

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

ANNUAL REPORT 2023

Year Ended March 20, 2023

Cooperating for Future Livelihoods

CO-OP kyosai

ANNUAL REPORT 2023

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Expand the circle of "Tasukeai" to everybody

We cherish the heart of mutual cooperation when someone is in trouble (=Tasukeai). We will continue to expand the circle of "Tasukeai" to support more and more people.

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The official name of our organization is Japan CO-OP Insurance (Kyosai) Consumers' Co-operative Federation, commonly abbreviated as CO•OP Kyosai.

Year Ended March 20,2023 (Fiscal Year 2022: March 21, 2022- March 20, 2023)

1

Visions of CO•OP Kyosai

Through CO•OP Kyosai products and the mutual assistance of co-op members, we are aiming to improve livelihoods of members, develop consumer cooperatives, promote the cooperative movement and enrich our society, focusing on covering economic loss caused by various risks in members' livelihoods.

1

We will offer co-operative 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 consumer 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.

2

Message from the President

After more than three years dealing with the COVID-19 pandemic, society has moved into a post-pandemic phase of co-existence with COVID-19. Looking back on 2022, the sixth wave of infections in Japan from the beginning of the year and the seventh wave from July onward spread on an unprecedented scale and had a major impact on society. The explosive increase in the number of infected people also had a significant impact on the operations and activities of co-ops nationwide.

CO•OP Kyosai paid out USD 610 million in COVID-19-related mutual insurance in fiscal 2022. While we were able to support the lives of many of our members by paying out mutual insurance, we were considerably affected by a sharp increase in the number of inquiries and requests for mutual insurance payments during the sixth and seventh waves of the outbreak, making it difficult for members to connect to our call center and causing delays in payments.

Fiscal year 2022 saw the renewal of our most popular product “Tasukeai”, term life and medical insurance, Adult course and that with tolerant requirements in September. In October, we took over the University Co-operatives Mutual Aid Federation (UNCMAF)’s entire mutual insurance business and started a Student Comprehensive Mutual Insurance business and a course for new working adults with CO•OP Kyosai as the direct insurer. Not only comprehensive support for students, but seamless coverage was made available to young people by allowing university graduates to enroll in the new working adult course until the age of 30, after which they can switch over to “Tasukeai.” Similar to the course for new working adults, the junior course continues to provide coverage until the age of 30, making ours a mutual insurance business that provides lifelong coverage for children, young people, and seniors.

The number of CO•OP Kyosai primary subscribers reached 9.7 million at the end of fiscal year 2022. We are seeking to make CO•OP Kyosai more convenient and user-friendly by revising our products and making our procedures easier to understand to provide a sense of security to as many members as possible. As part of our digital transformation (DX) efforts, we will continue developing convenient systems tailored more closely to our membership. In terms of initiatives for the younger generations, we will provide comprehensive livelihood support for the younger generations and expand our circle of mutual assistance through collaboration with university co-ops and regional co-ops.

Turning our eyes overseas, Russia’s invasion of Ukraine shows no sign of ending even in 2023 and another Israeli-Palestinian conflict has flared up in the Middle East. Numerous human rights abuses and war crimes have occurred in both regions, and many civilians have been killed. The idea of mutual aid is incompatible with war, and we can only hope for an early end to these conflicts. Poverty and disparities are spreading in many parts of the world as divisions continue to grow. It is precisely because of these circumstances that cooperatives need more than ever to play their roles both in Japan and around the globe.

With social issues on the rise, CO•OP Kyosai will continue learning from cooperatives worldwide and join forces with member cooperatives nationwide to solve these issues and contribute to the creation of local communities where members can live with peace of mind.

Toshiaki Wada

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



3

CO•OP Kyosai Long-term Vision 2030

CO•OP Kyosai formulated its Long-term Vision 2030 as a 10-year plan starting in 2020. Through our co-operative insurance business that draws on feedback from co-op members, we will continue endeavoring to support co-op members and their families, and be there for them when needed by making constant improvements in pursuit of reasonable premiums, better coverage that helps them in case of emergencies, easier procedures, and reduced costs.

Main Statement

Cooperating for better future livelihoods

We aim to bring together the strengths of co-op members, promote mutual support, be there for them and their families, and create a new form of mutual aid and better livelihoods for the future in collaboration with co-op members.

Five Values of CO•OP Kyosai

Participation and empathy

To encourage co-op members to participate, shape empathy into concrete forms, and widely disseminate the benefits and beliefs of the CO•OP Kyosai mutual aid initiative among co-op members and employees.

Contribution to livelihoods

To contribute more to livelihood security through CO•OP Kyosai products, especially when the environment surrounding our livelihoods is severe, in particular by offering coverage designed for women and children.

Response to changes

To identify changes in co-op members' livelihoods and living environments, and to transform ourselves as well as take on challenges to remain capable of helping them.

Contribution to local communities

To take on greater roles in local communities by collaborating with national or local government and other organizations to protect the livelihoods of local co-op members amid decreasing populations.

Stable business operation for future livelihoods

To be better equipped to address changes as we face intensifying competition in the insurance industry, industry transformation driven by IT, and the negative pressure exerted by decreasing populations, aging, and declining birth rate.

