

Annual Report 2012

ZENROSAI

National Federation of Workers and Consumers Insurance Co-operatives

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Address : ZENROSAI building,2-12-10,yoyogi,Shibuya-ku,Tokyo 151-8571,JAPAN

TEL : +81-3-3299-0161 **Direct :** +81-3-3299-1468 **FAX :** +81-3-5371-2685

Website : <http://www.zenrosai.coop/english/>

Contact person : Mr Daisuke Yokomizo

E mail : yokomizo_daisuke@zenrosai.coop

Zenrosai is a Co-operative

Zenrosai stands for the National Federation of Workers and Consumers Insurance Co-operatives:
It is a not-for-profit organizations, owned, managed and utilized by members who wish to protect themselves financially and improve their living standards.
Founded on the "One for All and All for One" ideal of co-operatives, Zenrosai is organized on the basis of person-to-person cooperation.

Birthplace of co-operative
The actual shop in which a group of 28 men commenced business in 1844. This is known as the beginning of the modern co-operative movement.



Rochdale Pioneers Museum (England)



Rochdale Pioneers: people who initiated a co-operative society in Rochdale, England in 1844. Their activities influenced the co-operative movement all over the world.

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The Ultimate in top for Our Members

I sincerely appreciate your continued support of Zenrosai (National Federation of Workers and Consumers Insurance Co-operatives).

In order to fulfill our responsibilities as a co-operative insurer in response to the Great East Japan Earthquake, which Zenrosai has addressed as the most important issue in recent times, Zenrosai has advanced efforts through the combined power of all Zenrosai Group employees and executives while giving the highest priority to assisting the disaster victims. Numerous disasters have occurred since the Great East Japan Earthquake as well, including snow damage, typhoons, tornadoes, sudden gusts of wind, and torrential rains. We have carried out a variety of activities through Zenrosai Group employees and executives working together as one, to enable restoration and recovery as soon as possible for members who have suffered as a result of these numerous natural disasters.

In fiscal 2011, as the first fiscal year of Phase II (fiscal 2011 – 2012) of the medium-term management plan, we have made advancing efforts giving top priority to assisting victims of the Great East Japan Earthquake. Policies, plans, and other activities have also been implemented on a variety of subjects of reform, working toward firmly establishing and demonstrating the achievements of Phase I (fiscal 2009 – 2010).

Specifically, we restructured operations such as the processing of claim payments into two facilities, which until now had been concentrated in Tokyo, opening the new Claims Payment Center (Osaka) that began operation in April 2012. Furthermore, to realize swift and accurate processing of claim payments when houses are damaged due to fire disasters or other causes, in June 2012 Zenrosai began accepting claims for house damage 24 hours/day, 365 days/year by telephone, in addition to the auto accident claims that Zenrosai had already been accepting by telephone.

Also, to protect the lives and livelihoods of our members from various disasters that could occur in the future, in September 2011 Zenrosai began the Disaster Prevention and Coverage Assessment Activities for Houses and Livelihood program.

Furthermore, since 2012 is the International Year of Co-operatives, Zenrosai is strengthening cooperation among co-operatives and is disseminating information on Zenrosai as a co-operative and as an organization to promote workers' welfare to partner organizations and members using our website and other means.

Constituting the second half of Phase II of the medium-term management plan, fiscal 2012 is a year in which Zenrosai will advance efforts toward the achievement of our targets to be realized by the end of fiscal 2013 and relate these accomplishments to the next period's plans (Phase III).

In particular, Zenrosai will advance efforts to ensure the processing of claim payments and ex-gratia payments to every last eligible member by continuing to widely publicize information on acceptance of claims to those members affected by the Great East Japan Earthquake. Zenrosai will also carry out a comprehensive review of matters such as business continuity management and countermeasures against, and preparation for, massive disasters expected to occur in the future. This is to be based on a general review of the Great East Japan Earthquake, as Zenrosai work to enhance our readiness to fulfill Zenrosai's role as a co-operative insurer.

Even as society undergoes progressive population decreases and the aging of society amid low birth rates, Zenrosai will advance all business reforms and provide the highest levels of quality as Zenrosai aim to be a co-operative organization that will continue to earn the trust and support of its members.

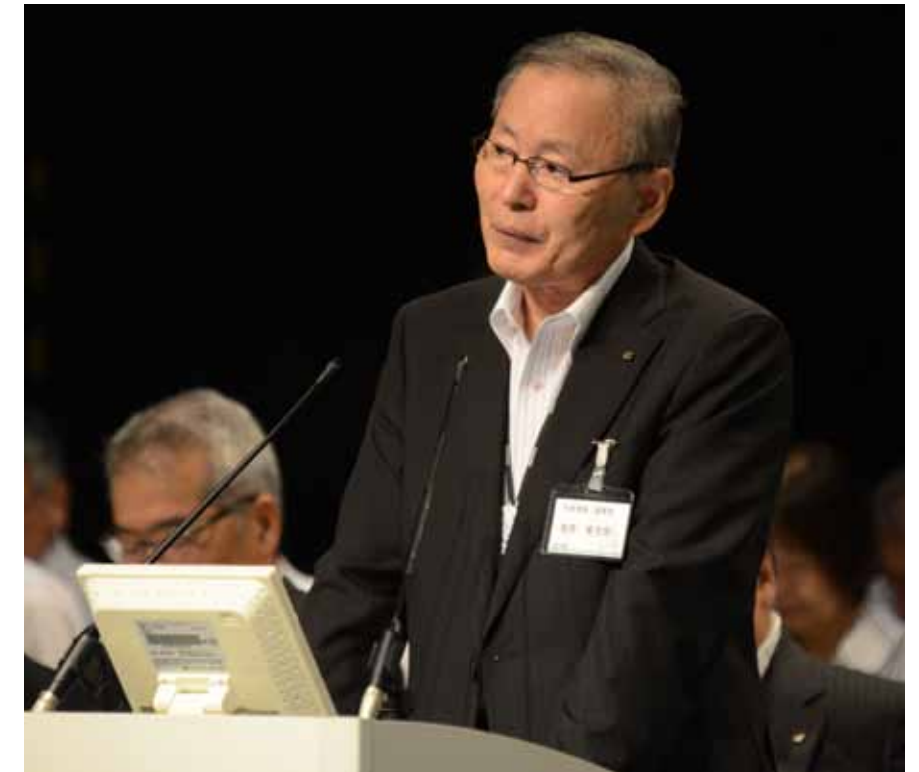
In the future as well, based on our philosophy "Towards a safe and affluent society with mutual help," Zenrosai will fulfill our social responsibilities and roles by continuing to provide peace of mind and trustworthiness, while valuing our ties with members, partner organizations, and communities. Zenrosai will also continue to carry out activities to aid recovery in affected areas based on the spirit of helping each other and mutual cooperation, which are the starting points of mutual aid.

I would be most grateful to humbly ask for your continued kind favor and support.

October, 2012

田原 憲次郎

Kenjiro Tabaru
President
Board of Directors



Approaches to the Great East Japan Earthquake

Zenrosai is carrying out a variety of support activities to aid the victims of the Great East Japan Earthquake and assist in the recovery and restoration of affected areas.

1 Donations to aid victims

Over the period from Tuesday March 22 through Friday September 30, 2011, Zenrosai proactively carried out emergency fund-raising activities to assist in rebuilding the lives of earthquake victims and in the recovery of affected areas.

As a result of calling out for donations broadly at Zenrosai branch offices to the general public, partner organizations, designated garage shops, and at other locations nationwide, JPY 11,240,500 was collected from participants. The collected money was donated to the Japanese Red Cross Society and the Central Community Chest of Japan dated on Friday November 11, 2011 for delivery to the affected areas and victims of the disaster.



