

ZEN-NOH Report

2017



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

ZEN-NOH Report 2017

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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.

The Next Two Years Will Be Decisive Fresh Success

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

In November 2016, the Agricultural Competitiveness Reinforcement Program of Japan's ruling party was instituted and the government's Plan for Creating Dynamism in "Agriculture, Forestry and Fisheries and Regions Vitalization Creation Plan" was revised in response. Among the objectives of this revision were reform of the pricing mechanism for production materials and reorganization of the structure of the agricultural produce distribution and processing industries. In light of these moves, ZEN-NOH has put together its own set of reforms in the shape of specific measures focused on our production materials business and our sales business, along with an annual business plan. These reforms were approved by member organizations in March 2017, following discussion within those organizations. Now the real work starts. In fiscal 2017, we will remain fully committed to raising farmers' incomes, expanding agricultural production, and invigorating rural communities.

We will move away from our conventional method of purchasing fertilizer and other production materials, under which we determined the price through negotiations based on cost. Instead, prices will be set using tenders and estimates, among other techniques, based on order quantities determined in advance through collective purchasing. In our rice and grain businesses and fruit and vegetables / farm products businesses, we will switch to a new business model for sales, utilizing dedicated sales teams to enhance our systems for marketing products directly to actual consumers.

On the production side, we will aim to cut total production costs

significantly by reducing expenditure on materials and equipment through the consolidation of brands and specifications of materials and joint use of agricultural machinery. In addition, as well as reducing labor expenses by means of labor-saving cultivation techniques, we will pursue productivity improvements by introducing new varieties and technologies. On the sales front, we plan to expand our purchase of food-grade rice for sale and increase the percentage of direct sales to actual consumers. Imports of fruit and vegetables increased in 2016, due to poor harvests and high prices caused by disasters, among other factors. This year, we will bolster the whole structure from production through to sales, to match growing demand for fruit and vegetables for commercial use and in the restaurant industry. Adopting a relay approach involving production areas nationwide, we will increase the market share of Japanese produce. In our export business, we will enhance our staffing and sales networks.

We will embark on a steady process of self-improvement by proactively appointing external personnel with a wealth of business experience, as well as shifting to personnel better suited to the changing production environment and food market structures. In addition, we will conduct a review of inefficient departments and structures that duplicate the work of other parts of the organization. Through an all-out, intensive effort, we will put a roadmap in place within the next year or two and get our businesses firmly on the right track. We are all determined to pull together in the same direction, without fear of failure, so that we can build a bright, sustainable future for Japanese agriculture.

We will appreciate your continued cooperation and understanding with regard to the operations of the ZEN-NOH Group in the future.

Chairman of
Supervisory Board
Yutaka Nagasawa

長澤 豊

President & CEO,
Board of Directors
Genichi Jinde

神出 元一

in Putting ZEN-NOH on Track for

As a member of the JA Group, ZEN-NOH has adopted the JA Manifesto as our action guidelines

As a shared philosophy for members, management, and employees, the JA Manifesto calls for us to be an organization that is rooted in and progresses together with our communities, based on agriculture.

JA Manifesto

We, members, employees and officers of JA, act in accord with the fundamental definitions, values and principles of cooperative union activities (independence, self-reliance, participation, democratic management, fairness, and solidarity).

We will forecast environmental changes from a global perspective and renovate our organization, business, and management. We will also cooperate with cooperatives in local communities, across the country, and all around the world, in an effort to realize a more democratic and fairer society.

To this end, we will fulfill our role in society as a community-based agricultural organization sincerely, by carrying out the following initiatives.

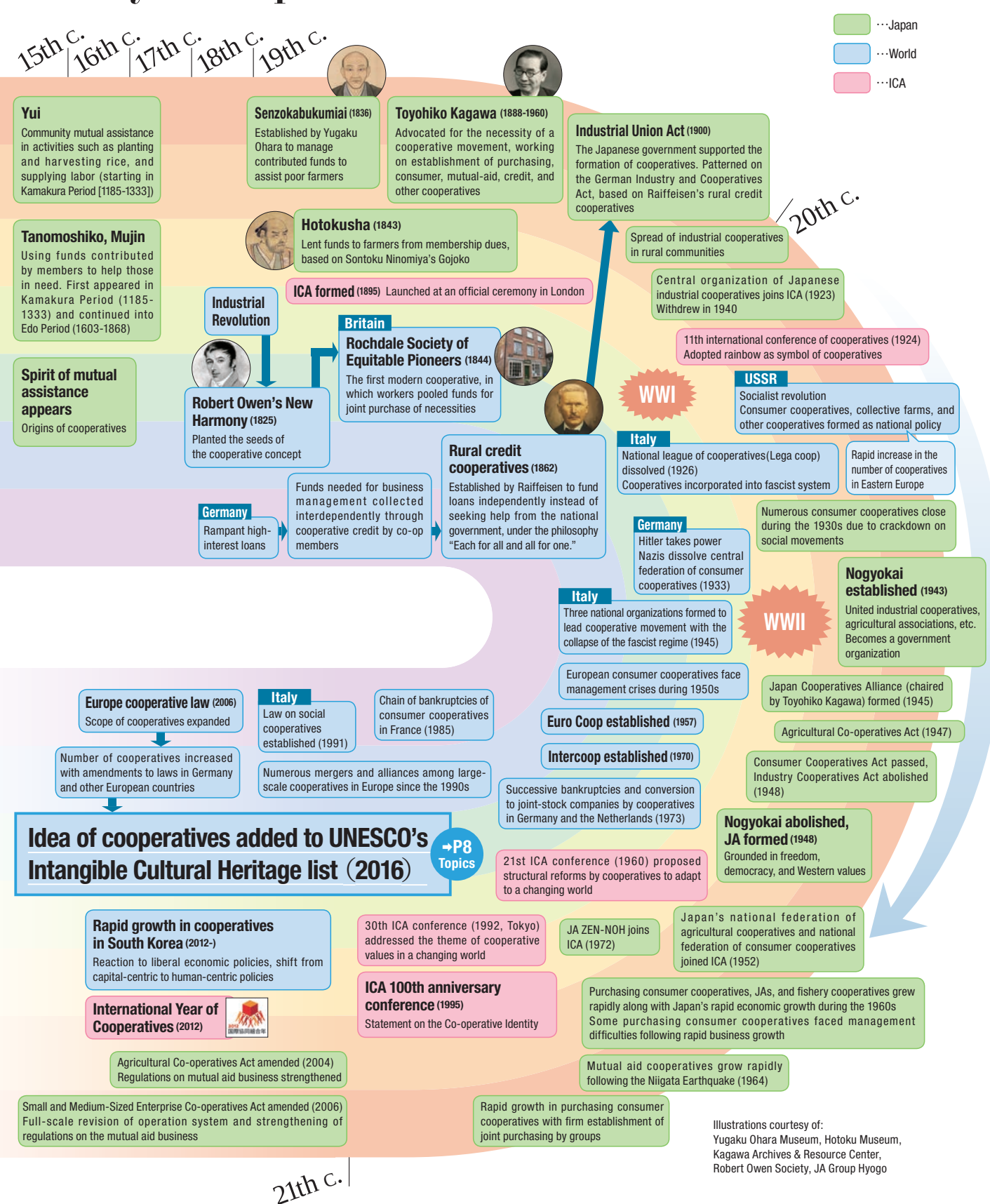
We will:

- 1 Develop agricultural industries in regions to protect food, nature, and water of our country.
- 2 Build local communities where people can live a safe and bountiful life by making a contribution to the environment, culture, and welfare.
- 3 Achieve cooperative results through active participation in and solidarity with JA.
- 4 Ensure sound management of JA and strengthen confidence in JA in accordance with the principles of independence, self-reliance and democratic management.
- 5 Pursue the achievement of meaningful lives together through learning the spirit of cooperation and implementing cooperative activities.

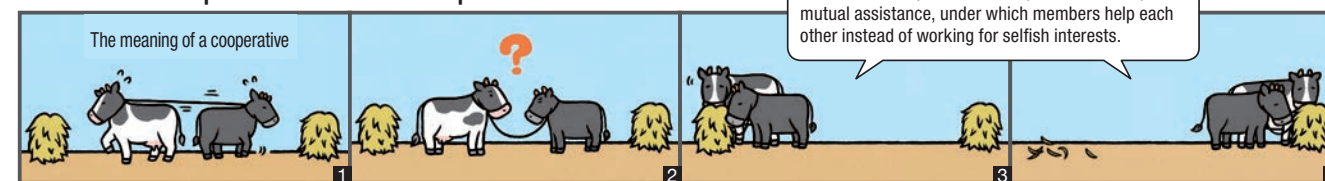
Cooperatives in Japan and around the world

ZEN-NOH as a cooperative

History of cooperatives



The cooperative concept



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

Cooperatives support communities and livelihoods

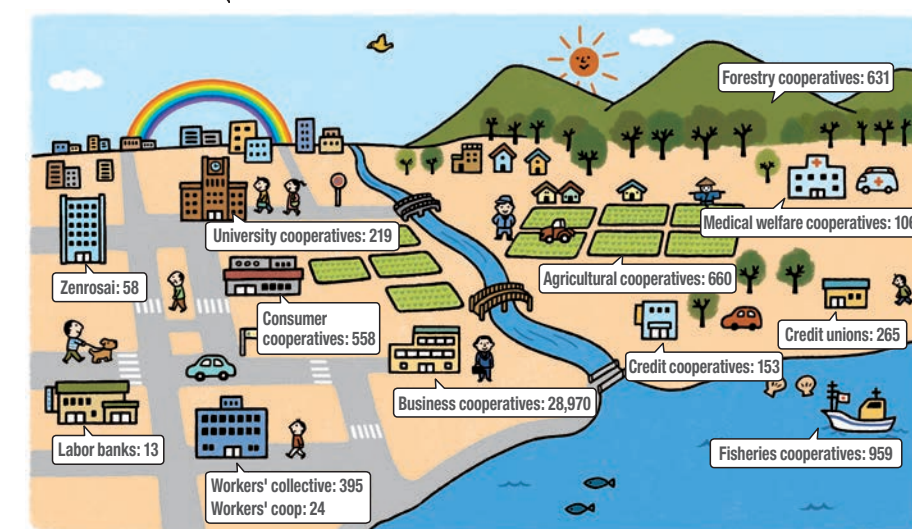
Cooperatives are organizations that manage their operations based on the principles of self-help and cooperation from long-term, multifaceted, and altruistic approaches, aiming to improve the livelihoods of their members. They are deeply involved in our lives over a broad range of areas from primary 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 November 2017)

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

Figures shown represent numbers of cooperatives in Japan (source: Cooperatives Japan, 2017)

33,000 organizations, 65 million members



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.

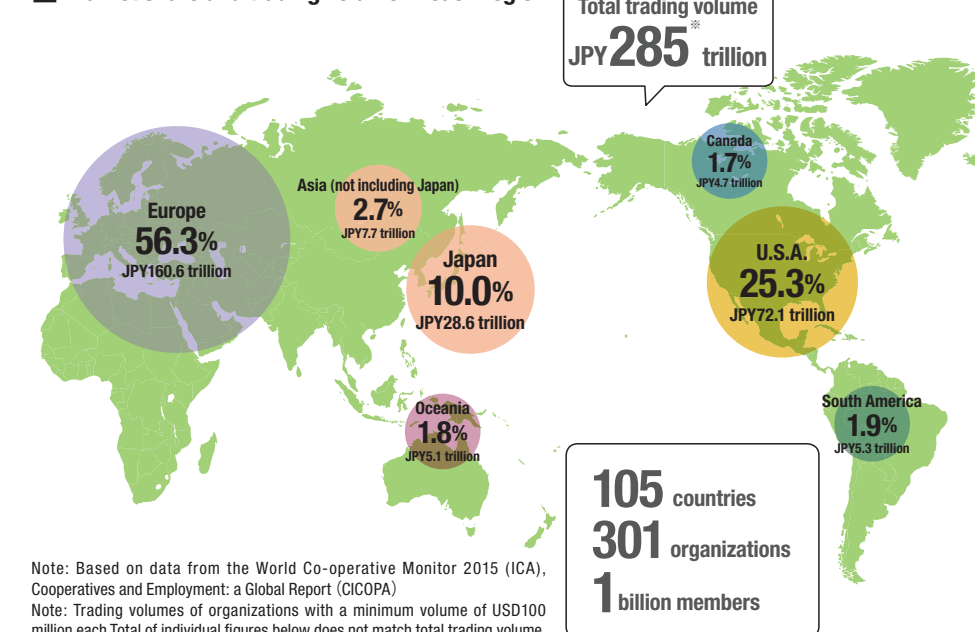
A major presence in the international community

The membership of the International Cooperative Alliance consists of 301 organizations from 105 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 1,658 of member cooperatives have trading volumes of USD100 million or more.

In addition, cooperatives create employment for more than 250 million people worldwide. 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.

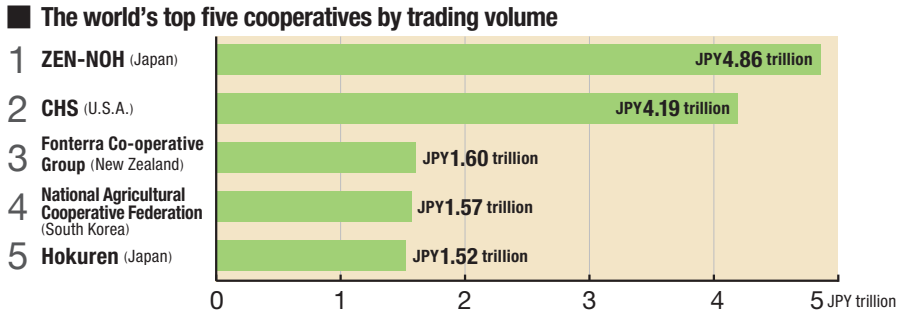
Market share and trading volume in each region



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

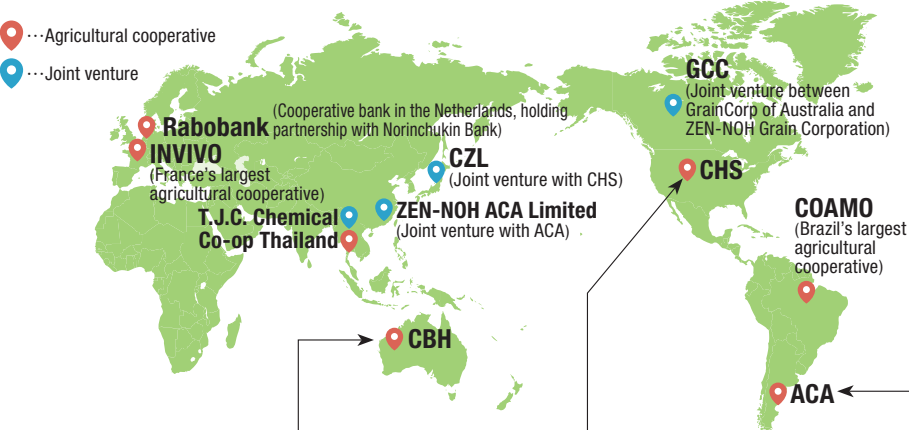
ZEN-NOH’s standing among cooperatives worldwide

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.



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.

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 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.

Jay Debertin, 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

Dramatic global acquisitions of agricultural cooperatives in Canada and Australia

Many cooperatives worldwide have been acquired by global firms as a result of having shifted to a joint-stock company organizational structure in order to raise funds. While such agricultural cooperatives once accounted for a massive share of grain distribution in their own markets, with these organizational changes and acquisitions their shares have fallen. Tough competition is developing in grains markets worldwide as agricultural cooperatives convert to joint-stock companies and then become involved in successive acquisitions.

The case of ABB Ltd. in Australia and Viterra Inc. in Canada

The case of AWB in Australia

Originally, Australia had both packing cooperatives for wheat and barley, organized by state, and a state government monopoly that exported barley. In 2000, these packing cooperatives and the state agency converted to joint-stock companies and merged to form ABB Ltd.

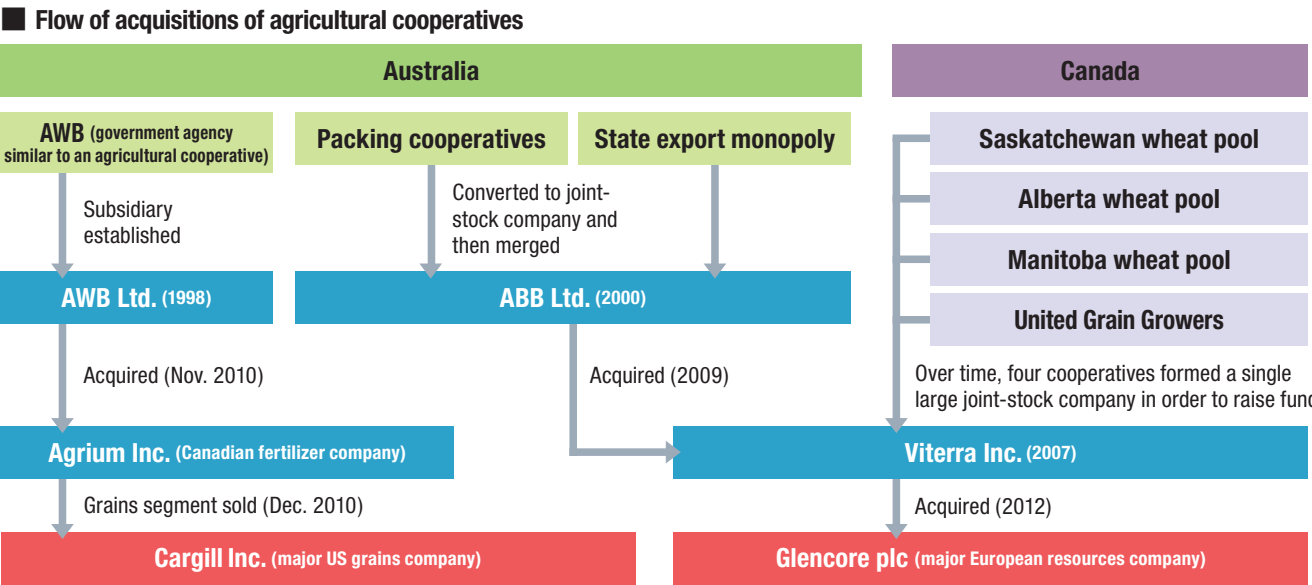
In Canada, four agricultural cooperatives that needed to consolidate their packing facilities in an effort to end losses in their grain shipping businesses merged and converted to joint-stock companies to raise funds for construction of new packing facilities. In 2007, these became Viterra Inc. Viterra Inc. acquired ABB Ltd. in 2009 as a means of preventing a hostile takeover. However, in 2012 Viterra Inc. was acquired by a major European company, Glencore plc.