Business Goals for 2030

1

To expand the circle of direct policyholders of CO•OP Kyosai products to 10 million with the aim of ensuring a lifetime of security for more co-op members.

2

To increase the payment of insurance claims by 30 billion yen (equivalent to payment rate of over 7%) to contribute to the livelihoods of co-op members by directly providing them with greater amounts of benefits.

3

To secure a surplus rate of 18% and a solvency margin ratio of at least 280% on an economic value basis to make CO•OP Kyosai policyholders feel reassured.

What We Aim to Be in 2030 and Seven Areas of Focus to Achieve our Ideals

To be capable of providing lifelong insurance starting before birth through our mutual aid scheme

(Focus on product development)

1

2

To have an expanding circle of mutual aid

(Focus on promotional activities and joint businesses)

To be the kind of mutual aid scheme that co-op members can feel proud of

(Focus on encouraging participation of co-op members and spreading empathy)

3

4

To offer convenient, simple, and reliable procedural steps for policyholders

(Focus on building a clerical structure distinct to CO•OP Kyosai)

To play greater social roles and help co-operative businesses display their comprehensive strengths

(Focus on expanding roles as a business and collaborating with other co-ops)

5

6

To ensure that employees lead enjoyable and fulfilling work lives

(Focus on the development of human resources that sustain CO•OP Kyosai)

To run stable business operations

(Focus on business operations)

7



4

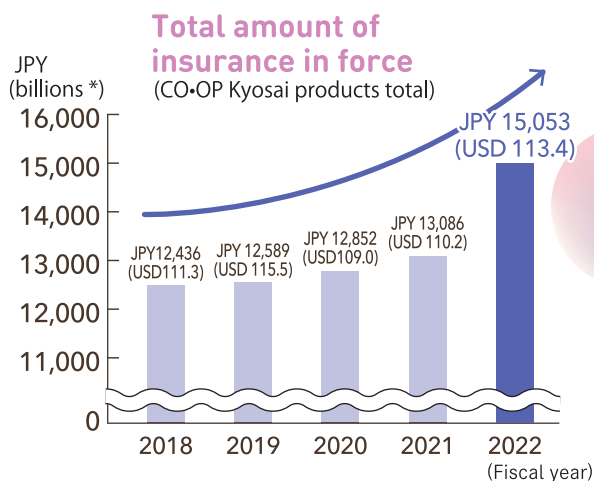
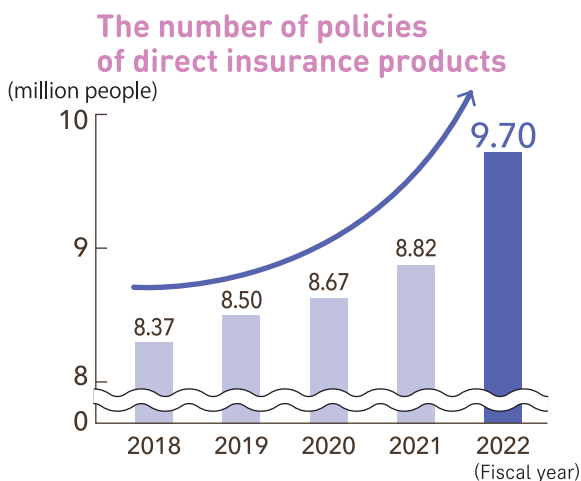
Business Overview

In FY2022, due to the rapid spread of the COVID-19 infection, we paid more than double the amount of insurance payments in previous years. As a result, we were unable to secure a surplus. The loss for the single year of FY2022 was compensated by reversing a part of the voluntary reserve fund that had been accumulated from the past.

Financial Highlights

	USD Millions*	USD Millions*
FY 2021 and 2022	2021 (USD)	2022 (USD)
Ordinary income	\$2,061	\$1,895
Ordinary expenses	\$1,689	\$2,078
Ordinary surplus (Ordinary loss)	\$372	-\$182
Net surplus (Net loss)	\$67	-\$145
Total assets(= Total Capital)	\$4,410	\$3,711
Total liabilities	\$2,980	\$2,603
Total net assets	\$1,429	\$1,108
Number of policies total	9,258,688	10,201,634
Number of policies (CO•OP Kyosai products only)	8,820,059	9,705,130
Total amount of insurance in force (CO•OP Kyosai products only)	\$110 billion	\$113 billion
Solvency margin (%)	1586.7%	1234.1%

Overview of the business results



Fiscal Year	2021 (USD)	2022 (USD)
Premium Income (millions)	\$1,737	\$1,595
Number of Insurance payments	1,441,782	2,878,428
Total Amount of Claims Paid (millions)	\$610	\$1,152

* USD amounts for each fiscal year are converted at the following rates only for convenience.

