



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

ANNUAL REPORT

2022

Year Ended March 20, 2022

Cooperating for Future Livelihoods

CO-OP kyosai

ANNUAL REPORT 2022

Year Ended March 20, 2022

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 20,2022 (Fiscal Year 2021: March 21, 2021- March 20, 2022)

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

The uncontrollable spread of COVID-19 has continued since the beginning of 2020, with the cumulative number of cases exceeding 600 million worldwide and 18 million in Japan as of the end of August 2022. I would like to pray for the souls of the victims and extend my deepest sympathies to those who have suffered from the disease. The seemingly endless fight against the virus has left the entire society exhausted and has widened economic and medical disparities, exerting a tremendous impact on the daily lives of co-op members.

Under such circumstances, as in fiscal 2020, CO-OP Kyosai continued to extend the grace period for the payment of insurance premiums. We considered cases of COVID-19 patients recuperating at home as equivalent to those having been hospitalized, paying out 6.2 billion yen in insurance claims, which was more than tenfold the amount paid last year, to support co-op members.

In the CO-OP Kyosai business, the number of policyholders of direct insurance (kyosai) products reached 8.82 million. Adding those holding indirect insurance (kyosai) products, the number increased to 9.25 million as of the end of fiscal 2021, generating premiums exceeding 206.0 billion yen in total.

In fiscal 2021, we started widely accepting applications for Student Comprehensive Mutual Insurance and extended the expiry age of the Junior Course of CO-OP Insurance Tasukeai from 20 to 30, thereby facilitating our path to achieving the milestone of 10 million direct insurance (kyosai) product policyholders, which is one of the targets upheld under the CO-OP Kyosai Long-term Vision 2030. In September 2022, we will start offering a new CO-OP Insurance Tasukeai course with better coverage. By broadening the coverage for men in addition to women and children, CO-OP Kyosai's area of strength, and drawing on the mechanism of mutual aid, CO-OP Kyosai will move a step closer to offering lifetime coverage.

Furthermore, we are increasing our measures to push forward with digital transformation (DX) in an

effort to enhance convenience for co-op members. For example, we now accept contract applications via the Internet, have expanded the "CO-OP Kyosai my page" functions, and provide suggestions on the most optimal coverage for each co-op member via an online system. The free phone consultation service for older members, which started in fiscal 2020, also continues to be well received.

Given the diversifying forms and needs of families, we will continue to improve our products and step up our services for co-op members by utilizing their valuable feedback.

As part of our social initiatives, the Grants to Promote Mutual Support in Communities project, which started in fiscal 2012 and marked its 10th anniversary this year, was restarted with a newly designed program. As exemplified by this donation project, which provides support to medical professionals struggling against the COVID-19 pandemic as well as to children and students in financial need, we will continue to make contributions to society.

In current world affairs, Russia's military invasion of Ukraine has been taking a serious toll on civilians. CO-OP Kyosai joins with other co-ops and their members across the world in making an appeal for peace.

Japan faces myriad social issues, but CO-OP Kyosai will endeavor to work with our member co-ops nationwide to resolve them and bring reassurance to co-op members. We ask for your continued understanding and support.

Toshiaki Wada

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



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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

To have an expanding circle of mutual aid

(Focus on promotional activities and joint businesses)

2

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

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

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

4

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

To ensure that employees lead enjoyable and fulfilling work lives

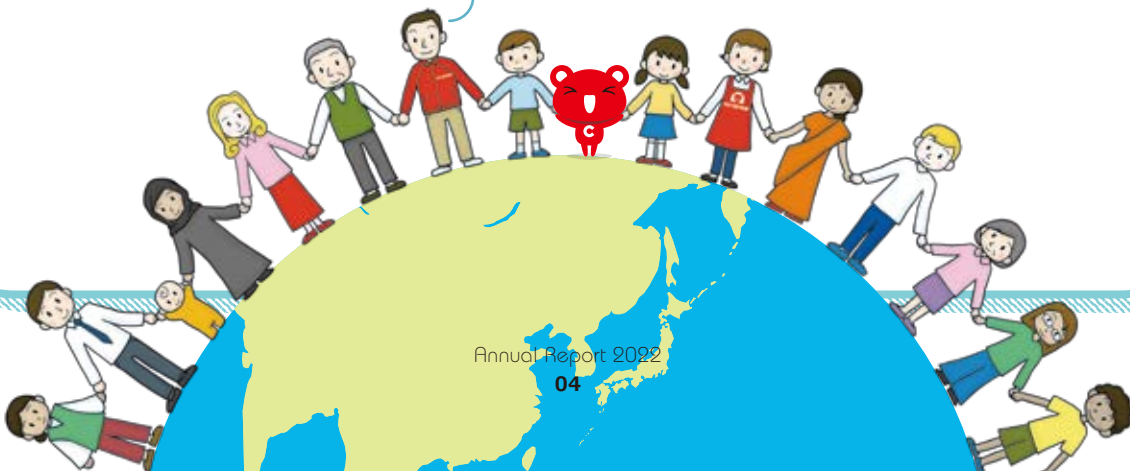
(Focus on the development of human resources that sustain CO•OP Kyosai)

6

To run stable business operations

(Focus on business operations)

7



4

Topics of FY2021

Released CO-OP Student Comprehensive Mutual Insurance in September 2021

Student Comprehensive Mutual Insurance is a system of “Tasukeai” (mutual cooperation) initiated in 1981 by university co-ops. On September 1, 2021, CO-OP Kyosai released the product, jointly underwritten by the University Co-operatives Mutual Aid Federation (UCMAF), and started offering coverage in April 2022. The product provides comprehensive support to university and vocational school students. In October 2022, CO-OP Kyosai took over the Kyosai business from the federation.