Thus, the shift to a joint-stock company organization, intended to make it easier to raise funds, led in a little over a decade to acquisition by an overseas company, which in turn led to a major decrease in packing share.

Originally, AWB was a government agency that resembled an agricultural cooperative, with a monopoly on wheat exports and a pooling system. In 1998, it established a wholly owned subsidiary to which it transferred all of its businesses. In the following year, the original organization was dissolved and stock in the company was split into shares with voting rights, to be held only by farmers, and shares without voting rights. At that time, it remained a joint-stock company defended against hostile takeovers.

Later, in 2008, its articles of association were amended to abolish this distinction in types of stock and make it an ordinary company, and then in 2010 it was acquired by the Canadian fertilizer company Agrium Inc.

Only one month later, Agrium Inc. sold its grains segment to the major US grains company Cargill Inc., retaining only AWB's fertilizer subsidiary.



Differences between a cooperative and a joint-stock company

	Cooperative	Joint-stock company
Organization	Members seeking to improve their own living	Shareholders who have purchased company stock
Purpose	Improving members' living over the long term (not for profit)	Pursuing short-term returns (for profit)
Management	Members, users, and management are the same	Policies decided on in general meetings of shareholders
Voting rights	One person, one vote	One share, one vote
Acquisition	Impossible	Possible
Operating principles	Prioritizing long-term, multifaceted gains based on a spirit of helping each other	Prioritizing above all short-term profit through competition

While joint-stock companies are intended to pursue profit, cooperatives have played important roles around the world over the years through members combining forces to realize shared objectives and hopes together.

Topics

Idea and practice of cooperatives added to UNESCO's Intangible Cultural Heritage list (2016)

On November 30, 2016, the United Nations Educational, Scientific and Cultural Organization (UNESCO) decided to add the "Idea and practice of organizing shared interests in cooperatives" to its Representative List of the Intangible Cultural Heritage of Humanity, based on an application submitted by Germany.

The UNESCO committee that made this decision noted that cooperatives "allow for community building through shared interests and values creating innovative solutions to societal problems, from generating employment and assisting seniors to urban revitalization and renewable energy projects."

As a cooperative, ZEN-NOH will strive to build a better society by further advancing the idea and practice of cooperatives in Japan while also working together with agricultural cooperatives around the world.

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 grains, include enhancement and strengthening of our grain originating infrastructure in the Midwest, through our subsidiaries including ZEN-NOH Grain and

CGB, and developing a grain originating 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

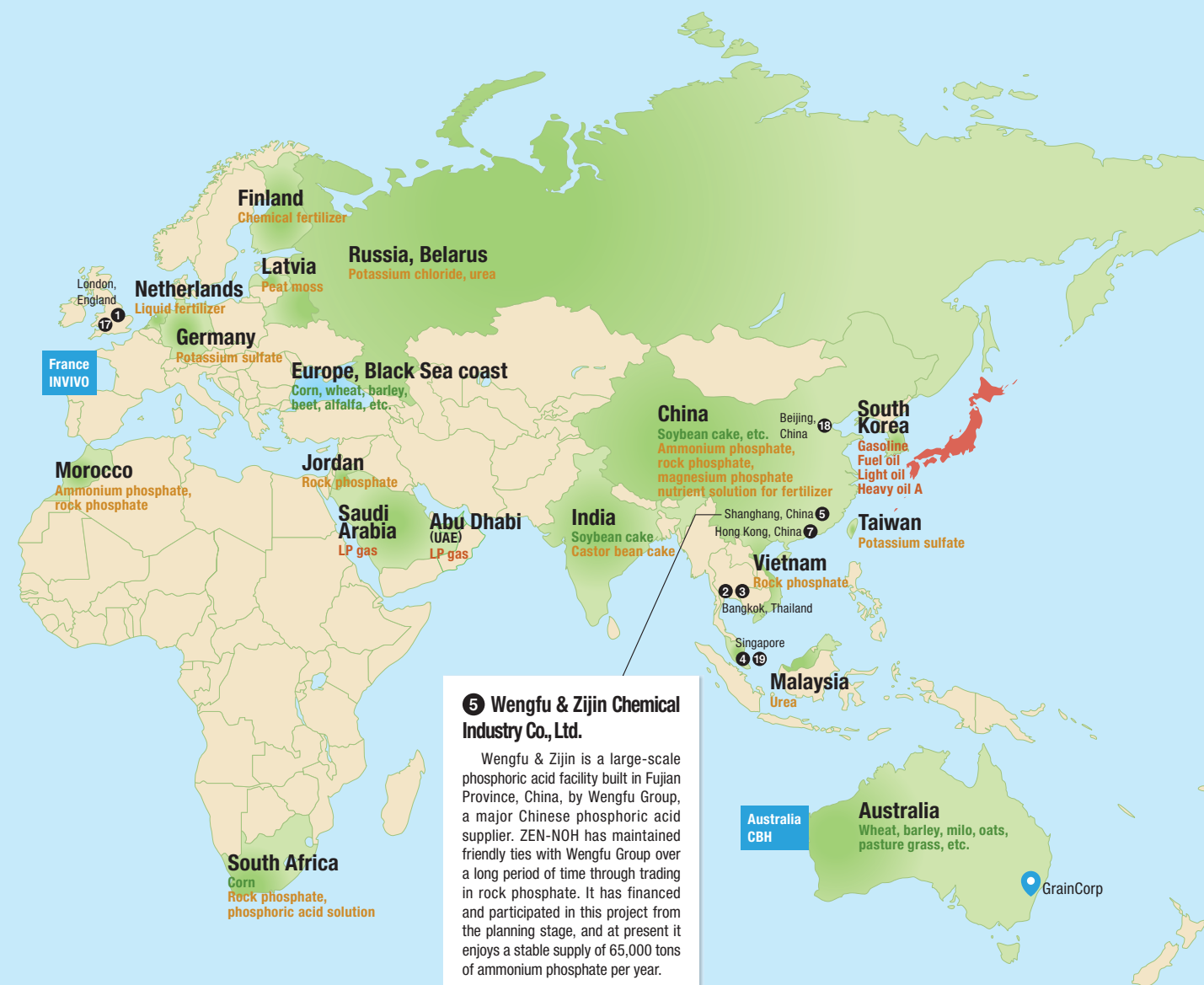
countries, including ACA in Argentina, COAMO in Brazil, CBH in Australia, and INVIVO in France.

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.



5 Wengfu & Zijin Chemical Industry Co., Ltd.

Wengfu & Zijin is a large-scale phosphoric acid facility built in Fujian Province, China, by Wengfu Group, a major Chinese phosphoric acid supplier. ZEN-NOH has maintained friendly ties with Wengfu Group over a long period of time through trading in rock phosphate. It has financed and participated in this project from the planning stage, and at present it enjoys a stable supply of 65,000 tons of ammonium phosphate per year.



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 grains and oilseeds to Asia	9 JA ZEN-NOH International Limited, Portland Representative Office - Established in 2001 (U.S.) - 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 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 ZEN-NOH Hay Inc. - Established in 2011 (U.S.) - Manufacture, export, and sale of forage and hay products	10 ZEN-NOH Grain Corporation, Portland Division - Established in 2005 (U.S.) - Export and sales of grains and forage

11 ZEN-NOH Grain Corporation (ZGC) - Established in 1979 (U.S.) - Export and sales of grains, information collection	13 ZEN-NOH Grain Brazil Holdings Ltda (ZGB) - Established in 2015 - Origination of grains, investment in exporting companies, information collection	15 GrainsConnect Canada Operations Inc. (GCC) - Established in 2015 - Origination, storage, and sale of wheat, barley, and other feed materials	17 ZEN-NOH London Office - Established in 2014 (reorganized in 2015) - Growing exports of domestic agricultural products, information collection, attendant services	19 ZEN-NOH Singapore Office - Established in 2013 (reorganized in 2015) - Transfer of fertilizer materials, juices, etc., export support, information collection, attendant services
12 CGB Enterprises, Inc. (CGB) - Acquired in 1988 (U.S.) - Origination, storage, and sales of grains	14 Amaggi Louis Dreyfus ZEN-NOH Holdings S.A. (ALZ) - Invested in in 2017 (Brazil) - Origination and export of grains	16 ZEN-NOH America Corporation (ZNA) - Established in 1978 (reorganized in 1982) - Support for trading partners for meat - International trading in fertilizer materials, etc., development of and business	18 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	

As of December 2017

11 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 compound feed (e.g., corn).



12 CGB Enterprises, Inc.

ZEN-NOH acquired CGB in 1988 to strengthen its infrastructure for shipping grains 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 Grains Connect Canada Operations Inc.

GCC is a joint venture established in 2015 in Canada between the Australian grains originating, 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.



14 Amaggi Louis Dreyfus ZEN-NOH Holdings S.A.

Amaggi Louis Dreyfus ZEN-NOH Holdings S.A. (ALZ) is a grain originating and exporting company in which ZEN-NOH Grain Corporation (ZGC) invested, through its Brazilian subsidiary ZGB, in July 2017. It will strive to stabilize supply of feed grains by building supply chains in Brazil, one of the world's leading exporters of grains (corn, soy) and one that is expected to see further growth in production and exports in the future.



Promoting the Regional Vitalization

The value of agricultural production in Japan has been decreasing over the long term due to factors such as falling farmer incomes, depopulation, and the aging of society. Under such conditions, new movements are developing in rural communities, including grandchildren returning to farming ("grandchild-turn") and "50-50 farming," a way of double-jobbing to split income between agriculture and other sources.

1. Rural trends

① Rapid ageing and depopulation in rural communities

Due to the nation's low birth rate, Japan's population has been decreasing since its peak in 2005. The population of people aged 65 and older stood at 34.59 million in 2016 (vs. 33.87 million in the previous year), accounting for 27.3% of Japan's total population (vs. 26.6% in the previous year). This shows a rapid increase of 720,000 people or 0.7 percentage points from the previous year, to record highs in terms of both the number of people aged 65 and older and their percentage of the total population.

A look at the percentage of population aged 65 and older in 2016 by prefecture shows that the

highest rate was 34.8% (in Akita Prefecture) and the lowest was 20.4% (in Okinawa Prefecture) (Table 1). Also, a look at conditions in Tokyo by municipality in 2015 shows regional differences in the progress of the aging of society, with the highest percentage being 48.2% (in Okutama) and the lowest 12.7% (in Ogasawara) (Table 2).

Under such conditions, there is a need for measures such as encouraging people to return to their rural roots ("U-turn") and encouraging people to relocate to rural communities ("I-turn"), through means including putting vacant rural homes to effective use, and helping new farmers

to pay related expenses, in order to promote relocation from urban to rural areas and exchange between the two.

Fig. 1. Percentages of population aged 65 and older, by prefecture (2016)

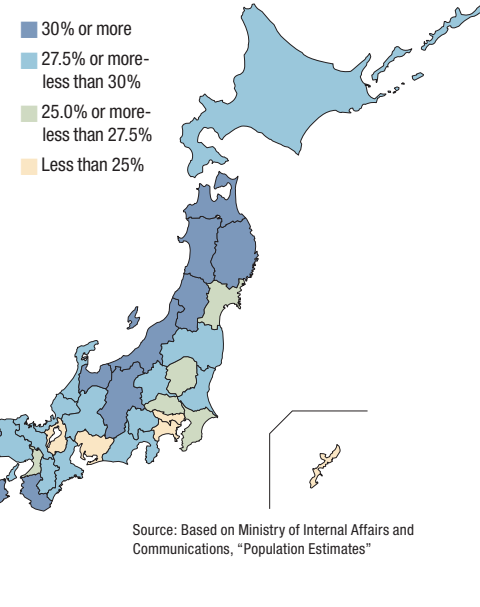


Table 1. Percentages of population aged 65 and older (2016)

Total : 27.3%		
Rank	Prefecture	Percentage
1	Akita	34.8%
2	Kochi	33.6%
3	Shimane	33.0%
45	Aichi	24.3%
46	Tokyo	22.9%
47	Okinawa	20.4%

Source: Based on Ministry of Internal Affairs and Communications, "Population Estimates"

Table 2. Percentages of population aged 65 and older in Tokyo (2015)

Tokyo : 22.7%		
Rank	Municipality	Percentage
1	Okutama	48.2%
2	Hinohara	47.1%
3	Miyake	38.2%
60	Chuo Ward	16.1%
61	Aogashima	13.5%
62	Ogasawara	12.7%

Source: Based on Ministry of Internal Affairs and Communications, "National Census"

② Growth in abandoned cultivated land

Abandoned cultivated land refers to "land previously used for farming on which no crops have been planted (harvested) over the past one year or longer and on which there are no plans to plant crops again for several years in the future."

The total area of abandoned cultivated land in 2015 was 423,000 ha, equivalent to the area of Fukui

Prefecture. The nationwide figure is 3.1 times that of 30 years ago, while the figure in the Tohoku area is rising rapidly to 6.8 times that of 30 years ago (Fig. 2).

In addition, a look at the surface areas and percentages of abandoned cultivated land by regional bloc shows that the Tohoku and Kanto regions account for about one-half of the total,

while abandoned cultivated land accounts for more than 20% of managed farmland in the Kanto and Chugoku-Shikoku regions.

Under such conditions, the JA Group is advancing efforts to increase Japan's food-supply self-sufficiency through means including production of feed rice on abandoned cultivated land.

Fig. 2. Changes in areas of abandoned cultivated land

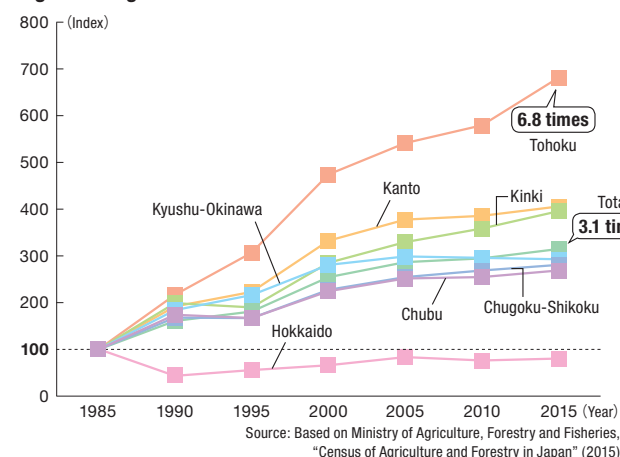
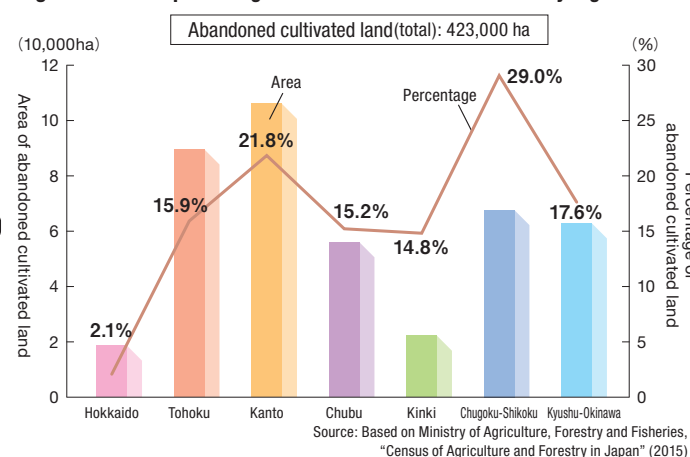


Fig. 3. Areas and percentages of abandoned cultivated land by regional bloc (2015)



2. Proposing new lifestyles

① The "U-turn," "I-turn," and "grandchild-turn" phenomena

As the aging and depopulation advances, a movement of young people to return to rural areas and a desire to live permanently in farming communities, through means such as the so-called "U-turn," "I-turn," and "grandchild-turn" phenomena, are growing.

The "grandchild-turn" phenomenon refers to the younger generation (mainly people in their 20s-40s) in urban areas deciding on their own to move to the region where one of their parents came from.

A recent trend is toward an increase of "U-turns" (when people return from the city to their rural hometowns) in regions where "I-turns" (when people move to rural areas that are new to them) are on the increase. The number of people deciding to make "U-turns" is increasing as those who have completed "I-turns" communicate information about their experiences through blogs and social media. The "grandchild-turn" phenomenon is said to be an extension of this trend.

"U-turn"

Returning to one's original hometown after having left for an urban area for school or work



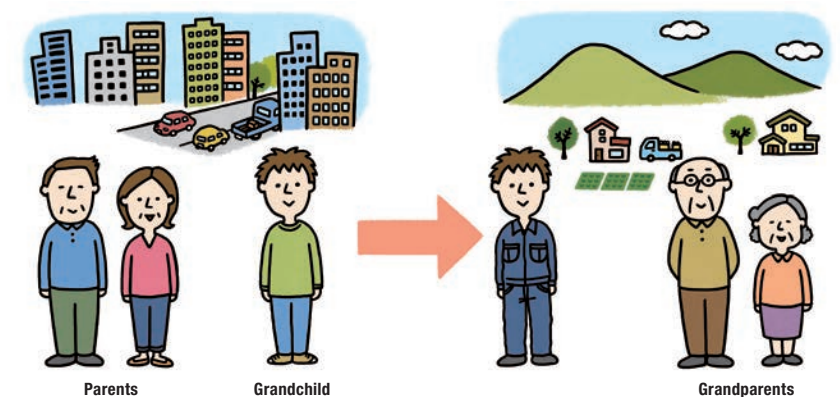
"I-turn"

Moving to a different region for school or work



"Grandchild-turn"

A grandchild moving from an urban area to the region where his or her grandparents live



② "50-50 farming": Starting out in agriculture while pursuing another career too

Very few of the people who move in to rural areas devote themselves entirely to farming. Most of them are "50-50 farmers" at first. Proposed in the mid-1990s by Naoki Shiomi, a resident of Kyoto Prefecture, "50-50 farming" refers to a lifestyle in which a small farmer grows enough to feed his or her family through farming and devotes the rest of his or her time to a desired career.

In Shimane Prefecture, "50-50 farming" is recommended and promoted as a rural lifestyle suited to the prefecture, one in which farmers earn the income they need for living through both farming and another job. The prefecture is carrying out initiatives suited to the local character, including supporting farmers who also work seasonally in brewing sake at local breweries.

"50-50 farming" initiatives

Examples of recommendation and promotion in Shimane Prefecture

- Shimane Prefecture recommends and promotes "50-50 farming" as a rural lifestyle suited to the prefecture, in which farmers earn the income they need for living through both farming and another job.
- "50-50 farming" is recognized as one form of farming, in addition to independent farming and farming as an employee.