FY2018: JPY111.65= USD1.00 (as of March 20, 2019)

FY2020: JPY117.9= USD1.00 (as of March 19, 2021)

FY2022: JPY132.68= USD1.00 (as of March 20, 2023)

FY2019: JPY108.98= USD1.00 (as of March 19, 2020)

FY2021: JPY118.69= USD1.00 (as of March 18, 2022)

Asset Management

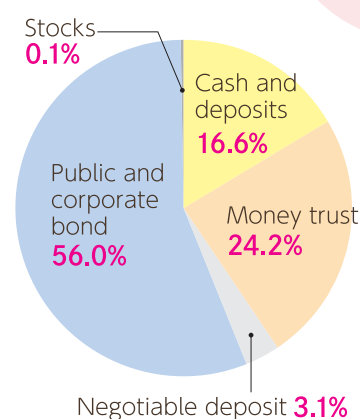
	USD Millions*1	USD Millions*2
Fiscal Year	2021	2022
Cash and deposits	\$689	\$551
Money trust *3	\$1,209	\$804
Negotiable deposit	\$273	\$101
Public and corporate bond	\$1,876	\$1,860
Stocks	\$2	\$1
Foreign bond	\$0	\$0
Other securities	\$0	\$0
Total	\$4,051	\$3,320

*1. USD amounts of FY2021 are converted, for convenience only, at ¥118.69= US \$1.00 (as of March 18, 2022)

*2. USD amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as off March 20, 2023)

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

Composition ratio (%) (FY 2022)



5 Topics of FY2022

1 The power of "mutual aid (tasukeai in Japanese)" demonstrated during the COVID-19 pandemic

(1) 1,458,000 COVID-19 infection-related claims totaling USD 610 million were paid.

Japan experienced two explosive outbreaks of infections in 2022. As a result, CO•OP Kyosai paid out USD 610 million in insurance claims related to COVID-19 infections during the year. CO•OP Kyosai offers a coverage of mutual aid among members. Through the power of 9.7 million people helping each other, we were able to assist many of our members.

(2) Ranked No.1 in customer satisfaction for three consecutive years - top in all 9 indicators

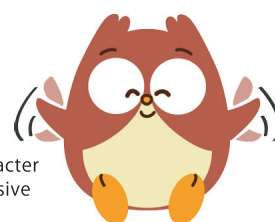
CO•OP Kyosai was ranked No.1 in customer satisfaction in the life insurance category in the third Japanese Customer Satisfaction Index (JCSI) survey results for fiscal 2023 announced on November 7, 2023 by the Japan Productivity Center's Service Productivity & Innovation for Growth (SPRING).

CO•OP Kyosai has been expanding the scope of its usefulness by having each and every one of its employees nationwide listen to the views of its members and undertake their duties and activities with a desire to satisfy members' wishes. As a result, CO•OP Kyosai took first place in all nine indicators (customer expectations, perceived quality, perceived value, customer satisfaction, willingness to recommend, loyalty, emotional satisfaction, disappointment, and CSR) for the first time this fiscal year.

We are grateful for this recognition of the concerted efforts of all the executives and employees of co-ops nationwide to respond to the wishes of our members, and we will continue to make further contributions to the lives of our members in the future.

2 Further strengthening support for young people

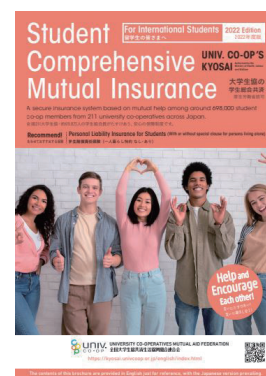
Tanuro, an official character of Student Comprehensive Mutual Insurance



(1) CO•OP Kyosai has taken over the mutual insurance business from the University Co-operatives Mutual Aid Federation

On April 1, 2022, CO•OP Kyosai began handling CO•OP Student Comprehensive Mutual Insurance jointly underwritten with the University Co-operatives Mutual Aid Federation (UNCMAF), and on October 1 of the same year took over all of UNCMAF's mutual insurance business, including Student Comprehensive Mutual Insurance. CO•OP Kyosai will be strengthening its ties with university and regional co-ops and providing students and new working adults with products offering seamless coverage.

As of March 2023, 710,000 students had enrolled in the Student Comprehensive Mutual Insurance plan, which paid out USD 954 million in FY2022.



(2) CO•OP Kyosai is now able to deliver a sense of security even after graduation through its New Working Adult Course

CO•OP Kyosai has formulated a New Working Adult Course (maturity: age 30), a dedicated course constituting a renewal/novation of the Student Comprehensive Mutual Insurance plan that can be applied for after graduation regardless of health status. Key coverage can now be continued without interruption even if life plans change after graduating from university. In addition, policyholders can also apply for the "Tasukeai", term life and medical insurance, Adult Course once they reach the age of 30, regardless of their health status.

