

ANNUAL REPORT 2007

Year Ended March 20, 2007

"For a Better Tomorrow"

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The official name of our organization is the Japanese Consumers' Co-operative Union, commonly abbreviated as JCCU.



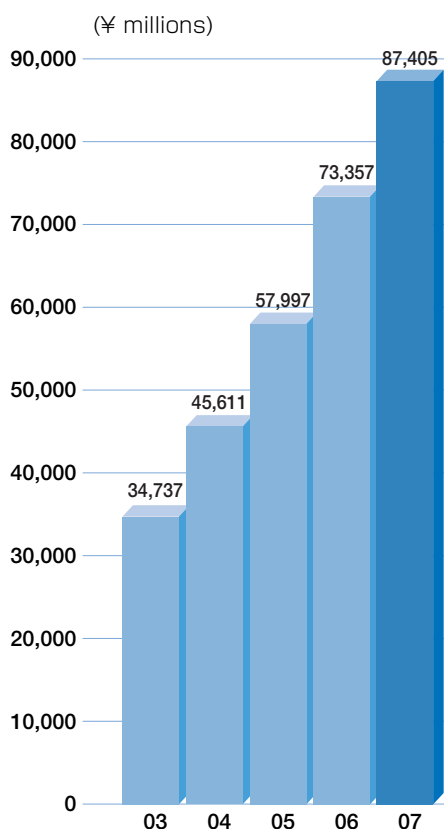
Financial Highlights

For the years ended March 20,	Millions of yen*1			Changes	Millions of U.S.dollars*2
	2005	2006	2007		2007
Ordinary income	¥ 60,409	¥ 69,228	¥ 77,890	(+12.5%)	\$ 660
Ordinary expenses	25,690	29,983	34,830	(+16.2%)	295
Ordinary surplus	17,518	20,369	22,008	(+8.0%)	186
Net surplus	12,462	14,549	15,265	(+4.9%)	129
As of March 20,					
Total assets	57,997	73,357	87,405	(+19.2%)	741
Total liabilities	21,613	29,074	37,087	(+38.8%)	314
Total capital	36,383	44,282	50,317	(+21.1%)	426
Number of policies (total)	5,286,587	5,777,941	6,263,379	(+8.4%)	—
Number of policies (direct insurance total)	4,896,110	5,381,453	5,861,815	(+8.8%)	—
Amount insured (direct insurance total) (¥billions/\$millions)	¥ 6,987	¥ 7,690	¥ 8,472	(+10.2%)	\$ 71
Solvency margin (%)	808.0	863.9	951.7	(+87.8pt.)	—

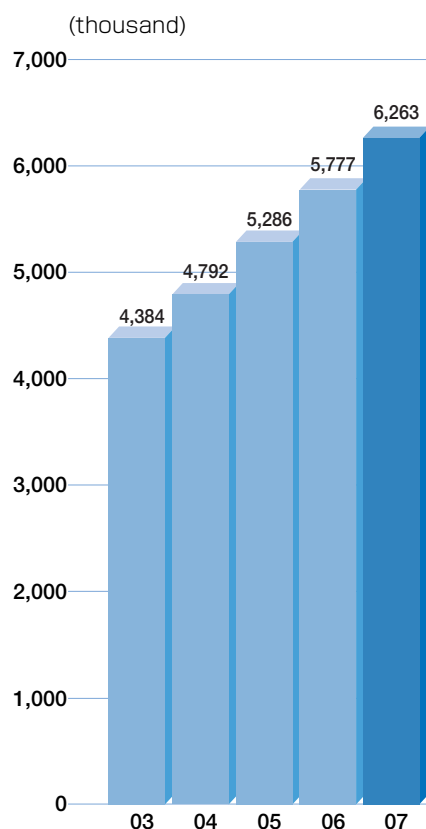
1. Yen Amounts are rounded to the nearest ¥1 million.

2. U.S. dollar amounts are translated, for convenience only, at ¥117.88 = US\$1.00, the rate prevailing on March 20, 2007, and rounded down to the nearest \$1 million.

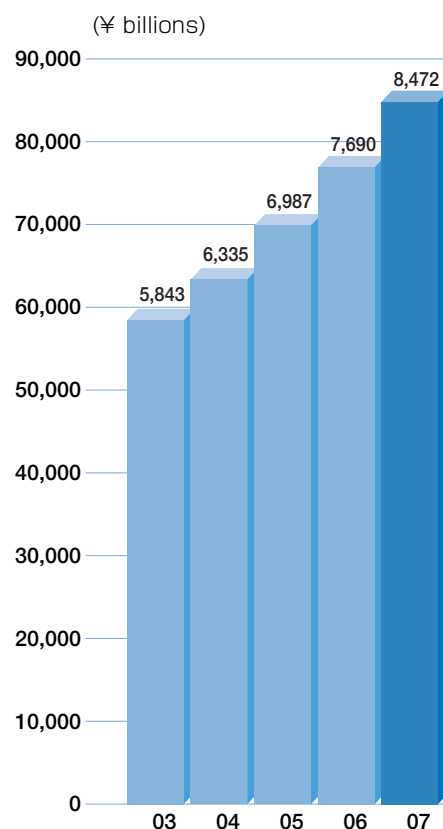
Total Assets



Number of policies (all total)



Amount insured (direct insurance)



Message from the Executive Director



Fiscal 2006 was the final year of the 2004-2006 Medium Term Management Plan. During the three years starting in fiscal 2004, we focused on activities to expand the circle of mutual aid by improving insurance coverage and increasing the number of members the target being an insurance company chosen as the best within the sector of life/medical insurance for women and children. As a result, the membership in CO-OP Insurance surpassed 6.26 million at the end of fiscal 2006.