Support provided

- Subsidies for training and other expenses during training needed for farm management
Subsidy amount : JPY120,000/month (for up to one year)
- Subsidies for expenses needed during initial farm management after taking up permanent residence
Subsidy amount : JPY120,000/month (for up to one year)
- Subsidies for facility and equipment expenses needed to begin farm management at permanent residence
Subsidy amount : within one-third of the expenses (up to JPY1 million)

Source: Based on Shimane Prefectural Government web site

Examples of "50-50 farming" combinations



TOPICS

Support for regional vitalization in partnership with JR-West

ZEN-NOH has concluded a basic agreement with JR-West on support for regional vitalization. Centered on the opening of Minoru Minoru Marche in Osaka Station, we are expanding new efforts to support regional vitalization under this agreement. Specific efforts include sale of agricultural produce through TACs* and producers communicating directly to consumers information such as the content of regional produce, the historical and cultural backgrounds behind it, and the thinking of its producers, as well as providing information in partnership with government agencies to help vitalize rural communities, including information on U-turns and I-turns, hands-on agricultural tours, and support for those who want to begin farming careers.

* A TAC (Team for Agricultural Coordination) is "a team of JA Group employees dispatched to work together with those involved in agriculture in rural communities." As of March 2017, about 1750 TACs visited farms and fields across Japan to address a wide range of farmers' wishes and opinions.



Above: A pamphlet for a hands-on harvest tour
Left: Consultation on a career in farming

Is Japanese agriculture really protected?

Japanese agriculture and the world

Is Japanese agriculture behind the times in pursuing economies of scale?

It has been argued that Japanese agriculture is behind the times in pursuing economies of scale. While it is true that Japan has fewer large farming organizations than the United States, compared with farming worldwide Japanese agriculture can be said to be at the global average level (Fig. 1). We also must take into consideration the fact that Japan is a country 70% of which

consist of mountains.

Most Japanese agriculture is managed by family farmers. Even in North America and Europe, the percentages of agriculture managed by family farmers are 87% in the U.S., 93% in Germany, and 73% in France, so that it can be said that the mainstream in agricultural management is made up of family farming (Fig. 2). The 2009

Food, Agriculture and Rural Areas White Paper notes, "It will be important to implement policies and environmental improvements to ensure that family farming, which will continue to drive rural agriculture in Japan in the future as well, can progress further."

Fig. 1. Percentage of farms by land area

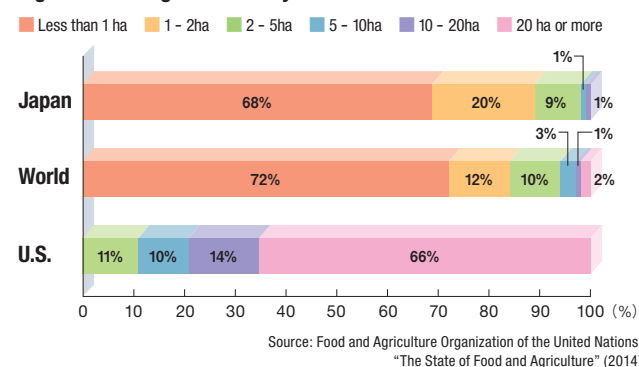
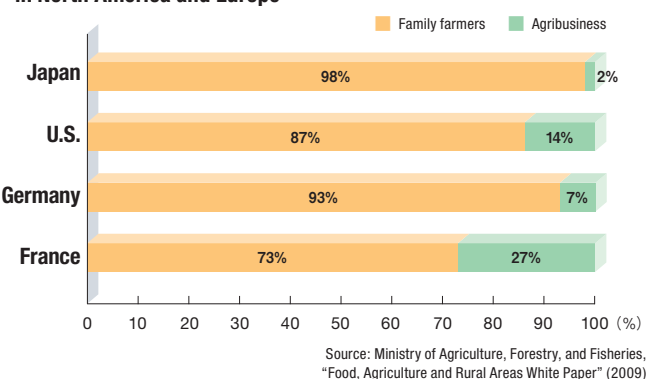


Fig. 2. Percentage of agriculture managed by family farmers in North America and Europe



Is Japanese agriculture really overprotected?

Sometimes it is argued in the media and elsewhere that Japanese agriculture is dependent on subsidies. But is it true?

A look at direct government payments in terms of the percentage of agricultural income shows that the level is 15.6% in Japan compared to 26.4% in the United States (58.2% for rice) and more than 90% in every country in Europe (Fig. 3). While most developed countries support agriculture through direct payments, that is not the case in Japan.

It also is argued that Japanese agriculture is protected, but in fact international comparison of tariffs on agriculture produce shows that about 13% of Japan is at about the same level as that of

the EU, and that Japan can be described as having low—not high—tariffs by global standards (Fig. 4).

The Japanese government is aiming to increase Japan's agricultural exports, setting an immediate target of JPY1 trillion. The Netherlands often is cited as a good example in agricultural exports. Its agricultural exports total USD84.9 billion (in 2015, equal to JPY9.7 trillion). However, this figure cannot be used for simple reference regarding exports because 77% (USD65.7 billion) of the Netherlands' exports are to other EU countries and two-thirds of the value of its exports come from processing and transferring produce imported from other countries.

Note: Export figures above are from UN Comtrade.

Fig. 3. Percentage of direct payments in agricultural income

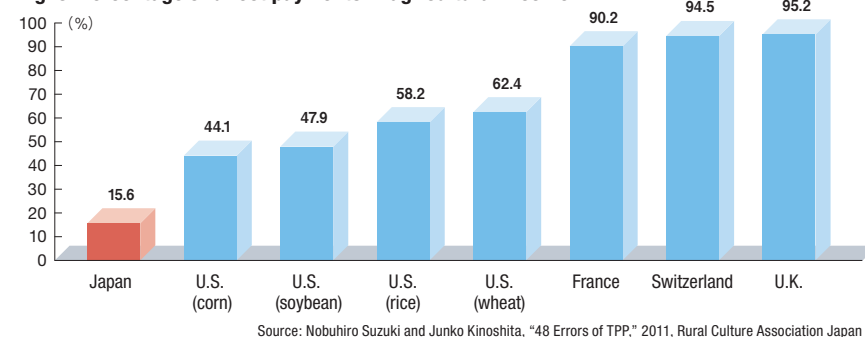
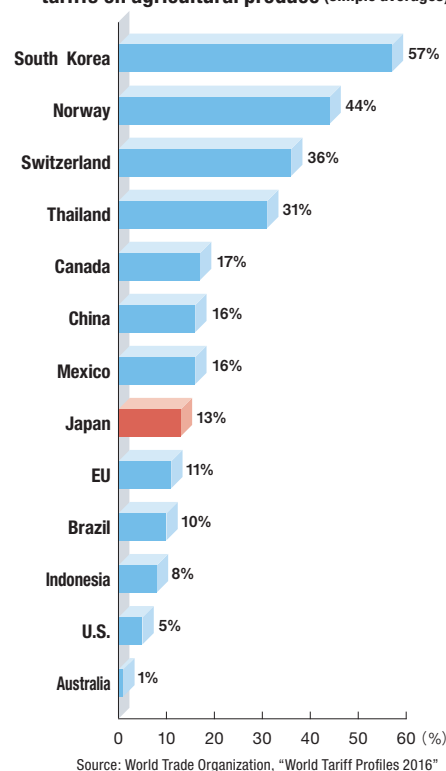


Fig. 4. International comparison of average tariffs on agricultural produce (simple averages)



Responding to consumer demand for safe and reliable foods

Enhancing food safety

Providing information through food labeling

Amended food labeling standards requiring all processed food products to be labeled with the geographical origins of their ingredients took effect in September 2017. This represents a major move forward on labeling for origin, which previously had been required only for certain processed foods that closely resembled fresh foods (22 groups of food products + 4 specific food products).

Even before this nationwide trend began, the ZEN-NOH Group had formulated voluntary standards on disclosure of geographical origin information on processed foods, believing that accurately communicating origin information would benefit consumers. We have advanced switching to labeling based on these voluntary standards since 2013, starting with foods for which preparations for such labeling were complete (Fig. 5).

Demand for use in home meal replacements and food service also is increasing. While some restaurants are increasing the use of domestic meats, most companies chiefly are using imported meat products as ingredients (Fig. 6). Not very many restaurants display labels of the origin of their ingredients so that consumers can check such information when they dine out. Most

prepared meals on the market are not labeled for origin.

In light of such conditions, consumers feel uneasy about food safety. Under current conditions in which food products that use genetically modified (GMO; see Topics, p.20) ingredients or may contain additives or other ingredients not permitted in Japan are sold without being labeled

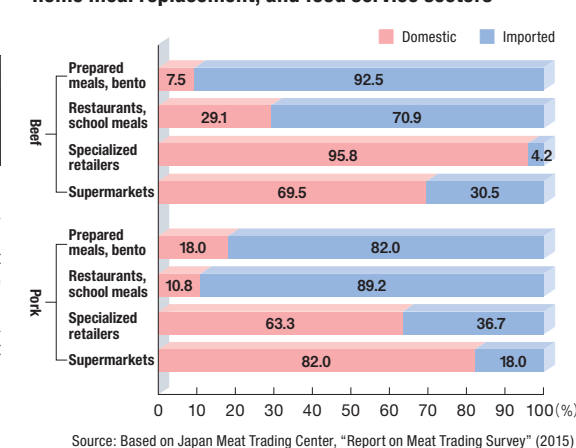
as such, it can be said that the current labeling system is not functioning adequately. ZEN-NOH hopes to encourage companies in the home meal replacement and food service industries too to respond to consumer demand to check the origins of ingredients and other information on food labels, for purposes of food safety and peace of mind.

Fig. 5. Labeling of origin of ingredients on ZEN-NOH brand foods



Name: Karinto (fried dough cookies)
Ingredients: Unrefined sugar (Okinawa Pref.), flour (wheat [domestic]), rice oil, granulated sugar (sugar beet [domestic]), malt syrup (sweet potato starch [sweet potatoes [domestic]]), honey (domestic), nonfat milk (milk [domestic]), yeast, salt (sea salt [domestic])

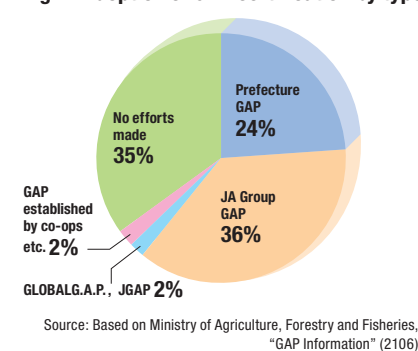
Fig. 6. Use of imported and domestic meats in the retail, home meal replacement, and food service sectors



Making "invisible value" visible through GAP certification

Good agricultural practice (GAP) refers to production process management efforts intended to ensure sustainability in areas of agriculture including food safety, environmental protection, and occupational safety. When farmers implement GAP, it means that they are implementing GAP activities or efforts themselves. In the JA Group, already about 70% of JAs have been implementing some kind of GAP efforts, and about 2% have earned GAP certification through inspection by an independent body (Fig. 7).

Fig. 7. Adoption of GAP certification by type



The food chain is growing increasingly global and complex, and there have been numerous incidents endangering food safety. These factors are leading to increased distrust and unease regarding food among consumers. Consumers demand our efforts to secure safe and reliable food.

Emphasis is shifting from traditional "visible value" such as price, functions, and design to "invisible value" like food safety, environmental protection, occupational safety, and protection of human rights. In particular, in May 2000 food producers established the GFSI* in response to the need for global standards in food safety as an area not subject to competition.

At present, the GFSI has certified nine food safety management systems including Global G.A.P. as the universal "food-safety certification

scheme," which has been introduced in the transactions between businesses. For this reason, the JA Group is enhancing its efforts to shift from merely implementing GAP to securing GAP certification recognized worldwide.

For the 2020 Tokyo Olympic and Paralympic Games, procurement standards have been identified for the purchase of agricultural and livestock products with consideration for substantiality. A precondition of such supplies is production according to Global G.A.P., JGAP, or "Guideline on the Common Standard of Good Agricultural Practices (GAP)," and independently certified by a prefecture or other official body.

Also, for livestock, in addition to Global G.A.P. and JGAP, checking using the GAP Challenge System, which lists GAP efforts and items, is accepted.



* Global Food Safety Initiative (GFSI): A subsidiary organization of the Consumer Goods Forum (TCGF), to which about 400 global food businesses from 70 countries belong. Its members include 75 Japanese companies. ZEN-NOH joined in 2017.

A GAP training session at JA Green Omi

Rice and grain production business

Rice devision/Farm product division

In the rice business, amid the plans for review of agricultural policies for irrigated rice fields in 2018 and later, we are making progress in expansion of stable transactions with customers as we aim to secure disposable income for producers and stabilize their management.

For this reason, we are carrying out initiatives that include enhancing sales for commercial use, including home-meal replacements and restaurants, expanding use of advance contracts (pre-sowing and multiyear contracts), and proposing contracted cultivation of high-yield varieties

to meet customer needs.

We also are making progress on efforts to improve convenience of producers and enhance their efficiency, including collection from large-scale producers using flexible containers and on-site collection.

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 metropolitan and Kansai areas.

In addition, at its rice-preparation facility in Chiba it cooks delicious cooked 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, and inari sushi.

Furthermore, its subsidiary Kirameki Co., Ltd. is focusing on growing cooked rice business in Kansai areas.



Topics

Initiatives to promote contracted cultivation of promising varieties for the commercial market

As rice consumption continues to decrease by about 80,000 tons/year, it is home consumption in particular that is leading the decline, while the demand for commercial use, including home-meal replacements and restaurants, is on the increase.

In order to secure and expand stable sales channels for producers, ZEN-NOH is promoting rice cultivation under contract to large-scale commercial buyers including major sushi chains and producers of processed rice products.

We are striving to support JA and producers increase production while also providing support for agricultural management, proposing solutions such

as high-yield varieties that promise high earnings through increased production per 10 a of land and planting of optimal varieties for specific industries (such as sushi rice), all of which are based on actual consumers' needs (e.g., product suitability and price) by industry.

We also are making progress on expanding stable long-term transaction relationships through multiyear contracts linking production areas with customers and building integrated value chains from production through to sales.



Rice variety proposals

Fruit and vegetables/ farm products

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 FY2016, it packed approximately 200 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, pre-cut fruit, and beverages).

While we are promoting the direct sales to actual consumers and the sales made in cooperation with Group member companies and partner markets, we are also making progress on expanding proposal of production solutions and contractual transactions with production centers based on actual consumer needs. 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

Topics

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

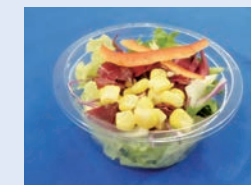
Backed by the growing market for cut vegetables as consumers' lifestyles change, Green Message Co., Ltd. was established as a joint venture between Kewpie Corporation and ZEN-NOH to contribute to increasing consumption of domestic vegetables through manufacturing and sales of cut vegetables. Its plant began operation in May 2015. Today it ships more than 100 tonnes of products per month, and its sales continue to grow steadily.

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 consumers' lifestyles and working conditions in the restaurant and home-meal replacement industries have resulted in needs for commercial salad vegetables in sizes ranging from 50 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

Production materials business

Fertilizer, agricultural chemicals/production materials

As we strive to reduce total production costs, by continuously encouraging proper application of fertilizers and agricultural chemicals and proper introduction of agricultural machinery, we also are making progress on development and promotion of energy- and cost-saving products, and also developing purchasing, supply, and logistics systems crossing the prefectural boundaries. We also are strengthening ties with overseas suppliers in order to secure stable supplies of fertilizer materials, and expanding the support to reorganize and improve the shared facilities in order to enhance JA business infrastructure.

Furthermore, through efforts to consolidate

fertilizer brands, to shift to new purchasing methods of co-operative purchasing, to expand the sales volume of direct shipped large-scale agricultural chemicals, to develop generic agricultural chemicals, to promote development of low-cost models of agricultural machinery, and to jointly use large combines, we are making our best effort to reduce production costs. We also are responding to diversified producer and consumer needs by shifting from individual ownership of vegetable farming equipment to shared use of them and promoting use of delivery containers in the processing and commercial sectors.

Affiliates

ZEN-NOH Green Resources Corporation

ZEN-NOH Green Resources Corporation comprehensively handles import operations for fertilizer raw materials and final products as well as port loading and unloading, storage, and transportation. It also sieves and pack the fertilizers to meet the customers' needs, and to provide customers with the most sufficient logistics.



↑ Regional soil analysis center (analyzing soil and preparing prescriptions proposing fertilizer design and other matters)



← Standards for large-scale direct shipping (50 kg) to users—enough for 5 ha (agricultural chemicals)



↑ Agricultural equipment show

Topics

New open, JA-CAT Tsuyama, a new materials store jointly with JA

March 2017, we opened a new type of materials store JA-CAT Tsuyama, operated jointly with JA Tsuyama (Tsuyama, Okayama).

The concept behind JA-CAT is to offer a convenient store for farming, and a place for farmers (producers) and local community to exchange agricultural information. "CAT" stands for "Communication plaza with Agricultural Tools." A further meaning comes from the fact that "CAT" is the inverse of "TAC," a system under which JA agricultural sales staff visit farmers. This represents the fact JA-CAT is intended to be used as a place to welcome farmers visiting JA.

Together with enhancing its lineup of various

agricultural materials, JA-CAT strives to enhance community agriculture through supply of products including seasonal saplings and seeds and setting up corners for agricultural consultation. In particular, together with aiming to offer the best lineup of agricultural materials such as fertilizers, agricultural chemicals, and seeds in the community, it is enhancing its ability to respond to urgent needs by opening on Saturday and Sunday, which is what many producers requested. It also holds various classes and training sessions to share information with local residents.

JA and ZEN-NOH jointly operate the JA-CAT materials store. JA handles practical operations,

while ZEN-NOH is responsible mainly for purchasing, computer systems, and inventory management. Store items, events and staff member trainings are managed separately by each JA-CAT stores, but we are planning to standardize them to be able to share.



Agribusiness General Planning Division

With the goal of maximizing farmers' disposable income, in addition to testing and promoting direct sowing of irrigated rice fields, narrow-row cultivation of soy beans, subsurface drip irrigation systems for vegetables (→②) and agricultural ICT and other agricultural technologies to contribute to labor and cost savings and productivity improvements, we also are making progress on development of new cultivation technologies, varieties, etc. In addition, we are proceeding with general application of irrigated rice cultivation through adoption of FOEAS (→③) and other technologies to utilize sustainable irrigated rice cultivation and with proposal and verification of highly productive crop-rotation systems to produce full harvests of irrigated rice and field crops each time. In the area of feed rice, we are striving to reduce production and distribution costs and to promote its use as a self-sufficient feed source, in order to establish full-fledged production and supply systems.

To increase sales of domestic livestock products, we are enhancing the sales of ZEN-NOH Group direct-sales companies and expanding trade exhibitions and fairs, together with efforts conducted through the Minori-Minoru Project, including developing model restaurants serving domestic and local produce and holding market events.

Also, together with raising the level of TAC activities and training human resources to develop producing areas, we are addressing the issues faced by farmers through means including support for new entries to farming, business succession, and workforce support.