2 Nationwide fund-raising activities by managing directors, employees and others

The Restricted Purpose Donation of the Green Fund: Great East Japan Earthquake Reconstruction Project, conducted by the National Land Afforestation Promotion Organization, is a fund-raising activity whose purposes include greenification of affected areas and revitalization of forests that help prevent disaster. Zenrosai cooperated in these efforts to aid recovery of affected areas through fund-raising activities conducted by members of management and employees.

The funds collected amounted to JPY 3,524,529, and was to be put to use in greenification and revitalization of affected areas, through the National Land Afforestation Promotion Organization.



3 Charity concert presented by Zenrosai

On Monday March 5, 2012, Zenrosai presented a charity concert to aid recovery from the Great East Japan Earthquake, presented by Zenrosai (“10,000 Eyes Project”), at the Zenrosai Hall/SPACE ZERO. Beginning with a recitation by Kazunari Aizawa, the concert featured touching singing performances by Masaki Ueda, Kim Dohyang, and Tohko, greeted with warm applause and cheers from more than 400 people in the audience. In addition, Masatoshi Nakamura, who has served as a Zenrosai spokesperson since 1983, also made an appearance as a special guest. At the end of the concert, the performers sang “Ima Aru Kimochi” (“How we feel now”), a song in support of the earthquake reconstruction project, together with the Crown Girls Chorus and Crown Hummingbird, as everybody in the venue joined together in prayer for the recovery of affected areas. Collection boxes were set up in the venue as well, and attendees were actively encouraged to donate. The funds collected (JPY 504,776) will be put to use in greenification and revitalization of affected areas, through the National Land Afforestation Promotion Organization.



4 Fund-raising activities at the venue of 83rd May Day (April 28, 2012)

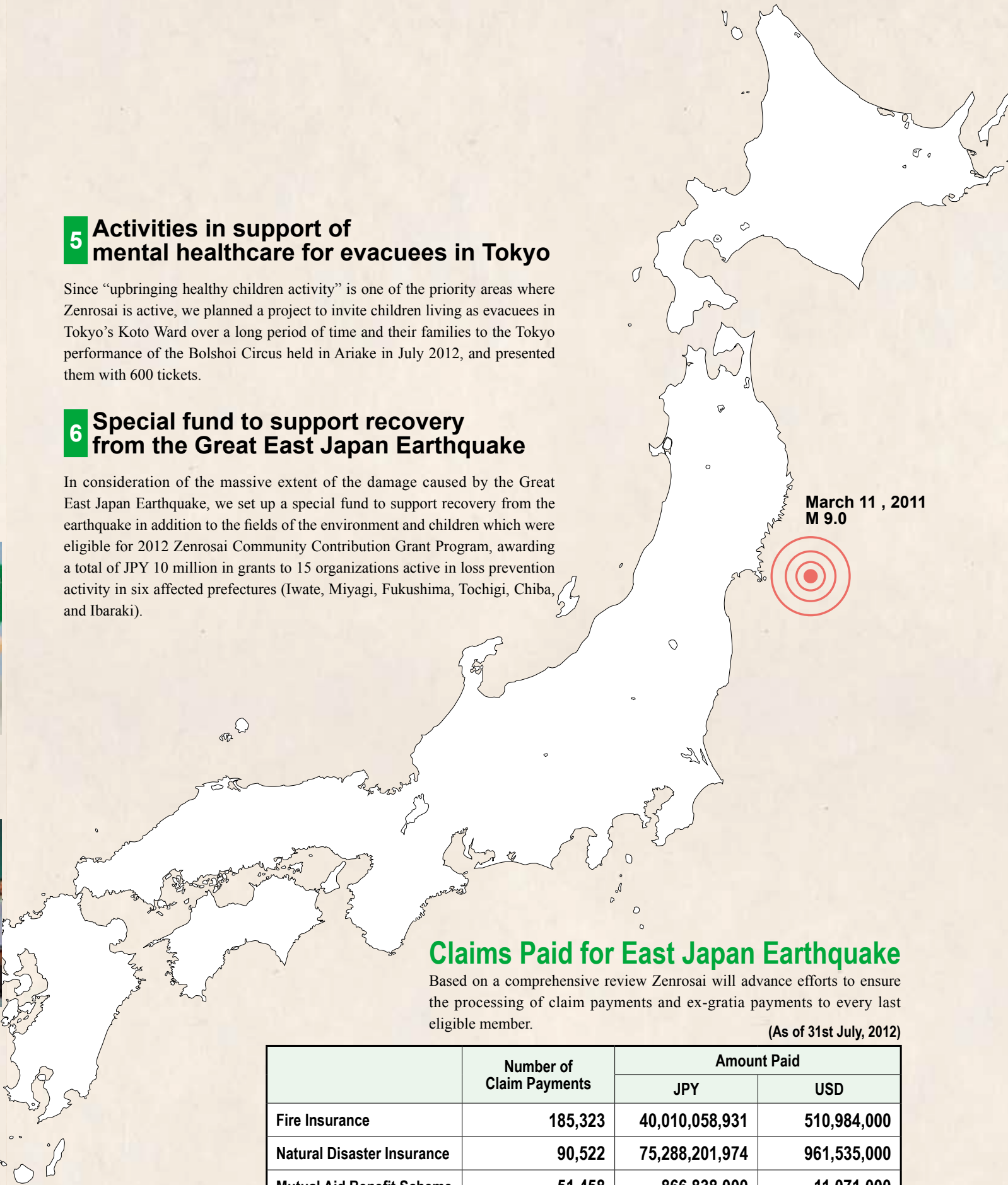
The Great East Japan Earthquake Recovery Support Booth at the venue of the 83rd May Day, provided an introduction to efforts to rebuild the livelihoods of earthquake victims (on-site investigation and damage certification activities for claim payment) and encouraged participation in the Green Fund Restricted Purpose Donation: Great East Japan Earthquake Reconstruction Project. The funds collected (JPY 31,007) will be put to use in greenification and revitalization of affected areas through the National Land Afforestation Promotion Organization.

5 Activities in support of mental healthcare for evacuees in Tokyo

Since “upbringing healthy children activity” is one of the priority areas where Zenrosai is active, we planned a project to invite children living as evacuees in Tokyo’s Koto Ward over a long period of time and their families to the Tokyo performance of the Bolshoi Circus held in Ariake in July 2012, and presented them with 600 tickets.

6 Special fund to support recovery from the Great East Japan Earthquake

In consideration of the massive extent of the damage caused by the Great East Japan Earthquake, we set up a special fund to support recovery from the earthquake in addition to the fields of the environment and children which were eligible for 2012 Zenrosai Community Contribution Grant Program, awarding a total of JPY 10 million in grants to 15 organizations active in loss prevention activity in six affected prefectures (Iwate, Miyagi, Fukushima, Tochigi, Chiba, and Ibaraki).