6

Outline of CO-OP Kyosai

About consumer cooperatives (Co-ops)

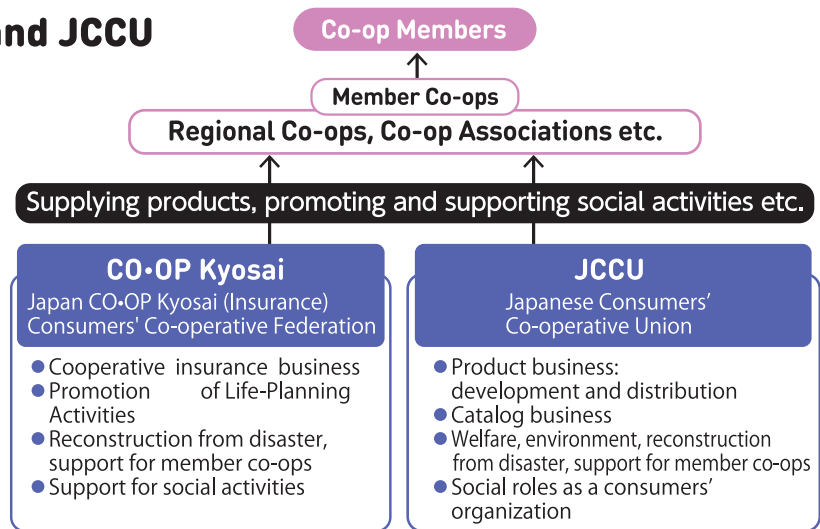
Consumer cooperatives (co-ops) are non-profit cooperative organizations jointly owned by consumers for their mutual benefit, and are established pursuant to the Consumer Cooperatives Act. Consumers provide capital to become a member of a co-op and participate in the decision-making and management of the organization with the aim of achieving a better life.

Co-ops engage in a wide range of activities including supplying merchandise through delivery and at stores; offering mutual aid, medical care, and welfare services; hosting mutual support programs among members; and providing educational programs on everyday life.



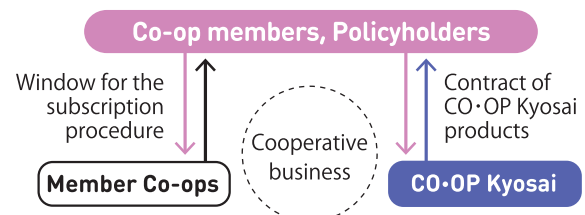
CO-OP Kyosai, Co-op and JCCU

Our organization is a federation of 361 consumer cooperative societies (as of March 20,2023) from across the nation. Although each member co-op is an independent legal entity, each provides CO-OP Kyosai (Insurance) products to its members in cooperation with the federation. CO-OP Kyosai 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 CO-OP Kyosai

CO-OP Kyosai 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

"Service Windows of CO-OP Kyosai"

The main business of member co-ops is retailing (providing home delivery service and operating stores). Each member co-op acts as a service window for the subscription procedure and also provides information on CO-OP Kyosai products. In addition, each member co-op works to support its individual members by offering insurance products responding to a range of needs.

CO-OP Kyosai

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

"CO-OP Kyosai developing products in response to the needs of its members and others"

As well as developing cooperative 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 Kyosai products.

7 Types of CO-OP Kyosai Products

Tasukeai

Term Life and Medical Insurance
(Comprehensive Type)



- Comprehensive coverage for outpatient care due to accident, hospitalization, surgery, death, disability, etc.
- Plan for children, adults, and plan with tolerant requirements.

Number of Policies	6,090,274
Premium Income (USD millions)	824.8
Claims Paid (USD millions)	801.9

Zutto-Ai

Whole Term Life Insurance/
Whole Term Medical Insurance



Zutto- Ai has two types of coverage.

1. Whole Term Life Insurance which covers lifetime death.
2. Whole Term Medical Insurance which covers lifetime hospitalization and surgery.

Number of Policies	803,647
Premium Income (USD millions)	241.0
Claims Paid (USD millions)	73.3

CO-OP Student Comprehensive Mutual Insurance

CO-OP 学生総合共済

- Insurance for university/college and vocational school students.
- Preparation not only for unexpected medical expenses, but also for expenses necessary to continue their academic pursuits in case something happens to their guardians.

Number of Policies	719,592
Premium Income (USD millions)	7
Claims Paid (USD millions)	54

CO-OP Fire Insurance*2



- The coverage against damaged residences caused by a wide range of perils including fire, lightning, explosion, windstorm and flood, etc.
- It can be combined with the insurance which covers the damage caused by earthquakes, tsunamis, eruption.

Number of Policies	416,311
Premium Income (USD millions)	36
Claims Paid (USD millions)	11

Ai-Plus

Long Term Life Insurance



- Coverage for death, which can add special coverages for cancer, hospitalization, and surgery of the insured.
- The maximum sum insured is JPY 30 million (USD 226.1 thousand) in death benefits at a reasonable premium.

Number of Policies	2,091,617
Premium Income (USD millions)	522.4
Claims Paid (USD millions)	221.9

Ai-Plus Platinum 85



- Platinum 85 is an insurance product available for people aged 65 to 70.
- It covers inpatient treatment and death until the age of 85.
- Optional coverage for medical operations and death can also be added as needed.

New i.i.*2

Individual Long- term Life Insurance



- The basic policy is centered on life insurance and maturity benefits.
- It can be combined with policy riders for hospitalization, surgery, and medical care coverage.
- The policy can be renewed for up to 80 years of age.

Number of Policies	20,290
Premium Income (USD millions)	23
Claims Paid (USD millions)	4

Automobile Insurance*2

Reliable compensation to support a contractor's car life.



