

For a Better Tomorrow ♡



Year Ended March 20, 2016

ANNUAL REPORT 2016



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CO-OP 共済

ANNUAL REPORT 2016

Year Ended March 20, 2016



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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}		Millions of U.S. dollars ^{*2}
	2015	2016	2016
Ordinary income	¥ 200,351	¥ 206,560	\$ 1,858
Ordinary expenses	154,711	158,285	1,423
Ordinary surplus	45,640	48,275	434
Net surplus	9,215	10,376	93

As of March 20,

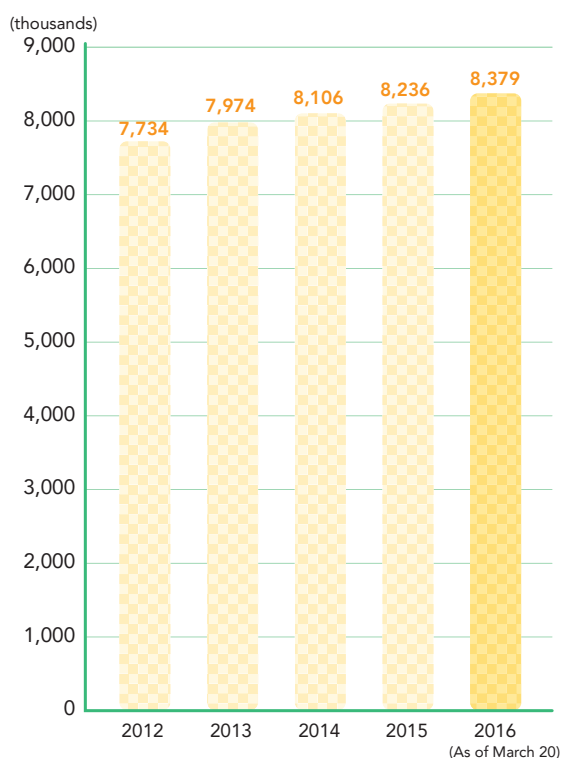
Total assets	301,774	329,601	2,965
Total liabilities	195,915	214,336	1,928
Total capital	105,858	115,265	1,036

Number of policies total	8,236,619	8,379,256	—
Number of policies (direct insurance)	7,799,501	7,948,755	—
Amount insured (direct insurance total) (¥ billions/ \$ millions)	¥ 115,099	¥ 117,446	1,056
Solvency margin (%)	1,385.9	1,164.6	—

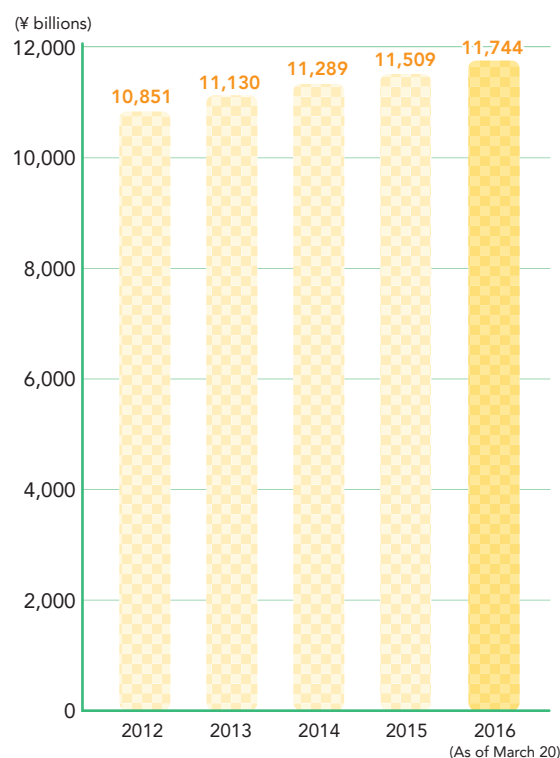
*1. Yen amounts are rounded down to the nearest ¥1 million.

*2. U.S. dollar amounts are converted, for convenience only, at ¥111.16=US\$1.00, the rate prevailing on March 20, 2016, and rounded down to the nearest \$1 million.

Number of policies (all total)



Amount insured (direct insurance)





Message from the President

The 2016 Kumamoto earthquakes, which occurred in April 2016, caused devastating damage mainly to Kumamoto and Oita prefectures, and claimed many precious lives. I would like to sincerely pray for the repose of the souls of those who passed away due to the earthquakes, and express my heartfelt sympathy to all those affected.

