



Cooperating for Future Livelihoods

CO-OP kyosai

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

ANNUAL REPORT 2024

Year Ended March 20, 2024

ANNUAL REPORT

2024

Year Ended March 20, 2024

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 20,2024 (Fiscal Year 2023: March 21, 2023- March 20, 2024)

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 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 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

In Japan, the 2024 Noto Peninsula Earthquake occurred on January 1, 2024. More than 400 people died, including earthquake-related deaths, and many people are still forced to live inconvenient lives. In the aftermath of the earthquake, CO-OP Kyosai member co-ops across Japan provided support and joined forces to visit CO-OP Kyosai policyholders in the disaster-stricken area. This was an opportunity to once again deeply recognize the importance of CO-OP Kyosai's value of "mutual aid." We will continue to join forces with co-ops across the country to expand the circle of "mutual aid" for the earliest possible recovery.

In 2024, the "pre-birth application" started in September, allowing applications to be made for children before their birth. This is a unique insurance product that empathizes with a mother's love for her unborn baby. It can be applied for upon notification of the mother's health condition and by meeting various other conditions, regardless of the unborn child's health state. The insurance can be continued from the junior course for babies immediately after their birth to the CO-OP Student Comprehensive Mutual Insurance for university students, and New Working Adult Course can be continued to the "Tasukeai" adult course, thus realizing "seamless" coverage from a young age onward. With this, CO-OP Kyosai is approaching its "ideal state of being able to provide lifelong coverage through a system of mutual aid from even before birth" that we hold up in our vision for 2030. In order to link the product to support for families raising children, we will encourage and promote this revised product widely to people in communities.

CO-OP Kyosai will celebrate its 40th anniversary in July 2024. We will also celebrate the 30th anniversary of life planning activities, in which co-op members learn from each other about insurance and lifestyles. CO-OP Kyosai was born from the voices of co-op members, and to this day, we continue to receive many comments from members every year. I am sincerely grateful to be able to continue to revise our products and

improve our procedures based on the feedback we have received.

At the end of FY2023, the number of primary insurance subscribers reached 9.76 million, and in the third JCSI (Japanese Customer Satisfaction Index) survey in the life insurance field for FY2023, CO-OP Kyosai won first place in all nine indicators for the first time. I am very pleased to receive this recognition of the efforts of each and every employee of our member co-ops across Japan and the federation of CO-OP Kyosai, and this will serve as encouragement to co-op executives and employees across the country. We will aim to make CO-OP Kyosai more convenient and easy-to-understand not only in terms of product revisions, but also in terms of easy-to-understand procedures such as claim for Kyosai (insurance) money.

Looking at the world, more than two years have passed since Russia invaded Ukraine, and in the Middle East, the conflict between Israel and Palestine continues, with many civilians being victimized even today. Many cities have been destroyed, and reports of human rights abuses and war crimes have continued unabated. War, which threatens the "livelihood" of citizens, and CO-OP Kyosai's philosophy of "mutual aid" are completely incompatible. I can only hope for a quick end to the wars. Divisions continue to progress across the world, and poverty and disparity are spreading. There is no end in sight, but it is precisely because of this situation that cooperatives are being called upon to play a greater role both in Japan and around the world. Although social issues continue to increase, CO-OP Kyosai will listen to each and every voice and work together with its member co-ops across Japan to solve these issues and contribute to the creation of communities where co-op members and local residents 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

