



For a Better Tomorrow ●●●●●

Year Ended March 20, 2018

ANNUAL REPORT 2018



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CO-OP 共済

Japan CO-OP Insurance Consumers' Co-operative Federation

ANNUAL REPORT 2018

Year Ended March 20, 2018 

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



Visions of CO-OP Insurance

Through CO-OP Insurance and the mutual assistance of CO-OP members, we are aiming to help improve livelihoods of members, develop consumers' co-operatives, promote the cooperative movement and enrich our society, focusing on covering economic loss caused by various risks in members' livelihoods.

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 enhance the social credibility of consumers' co-operatives by the stable and efficient management of the insurance and the expansion of the insured.

4

We will offer members the opportunity to learn about insurance and help them acquire the ability to select the insurance that suits them most.

5

We will strive to address the problems of aging population with declining birthrate, health and welfare, and contribute to society by social welfare activities, disaster activities and others.

Financial Highlights

For the years ended March 20, 2018 and 2017	JPY Million ¹		USD Million ²
	2017	2018	2018
Ordinary income	¥ 213,137	¥ 219,660	\$ 2,069
Ordinary expenses	164,750	170,417	1,605
Ordinary surplus	48,387	49,243	463
Net surplus	10,384	10,224	96

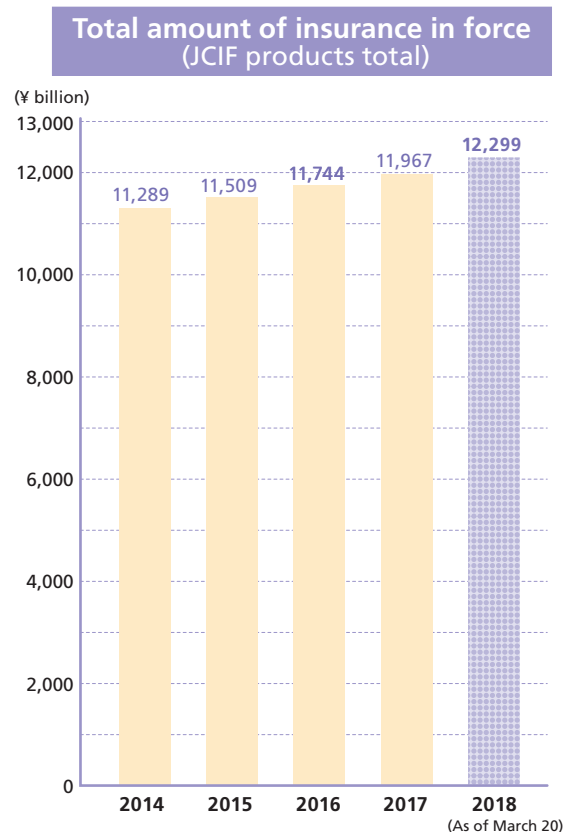
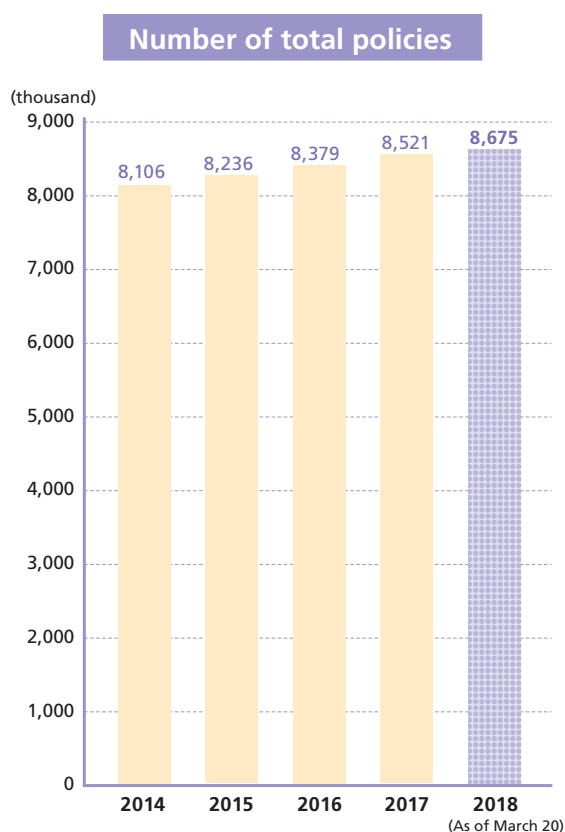
As of March 20, 2018 and 2017

Total assets	¥ 358,004	¥ 389,773	\$ 3,672
Total liabilities	233,018	255,320	2,405
Total capital	124,986	134,452	1,266

Number of total policies	8,521,919	8,675,084	—
Number of policies (JCIF products only)	8,095,128	8,248,177	—
Total amount of insurance in force (JCIF products total) (¥ billions/ \$ millions)	¥ 11,967	¥ 12,299	\$ 115,886
Solvency margin (%)	1235.6	1299.7	—

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥106.13=US\$1.00 (as of March 20, 2018) and rounded down to the nearest \$1 million.



Message from the President

Frequent typhoons and floods wreaked havoc in a number of regions in Japan last year, tragically taking the lives of many people. I extend my sincere condolences to those affected by the disasters and pray that the deceased may rest in peace. To pay out insurance benefits and disaster relief money to the victims of these disasters, we have devoted our efforts to visiting our policyholders in cooperation with consumers' co-operatives in the disaster-affected areas and the rest of Japan. We would like to express our deepest gratitude and respect to everyone who kindly provided us with support.