1. Expanding the scope of policyholders to include university/college and vocational school students across Japan

Students (aged 18 to under 35) of universities/colleges and vocational schools that do not have their own university co-op are now eligible to apply for the insurance by becoming a member of a local co-op. Uninterrupted coverage can be ensured even during life stage transitions, which people in this age bracket are likely to experience.

2. Supporting insurance coverage needed for student life

Hospitalization is covered from the first day for as long as 360 days at 10,000 yen a day. Hospital visits due to an injury are covered from the first day for as long as 90 days at 2,000 yen a day.

The product addresses the insurance needs of younger adults and provides comprehensive support for student life by offering a broad range of coverage including payment for incidental expenses incurred when returning to education after suffering a serious permanent disability; prompt payment for mental problems when treated for a psychiatric disorder; lump-sum payment for stalking victims; and payment in cases where the primary wage earner is no longer expected to be able to fulfill that role.

3. Coverage applies 24 hours a day, 365 days a year, regardless of whether within or outside the educational institution, and whether in Japan or elsewhere.

(Note: Coverage is not provided for some events outside Japan.)

4. The prerequisites for insurance coverage are not demanding, and therefore applicants with a chronic disease are also eligible.

5. The New Working Adult Course (for under 30) is being launched for newly graduated applicants regardless of their health condition. After expiring the course at the age of 30, policyholders can transition to CO-OP Insurance (Kyosai) Tasukeai in order to ensure uninterrupted coverage.

6.23 billion yen paid in insurance claims for COVID-19 infection in fiscal 2021

In fiscal 2021, CO-OP Kyosai paid 6.23 billion yen for 103,369 insurance claims, more than tenfold the 610 million yen paid out for 14,639 claims in fiscal 2020. This was attributable to the impact of the delta and omicron variants that spread from August 2021 and January 2022, respectively.

In addition to hospitalization at a medical institution for COVID-19, we also consider recuperation at a hotel or home to fall under “hospitalization due to accidental infection,” as in fiscal 2020. Given that some local municipalities deemed family members living with an infected individual as having “tested positive” due to a shortage of testing capacity, we accepted claims based solely on a doctor’s diagnosis. We made payments in all such cases, considering them to be eligible for insurance payouts for injury hospitalization.

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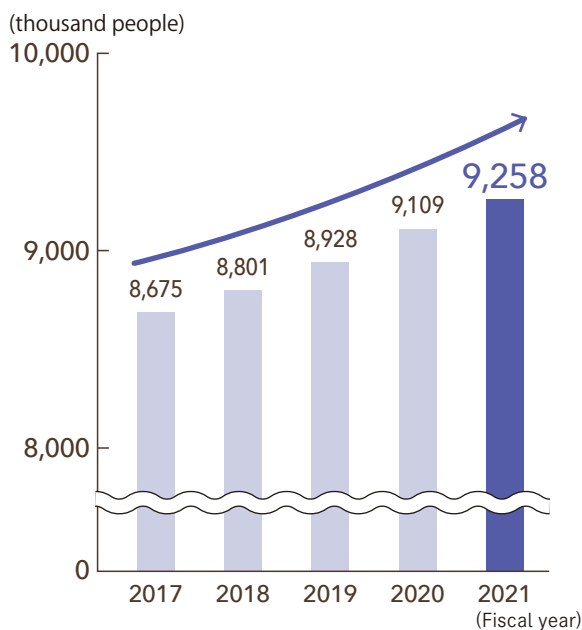
Financial Highlights

Fiscal 2020 and 2021	JPY Million*1		USD Million*2
	2020	2021	2021
Ordinary income	¥238,452	¥244,658	\$2,061
Ordinary expenses	¥184,579	¥200,470	\$1,689
Ordinary surplus	¥53,873	¥44,188	\$372
Net surplus	¥11,851	¥7,971	\$67
Total assets(= Total Capital)	¥492,945	¥523,434	\$4,410
Total liabilities	¥329,369	¥353,748	\$2,980
Total Net Assets	¥163,576	¥169,686	\$1,429
Number of policies total	9,109,701	9,258,688	-
Number of policies (CO•OP Kyosai products only)	8,678,218	8,820,059	-
Total amount of insurance in force (CO•OP Kyosai products only)	¥12,852 (billion yen)	¥13,086 (billion yen)	\$110 (billion)
Solvency margin (%)	1539.2%	1586.7%	-