Izu Taiyo no Minori, a Minori-Minoru market event held at Ginza Mitsukoshi

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-volume soil medium nutriculture, 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.



② 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.

③ FOEAS

A culvert system that makes it easy to switch from wet field cultivation to dry field cultivation and vice-versa, while avoiding both moisture damage and drought and maintaining groundwater levels suited to growing crops.

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.

Topics

Connecting production areas with consumers through business matching of production and sales

In order to expand sales channels for JA Group products and to meet the demands of farmers to strengthen their sales capabilities, ZEN-NOH cosponsors with JA Bank trade fairs for domestic agriculture and livestock products. These trade fairs have been held annually since 2007, for a total of 11 times, providing opportunities for members of the JA Group and farmers from across Japan to meet together at one place and sell fresh and processed foods (including ready-to-eat and easy-to-prepare foods, preserved foods, snacks, and beverages) of each region directly to consumers. Cases of efforts to ensure stable supply of fruits and vegetables to the home-meal replacement and restaurant industries through adjustments to planting and shipping and to supply new materials of perishables which are local specialties

responding to the demands of food-product manufacturers have increased as a result.

The 11th fair, held in March 2017 at the Tokyo International Forum, hosted exhibits by 156 organizations and welcomed 5,198 attendees (up 1,431 from the previous year), where proactive business negotiations were conducted (237 cases, up 147% from the previous year). In addition to consumers such as mass merchandisers and consumer cooperatives, attendees also included high percentages of representatives of the home-meal replacement and restaurant industries and manufacturers of food products, who seemed to have the strong motivation of attendees to switch from imported ingredients to domestic ones as much as possible.



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. As demand for packaged meats (tray packs) from supermarkets grows with increasing numbers of consumers eating alone and growth in demand from the home-meal replacement and restaurant industries, we are building new packaging centers and expanding existing ones in response. And we will also enhance the product development for national brands in prepared and processed foods.

In the area of production, we are developing and promoting innovative products and technologies including using ICT devices and using the latest genome technologies to diagnose livestock illnesses, and enhancing the production infrastructure through increasing productivity. In sales, we are expanding sales of meat through JA direct sales stands, expanding our affiliated restaurants in urban markets and elsewhere, and developing products for consumers, including deli and processed foods. In dairy farming, in addition to promoting use of milk from regional sources for drinking through sales adjustments, we are expanding sales of commercial milk to beverage 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 2017). 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 originating 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

Affiliates

JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd.

Through its activities ranging from originating raw materials to research and development and providing the latest information, JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd. works diligently as a feed manufacturing and sales company trusted by livestock farmers and consumers across 15 prefectures in the Kinki, Chugoku, and Shikoku regions, with its combined powers taking advantage of the broad-ranging nationwide network of the ZEN-NOH Group and its localized dynamism deeply rooted in its region of Western Japan.

In June 2017, it began full operations at the Kurashiki Mill—the largest in Japan—to ensure a stable supply of safe, reliable high-quality feeds into the future. As it consolidates in stages the aged Mizushima, Kobe, and Sakaide mills and builds a highly efficient regional logistics network, it aims ultimately to establish a structure capable of producing approximately 800,000 tons of compound feed per year beginning in March 2018. It supports the production of safe, reliable, and delicious domestic livestock products through supply of high-quality feeds to livestock farmers in Western Japan.

ZEN-NOH International Corporation

ZEN-NOH International Corporation is contributing further to maintain and expand the domestic livestock business and development and deployment of overseas businesses. This is done by means including the ZEN-NOH Group's efforts to develop export supply chains for domestic Japanese meat and processed food products and deploy 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 TOKIMEITÉ directly operated restaurant in London).

ZEN-NOH Silo Corporation

Through activities ranging from receiving & shipping, storage, and quality control for raw materials such as grains that have been imported from around the world in to centralized shipping to feed manufacturers and food processors, ZEN-NOH Silo Corporation contributes to the streamlining of distribution and the reducing of feed costs as well as striving to support the safety and reliability of Japanese food and to increase customer satisfaction (CS) while enhancing its quality control. In April 2017, it opened its Kurashiki Branch

at Takarajima Harbor Island in Kurashiki, Okayama Prefecture, which forms a part of a new food complex through efficient supply of raw materials using conveyor belts to the adjoining Kurashiki Mill of JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd. and Kurashiki Plant of J-Oil Mills, Inc.

JA ZEN-NOH Tamago Co., Ltd.

JA ZEN-NOH Tamago is a member of the JA Group that supplies domestically produced eggs to consumers 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 ideas for sales-floor concepts to meet the diverse needs of consumers.

Its "Shin-Tamago," a premium egg product, is a long-selling product produced from chickens fed on domestic brown feed rice fortified with omega-3 (alpha-linolenic acid) and folic acid. It has recently introduced as "Tokutama," an egg perfectly suited to serving over rice, which it has patented together with the Livestock Production Division. 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 egg recipes on recipe websites together with opening a brand page on an app intended for posting photos of food, encouraging egg consumption by proposing new ways of eating eggs. It also is planning events and other activities to inspire consumers, including Easter and Halloween. In the future, 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 largest 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, processing and marketing. The group's main butchering facilities and processing plants are FSSC 22000 certified (other smaller plants/

facilities are ISO 9001 certified) traceability systems make it possible to deliver safe, delicious and fresh domestically produced chicken to consumers the based on thorough food safety initiatives. In 2016, it began sales of the new Kagoshima-Iitoko-chicken brand. This new chicken brand, earned good reputation by consumers, is the first one to be introduced in 12 years. The Group has adopted as its mission "Delivering the joy of tasty Japanese chicken that are raised with care to Japanese consumers." As dietary culture in Japan goes through massive changes, ZEN-NOH Chicken Foods Corporation will develop new products that will capture the hearts of consumers and deliver them through new channels as it aims to create a most trusted brand 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. In August 2017, it opened a new logistics center in Saitama Prefecture, through which it will reinforce its logistics functions in the Tokyo area. 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. To meet diversifying market needs, in June 2017 it opened a new deli meats plant, as it works enhance the deli business for products including roast beef. It also directly operates the Yakiniku Pure restaurant chain, Jun, and it plans to enter the Tonkatsu market.



Affiliated feed mills

Use the QR codes to view each feed company's website

Type of mill	Number of plants
Cattle feed only	4
Poultry/Swine feed only	5
General mill	13
Total	22



Note: A dedicated app is required to read QR codes.
Note: In some cases, the websites might not load properly due to telecommunications conditions, usage environment, or other factors.

Note: Mizushima, Kobe, and Sakaide mills are planned to close successively.

(As of July 2017)

Topics

A shop specializing in egg-based sweets, operated by an egg company

Tamago Cocco is a shop specializing in egg-based sweets, opened by JA ZEN-NOH Tamago Co., Ltd. to deliver heartwarming, delicious sweets made using its renowned "Shin-Tamago" eggs and carefully selected ingredients.

In addition to the carefully selected "Shin-Tamago" eggs, its sweets are made using domestically produced ingredient as much as possible, such as the flour, sugar, and butter that are essential to sweets. In addition to standard sweets made with care, such as puddings and

roll cakes, its product lineup also includes fresh sweets such as crème brûlée made under the supervision of a famed French pastry chef. It also offers baked good such as egg shaped madeleines and cookies. Each and every one of them is made with care. In the future, it plans to introduce more delicious sweets including seasonal tastes and ones tied to events.



Consumer business

In our campaign to implement a new JA lifestyle business (→②) we are enhancing our support for consumers' lifelines by introducing new business models for JA consumer shops along with delivering fuel supplies through optimal placement of service stations and distribution facilities.

In addition, we also are striving to grow the sales of ZEN-NOH branded products by stimulating the sales floors of JAs' shops selling agricultural products directly and A-Coop stores combined with directly operated shops, as well as expanding JA Town and other e-commerce solutions. We also are cutting fuel distribution costs through means including shipping directly from coastal facilities, promoting adoption of photosynthesis promotion devices in greenhouse farming (→②), and proposing energy and cost savings together with use of electric power, to strengthen our efforts in the area of farming energy use.



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

Fuel supply structure

Through implementing a master plan aimed at optimal placement of service stations and distribution facilities and deploying the home energy business at LP gas dealers, we supply fuel for the entire areas of our service.

Along with shifting core service stations to self-service system and streamlining the distribution, we are supporting the establishment of compact self-service stations and advancing research on low-cost operation methods such as urgent fueling (→②), to maintain the critical fuel lifeline for members and residents in mountainous regions.

In the area of LP gas, we also are enhancing services for members and users through means including remodeling in alliance with construction companies and facilities sections and proposing new ways of living through joint use of LP gas and kerosene, in addition to 24-hour services to provide notice when gas is not in use.



A compact self-service station, which keeps down the installation and operating costs through its compact design and limited product lineup

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, and Ariake), ZEN-NOH Energy Corporation's businesses include wholesale and retail sales of LP gas and operation of LP gas import facilities. Recently it also has entered the retail electricity business.

② Campaign to implement a new JA lifestyle business

The campaign is intended to study, coordinate, and implement JA lifestyle business activities for the future that reflect community issues and needs, based on surveys of members conducted by each JA.

② Photosynthesis promotion equipment

By generating carbon dioxide using LP gas, this equipment promotes crop photosynthesis.



② Urgent fueling

A management approach under which no full-time employees remain on site at all times to handle harmful materials. Instead, staff from stores or other facilities combined with the service station rush to provide filling services when needed.

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, the JA-Kurashi-no-Takuhaibin service was newly introduced in 2010.

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 such as frozen and refrigerated products. Furthermore, in April 2017 we updated our homepage, both improving the legibility of its layout and the speed of its display and making it possible to place orders by smartphone, as we make progress in improving our service to 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 2017, a total of 140 items are offered under the brand.

With a priority on use of domestic ingredients or those from specific prefectures and carefully chosen materials and production methods, the basic concept of the brand is to contribute to comfortable, healthy living. In FY2016, in addition to products such as its granola made with wheat and brown rice from Kumamoto Prefecture and its Murasaki no Omoi shochu liquor made using purple yams from Fukushima Prefecture, all made with carefully chosen ingredients, it also introduced other products including those tied to efforts to support regional vitality and agriculture and its rice milk made using domestic rice, which proved popular in its paper can and was introduced, in its plain flavor, in a 1000 ml package for heavy users.

ZEN-NOH Brand products are increasingly being sold through ordinary supermarkets and consumer cooperatives. We are involved in joint product development and promotional activities with major distributors and promotion through various media.

ZEN-NOH brand granola and plain rice milk in the 1000 ml pack



Topics

JA Town, a convenient e-commerce service, run by ZEN-NOH, ships farm products and local specialties from across Japan directly from the farm.

JA Town is an Internet mall run by ZEN-NOH. As of March 2017, JA Town had 98 shops and about 310,000 members. JA Town is intended to serve as a new distribution channel for domestic farm products by utilizing information technology.

Along with seasonal farm products and carefully selected local goods, JA Town also sells JA Town Gift Cards which can be utilized as gifts and offers a business service for restaurants, bars, and other commercial customers. It also sells through major e-commerce sites, seeking to expand its customer base and usage.

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.



Topics

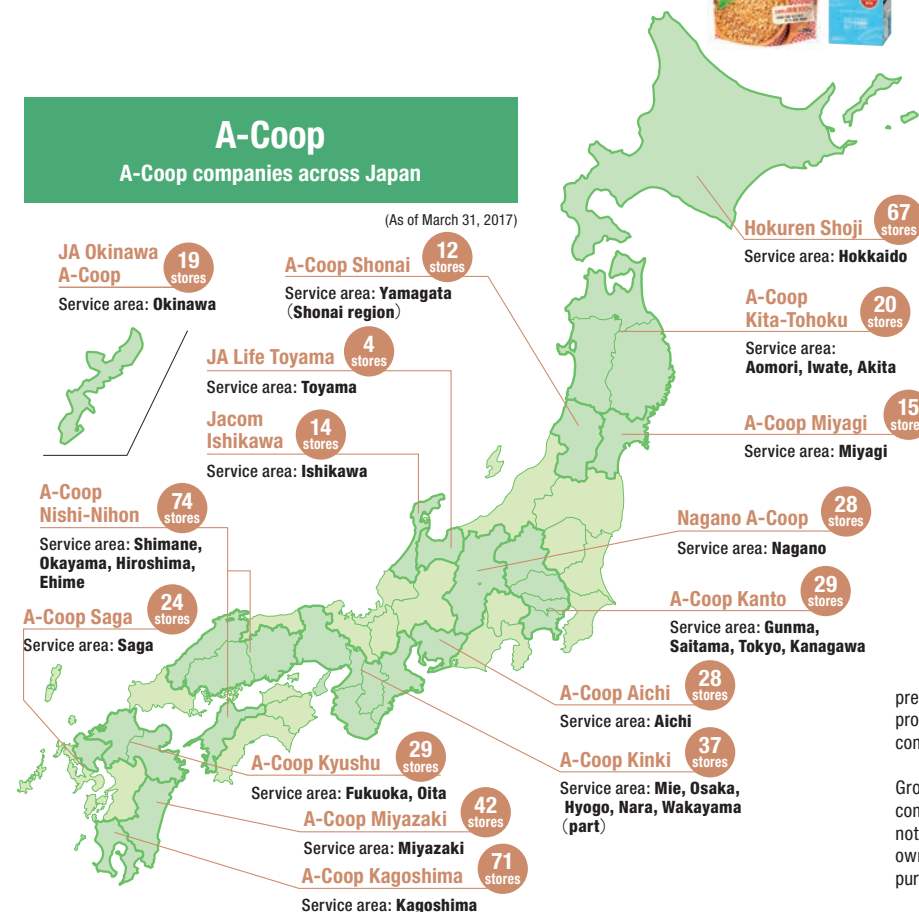
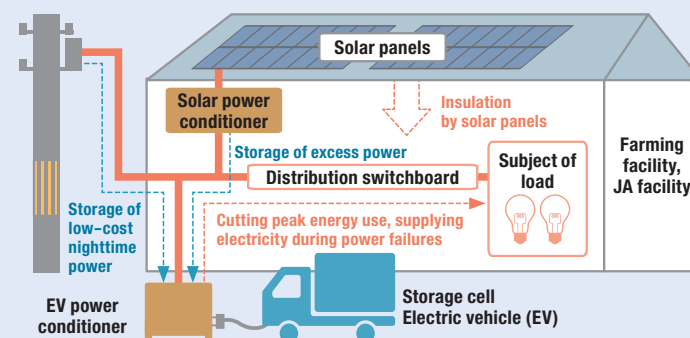
Power diagnostics and retail sales business: helping cut farm energy costs

To cut agricultural energy costs, in addition to traditional oil and gas, we entered the electricity diagnostics and retail business in August 2016. We are developing power supply infrastructure through consolidation of demand at JA Group facilities to deploy electricity diagnostics and propose cost savings for produce, livestock, and other farming facilities.

We also will deploy new energy supply models for agriculture, including use of solar power and storage cells, as we strive to conserve energy and ensure stable supplies.

Note: We are making progress on supplying electricity across Japan, not including the areas served by Hokkaido Electric Power and Okinawa Electric Power.

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



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.

Central Institute for Feed & Livestock

As a research facility that aids in the management of livestock farms through innovative products and technologies, 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.

Its recent achievements include (i) development of poultry feed suited to the breeding improvements that continue to advance, (ii) development and promotion of pork varieties offering outstanding flavor and productivity and of feeds for them, (iii) development of technologies for improving productivity and saving labor in wagyu and dairy cattle using ICT equipment, and of low-cost breeding systems and feeds, (iv) feeder improvements through genome analysis, and (v) development of tasty livestock assessment methods through new analytical methods.



Testing broiler feed

Institute of Animal Health

The Institute of Animal Health is the department that strives to prevent infectious disease of livestock. It includes a research and development section that works on product development of vaccines and feed supplements and basic research on animal diseases. It also has a diagnostic center, which conducts health inspection of livestock and provides production guidance (called "clinics") based on the findings. The diagnostic center tests about 200,000 specimens per year, making it indisputably the largest livestock health inspection facility in Japan. Its field clinics based on the results of inspection are conducted by veterinarians assigned to five sites across Japan, from Sapporo in the north to Fukuoka in the south, greatly contributing to ranchers' productivity improvements.



A histopathological examination, an important part of a health inspection

ET Center

Embryo transfer (ET) technology is utilized widely in Japan to produce elite wagyu (Japanese black beef) cattle. As a member of the JA Group, the ET Center, a research and reproduction section that was one of the first to pursue leading-edge ET technology, supplies about 23,700 bovine embryos and 1,100 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 the new technologies.

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

In addition, recently it has begun training programs intended to train to be a professionals in artificial insemination (AI) and ET.



Artificial insemination by the trainee

Livestock TOPICS

Establishing a next-generation model of dairy-farm management program

The Kasama dairy/beef cattle laboratory is carrying out research on the theme of establishing a next-generation model of dairy-farm management program, intended to realize energy savings and higher productivity.

As part of these efforts, to reduce the labor requirements of dairy farming it is introducing milking robots, which have been used increasingly in dairy farming in recent years, at the research farm (planned for completion in October 2017). It will be working to develop the breeding management technologies including special-purpose feeds to draw out the maximum performance of milking robots, stabilization of milk fat content which will be an issue when adopting robotics, and reducing the risk of diseases.



Studying diarrhea in piglets

Piglets have weak immune systems, and they are particularly susceptible to diarrhea caused by *Escherichia coli*. A very serious case could even lead to death. While this illness is known to be caused by *E. coli* infecting and colonization in the piglet's body, study of countermeasures against it has not advanced very far due to the difficulty of reproducing this process with stability in the laboratory.

ZEN-NOH has succeeded in developing of experimental infection by the *E. coli* that cause the diarrhea. While the main method of treating the condition in the field is through administering antimicrobials, in recent years there have been calls for prudent use of antimicrobials due to worldwide concern about drug-resistant bacilli. ZEN-NOH will use this new testing method to move in the direction of development of materials to use instead of antimicrobials in countering this condition.



Efforts to help increase ranchers' productivity

In 2014, in cooperation with Remote Co., Ltd. and NTT DoCoMo, Inc., we began handling Mobile Gyuonkei, a system intended to monitor cattle for signs of birth. At present, it is used by about 1,400 ranchers (as of August 2017) as a tool to help reduce cases of death when cattle give birth. Also, in May 2017 we invested in Farmnote Holdings Co., Ltd. We propose solutions to ranchers including increasing visibility and efficiency in ranch management by providing Farmnote's herd management systems for use on smartphones and tablets, and improving breeding efficiency through use of its sensor, Farmnote Color, that detects when cattle are ready to mate.