Let me give you an outline of our business condition in Fiscal 2017, by the end of which the number of policyholders for seven CO-OP Insurance products exceeded 8.67 million. During the fiscal year, we paid out a total of 65.5 billion yen in insurance benefits (101.8% of the previous fiscal year) to 1.32 million insurance claimants. In September 2017, we launched Platinum 85, an insurance product for people aged 65 and above. By the end of the fiscal year, the product had been purchased by more than 60,000 people, who have provided us with positive feedback on how pleased they were at being able to maintain their coverage despite their age. We try to make Platinum 85's brochure for new policyholders senior-friendly. In recognition of its senior-friendly features, the brochure received the Another Voice Award at the UCDA Award 2017 sponsored by the Universal Communication Design Association (UCDA).

Furthermore, during Fiscal 2017, that is the second year of the three-year CO-OP Insurance Medium-term Business Plan 2018, we endeavored with member Co-ops to strengthen our organizational system for driving the business plan forward, make improvements to streamline administrative processes and execute our business continuity plan (BCP). In June, we commenced our Health Improvement Support Project to develop health promotion activities by consumers' co-operatives nationwide with the aim of helping CO-OP Insurance policyholders and Co-op members promote their health and fitness.

In Fiscal 2018, that is the final year under the Medium-term Business Plan 2018, we intend to steadily execute our business plan in line with its basic policy. In addition, we will start discussing our next three-year plan to be implemented from 2020, along with our action plans for 2019, while looking ahead to the formulation of our CO-OP Insurance Long-term Vision 2030.

This annual report mainly covers our business condition on CO-OP Insurance in Fiscal 2017. I hope that this report will help you deepen your understanding of our business and CO-OP Insurance products.

We are determined to continue making concerted efforts to ensure that our member households enjoy safe and secure lives through our operations in close cooperation with Co-ops' retailing and welfare businesses as well as members' activities. We appreciate your continued understanding and support for CO-OP Insurance.

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

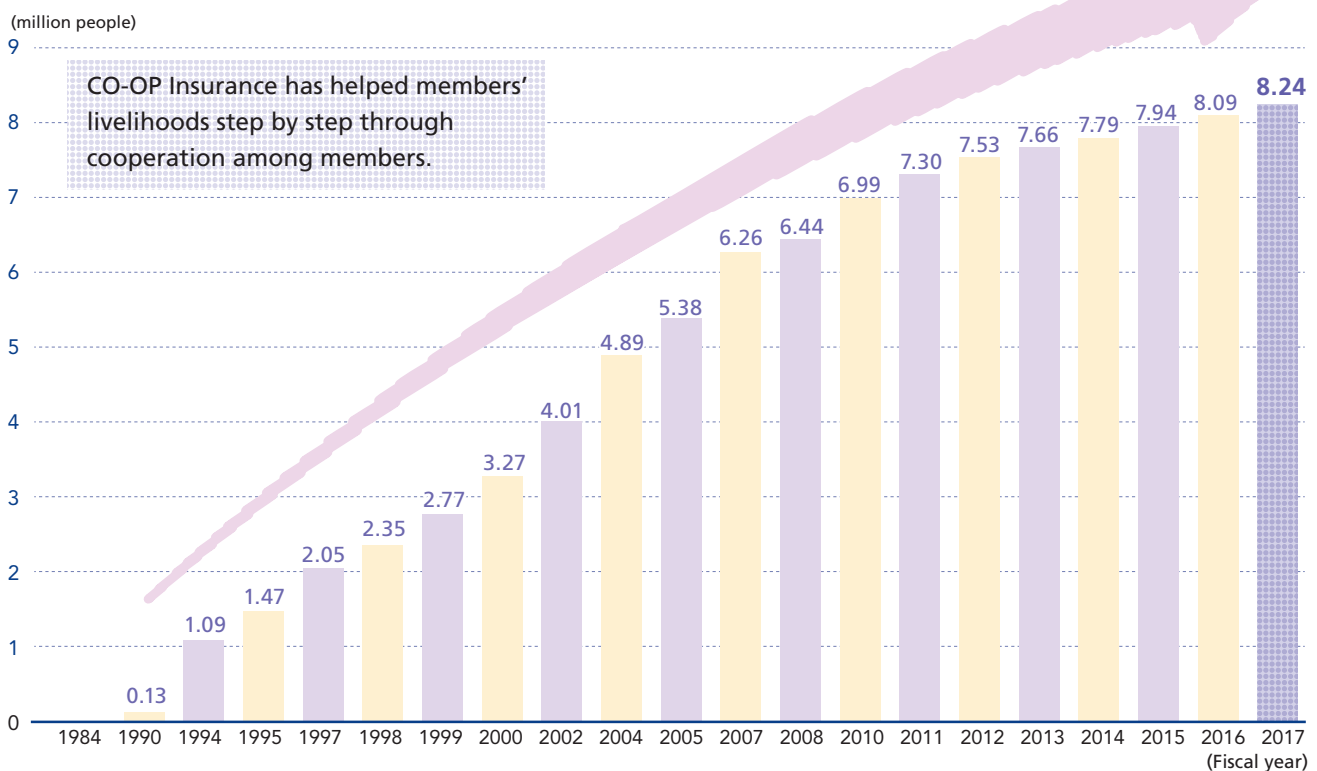


Topics of FY2017

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, followed by 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 JCIF products who contract with us reached 8.24 million in March 2018. 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