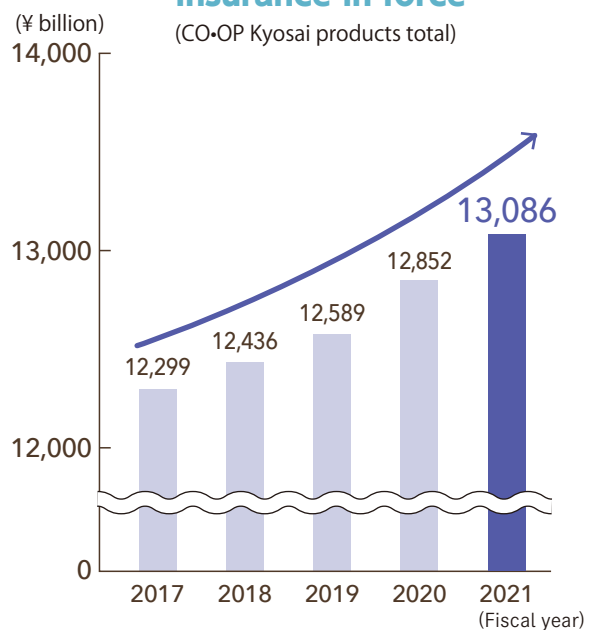
* 1. Yen amounts are rounded down to the nearest ¥1 million.

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

Numbers of total policies



Total amount of insurance in force

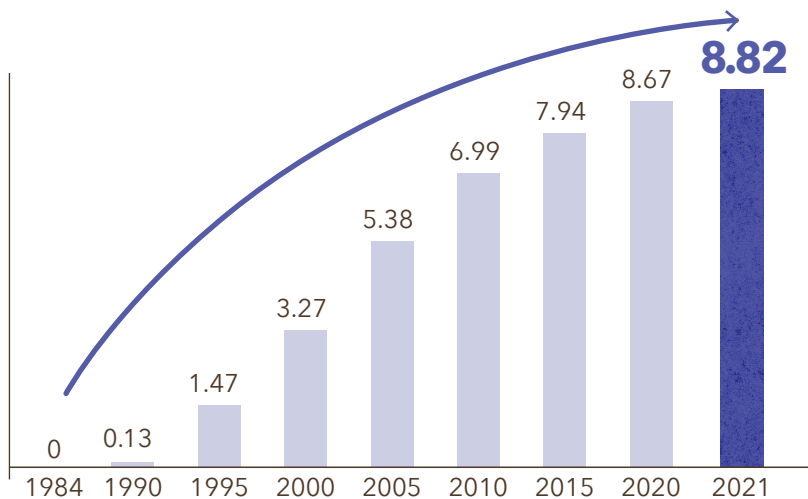


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Business Overview of CO•OP Kyosai Products for Fiscal 2021

Changes in the Number of Policyholders

In 1984, CO•OP Kyosai products Tasukeai, Term Life and Medical Insurance, 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 Long Term Life Insurance named Ai-Plus in 2000, and Zutto-Ai, Whole Term Life Insurance and Whole Term Medical Insurance, in 2011. As a result of these efforts, the number of policyholders in CO•OP Kyosai products reached 8.82 million as of March 20, 2022. The spirit of mutual cooperation for supporting each other's future has been carried on without change since the launch of CO•OP Kyosai.



CO•OP Kyosai product has helped members' livelihoods step by step through cooperation among members.

Overview of the financial results of the CO•OP Kyosai business

Policyholders as of the end of Fiscal 2021 totaled 9.2 million

When broken down by product, Tasukeai policyholders increased by 38,629 from the previous year to 6,002,319, Ai-Plus policyholders increased by 39,168 to 2,076,146, Zutto-Ai policyholders increased by 64,044 from the previous year to 741,594, CO-OP Fire Insurance policyholders increased by 4,309 to 412,876, CO-OP Life Insurance New-i.i. policyholders decreased by 1,255 to 21,661, and policyholders of Automobile Insurance, which started in Nov. 2021, amounted to 4,092.

Total number of policyholders reached 9,258,688 by the end of fiscal year of 2021.

Policies in force totaled ¥13.08 trillion

CO•OP Kyosai has a total of ¥13.08 trillion in policies in force (direct products only), an increase of 1.8% from the previous year.

Premiums totaled ¥206.2 billion

CO•OP Kyosai has a total of ¥206.2 billion in premiums (direct products only), an increase of 2.6% from the previous year.

1.44 million payments made

CO•OP Kyosai made a total of 1.44 million payments (direct products only), an increase of 11% from the previous year.

Total claims paid amount to ¥72.4 billion

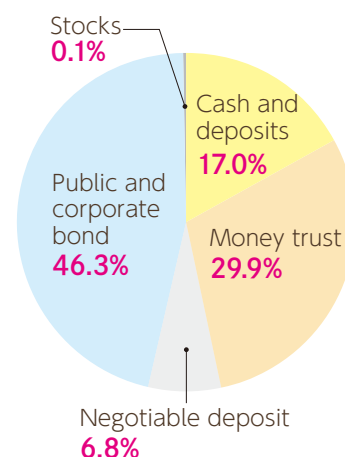
CO•OP Kyosai paid a total of ¥72.4 billion for insurance claims (direct products only), an increase of 7.4% from the previous year.

