

For a Better Tomorrow



Year Ended March 20, 2014

ANNUAL REPORT 2014



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CO-OP 共済

ANNUAL REPORT 2014

Year Ended March 20, 2014



CONTENTS

Visions of CO-OP Insurance	01
Financial Highlights	02
Message from the President	03
Outline of the JCIF	04
Types of CO-OP Insurance	06
Payment of Claims	07
Risk Management and Compliance System	08
Activities	10
Fiscal 2013 CO-OP Insurance Business Overview	12
Balance Sheet	14
Income Statement	15
Solvency Margin Ratio and Others	16

The official name of our organization is the Japan CO-OP Insurance Consumers' Co-operative Federation, commonly abbreviated as JCCU.



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.





Financial Highlights

For the years ended March 20,

	Millions of yen* ¹		Thousands of U.S. dollars* ²
	2013	2014	2014
Ordinary income	¥ 191,310	¥ 196,151	\$ 1,917
Ordinary expenses	147,909	153,257	1,497
Ordinary surplus	43,400	42,894	419
Net surplus	8,463	8,475	82

As of March 20,

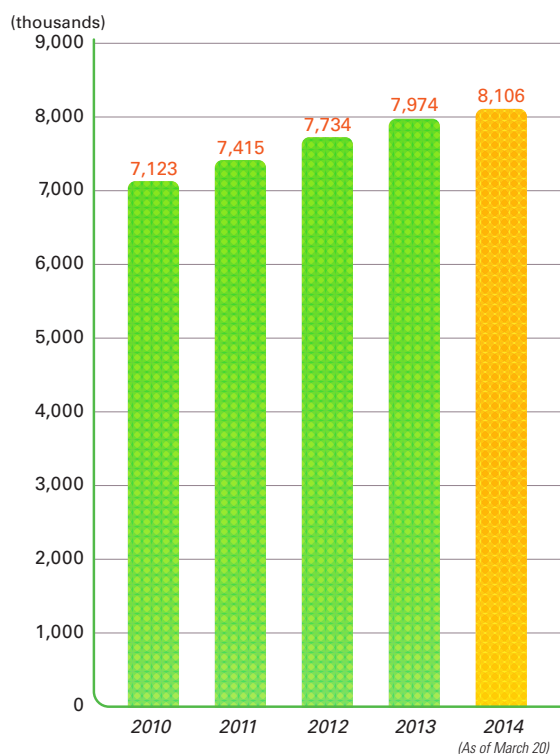
	2013	2014	2014
Total assets	249,412	273,130	2,669
Total liabilities	160,261	176,019	1,720
Total capital	89,151	97,111	949

Number of policies total	7,974,180	8,106,282	—
Number of policies (direct insurance)	7,536,152	7,666,635	—
Amount insured (direct insurance total) (¥ billions/ \$ millions)	¥ 111,305	¥ 112,894	1,103
Solvency margin (%)	1,182.3	1,292.0	—

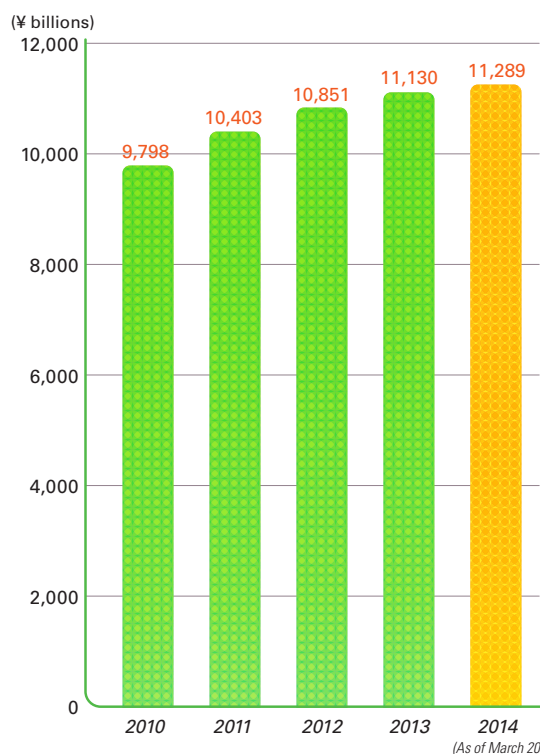
*1. Yen amounts are rounded down to the nearest ¥1 million.

*2. U.S. dollar amounts are converted, for convenience only, at ¥102.32=US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.