Agricultural Research and Development Center

The Agricultural Research and Development Center was established in 1962 as a research facility focusing on agronomy. Over the 55 years since then, it has carried out R&D on

agricultural production technologies, testing on produce and production materials, and HR development for the JA Group, to increase the farmers' disposable income.



Angele, a delicious mini tomato

● Development of varieties reflecting market in

In cooperation with the National Agriculture and Food Research Organization and other partners, the Center develops high-yield varieties of rice, such as commercial and feed rice varieties, in response to changing trends among rice consumers. In the area of vegetables, it partners with domestic and international seedling producers to develop varieties such as mini-tomatoes based on consumer needs. The delicious mini-tomato Angele is grown on about 28 ha of land across Japan and sold to mass retailers and others through the ZEN-NOH Fresh Produce Marketing Corporation.

The Center also is making progress on R&D related to maintaining the freshness of fruits and vegetables during transport and storage, to help increase agricultural exports.

● Development of cultivation technologies to increase productivity

The Center develops a wide range of cultivation technologies intended to save on labor and costs in agricultural production and to increase yields and quality. In outdoor cultivation, it has developed new cultivation technologies such as subsurface drip irrigation of leeks and direct sowing of onions.

In greenhouse cultivation, it is developing and promoting the With One small-volume soil-medium nutriculture system using greenhouses that produce seedlings for wet rice growing. With One combines components including polystyrene planters and irrigation equipment into a single package, which has been adopted in the more than 80 producing areas across Japan, and helped to improve producers' disposable income.

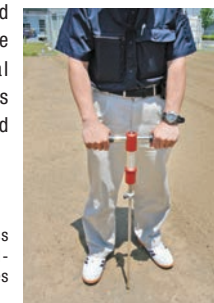
● Technological support for nutriculture

To support the production of high-quality agricultural produce, regional soil analysis centers analyze the nutrient content of soil. Based on the results of this analysis, the Center is developing nutriculture fertilizer distribution planning software called Yoeki Meijin, which makes it possible for producers to design appropriate fertilizer distribution plans. It also is developing a database of physiological disorders as a tool to support appropriate decision-making on the causes of such disorders in produce and countermeasures against them. As of June 2016, the database had been deployed to 31 types of produce.

● Comprehensive soil diagnostics

To maximize soil productivity, the Center

addresses to improving the three essential soil elements of chemistry, physics, and crop properties. In the area of chemistry, regional soil analysis center maintains diagnostic systems, and at present is addressing soil nitrogen in addition to general analytical subjects. In the area of physics, it is developing and bringing to market the ZEN-NOH physical properties diagnostics set, jointly developed with a manufacturer.



Measuring the hardness of soil using the ZEN-NOH physical properties diagnostics set

● Development of new agrochemicals and efficient usage solutions to contribute to stable production

In partnership with agrochemical companies, we develop new agrochemicals that are highly effective against hard-to-control pests and weeds, while also being less labor intensive.

We developed a low environmental impact herbicide that is highly active against barnyard millet, and a highly active herbicide against broadleaf weeds that is even highly effective against sulfonylurea-resistant weeds. These are widely used in Japan.

We also developed the generic agrochemicals mancozeb (brand name: Penncozeb) and acephate (brand name: J-Ace).

As well as developing new agrochemicals, we are also striving to promote integrated pest management (IPM), which involves use of agrochemicals efficiently and effectively in combination with various pest-control methods such as biological control.



Control of spider mites by releasing of predatory mites using "Banker Sheets"

● Testing for chemical residue to ensure safety

The Center supports the supply of safe fruits and vegetables by testing the chemical residues. Its testing of chemical residue for registration of

agricultural chemicals, using cutting-edge analytical devices, achieved conformity with the Good Laboratory Practice (GLP) for Agricultural Chemicals in 2015.



Measuring agricultural chemical residue using the latest liquid chromatography equipment

● Supplying high-quality production materials

The Center handles quality control for packaging materials like cardboard boxes, paper bags for rice and barley, and flexible containers based on its own standards. It also checks the safety of the raw materials used in food packaging materials. It checks the performance of new products and conducts field testing for materials used in farming such as steel, coverings, and related equipment and materials, to develop and improve such materials in cooperation with related agencies and manufacturers.



Quality checking of flexible containers using testing equipment

● JA Group HR development

The Center holds 60 training sessions per year on various topics related to agribusiness and purchasing for JA Group staff. Since the Center opened, it has trained a cumulative total of more than 130,000 trainees.

Since FY2015, it has held training sessions on subjects related to cultivation methods, including the principles of vegetable cultivation, ground vegetable cultivation techniques, growing vegetables for food-processing and commercial uses, and agricultural techniques based on utilizing the properties of the soil, for JA agribusinesses consultants and others involved in developing of producing regions as well as prefectural and regional staff. Over the two-year period since this training began, a total of 2,550 staff members have completed the training, and today they are putting what they learned to use in the field of agricultural production across the country.

Agronomy TOPICS

The rapid progress of Harumi, a variety developed by ZEN-NOH

As part of its R&D activities, the Agricultural Research and Development Center also is stressing the development of new varieties for paddy rice cultivation. In a market in which most wet paddy rice varieties are developed by public institutions such as the National Agriculture and Food Research Organization and prefectural agricultural testing centers, Harumi, a variety developed by ZEN-NOH, is a rare example of a variety developed by the private sector.

The start of development of Harumi can be traced back to more than 20 years ago. In 1995, the Agricultural Research and Development Center artificially crossed the Koshihikari and Kinuhikari varieties, aiming to improve the preharvest sprouting resistance that was a drawback of Kinuhikari. After about a decade of activities such as yield surveys and eating quality testing, from several thousand individuals of candidates for the new variety, a line known as “Shonan 6.” was selected. In 2008, trial cultivation began in various spots, centered on Kanagawa Prefecture, and then in 2014 the variety name Harumi, meant to evoke the clear seas (“hareta umi”) of the Shonan region where the variety was developed, was registered officially.

Cooked Harumi rice is characterized by its shine, sweet taste and the fact that it is delicious even when eaten cooled. It also is resistant to the drawbacks of Kinuhikari, which ripens in the same season, such as a reduction in quality by chalky grains under high temperature during summer and preharvest sprouting caused by the long rains of autumn. The resulting ease of cultivation by producers has earned a good reputation.

In 2015, it was adopted as a recommended variety by Kanagawa

Prefecture, intended as the successor to Kinuhikari. This spurred an increase in planting of Harumi in the prefecture. The rice produced in 2016 was entered for the first time to the Rice Taste Ranking conducted by the Japan Grain Inspection Association,*1 attracting attention as it secured the highest ranking of Special A, right along with famous rice brands such as Koshihikari and Hitomebore. These were the first outstanding achievements in Japan for a rice variety developed by a private sector company or association.

Mr. Takeshi Nishiyama (of Isehara, Kanagawa Prefecture), who has grow Harumi for eight years, says, “Harumi is easy to grow, and the brown rice is attractive looking and delicious. I’m glad to see the rice variety I grow become so popular.” In 2017, about 700 ha of Harumi were in cultivation in Kanagawa Prefecture, as the Harumi brand continues to build.

Progress is being made on efforts to produce and sell Harumi throughout the JA Group, as test cultivation is underway in various locations in addition to those such as Ibaraki and Tokushima prefectures, where Harumi has been designated as a brand variety of the growing district*2.

*1 The Rice Taste Ranking: Five ranks of Special A, A, A', B, and B'. Designating a blend of Koshihikari rice from multiple producing areas as the standard of A', a panel of 20 experts ranks the rice on six items: external appearance, aroma, flavor, stickiness, softness, and overall evaluation.
*2 Brand variety of the growing district: Designated for each prefecture by the Ministry of Agriculture, Forestry and Fisheries, under the Agricultural Products Inspection Act. Since designation as a brand variety of the growing district means that produce can be inspected for its origin, variety, and year of production to be certified, increased production and sales can be expected.



ZEN-NOH Pearl Rice Corporation began selling Harumi rice grown in Kanagawa Prefecture starting with the FY2016 crop



Reporting for the TBS Radio program “Morimoto Takeru: Standby!”



Mr. Nishiyama, a Harumi grower



Brown rice of Harumi

Disaster recovery and restoration

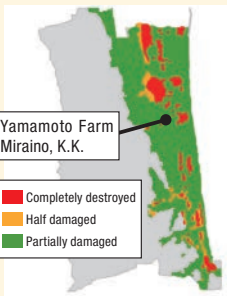
We work together with government and other parties to assist in recovery and restoration from successive natural disasters, which have caused massive damage to agricultural production in recent years to do efforts in response to the needs in affected areas. In the Tohoku region, where improvements are underway to agricultural infrastructure, including farmland and agricultural facilities, damaged by disaster, we are advancing efforts in areas such as adoption of advanced technologies, sales support based on related needs, enhancing system for providing agribusiness guidance, and promoting sales of agricultural products from the region to establish a new agricultural structure through agricultural corporations.

1 Corporation with JA investment Yamamoto Farm Miraino, K.K. (July 2015)

The tsunami caused by the Great East Japan Earthquake flooded 37% of the land area in the town of Yamamoto in southeastern Miyagi Prefecture, destroying 430 ha of farmland. Yamamoto Farm Miraino, K.K., an agricultural production corporation, was established in July 2015 aiming to resume farming on 140 ha of farmland in this district with the support of the JA Group (JA Miyagi Watari, ZEN-NOH, the Norinchukin Bank, and others).

Aiming to build a large-sale management model based on proper land use, this cooperation is growing vegetables (such as leeks, onions, sweet potatoes, and carrots) through ground farming, with ZEN-NOH providing support in the areas of cultivation techniques, varieties, adoption of integrated mechanization systems, and sales.

While agricultural recovery involves numerous challenges such as the need to improve the conditions of fields damaged by the tsunami, by bringing together the comprehensive abilities of the JA Group we intend to turn the results of these initiatives into a new model for agriculture in Japan.



Flooded damage in Yamamoto



A Yamamoto Farm Miraino, K.K. leek field

2 Tohoku-Miyagi Revive Marathon (October 2017)

The Great East Japan Earthquake on March 11, 2011 caused unprecedented damage due to the resulting tsunami and its other aspects. In October 2017, more than six and a half years after the disaster, the first official full marathon since the disaster was held in Miyagi Prefecture, with ZEN-NOH, as a member of the JA Group, serving as a sponsor.

After starting at Iwanuma Kaihin Ryokuchi, the runners passed through newly developed areas such as Millennium Hope Hill and Raised Road, marking a new stage in the region's history. Together with events like the Revive Marathon, the JA Group will do all it can to help affected areas recover as quickly as possible, communicating nationwide a spirit of gratitude to recovery.



3 Support for recovery from the Kumamoto Earthquakes. (2016)

A series of major earthquakes with epicenters in the Kumamoto area of Kumamoto Prefecture struck on April 14 and 16, 2016, causing damages including collapsed homes, mudslides, and loss of many lives.

In response, on April 15 the JA Group set up the 2016 Kumamoto Earthquakes Central Response Headquarters chaired by the chairman of JA Zenchu, and ZEN-NOH sent a support team of about 200 people over the period from April 25 through to May 20 to assist in producers' farming activities, helping to sort produce such as cucumbers and eggplants that were at the peak of the harvest at the time.

As shown by their comments, like “I wanted to help in any way I could after seeing how tough the situation was” or “I wanted to give something back out of gratitude for the aid we received from across the country in areas affected by the Great East Japan Earthquake,” staff who jointed the support team did so for a variety of reasons.

ZEN-NOH will continue to support agricultural recovery and operations in Kumamoto Prefecture.



A letter of gratitude to the JA Group from the Minister of Agriculture, Forestry and Fisheries

4 ZEN-NOH's disaster response measures (Since 2007)

ZEN-NOH supports the disaster responses conducted by prefectural-level federations and prefectural JAs in response to damage to crops and agricultural facilities caused by natural disasters such as wind and rain, cold temperatures, and earthquakes. Our prefectural headquarters also engage in disaster response activities with JA.

We have devoted a total of approximately JPY8.2 billion to responding to disasters over the decade since FY2007.

List of disaster response measures in FY2007-2016

FY	Disaster	Prefecture(s)	FY	Disaster	Prefecture(s)
2007	Typhoons nos. 4, 5	Miyazaki	2012	Typhoon no. 18	Aichi
	Heavy rainfall	Akita		Blizzard	Aomori
	Chuetsu-oki Earthquake	Nagano		Torrential downpours in northern Kyushu	Fukuoka
	Cold winds, hail	Ehime		Great East Japan Earthquake	Iwate, Miyagi, Fukushima
2008	Frost damage, hail damage	Aomori	2013	Typhoon no. 18	Aomori, Gunma, Aichi
	Iwate-Miyagi Nairiku Earthquake	Miyagi		Blizzard of 2011-2012	Aomori
	Hail damage, strong winds	Gunma, Nagano		Torrential downpours, typhoon no. 18	Iwate
	Cold winds, snow damage	Ehime		Torrential downpours	Yamagata
2009	Typhoon no. 18	Aichi	2014	Hail	Nagano
	Hail, typhoon no. 18	Nagano		Heavy rainfall	Gifu
	Typhoon no. 9	Hyogo		Blizzard	Aomori, Fukushima, Gunma, Saitama, Tokyo, Kanagawa, Yamanashi, Nagano, Osaka
	Cold winds, snow damage	Ehime		Kanto-Tohoku torrential downpours	Ibaraki
2010	Torrential downpours	Fukuoka	2015	Blizzard	Fukushima, Gunma, Saitama, Tokyo, Kanagawa, Yamanashi, Nagano
	Typhoon no. 18	Aichi		Kumamoto Earthquakes	Kumamoto
	Hoof-and-mouth disease	Miyazaki		Typhoons nos. 7, 9, 10	Aomori
	Humidity damage, hail, high-temperature damage	Gunma		Kanto-Tohoku torrential downpours	Ibaraki
2011	High-temperature damage	Saitama	2016	Typhoon no. 9	Chiba
	Frost damage	Kanagawa			
	Cold winds, snow damage/low temperatures	Ehime			
	Typhoon no. 18	Aichi			
	Hoof-and-mouth disease	Miyazaki			
	Mt. Shinmoe-dake volcanic activity	Miyazaki			
	Blizzard/snow damage	Tottori			
	Typhoons nos. 12, 15	Tottori			
	Cold winds, snow damage	Ehime			
	Great East Japan Earthquake	Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Chiba			

*Total amount devoted to responding to disasters over the past 10 years: approximately JPY8.2 billion

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 also are actively expanding our store network overseas, where we have opened Japanese restaurants and yakiniku barbeque 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.

●...Directly operated ●...Subsidiary ●...Affiliate



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.



Minoru Dining Fesan (Iwate)



Minori Minoru (Niigata)



Toyama Sodachi Funahashitei (Toyama)



Grill Minoru (Aichi, managed jointly with JA Aichi KEIZAIREN)



Ginga Diner (Iwate)



Nikusho Jade Kanazawa (Ishikawa)



Shops & Markets

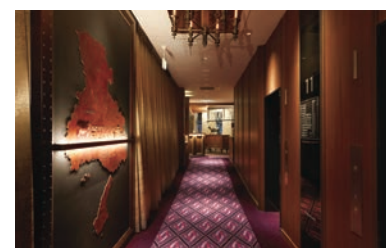
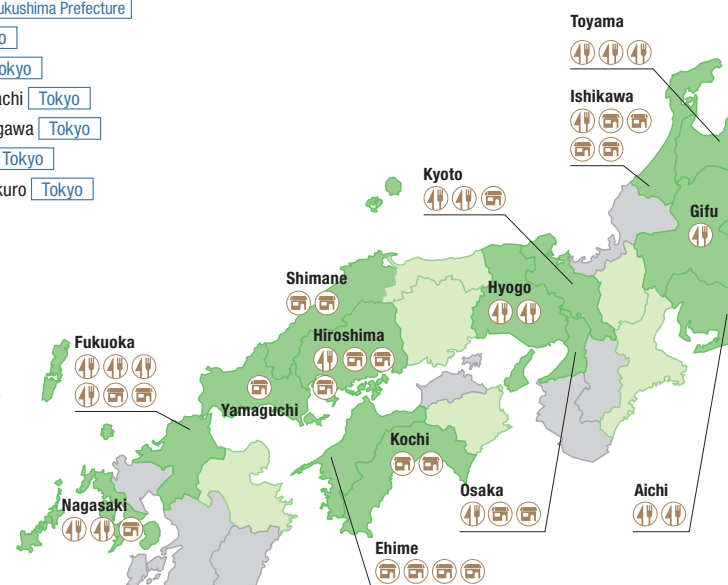
- ZEN-NOH Antenna Shop Ichigo Ichie [Tokyo](#)
- Agri Shop Aomori [Aomori Prefecture](#)
- JA Nisanbutsu Chokubaijo Aijokan [Fukuoka Prefecture](#)
- Pocket Farm Dokidoki Ibaraki-machi [Ibaraki Prefecture](#)
- Pocket Farm Dokidoki Tsukuba Ushiku [Ibaraki Prefecture](#)
- Kaki Ryutsu Center Shinsen Gunma Minori-kan [Gunma Prefecture](#)
- Shin-Maebashi Nochiku Sanbutsu Chokubaijo Aisaikan [Gunma Prefecture](#)
- ZEN-NOH no Oniku Kobo Sadamoto [Chiba 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](#)
- Farmers' Market Iyokkora [Ehime Prefecture](#)
- Tamago COCCO by JA ZEN-NOH Tamago [Tokyo](#)
- JA Farmers Nodajuku [Gunma Prefecture](#)
- JA Farmers Asahi-cho [Gunma Prefecture](#)
- JA Farmers Annaka [Gunma Prefecture](#)
- JA Farmers Brace [Gunma Prefecture](#)
- JA Farmers Asakura-cho [Gunma Prefecture](#)
- JA Farmers Ota-Yabuzuka [Gunma Prefecture](#)
- JA Farmers Iruma [Saitama Prefecture](#)
- JA ZEN-NOH Farmers Lalaport Izumi [Osaka Prefecture](#)
- FamilyMart +A-Coop Kagano [Ishikawa Prefecture](#)
- FamilyMart +A-Coop Shinji [Shimane Prefecture](#)
- FamilyMart +A-Coop Kobo [Shimane Prefecture](#)
- FamilyMart +A-Coop Obara [Hiroshima 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](#)
- Antenna Shop Airport [Nagasaki 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 Shinonoi [Nagano Prefecture](#)
- A-Coop Farmers Minami-Nagano [Nagano Prefecture](#)
- A-Coop Takagi (Farmers type) [Nagano Prefecture](#)
- Beishin O-Kome Kitchen Anto [Ishikawa Prefecture](#)