Claims Paid for East Japan Earthquake

Based on a comprehensive review Zenrosai will advance efforts to ensure the processing of claim payments and ex-gratia payments to every last eligible member.
(As of 31st July, 2012)

	Number of Claim Payments	Amount Paid	
		JPY	USD
Fire Insurance	185,323	40,010,058,931	510,984,000
Natural Disaster Insurance	90,522	75,288,201,974	961,535,000
Mutual Aid Benefit Scheme	51,458	866,838,000	11,071,000
Life insurances	1,123	4,986,696,849	63,687,000
Total	328,426	121,151,759,754	1,547,277,000

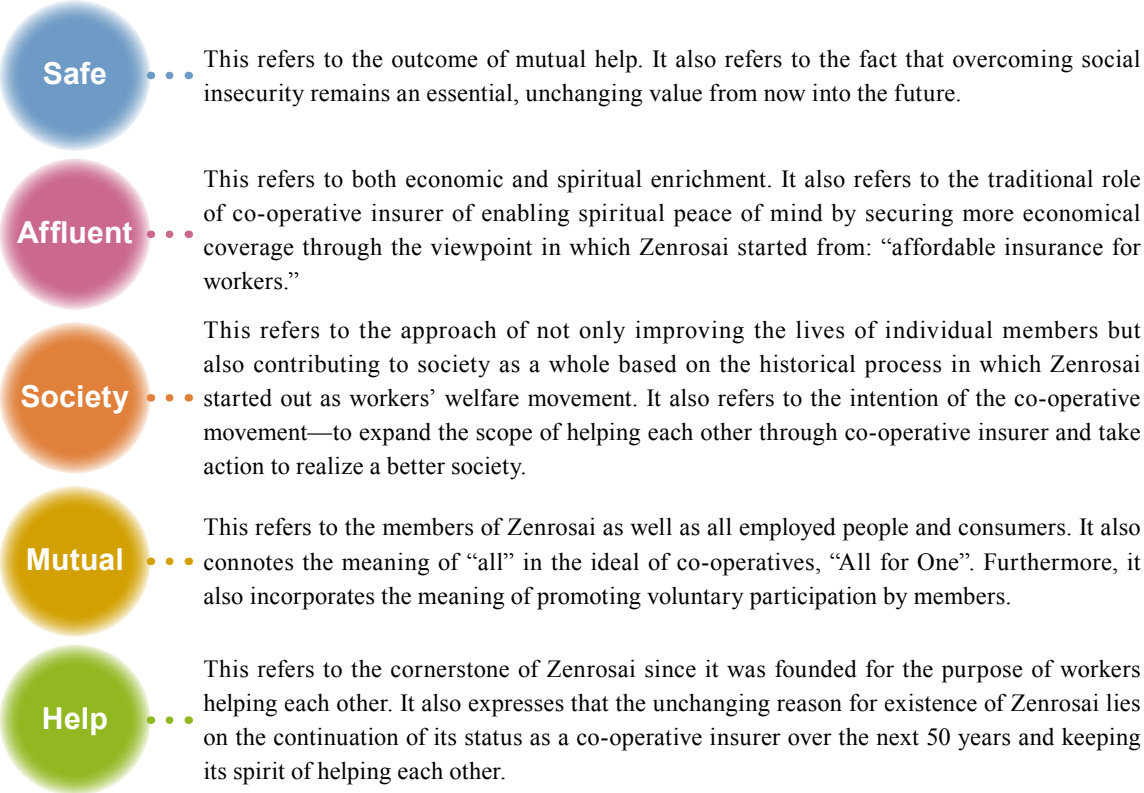
Figures in US dollars are based on the interbank rate as of 31st July, 2012: Japanese Yen 78.30 shall be a US dollar.

Mission Statement of Zenrosai

To mark its 50th anniversary (in 2007), Zenrosai established the Zenrosai Mission Statement to return to its founding principles and reaffirm the spirit of Zenrosai built up over the preceding 50 years and the spirit it will value over the coming 50 years. As the overarching concept guiding Zenrosai into the future, this mission statement is considered the unchanging sense of values and fundamental values, approach, and creed of its business operation. We will carry out activities based on this mission statement.

“Towards a Safe and Affluent Society with Mutual Help”

Unchanging values that Zenrosai should share with its members.

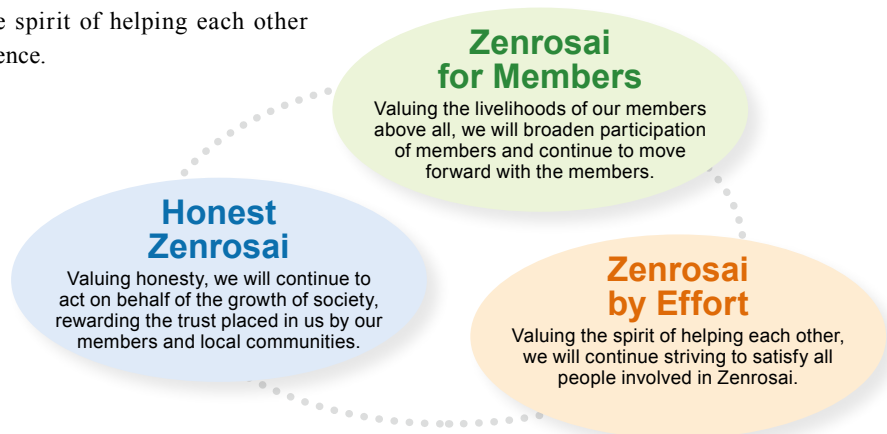


Acting Guid for Zenrosai Staff

Code of conduct for all employees and officers to realize the Mission Statement.

We will carry out our business activities based on this mission statement, putting it as our unchanging values. With gratitude for and valuing the past 50 years, we will take on the challenges of expansion of co-operative insurer for workers to co-operative insurer for employed people and consumers in a broader sense, and expansion from insurance for unforeseen events to insurance for peace of mind, with the spirit of helping each other remaining our unchanging reason for existence.

We will continue honest efforts on behalf of our members.



Characteristics of Zenrosai

Working for Members

Based on the co-operative principle, Zenrosai provides insurance and mutual help for its members under the supervision of the Ministry of Health, Labor and Welfare and the Consumers' Livelihood Co-operative Society Law. Anyone can join the circle of mutual aid if they subscribe to this principle and pay the membership fee. In Japan, many co-operatives like agricultural co-operatives, fishery co-operatives, co-operatives of small and medium enterprises, etc. and livelihood co-operatives, which are controlled and supervised by different applicable laws and competent authorities, are carrying out respective co-operative business for their members in the various industrial fields.

Operating Insurance Business for Members

Zenrosai offers insurance coverage to its members, providing financial security and creating a more prosperous community. Zenrosai's insurance business started from mutual assistance activities among members taking precautions against various risks to life and house. Since then it has developed into a modern security system: insurance. Zenrosai now provides its members not only with financial indemnity but also overall livelihood security for a better life.

Promoting Workers' Welfare

Zenrosai has been working hand in hand with trade unions for the workers' welfare movement. The movement in Japan is organized by the voluntary activity of workers based on their own philosophy of mutual aid and solidarity. Workers’ welfare systems for solving problems encountered in daily life are led by the workers themselves, using their own resources; and differ from governmental or employer social security systems. Under the leadership of the National Workers' Welfare Council, workers' welfare activities are implemented by labor banks, consumer co-operatives, co-operative insurers including Zenrosai, and housing co-operatives. Zenrosai was organized and has been run mainly by trade union members: however, its service extends to all workers in the community.

Democratic Management Structure

As a co-operative, Zenrosai is owned, managed and utilized by its members. It is essential for Zenrosai to maintain members' participation in its management in workplaces and communities. In workplaces Zenrosai promotes its products with the assistance of organizers who are committed to support our activities in affinity groups such as trade unions. In local communities Zenrosai promotes its products through community organizers who sympathize with the Zenrosai movement. The organizers act not only as agents but also as leaders for coordinating various events for members. In order to ensure those members' voices and heart, and to enhance the co-operative movement, affinity groups and organizers form the Area Management Committees/Agencies on a district basis. The result is a democratic, integrated management structure. Zenrosai has General Meetings, Board Meetings and other meetings comprising representatives of the members in workplaces and communities, at national, regional and prefectural level.

2012 IN BRIEF

1 Phase II of the Mid-Term Management Plan (Fiscal Year of 2009-2013)

In fiscal year 2011, as the first fiscal year of Phase II (fiscal year of 2011 – 2012) of the Mid-term Management Plan, advancing efforts were made giving top priority to assisting victims of the Great East Japan Earthquake. Furthermore, Zenrosai established policies, plans, and other measures for various renovations to firmly establish and demonstrate the achievements during Phase I (fiscal year of 2009 – 2010).