Number of policies (all total)



Amount insured (direct insurance)



Message from the President

Regarding the CO-OP Insurance business in fiscal 2013, the number of CO-OP insurance policyholders exceeded 8 million in June, reaching 8.1 million at the end of the fiscal year. Payment of insurance claims totaled 62.5 billion yen (103.5% of the previous fiscal year), paid out to 1.29 million policyholders. Since the Great East Japan Earthquake three years ago, we have paid out 1.63 billion yen in claims to 2,900 policyholders and disaster relief funds totaling 1.99 billion yen to 73,000 policyholders. We intend to make all possible efforts to pay out claims down to the last eligible policyholder. Furthermore, in fiscal 2013, CO-OP Insurance won first prize in the life insurance category of the Japanese Customer Satisfaction Index Survey, conducted by the Service Productivity & Innovation for Growth (SPRING) of the Japan Productivity Center. Also, the CO-OP Insurance mascot character “Ko-suke” won first prize in the Companies Character Category of the Yuru-chara® Grand Prix 2013.

The net increase in the number of policyholders averaged around 200,000 to 300,000 over the past few years, but was only 130,000 in fiscal 2013. CO-OP Insurance *Tasukeai*, one of our leading products, recorded a net decrease in the number of policyholders and premiums for the first time since its introduction. In fiscal 2014, to further reinforce our insurance business, we will work on improving education/training programs for insurance solicitors, increasing the number of mutual insurance specialists and promoting cooperation among them, establishing an effective follow-up system, improving the post-maturity continuation rate, and reducing cancellation and invalidation rates.

Taking into account the anticipated full-fledged population decline in Japan, and the increasingly difficult times faced by Co-op members and consumers, we will not only focus on solicitation efforts, but also work on reviewing our existing products and systems, including clerical processes, and enhancing our human resources development, so as to develop more attractive products and improve service quality as well as operational efficiency.

This annual report mainly reports on initiatives undertaken by CO-OP Insurance during fiscal 2013. I hope that this report will help you to better understand the CO-OP Insurance business and its products.

We are determined to make concerted efforts to achieve effective business operations, to ensure that our CO-OP Insurance business, in combination with Co-op’s retailing and welfare businesses and other Co-op activities, contributes to ensuring a secure and comfortable life for Co-op members and CO-OP Insurance policyholders. We ask for your continued understanding and support for CO-OP Insurance.

Tomomi Yano

Tomomi Yano
President

Japan CO-OP Insurance Consumers’
Co-operative Federation (JCIF)



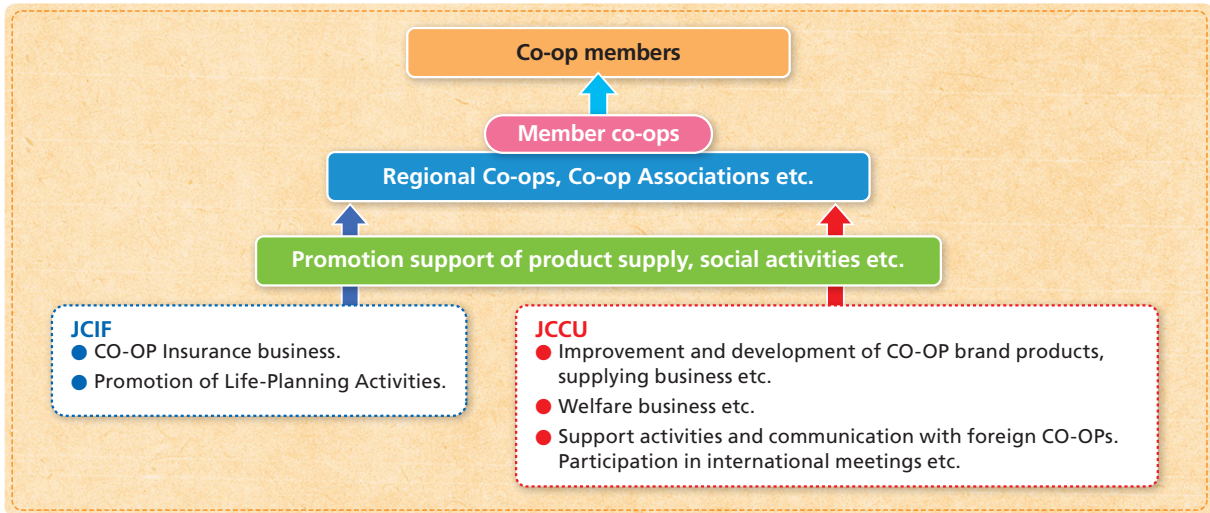


Outline of the JCIF

JCIF, Co-op and JCCU

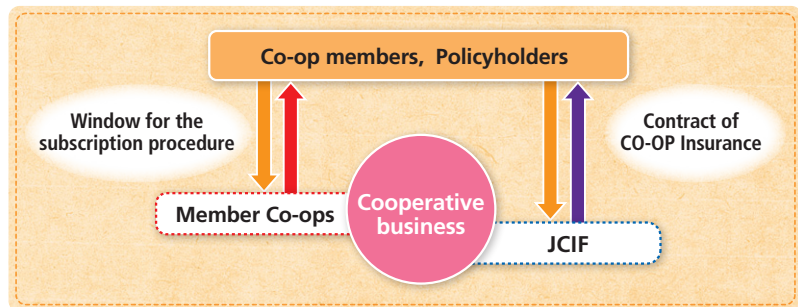
Our organization is a union of 150 consumer cooperative societies from across the nation. Although each member Co-ops is an independent legal entity, each provides CO-OP insurance to its members in cooperation with the union.