Number of Policies	59,903
Premium Income (USD millions)	16
Claims Paid (USD millions)	4

*1. USD amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as off March 20,2023)

*2. These products are affiliated with Kokumin Kyosai co-op (National Federation of Workers and Consumers Kyosai Cooperatives) (former Zenrosai).

Direct and Indirect Insurance Products / Group Insurance

CO-OP Kyosai offers direct and indirect insurance products.

Direct insurance contracts: CO-OP Kyosai as a contract underwriter is responsible for collecting insurance premiums and paying insurance benefits. We offer five direct insurance products :Tasukeai, Ai-Plus, Zutto-Ai and CO-OP Student Comprehensive Mutual Insurance.

Indirect insurance products: Indirect products (provided in alliance with Kokumin Kyosai co-op and property and casualty insurance firms, etc.) cover areas beyond the scope of direct insurances products of CO-OP Kyosai. Each contract underwriter is individually responsible for insurance coverage according to the scope of its underwriting, instead of sharing responsibility.

Group insurance

In addition to CO-OP Kyosai products noted above, each co-op offers group insurance products (with CO-OP Kyosai as a policyholder) from several insurance companies to meet various needs of members which are provided with discount premium using a group discount.

8

Payment of Claims

Payment of Claims

Payments of claims, excluding that for CO-OP Fire Insurance, New i.i. and Automobile Insurance is made by CO-OP Kyosai (Payments of claims for CO-OP Fire Insurance, New i.i. and Automobile Insurance is made by Kokumin Kyosai co-op). Claims can be filed at the CO-OP Kyosai call center, at CO-OP Kyosai counters located in co-op supermarkets nationwide, or via the internet.

CO-OP Kyosai's payments are being made in multiple locations in Japan. This is to ensure even if a major disaster occurs, CO-OP Kyosai continues its mission of making payments to its members.

Several ways of making claims



Relief Money to Victims of Devastating Disasters

In CO-OP Kyosai plans, Tasukeai, Ai-Plus, Zutto-Ai and CO-OP Student Comprehensive Mutual Insurance policyholders receive Relief Money in accordance with the CO-OP Kyosai 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 Kyosai offers special assistance in accordance with the magnitude of natural disaster. In the event of a devastating disaster, CO-OP Kyosai 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 Kyosai encloses origami cranes made by Co-op members around the country. This activity originated around 1992, when a 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 had received 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.

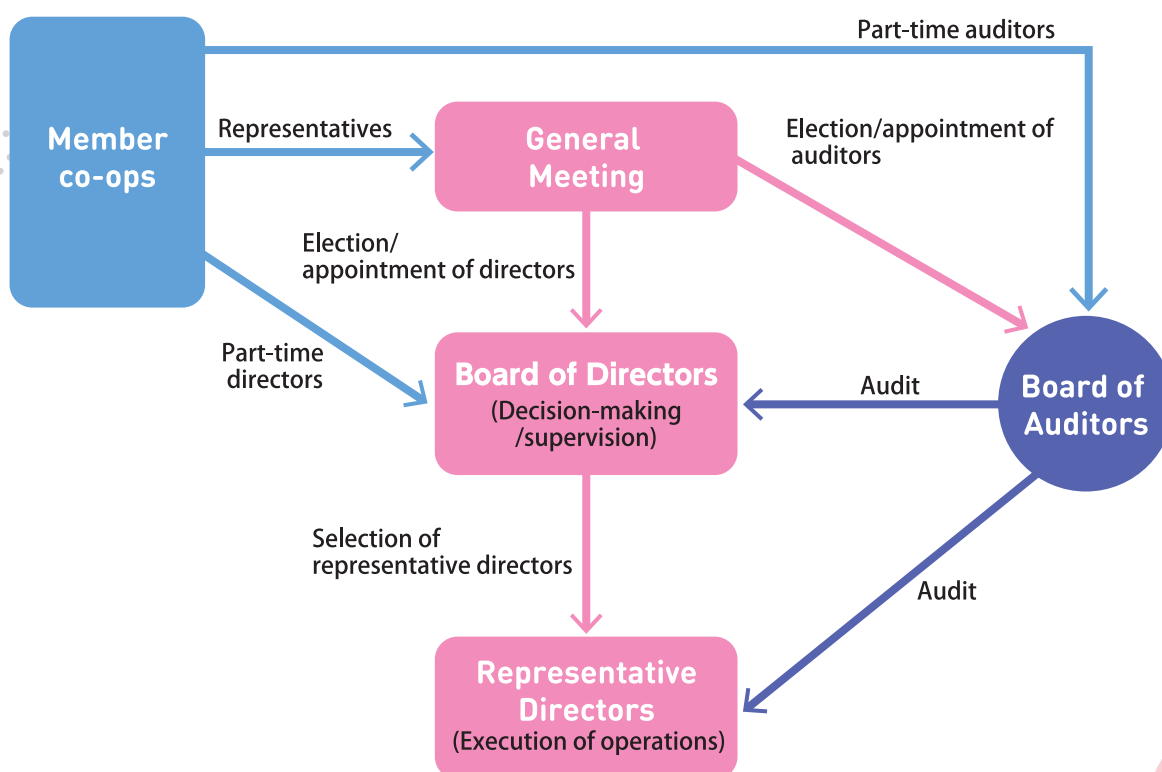


9

Management System

Governance Structure

CO-OP Kyosai's Governance Structure



The governance structure of CO-OP Kyosai is composed of the General Meeting, Board of Directors and Board of Auditors. Being a federation, CO-OP Kyosai is basically a democratic business model formed primarily by representatives of the member co-ops.