Restaurants

- La Campagne [Tokyo](#)
- Kobe Plaisir Ginza [Tokyo](#)
- Iwate Junjomai no Mise/Ginga Diner [Iwate Prefecture](#)
- Fukushima-gyu Yakiniku Gyuho Asahi [Fukuoka Prefecture](#)
- Fukushima-gyu Yakiniku Gyuho Yatsuyamada [Fukushima 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](#)
- Toyama Sodachi Funahashitei [Toyama Prefecture](#)
- Nikusho Jade Kanazawa [Ishikawa Prefecture](#)
- Hidagyu Ryori Takumi [Gifu Prefecture](#)
- Kobe Plaisir [Hyogo Prefecture](#)
- Genki-Ichi Shokudo [Hiroshima Prefecture](#)
- O-Kome Cafe Musubime [Fukushima 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](#)

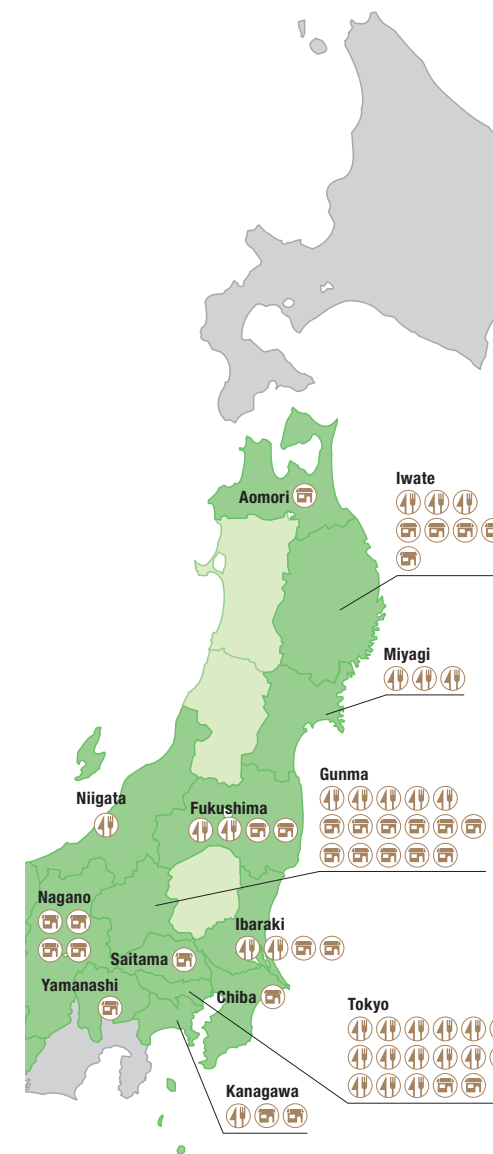
- Yakiniku Honpo Pure Iidabashi Sakura Terrace [Tokyo](#)
- Yakiniku Honpo Pure Kitasenju Marui [Tokyo](#)
- Yakiniku Honpo Pure Marui Mizonokuchi [Kanagawa Prefecture](#)
- Yakiniku/Sukiyaki Jun Umeda Main Store [Osaka Prefecture](#)
- Yakiniku/Sukiyaki Jun Ebista Nishinomiya [Hyogo Prefecture](#)
- Yakiniku/Sukiyaki Jun Tenjin-Kego [Fukuoka Prefecture](#)
- Shinsen Hormone Futsukaichi [Fukuoka Prefecture](#)
- Joshu Wagyu Senmonten Gunma Sodachi [Tokyo](#)
- Yakitori Mizutaki Kanda Kashiwaki [Tokyo](#)
- Torinoichi Butanoichi Kinshicho [Tokyo](#)
- Yakiniku Aguri Maebashi main store [Gunma Prefecture](#)
- Yakiniku Aguri Kura [Gunma Prefecture](#)
- Yakiniku Aguri Kaburaen [Gunma Prefecture](#)
- Yakiniku Aguri Rakurakuen [Gunma Prefecture](#)
- Yakiniku Aguri Asahian [Gunma Prefecture](#)
- Miyagi Junmaishu Club Sanaburi [Miyagi Prefecture](#)
- Tonami Sodachi [Toyama Prefecture](#)
- Nagasaki Wagyu Yakiniku Pure [Nagasaki Prefecture](#)
- A-Coop Restaurant Isahaya [Nagasaki Prefecture](#)
- Ginga Rikyu [Iwate Prefecture](#)

- ...Restaurants (Food service) 51 locations
- ...Shops & Markets (Direct sales) 54 locations
- ...Areas served



Kobe Plaisir Ginza (Tokyo)

- 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 Maker's Pier [Aichi Prefecture](#)
- Grill Minoru Maker's Pier [Aichi Prefecture](#)
- Minori Cafe Fukuoka Parco [Fukuoka Prefecture](#)
- Minoru Dining Fesano [Iwate Prefecture](#)
- Cafe & Grill Minori Minoru Niigata [Niigata Prefecture](#)
- Minori Cafe Takashimaya Kyoto [Kyoto Prefecture](#)
- Minoru Diner Takashimaya Kyoto [Kyoto Prefecture](#)



Overseas

- 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
- Vietnam Ho Chi Minh Kacho [Vietnam](#) ⑤
- GOHAN CAFE by KACYO [Singapore](#) ⑥

Encountering agriculture and the rural four seasons in central Tokyo

ZEN-NOH Antenna Shop Ichigo Ichie

Based on the concept of being a place where one can get a feel for seasonal agriculture and a rural atmosphere while in the central Tokyo district of Otemachi, unlike an ordinary retail store this shop has the ambience of a museum or a marketplace, where shoppers can experience the surprise and excitement that change with the seasons, to make a place where a city meets a farm village.

Utilizing its strengths as a ZEN-NOH antenna shop, it promotes the value and appeal of domestic farm produce from across Japan, through activities including holding production-area fairs to sell seasonal produce in partnership with those areas, selling fresh juice made using seasonal fruits from across Japan, selling "JA All-Stars," carefully selected outstanding processed agricultural-product foods from the JA Group across Japan, in partnership with JA Town, and selling high-quality fruit gifts to meet the demand for business gifts from businesspeople working in the Otemachi area.





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 Japan Open Ogimura 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
Sponsor of the Japan Mixed Doubles Curling Championships
Provider of food supplies to Japan National Team players participating in international tournaments

● Rugby

Sponsor of the Scrum Japan Program



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

JA ZEN-NOH WCBF youth baseball lessons
Title sponsor of National High School Baseball Championship broadcasts (BS Asahi)Advertising, JA ZEN-NOH Nagomi Seats at Yahuoku! Dome

● Basketball

ZEN-NOH Girls' Basketball Camp

● Swimming

ZEN-NOH/"Hagitomo" swimming lessons



● ZEN-NOH Group Agricultural Products Fair

● Furusato-no-shoku Nippon-no-shoku National Festival

● Tohoku-Miyagi Revive Marathon

● 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 cooking classes

● ZEN-NOH parent-child agricultural experience tours

- Sponsor of Shufu Kore! 2016, organized by Benesse Corporation
- Support for the Japan Agricultural News readers' photo contest
- Sponsor of the Mainichi Agricultural Records Prizeorganized by Benesse Corporation



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, took second place in the Emperor's Cup and Empress's Cup in January 2017. In June, her team won the gold medal in the mixed doubles event in the World Table Tennis Championships (held in Dusseldorf)



Photo courtesy of Nittaku News



We support the players by providing Japanese foods at the venue of the World Table Tennis Championships every year.

Curling

ZEN-NOH sponsors the Japan Curling Championships and the Japan Mixed Doubles Curling Championships, as well as providing additional prizes and food samples in the Championships venue.

Furthermore, we also support the activities of athletes participating in the World Curling Championships overseas by providing them with Japanese foods.



at the ZEN-NOH Japan Curling Championships (held in Nagano)

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.

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.

JA KEIZAIREN and prefectural JAs

Among JA federations, JA KEIZAIREN do business in their prefectures, while national federations, including ZEN-NOH, do business nationwide.

Previously, JA KEIZAIREN in each prefecture handled economic activities such as sale of agricultural produce under contract and handling of production materials, but these were consolidated into eight organizations under organizational reforms, and other KEIZAIREN were merged with ZEN-NOH successively beginning in 1998, so that as of August 2017 ZEN-NOH included 34 prefectural headquarters.

JA regional consolidation across multiple municipalities also is underway, leading to the birth of five prefectural JAs in which JAs succeed the activities of the JA KEIZAIREN.

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 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

976 cooperative unions (including 161 secondary unions)

Capitalization

115.2524 billion yen

Employees

7,544

As of the end of March 2017

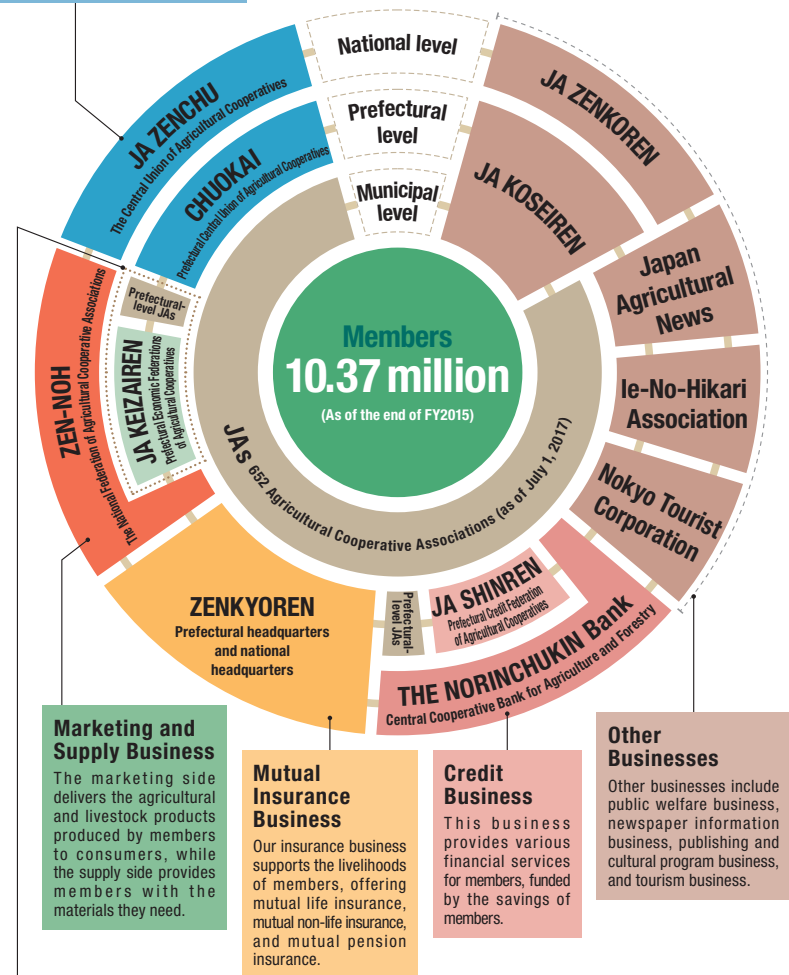
History of consolidation between ZEN-NOH and the economic federations

1998	Oct.	Three federations: Miyagi, Tottori, and Shimane
2000	April	Three federations: Tokyo, Yamaguchi, and Tokushima
2001	March	21 federations: Aomori, Yamagata, Shonai, Tochigi, Chiba, Yamanashi, Nagano, Niigata, Toyama, Ishikawa, Gifu, Mie, Shiga, Kyoto, Osaka, Hyogo, Okayama, Hiroshima, Kochi, Fukuoka, and Nagasaki
2002	April	Six federations: Iwate, Akita, Ibaraki, Gunma, Saitama, and Oita
2003	April	Two federations: Fukushima and Kanagawa
2004	April	Ehime
2008	April	Merger of the Yamagata Prefectural Headquarters and the Shonai Headquarters
2015	March	Closure of the Shimane Prefectural Headquarters with the start of JA Shimane

Supervisory Business

In addition to handling the guidance, auditing, and education of JAs, these businesses deal mainly with agricultural policy issues and public relations.

Structure of the JA Group

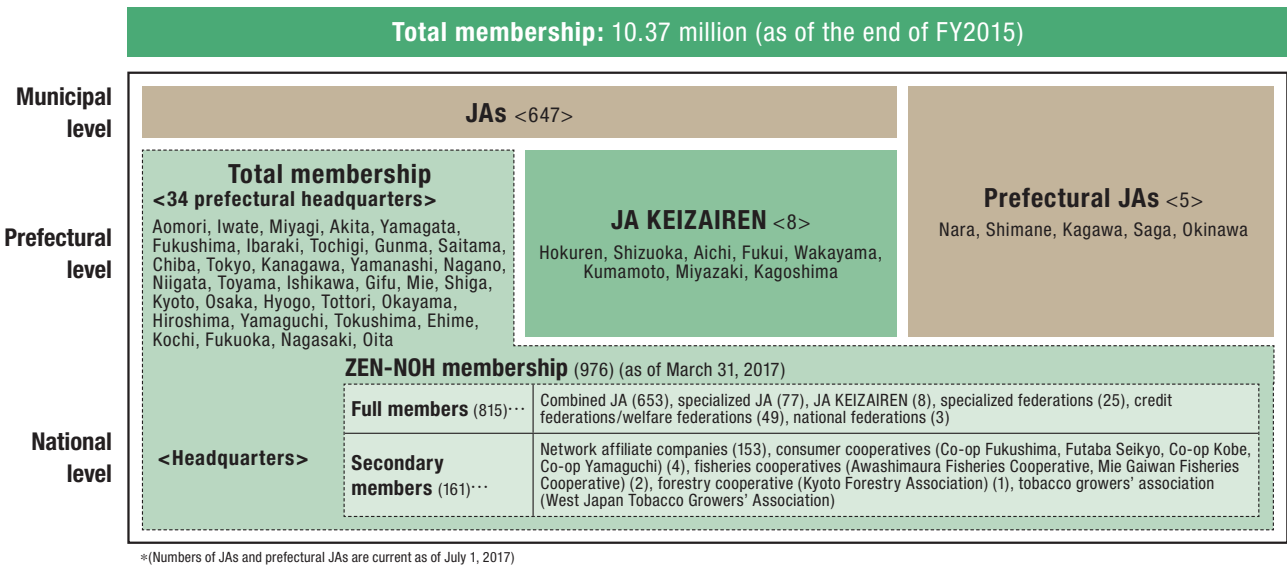


JA KEIZAIREN (8 organizations)	Hokuren, Shizuoka, Aichi, Fukui, Wakayama, Kumamoto, Miyazaki, Kagoshima
Prefectural-level JAs (5 organizations)	Nara, Shimane, Kagawa, Saga*, Okinawa

*The JAs in Saga Prefecture have succeeded the economic federation comprehensively. In addition to Saga Agricultural cooperatives, which serves the entire prefecture, there are three other JAs in Saga: JA Karatsu, JA Imari, and JA Saga City Chuo.

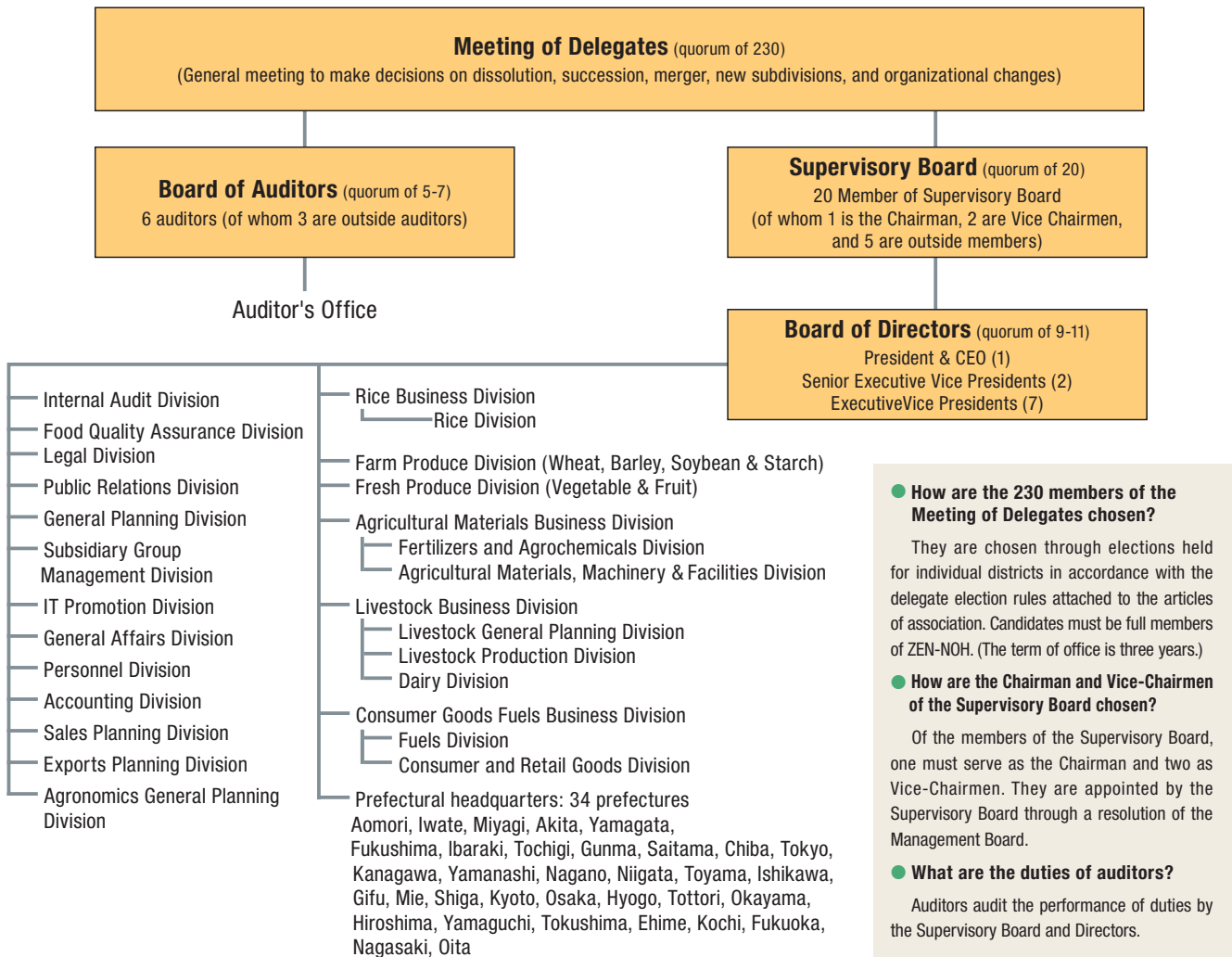
ZEN-NOH's organizational structure

1. JA Group Organizational Chart (economic activities)



*(Numbers of JAs and prefectural JAs are current as of July 1, 2017)