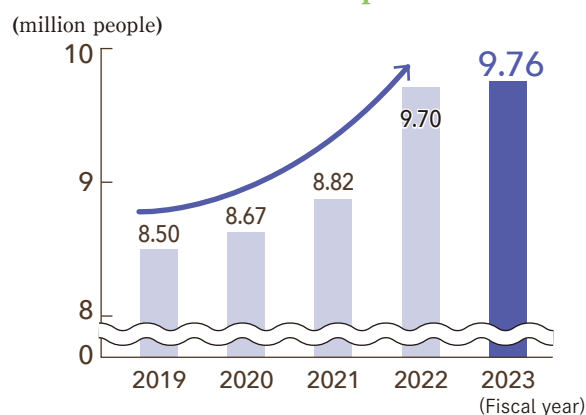
Financial Highlights

Fiscal Year	USD Millions*	USD Millions*
	2022 (USD)	2023 (USD)
Ordinary income	\$1,895	\$1,610
Ordinary expenses	\$2,078	\$1,316
Ordinary surplus (Ordinary loss)	-\$182	\$293
Net surplus (Net loss)	-\$145	\$70
Total assets(= Total Capital)	\$3,711	\$1,064
Total liabilities	\$2,603	\$2,591
Total net assets	\$1,108	\$1,064
Number of policies total	10,201,634	10,276,117
Number of policies (CO•OP Kyosai products only)	9,705,130	9,769,225
Total amount of insurance in force (CO•OP Kyosai products only)	\$113 billion	\$100 billion
Solvency margin (%)	1234.1%	1294.9%

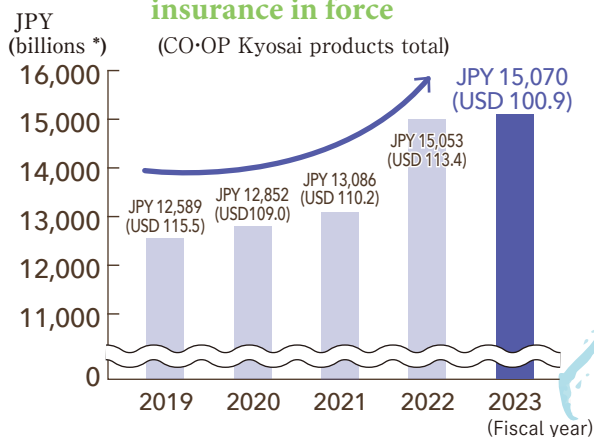
*In FY2022, due to the Covid-19 pandemic, CO-OP Kyosai paid more than double the amount of insurance.

Overview of the business results

The number of policies of direct insurance products



Total amount of insurance in force



Fiscal Year	2022 (USD)	2023 (USD)
Premium Income (millions)	\$1,595	\$1,499
Number of Insurance payments	2,878,428	1,573,085
Total Amount of Claims Paid (millions)	\$1,152	\$568

*USD amounts of FY2019 are converted, for convenience only, at ¥108.98= US\$1.00 (as of March 19, 2020).

*USD amounts of FY2020 are converted, for convenience only, at ¥108.97= US\$1.00 (as of March 18, 2021).

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

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

*USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US\$1.00 (as of March 19, 2024).

Asset Management

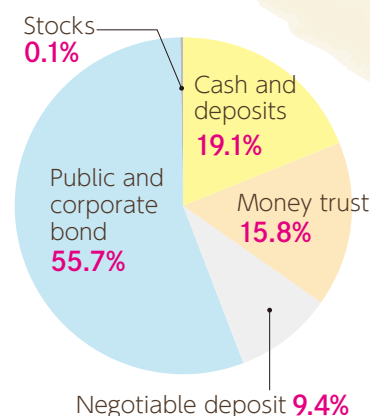
Fiscal Year	USD Millions *1	USD Millions *2
	2022	2023
Cash and deposits	\$551	\$637
Money trust *3	\$804	\$526
Negotiable deposit	\$101	\$314
Public and corporate bond	\$1,860	\$1,861
Stocks	\$1	\$1
Total	\$3,320	\$3,341

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

*2. USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US \$1.00 (as of March 19,2024)

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

Composition Ratio (%) (FY 2023)



5 Hot Topics

CO-OP Kyosai celebrates its 40th anniversary in 2024.

CO-OP Kyosai started in 1984. CO-OP Kyosai was created in response to the needs of co-op members at the time when there was little coverage that met the needs of women, who made up the majority of its members.