Asset Management

JPY
Million*1

USD
Million*2

Fiscal Year	2020	2021	Composition ratio(%)	2021
Cash and deposits	¥94,806	¥81,858	17.0%	\$ 689,678
Money trust *3	¥132,956	¥143,578	29.9%	\$ 1,209,689
Negotiable deposit	¥28,500	¥32,500	6.8%	\$ 273,822
Public and corporate bond	¥196,703	¥222,733	46.3%	\$ 1,876,594
Stocks	¥255	¥255	0.1%	\$ 2,148
Foreign bond	0	0	0.0%	0
Other securities	0	0	0.0%	0
Total	¥453,221	¥480,925	100.1%	\$ 4,051,942



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

* 2. U.S. dollar amounts are converted, for convenience only, ¥ 118.69=US \$1.00 (as of March 18,2022) and rounded down to the nearest \$1 thousand.

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

CO-OP Kyosai Business Overview by Product

Tasukeai



Number of Policies

(Fiscal year)	Number of Policies
2019	5,921,790
2020	5,963,690
2021	6,002,319

Fiscal Year	2020	2021
Number of Policies	5,963,690	6,002,319
Premium Income (¥millions)	¥107,823	¥108,572
Claims Paid (¥millions)	¥40,014	¥43,644

Ai-Plus



Number of Policies

(Fiscal year)	Number of Policies
2019	1,968,949
2020	2,036,978
2021	2,076,146

Fiscal Year	2020	2021
Number of Policies	2,036,978	2,076,146
Premium Income (¥millions)	¥66,227	¥68,162
Claims Paid (¥millions)	¥23,343	¥23,970

Zutto-Ai



Number of Policies

(Fiscal year)	Number of Policies
2019	609,763
2020	677,550
2021	741,594

Fiscal Year	2020	2021
Number of Policies	677,550	741,594
Premium Income (¥millions)	¥26,900	¥29,537
Claims Paid (¥millions)	¥4,121	¥4,845

New i.i.



Number of Policies

(Fiscal year)	Number of Policies
2019	23,949
2020	22,916
2021	21,661

CO-OP Fire Insurance



Number of Policies

(Fiscal year)	Number of Policies
2019	404,505
2020	408,567
2021	412,876

Automobile Insurance



Number of Policies

(Fiscal year)	Number of Policies
2021	4,092

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Outline of CO-OP Kyosai



About consumer cooperatives (Co-ops)

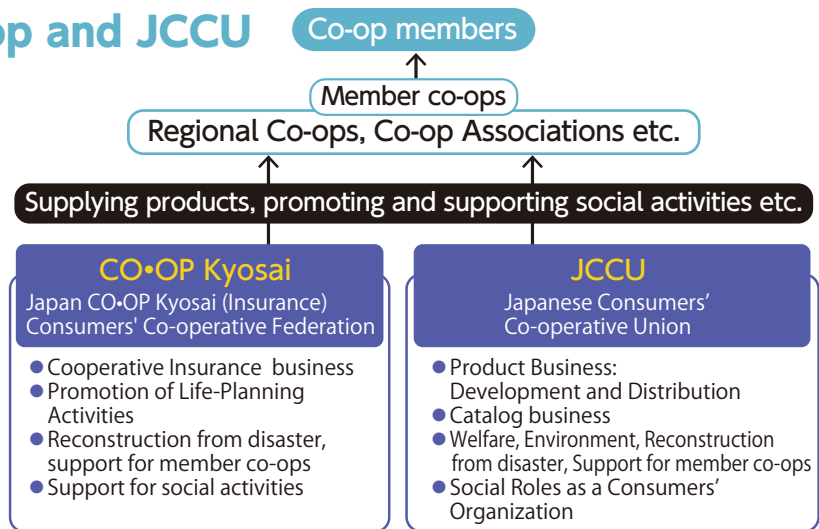
Consumer cooperatives (Co-ops) are non-profit cooperative organizations jointly owned by consumers for their mutual benefit, and are established pursuant to the Consumer Cooperatives Act. Consumers provide capital to become a member of a co-op and participate in the decision-making and management of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

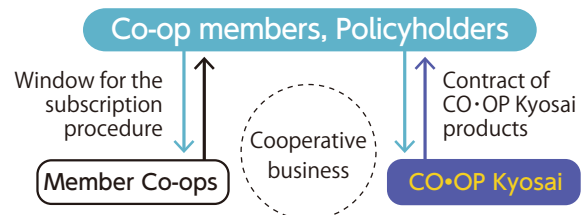
Our organization is a federation of 153 consumer cooperative societies (as of March 20,2022) from across the nation. Although each member Co-op is an independent legal entity, each provides CO-OP Kyosai (Insurance) Products to its members in cooperation with the federation.