Against the background where society values consumer protection, we focused on using the Declaration of Important Information for consumers to better understand important matters and precautions before joining. As for the payment of claims, we established the Insurance Payment Evaluation Committee to ensure swift, accurate payments from the perspective of third parties. In addition, we established a consultation center dedicated to handling complaints and inquiries regarding CO-OP Insurance, which will improve our products and services as insurance personnel share customer feedback. We also formulated the Insurance Business Tasks and Objectives for 2015, as well as the 2007-2009 Medium Term Management Plan, in order to set the objectives and plans for CO-OP Insurance.

Meanwhile, the Consumers' Livelihood Co-operative society Law, which is the law governing CO-OP Insurance, was revised in May 2007 after consideration last year. A variety of revisions was made for the insurance business to protect policyholders and ensure health management. The environment surrounding the insurance business is experiencing a time of change. Fiscal 2007 is the first year in the new medium term plan, and we will make all-out efforts to meet the expectations of CO-OP Insurance policyholders, Co-op associate members, and society as a whole as well.

We sincerely ask all of you for your continued understanding and support of CO-OP Insurance.

伊藤 良彦
Yoshihiko Ito
Executive Director

Visions of CO-OP Insurance

Through CO-OP Insurance and the mutual assistance of CO-OP members, we are aiming to enrich society, promote cooperative activities, develop CO-OP and improve the lifestyles of members based on covering economic loss caused by the various risks in members' lives.

1. We will offer insurance products that suit members' needs with more reasonable premiums and better coverage.
2. We will promote communication between members and CO-OP employees, and encourage a spirit of mutual aid among members.
3. We will offer members the opportunity to learn about insurance and acquire the ability to select the insurance that suits them most.
4. We will increase the social credibility of cooperative business by the stable management of the insurance and the expansion of the insured.
5. We will positively face the problems of aging, health and welfare, and conduct activities to contribute to society, such as social welfare activities.

Topics in fiscal 2006

CO-OP Insurance improves products based on member feedback

CO-OP Insurance is developing and improving products based on member feedback. In fiscal 2006, we worked on product improvement, which was a request from the majority of members. We will continue improving our products in order to let as many people as possible join the insurance cooperative and to meet member requests.

- *Tasukeai* J 18 Course: Hospitalization coverage from the first day!
- *Tasukeai* J 18 (J 1,000-yen Course) : Conditional purchase is now available!
- *i.-Plus* : Insurance premium is decreased! Coverage for one-day hospitalization is achieved!

CO-OP Insurance reflects policyholder feedback in the business

CO-OP Insurance established the consultation center, which is dedicated to handling complaints and requests regarding participation and claims payments, in March 2006. We had 1,116 complaints and requests from March 2006 to March 2007. Viewing the opinions we received as valuable information for CO-OP Insurance, we use the feedback to improve our products and business operations.

Collaboration project with "Co-op Welcome! Baby Campaign" has a good reputation!

JCCU, considering that we play a social role in the recent falling birthrate problem and in the support of raising children through its business and activities, conducted the "Co-op Welcome! Baby Campaign" as the first step starting in the second half of 2006. As an activity in the insurance field, we created a handout tool with an insurance product brochure and booklet titled "What you should know for a happy life for your children" which is a tool for protecting children from accidents.

- Handout tool "Co-op Welcome! Baby Campaign (envelop package)"

- "What you should know for a happy life for your children"(guidebook for preventing accidents of babies)



We are making every effort to make claims payments to policyholders as soon as possible.

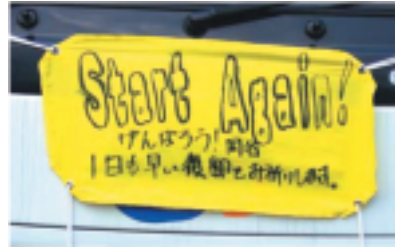
We continued to make accurate, swift, and sincere payment of claims in fiscal 2006 as well. We made payments to more than 90% of recipients within two days after we received the claims documents. In addition, we established the Insurance Payment Evaluation Committee to analyze complaints and eliminate incomplete claims requests.

Topics in fiscal 2006

We visited policyholders in areas having suffered from flood damage or other disasters to express sympathy and invite requests for claims payment.

At the time of Heavy Rain of July 2006, in order to deal with especially big damages in Nagano and Kagoshima, we visited policyholders belonging to Co-op Nagano, Seikatsu Club Nagano, Co-op Kagoshima, etc. The number of households we visited amounted to about 850.

We had words of gratitude from many members.



Life-planning activities are being conducted nationwide!

- Our life-planning activities of training sessions on revising lifestyles, life-planning lectures, and individual consulting are well received.

Among them, the life-planning lectures had 3,354 participants, which is 1.5 times as many as those in fiscal 2005 and individual consulting had 12,296 visitors.

- We created the "Things to know before making an insurance contract."

We created the study materials so that consumers can learn about insurance contracts and gain the ability to make sound judgments. The booklet was advertised through the CO-OP Insurance website to general consumers and is being used at life-planning activities as well.



Co-op , JCCU and CO-OP Insurance

Co-op is the Largest Consumer Organization in Japan

Co-op was established based on the Consumers' Livelihood Co-operative Society Law, which came into effect in 1948. Co-op is an organization wherein Co-op members are free to join or cancel their membership. The organization aims to enhance the everyday lifestyles of members through co-operation. Members paying into the organization make up the organization's principle operations.

Co-ops are comprised of retail Co-ops (regional Co-ops, institutional Co-ops, school teachers' Co-ops and university Co-ops), health Co-ops, insurance Co-ops and housing Co-ops.

These organizations base their operations on close ties to the lifestyle of members and make up Japan's largest consumer organization.

JCCU is the Association for Co-ops in Japan

JCCU (Japanese Consumers' Co-operative Union) was established when Co-ops united in March 20, 1951 in order to realize a better lifestyle for its members.