Platinum 85 Launched for 65 and Above

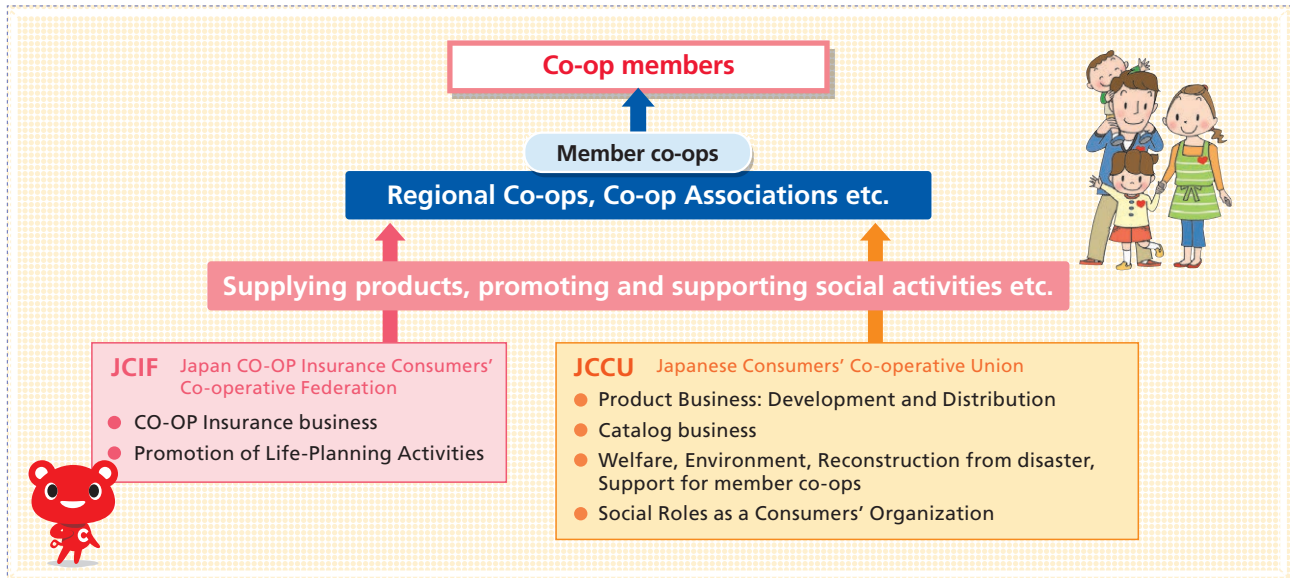
In response to *Tasukeai* policyholders' demand for extended insurance coverage after expiration at 65, we launched *Platinum 85* to replace *i-Plus Gold*. People aged 65 to 70 can newly take out *Platinum 85*, or renew/revise their existing policies as long as health conditions to disclose do not apply to them.

Outline of the JCIF

JCIF, Co-op and JCCU

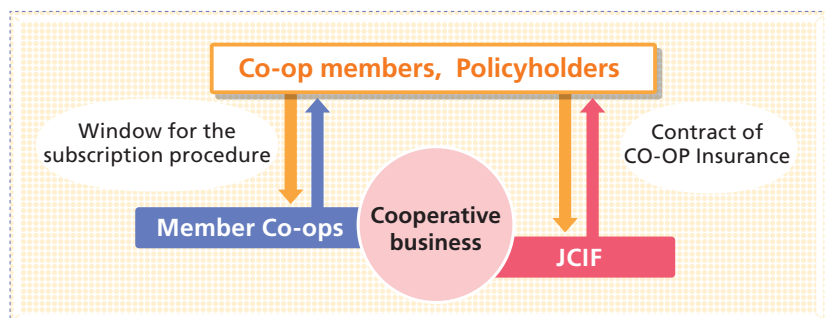
Our organization is a federation of 152 consumer cooperative societies from across the nation. Although each member Co-op is an independent legal entity, each provides CO-OP insurance to its members in cooperation with the federation.

The JCIF was established to take over and specialize in all mutual insurance businesses previously conducted by our member Co-ops.



Roles of Member Co-ops and JCIF

The JCIF works 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

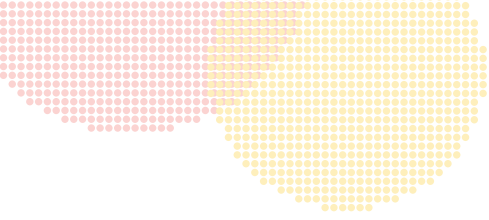
Each member Co-op acts as a service window for the subscription procedure and also provides information on CO-OP Insurance. In addition, each member Co-op works to support its members by offering insurance products responding to a range of needs.