The JCIF has been established to take over and exclusively conduct all mutual insurance business previously conducted by our member Co-ops.



Roles of Member Co-ops and JCIF

The JCIF will work to enhance our relationship with member Co-ops by fulfilling the requirements of our specified role and acting cooperatively to achieve our common goals.



Member Co-op

▶ Window for CO-OP Insurance

Each member Co-op acts as a service window for the subscription procedure and also provides information about CO-OP Insurance. In addition, each member Co-op works to support its members by offering insurance products tailored to a range of needs.

JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation)

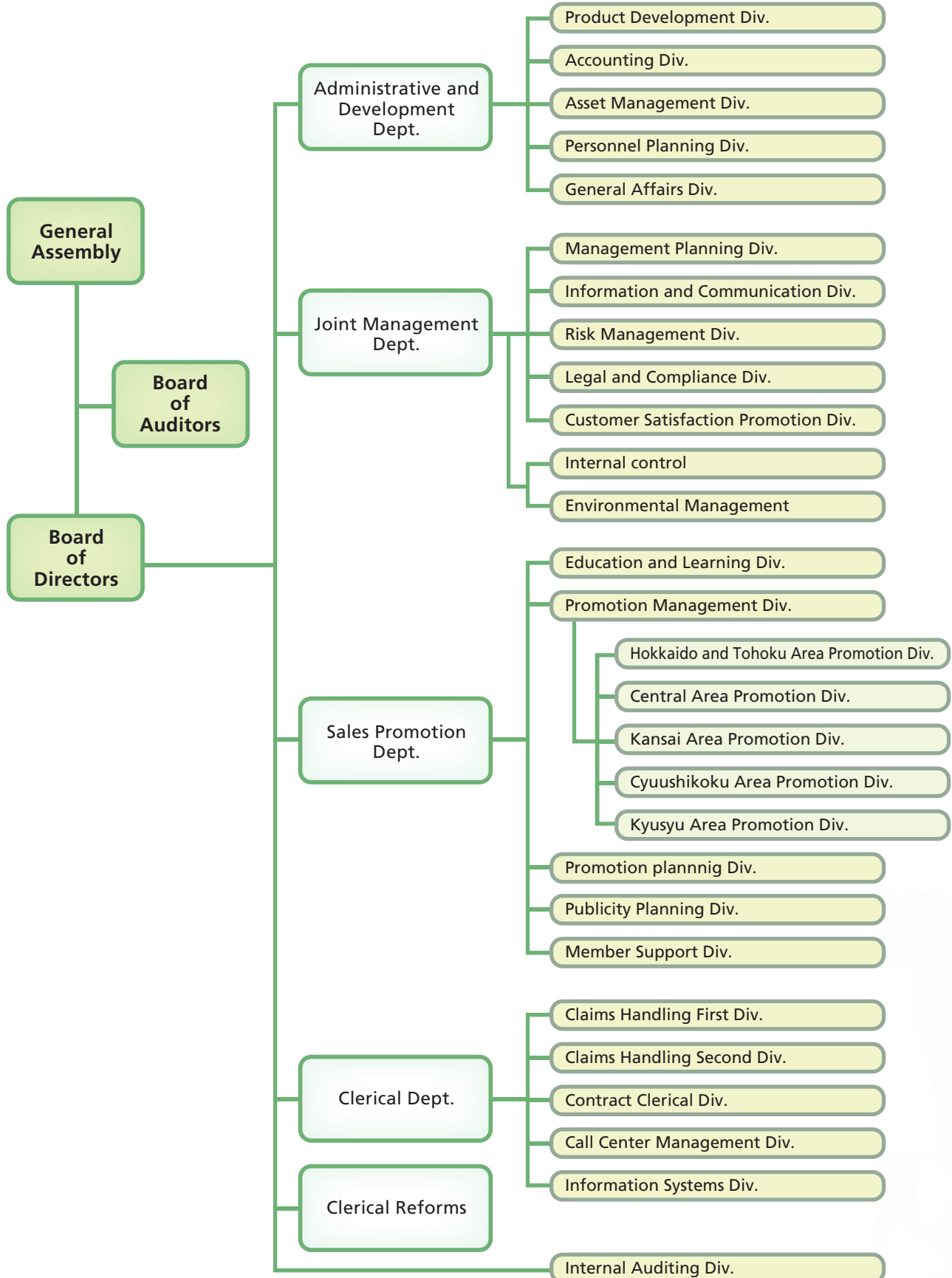
▶ The JCIF develops products tailored to the needs of its members and others.