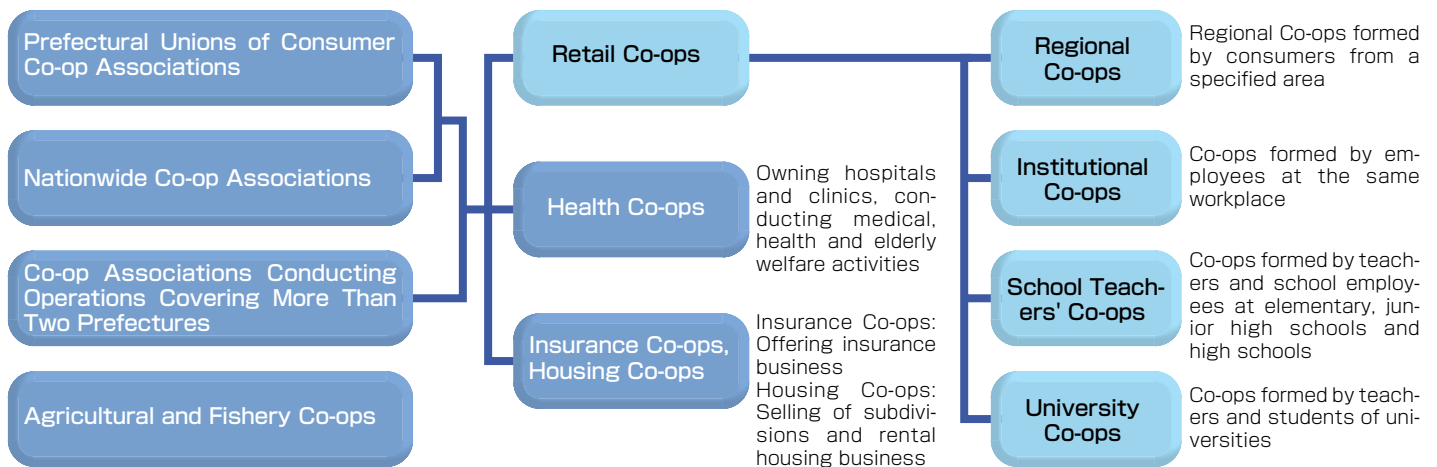
JCCU positions its product supply business and CO-OP Insurance business as its cornerstone operations. For the product supply business JCCU works to improve and develop CO-OP brand products in order to supply the nationwide network of Member Co-ops with better products. While aligning itself with Member Co-ops, JCCU works to ensure the safety of food products from the perspective of consumers.

Furthermore JCCU ensures the rights of consumers and is undertaking environmental and social welfare activities.

Member Co-ops and JCCU are Independent Entities

Member Co-ops and JCCU are both independent entities and conduct operations and management accordingly. While there are personnel exchanges between Member Co-ops and JCCU, this is by no means an indication of a head-branch office relationship.

Member Co-ops' Structure of JCCU



Co-op , JCCU and CO-OP Insurance

Insurance Products Uniform throughout Japan

CO-OP Insurance is mainly sold by retail Co-ops. JCCU and Member Co-ops form the CO-OP Insurance Group for joint operations. CO-OP Insurance offers the same cover across Japan. As of March 20, 2007, 147 Member Co-ops offered CO-OP Insurance *Tasukeai*.

Direct and Indirect Insurance Products Offered

CO-OP Insurance offers direct and indirect insurance products. Direct insurance products are offered by JCCU and Member Co-ops approved by the Ministry of Health, Labour and Welfare or local government bodies. CO-OP Insurance direct insurance products are *Tasukeai* and *i.-Plus*.

For insurance not covered by direct insurance products, CO-OP Insurance forms alliances with *Zenrosai** and property and casualty insurance firms to offer indirect insurance products.

CO-OP Fire Insurance and CO-OP Life Insurance *i.i.* are offered as indirect insurance products.

*ZENROSAI is Japan's largest workers and consumers insurance cooperative organization recognized by the Consumers' Livelihood Co-operative Society Law. ZENROSAI is a member organization of JCCU. ZENROSAI and JCCU work together to provide a full line-up of CO-OP Insurance.

Types of CO-OP Insurance

CO-OP Insurance *Tasukeai* — Medical Insurance



This insurance provides comprehensive coverage for outpatient care due to accident, hospitalization, surgery, death, disability, family members' death of the insured, and damage to residences caused by fire or other perils. It is designed to meet the Co-op members' demands for coverage that is essential to their daily lives at a reasonable premium.

There are four plans for women, for children, mainly to cover medical, and uniform medical and death cover. For a monthly premium of ¥100 (about US\$1.00), members can add a special third party liability clause for coverage of up to ¥100 million.

CO-OP Insurance *i.-Plus* — Term Life Insurance



This insurance simply provides cover for death, which can be added cancer, hospitalization, and surgery of the insured. The maximum sum insured is ¥20 million in death benefits for a reasonable premium. Added coverage is available by combining *i.-Plus* with *Tasukeai*. The contract term is 10 years and the premium varies according to the age and sex of the insured. Coverage may be extended until the member reaches the age of 85 with the ¥20 million plan extendable up to age 70.

CO-OP Fire Insurance



This insurance provides coverage against damage to residences caused by a wide range of perils including fire, lightning, explosion, aircraft or vehicle crashes into residences, windstorm and flood, flooding from a third party residence, unexpected damage from a third party and earthquakes etc.

CO-OP Insurance *i.i.* — Life Insurance



Basic plans that mainly cover hospitalization can be matched up with life cover, women's health cover, child cover and the rebate plan. The contract term is renewable after five years with the option of a rebate after the five years. Coverage may be extended until the member reaches the age of 80.