Let me give you an outline of our operations in fiscal 2015; the number of CO-OP Insurance policyholders exceeded 8.37 million by the end of the fiscal year. During the year, we paid out a total of 62.9 billion yen in insurance benefits (100.0% of the previous fiscal year) to 1.3 million insurance claimants. The year 2015 also marked the fifth anniversary of the Great East Japan Earthquake. Concerning the earthquake, we have so far paid out 1.64 billion yen in insurance benefits to 2,900 claimants, and 2.02 billion yen in disaster relief funds to 73,000 policyholders. We will continue to devote all our efforts to making insurance payments up to the very last single earthquake-affected policyholder. Moreover, CO-OP Insurance has been rated as the top insurer for three consecutive years since fiscal 2013 in the life insurance category of the Japanese Customer Satisfaction Index provided by the Service Productivity & Innovation for Growth (SPRING) of the Japan Productivity Center.

Fiscal 2015 was the final year of the three-year CO-OP Insurance Medium-term Business Plan 2015, on our way toward achievement of CO-OP Insurance Long-term Vision 2020. During the year, we cooperated with member Co-ops to further strengthen our organizational system, and strived for higher business quality and structural reforms in costs through various measures, including review of the application procedures for insurance policies and development of a new system for supporting members. We also reviewed our CO-OP Insurance products from both a medium- and long-term perspective and devised the next medium-term plan.

In fiscal 2016, the first year of CO-OP Insurance Medium-term Business Plan 2018, we will implement measures to tackle the important challenges identified in the medium-term plan. To create more helpful CO-OP Insurance for the lives of our member households, we will strive to revise our insurance products, and continue our efforts to strengthen our organizational system, raise our business quality, bring down costs, improve policies for the entire insurance business, and expand our business continuity initiatives, including ones to execute our business continuity plan (BCP).

This annual report mainly covers CO-OP Insurance's operations in fiscal 2015. I hope that this report will help you deepen your understanding of our business and CO-OP insurance products.

We are determined to continuously concentrate all our energies on ensuring that our member households enjoy safe and secure lives, through our operations conducted in close cooperation with Co-ops' retailing and welfare businesses, and other Co-op activities. We look forward to your continued understanding and support for CO-OP Insurance.



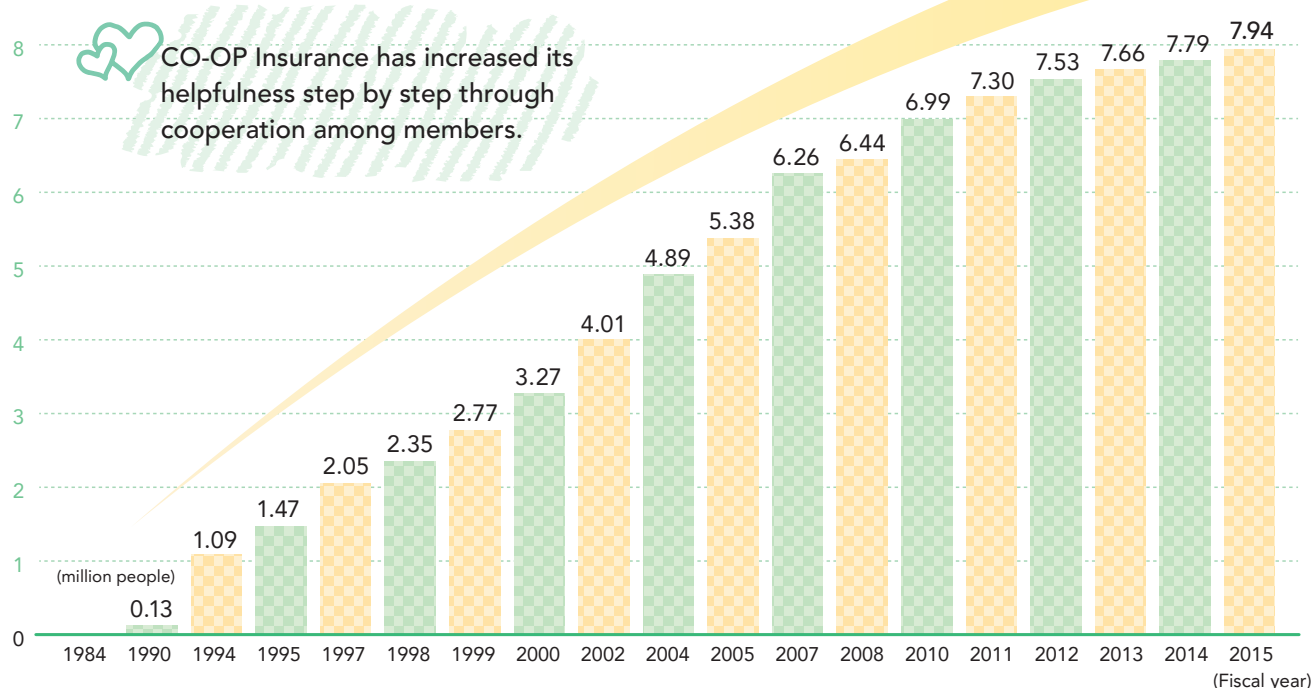
Toshiaki Sato
President
Japan CO-OP Insurance Consumers'
Co-operative Federation (JCIF)

Topics of FY2015

Changes in the number of policyholders.