As well as developing insurance products, the union receives premiums undertakes procedures related to the payment of insurance claims and provides administrative support services to member Co-ops. It also provides consulting services and responds to complaints.

Each of the three unions of consumer cooperative societies which jointly constitute an insurance group has the dual roles of member Co-op and JCIF.

Structure of JCIF

As of June 21, 2014





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 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.

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 ¥30 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.

CO-OP Insurance *Zutto-i.* — Whole life Insurance



This insurance provides cover for lifetime hospitalization, surgery and death.

There are 2 types. One is whole life insurance which covers lifetime death. The other is medical insurance which covers lifetime hospitalization and surgery.

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



Basic plan that provides cover for death with the rebate plan can be matched up with medical cover and women's health cover. 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.

● CO-OP Insurance *i.i.* was stopped offer.

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 damaged from a third party and earthquakes etc.



Direct and Indirect Insurance Products Offered

CO-OP Insurance offers direct and indirect insurance products. Direct insurance products are offered by JCIF and member Co-ops approved by the Ministry of Health, Labour and Welfare or local government bodies.

The direct insurance products are *Tasukeai*, *i-Plus* and *Zutto-i.* CO-OP Fire Insurance and CO-OP Life Insurance *New i.i.* are offered as indirect insurance products. The indirect insurance products forms alliances with ZENROSAI* and property and casualty insurance firms to offer indirect insurance products.

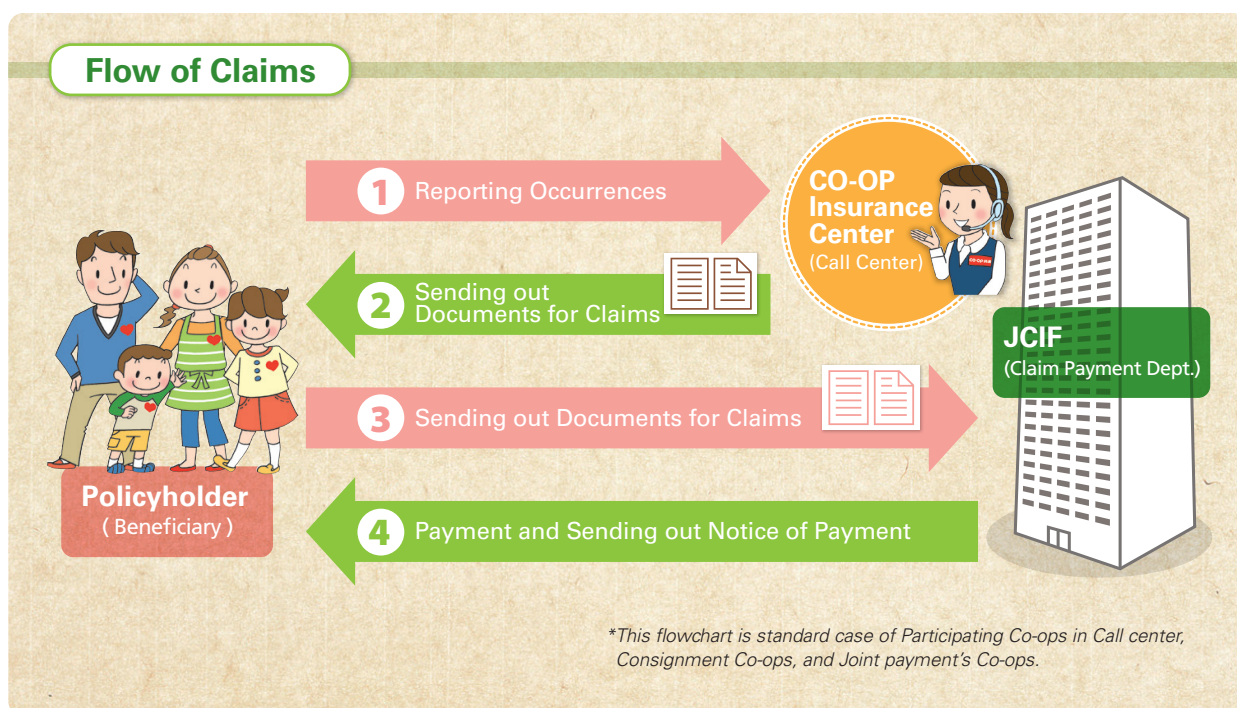
* ZENROSAI is Japan's largest workers and consumers insurance cooperative organization that recognized by the Co-op Law. Also, ZENROSAI is a member of JCIF. ZENROSAI and JCIF work together to provide a full line-up of CO-OP Insurance.