Payment of Claims and Policy on solicitation

Payment of Claims

Payment of claims, excluding that for CO-OP Fire Insurance, is made by JCCU via Member Co-ops or the CO-OP Insurance Center. (Payment of claims for CO-OP Fire Insurance is made by Zenrosai.) Upon receiving a claim request, we check the contract details and ask the policyholder for details about the request and then send the necessary materials. CO-OP Insurance values swift and efficient payment procedures from the viewpoint of policyholders. For example, basic information is printed on payment claims documents in advance, and some procedures are simplified depending on the claim details and amount.

CO-OP Insurance shortens the time from the reception of a claims request to payment in order to enhance policyholder satisfaction.

We also established the Insurance Payment Evaluation Committee in June 2006.



Relief Money to Victims of Devastating Disasters

In the CO-OP Insurance plans, *Tasukeai, i.-Plus* and *i.i.* policyholders receive Relief Money in accordance with the CO-OP Insurance Regulations on Devastating Disaster Relief Money. These regulations were made with the aim of providing a token of our sympathy to victims of devastating disasters. JCCU annually allocates money from CO-OP Insurance surpluses to the Devastating Disaster Relief Money Fund in order to make payments in time of a massive disaster. CO-OP Insurance offers special assistance in accordance with the magnitude of a natural disaster. In the event of a devastating disaster occurring wherein policyholder are eligible for claim payment and Relief Money, Member Co-ops across the country cooperate in order to ensure swift and certain payment so that the burden on policyholder may be alleviated even slightly.

Policy on solicitation

Based on the Law on Sales of Financial Products, JCCU has established the following CO-OP Insurance Solicitation Policy. These guidelines are posted visibly at the JCCU CO-OP Insurance Business Center and at Member Co-ops handling CO-OP Insurance. CO-OP Insurance sales personnel carry the guidelines in an all out effort to bolster compliance.

CO-OP Insurance Solicitation Policy

Notification to all members

Based on the Law on Sales of Financial Products, we have established the following CO-OP Insurance Solicitation Policy.

1. When offering CO-OP Insurance, every effort will be made to comply with the Consumers' Livelihood CO-OP Society Law, the Law on Sales of Financial Products and the Consumer Contract Act to provide services in an appropriate method.
2. When offering CO-OP Insurance, every effort will be made to ensure members fully understand product content and other important information.
3. When offering CO-OP Insurance, every effort will be made to respect the wishes of members, not take up excessive amounts of members' time or space.
4. When a claim is made, every effort will be made to ensure swift settlement.
5. Recognizing the importance of protection of privacy, contract information will be managed stringently and appropriately.
6. Every effort will be made to gather member opinions and reflect these on future CO-OP Insurance development and in offering CO-OP Insurance.

Risk Management

Risks associated with insurance businesses include asset management risks, office work risks, and system risks.

■ Asset Management Risks

As for asset management risks, in compliance with the Co-op financial regulations and other rules, we have established the Insurance Business Asset Management Committee, and formed the insurance business asset management regulations and the policy for managing the asset management risks in order to ensure proper management.

■ Insurance Risks

We manage insurance risks with due consideration of business stability; for example, we pay attention to achieve the proper insurance payment rate when developing and revising products.

■ Office Work Risks and System Risks

We are striving to prevent accidents in clerical tasks as well as in the development and management of systems by establishing the Behavior Rules to Prevent Serious Accidents and the Information Security Policy.

■ Establishment of Risk Management Department

From January 2007, we have been working on the establishment of the comprehensive risk management system by creating the Risk Management Department.

Compliance

■ Payment of Claims and Policy on solicitation

The JCCU CO-OP Insurance Business Center has the CO-OP Insurance Solicitation Policy based on the Law on Sales of Financial Products.

■ Enhancement of important information declaration

● Declaration of Important Information

We have the easy-to-understand Declaration of Important Information, which is placed on advertisements and other materials so that consumers can correctly understand the contract outline before joining.

● Protection of Personal Information

As for the protection of personal information, we have the Regulations on Personal Information and analyze risks concerning personal information protection and prevent accidents. For the details about the Regulations on Personal Information of the JCCU CO-OP Insurance Business Center, please visit the website of CO-OP Insurance (<http://jccu.coop/kyosai>).



Business operations based on policyholder feedback

■ Opening of the consultation center for handling complaints

CO-OP Insurance, when developing products and paying claims, is making improvements based on policyholder feedback. In order to receive more feedback and reflect the opinions in our business, we established the consultation center, which is dedicated to handling complaints, opinions, and requests in 2006.

● Complaints we received at the consultation center in 2006

We had 1,116 complaints and requests in fiscal 2006. Viewing the opinions we received as representing the voice of our policyholders, we are striving to improve the problems.

■ Improvement efforts resulting from complaints and opinions we receive

We have introduced the management system to unify the management of complaints and opinions we receive so that related departments can share and swiftly resolve any issues. In addition, we report all complaints and opinions to all departments once a week.

International activities and LPA

International Cooperative and Mutual Insurance Federation (ICMIF)



Throughout the world there are many types of Cooperative Societies (Co-ops) and mutual insurance institutions. As of July, 2007, 184 organizations from 70 countries were members of the International Cooperative and Mutual Insurance Federation (ICMIF) of the International Cooperative Alliance (ICA). In 1922 an insurance committee of the ICA was established paving the way for today's ICMIF. The ICMIF undertakes a range of activities for the development of cooperative insurance organizations. Such activities include surveys, research and development. JCCU became a member of the ICMIF in 1993.

In 1993 JCCU joined the ICMIF, and since 2004 JCCU has had a staff member working there to provide support. Furthermore, in and after June 2006, Yoshihiko Ito, JCCU Executive Director, has been actively participating in ICMIF management as a member of its Intelligence Committee.