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

The JCIF developing products in response to the needs of its members and others

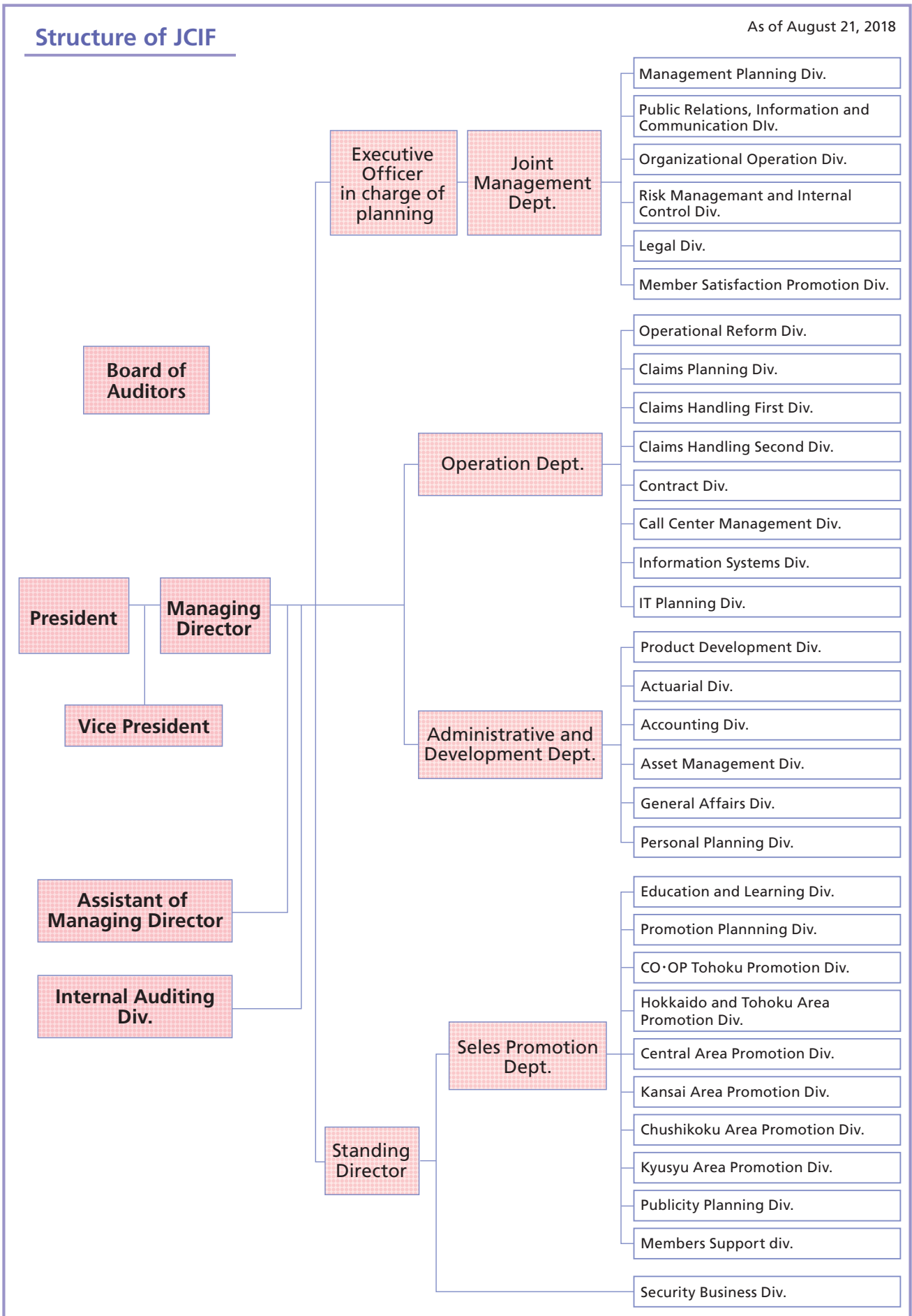
As well as developing insurance products, the federation receives premiums, undertakes procedures related to the payment of insurance claims and provides administrative support services to member Co-ops. It also provides consulting services and responds to complaints.

- Each of the three federations of consumer cooperative societies which share responsibilities as a contract underwriter has a dual role as member Co-op and federation of CO-OP Insurance.



Structure of JCIF

As of August 21, 2018



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; plan for children, plan for women, plan for medical coverage and plan for both medical and death coverage.



CO-OP Insurance **i.-Plus**

— Term Life Insurance

This insurance simply provides coverage for death, which can add special coverages for cancer, hospitalization, and surgery of the insured. The maximum sum insured is ¥30 million in death benefits at 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 coverage for lifetime hospitalization, surgery and death.

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



i.-Plus **Platinum 85**

Platinum 85, launched in September 2017, is an insurance product available for people aged 65 to 70, continuously covering inpatient treatment and death until the age of 85. Its coverage does not change from the time of contract to its expiration. Optional coverage for medical operations and death can also be added as needed.



CO-OP Fire Insurance

This insurance provides coverage against damaged 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.



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

— Life Insurance

Basic plan that provides coverage for death with the rebate plan can be matched up with medical coverage and women's health coverage. 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.** hasn't been provided anymore.



Direct and Indirect Insurance Products Offered

CO-OP Insurance offers direct and indirect insurance products. In direct insurance contracts, JCIF as a contract underwriter is responsible for collecting insurance premiums and paying insurance benefits. We offer four direct insurance products: CO-OP Insurance **Tasukeai**, CO-OP Insurance **i.-Plus**, and CO-OP Insurance **Zutto-i.** (Whole Life Insurance and Whole life Medical Insurance).

CO-OP Insurance also provides indirect insurance products in the areas beyond the coverage of its direct insurance products, in alliance with **ZENROSAI***, property and casualty insurance firms, etc.

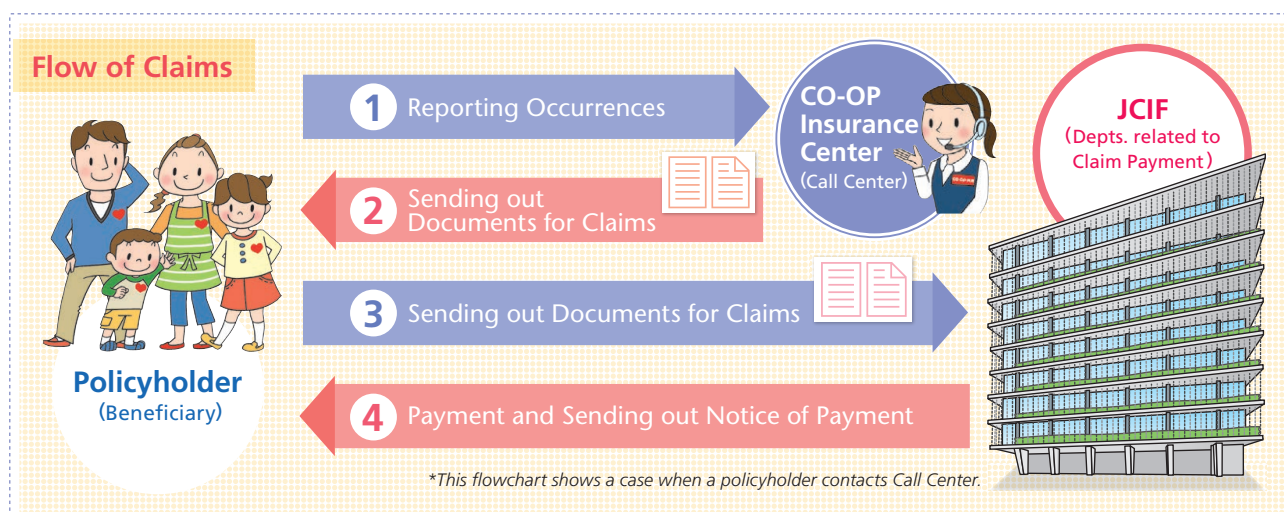
* In CO-OP Insurance contracts, each contract underwriter is individually responsible for insurance coverage according to the scope of its underwriting, instead of sharing responsibility.