In 1984, CO-OP Insurance *Tasukeai* started providing an insurance coverage of one million yen for death and of 20,000 yen for inpatient care for a premium equivalent to the price of a cup of coffee, adding term life insurance named *i.-Plus* in 2000 and whole life insurance named *Zutto-i.* in 2011. As a result of these efforts, the number of policyholders in direct insurance contracts with us reached 7.94 million people in March 2016. The spirit of mutual cooperation for supporting each other's future has been carried on without change since the launch of CO-OP Insurance.

Changes in the number of policyholders



We have been rated as the top life insurance provider in customer satisfaction for three consecutive years.

CO-OP Insurance won first place in the life insurance category of the FY 2015 Japanese Customer Satisfaction Index (JCSI) published by the Service Productivity & Innovation for Growth (SPRING) of the Japan Productivity Center (a public interest incorporated association) for the second straight year.

The survey on which the index is founded is one of the most extensive customer satisfaction surveys, which is conducted five times a year based on over 120,000 customers' opinions on approximately 400 companies/brands from about 30 business categories every year.



2015年度JCSI(日本版顧客満足度指数)
調査結果 生命保険部門

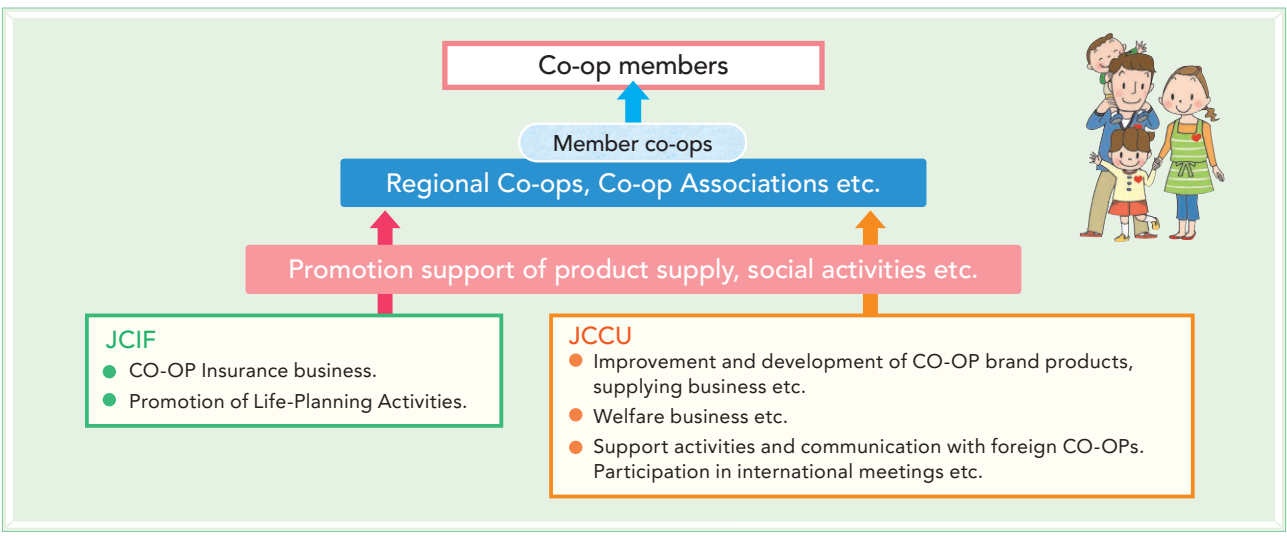


Outline of the JCIF

JCIF, Co-op and JCCU

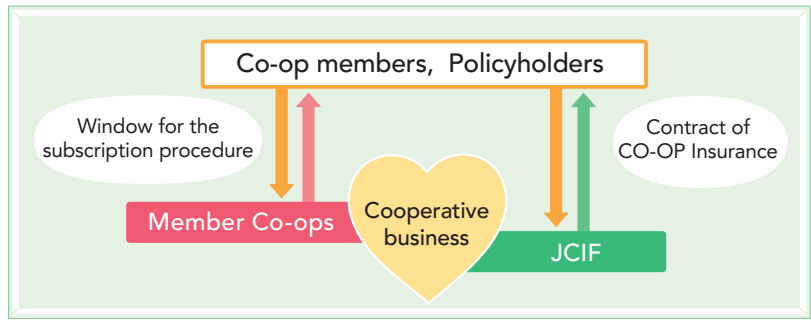
Our organization is a union of 148 consumer cooperative societies from across the nation. Although each member Co-ops is an independent legal entity, each provides CO-OP insurance to its members in cooperation with the union.