2 Measures to improve operational qualities to realize “Zenrosai for the Members”

Zenrosai restructured operations, such as the processing of claim payments into two facilities, which until now had been concentrated in Tokyo, opening the new Claims Payment Center (Osaka) that began operation in April 2012. Furthermore, to realize swift and accurate processing of claim payments when houses are damaged due to fire or other causes, in June 2012 Zenrosai began accepting claims for house damage 24 hours/day, 365 days/year by telephone in addition to the automobile accident claims that Zenrosai had already been accepting.

3 A new approach to sales promotion and strengthening sales activities

While giving top priority to efforts toward rebuilding and restoring the livelihoods of communities and members affected by the Great East Japan Earthquake, Zenrosai has also made steady progress toward our goals including reconstructing our approach to business promotion into one focused on direct interaction and dialogue, with the understanding and cooperation of partner organizations and others. Also, to protect the lives and livelihoods of members from various disasters that could occur in the future, Zenrosai expanded the Disaster Prevention and Coverage Assessment Activities for House and Livelihood nationwide from September 2011.

4 Insurance products to meet the needs of members

The revisions to “Kokumin Kyosai” (“Individual Term Life Insurance”) enacted in May 2012 added to the lineup of services “Shogai Anshin Type” (“Injury Security Type”) and “Senior Shogai Anshin Type” (“Senior Injury Security Type”) insurance. These combined newly developed personal liability insurance with coverage of up to JPY 100 million for injuries, adopting a system of payment of claims separately by affected body part or symptom. They also included efforts to address bicycle accidents and liability cases. An additional aim was to enhance coverage with the addition of “Senior Iryo Type” (“Senior Medical Type”) and “Shushin Kaigo Support” (“Lifelong Care Support”) insurance for seniors.

5 2012 International Year of Co-operatives

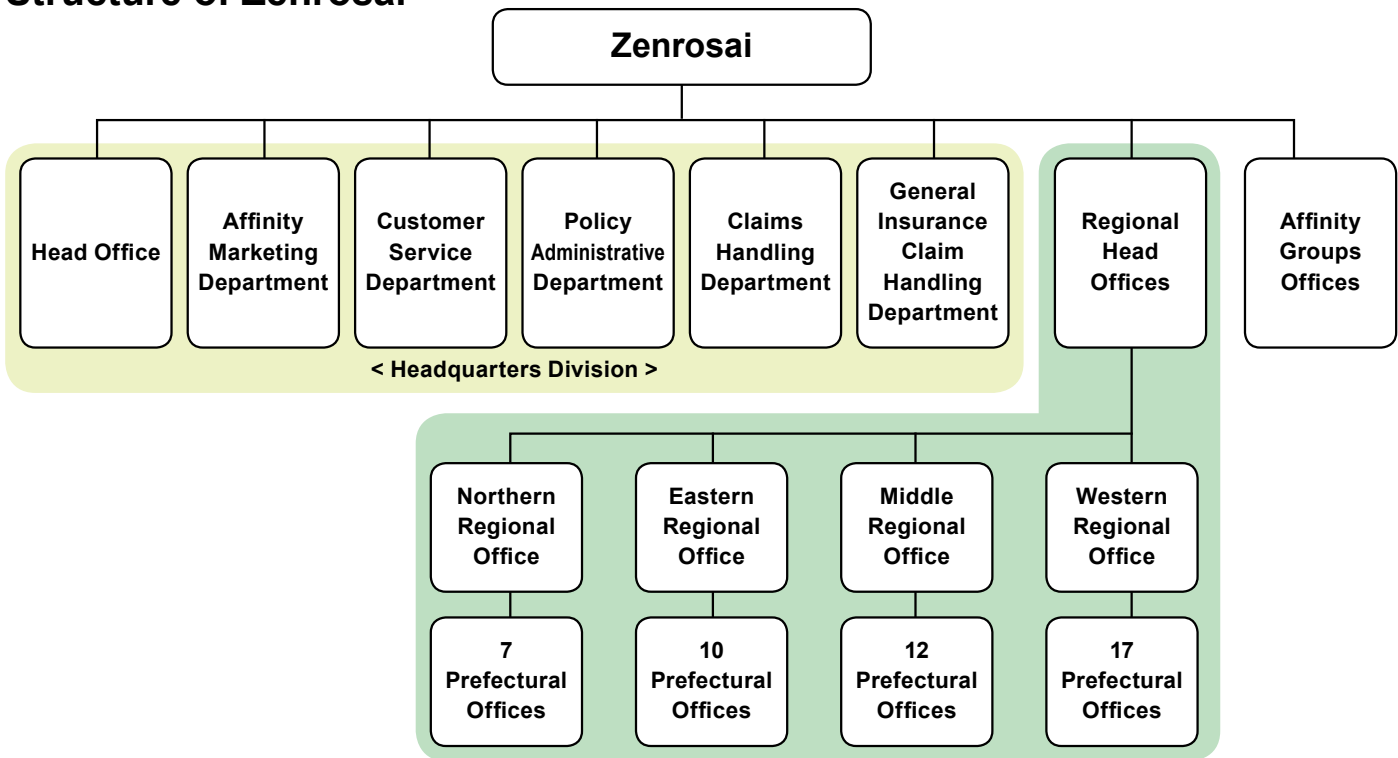
Based on the slogan, “Co-operative enterprises build a better world”, Zenrosai, as a co-operative insurer, advanced our own independent efforts to raise awareness of the fact that 2012 is the International Year of Co-operatives. Focus was placed on the social roles of co-operative organization among members, partner organizations, and society as a whole, in coordination with the efforts of co-operative sector as a whole.

6 Efforts toward recovery from the Great East Japan Earthquake

- (i) “Midori no Bokin” (“Green Fund”) restricted purpose donation: the Great East Japan Earthquake Reconstruction Project.
- ✓ Based on the performance of our “fire insurance with social contributions for eco-houses”, Zenrosai donated JPY 11 million to the National Land Afforestation Promotion Organization.
 - ✓ Zenrosai organized and presented a charity concert to aid recovery from the Great East Japan Earthquake (“10,000 Eyes Project”).
 - ✓ Zenrosai carried out nationwide fund-raising activities led by members of management and employees.
- (ii) In the course of the 2012 Zenrosai Community Contribution Grant Program, Zenrosai established a new special framework to aid recovery from the Great East Japan Earthquake, providing grants totaling JPY 10 million to 15 organizations active in areas such as loss prevention programs.

Operational Framework of Zenrosai

Structure of Zenrosai



Management Framework of Zenrosai



Membership: Anyone who subscribes to Zenrosai's philosophy and pays the membership fee can become a member of Zenrosai, and be eligible to take out an insurance policy. Approximately half of the members are through affinity groups such as trade unions, and the others are through organizers or other channels such as banks.

Affinity Groups: As of May 31, 2012, Zenrosai affinity groups total 45,642 throughout Japan: 33,823 trade unions, 7,690 other associations in workplaces and 4,129 community associations.

Organizers: 26,671 organizers in total are active in workplaces and in communities as of May 31, 2012. The breakdown of total numbers is 23,380 in the former and 3,291 in the latter.

Structure of Zenrosai Headquarters

As of October 1, 2012



The General meeting: It is at the apex of the decision-making system in Zenrosai. An ordinary meeting takes place once a year within three month of the end of fiscal year (the end of May). An extraordinary meeting can be held at any time, if necessary.

The Board Meeting: It takes place once every two months or at any time, if necessary. At the meeting important subjects concerning the management and business strategy, and a performance target, are deliberated and decided.