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, ask the policyholder for details about the request and then send necessary materials. CO-OP Insurance values swift and efficient payment procedures from the viewpoint of policyholders. For example, basic information is printed on documents for claims in advance, and some procedures are simplified depending on the claim detail and amount.

CO-OP Insurance shortens the time from reception of a claim request to payment in order to enhance policyholder's 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, JCIF ensures a certain amount of payment swiftly so that it could alleviate a burden on a policyholder as much as possible.

Enclosing Origami Cranes with Documents for Claims

When sending claimants necessary documents for claiming insurance benefits, CO-OP Insurance encloses origami cranes made by Co-op members around the country. This activity originated around 1992, when Co-op staff in charge of insurance in Nagano Prefecture began to enclose origami cranes with such documents to express their sympathy.

In the process of paying insurance benefits or relief money to victims of the Great Hanshin and Awaji Earthquake in 1995, we enclosed origami cranes with documents sent to them. Since these origami cranes with a favorable reaction from many recipients, this activity was expanded nationwide. While many volunteers currently participate in making origami cranes at Co-ops around the country, some recipients of origami cranes in turn send us origami cranes of their own making, resulting in a growing circle of people connected to each other with origami cranes. Moreover, many respondents to the questionnaire enclosed with the announcement of insurance benefit payment express their appreciation for origami cranes. These activities have steadily contributed to spreading the spirit of mutual help.

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.

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

Business risks

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

We manage to streamline the process of risk management assesment, 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 condition 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 these risks 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.

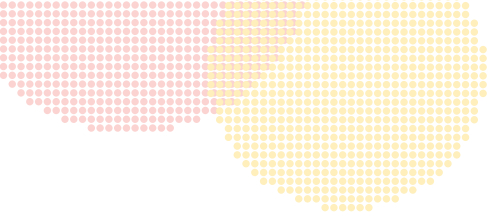
We manage to secure the founs corresponding to liabilities by setting fair guaranteed yields and monitoring interest surplus and loss and so on.

Office work risks and System risks

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

System risks: 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.



Solicitation Policy

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, and 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 Consumer Cooperatives Act, the Law on Sales of Financial Products, the Consumer Contract Act, the Act on the Protection of Personal Information and other regulations 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 and correct 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 members' opinions and reflect these on developing future CO-OP Insurance products and offering CO-OP Insurance.

Business Operations Based on Policyholders' Feedbacks

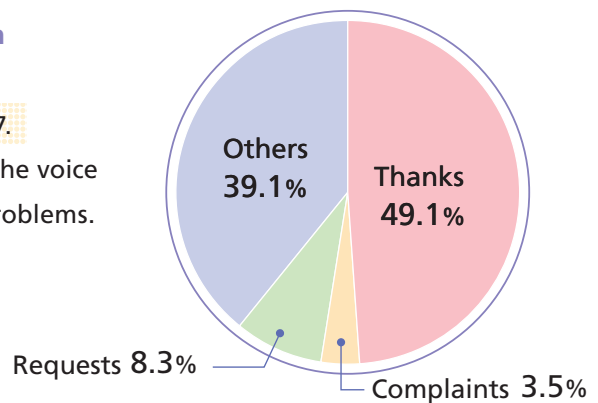
(1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

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

● Complaints we received at Member Satisfaction Promotion Division in FY2017

We had 190,088 complaints and requests in Fiscal 2017.

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

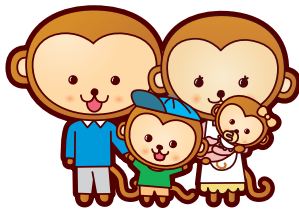
Life-Planning Activities

Life-Planning activities enable Co-op members to learn about money matters in their lives. In the Workshops on Reviewing Insurance, which is a central topic, members gain the capability to independently select insurance product that meets their needs.

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, 2018, there are 4,121 LPAs active at member Co-ops across Japan.