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.

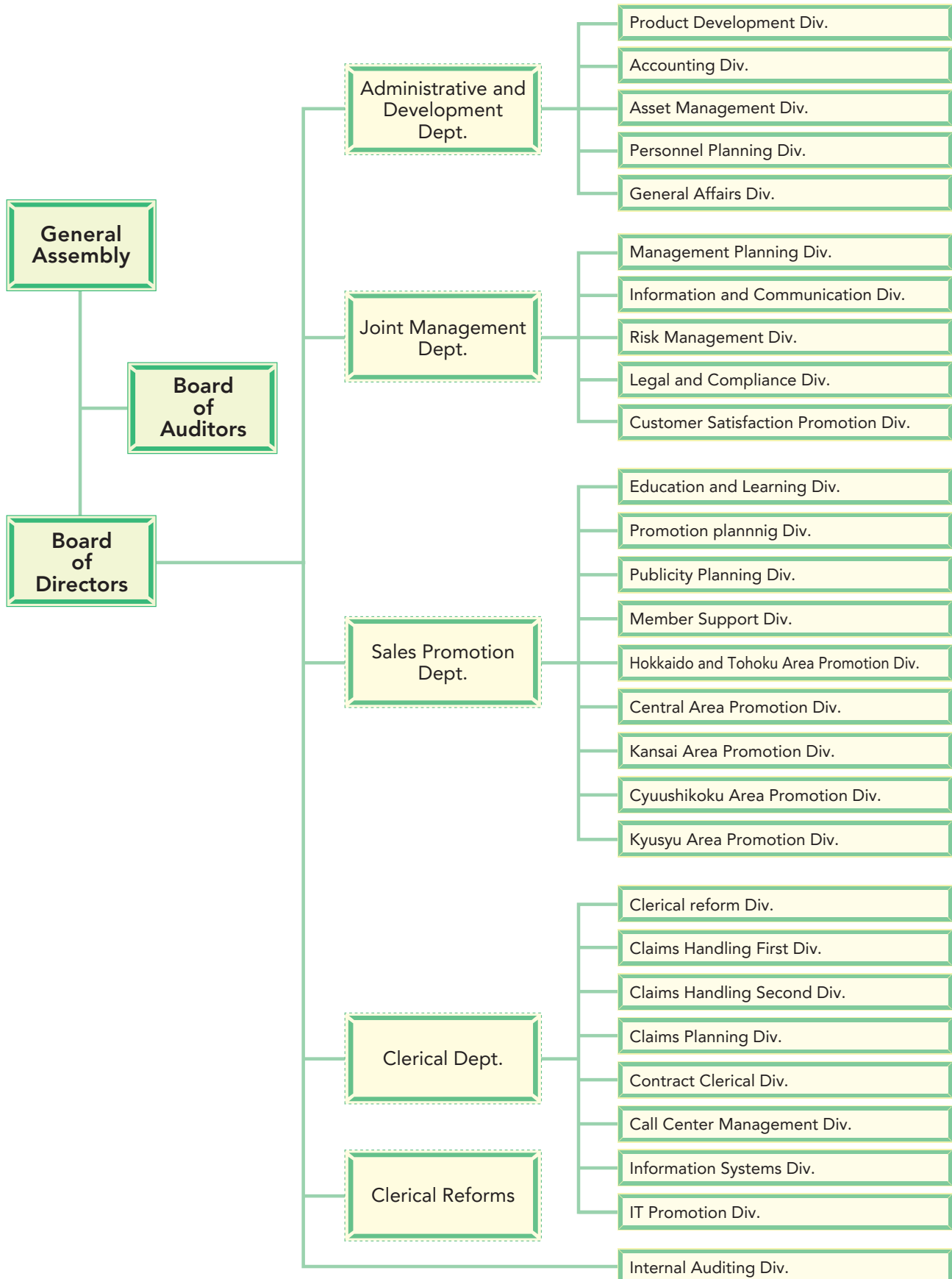
As well as developing insurance products, the union receives premiums undertakes procedures related to the payment of insurance claims and provides administrative support services to member Co-ops. It also provides consulting services and responds to complaints.

- 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, 2016





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.

