics	Main office ZEN-NOH Green Resources Thailand Co., Ltd. (Thailand) 日本 Main office ZEN-NOH Green Resources Corporation Iwate Prefectural Headquarters Kumiai Fertilizer Co., Ltd. Tochigi Prefectural Headquarters JA Green Tochigi Co., Ltd. Ishikawa Prefectural Headquarters JA Agri Line Ishikawa Co., Ltd. Hiroshima Prefectural Headquarters Hiroshima Fertilizer Production Co., Ltd. Tokushima Prefectural Headquarters Tokushima Kyodo Fertilizer Co., Ltd. Gunma Prefectural Headquarters JA House Service Co., Ltd. Hiroshima Prefectural Headquarters JA Noki Hiroshima Service Co., Ltd.	Main office ZEN-NOH Grain Corporation (USA) 日本 Main office ZEN-NOH Grain Canada Corporation (Canada) 日本 Main office ZEN-NOH GRAIN BRAZIL HOLDINGS Ltda (Brazil) 日本 Main office ZEN-NOH ACA Limited (Hong Kong) 日本 Main office ZEN-NOH Hay Inc. (USA) 日本 Main office ZEN-NOH Silo Corporation Ishinomaki Futo Silo Corporation Main office Kushiro Silo Corporation Main office JA ZEN-NOH Kita-Nihon Cooperative Feed & Mills Co., Ltd. Main office JA Higashi-Nihon Cooperative Feed & Mills Co., Ltd. Main office JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd. Main office JA Kitakyushu Cooperative Feed & Mills Co., Ltd. Main office Scientific Feed Laboratory Co., Ltd. Main office ZEN-NOH LIVESTOCK CO., LTD. Main office Kyodo Fish Meal Co., Ltd. Main office Uwajima Fish Feeds Co., Ltd. Main office Kita-Nihon JA Livestock Co., Ltd. Main office Institute of Livestock Business Management Main office Nishi-Nihon JA Livestock Co., Ltd. Main office JA Kitakyushu Farm Co., Ltd. Main office JA Usuki Tamago Farm Co., Ltd. Fukushima Prefectural Headquarters Midori Kosan Co., Ltd. Okayama Prefectural Headquarters Okayama JA Chikusan Co., Ltd.			Main office ZEN-NOH Logistics Co., Ltd. Yamanashi Prefectural Headquarters Sankei Co., Ltd.	
Sales, processing	Main office ZEN-NOH Pearl Rice Corporation Main office Kirameki Co., Ltd. Iwate Prefectural Headquarters Jun-jo Rice Iwate Co., Ltd. Miyagi Prefectural Headquarters Pearl Rice Miyagi Corporation Nagano Prefectural Headquarters MYPEARL NAGANO Co.LTD. Shiga Prefectural Headquarters Pearl Rice Shiga Co., Ltd. Okayama Prefectural Headquarters Okayama Pearl Rice Corporation Ehime Prefectural Headquarters HIME RICE Corporation Main office ZEN-NOH Foods Co., Ltd. 日本 Main office Pure Dish Co., Ltd. 日本 Main office ZEN-NOH Fresh Produce Marketing Corporation Saitama Prefectural Headquarters Kawagoe Hana-Ki Ichiba Co., Ltd. Ehime Prefectural Headquarters Ehime Beverage Inc. Yamagata Prefectural Headquarters Yamagata Foods Co., Ltd. Yamaguchi Prefectural Headquarters NIHON KAJITSU KOUGYOU Co., Ltd. Fukuoka Prefectural Headquarters Fukuren Co., Ltd. Oita Prefectural Headquarters JA Foods Oita Co., Ltd. Ehime Prefectural Headquarters Ehime Foods Co., Ltd.	Main office JA ZEN-NOH Meat Foods Co., Ltd. Main office JA Takasaki Ham Co., Ltd. Main office Yoshida Ham Co., Ltd. Main office Meat Land Co., Ltd. Yamagata Prefectural Headquarters Shonai Shokuniku Kosha Niigata Prefectural Headquarters Niigata COOP Livestock Co., Ltd. 