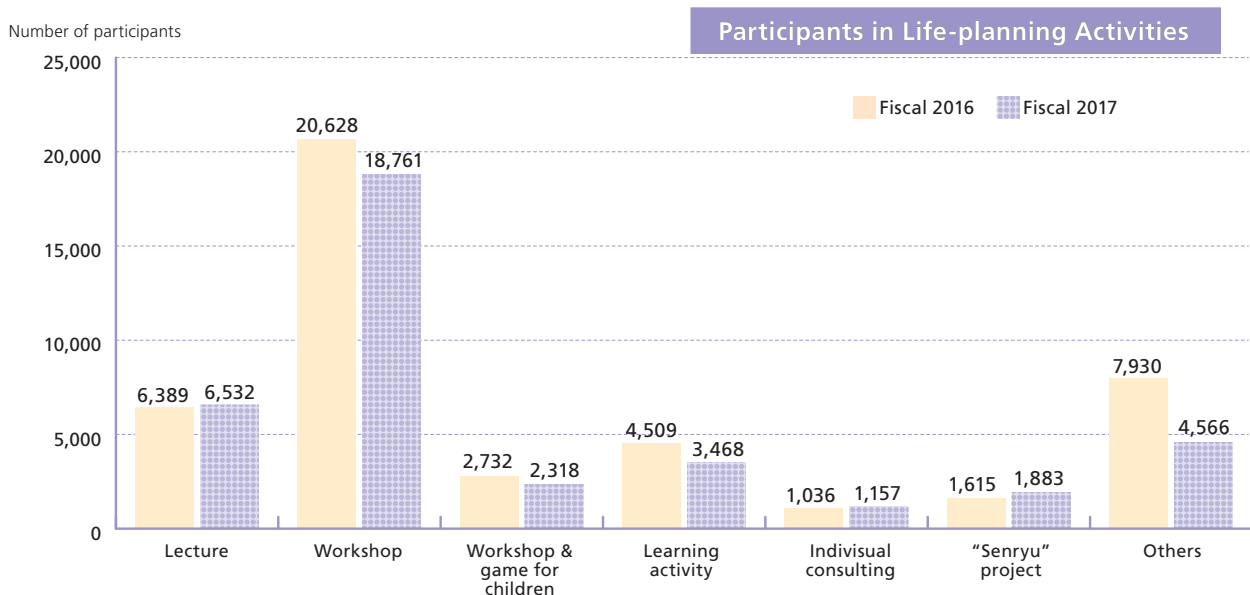
Co-op carries out the following Life-Planning activities:



- Lectures on Reviewing Lifestyles
- Learning activities
- Learning activities for kids
- Individual consulting
- Life-Planning Humorous Poem "Senryu"

• Development of Life-Planning Activities

Life-Planning activities have now become firmly established as Co-op activities. In Fiscal 2017, more than 38,000 people in total participated in the activities, principally in Workshops on Reviewing Insurance.



Health Improvement Activities

A fundamental challenge for CO-OP Insurance activities is the improvement of the health and welfare of people. In order to assist 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 363 Co-op stores throughout Japan. Since managing blood pressure is paramount for preventing all lifestyle-related diseases, it is essential to consistently measure blood pressure on a daily basis. The devices are easy for members to use to test their blood pressure level while shopping and utilized for them to manage their health on a daily basis.

(2) CO-OP Insurance Health Call Center

JCIF offers a free phone consultation service made available to *Tasukeai*, *i-Plus*, *Zutto-i*, and *New i.i.* policyholders. JCIF contracts specialist counsellors 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 2017, the call center fielded 45,439 calls for advice.



(3) Support Project for Health Promotion

JCIF commenced its CO-OP Insurance Support Project for Health Promotion in Fiscal 2017. As we confront an aging population, it is crucial to build local communities where healthy seniors can fully realize their potential. We therefore started supporting member Co-ops to implement health promotion activities catered mainly to their middle-aged and older members.

Using the policyholders' contribution generated by accumulating a part of the annual surplus from our

mutual insurance business, we execute the project with the aim of contributing to our policyholders, benefitting our mutual insurance business, and demonstrating our comprehensive capacity to address social challenges. Under the themes of food life, physical exercises and social participation, our member Co-ops are implementing diverse efforts in view of their local circumstances by cooperating with other organizations.

In Fiscal 2017, 33 activities were organized by 32 Co-ops, to which we extended financial support totaling 204,291,038 yen.



Donation of School Bag covers

Since Fiscal 2015, as part of its social contribution activities, JCIF has been donating covers for school bags (leather backpacks) to new first graders at elementary schools across Japan in cooperation with local municipalities.

In Fiscal 2017, we donated a total of 243,893 covers to children newly enrolled in 5,028 elementary schools nationwide. To schools where pupils use nylon backpacks, we donated plastic holders for teacher-parents correspondence notepads (145,163 holders to 1,637 schools nationwide).

The yellow school bag cover featuring an illustration of Kosuke, CO-OP Insurance's official bear character, is eye-catching and makes it easier to spot children from afar. The covers help local communities watch over their children and prevent traffic accidents.



Business Overview of CO-OP Insurance for Fiscal 2017

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

Policyholders as of the end of Fiscal 2017 totaled 8,675,084

When broken down by product, *Tasukeai* policyholders increased by 0.2% from the previous year to 5,916,267, *i-Plus* policyholders increased by 4.4% to 1,833,743, *Zutto-i* policyholders increased by 13.2% from the previous year to 498,167, *CO-OP Fire Insurance* policyholders increased by 0.3% to 400,853, and CO-OP Life Insurance *new-i.i.* policyholders decreased by 4.2% to 26,054.

Policies in force totaled ¥12,299 billion

CO-OP Insurance has a total of ¥12,299 billion in policies in force (JCIF products only), an increase of 2.8% from the previous year.

Premiums totaled ¥186 billion

CO-OP Insurance has a total of ¥186 billion in premiums (JCIF products only), an increase of 3.1% from the previous year.

1,327,308 payments made

CO-OP Insurance made a total of 1,327,308 payments (JCIF products only), an increase of 1.5% from the previous year.

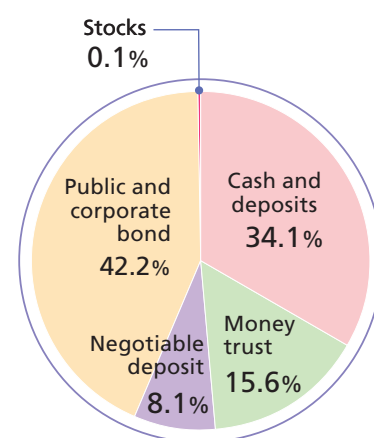
Total claims paid amount to ¥65,567 million

CO-OP Insurance paid a total of ¥65,567 million for insurance claims (JCIF products only), an increase of 1.8% from the previous year.