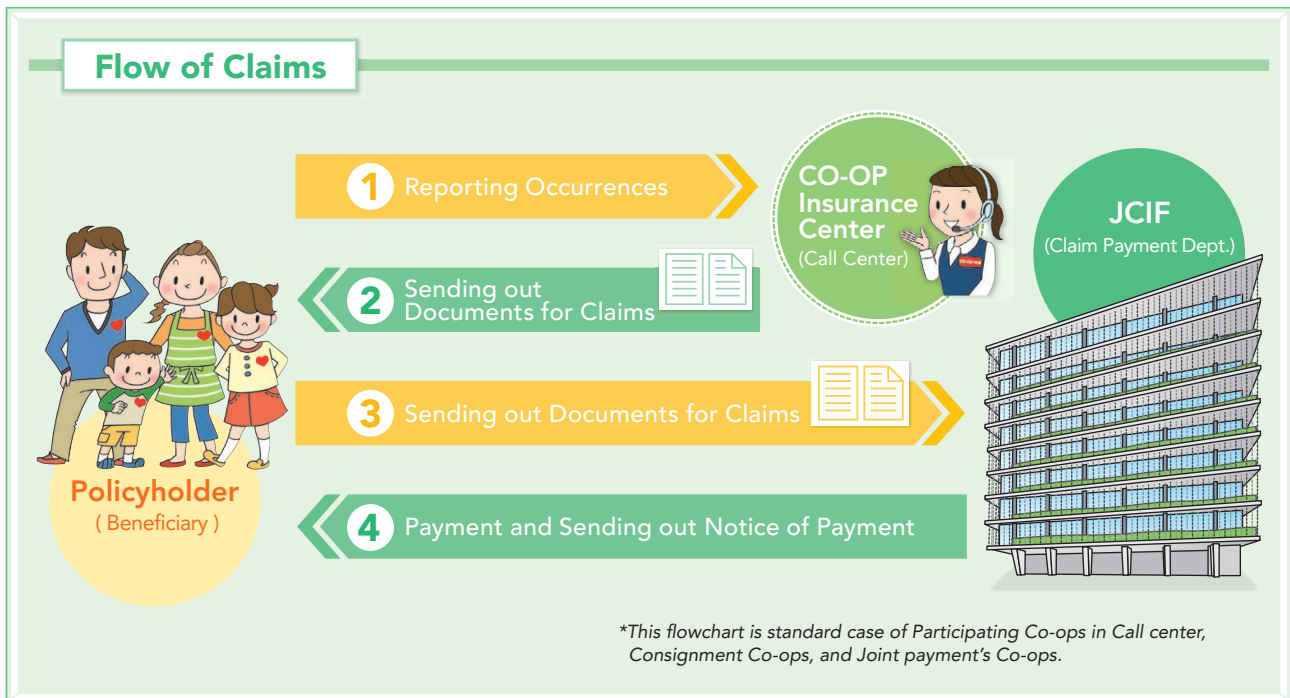
* ZENROSAI is Japan's largest workers and consumers insurance cooperative organization that recognized by the Co-op Law. Also, ZENROSAI is a member of JCIF. ZENROSAI and JCIF work together to provide a full line-up of CO-OP Insurance.

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 **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 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.

■ Product 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

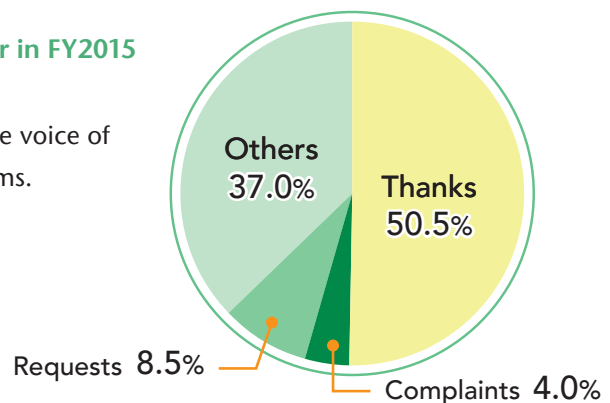
(1) The consultation center receives complaints and opinions by telephone

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 FY2015

We had 197,158 complaints and requests in fiscal 2015.

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.

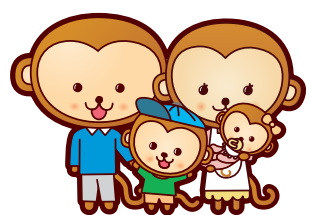


Activities

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.