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

"Window for 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)

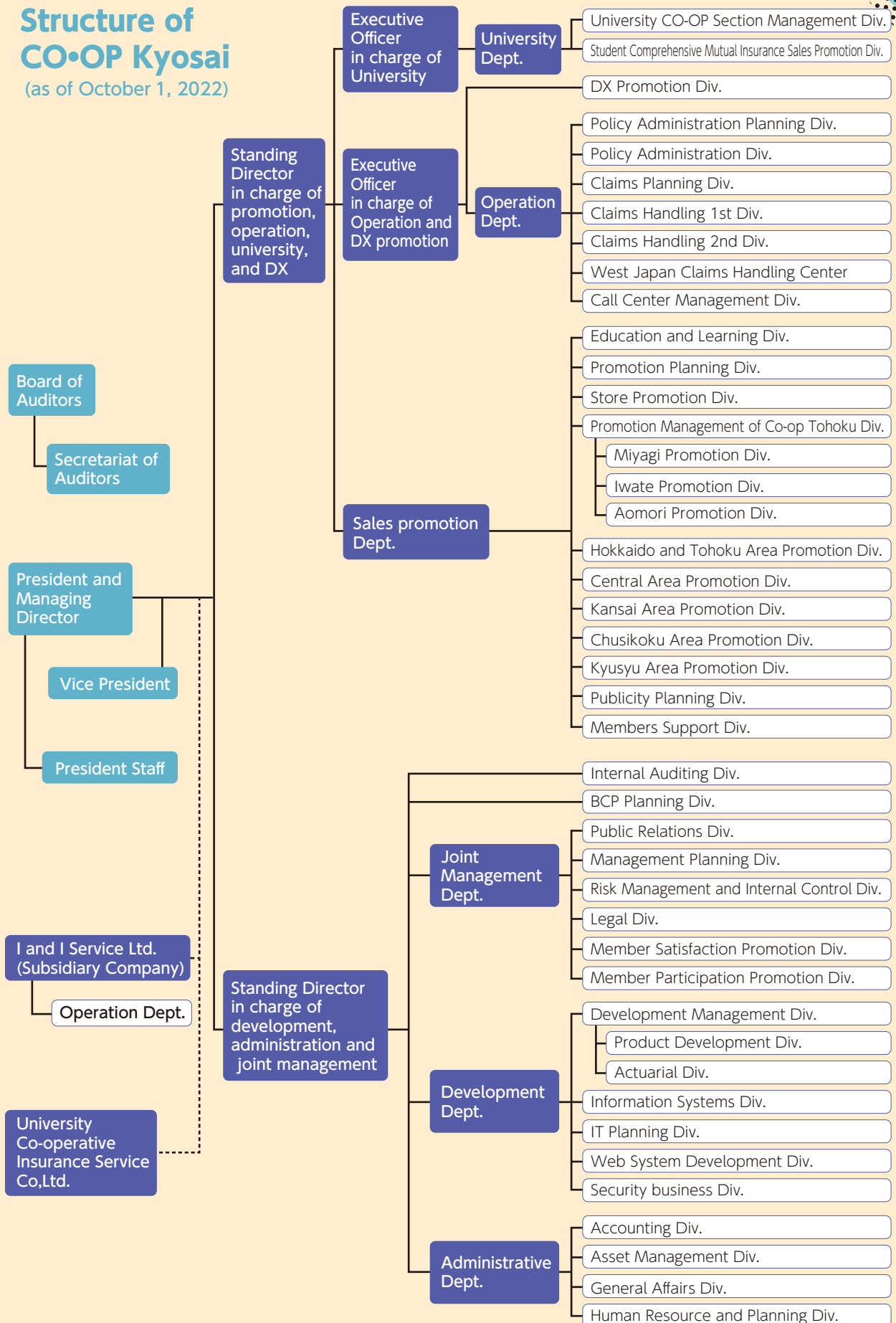
"CO-OP Kyosai developing products in response to the needs of its members and others"

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.

Structure of CO-OP Kyosai

(as of October 1, 2022)



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Types of CO-OP Kyosai Products

Tasukeai

Term Life and Medical Insurance (Comprehensive Type)



This insurance provides comprehensive coverage for outpatient care due to accident, hospitalization, surgery, death, disability, death of families 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 men, and plan with tolerant disclosure

Ai-Plus

Long 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 Ai-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.

Zutto-Ai

Whole Term Life Insurance/ Whole Term Medical Insurance



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

There are 2 types. One is a Whole Term Life Insurance which covers lifetime death. The other is a Whole Term Medical Insurance which covers lifetime hospitalization and surgery.

Ai-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 Student Comprehensive Mutual Insurance



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

New i.i.*

Individual Long-term 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 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 damages from a third party and earthquakes etc.

Automobile Insurance*

Reliable compensation to support a contractor's car life.



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

Direct and Indirect Insurance Products Offered

CO-OP Kyosai offers direct and indirect insurance products. In 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 :CO-OP Kyosai Product Tasukeai, CO-OP Kyosai Product Ai-Plus, CO-OP Kyosai Product Zutto-Ai (Whole Term Life Insurance and Whole Term Medical Insurance)and CO-OP Student Comprehensive Mutual Insurance.