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

Asset Management

As of March 20,	JPY Million ^{*1}			USD Thousand ^{*2}
	2017	2018	composition ratio(%)	2018
Cash and deposits	¥ 101,406	¥ 121,761	34.1%	\$ 1,147,281
Money trust ^{*3}	50,143	55,647	15.6%	524,328
Negotiable deposit	36,000	29,000	8.1%	273,249
Public and corporate bond	137,719	150,703	42.2%	1,419,984
Stocks	255	255	0.1%	2,402
Foreign bond	0	0	0.0%	0
Other securities	0	0	0.0%	0
Total	¥ 325,523	¥ 357,367	100.0%	\$ 3,367,257



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

*2. U.S. dollar amounts are converted, for convenience only, at ¥106.13= US\$1.00 (as of March 20, 2018) and rounded down to the nearest \$1 thousand.

*3. Money held in trust are transferable warranty deposits.

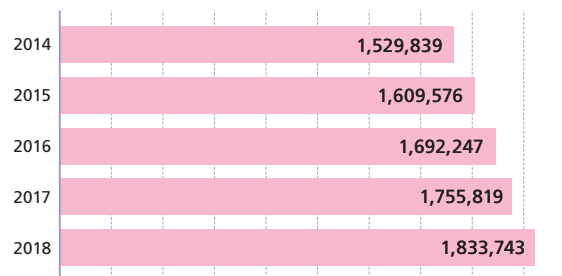
CO-OP Insurance Business Overview by Product

CO-OP Insurance *Tasukeai*



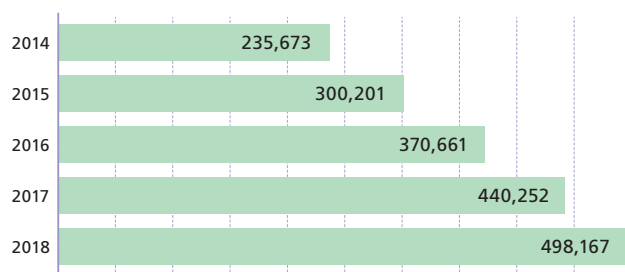
As of March 20,	2017	2018
Number of Policies	5,899,057	5,916,267
Premium Income (¥millions)	¥ 105,998	¥ 106,223
Claims Paid (¥millions)	¥ 42,647	¥ 42,413

CO-OP Insurance *i-Plus*



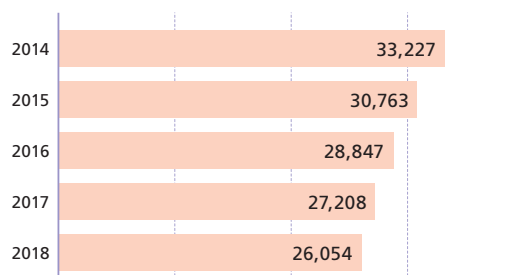
As of March 20,	2017	2018
Number of Policies	1,755,819	1,833,743
Premium Income (¥millions)	¥ 56,362	¥ 58,912
Claims Paid (¥millions)	¥ 19,260	¥ 20,093

CO-OP Insurance *Zutto-i.*

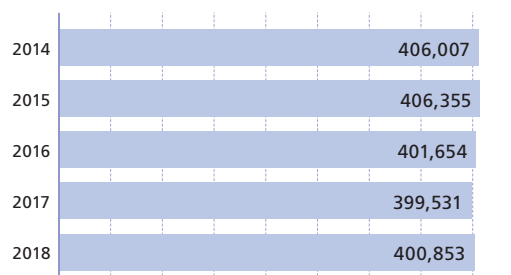


As of March 20,	2017	2018
Number of Policies	440,252	498,167
Premium Income (¥millions)	¥ 18,167	¥ 20,954
Claims Paid (¥millions)	¥ 2,495	¥ 3,058

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



CO-OP Fire Insurance



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

Balance Sheet

As of March 20, 2018 and 2017

Assets	JPY Million ¹		USD Thousand ²
	2017	2018	2018
Cash and deposits	¥ 101,406	¥ 121,761	\$ 1,147,281
Money trust	50,143	55,647	524,328
Securities	173,974	179,958	1,695,637
Loans	–	–	–
Reinsurance account	66	118	1,111
Subcontracting account	6,233	6,333	59,672
Contract account	311	308	2,902
Other mutual insurance assets	101	110	1,036
Prepaid expenses	45	43	405
Accrued income	195	183	1,724
Other assets	1,381	882	8,310
Fixed assets for business use	9,472	8,964	84,462
Investment in affiliates etc.	270	270	2,544
Deferred tax assets	14,399	15,191	143,135
Deferred assets	–	–	–
Total assets	¥ 358,044	¥ 389,773	\$ 3,672,599

Liabilities

Policy reserves	¥ 215,745	¥ 236,969	\$ 2,232,818
Reinsurance account	190	192	1,809
Subcontracting account	4,172	4,132	38,933
Contract account	0	0	0
Other mutual insurance liabilities	51	39	367
Accrued expenses	2,008	2,189	20,625
Other liabilities	6,729	6,827	64,326
Allowance	1,144	1,308	12,324
Price fluctuation reserves	2,974	3,660	34,486
Total liabilities	¥ 233,018	¥ 255,320	\$ 2,405,728

Net assets

Member capital	¥ 123,664	¥ 133,131	\$ 1,254,414
Others	1,322	1,321	12,446
Total net assets	¥ 124,986	¥ 134,452	\$ 1,266,861
Total liabilities and net assets	¥ 358,004	¥ 389,773	\$ 3,672,599

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 106.13 = US\$1.00 (as of March 20, 2018) and rounded down to the nearest \$1 thousand.