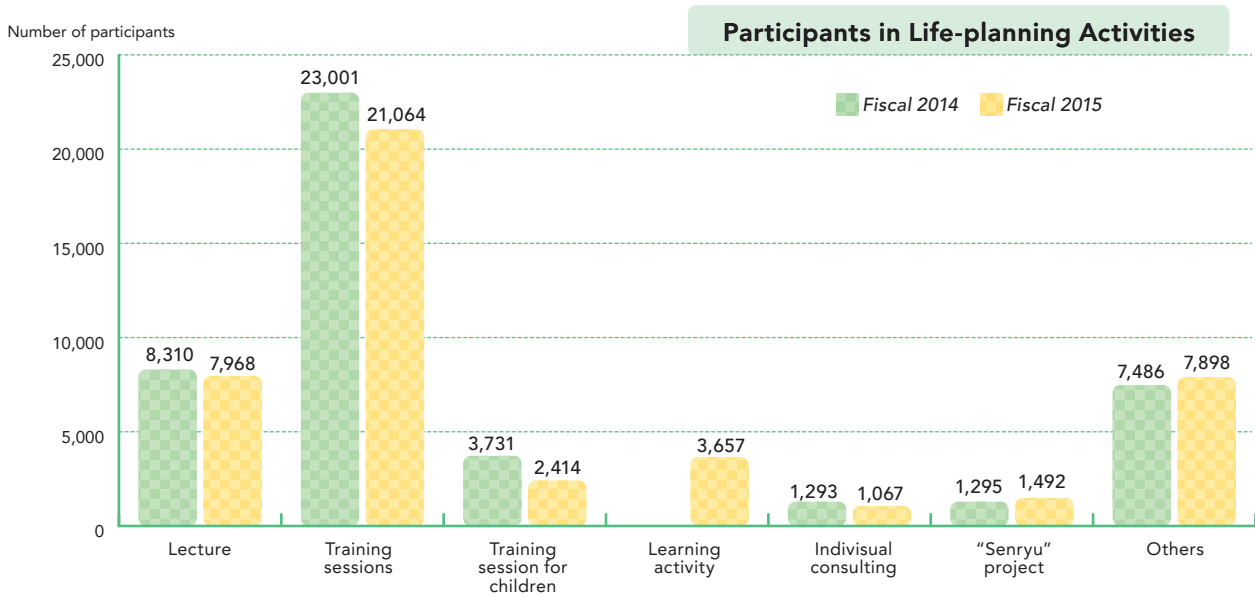
As an integral part of Life-Planning activities, JCIF is training members and Co-op staff to be Life-Plan-Advisor (LPA). Participants of LPA courses learn about life planning, insurance, taxation and finance in comprehensive lectures held by JCIF in order to become LPA. As of March 20, 2016 there are 3,774 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
 - Learning activity in each region
 - 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 2015, more than 45,000 people in total participated in the activities, principally in revision of coverage.





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 345 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 2015 the call center fielded 40,420 calls for advice.



Social Contribution Activities

In fiscal 2015, 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 2015 set at 18 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



Fiscal 2015 CO-OP Insurance Business Overview

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

End of year policyholders totaled → **8,379,256**

When broken down by product, *Tasukeai* policyholders decreased 0.1% from the previous year to 5,885,847, *i-Plus* policyholders increased 5.1% to 1,692,247, *Zutto-i* policyholders increased 23.4% from the previous year to 370,661, *CO-OP Fire Insurance* policyholders increased 1.2% to 401,654, and CO-OP Insurance *new-i.i.* policyholders decreased 6.2% to 28,847.

Insurance in force totaled → **¥11,744 billion**

CO-OP Insurance has total policies of ¥11,744 billion of direct insurance in force, an increase of 2.0% on the previous year.

Premiums totaled → **¥175 billion**

CO-OP Insurance has total premiums of ¥175 billion, an increase of 2.9% on the previous year.

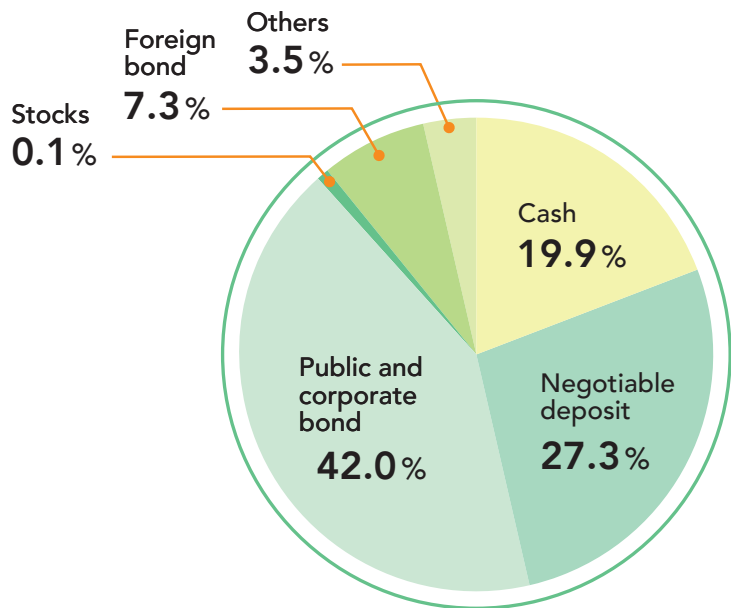
Payments → **1,304,245 • ¥62,951 million**

CO-OP Insurance made a total of 1,304,245 payments, an increase of 0.1% on the previous year. CO-OP Insurance has made a total of ¥62,951 million in payments for insurance claims, an increase of 0.0% on the previous year.