For further information refer to the ICMIF: <http://www.icmif.org/>

Life-Planning Activities



Life-Planning activities enable Co-op members to learn about money matters in their lives. In the principle topic of Revising Coverage, members gain the capability to independently select insurance that is really necessary.

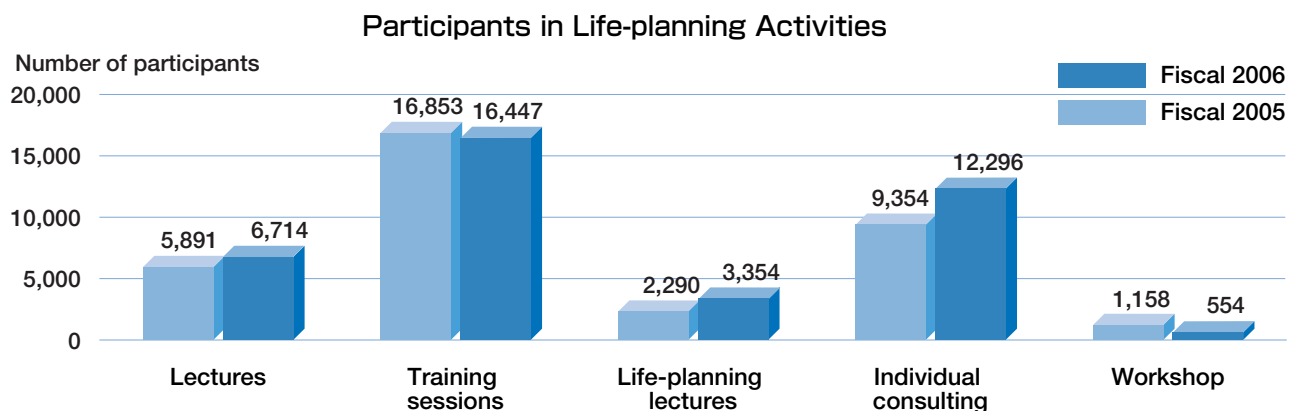
As an integral part of Life-Planning activities, JCCU is training members and Co-op staff to be Life-Plan-Advisor (LPA). Participants of LPA courses learn about life planning, insurance, taxation and finance in comprehensive lectures held by JCCU in order to become LPA. As of March 20, 2007 there are 1,841 advisors active at Member Co-ops across Japan.

Co-op carries out the following Life-Planning activities:

- Lectures on Revising Coverage
- Training sessions on revising lifestyles
- Life-planning lectures
- Individual consulting
- Activities for revising lifestyles at home

Developments in Life-Planning Activities

Life-Planning activities have now become firmly established as Co-op activities. In fiscal 2006, more than 39,000 people in total participated in the activities, principally in revision of coverage.



Health and Welfare

Health Improvement Activities



A fundamental issue for JCCU activities is the improvement of the health and welfare of people. From the position of assisting members and policy holders to improve their health, JCCU has installed automatic blood pressure measuring devices at Co-op stores and offers free health consultations by phone.

Automatic Blood Pressure Measuring Devices Installed

JCCU has installed automatic blood pressure measuring devices at about 400 Co-op stores throughout Japan. Since managing blood pressure is paramount for preventing all lifestyle-related illness, it is essential to consistently measure blood pressure from day to day. Members are welcome to test their blood pressure level while shopping, making the devices very useful for managing their day to day health.

CO-OP Insurance Health Call Center

JCCU offers a free phone consultation service made available to *Tasukeai*, *i.-Plus*, and *i.i.* policyholders.

JCCU contracts specialist counselors including doctors and nurses from governmental corporation to give advice on health, treatment and care-giving as well as instruction on which medical facility to use. During fiscal 2006 the call center fielded 61,709 calls for advice.

Welfare Activities



Since 1996, CO-OP Insurance has been assisting Co-ops all over Japan to carry out their welfare activities through the Co-op Welfare Activity Organization. A variety of activities are carried out including Child-rearing support, Communication center activities, activities to foster communication through dinners and meal deliveries and activities for helping lifestyles. These activities have led to alliances being formed with other organizations and local government bodies to create regional networks.

In fiscal 2006, JCCU contributed a total of ¥21 million in assistance for 41 welfare activities of 29 Member Co-ops.

Application by activities	Activities	Amount application
Child-rearing support	18	¥10,660,000
Communication center activities	9	2,540,000
Activities to foster communication through dinners and meal deliveries	9	4,883,000
Other welfare and volunteer activities	5	3,498,230

Fiscal 2006 CO-OP Insurance Business Overview

Overview of the financial results of the CO-OP Insurance business is as follows:

End of year policyholders totaled 6,263,379

When broken down by product, *Tasukeai* policyholders increased 6.8% from the previous year to 5,276,661, *i.-Plus* policyholders increased 31.8% to 585,154, CO-OP Fire Insurance policyholders increased 2.6% to 343,962 and *i.i.* policyholders decreased 6.1% to 57,602.

Insurance in force totaled ¥8,472 billion

CO-OP Insurance Group has total policies of ¥8,472 billion of direct insurance in force, an increase of 10.2% on the previous year. Of this amount, JCCU directly insured policies increased 9.0% to ¥5,657 billion.

Premiums totaled ¥113,746 million

CO-OP Insurance Group has total premiums of ¥113,746 million, an increase of 10.7% on the previous year. Of this amount, JCCU direct insurance premiums increased 13.1% to ¥73,355 million.

887,317 payments made

CO-OP Insurance Group made a total of 887,317 payments, an increase of 14.3% on the previous year.

¥44,839 million in payments made

CO-OP Insurance Group has made a total of ¥44,839 million in payments for insurance claims, an increase of 12.8% on the previous year. Of this amount, JCCU claim payments increased 14.3% to ¥28,172 million.

* CO-OP Insurance Group denotes JCCU and 37 Member Co-ops that directly insure CO-OP Insurance. Refer to Page 5, about direct and indirect insurance.