Income Statement

For the years ended March 20, 2018 and 2017

Ordinary Income:	JPY Million ¹		USD Thousand ²
	2017	2018	2018
Premium and other income	¥ 181,249	¥ 186,924	\$ 1,761,273
Reversal of policy reserves	30,241	30,243	284,961
Investment income	1,392	1,849	17,422
Other ordinary income	253	642	6,049
Total ordinary income	¥ 213,137	¥ 219,660	\$ 2,069,725

Ordinary Expenses:

Claims paid	¥ 97,091	¥ 98,587	\$ 928,926
Provision of policy reserves	15,097	17,255	162,583
Investment expenses	106	120	1,130
Business expenses	52,268	54,133	510,063
Other ordinary expenses	185	320	3,015
Total ordinary expenses	¥ 164,750	¥ 170,417	\$ 1,605,738
Ordinary Surplus	¥ 48,387	¥ 49,243	\$ 463,987

Extraordinary Income or Loss:

Extraordinary income	–	–	–
Extraordinary loss	¥ 733	¥ 699	\$ 6,586
Surplus before taxes	¥ 47,653	¥ 48,544	\$ 457,401
Income taxes	4,664	4,898	46,150
Income taxes-deferred	– 690	– 791	– 7,453
Provision of rebate reserves	33,295	34,212	322,359
Net surplus	10,384	10,224	96,334
Net surplus for the period	525	526	4,956
Reversal of reserve for business continuity planning	–	–	–
Reversal of reserve for office system maintenance	521	12	113
Reversal of reserve for catastrophe solatium	231	813	7,660
Reversal of subscriber contribution	39	253	2,383
Unappropriated surplus for the period	¥ 11,703	¥ 11,830	\$ 111,467

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 106.13 = US\$1.00 (as of March 20, 2018) and rounded down to the nearest \$1 thousand.

Solvency Margin Ratio and Others

Solvency Margin Ratio^{*3}

As of March 20,	JPY Million ¹		USD Thousand ²
	2017	2018	2018
Total solvency margin ^{*4} ①	¥ 169,092	¥ 183,039	\$ 1,724,667
Total risks ②	27,370	28,165	265,382
Solvency margin ratio = ① ÷ (②×1/2)×100	1,235.6%	1,299.7%	1,299.7%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 106.13 = US\$1.00 (as of March 20, 2018) and rounded down to the nearest \$1 thousand.

*3. The solvency margin rate of JCIF is calculated based on the Consumer Cooperatives Act 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 business.

Breakdown of Basic Profit

As of March 20,	JPY Million ¹		USD Thousand ²
	2017	2018	2018
Basic profit ^{*4}	¥ 50,266	¥ 51,253	\$ 482,926
Investment profit ^{*3}	- 5	- 101	- 951
Mortality profit ^{*3}	47,368	44,028	414,849
Expense profit ^{*3}	2,902	7,326	69,028

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 106.13 = US\$1.00 (as of March 20, 2018) 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 business.

Equity Capital Ratio

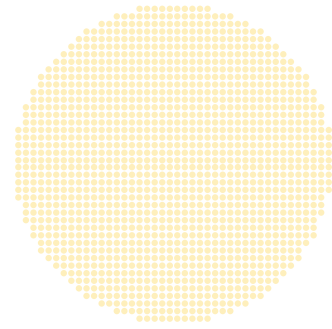
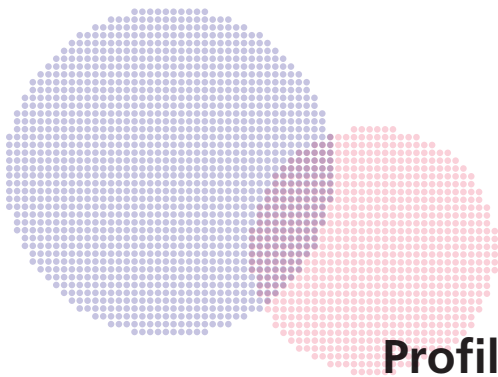
As of March 20,	JPY Million ¹		USD Thousand ²
	2017	2018	2018
① Equity capital	¥ 124,986	¥ 134,452	\$ 1,266,861
② Contingency reserves	42,314	45,318	427,005
Revised equity capital (= ① + ②)	167,301	179,771	1,693,875
③ Total assets	¥ 358,004	¥ 389,773	\$ 3,672,600
Equity capital ratio ^{*3} (= ① / ③)	34.9%	34.5%	34.5%
Revised equity capital ratio^{*4}	46.7%	46.1%	46.1%

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥ 106.13 = US\$1.00 (as of March 20, 2018) 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 5, 2008

Number of Member Co-ops

152 (as of March 20th, 2018)

Detail of operations

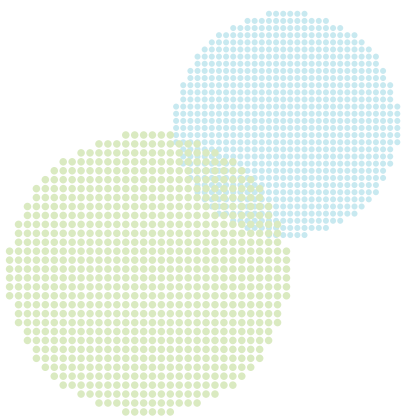
CO-OP Insurance Business

JCIF is the Federation Specializing in Mutual Insurance Businesses

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

Up until 2008, the JCCU and member co-ops were engaged in not only mutual insurance business, but also retail business such as operating stores and providing home delivery services. To avoid conflict with the newly revised Co-op Law in 2008, it was decided to jointly establish a new organization, the JCIF, to specialize in providing mutual insurance products.

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





日本コ-プ共済生活協同組合連合会

Japan CO-OP Insurance Consumers'
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