日本 Ibaraki Prefectural Headquarters Ibaraki Kyodo Shokuniku Co., Ltd. Gunma Prefectural Headquarters Gunma-ken Syokuniku Oroshiuri Ichiba Co., Ltd. Nagano Prefectural Headquarters Nagano Shokuniku Kosha Tottori Prefectural Headquarters Tottori-ken Shokuniku Center Co., Ltd. Ehime Prefectural Headquarters JA Ehime Ipacks Co., Ltd. Fukuoka Prefectural Headquarters Kyushu Kyodo Shokuniku Co., Ltd. Nagasaki Prefectural Headquarters Sasebo Meat Center Co., Ltd. Yamagata Prefectural Headquarters Yamagata Shokuniku Kosha 日本 Mie Prefectural Headquarters JA ZEN-NOH Mie Meat Co., Ltd. Main office ZEN-NOH Chicken Foods Corporation 日本 Main office Miyazaki Kumiai Chicken Foods Corporation 日本 Main office Kagoshima Kumiai Chicken Foods Corporation 日本 Main office Sumita Foods Corporation 日本 Gunma Prefectural Headquarters ZENNOH CHICKEN FOODS CORPORATION Main office JA ZEN-NOH Tamago Co., Ltd. Hiroshima Prefectural Headquarters ZEN-NOH Hiroshima Keiran Co., Ltd. Ehime Prefectural Headquarters JA Ehime Fresh Foods Co., Ltd. Main office Tohoku Kyodo Nyugyo Co., Ltd.				
Retail	Main office ZEN-NOH Foods America Corporation (USA) 日本 Main office ZEN-NOH Restaurant Beverly Hills LLC (USA) 日本	Main office ZEN-NOH Restaurant London Limited (London) 日本 Main office JA ZEN-NOH Meat Foods (Hong Kong) Limited (China) 日本	Main office ZEN-NOH Energy Corporation Saitama Prefectural Headquarters JA Energy Saitama Co., Ltd. Chiba Prefectural Headquarters JA Energy Chiba Co., Ltd. Hyogo Prefectural Headquarters JA Energy Hyogo Co., Ltd. Hiroshima Prefectural Headquarters Hiroshima Kumiai Fuel Co., Ltd. Tokushima Prefectural Headquarters JA Tokushima Fuel Service Co., Ltd. Ehime Prefectural Headquarters JA Ehime Energy Co., Ltd. Kochi Prefectural Headquarters JA Energy Kochi Co., Ltd. Fukuoka Prefectural Headquarters Fukuoka Life Energy Co., Ltd. Nagano Prefectural Headquarters JA Auto Nagano Co., Ltd. Tottori Prefectural Headquarters Nihonkai Mitsubishi Motors Marketing Corporation Main office Zennoh Kumix Co., Ltd. Main office A-COOP Kita-Tohoku Co., Ltd. Main office A-COOP Kanto Co., Ltd. Main office A-COOP Kinki Co., Ltd. Main office A-COOP Nishi-Nihon Co., Ltd. Main office A-COOP Kyushu Co., Ltd. Miyagi Prefectural Headquarters A-COOP Miyagi Co., Ltd. Yamagata Prefectural Headquarters A-COOP Shonai Co., Ltd. Ishikawa Prefectural Headquarters Jacom Ishikawa Co., Ltd. Kyoto Prefectural Headquarters A-COOP KYOTO, Inc. Kyoto Prefectural Headquarters A-COOP Sonobe Co., Ltd. Fukushima Prefectural Headquarters JA Life Create Fukushima Co., Ltd. Tochigi Prefectural Headquarters JA Tochigi Life Co., Ltd. Saitama Prefectural Headquarters Pearl Total Service Co., Ltd. Chiba Prefectural Headquarters JA Life Chiba Co., Ltd. Nagano Prefectural Headquarters Nagano A-COOP Supply Co., Ltd. Kochi Prefectural Headquarters JA Memorial Kochi Co., Ltd.			
Trade	Main office ZEN-NOH AMERICA CORPORATION (USA) 日本	Main office ZEN-NOH International Corporation Main office ZEN-NOH International Europe Limited (London) 日本 Main office ZEN-NOH International Asia Pte. Limited (Singapore) 日本				