* Refer to Page 8, about direct and indirect insurance.

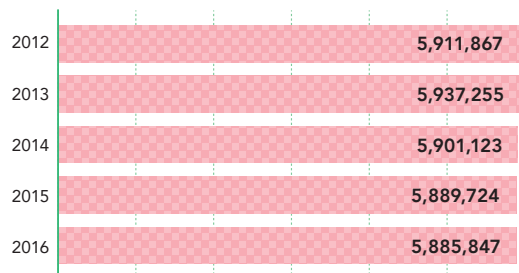
Asset Management

Investment Assets



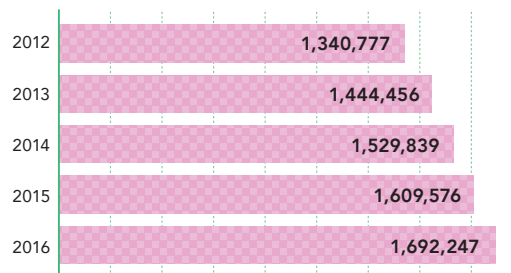
Sectral CO-OP Insurance Business Overview

CO-OP Insurance *Tasukeai*



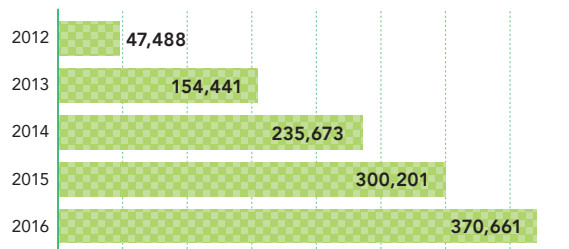
As of March 20,	2015	2016
Number of Policies	5,889,724	5,885,847
Premium Income (¥millions)	¥107,239	¥106,759
Claims Paid (¥millions)	¥44,872	¥43,510

CO-OP Insurance *i.-Plus*



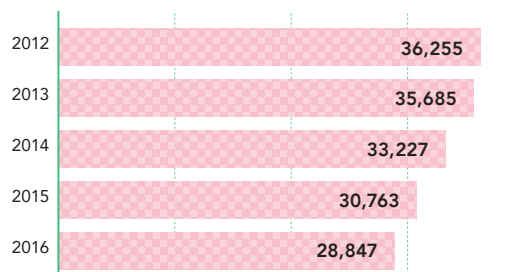
As of March 20,	2015	2016
Number of Policies	1,609,576	1,692,247
Premium Income (¥millions)	¥50,729	¥53,545
Claims Paid (¥millions)	¥16,422	¥17,324

CO-OP Insurance *Zutto-i.*



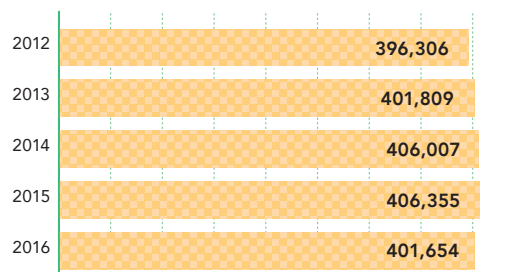
As of March 20,	2015	2016
Number of Policies	300,201	370,661
Premium Income (¥millions)	¥12,506	¥15,197
Claims Paid (¥millions)	¥1,643	¥2,116

CO-OP Insurance *New i.i.*



As of March 20,	2015	2016
Number of Policies	30,763	28,847
Premium Income (¥millions)	¥4,657	¥4,391
Claims Paid (¥millions)	¥714	¥669

CO-OP Fire Insurance



As of March 20,	2015	2016
Number of Policies	406,355	401,654
Premium Income (¥millions)	¥4,799	¥4,623
Claims Paid (¥millions)	¥1,181	¥947

Balance Sheet

As of March 20,

Millions of yen^{*1}

Thousands of
U.S. dollars^{*2}

Assets	2015	2016	2016
Cash and time deposits	¥ 47,667	¥ 58,583	\$ 527,015
Money trust	29,536	36,792	330,982
Securities	191,831	201,775	1,815,176
Loans	0	–	–
Reinsurance account	166	56	503
Subcontracting account	6,108	6,268	56,387
Contract account	330	310	2,788
Other mutual insurance assets	114	116	1,043
Advance payments	6	19	170
Outstanding earnings	207	221	1,988
Other assets	733	1,135	10,210
Fixed assets for business use	11,889	10,306	92,713
Investment in affiliates etc.	250	270	2,428
Deferred tax assets	12,929	13,746	123,659
Deferred assets	–	–	–
Total assets	¥ 301,774	¥ 329,601	\$ 2,965,104