CO-OP Kyosai has continued revising its products based on its members' feedback. This includes insurance products such as the "Tasukeai" courses, term life and medical insurance (comprehensive type) for children and women, "Ai-Plus," which combines a large life insurance and cancer rider, the "Zutto-Ai," which provides lifetime medical and life insurance, and the CO-OP Student Comprehensive Mutual Insurance for university students. As a result, CO-OP Kyosai has grown to a circle of mutual aid with 9.76 million policyholders. CO-OP Kyosai will continue to work together with co-ops and their members across Japan.



(1) In September 2024, "pre-birth application" will be realized.

In September 2024, a "pre-birth application" system will be established to allow mothers to apply for the "Tasukeai" Junior course before their baby is born as a first good-luck charm for the baby in the mother's womb. It can be applied for upon notification of the mother's health condition and by meeting various other conditions, regardless of the unborn child's health state, and coverage will begin as soon as the child is born.



Thanks to the wishes of our co-op employees across the country and the helping hands of our approximately 9.76 million insurance subscribers, we are now able to provide peace of mind to more families raising children. CO-OP Kyosai will expand this system within communities and link it to child rearing support.

(2) CO-OP Kyosai wins first place in the customer satisfaction survey for three consecutive years, and first place in all indicators for the first time.

On November 7, 2023, Service Productivity & Innovation for Growth (SPRING), Japan Productivity Center, a public interest incorporated foundation, announced the results of the FY2023 JCSI (Japanese Customer Satisfaction Index) 3rd survey. CO-OP Kyosai has won first place in the life insurance field for three consecutive years. In addition, CO-OP Kyosai won first place in all indicators for the first time.

Going forward, all co-op officers and employees across the country will continue to work together to empathize with and provide sincere support to co-op members, thereby making CO-OP Kyosai more convenient and easy-to-understand.

(3) The 2024 Noto Peninsula Earthquake

Joining forces with co-ops across Japan, we visited CO-OP Kyosai subscribers in the disaster-stricken area.

On January 1, 2024, an earthquake at a magnitude of 7.6 on the Richter scale occurred on the Noto Peninsula. More than 400 people died, including earthquake-related deaths. In order to deliver insurance payment and relief money to those affected as quickly as possible, CO-OP Kyosai visited the homes of insurance subscribers and evacuation centers to accept claims for disaster relief money. The visitation activities began at the end of January. By April 12, a total of 163 people, including 64 supporters from co-ops and co-op business federations across Japan and employees of CO-OP Kyosai, worked together and visited 4,792 homes in Niigata, Toyama, and Ishikawa prefectures.



<Co-op member's voice> I was very satisfied with CO-OP Kyosai's fast payment of the relief money for the Noto Peninsula Earthquake ahead of others. I was very grateful that they drove on a road that was not yet restored after the disaster to visit me. Thank you to the co-op employees for visiting me even though there was a risk of dangerous aftershocks.

6 Outline of CO-OP Kyosai

About consumer cooperatives (Co-ops)

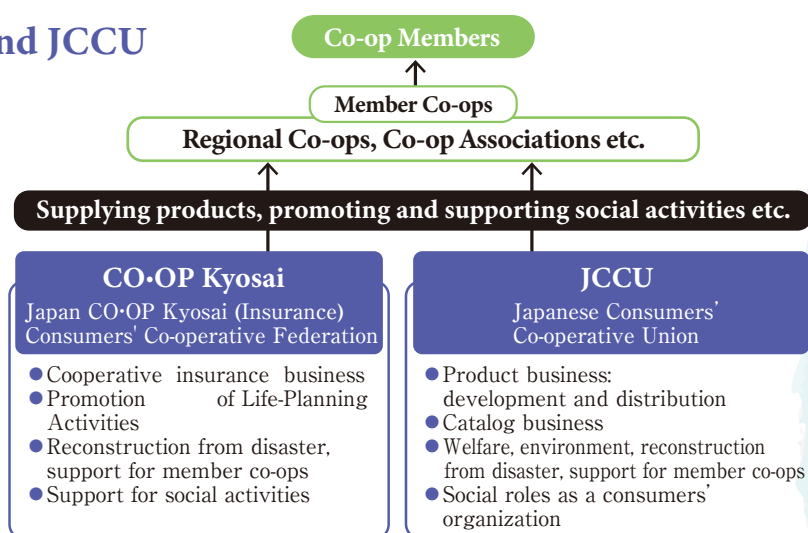
Consumer cooperatives (co-ops) are non-profit cooperative organizations jointly owned by consumers for their mutual benefit, and are established pursuant to the Consumer Cooperatives Act. Consumers provide capital to become a member of a co-op and participate in the decision-making and management of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