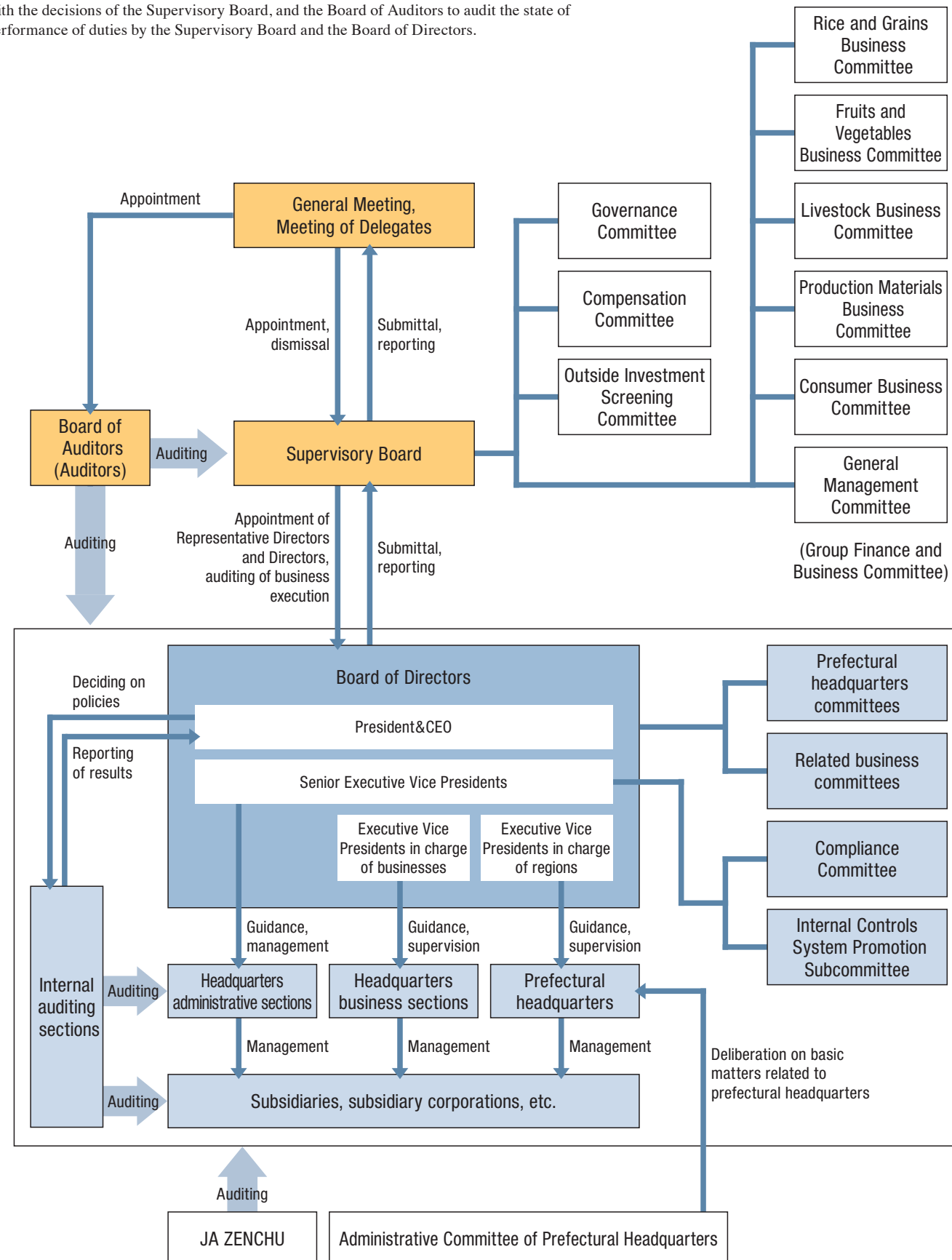
2. ZEN-NOH Organizational Chart (as of September 1, 2017)



- **How are the 230 members of the Meeting of Delegates chosen?**
They are chosen through elections held for individual districts in accordance with the delegate election rules attached to the articles of association. Candidates must be full members of ZEN-NOH. (The term of office is three years.)
- **How are the Chairman and Vice-Chairmen of the Supervisory Board chosen?**
Of the members of the Supervisory Board, one must serve as the Chairman and two as Vice-Chairmen. They are appointed by the Supervisory Board through a resolution of the Management Board.
- **What are the duties of auditors?**
Auditors audit the performance of duties by the Supervisory Board and Directors.

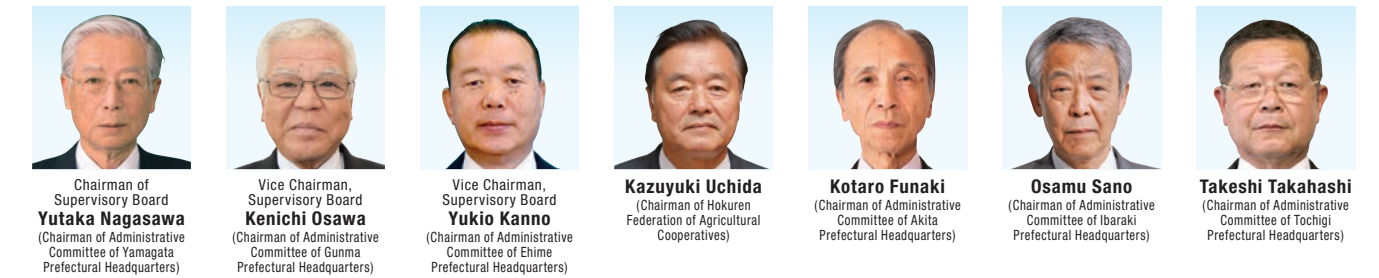
Corporate Governance

To manage its operations in accordance with the intentions of members, ZEN-NOH has formed a sound, highly transparent corporate governance structure through the establishment of the General Meeting and Meeting of Delegates as its highest decision-making bodies, the Supervisory Board to decide on business execution policies and other important decisions, the Board of Directors to carry out everyday business execution in accordance with the decisions of the Supervisory Board, and the Board of Auditors to audit the state of performance of duties by the Supervisory Board and the Board of Directors.

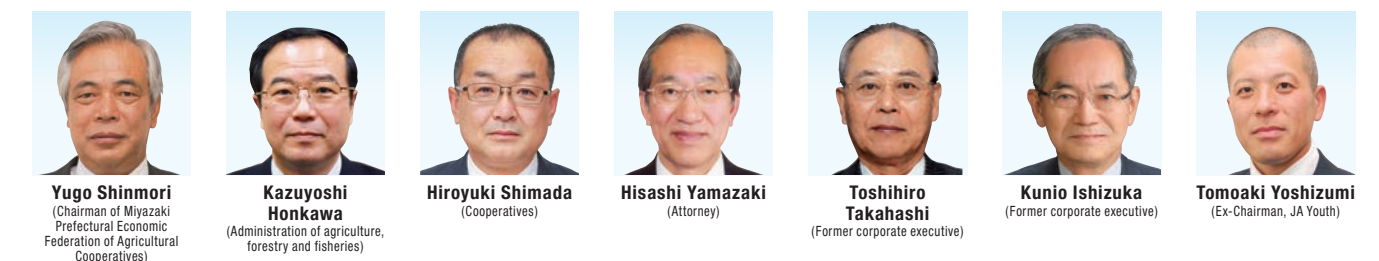


Officers

Supervisory Board



Councilor

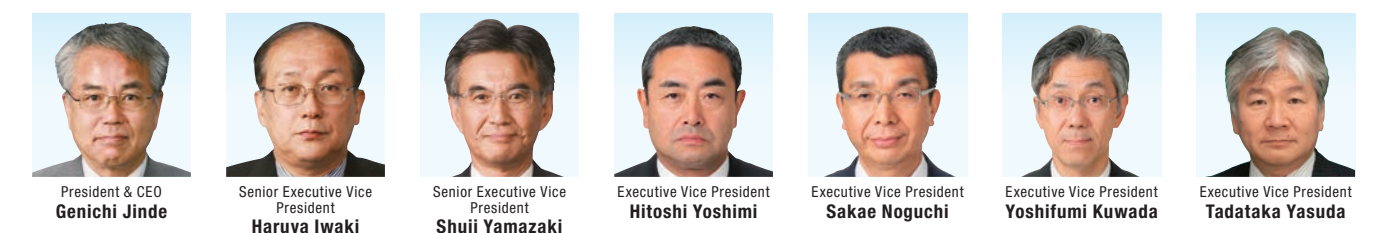


Councilor

Auditors



Directors



Chief Officer



Financial Information

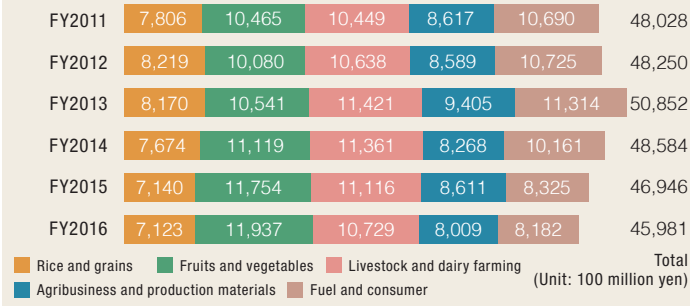
FY2016 Profit and Loss Statement

(April 1, 2016 - March 31, 2017)

(Unit: million yen)

Item	Amount	Previous year	Year-on-year
1. Total operating income	91,978	92,724	99%
(1) Operating earnings	4,685,229	4,788,790	98%
(2) Operating expenses	4,593,251	4,696,066	98%
2. Business administrative expenses	93,995	95,025	99%
(1) Personnel expenses	58,733	59,090	99%
(2) Business expenses	8,311	8,500	98%
(3) Office expenses	7,318	7,698	95%
(4) Taxes and dues	7,840	7,620	103%
(5) Equipment/facility expenses	8,500	8,860	96%
(6) Depreciation expenses	3,289	3,255	101%
Operating profit	△ 2,016	△ 2,301	-
3. Non-operating profit or loss	9,516	13,130	72%
Ordinary income	7,499	10,829	69%
4. Extraordinary profit or loss	1,746	△ 4,124	-
Income before taxes	9,246	6,704	138%
Provision for corporate, residential and business taxes	325	328	99%
Adjustment to corporate tax, etc.	6,063	△ 583	-
Net income	2,857	6,959	41%

Turnover by Different Business Operations



FY2016 Balance Sheet

(As of March 31, 2017)

(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	839,776	824,985	14,790	3. Current liabilities	799,586	780,909	18,677
Cash	233	211	21	Notes payable	14,590	16,028	△ 1,438
Deposits	29,515	23,003	6,511	Short-term borrowing	189,841	174,200	15,640
Notes receivable	748	792	△ 44	Accrued liabilities	511,665	493,862	17,803
Marketable securities	21,598	13,498	8,099	Unliquidated liabilities	12,399	12,294	104
Accounts receivable	441,697	439,524	2,173	Other current liabilities	65,145	78,520	△ 13,375
Unliquidated claims	207,204	207,276	△ 71	Reserve for bonus	4,393	4,472	△ 79
Inventories	129,490	128,157	1,332	Reserve for losses from gift voucher redemption	1,520	1,497	23
Other current assets	7,564	10,689	△ 3,125	Reserve for point card certificates	30	31	△ 1
Deferred tax assets	5,382	5,499	△ 117	4. Fixed liabilities	81,044	87,430	△ 6,386
Allowance for doubtful accounts	△ 3,658	△ 3,668	9	Long-term borrowing	7,922	8,377	△ 455
2. Fixed assets	368,961	369,993	△ 1,031	Long-term accrued liabilities	6,013	6,010	3
Tangible fixed assets	331,718	330,687	1,031	Long-term deposits received	1,403	1,394	8
Less accumulated depreciation	△ 193,018	△ 193,004	△ 13	Long-term business deposits	1,181	1,182	0
Intangible fixed assets	6,545	6,665	△ 120	Assets retirement obligations	2,446	2,399	46
Outside investments	166,877	158,559	8,317	Reserve for retirement benefits	61,642	67,691	△ 6,049
Long-term securities	32,594	34,956	△ 2,362	Miscellaneous reserve	435	374	60
Long-term accounts receivable	3,534	5,995	△ 2,461	Total liabilities	880,631	868,340	12,291
Long-term prepaid expenses	1,510	1,537	△ 27	5. Net assets	328,106	326,639	1,467
Other fixed assets	18,574	19,089	△ 514	Capital	115,252	115,265	△ 12
Long-term deferred tax assets	4,779	11,312	△ 6,533	Capital reserve	9,622	9,622	-
Allowance for doubtful accounts	△ 3,083	△ 4,898	1,814	Revaluation reserve	36	36	-
Allowance for doubtful accounts – outside investments	△ 1,070	△ 908	△ 162	Earned surplus reserve	95,937	94,537	1,400
				Voluntary reserve	84,029	80,753	3,276
				Unappropriated earnings	6,998	12,653	△ 5,655
				Evaluation adjustment	16,229	13,770	2,458
Total	1,208,737	1,194,979	13,758	Total	1,208,737	1,194,979	13,758

FY2016 Turnover

(Unit: 100 million yen)

Business Operation	Result	Previous year	Year-on-year
Rice and grains business total	7,123	7,140	100%
Pearl Rice	429	390	110%
Rice	5,511	5,475	101%
Wheat and barley	222	234	95%
Soybean and colesseed	278	328	85%
General farming products	677	707	96%
Sales projects	7	6	104%
Fruits and vegetables business total	11,937	11,754	102%
Fruits and vegetables	11,880	11,704	102%
Prefecture-level direct sales	58	50	116%
Livestock business total	10,729	11,116	97%
Livestock production business	1,349	1,430	94%
Single-ingredient feed and feed ingredients	3,472	3,861	90%
Livestock product sales	1,925	1,975	98%
Dairy farming business	3,155	3,128	101%
Livestock sales	827	723	114%
Agribusiness and production materials business total	8,009	8,611	93%
JA Green	50	55	90%
Fertilizer	1,918	2,189	88%
Agrochemical	1,220	1,227	99%
Production materials	371	442	84%
Packing materials	161	166	97%
Cardboard products	964	986	98%
Agricultural machinery	1,273	1,301	98%
Facility and housing	2,053	2,245	91%
Consumer business total	8,182	8,325	98%
Automobiles	168	164	102%
Oil	5,229	5,258	99%
Gas	704	761	93%
Daily necessities	2,081	2,142	97%
Grand total	45,981	46,946	98%

FY2016 Consolidated Profit and Loss Statement

(April 1, 2016 - March 31, 2017)

(Unit: million yen)

Item	Result	Previous year	Year-on-year
1. Total operating income	224,332	220,073	102%
(1) Operating earnings	6,066,504	6,065,869	100%
(2) Operating expenses	5,842,171	5,845,795	100%
2. Business administrative expenses	199,008	196,560	101%
(1) Personnel expenses	124,818	124,318	100%
(2) Business expenses	17,376	17,328	100%
(3) Office expenses	10,642	10,439	102%
(4) Taxes and dues	11,212	10,529	106%
(5) Equipment/facility expenses	23,917	24,260	99%
(6) Depreciation expenses	9,393	9,310	101%
(7) Other expenses	1,648	372	443%
Operating profit	25,324	23,512	108%
3. Non-operating profit or loss	11,461	14,354	80%
Ordinary income	36,785	37,867	97%
4. Extraordinary profit or loss	1,003	△ 5,379	-
Income before taxes	37,788	32,488	116%
Provision for corporate, residential and business taxes	10,087	9,426	107%
Adjustment to corporate tax, etc.	6,052	647	935%
Total corporate tax, etc.	16,140	10,073	160%
Income	21,648	22,415	97%
Income attributable to non-controlling interests	3,155	3,056	103%
Grand total	18,493	19,358	96 %

Breakdown of Operating Earnings by Business Segment

(April 1, 2016 - March 31, 2017)

(Unit: million yen)

Item	Amount	Previous year	Year-on-year
Rice and grains	786,753	778,387	101%
Fruits and vegetables	1,269,060	1,252,107	101%
Livestock	2,218,884	2,163,907	103%
Agribusiness and production materials	834,223	889,461	94%
Consumer	866,012	889,156	97%
Other (transportation, etc.)	212,490	208,573	102%
Total	6,187,425	6,181,593	100%
Elimination*	△ 120,920	△ 115,723	-
Grand total	6,066,504	6,065,869	100%

*This indicates inter-segment sales/transfers.

FY2016 Consolidated Balance Sheet

(As of March 31, 2017)

(Unit: million yen)

Assets	Amount	Previous year	Change over previous year	Liabilities and Member's Equity	Amount	Previous year	Year-on-year
1. Current assets	1,154,999	1,123,388	31,611	3. Current liabilities	981,284	934,036	47,248
(1) Cash and deposits	123,811	121,902	1,909	(1) Notes payable	17,310	17,791	△ 481
(2) Notes receivable	2,231	2,475	△ 243	(2) Short-term borrowing	289,989	254,994	34,995
(3) Marketable securities	22,078	13,981	8,097	(3) Accounts payable	519,433	497,665	21,768
(4) Accounts receivable	483,432	476,129	7,302	(4) Unliquidated liabilities	12,448	12,337	111
(5) Unliquidated claims	194,477	197,547	△ 3,070	(5) Other current liabilities	132,514	141,637	△ 9,122
(6) Inventories	223,894	215,377	8,517	(6) Reserve for bonus	9,305	9,372	△ 66
(7) Other current assets	100,567	91,566	9,000	(7) Deferred tax liabilities	280	236	44
(8) Deferred tax assets	7,791	7,820	△ 29	4. Fixed liabilities	219,794	209,857	9,937
(9) Allowance for doubtful accounts	△ 3,284	△ 3,411	127	(1) Long-term borrowing	91,145	75,190	15,955
2. Fixed assets	636,514	590,596	45,918	(2) Liabilities for retirement benefits	83,540	91,880	△ 8,339
(1) Tangible fixed assets	1,021,688	979,582	42,105	(3) Other long-term provisions	10,206	9,751	454
Less accumulated depreciation	△ 636,924	△ 620,967	△ 15,956	(4) Long-term monetary liabilities	20,556	20,447	109
(2) Intangible fixed assets	12,849	12,599	249	(5) Asset retirement obligations	6,176	6,007	168
(3) Outside investments	147,086	134,227	12,859	(6) Long-term deferred tax liabilities	7,314	5,789	1,524
(4) Long-term securities	33,665	36,089	△ 2,424	(7) Other fixed liabilities	854	790	63
(5) Long-term loans receivable	26,921	13,534	13,387	Total liabilities	1,201,079	1,143,893	57,185
(6) Long-term prepaid expenses	1,899	1,971	△ 72	3. Non-operating profit or loss	590,435	570,090	20,344
(7) Fixed assets for retirement benefits	1,717	1,354	362	(1) Capital	115,252	115,265	△ 12
(8) Other fixed assets	19,784	20,237	△ 453	(2) Capital reserve	9,712	9,663	48
(9) Long-term deferred tax assets	12,261	18,342	△ 6,081	(3) Retained earnings	401,337	386,679	14,658
(10) Allowance for doubtful accounts	△ 4,206	△ 6,149	1,943	(4) Valuation and exchange adjustments	21,236	18,776	2,459
(11) Allowance for doubtful accounts – outside investments	△ 228	△ 228	0	(5) Minority equity	42,972	39,774	3,198
				(6) Other	△ 76	△ 68	△ 7
Total	1,791,514	1,713,984	77,530	Total	1,791,514	1,713,984	77,530

Distribution System

Agribusiness

Rice: 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 2016).