Asset Management

Fundamental Policy for Asset Management

- JCCU maintains its fundamental policy of safe and efficient management of funds, in accordance with the special characteristics of the funds policy holders left in keeping.
- Based on the Regulations on Co-op Financial Administration and enforced internal rules corresponding to the Regulations, JCCU places great importance on security when managing assets.
- JCCU regularly ascertains and manages price fluctuation risk and credit risk concerning asset management. Every effort is made to prevent the unpredicted losses from asset management.
- JCCU acknowledges the special characteristics of insurance funds and mainly invests in Japanese Government Bonds and deposits for short-term funds, and mostly bonds with a mixture of stocks and foreign securities in order to improve profitability for long-term funds.
- In fiscal 2006, based on this fundamental policy, JCCU makes much of safety, and JCCU has created an asset management structure aiming to secure stable profitability over the medium and long term.

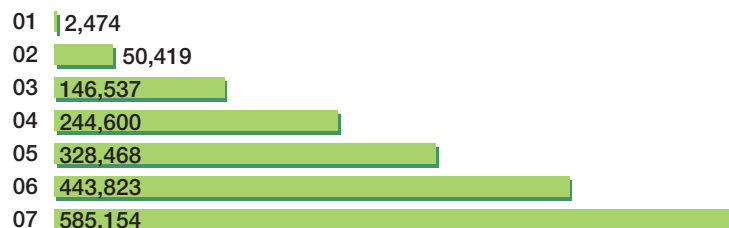
Fiscal 2006 CO-OP Insurance Business Overview

CO-OP Insurance Tasukeai



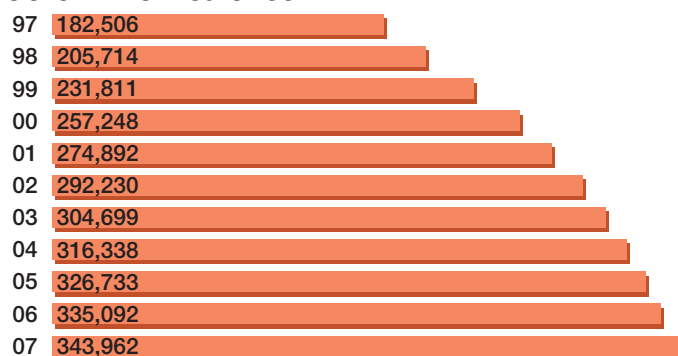
Year ended March 20,	2006	2007
Number of Policies	4,937,630	5,276,661
Amount Insured (¥ billions)	¥ 5,941	¥ 6,220
Premium Income (¥ millions)	¥ 87,431	¥ 940,826
Claims Paid (¥ millions)	¥ 36,171	¥ 39,660

CO-OP Insurance i.Plus



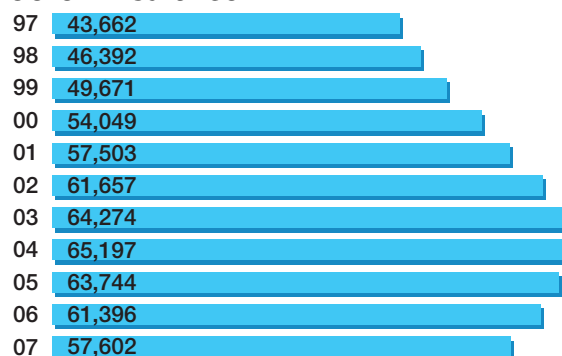
Year ended March 20,	2006	2007
Number of Policies	443,823	585,154
Amount Insured (¥ billions)	¥ 1,719	¥ 2,224
Premium Income (¥ millions)	¥ 15,042	¥ 19,663
Claims Paid (¥ millions)	¥ 3,514	¥ 5,098

CO-OP Fire Insurance



Year ended March 20,	2006	2007
Number of Policies	335,092	343,962
Premium Income (¥ millions)	¥ 4,924	¥ 5,231
Claims Paid (¥ millions)	¥ 1,523	¥ 1,398

CO-OP Insurance i.i.



Year ended March 20,	2006	2007
Number of Policies	61,396	57,602
Premium Income (¥ millions)	¥ 8,841	¥ 8,315
Claims Paid (¥ millions)	¥ 8,447	¥ 8,194

Investment Assets

As of March 20,	Millions of yen*1				Thousands of U.S.dollars*2
	2005	2006	2007	Changes	2007
Cash and deposits	¥ 20,776	¥ 25,488	¥ 25,512	(+ 0.1%)	\$ 216,423
Long-term deposits	1,500	1,500	1,500	(+ 0.0%)	12,724
Money held in trust*3	5,500	8,000	9,500	(+18.8%)	80,590
Bonds	13,156	18,273	27,140	(+48.5%)	230,234
Equities	1,880	2,445	3,077	(+25.8%)	26,102
Foreign bonds*4	1,921	2,421	2,179	(-10.0%)	18,484
Foreign equities	722	1,103	1,158	(+ 4.9%)	9,823
Other securities*5	6,356	7,183	9,079	(+26.3%)	77,019
Others	558	0	0	—	—
Total	¥ 52,369	¥ 66,414	¥ 79,147	(+19.2%)	\$ 671,420

1. Yen Amounts are rounded down to the nearest ¥1 million.

2. U.S. dollar amounts are translated, for convenience only, at ¥117.88 = US\$1.00, the rate prevailing on March 20, 2007, and rounded down to the nearest \$1 thousand