CO-OP Kyosai also provides indirect insurance products in the areas beyond the coverage of its direct insurance products, in alliance with Kokumin Kyosai co-op, property and casualty insurance firms, etc. In CO-OP Kyosai contracts, each contract underwriter is individually responsible for insurance coverage according to the scope of its underwriting, instead of sharing responsibility.

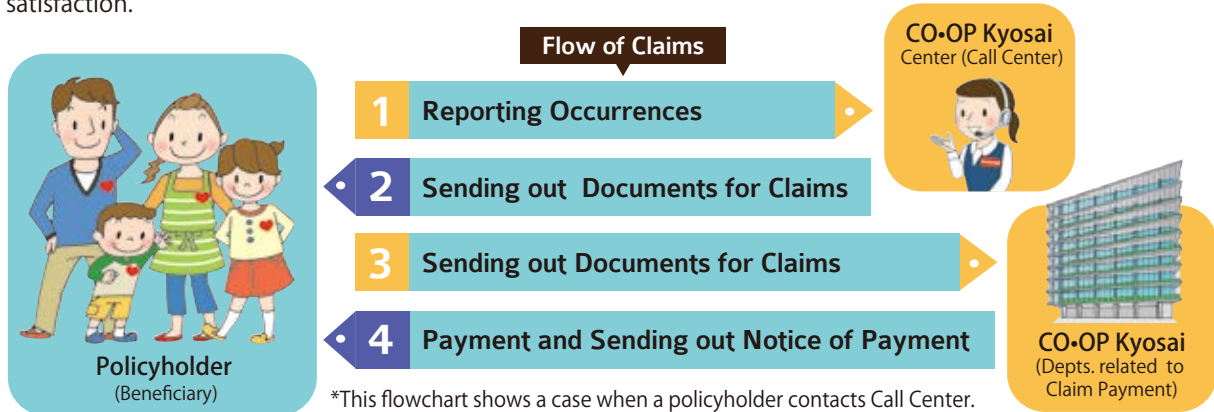
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Payment of Claims

Payment of Claims

Payment of claims, excluding that for CO-OP Fire Insurance, New i.i. and Private car mutual insurance is made by CO-OP Kyosai via member Co-ops or the CO-OP Kyosai Center (Payment of claims for CO-OP Fire Insurance, New i.i. and Private car mutual insurance is made by Kokumin Kyosai co-op). 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 Kyosai 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 Kyosai 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 CO-OP Kyosai plans, Tasukeai, Ai-Plus, Zutto-Ai and i.i. 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

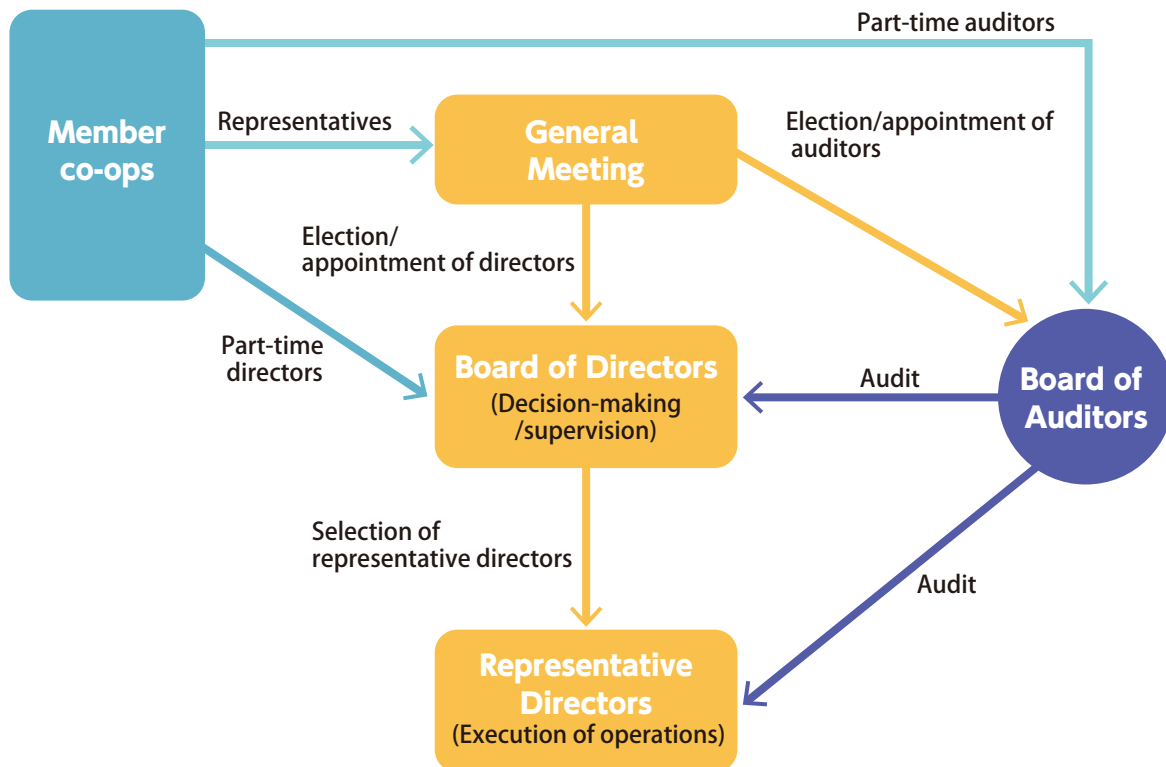
expanded nationwide. While many volunteers currently participate in making origami cranes at Co-ops around the country, some recipients of origami cranes in turn send us origami cranes of their own making, resulting in a growing circle of people connected to each other with origami cranes. Moreover,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