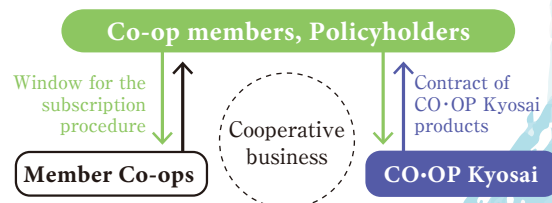
CO-OP Kyosai, Co-op and JCCU

Our organization is a federation of 357 consumer cooperative societies (as of March 20,2024) 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	6,058,557
Premium Income (USD millions)	\$732
Claims Paid (USD millions)	\$325

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	847,607
Premium Income (USD millions)	\$224
Claims Paid (USD millions)	\$39

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	773,992
Premium Income (USD millions)	\$74
Claims Paid (USD millions)	\$28

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	421,449
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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	2,089,069
Premium Income (USD millions)	\$467
Claims Paid (USD millions)	\$175

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	18,816
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Automobile Insurance*2

マイカー共済

Reliable compensation to support a contractor's car life.

Number of Policies	66,627
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*1. USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US \$1.00 (as of March 19,2024)

*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

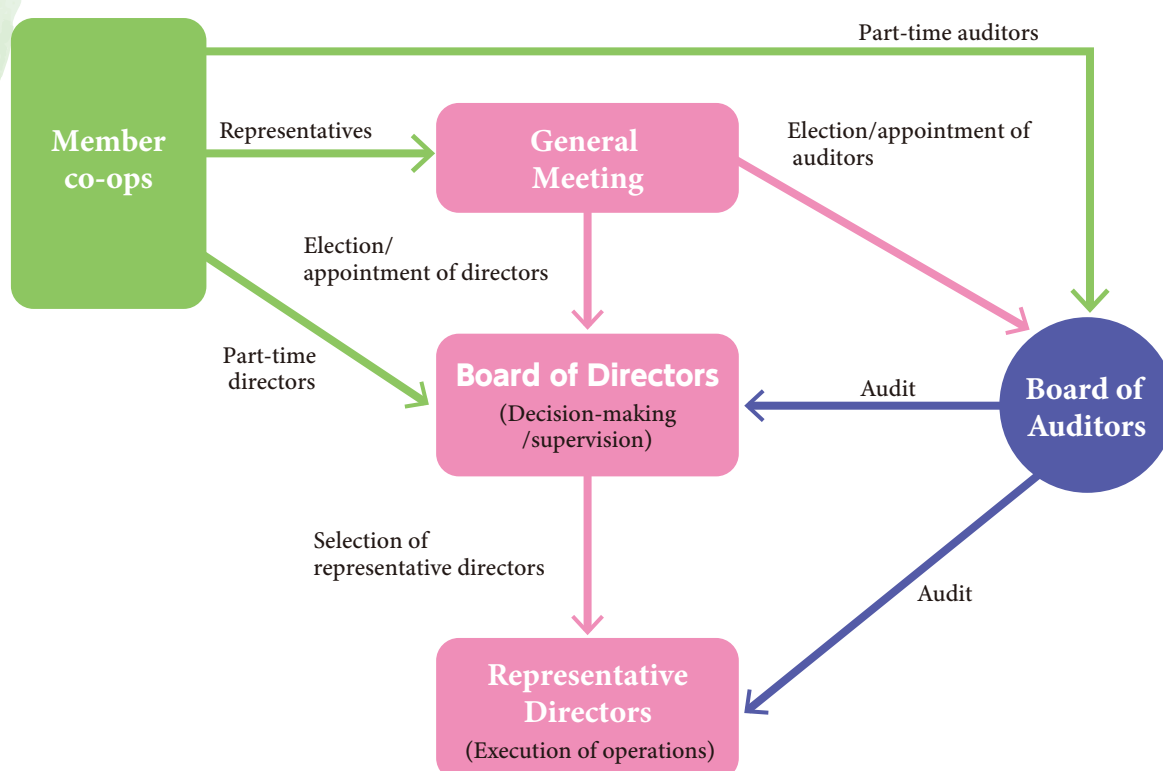
currently participate in making origami cranes at Co-ops around the country, some recipients of origami cranes in turn send us origami cranes of their own making, resulting in a growing circle of people connected to each other with origami cranes. Moreover, many respondents to the questionnaire enclosed 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