Produce: Production of produce (fruit and vegetables) in Japan stood at ¥3,175.4 billion in 2015. JAs handled approximately 50%, and ZEN-NOH about 30% of the total production (as of fiscal 2015).

Production Materials: 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.

Livestock Business

Mixed feed: While compound feeds are made using a wide range of mixing ratios depending on the type of livestock, corn accounts for about 50% of their content. 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%.

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 FY2016). JA ZEN-NOH Tamago Co., Ltd. handles about 15% of all domestically produced eggs distributed in Japan (as of FY2016).

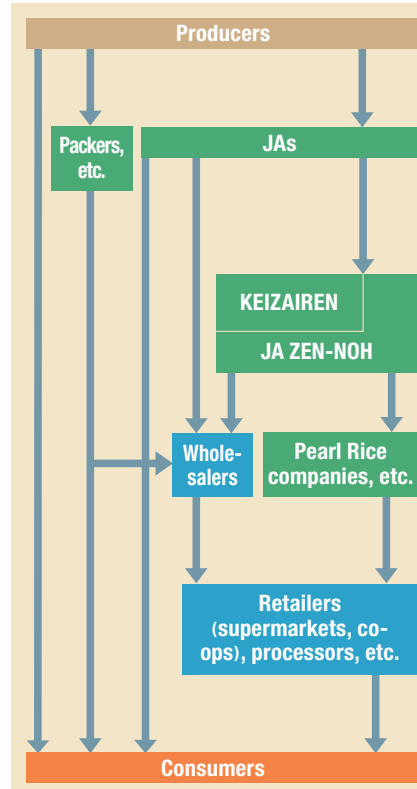
Consumer Business

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, ZEN-NOH provides wide-ranging support to consumers in their communities.

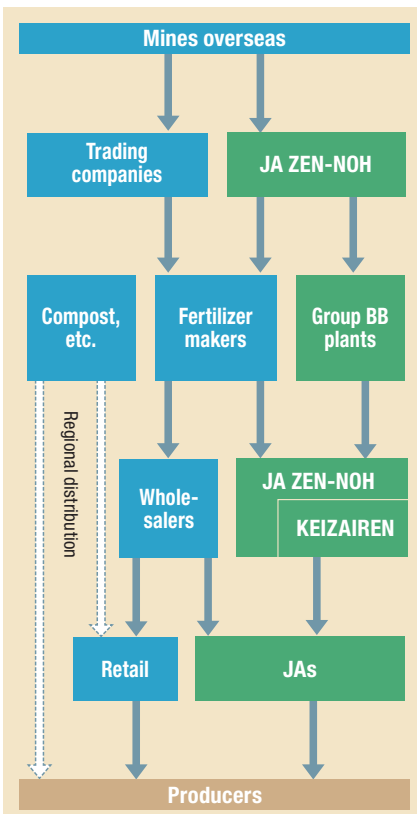
Petroleum products, LP gas: Due to factors including more fuel-efficient vehicles and the decreasing population, domestic demand in Japan has decreased since its peak in FY2004. ZEN-NOH delivers a stable supply of petroleum products through its distribution from domestic oil companies to JA-SS service stations. 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.

Agribusiness

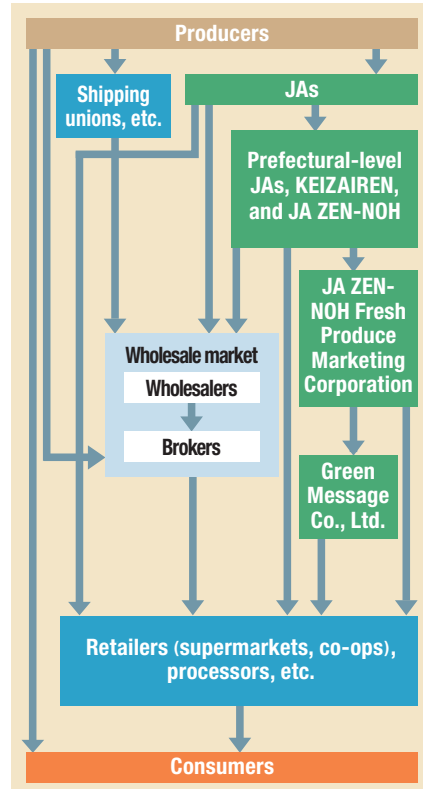
■ Main Rice Distribution Channels (rice for staple food)



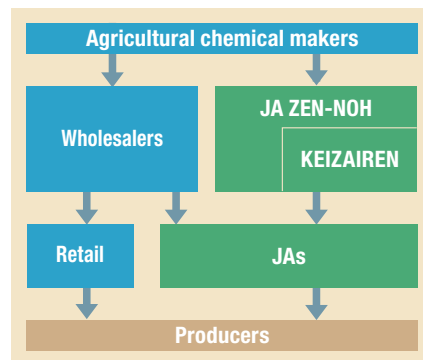
■ Main Fertilizer Distribution Channels



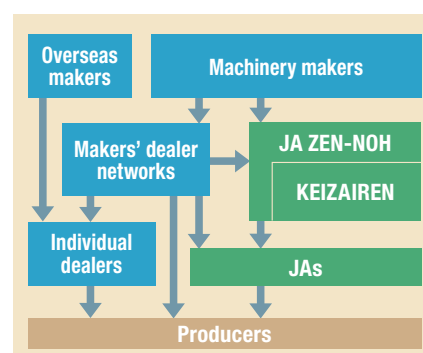
■ Main Fruit and Vegetable Distribution Channels



■ Main Agricultural Chemical Distribution Channels

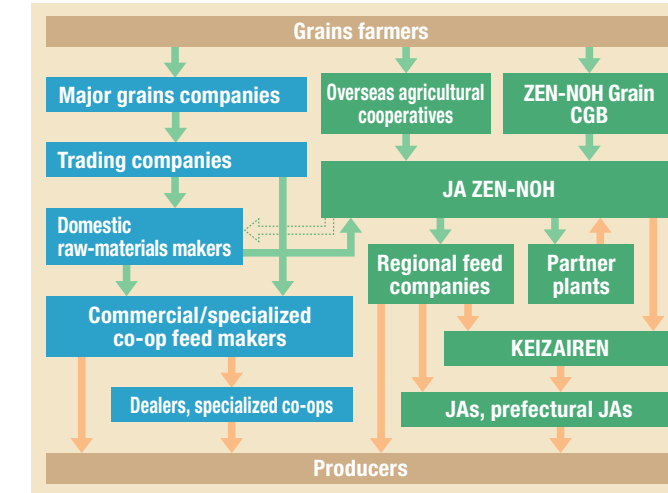


■ Main Agricultural Machinery Distribution Channels

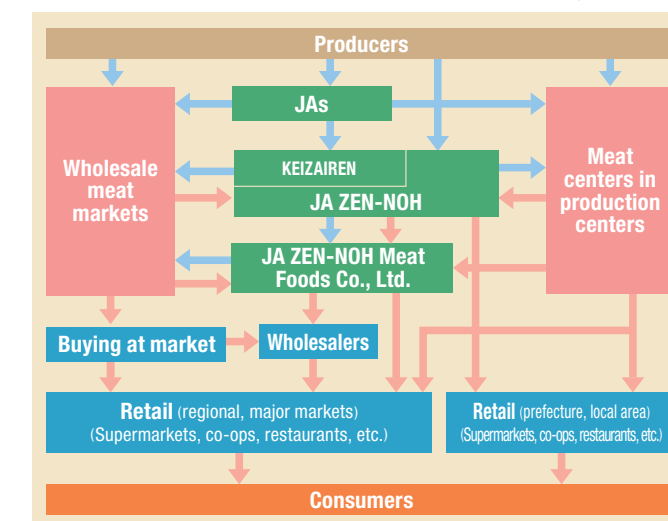


Livestock Business

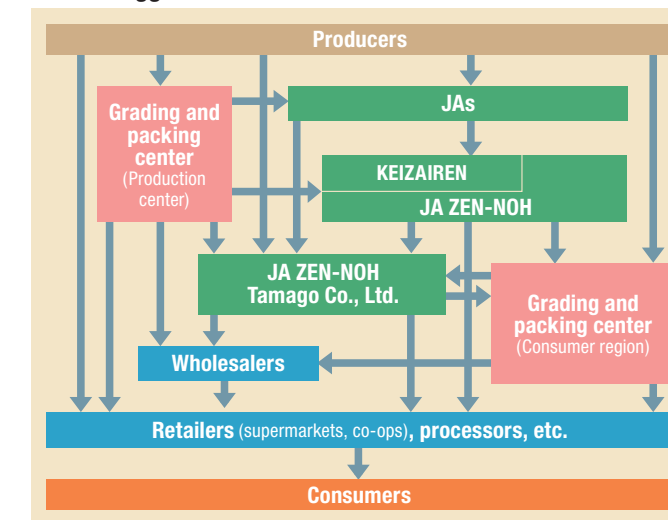
■ Main Distribution Channels of Feed Materials and Mixed Feed



■ Main Distribution Channels for Meat

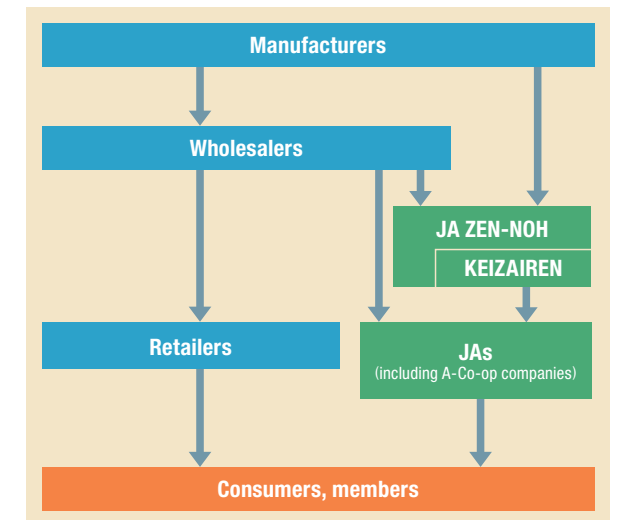


■ Main Egg Distribution Channels

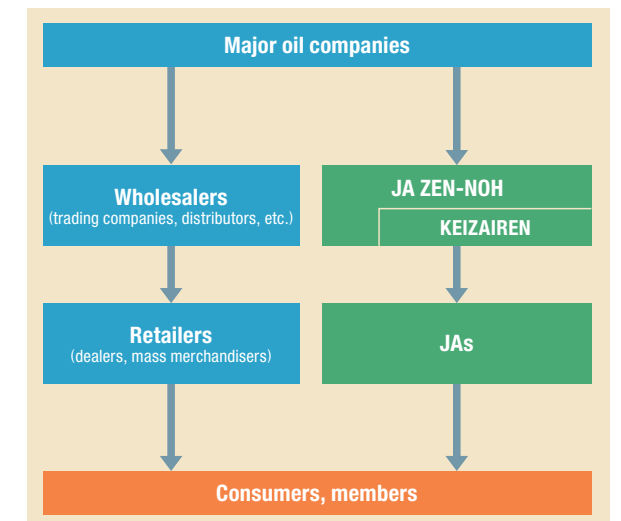


Consumer Business

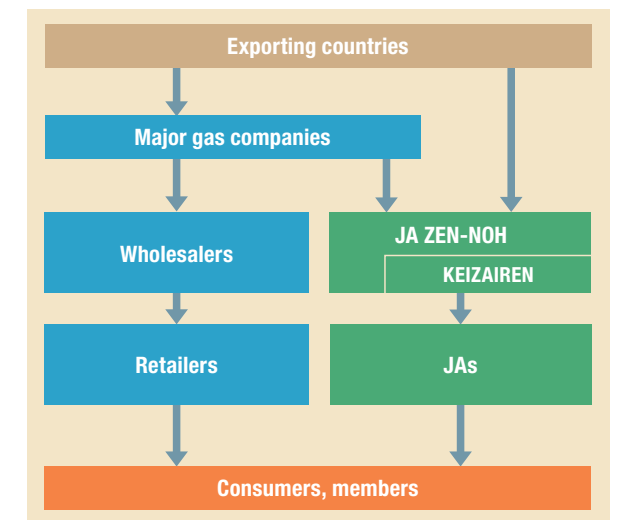
■ Main Distribution Channels for Consumer Goods



■ Main Petroleum Distribution Channels



■ Main LP Gas Distribution Channels



ZEN-NOH Subsidiaries and
Affiliated Companies

Overseas Subsidiary corporation

- 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: 136 companies (including overseas companies) (As of August 1, 2017)

	Rice/Fruits and vegetables/Production materials	Livestock	Consumer	General		
Production, packing, storage, logistics	Main office ZEN-NOH Green Resources Corporation Main office ZEN-NOH Green Resources Thailand Co., Ltd. (Thailand) 🇹🇭 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) 🇺🇸 Main office ZEN-NOH Grain Canada Corporation (Canada) 🇨🇦 Main office ZEN-NOH GRAIN BRAZIL HOLDINGS Ltda. (Brazil) 🇧🇷 Main office ZEN-NOH ACA Limited (Hong Kong) 🇭🇰 Main office ZEN-NOH Hay, Inc. (USA) 🇺🇸 Main office ZEN-NOH Silo Corporation Main office 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 Usukitamago Farm Co., Ltd. Fukushima Prefectural Headquarters Midori Kosan Co., Ltd. Okayama Prefectural Headquarters Okayama JA Livestock Co., Ltd. Main office SFG Holdings Limited (UK) 🇬🇧 Main office Scotch Frost of Glasgow Ltd (UK) 🇬🇧 Main office Hokuren Cooperative Feed Mills Co., Ltd. Main office ZEN-NOH Grain & Feed LLC (Brazil) 🇧🇷	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. 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. 🇯🇵 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 🇯🇵 Mie Prefectural Headquarters JA ZEN-NOH Mie Meat Co., Ltd. Main office ZEN-NOH Chicken Foods Corporation 🇯🇵 Main office Miyazaki Kumiai Chicken Foods Corporation 🇯🇵 Main office Kagoshima Kumiai Chicken Foods Corporation 🇯🇵 Main office Sumita Foods Corporation 🇯🇵 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.		Main office Pure Dish Co., Ltd. 🇯🇵		
Retail	Main office ZEN-NOH Foods America Corporation (USA) 🇺🇸 Main office ZEN-NOH Restaurant Beverly Hills LLC (USA) 🇺🇸	Main office ZEN-NOH Restaurant London Limited (London) 🇬🇧 Main office JA ZEN-NOH Meat Foods (Hong Kong) Limited (China) 🇨🇳 Main office J-ACE Co., Ltd. 🇯🇵	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. Mie Prefectural Headquarters MIE Coop Sangyo 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.	Main office Washoku Works Co., Ltd. 🇯🇵		
Trade	Main office ZEN-NOH AMERICA CORPORATION (USA) 🇺🇸	Main office ZEN-NOH International Corporation Main office ZEN-NOH International Europe Limited (London) 🇬🇧 Main office ZEN-NOH International Asia Pte. Limited (Singapore) 🇸🇬				
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. Nagano Prefectural Headquarters JA Agriyell-Nagano Co., Ltd. Nagano Prefectural Headquarters Naganoken Nokyō Chokuhan Co., Ltd. Hiroshima Prefectural Headquarters ZEN-NOH Hiroshima Chokuhan Co., Ltd. Yamaguchi Prefectural Headquarters Yamaguchi Nokyō Chokuhan Co., Ltd. Nagasaki Prefectural Headquarters Nagasaki-ken Nokyō 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 Terminal Co., Ltd 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 Katakura & 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. Kyoyu 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 CHS Inc. ZEN-NOH ACA Limited Asociación de Cooperativas Argentinas T.J.C. Chemical Co., Ltd. Co-op Thailand GrainsConnect Canada Operations Inc. GrainCorp

Message from
table tennis player
Kasumi Ishikawa

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 couldn't do without the rice and
other ingredients that ZEN-NOH provides as
I tour the world for half the year.
I think that the power provided by Japanese food is
what enables me to play at my best around the world.
As a result, I have been able to play my best again this year.
Thanks to your support, I intend to keep doing
my best while eating agricultural products from Japan.



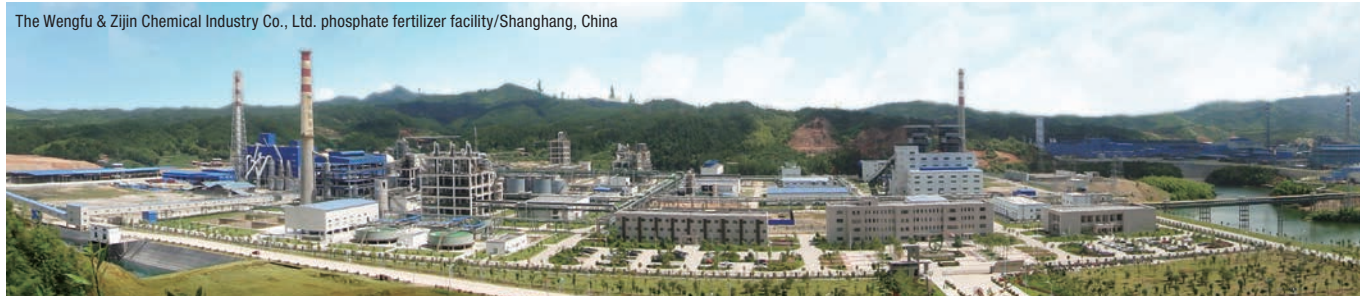
Tournament photograph courtesy of Nittaku News



ZEN-NOH Grain Corporation grain elevators/New Orleans, U.S.A.



A ZEN-NOH Energy Corporation LP gas import facility/Sakaide, Japan



The Wengfu & Zijin Chemical Industry Co., Ltd. phosphate fertilizer facility/Shanghang, China



ZEN-NOH Fair/Bangkok, Thailand



ZEN-NOH Fair/Taipei, Taiwan



Scotch Frost of Glasgow
Food importer and wholesaler/Great Britain, and Ireland



Japanese Wagyu Yakiniku Pure 2
(Tsim Sha Tsui Store)/Hong Kong, China



TOKIMEITÉ, a Japanese restaurant operated directly by ZEN-NOH /London, England



National Federation of Agricultural Cooperative Associations

JA is the abbreviation for Japan Agricultural Cooperatives.

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