Zenrosai Officers

Executives



President, Board of Directors
Kenjiro Tabaru



Senior Managing Director,
Board of Directors
Hideo Hara

Kenjiro Tabaru	President, Board of Directors	Tsuyoshi Sanda	Head Auditor
Mikio Mineushiro	Vice President	Tetsuo Takaishi	Auditor
Yasuo Ishiyama	Vice President	Mototsugu Akita	Managing Director
Hiroshi Nakaseko	Vice President	Masayuki Akutsu	Managing Director
Kazuyuki Oda	Vice President	Shuji Hada	Managing Director
Hideo Hara	Senior Managing Director, Board of Directors	Hiroshi Inamura	Managing Director
Ryugo Tabata	Managing Director, Board of Directors	Hiroshi Kato	Managing Director
Michiro Abe	Managing Director, Board of Directors	Kazuyoshi Yamanaka	Managing Director
Hiroshi Yukawa	Managing Director, Board of Directors		

Employees (Total number of full-time staff)

As of May 31, 2012 3,472



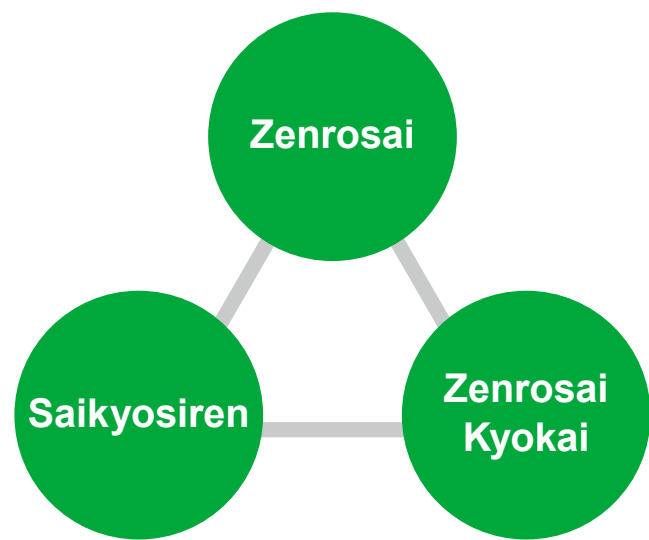
Zenrosai head office



Zenrosai Annual General Meeting

Zenrosai Group

Zenrosai Group comprises three major organizations



Organization	Establishment	Nature of Business
Zenrosai <i>National Federation of Workers and Consumers Insurance Co-operatives</i>	September 1957	Zenrosai underwrites all types of insurance products for individual directly. It also provides nursing care services.
Saikyosairen <i>Japan Reinsurance Federation of Consumer's Co-operatives</i>	November 1987	Saikyosairen underwrites reinsurance for workers' and consumers' co-operatives as well as many other co-operatives in Japan.
Zenrosai Kyokai <i>National Association for Workers Welfare and Co-operative Insurance</i>	June 2004	Zenrosai Kyokai provides guidance, coordination and liaison work for workers' welfare and co-operative insurance.

Subsidiaries

Organization	Business content	Held (%)
Zenrosai Systems Co	System administration	100%
Zenrosai Libs	Policy administration	100%
Zenrosai Assist	Policy administration	100%
Zenrosai WIC	Corporate insurance, Leasing, LTC	100%
Space Zero	Operating Space Zero, a multi-purpose auditorium	100%
Zest	Long term care services	92%

Business Growth

1 Sum Insured: JPY 691.4 Trillion

In the fiscal year of 2011, as the first fiscal year of Phase II (fiscal year of 2011 – 2012) of the Mid-term Management Plan, in addition to advancing efforts giving top priority to assisting victims of the Great East Japan Earthquake, we also have carried out policies, plans, and other measures for various renovations to firmly establish and demonstrate the results of efforts made during Phase I (fiscal year of 2009 – 2010).

As a result, during fiscal year of 2011 we were able to pay JPY 69.5 billion in claim payment and ex-gratia payment to victims of the Great East Japan Earthquake, so that when combined with the amount paid in the previous fiscal year we have paid a cumulative total of JPY 119.9 billion. We also continued to increase policy reserves in preparation for possible future claim payment and other payments, so that our total assets increased by JPY 69.5 billion from the previous fiscal year to JPY 3.1164 trillion.

Number of policy-in-force totaled 35.03 million (up 1.4%), 4.04 billion contract units (up 5.2%) and a sum insured of JPY 691.4 trillion (up 2.2%).

2 Steady Growth in Natural Disaster Insurance and Automobile Insurance

The number of policy-in-force increased by 482,000 (1.4%) to 35.03 million. The number of contracts, number of contract units, and sum insured all increased in connection with the business consolidation of occupational co-operatives. A look at the main developments in each of products shows that natural disaster insurance increased by 98,000 contracts (5.5%), automobile insurance by 22,000 (1.2%), and whole life insurance by 6,000 (1.4%). At the same time, a decrease in membership in trade unions due to factors such as the baby boomer generation reaching retirement age led to decreases of 195,000 contracts (3.1%) in group term life insurance and 154,000 contracts (4.2%) in traffic accident insurance.

3 Strengthening the Financial Foundation Base

Despite increases in membership capital due to consolidation of occupational co-operatives and improvements in areas such as valuation and translation adjustments, Zenrosai's equity capital in fiscal year of 2011 decreased by JPY3.9 billion to JPY 222 billion, as a result of the effects of recalculation of deferred tax assets in accordance with changes to the taxation system and the resulting need to reverse some voluntary reserves accumulated in preparation for such circumstances.

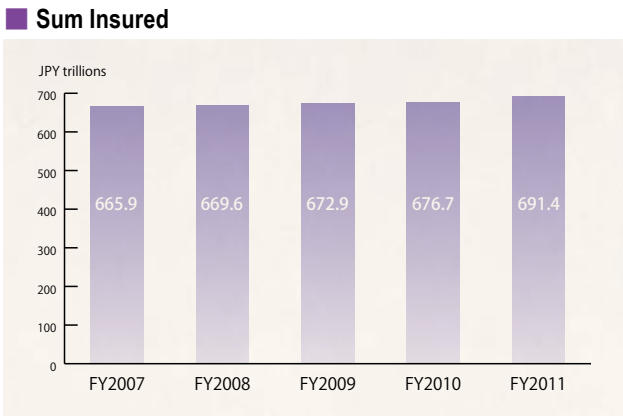
On the other hand, since funds were added to contingency reserves and price fluctuation reserves, adjusted equity capital including these increased by JPY 9 billion to JPY 506.2 billion, for an adjusted equity capital ratio of 16.2 percent.

In addition, net worth with unrealized profit and loss added up increased by JPY 140.2 billion from the previous fiscal year to JPY 861.1 billion, contributing to the progress in strengthening our financial foundation.

The solvency margin ratio rose by 86.7 points from the previous fiscal year to 1,196.4%, as a result of continued increases in liability reserves and price fluctuation reserves.

Trend in Sum Insured

A look at the trend in the sum insured over the five-year period since fiscal year of 2007 shows that the sum insured increased by JPY 3.7 trillion (0.6%) in fiscal year of 2010 as natural disaster insurance and automobile insurance experienced steady growth. Again it grew by JPY 14.7 trillion (2.2%) in fiscal year of 2011, to JPY 691.4 trillion, due in part to the start of reinsurance accepted on fire insurance and life insurance in connection with the business consolidation of occupational co-operatives.



Trend in Policy-in-Forth

While the number of policies-in-force had been in a decreasing trend, in fiscal year of 2011, it increased by JPY 482,000 (1.4%) due to factors including the start of reinsurance accepted in connection with the business consolidation of occupational co-operatives.