3. Money held in trust are transferable warranty deposits.

4. A portion of foreign securities in foreign currencies are hedged.

5. Other securities are consist of investment trusts in which volatilities are suppressed.

Balance sheet

As of March 20,

Assets	Millions of yen*1		Thousands of U.S.dollars*2
	2006	2007	2007
Current assets:			
Cash and deposits	¥ 24,696	¥ 25,266	\$ 214,336
Securities	30,235	35,851	304,131
Account receivables	4,066	3,982	33,780
Advanced payables	921	1,324	11,231
Other current assets	86	67	568
Total current assets	60,005	66,493	564,073
Fixed assets:			
Acquisition of assets	95	105	890
Intangible assets	985	1,990	16,881
Other fixed assets:			
Long-term deposits	1,500	1,500	12,724
Long-term securities	10,482	17,029	144,460
Other	287	286	2,426
Total fixed assets	12,271	18,816	159,619
Total assets	¥ 73,357	¥ 87,405	\$ 741,474
Liabilities and capitals			
Liabilities:			
Current liabilities:			
Reserves for policy contract:			
Reserves for claims paid	¥ 4,057	¥ 4,639	\$39,353
Premium receivables	3,353	3,828	32,473
Reserve for premium income	5,773	8,264	70,105
Reserve for risks	945	1,995	16,923
Reserve for rebate payment	7,750	11,053	93,764
Total current liabilities	21,879	29,781	252,638
Accounts payable	2,748	2,645	22,438
Accrued income taxes	2,694	2,855	24,219
Other current liabilities	1,094	1,099	9,323
Total current liabilities	28,417	36,382	308,635
Fixed liabilities:			
Reserve for employee retirement benefits	656	705	5,980
Total liabilities	29,074	37,087	314,616
Capitals:			
Voluntary reserves	29,113	34,068	289,005
Unappropriated surplus for the period	15,169	16,249	137,843
Total capitals	44,282	50,317	426,849
Total liabilities and capitals	¥ 73,357	¥ 87,405	\$ 741,474

1. Yen Amounts are rounded down to the nearest ¥1 million.

2. U.S. dollar amounts are translated, for convenience only, at ¥117.88 = US\$1.00, the rate prevailing on March 20, 2007, and rounded down to the nearest \$1 thousand.

Income statement

For the years ended March 20,

	Millions of yen*1		Thousands of U.S.dollars*2
	2006	2007	2007
Ordinary income:			
Premium income	¥ 64,837	¥ 73,355	\$ 622,285
Insurance receivables	642	668	5,666
Fees and commissions receivables	2,014	2,395	20,317
Reversal of reserves for claim rebate	355	760	6,447
Investment income	1,380	710	6,023
	69,228	77,890	660,756
Other ordinary income	209	170	1,442
Ordinary expenses:			
Claims paid	24,646	28,172	238,988
Premium paid	674	825	6,998
Insurance paid back	659	1,218	10,332
Transfer to reserve for claim paid	941	581	4,928
Transfer to policy reserve	3,003	4,016	34,068
Investment expenses	60	15	127
	29,983	34,830	295,469
Other ordinary expenses	19,085	21,222	180,030
Ordinary surplus	20,369	22,008	186,698
Other income	187	204	1,730
Other expenses	9	22	186
Extraordinary income (expenses)	0	-16	-135
Transfer to reserve for claim rebate	3,385	4,063	34,467
Surplus before taxes	17,161	18,111	153,639
Corporate and other taxes	2,612	2,846	24,143
Net surplus	14,549	15,265	129,496
Net surplus for the year	613	752	6,379
Extraordinary withdraw	6	231	1,959
Unappropriated surplus for the year	¥ 15,169	¥ 16,249	\$ 137,843

1. Yen Amounts are rounded down to the nearest ¥1 million.

2. U.S. dollar amounts are translated, for convenience only, at ¥117.88 = US\$1.00, the rate prevailing on March 20, 2007, and rounded down to the nearest \$1 thousand.

Solvency Margin Ratio and others

Solvency Margin Ratio	Millions of yen*1		Changes	Thousands of U.S.dollars*2
	2006	2007		2007
Total solvency margin ①	¥ 41,103	¥ 48,350	¥ 7,247	\$ 410,162
Total risks ②	9,516	10,161	645	86,197
Solvency margin ratio=①÷(1/2x②)×100	863.9%	951.7%	+87.8pt	

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3. The above ratio is calculated on the basis of the solvency margin ratio described in the Countermeasures for Individual Issues related to the Protection of cooperative insurance contractors, which was put together at Consumer's cooperative insurance round-table conference composed of members from Japan Cooperative Insurance Association Incorporated.
4. The total solvency margin is limited to what can be divided in the CO-OP Insurance enterprise.