Payment of Claims

Payment of Claims

Payment of claims, excluding that for CO-OP Fire Insurance, is made by JCIF via member Co-ops or the CO-OP Insurance Center. (Payment of claims for CO-OP Fire Insurance is made by ZENROSAL.) 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 detail and amount.

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



Relief Money to Victims of Devastating Disasters

In the CO-OP Insurance plans, *Tasukeai*, *i-Plus*, *Zutto-i*, 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. CO-OP Insurance offers special assistance in accordance with the magnitude of natural disaster. In the event of a devastating disaster occurring cooperate in order to ensure swift and certain payment so that the burden on policyholder may be alleviated even slightly.



Risk Management and Compliance System

Risk Management System

In pursuing sound management of the mutual insurance business, JCIF makes efforts to identify risks and implement proper risk management.

Risk associated with the mutual insurance business include the following: Business risks; Project development risks and insurance underwriting risks; Asset management risks; Liquidity risks; ALM risks; Office work risks and System risks, etc.

JCIF manages the risks which we have, and monitors or controls. Each risk is monitored or controlled by the responsible department.

● Business risks

Risks related to the managerial strategic decision and the flaw or external factor of management system in the general management. It will suffer the big impact when it becomes obvious.

We manage to provision the process of appraisal, understand the risk etc.

● Project development risks and insurance underwriting risks

Risks that stem from fluctuations in the incidence rate of accidents covered beyond the forecasts made at the time of setting the premium.

We manage these risks with due consideration for business stability.

● Asset management risks

Risks of suffering a loss in the value of assets held due to fluctuations in interest rates, stock prices, foreign exchange rates, etc. or deterioration in the financial position of financial institutions with which we conduct transactions.

We ensure appropriate management of these risks based on a set of rules including the Rules for Asset Management and the Regulations for Managing Asset Management Risks, which we established in accordance with the Ordinance for Enforcement of the Consumer Cooperatives Act.

● Liquidity risks

Risks that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

We manage this risk to keep enough cash flow and monitor the risk or the cash flow regularly.

● ALM risks

Risks incurred when asset and liabilities term are mismatched, forcing the company to buy and sell assets, or to take on liabilities, when conditions are unfavorable.

We manage to secure the funds corresponding to liabilities by the setting a fair guaranteed yields, the monitoring of interest surplus and loss and so on.

● Office work risks and System risks

Office work risks are the risks of suffering a loss due to officers or staff executing inaccurate administrative work, causing an accident, or committing a fraud.

System risks are the risks of suffering a loss due to flaws in our computer system including failure and malfunction, or fraudulent use of our computers.

With respect to office work risks and system risks, we conduct analysis and assessment, identify significant risks, and take protective measures.

Policy on Solicitation

Based on the Law on Sales of Financial Products, JCIF has established the following CO-OP Insurance Solicitation Policy. These guidelines are posted visibly at the JCIF 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 Co-op 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.

Business Operations Based on Policyholder Feedback

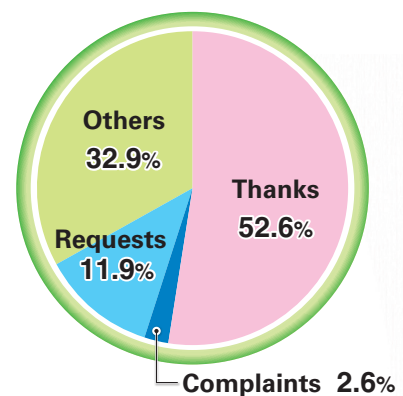
(1) The consultation center receives complaints and opinions by telephone

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 complains, opinions, and requests in 2006.

● Complaints we received at the consultation center in FY2013

We had 168,285 complaints and requests in fiscal 2013.

Viewing the opinions we received as representing the voice of our policyholders, we are striving to improve the problems.



(2) 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.



Activities

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, JCIF 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 JCIF in order to become LPA. As of March 20, 2014 there are 3,279 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
- Life-Planning Humorous poem "Senryu"

● Developments in life-Planning Activities

Life-Planning activities have now become firmly established as Co-op activities. In fiscal 2013, more than 50,000 people in total participated in the activities, principally in revision of coverage.



This activity is 20th anniversary in 2014



* The number of hits of HP decreased by changing the counting method.

Health Improvement Activities

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

(1) Automatic Blood Pressure Measuring Devices Installed

JCIF has installed automatic blood pressure measuring devices at more than 320 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.

(2) CO-OP Insurance Health Call Center

JCIF offers a free phone consultation service made available to *Tasukeai*, *i-Plus* and *New i.i.* policyholders, JCIF 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 medial facility to use. During fiscal 2013 the call center fielded 37,031 calls for advice.