10

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.

A 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 which we have. Each risk is monitored or controlled by the responsible department.

Business Operations Based on Policyholders' Feedbacks

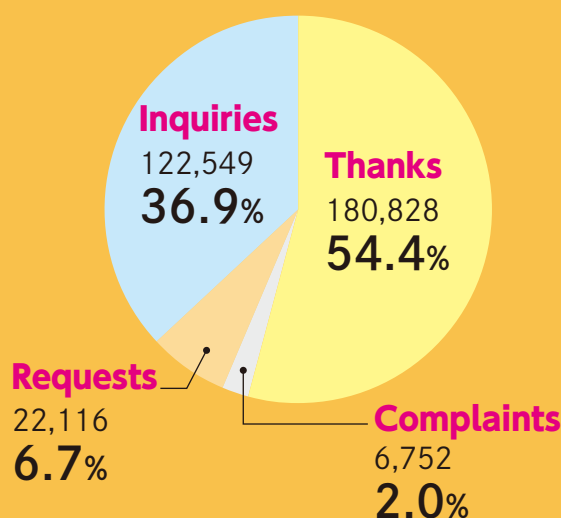
(1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

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 FY2021

We had 332,245 complaints and requests in Fiscal 2021.

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.

11

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.

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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, 2022, 4,871 people have completed the LPA courses and 1,785 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 fiscal 2021, more than 24,289 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. The subsidy started in FY2012 and celebrated its 10th anniversary in FY2022.

CO-OPs realizes 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 FY2021, we subsidized 34 organizations for 21.14 million yen 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 319 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. 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 Kyosai Health Call Center

CO-OP Kyosai offers a free phone consultation service made available to Tasukeai, Ai-Plus, Zutto-Ai 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 medial facility to use.

During Fiscal 2021, the call center fielded 27,046 calls for advice.



(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 2021, we extended financial support totalling 122million yen for 43 Co-ops, 45 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 2021, we donated a total of 307,137 covers to children newly enrolled in 5,933 elementary schools nationwide. To schools where pupils use nylon backpacks, we donated plastic holders for teacher-parents correspondence notepads (128,841 holders to 1,555 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 including supporting developing countries. In fiscal 2021, although no events were held in person due to the spread of COVID-19, we actively engaged with our partners online.

Online Participation in ICA World Cooperative Congress in Seoul

In December 2021, the International Cooperative Alliance (ICA) held its World Cooperative Congress in celebration of its 125th anniversary. CO-OP Kyosai's 11 younger staff members participated online, joining a total of 1,570 attendees who gathered in-person and online from around the world to take part in this hybrid congress.



CO-OP Kyosai attendees took part in each session held under the main theme, "Deepening our Cooperative Identity," and shared their own views and thoughts between them.

AOA Webinar "Toward better future by addressing social challenges"

At the webinar hosted by AOA of ICMIF in March 2022 under the theme, "Towards a better future by addressing social challenges," Miki Tanaka, Manager of the Member Participation Promotion Division, CO-OP Kyosai, presented a speech titled, "We Value the Power of Connections—Aiming to create communities where people can stay healthy and happy." She shared a range of initiatives undertaken by CO-OP Kyosai, including disaster relief, the Pink Ribbon Campaign, support for para skiing, life-planning activities, and Grants to Promote Mutual Support in Communities. Reports were also presented by representatives from India's National Insurance VimoSEWA Cooperative and the Kasagana-ka Mutual Benefit Association of the Philippines.



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Balance Sheet

Fiscal 2020 and 2021

¥ JPY Millions *1 \$ USD Thousands *2

Assets	2020	2021	2021
Cash and deposits	¥94,806	¥81,858	\$ 689,678
Money trust	¥132,956	¥143,578	\$1,209,689
Securities	¥225,458	¥255,488	\$2,152,565
Reinsurance account	¥151	¥145	\$1,221
Business consignment account	¥7,612	¥7,764	\$65,414
Contract account	¥306	¥355	\$2,990
Other mutual insurance assets	¥186	¥196	\$1,651
Prepaid expenses	¥67	¥44	\$370
Accrued income	¥166	¥158	\$1,331
Other assets	¥2,512	¥2,986	\$25,157
Fixed assets for business use	¥10,506	¥11,602	\$97,750
Investment in affiliates etc.	¥331	¥332	\$2,797
Differed tax assets	¥17,883	¥18,921	\$159,415
Differed assets	—	—	—
Total assets	¥492,945	¥523,434	\$4,410,093