A look at the main features of these reinsurance accepted shows that while natural disaster insurance contracts increased by 98,000 (5.5%) and automobile insurance by 22,000 (1.2%), insurance products centered for trade unions saw decreases of 195,000 contracts (3.1%) in group term life insurance and 154,000 contracts (4.2%) in traffic accident insurance, due to factors such as the baby boom generation reaching retirement age.

Trend in Premiums Received

Insurance premiums received in fiscal year of 2011 increased by JPY 14.2 billion (2.5%) from the previous fiscal year to JPY 590.7 billion, due to factors including the effects of the business consolidation of occupational co-operatives. The real amount of increase adjusted for the effects of factors such as one-time premiums on long-term insurance products was JPY 13.2 billion (2.4%).

Trend in Claim Payments

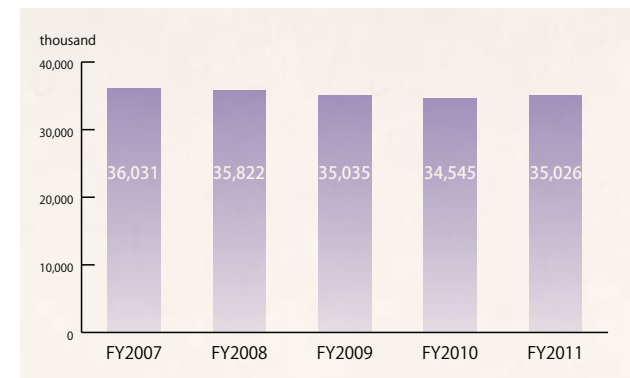
Fiscal year of 2011 saw numerous natural disasters including typhoons and snow damage, and as such it was a year in which the livelihoods of many members were severely affected. Amid such conditions, Zenrosai was able to assist members who suffered from natural disasters as a co-operative insurer, through making claim payments and ex-gratia payments to them.

Claim payments in fiscal year of 2011 grew by JPY 29.3 billion from the previous fiscal year (8.2%) to JPY 387.9 billion, as we made progress on payments for typhoon, snow damage, and other disasters that occurred during this fiscal year while also giving top priority to efforts toward rebuilding and restoring the livelihoods of communities and members affected by the Great East Japan Earthquake.

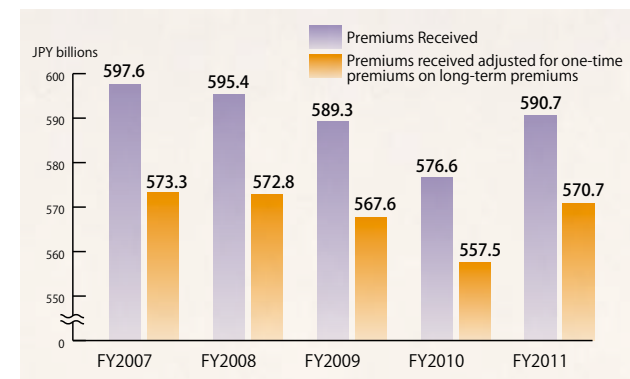
Payments of claims and other payments arising in response to incidents that occurred during fiscal year of 2011 including Typhoon Roke, damage from rainstorms accompanying low barometric pressure, and the 2012 snow damage in northern Japan totaled JPY 11.6 billion (including reserve for outstanding claims).

Claim payments and ex-gratia payments related to the earthquake and accompanying disasters made during fiscal year of 2011 in response to the Great East Japan Earthquake totaled JPY 69.5 billion, so that the total amount of payments, including those made during fiscal year of 2010, reached JPY 119.9 billion.

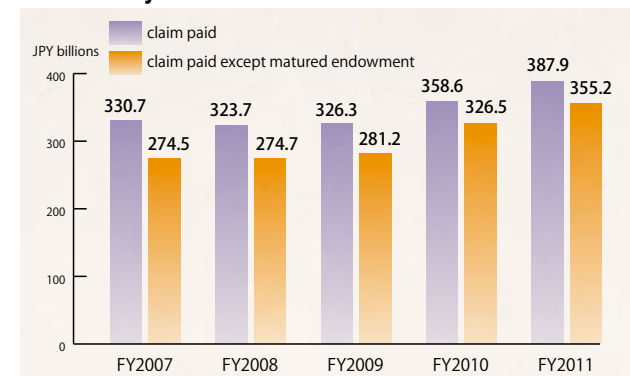
Number of Policies-in-Force



Premiums Received



Claim Payments



Performance of Each Product

The total net increase for all insurance products during fiscal year of 2011 showed an increase of JPY 14.7 trillion (2.2%) in sum insured. At the same time, the number of policies-in-force grew by 482,000 (1.4%). Claim payments in fiscal year of 2011 increased by JPY 29.3 billion (8.2%) from the previous fiscal year to JPY 387.9 billion. Breakdown of the performance is outlined below.

Fire Insurance and Natural Disaster Insurance

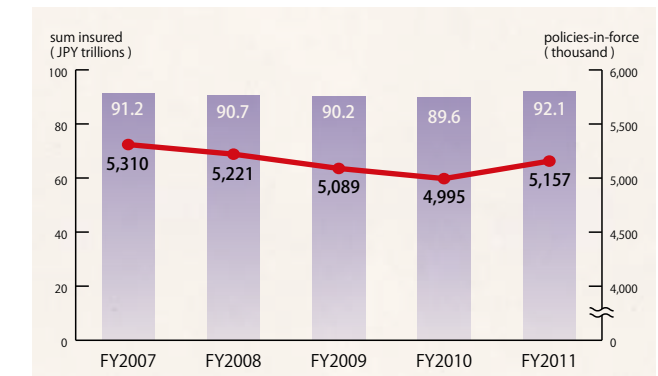
The number of fire insurance at the end of fiscal year of 2011 totaled 5.157 million including newly accepted reinsurance contracts (net increase: 162,000 contracts), while the sum insured was JPY 92.1 trillion (net increase: JPY 2,426.2 billion).

Claim payments numbered 53,000 claims (net increase: 26,000 claims) totaling JPY 17.7 billion (net increase: JPY 2.6 billion), due to the effects of the numerous natural disasters that occurred during the fiscal year.

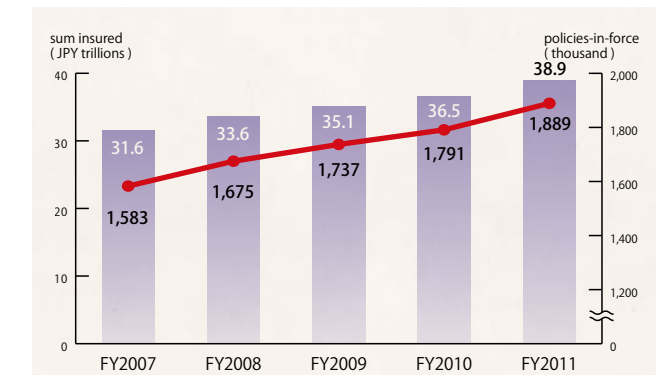
Also, the number of natural disaster insurance contracts held at the end of fiscal year of 2011 totaled 1.889 million (net increase: 98,000 contracts), while the sum insured was JPY 38.9 trillion (net increase: JPY 2.4 trillion).

Claim payment numbered 71,000 claims totaling JPY 47.8 billion (net increase: JPY 11.3 billion).