The General Meeting is held annually. Each member co-op has representatives commensurate with the size of their membership. To complement the General Meetings, member co-ops' views are gathered through the regional CO-OP Kyosai management committees and regional block conferences across Japan.

The Board of Directors is composed of permanent directors, directors originally from individual co-ops, and outside directors (professionals including researchers, lawyers, and co-op actuaries). Of these directors, the President and the Managing Director serve as representative directors. Execution of daily operations is undertaken by the Board of Permanent Directors. Board of Directors meetings are held every other month. The Board of Auditors is composed of a permanent auditor, part-time auditors and two outside auditors (researcher and accountant).

Risk Management System

In pursuing sound management of the mutual insurance business, CO•OP Kyosai 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.

CO•OP Kyosai manages, monitors and controls the risks that it has. Each risk is monitored or controlled by the responsible department.

Business Operations Based on Policyholders' Feedbacks

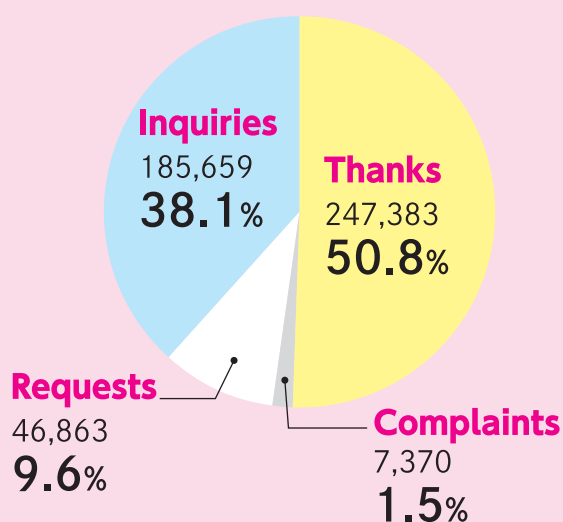
(1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

CO•OP Kyosai, 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 FY2022

We had 487,275 complaints and requests in Fiscal 2022.

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 issue. In addition, we report all complaints and opinions to all departments once a week.

10 Co-op Action Plan for SDGs

Co-op Action Plan for SUSTAINABLE DEVELOPMENT GOALS

We commit to the contribution to the achievement of the Sustainable Development Goals (SDGs). Declared at the 68th Annual General Assembly of Japanese Consumers' Co-operative Union.

We have been dedicating ourselves to the realization of a more human lifestyle and sustainable society under the "Ideal of Japanese Consumer Co-ops Movement for the 21st Century", adopted at the JCCU Annual General Assembly in 1997.

The SDGs which aim to leave no one behind are consistent with our philosophy.

We declare that we will work both locally and internationally to achieve the SDGs through seven actions.



We will eliminate poverty and hunger from the world and promote support for children.



We will promote gender equality and create an inclusive society.



We will expand health promotion and promote welfare services and mutual help.



We will spread the use of renewable energy and promote Global Warming Countermeasures.



We will promote activities to eliminate nuclear weapons and to achieve the world peace.



We will participate in creating a society where everyone can live with a sense of security.



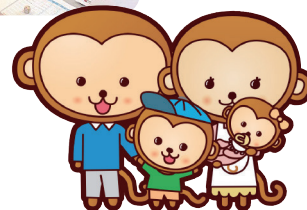
We will continue to review and improve our products and lifestyle for a sustainable production and consumption.

11 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, CO-OP Kyosai 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 CO-OP Kyosai in order to become LPA. As of March 20, 2023, 5,048 people have completed the LPA courses and 1,755 LPAs are active at member Co-ops across Japan. Life-Planning activities have now become firmly established as Co-op activities. These activities includes Lecture, Workshop, Workshop for children, Learning activity, individual consulting, "Senryu" Project, and others. In FY 2022, more than 31,031 people in total participated in the activities, principally in Workshops on Reviewing Insurance. Due to the spread of Covid-19, some of these activities were held online.



Grants to Promote Mutual Support in Communities

The Grants to Promote Mutual Support in Communities is a grant for practical activities carried out in collaboration between co-ops and organizations other than co-ops toward the realization of a community-based inclusive society.

CO-OPs realize better lives by listening to the voices of CO-OP members, sympathizing with them, and taking action with them. Having this background, the CO-OP has great power to solve local issues and contribute to



local development by collaborating and cooperating with various organizations. Furthermore, we believe that we can contribute to the realization of a "symbiotic society in a community." By sharing thoughts among different organizations and collaborating together while making the most of respective strengths, we can produce better results that cannot be achieved individually.