Liabilities

Policy reserves	¥ 179,136	¥ 197,594	\$ 1,777,563
Reinsurance account	177	142	1,277
Subcontracting account	3,914	3,966	35,678
Contract account	0	0	0
Other insurance liabilities	396	137	1,232
Outstanding outlays	1,875	1,905	17,137
Other	7,895	7,083	63,718
Allowance	887	994	8,942
Price fluctuation reserves	1,632	2,510	22,580
Total liabilities	¥ 195,915	¥ 214,336	\$ 1,928,175

Capital

Membership capital	¥ 104,422	¥ 114,038	\$ 1,025,890
Others	1,436	1,226	11,029
Total Capital	¥ 105,858	¥ 115,265	\$ 1,036,928
Total liabilities and Capital	¥ 301,774	¥ 329,601	\$ 2,965,104

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 111.16 = US\$1.00, the rate prevailing on March 20, 2016, 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}

Ordinary Income:	2015	2016	2016
Premium and other income	¥ 171,585	¥ 176,296	\$ 1,585,966
Reversal of allowance for reserve of insurance policy	27,190	28,566	256,980
Investment income	1,329	1,401	12,603
Other ordinary income	245	296	2,662
Total ordinary income	¥ 200,351	¥ 206,560	\$ 1,858,222

Ordinary Expenses:

Claims paid	¥ 92,490	¥ 93,817	\$ 843,981
Provisions for policy reserves	14,167	14,352	129,111
Investment expenses	48	64	575
Operating expenses	47,947	49,989	449,703
Other ordinary expenses	57	61	548
Total ordinary expenses	¥ 154,711	¥ 158,285	\$ 1,423,938
Ordinary Surplus	¥ 45,640	¥ 48,275	\$ 434,283

Extraordinary Profit and Loss:

Extraordinary income	–	0	\$ 0
Extraordinary loss	¥ 424	¥ 889	\$ 7,997
Surplus before taxes	¥ 45,215	¥ 47,386	\$ 426,286
Corporate and other taxes	5,593	5,073	45,636
Adjustment of corporate and other taxes	–671	–735	–6,612
Transfer to reserve for claim rebate	31,078	32,672	293,918
Net surplus	9,215	10,376	93,342
Net surplus for the period	413	467	4,201
Reversal of reserve for start-up business	–	–	–
Reversal of reserve for office system maintenance	–	326	2,932
Reversal of reserve for business continuity planning	174	396	3,562
Reversal of reserve for catastrophe solatium	9	4	35
Unappropriated surplus for the period	¥ 9,813	¥ 11,570	\$ 104,084

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 111.16 = US\$1.00, the rate prevailing on March 20, 2016, 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}
	2015	2016	2016
Total solvency margin ^{*4} ①	¥ 141,509	¥ 155,623	\$ 1,399,991
Total risks ②	26,073	26,724	240,410
Solvency margin ratio = ① ÷ (②×1/2)×100	1085.5%	1164.6%	1164.6%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 111.16 = US\$1.00, the rate prevailing on March 20, 2016, 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}
	2015	2016	2016
Basic profit ^{*4}	¥ 49,158	¥ 50,381	\$ 453,229
Investment profit ^{*3}	89	79	710
Mortality profit ^{*3}	47,706	49,738	447,445
Expense profit ^{*3}	1,361	563	5,064

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 111.16 = US\$1.00, the rate prevailing on March 20, 2016, 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 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

As of March 20,	Millions of yen ^{*1}		Thousands of U.S. dollars ^{*2}
	2015	2016	2016
① Equity capital	¥ 105,858	¥ 115,265	\$ 954,812
② Contingency reserves	36,787	40,070	331,925
Revised equity capital [= ① + ②]	142,646	155,335	1,286,737
③ Total assets	¥ 301,774	¥ 329,601	2,730,293
Equity capital ratio ^{*3} [= ① / ③]	35.1%	35.0%	35.0%
Revised equity capital ratio ^{*4}	47.3%	47.1%	47.1%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 111.16 = US\$1.00, the rate prevailing on March 20, 2016, 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

4-1-13 Sendagaya, Shibuya-ku, Tokyo 151-0051, JAPAN

Established

November 5th, 2008

Number of Member Co-ops

148 (as of March 20th, 2016)

Detail of operations

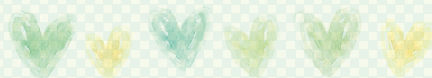
CO-OP Insurance Business

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-プ共済生活協同組合連合会

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