Fire Insurance



Natural Disaster Insurance



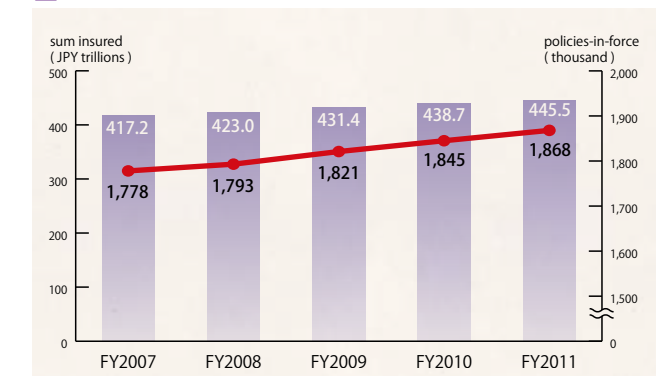
Automobile Insurance and Compulsory Automobile Liability Insurance

The number of automobile insurance contracts held at the end of fiscal year of 2011 totaled 1.868 million (net increase: 22,000 contracts), while the sum insured was JPY 445.5 trillion (net increase: JPY 6.7 trillion).

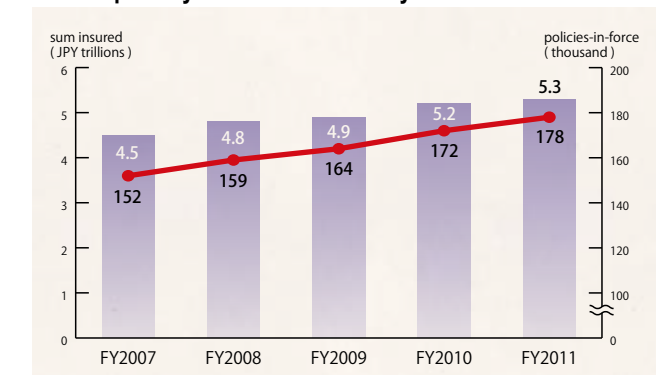
Claim payments numbered 207,000 claims (net increase: 10,000 claims) totaling JPY 54.9 billion (net increase: JPY 3.3 billion).

The number of compulsory automobile liability insurance contracts held totaled 178,000 (net increase: 6,000 contracts), while the sum insured was JPY 5.3 trillion (net increase: JPY 189 billion).

Automobile Insurance



Compulsory Automobile Liability Insurance



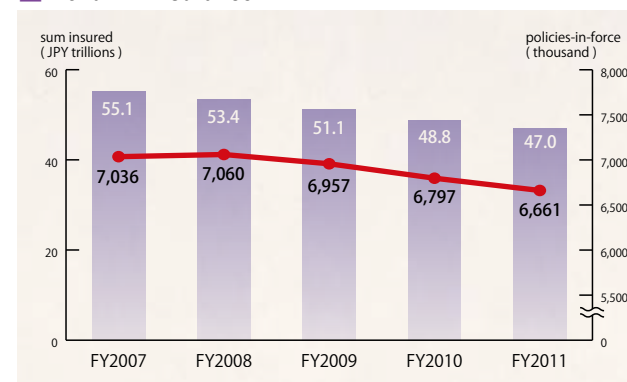
Performance of Each Product

Kokumin Insurance (Individual Term Life Insurance)

The number of Kokumin Insurance (individual term life insurance) contracts held at the end of fiscal year of 2011 totaled 6.661 million (net decrease: 136,000 contracts), while the sum insured was JPY 47.0 trillion (net decrease: JPY 1.9 trillion).

Claim payments for the five types of individual term life insurance; children's term life insurance; seniors' term life insurance; injury insurance; and personal liability insurance totaled 450,000 claims (net decrease: 12,000 claims) totaling JPY 68.4 billion (net increase: JPY 100 million).

Kokumin Insurance

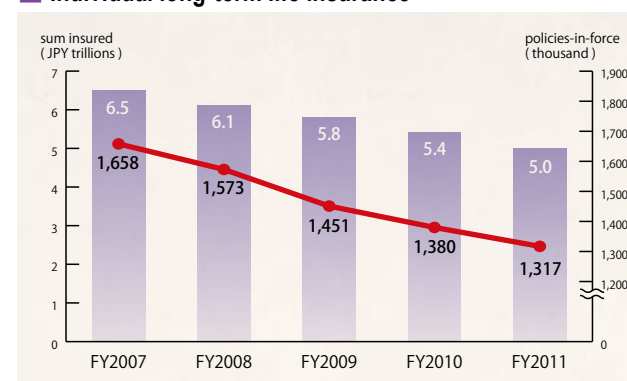


Individual Long-term Life Insurance

The number of individual long-term life insurance at the end of fiscal year of 2011 totaled 1.298 million (net decrease: 78,000 contracts), while the sum insured was JPY 5.0 trillion (net decrease: JPY 0.4 trillion).

Claim payments numbered 185,000 claims (net decrease: 6,000 claims) totaling JPY 53.1 billion (net decrease: JPY 500 million).

Individual long-term life insurance



Annuities/Whole Life Insurance

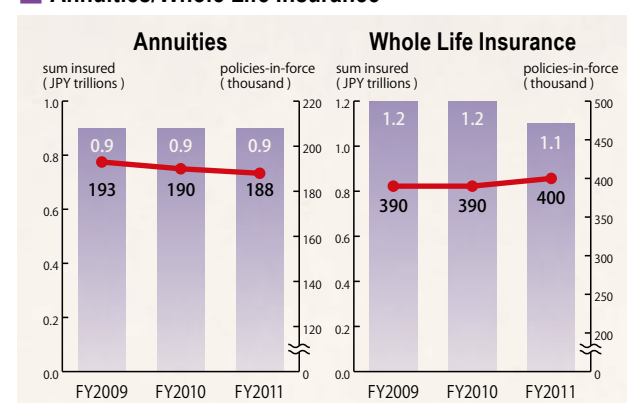
The number of annuity contracts held at the end of fiscal year of 2011 totaled 188,000 (net decrease: 2,000 contracts), while the sum insured was JPY 871.0 billion (net decrease: JPY 13.2 billion).

Claim payments numbered 334,000 claims (net decrease: 1,000 claims) totaling JPY 45.0 billion (net increase: JPY 700 million).

The number of whole life insurance contracts totaled 406,000 (net increase: 6,000 contracts), while the sum insured was JPY 1.1 trillion.

Claim payments including those under Kokumin Insurance numbered 92,000 claims (net increase: 10,000 claims) totaling JPY 11.7 billion (net increase: JPY 1.2 billion).

Annuities/Whole Life Insurance



Other Insurance

A look at contracts held centered on trade unions at the end of fiscal year of 2011 shows that the number of group term life insurance contracts held totaled 5.993 million (net decrease: 195,000 contracts), while the sum insured was JPY 34.1 trillion (net decrease: JPY 1.5 trillion). At the same time, claim payment numbered 173,000 claims (net decrease: 3,000 claims) totaling JPY 40.7 billion (net decrease: JPY 350 million).

Also, the number of traffic accident insurance contracts held totaled 3.509 million (net decrease: 154,000 contracts), while the sum insured was JPY 10.0 trillion (net decrease: JPY 400 billion). Claim payment numbered 31,000 claims (net decrease: 2,000 claims) totaling JPY 5.0 billion (net increase: JPY 40 million).

The number of group annuity contracts (both old and new types) held totaled 633,000 (net decrease: 7,000 contracts), while the sum insured was JPY 1.5 trillion (net decrease: JPY 23.4 billion).

Claim payments numbered 236,000 claims (net increase: 12,000 claims) totaling JPY 31.3 billion (net increase: JPY 1.5 billion).

Financial Highlights

	FY2007	FY2008	FY2009	FY2010	FY2011
Ordinary Income	707,290	700,852	678,920	663,560	718,588
Ordinary Surplus	58,537	32,114	42,224	38,681	36,915
Net Surplus	6,042	5,183	7,891	△ 16,889	△ 14,015
Membership Capital	128,463	130,770	131,852	132,160	142,471
Total Capital	245,838	231,133	240,857	226,016	222,129
Total Assets	2,821,906	2,868,709	2,986,028	3,046,959	3,116,448
Policy reserves and others	2,317,125	2,408,637	2,508,575	2,557,667	2,646,890
Securities	1,761,443	2,048,604	2,254,448	2,258,208	2,321,094
Number of Staff	3,592	3,546	3,405	3,379	3,472
Solvency Margin Ratio (%)	843.6	916.4	1,036.4	1,109.7	1,196.4

Figures are in JPY millions except Number of Staff and Solvency Margin Ratio.