In FY2022, we subsidized 31 organizations for USD 144 thousand after conducting the examination.

Health Improvement Activities

A fundamental challenge for CO-OP Kyosai activities is the improvement of the health and welfare of people. In order to assist members and policyholders to improve their health, CO-OP Kyosai 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

CO-OP Kyosai has installed 196 automatic blood pressure measuring devices at 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.

(2) CO-OP Kyosai Health Call Center

CO-OP Kyosai offers a free phone consultation service made available to Tasukeai, Ai-Plus, Zutto-Ai, CO-OP Student Comprehensive Mutual Insurance and New i.i. policyholders. CO-OP Kyosai 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.

CO-OP Kyosai also has an exclusive call center for members of university co-ops.



(3) Support Project for Health Promotion

CO-OP Kyosai started its CO-OP Kyosai 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 2022, we extended financial support totalling USD 911 thousand for 43 co-ops, 46 activities.

Donation of School Bag Covers

Since fiscal 2015, as part of its social contribution activities, CO-OP Kyosai 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 year 2022, we donated more than 300 thousand covers to children newly enrolled in 5,837 elementary schools nationwide. To schools where pupils use nylon backpacks, we donated notebook holders for teacher-parents correspondence notepads (121.6 thousand holders to 1,491 schools nationwide).

The yellow school bag cover featuring an illustration of Co-suke, CO-OP Kyosai'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.



International Relations

CO-OP Kyosai engages in initiatives to promote co-op activities in partnership with co-ops and mutual aid organizations overseas.

International Co-operative Alliance (ICA)

ICA is an international organization founded in 1985 by co-ops around the world. For the purpose of spreading the cooperative movement across the globe, disseminating the values and principles of co-ops, promoting international collaboration among co-ops, and contributing to world peace and safety, ICA makes recommendations to international organizations, endeavors to have its opinions reflected, hosts global conferences, and disseminates information. It is the world's largest non-governmental organization (NGO), representing more than one billion members. CO-OP Kyosai joined ICA in 2017.

International Co-operative Mutual Insurance Federation (ICMIF)

One of ICA's specialty organizations, ICMIF was established to support the global development of cooperative/mutual insurance movements. CO-OP Kyosai joined ICMIF on March 21, 2009.

Asia and Oceania Association of ICMIF (AOA)

Established in 1984 as one of the regional associations of ICMIF, AOA supports the development of cooperative/mutual insurance movements in the Asia and Oceania region.

Partnerships with International Organizations

CO-OP Kyosai cooperates and collaborates with co-ops and mutual aid organizations overseas in a range of initiatives based on the cooperative philosophy.

Participated in the ICMIF Centenary Conference in Rome

In October 2022, CO-OP Kyosai participated in the ICMIF centenary conference held in Rome, Italy, the theme of which was "Leading with purpose." More than 400 people from 41 countries participated, and more than 50 speakers gave presentations and engaged in discussions. Our president, Toshiaki Wada, also shared his insight at the session entitled "Building a mutual brand." Five younger staff members from CO-OP Kyosai joined Young Leaders Programme, which is ICMIF's special program for younger employees. It provides special seminars and communication opportunities for younger generations worldwide.



CO-OP Kyosai Joined the ICA-AP regional assembly for the first time

In November 2023, the ICA-AP Regional Assembly was held in Manila, the Philippines. More than 600 participants from 29 countries attended from the Asia Pacific and other regions. CO-OP Kyosai's general manager and three young leaders participated in the assembly for the purpose of learning about co-operatives through sessions and communication with other attendees.

In addition to co-operative identity, which is under review, "diversity" and "inclusiveness" were also major core topics at the Forum and General Assembly under the theme of "Cooperatives: Our Common Challenge."



12 Balance Sheet

FY 2021 and 2022

	USD Millions *1	USD Millions *2
Assets	2021 (USD)	2022 (USD)
Cash and deposits	\$689	\$551
Money trust	\$1,209	\$804
Securities	\$2,152	\$1,964
Reinsurance account	\$1	\$1
Business consignment account	\$65	\$59
Contract account	\$2	\$2
Other mutual insurance assets	\$1	\$1
Prepaid expenses	\$0	\$0
Accrued income	\$1	\$1
Other assets	\$25	\$33
Fixed assets for business use	\$97	\$103
Investment in affiliates etc.	\$2	\$3
Differed tax assets	\$159	\$179
Differed assets	—	—
Total assets	\$4,410	\$3,711

Liabilities	2021 (USD)	2022 (USD)
Policy reserves	\$2,787	\$2,444
Reinsurance account	\$2	\$2
Business consignment account	\$36	\$34
Contract account	\$0	\$0
Other mutual insurance liabilities	\$3	\$2
Accrued expenses	\$29	\$28
Other liabilities	\$48	\$18
Allowance	\$16	\$18
Price fluctuation reserves	\$55	\$54
Total liabilities	\$2,980	\$2,603

Net assets	2021 (USD)	2022 (USD)
Member capital	\$1,419	\$1,118
Others	\$10	\$-10
Total net assets	\$1,429	\$1,108
Total liabilities and net assets	\$4,410	\$3,711

* 1. USD amounts of FY2021 are converted, for convenience only, at ¥118.69= US \$1.00 (as of March 18,2022)

* 2. USD amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as of March 20,2023) and rounded down to the nearest \$1 thousand.