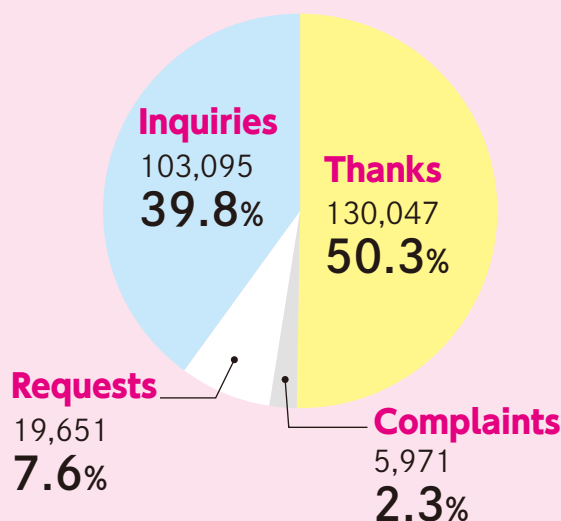
(1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

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 FY2023

We had 258,764 complaints and requests in Fiscal 2023.

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



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, 2024, 5,220 people have completed the LPA courses and 1,626 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 2023, more than 31,169 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 FY2023, we subsidized 35 organizations for USD 160.4 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 285 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 2023, we extended financial support totalling USD 992.9 thousand for 46 co-ops, 50 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 2023, we donated more than 300 thousand covers to children newly enrolled in 5,896 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.

CO-OP Kyosai Welcomed AOA Members at the University of Tokyo CO-OP

In May 2024, a delegation of Asia and Oceania Association (AOA), one of the regional associations of International Cooperative and Mutual Insurance Federation (ICMIF), visited Japanese member co-ops. CO-OP Kyosai, together with AOA, the National Mutual Insurance Federation of Agricultural Cooperatives, and the National Federation of Workers and Consumers Kyosai Cooperatives, hosted 26 participants from 11 organizations.

CO-OP Kyosai, in cooperation with the University of Tokyo CO-OP, a member co-op, explained the CO-OP Student Comprehensive Mutual Insurance, a globally unique mutual insurance program for university students, and the efforts of the university co-ops.

Young presenters, including the student committee chairperson of the University of Tokyo CO-OP and the director of the National Federation of University Co-operative Associations, introduced the four pillars of mutual aid for university co-ops, such as "participation, payments, reporting, and prevention," with a special focus on prevention. The presenters introduced how they are protecting the health and safety of members and ensuring that they can continue their studies.