Social Contribution Activities

In fiscal 2013, we started offering subsidies to organizations engaged in the activities specified below as a new initiative to contribute to society. Each eligible organization was provided with a subsidy in the amount of around 300,000 to 1 million yen, with the total amount to be paid out in fiscal 2013 set at 21 million yen.

To be eligible, organizations must be engaged in one of the following activities, each of which is based on the values shared by JCIF

1. Activities aimed at protecting people's livelihoods and helping them resolve everyday issues
2. Activities aimed at protecting people's lives and supporting unique lifestyles
3. Activities aimed at supporting the lives of women and children



Environmental Activities

JCIF took out the certification of ISO14001 in 2010. We build the environmental management by contriving ways to extract the factor of effect to the environment.



Topics of FY2013

We approved to the gist to the turning off of light campaign which the environmental ministry lectures, executel its project. We did the light down of our office at 19:00 on the day. We could control the electrical amount.

Other we have dressed lightly in summer by the government policy encouraging workers to dress lightly during the summer months to reduce air-conditioner use.



Fiscal 2013 CO·OP Insurance Business Overview

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

End of year policyholders totaled 8,106,282

When broken down by product, *Tasukeai* policyholders decreased 0.6% from the previous year to 5,901,123, *i.-Plus* policyholders increased 5.9% to 1,529,839, *Zutto-i.* policyholders increased 52.6% from the previous year to 235,673, CO-OP Fire Insurance policyholders increased 1.0% to 406,007, *i.i.* policyholders decreased 22.7% to 413 and CO-OP Insurance "new-*i.i.*" policyholders decreased 6.9% to 33,227.

Insurance in force totaled ¥11,289 billion

CO-OP Insurance has total policies of ¥11,289 billion of direct insurance in force, an increase of 1.4% on the previous year.

Premiums totaled ¥165 billion

CO-OP Insurance has total premiums of ¥165 billion, an increase of 3.2% on the previous year.

Payments 1,294,853 • ¥62,566 million

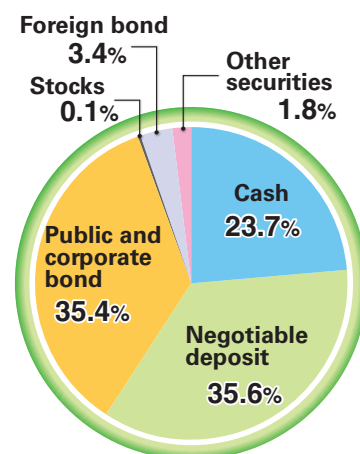
CO-OP Insurance made a total of 1,294,853 payments, an increase of 1.5% on the previous year. CO-OP Insurance has made a total of ¥62,566 million in payments for insurance claims, an increase of 3.5% on the previous year.

* Refer to Page 6, about direct and indirect insurance.

Asset Management

Investment Assets

As of March 20,	Millions of yen ^{*1}		composition ratio(%)	Thousands of U.S. dollars ^{*2}
	2013	2014		2014
Cash	¥ 76,121	¥ 56,567	23.7%	\$ 552,844
Negotiable deposit	78,000	85,000	35.6%	830,727
Public and corporate bond	55,200	84,572	35.4%	826,544
Stocks	255	255	0.1%	2,492
Foreign bond	—	8,149	3.4%	79,642
Other securities	3,536	4,187	1.8%	40,920
Total	¥ 213,113	¥ 238,733	100.0%	2,333,199



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

*2. U.S. dollar amounts are translated, for convenience only, at ¥102.32 = US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.

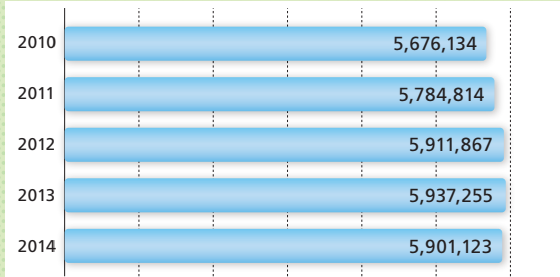
* Money held in trust are transferable warranty deposits.