* 3. In FY2022, due to the rapid spread of the COVID-19 infection, we paid more than double the amount of insurance payments in previous years.

13 Income Statement

FY 2021 and 2022

	USD Millions *1	USD Millions *2
Ordinary Income	2021 (USD)	2022 (USD)
Premium and other income	\$1,747	\$1,610
Reversal of policy reserves	\$288	\$264
Investment income	\$19	\$16
Other ordinary income	\$5	\$3
Total ordinary income	\$2,061	\$1,895
Ordinary Expenses	2021 (USD)	2022 (USD)
Claims paid	\$929	\$1,412
Provision of policy reserves	\$225	\$130
Investment expenses	\$2	\$1
Business expenses	\$529	\$531
Other ordinary expenses	\$2	\$2
Total ordinary expenses	\$1,689	\$2,0
Ordinary Surplus (Ordinary Loss)	\$372	\$-182
Extraordinary Income or Loss	2021 (USD)	2022 (USD)
Extraordinary income	—	—
Extraordinary loss	\$5	\$5
Surplus before taxes	\$366	\$-187
Income taxes	\$33	\$2
Refund of income taxes	—	\$-18
Income taxes-deferred	\$-5	\$-29
Provision of rebate reserves	\$271	\$3
Net surplus	\$67	\$-145
Net surplus for the period	\$5	\$2
Reversal of reserve for catastrophe solatium	\$0	\$0
Reversal of reserve for office system maintenance	\$7	\$9
Reversal of reserve for subscriber contribution	\$1	\$1
Reversal of reserve for strengthening sales promotion	—	\$1
Reversal of reserve for strengthening financial base	—	\$129
Unappropriated surplus for the period	\$81	-

* 1. USD amounts of FY2021 are converted, for convenience only, at ¥118.69= US \$1.00 (as of March 18, 2022)

* 2. U.S. dollar amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as of March 20, 2023) and rounded down to the nearest \$1 thousand.

* 3. In FY2022, due to the rapid spread of the COVID-19 infection, we paid more than double the amount of insurance payments in previous years.

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Management Index

FY 2021 and 2022

	USD Millions *1	USD Millions *2
Solvency Margin Ratio	2021 (USD)	2022 (USD)
Total solvency margin ①	\$2,033.6	\$1,612
Total risks ②	\$256.3	\$261
Solvency margin ratio = ① ÷ (② × 1/2) × 100	\$15.9	12%

Breakdown of Basic Profit	2021 (USD)	2022 (USD)
Basic profit	\$384.2	\$-164
Investment profit	\$1.8	\$1
Risk profit	\$309.5	\$205
Expense profit	\$72.8	\$41

Equity Capital Ratio	2021 (USD)	2022 (USD)
Equity capital ①	\$1,429.6	\$1,108
Contingency reserves ②	\$494.0	\$462
Revised equity capital = ① + ②	\$1,923.7	\$1,570
Total assets ③	\$4,410.0	\$3,711
Equity capital ratio = ① / ③	\$0.3	29.9%
Revised equity capital ratio	\$0.4	42.3%

* 1. USD amounts of FY2021 are converted, for convenience only, at ¥118.69= US \$1.00 (as of March 18,2022)

* 2. USD amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as of March 20,2023)

* 3. In FY2022, due to the rapid spread of the COVID-19 infection, we paid more than double the amount of insurance payments in previous years.

* 4. The solvency margin ratio of CO-OP Kyosai is calculated based on the Consumer Cooperatives Act as determined by the Ministry of Health, Labor and Welfare.
Therefore, it is incommensurable with the solvency margin ratio of life insurance companies and nonlife insurance companies. According to the Ministry of Health, Labor and Welfare, the rate needs more than 200%.

* 5. The total solvency margin is limited to what can be divided in the CO-OP Kyosai business.

* 6. 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 operation expenses.

* 7. 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.

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

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

Profile of CO•OP Kyosai (Former JCIF)

Name

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

Abbreviation

CO•OP Kyosai

Head office

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

Established

November 5, 2008

Number of Member Co-ops

361 (as of March 20, 2023)

Detail of operations

CO•OP Kyosai (mutual Insurance) Business

CO•OP Kyosai is the Federation Specializing in Mutual Insurance Businesses

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

Up until 2008, the JCCU and member co-ops were engaged in not only in 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, CO•OP Kyosai, to specialize in providing mutual insurance products.

In 2021, CO•OP Kyosai changed its English name from Japan CO-OP Insurance Consumers' Co-operative Federation to Japan CO-OP Insurance (Kyosai) Consumers' Co-operative Federation. The abbreviation was also changed at the same time from JCIF to "CO•OP Kyosai." Our organization decided to use the Japanese word "Kyosai" in our English name, which means mutual aid and especially helping each other, to introduce the unique idea of "Kyosai" internationally.

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co·Op kyosai

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