12 Balance Sheet

FY 2021 and 2022

	USD Millions *1	USD Millions *2
Assets	2022 (USD)	2023 (USD)
Cash and deposits	\$551	\$637
Money trust	\$804	\$526
Securities	\$1,964	\$2,177
Reinsurance account	\$1	\$1
Business consignment account	\$59	\$54
Contract account	\$2	\$2
Other mutual insurance assets	\$1	\$1
Prepaid expenses	\$0	\$0
Accrued income	\$1	\$1
Other assets	\$33	\$22
Fixed assets for business use	\$103	\$77
Investment in affiliates etc.	\$3	\$2
Differed tax assets	\$179	\$150
Differed assets	—	—
Total assets	\$3,711	\$3,656

Liabilities	2022 (USD)	2023 (USD)
Policy reserves	\$2,444	\$2,452
Reinsurance account	\$2	\$1
Business consignment account	\$34	\$30
Contract account	\$0	\$0
Other mutual insurance liabilities	\$2	\$2
Accrued expenses	\$28	\$25
Other liabilities	\$18	\$21
Allowance	\$18	\$16
Price fluctuation reserves	\$54	\$40
Total liabilities	\$2,603	\$2,591

Net assets	2022 (USD)	2023 (USD)
Member capital	\$1,118	\$1,064
Others	-\$10	\$0
Total net assets	\$1,108	\$1,064
Total liabilities and net assets	\$3,711	\$3,656

- *1. USD amounts of FY2022 are converted, for convenience only, at ¥132.68= US \$1.00 (as of March 20,2023)
 *2. USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US \$1.00 (as of March 19,2024)
 *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	2022 (USD)	2023 (USD)
Premium and other income	\$1,610	\$1,507
Reversal of policy reserves	\$264	\$85
Investment income	\$16	\$12
Other ordinary income	\$3	\$4
Total ordinary income	\$1,895	\$1,610
Ordinary Expenses	2022 (USD)	2023 (USD)
Claims paid	\$1,412	\$679
Provision of policy reserves	\$130	\$147
Investment expenses	\$1	\$11
Business expenses	\$531	\$474
Other ordinary expenses	\$2	\$2
Total ordinary expenses	\$2,078	\$1,316
Ordinary Surplus (Ordinary Loss)	-\$182	\$293
Extraordinary Income or Loss	2022 (USD)	2023 (USD)
Extraordinary income	\$0	\$7
Extraordinary loss	\$5	\$0
Surplus before taxes	-\$187	\$301
Income taxes	\$2	\$7
Refund of income taxes	\$18	—
Income taxes-deferred	-\$29	\$6
Provision of rebate reserves	\$3	\$217
Net surplus	-\$145	\$70
Net surplus for the period	\$2	—
Reversal of reserve for catastrophe solatium	\$9	—
Reversal of reserve for office system maintenance	\$0	\$0
Reversal of reserve for subscriber contribution	\$1	\$1
Reversal of reserve for strengthening sales promotion	\$1	\$1
Reversal of reserve for strengthening financial base	\$129	—
Unappropriated surplus for the period	-	\$73

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

*2. USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US \$1.00 (as of March 19,2024)

*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.

14 Management Index

FY 2021 and 2022	USD Millions *1	USD Millions *2
Solvency Margin Ratio	2022 (USD)	2023 (USD)
Total solvency margin	\$1,433	\$1,532
Total risks	\$232	\$236
Solvency margin ratio	1234.10%	1294.9%
Breakdown of Basic Profit	2022 (USD)	2023 (USD)
Basic profit	-\$146	\$332
Investment profit	-\$1	\$0
Risk profit	-\$182	\$310
Expense profit	\$36	\$22
Equity Capital Ratio	2022 (USD)	2023 (USD)
Equity capital ①	\$984	\$1,064
Contingency reserves ②	\$410	\$423
Revised equity capital = ① + ②	\$1,395	\$1,488
Total assets ③	\$3,299	\$3,656
Equity capital ratio = ① / ③	0	29.1%
Revised equity capital ratio	0	40.7%

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

*2. USD amounts of FY2023 are converted, for convenience only, at ¥149.28= US \$1.00 (as of March 19,2024)

*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

357 (as of March 20, 2024)

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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