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

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

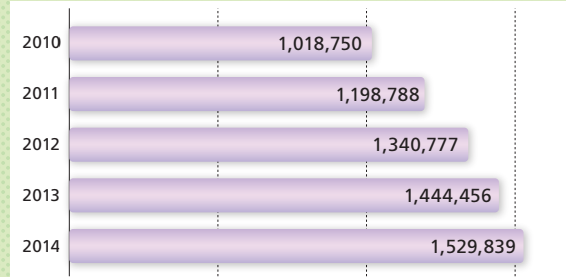
Sectral CO-OP Insurance Business Overview

CO-OP Insurance *Tasukeai*



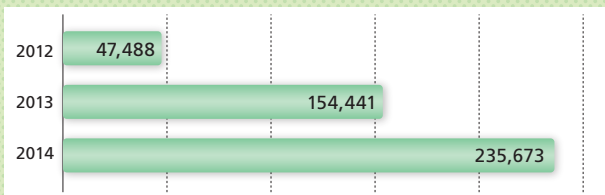
As of March 20,	2013	2014
Number of Policies	5,937,255	5,901,123
Premium Income (¥millions)	¥109,292	¥108,167
Claims Paid (¥millions)	¥45,980	¥46,034

CO-OP Insurance *i.-Plus*



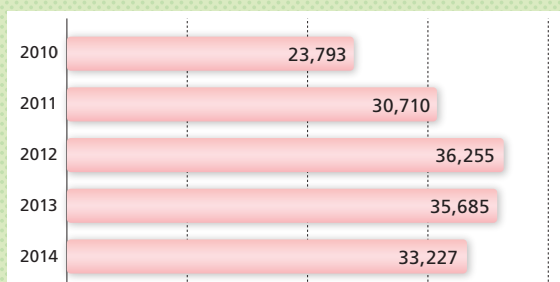
As of March 20,	2013	2014
Number of Policies	1,444,456	1,529,839
Premium Income (¥millions)	¥45,868	¥48,082
Claims Paid (¥millions)	¥14,006	¥15,374

CO-OP Insurance *Zutto-i.*



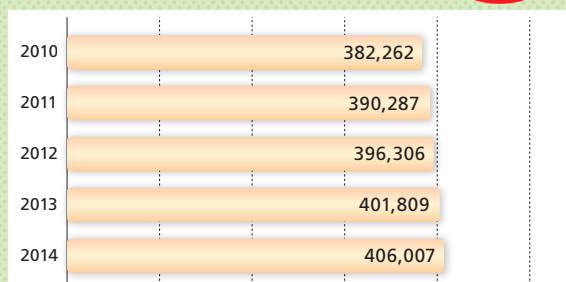
As of March 20,	2013	2014
Number of Policies	154,441	235,673
Premium Income (¥millions)	¥5,707	¥9,720
Claims Paid (¥millions)	¥467	¥1,157

CO-OP Insurance *New i.i.*



As of March 20,	2013	2014
Number of Policies	35,685	33,227
Premium Income (¥millions)	¥5,221	¥4,947
Claims Paid (¥millions)	¥702	¥840

CO-OP Fire Insurance



As of March 20,	2013	2014
Number of Policies	401,809	406,007
Premium Income (¥millions)	¥4,730	¥4,776
Claims Paid (¥millions)	¥870	¥1,069

* CO-OP Insurance *i.i.* was stopped offer. The number of policies is 413 in FY2013



Balance Sheet

As of March 20,

Assets	Millions of yen*1		Thousands of U.S. dollars*2
	2013	2014	2014
Cash and time deposits	¥ 75,313	¥ 55,673	\$ 544,106
Money trust	10,568	19,412	189,718
Securities	127,232	163,647	1,599,364
Loans	7	6	58
Reinsurance account	134	167	1,632
Subcontracting account	6,159	6,123	59,841
Contract account	421	312	3,049
Other mutual insurance assets	139	123	1,202
Advance payments	10	7	68
Outstanding earnings	219	204	1,993
Other assets	1,530	658	6,430
Fixed assets for business use	16,535	14,184	138,623
Investment in affiliates etc.	227	237	2,316
Deferred tax assets	10,913	12,371	120,905
Deferred assets	—	—	—
Total assets	¥ 249,412	¥ 273,130	\$ 2,858,503
Liabilities			
Policy reserves	¥ 144,977	¥ 161,209	\$ 1,575,537
Reinsurance account	160	164	1,602
Subcontracting account	4,022	3,850	37,627
Contract account	438	0	0
Other insurance liabilities	6	7	68
Outstanding outlays	1,692	1,579	15,431
Other	7,233	7,220	70,562
Allowance	724	762	7,447
Price fluctuation reserves	1,005	1,223	11,952
Total liabilities	¥ 160,261	¥ 176,019	\$ 1,720,279
Capital			
Membership capital	¥ 88,274	¥ 95,994	\$ 938,174
Others	876	1,117	10,916
Total Capital	¥ 89,151	¥ 97,111	\$ 949,091
Total liabilities and Capital	¥ 249,412	¥ 273,130	\$ 2,669,370

*1. Yen amounts are rounded down to the nearest ¥1 million.