Liabilities	2020	2021	2021
Policy reserves	¥306,166	¥330,820	\$2,787,260
Reinsurance account	¥250	¥270	\$2,274
Business consignment account	¥4,416	¥4,387	\$36,961
Contract account	¥0	¥0	\$0
Other mutual insurance liabilities	¥27	¥432	\$3,639
Accrued expenses	¥2,687	¥3,484	\$29,353
Other liabilities	¥7,933	¥5,787	\$48,757
Allowance	¥1,873	¥1,994	\$16,800
Price fluctuation reserves	¥6,010	¥6,569	\$55,345
Total liabilities	¥329,369	¥353,748	\$2,980,436

Net assets	2020	2021	2021
Member capital	¥161,251	¥168,465	\$1,419,369
Others	¥2,325	¥1,220	\$10,278
Total net assets	¥163,576	¥169,686	\$1,429,657
Total liabilities and net assets	¥492,945	¥523,434	\$4,410,093

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥118.69=US \$1.00 (as of March 18, 2022) and rounded down to the nearest \$1 thousand.

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Income Statement

Fiscal 2020 and 2021

¥ JPY Millions *1 \$ USD Thousands *2

Ordinary Income	2020	2021	2021
Premium and other income	¥201,987	¥207,359	\$1,747,063
Reversal of policy reserves	¥33,485	¥34,300	\$288,988
Investment income	¥2,457	¥2,320	\$19,546
Other ordinary income	¥521	¥678	\$5,712
Total ordinary income	¥238,452	¥244,658	\$2,061,319

Ordinary Expenses	2020	2021	2021
Claims paid	¥103,191	¥110,327	\$929,539
Provision of policy reserves	¥21,656	¥26,725	\$225,166
Investment expenses	¥213	¥292	\$2,460
Business expenses	¥59,265	¥62,856	\$529,581
Other ordinary expenses	¥251	¥268	\$2,257
Total ordinary expenses	¥184,579	¥200,470	\$1,689,021
Ordinary Surplus	¥53,873	¥44,188	\$372,297

Extraordinary Income or Loss	2020	2021	2021
Extraordinary income	—	—	—
Extraordinary loss	¥1,222	¥643	\$5,417
Surplus before taxes	¥52,650	¥43,544	\$366,871
Income taxes	¥6,277	¥3,955	\$33,322
Income taxes-deferred	¥-1,240	¥-610	\$-5,139
Provision of rebate reserves	¥35,762	¥32,229	\$271,539
Net surplus	¥11,851	¥7,971	\$67,158
Net surplus for the period	¥489	¥599	\$5,046
Reversal of reserve for catastrophe solatium	¥4	¥30	\$252
Reversal of reserve for office system maintenance	¥315	¥847	\$7,136
Reversal of subscriber contribution	¥177	¥167	\$1,407
Unappropriated surplus for the period	¥12,838	¥9,617	\$81,026

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

* 2. U.S. dollar amounts are converted, for convenience only, at ¥118.69=US \$1.00 (as of March 18,2022) and rounded down to the nearest \$1 thousand.

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Management Index

Fiscal 2020 and 2021

¥ JPY Millions *1 \$ USD Thousands *2

Solvency Margin Ratio	2020	2021	2021
Total solvency margin ①	¥232,197	¥241,370	\$2,033,616
Total risks ②	¥30,170	¥30,424	\$256,331
Solvency margin ratio = ① ÷ (② × 1/2) × 100	1539.2%	1586.7%	

Breakdown of Basic Profit	2020	2021	2021
Basic profit	¥58,363	¥45,602	\$384,210
Investment profit	¥546	¥214	\$1,803
Risk profit	¥51,491	¥36,743	\$309,571
Expense profit	¥6,324	¥8,644	\$72,828

Equity Capital Ratio	2020	2021	2021
Equity capital ①	¥163,576	¥169,686	\$1,429,657
Contingency reserves ②	¥57,236	¥58,642	\$494,077
Revised equity capital = ① + ②	¥220,813	¥228,328	\$1,923,734
Total assets ③	¥492,945	¥523,434	\$4,410,093
Equity capital ratio = ① / ③	33.2%	32.4%	
Revised equity capital ratio	44.8%	43.6%	

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

*2. U.S. dollar amounts are converted, for convenience only, at ¥118.69=US \$1.00 (as of March 18,2022) and rounded down to the nearest \$1 thousand.

*3. 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%.

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

*5. 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.

*6 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.

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

*8. 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
Former: Japan CO-OP Insurance 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

153 (as of March 20, 2022)

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 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, CO•OP Kyosai, to specialize in providing mutual insurance products.

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



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CO-OP Kyosai official character Co-suke,
which is loved by CO-OP members nationwide,
celebrated 10th anniversary in 2022!

CO-OP kyosai

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

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