Business administration	Main office Agrinet Service Corporation				Main office ZEN-NOH Business Support Co., Ltd. Nagano Prefectural Headquarters ZEN-NOH Nagano Keisan Center Co., Ltd.	
General					Main office JA AGURI SHIMANE CORPORATION Yamagata Prefectural Headquarters ZEN-NOH Life Support Yamagata Co., Ltd. Fukushima Prefectural Headquarters JA Pearl Line Fukushima Co., Ltd. Ibaraki Prefectural Headquarters ZEN-NOH Life Ibaraki Co., Ltd. Toyama Prefectural Headquarters Kumiai Kensetsu Co., Ltd. Toyama Prefectural Headquarters JA Life Toyama Co., Ltd. Ishikawa Prefectural Headquarters JA KENSETSU ENERGY CO.LTD Gifu Prefectural Headquarters Gifu Agri-foods Co., Ltd. Mie Prefectural Headquarters Mie Coop Sangyo Co., Ltd. Nagano Prefectural Headquarters JA Agriyell-Nagano Co., Ltd. Nagano Prefectural Headquarters Naganoken Nokyo Chokuhan Co., Ltd. Hiroshima Prefectural Headquarters ZEN-NOH Hiroshima Chokuhan Co., Ltd. Yamaguchi Prefectural Headquarters Yamaguchi Nokyo Chokuhan Co., Ltd. Nagasaki Prefectural Headquarters Nagasaki-ken Nokyo Chokuhan Co., Ltd. Oita Prefectural Headquarters Pearl Rice Oita Keizairen Co., Ltd.	
Joint ventures with major firms (Including some investments by subsidiaries)	Trading companies CGB Enterprises, Inc. Itochu Corporation Pacific Grain Center Marubeni Corporation Tohoku Grain Terminal Co., Ltd. Toyota Tsusho Corporation JAMC Solar Energy G.K. Mitsubishi Corporation JA Mitsui Leasing Ltd. Mitsui & Co., Ltd.	Uwajima Fish Feeds Co., Ltd. Itochu Corporation Marubeni Co-op Agri Corporation Marubeni Corporation	Food and beverage manufacturers Green Message Co., Ltd. Kewpie Corp. Zen-noh Kewpie Egg-station Co., Ltd. Kewpie Corp. Sungrain Ltd. Suntory Holdings Ltd.	Materials manufacturers Nippon Phosphoric Acid Co. Nippon Chemical Industrial Co., Ltd. Kyoyo Agri Co., Ltd. Sumitomo Chemical Co., Ltd. JA-Sekkei Architects & Engineers, Inc. Mitsubishi Chemical Corporation Zen-Noh High Pack Co., Ltd. Nippon Light Metal Co., Ltd.	Other JA-LP Gas Information Center Co., Ltd. NTT Group NJ Agri Support Co., Ltd. Nishi-Nippon Railroad Co., Ltd.	Overseas agricultural cooperatives CZL 日本 CHS Inc. ZEN-NOH ACA Limited 日本 Asociación de Cooperativas Argentinas Hong Kong GrainsConnect Canada Operations Inc. Canada GrainCorp T.J.C. Chemical Co., Ltd. Thailand Co-op Thailand

I'll continue cheering for Japanese food and agriculture as a player on the ZEN-NOH team

*Thank you for all the encouragement you provide.
I'm touring the world monthly to compete in Europe,
Asia, and elsewhere.
The secret to managing my condition while overseas is rice,
and I always take the rice and rice cooker
that ZEN-NOH provides when I travel abroad.
As a result, I have been able to play
my best again this year, without injury.
With your support, I intend to keep doing
my best while eating agricultural products from Japan,
always maintaining my competitive spirit.*



A large, stylized handwritten signature in black ink, likely reading 'Ishikawa Kasumi'.





Photo courtesy of Potash Corp.



National Federation of Agricultural Cooperative Associations JA is the abbreviation for Japan Agricultural Cooperatives.

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