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 102.32 = US\$1.00, the rate prevailing on March 20, 2014, 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
	2013	2014	2014
Ordinary Income:			
Premium and other income	¥ 162,888	¥ 167,490	\$ 1,636,923
Reversal of allowance for reserve of insurance policy	27,424	27,571	269,458
Investment income	736	846	8,268
Other ordinary income	260	242	2,365
Total ordinary income	¥ 191,310	¥ 196,151	\$ 1,917,034
Ordinary Expenses:			
Claims paid	¥ 90,176	¥ 92,352	\$ 902,580
Provisions for policy reserves	10,607	13,149	128,508
Investment expenses	26	47	459
Operating expenses	47,027	47,639	465,588
Other ordinary expenses	72	68	664
Total ordinary expenses	¥ 147,909	¥ 153,257	\$ 1,497,820
Ordinary Surplus	¥ 43,400	¥ 42,894	\$ 419,214
Extraordinary Profit and Loss:			
Extraordinary income	—	—	—
Extraordinary loss	271	327	\$ 3,195
Surplus before taxes	¥ 43,129	42,566	\$ 416,008
Corporate and other taxes	5,617	4,985	48,719
Adjustment of corporate and other taxes	-1,313	-1,548	-15,129
Transfer to reserve for claim rebate	30,362	30,653	299,579
Net surplus	8,463	8,475	82,828
Net surplus for the period	439	442	4,319
Reversal of reserve for start-up business	—	—	—
Reversal of reserve for business continuity planning	274	24	234
Reversal of reserve for catastrophe solatium	104	25	244
Unappropriated surplus for the period	¥ 9,282	¥ 8,969	\$ 87,656

*1. Yen amounts are rounded down to the nearest ¥1 million.

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 102.32 = US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.



Solvency Margin Ratio and Others

Solvency Margin Ratio ^{*3}

(As of March 20)	Millions of yen ^{*1}		Thousands of U.S. dollars ^{*2}
	2013	2014	2014
Total solvency margin ^{*4} ①	¥ 137,798	¥ 153,863	\$ 1,503,743
Total risks ②	23,310	23,817	232
Solvency margin ratio = ① ÷ (②×1/2)×100	1182.3%	1292.0%	1292.0%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 102.32 = US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.

*3. The solvency margin rate of JCIF is calculated based on the Ordinance for Enforcement of Co-op law as determined by the Ministry of Health, Labour and Welfare.

Therefore, it is incommensurable with the solvency margin rate of life insurance companies and nonlife insurance companies. According to the Ministry of Health, Labour and Welfare, the rate needs more than 200%.

*4. The total solvency margin is limited to what can be divided in the CO-OP Insurance enterprise.

Breakdown of Basic Profit

(As of March 20)	Millions of yen ^{*1}		Thousands of U.S. dollars ^{*2}
	2013	2014	2014
Basic profit ^{*4}	¥ 47,178	¥ 47,036	\$ 459,695
Investment profit ^{*3}	188	81	791
Mortality profit ^{*3}	46,163	45,832	447,928
Expense profit ^{*3}	826	1,122	10,965

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 102.32 = US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.

*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 operationa 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

(As of March 20)	Millions of yen ^{*1}		Thousands of U.S. dollars ^{*2}
	2013	2014	2014
① Equity capital	¥ 89,151	¥ 97,111	\$ 949,091
② Contingency reserves	28,098	32,469	317,327
Revised equity capital [= ① + ②]	117,249	129,581	1,266,428
③ Total assets	¥ 249,412	¥ 273,130	\$ 2,669,370
Equity capital ratio ^{*3} [= ① / ③]	35.7%	35.6%	35.6%
Revised equity capital ratio ^{*4}	47.0%	47.4%	47.4%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 102.32 = US\$1.00, the rate prevailing on March 20, 2014, and rounded down to the nearest \$1 thousand.

*3. Equity capital ratio = Equity capital ÷ Total assets

*4. Revised equity capital ratio = Revised equity capital ÷ Total assets

Profile of JCIF



Name

JCIF
(Japan CO-OP Insurance Consumers' Co-operative Federation)

Head office

1-5-2 Irifune, Urayasu, Chiba 279-8588 Japan

Established

November 5th, 2008

Number of Member Co-ops

150 (as of March 20th, 2014)

Detail of operations

CO-OP Insurance Business

JCIF is the Federation for Exclusively Providing Mutual Insurance Products

JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation) was established in November 5, 2008.

Up until FY2008, the JCCU and Co-ops offering direct mutual insurance* (Co-ops that were writing direct "Tasukeai" insurance policies) were also simultaneously engaged in retail activities such as operating stores, cooperative purchasing and operating home delivery services. To avoid conflict with the newly revised Co-op Law, it was decided to jointly establish a new organization, the JCIF, to exclusively provide mutual insurance products.

* Direct mutual insurance: a type of mutual insurance in which the insure is directly responsible for paying claims to policyholders.



日本コープ共済生活協同組合連合会

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