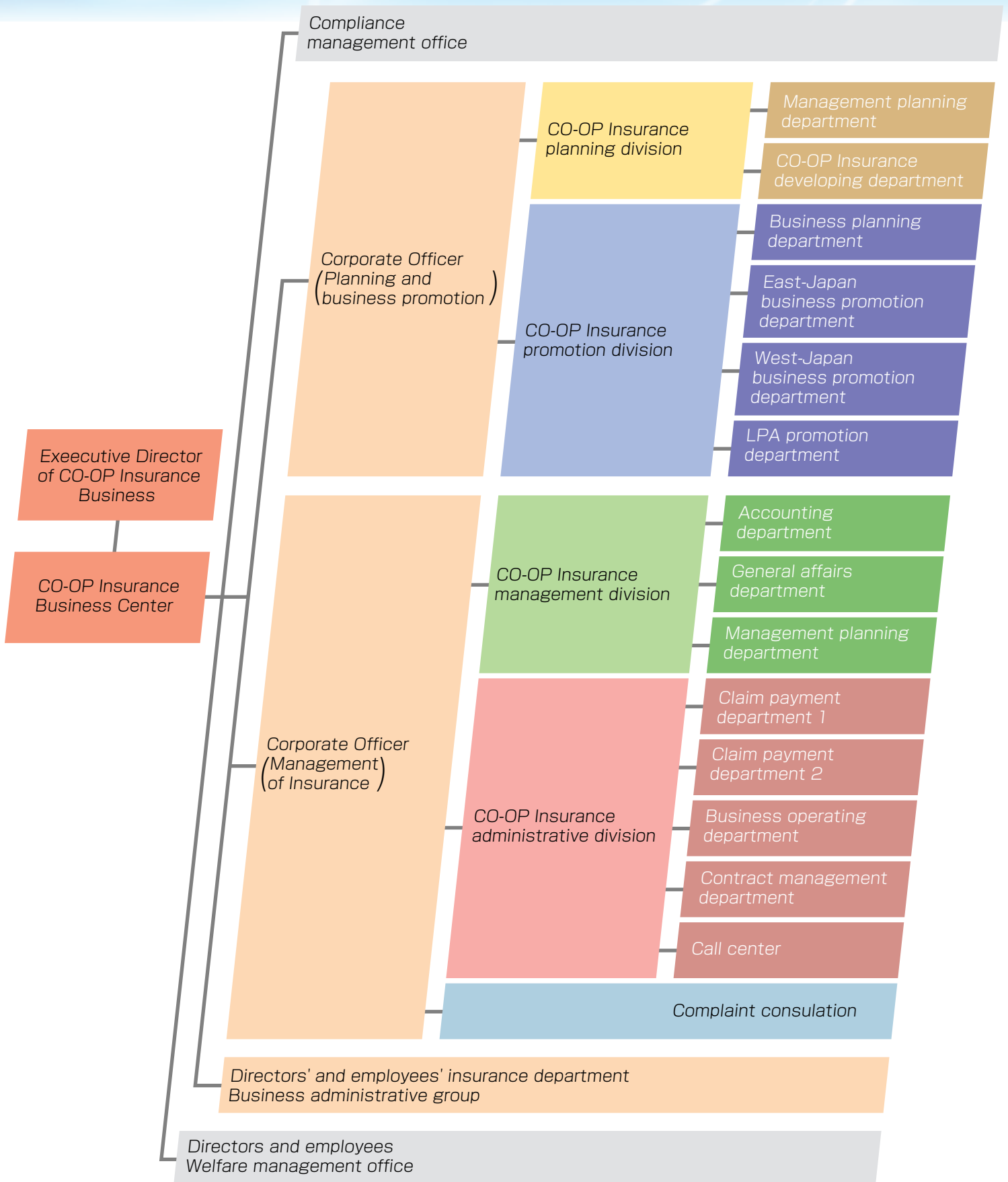
Breakdown of Basic Profit	Millions of yen*1		Changes	Thousands of U.S.dollars*2
	2006	2007		2007
Basic profit	¥ 20,098	¥ 22,971	¥ 2,873	\$ 194,867
Investment profit	163	16	-147	135
Mortality profit	19,799	22,233	2,427	188,607
Expense profit	135	721	598	6,116

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3. Definitions are as follows:
Investment profit:Differential between the projected investment return (expected yield) and the actual investment return.
Mortality profit:Differential between the projected insurance payment (expected mortality rate) and actual claims for payment.
Expense profit:Differential between the projected operational expenses (projected operational expense ratio) and actual operational expenses.
4. Basic profit is calculated by excluding capital gain/loss, such as sales gain or loss on marketable securities, and extraordinary gain/loss, such as provision for contingency reserves, from recurring surplus. It is the index that shows the basic period income generated from the mutual aid enterprise.

Equity Capital Ratio	Millions of yen*1		Thousands of U.S.dollars*2
	2006	2007	2007
① Equity capital	¥ 44,282	¥ 50,317	\$ 426,849
② Contingency reserves	945	1,995	16,923
Revised equity capital 【=(①+②)】	45,227	52,313	443,781
③ Total assets	¥ 73,357	¥ 87,405	\$ 741,474
Equity capital ratio 【=(①/③)】	60.3%	57.5%	
Revised equity capital ratio 【=(①+②/③)】	61.6%	59.8%	

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3. Equity capital ratio = Equity capital ÷ Total assets
4. Revised equity capital ratio = Revised equity capital ÷ Total assets

Structure of CO-OP Insurance Business Center (as of March 20, 2007)



JCCU at a Glance

Japanese Consumers' Co-operative Union (JCCU)

President : Toshifumi Yamashita

Established : March 20, 1951

Member Co-ops : 499 as of March 20, 2007

Capital : ¥8.9 billion as of March 20, 2007

Amount of supply : ¥373.8 billion for fiscal 2006

Details of operations

1. Improvement and development of CO-OP brand products, supplying Member Co-ops with products
2. CO-OP Insurance business, direct sales business, welfare business, travel business etc.
3. Planning and promoting of foodstuff safety, environmental policies, consumer policies etc.
4. Product inspections and quality assurance
5. Business activities for Member Co-ops and support, liaison and organization of member activities
6. Support activities and communication with foreign Co-ops, participation in international meetings
7. Administration of health Co-ops

Fiscal Year : March 21 through March 20 of the following year

Branches : 10 branches nationwide (Hokkaido, Tohoku, Central 1,2, Tokai, Kansai 1,2, Chugoku and Shikoku, Kyushu and Gakkyou), Laboratory, CO-OP Insurance Business center

Subsidiaries :

CO-OP Trade Japan Inc.

CX Inc.

CO-OP Publications Ltd.

I & I Service Inc.

CO-OP Trade America Inc.

CO-OP Clean Inc.

CX Cargo Inc.

CX Infonet Inc.

World Club Inc.

JCCU Corporate Pension Fund

CO-OP Health Insurance Society

Affiliate Company:

National School Supplies Inc.

Research Institution:

Consumers' Co-operative Institute of Japan (CCIJ)



日本生活協同組合連合会
Japanese Consumers' Co-operative Union
CO-OP Insurance Business Center:

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