Financial Highlights

Premium Income by Lines (JPY millions)

Types of Insurance	FY2010			FY2011		
	FY2010	Share, %	Rate of Change, %	FY2011	Share, %	Rate of Change, %
Fire Insurance	58,903	10.2	△ 0.3	58,623	9.9	△ 0.5
Natural Disaster Insurance	32,078	5.6	6.2	34,905	5.9	8.8
Traffic Accident Insurance	9,837	1.7	△ 5.0	9,488	1.6	△ 3.5
Automobile Insurance	67,733	11.7	0.6	68,504	11.6	1.1
Compulsory Automobile Liability Insurance	1,710	0.3	4.2	1,950	0.3	14.0
Group Term Life Insurance	77,051	13.4	△ 5.4	74,174	12.6	△ 3.7
Individual Term Life Insurance	122,840	21.3	△ 2.2	120,500	20.4	△ 1.9
Individual Term Life Insurance for Pre-Adolescent	8,113	1.4	△ 0.8	8,006	1.4	△ 1.3
Individual Term Life Insurance for Senior	6,530	1.1	△ 3.3	6,284	1.1	△ 3.8
Accident Insurance	10,966	1.9	△ 2.5	10,734	1.8	△ 2.1
Personal Liability Insurance	-	-	-	0	0.0	0.0
Individual Long-Term Life Insurance	76,155	13.2	△ 7.8	74,584	12.6	△ 2.1
Individual Annuity	14,322	2.5	△ 4.2	14,724	2.5	2.8
Group Annuity	26,419	4.6	△ 46.7	6,464	1.1	△ 75.5
New Group Annuity	22,088	3.8	-	41,442	7.0	87.6
Whole Life Insurance	38,805	6.7	4.3	39,550	6.7	1.9
Other Insurance Business	3,008	0.6	△ 1.9	20,796	3.6	292.6
Total	576,559	100.0	△ 2.2	590,729	100.0	2.5

Claim Paid by Lines (JPY millions)

Types of Insurance	FY2010			FY2011		
	FY2010	Share, %	Rate of Change, %	FY2011	Share, %	Rate of Change, %
Fire Insurance	15,082	4.2	3.2	17,185	4.4	13.9
Natural Disaster Insurance	36,521	10.2	1,412.5	47,783	12.3	30.8
Traffic Accident Insurance	4,957	1.4	3.4	4,997	1.3	0.8
Automobile Insurance	51,638	14.4	2.3	54,947	14.2	6.4
Compulsory Automobile Liability Insurance	1,075	0.3	14.8	1,072	0.3	△ 0.3
Group Term Life Insurance	41,037	11.4	△ 9.1	40,684	10.5	△ 0.9
Individual Term Life Insurance	55,367	15.4	△ 2.2	54,931	14.2	△ 0.8
Individual Term Life Insurance for Pre-Adolescent	4,492	1.3	2.6	4,639	1.2	3.3
Individual Term Life Insurance for Senior	2,850	0.8	△ 6.1	2,761	0.7	△ 3.1
Accident Insurance	5,633	1.6	1.3	6,100	1.6	8.3
Personal Liability Insurance	-	-	-	0	0.0	-
Individual Long-Term Life Insurance	53,529	14.9	△ 20.5	53,077	13.7	△ 0.8
Individual Annuity	44,343	12.4	39.8	45,040	11.6	1.6
Group Annuity	24,332	6.8	△ 9.7	4,276	1.1	△ 82.4
New Group Annuity	5,400	1.5	-	26,977	7.0	399.6
Whole Life Insurance	10,504	2.9	△ 0.7	11,705	3.0	11.4
Other Insurance Business	1,857	0.5	△ 20.1	11,739	3.0	1,008.3
Total	358,618	100.0	9.9	387,914	100.0	8.2

Management index

Ensuring Sufficient Security to Reward the Trust of Members

Adjusted Equity Capital: JPY 506.2 Billion; Adjusted Equity Capital Ratio: 16.2% Sufficient equity capital to meet insurance liability

As shown in the table at right on our ability to insurance liability, despite increased capital from occupational co-operatives, the increase in adjusted equity capital was only JPY 9 billion, due to reversal of voluntary reserves. The resulting adjusted equity capital was JPY 506.2 billion, for an adjusted equity capital ratio of 16.2 percent.

(JPY billions)

Summary		FY 2010		FY 2011	
		Amount	Percent, %	Amount	Percent, %
Adjusted equity capital	Member Equity	237.6	7.8	233.9	7.5
	Valuation and translation adjustment	△11.8	△0.4	△12.0	△0.4
	Subtotal	225.9	7.4	222.0	7.1
	Contingency reserves	251.4	8.3	262.3	8.4
	Price fluctuation reserves	19.9	0.7	21.9	0.7
	Total	497.2	16.3	506.2	16.2
Total assets		3,047.0	-	3,116.4	-

Basic Profit: JPY 117.7 Billion A sufficient level for co-operative insurance business

In comparison with the previous fiscal year, when claim payment rose due to the Great East Japan Earthquake, risk premium profit or loss recovered by JPY 26.8 billion to JPY 121 billion. While investment profit or loss also improved by JPY 900 million, expense profit or loss decreased by JPY 400 million due to factors including an increase in investigation costs in response to disasters. As a result of these developments, basic profit increased by JPY 27.3 billion from the previous fiscal year to JPY 117.7 billion.

(JPY billions)

Summary	FY 2010	FY 2011
Basic profit	90.4	117.7
(Expense profit or loss)	(5.4)	(5.0)
(Investment profit or loss)	(△9.2)	(△8.3)
(Risk premium profit or loss)	(94.2)	(121.0)

Note: The basic profit is calculated by deducting the amount of capital profit and loss, extraordinary profit and loss from ordinary surplus.

Solvency Margin Ratio: 1,196.4%

The total solvency margin rose as a result of continued increases in liability reserves and price fluctuation reserves. At the same time, the increase in the total amount of risk was kept under control since expected interest-rate risk and asset-management risk were kept down, although it did rise due to the increase in contracts held. As a result, the solvency margin ratio rose by 86.7 points from the previous fiscal year to 1,196.4 percent.

(JPY billions)

Summary	FY 2010	FY 2011
Total solvency margin (A)	674.9	738.7
Total risk (B)	121.6	123.5
Solvency margin ratio (A)/{(B)×(1/2)}×100	1,109.7%	1,196.4%

Note: The aforementioned solvency margin ratio was calculated based on the Consumers' Co-operative Society Law. Since Zenrosai provides both life and non-life insurance, our solvency margin ratio cannot be compared simply to those of other life insurers or non-life insurers.

Net Worth: JPY 861.1 Billion; Real Net Asset Ratio: 27.6%

Net worth was JPY 861.1 billion, up JPY 140.2 billion due to increases in additional liability reserves and other reserves (liabilities with the nature of capital). This indicates a good financial state with a net surplus of assets.

(JPY billions)

Summary	FY 2010	FY 2011
Net worth	720.8	861.1
Net worth ratio	23.7%	27.6%

Note: The net worth is the amount of equity broadly defined, including contingency reserves and other reserves, plus unrealized profit and loss. Put another way, it is the amount of total assets on a mark-to-market basis minus liabilities (not including those with the nature of capital, such as contingency reserves).

Asset Management

1 Asset Management Environment

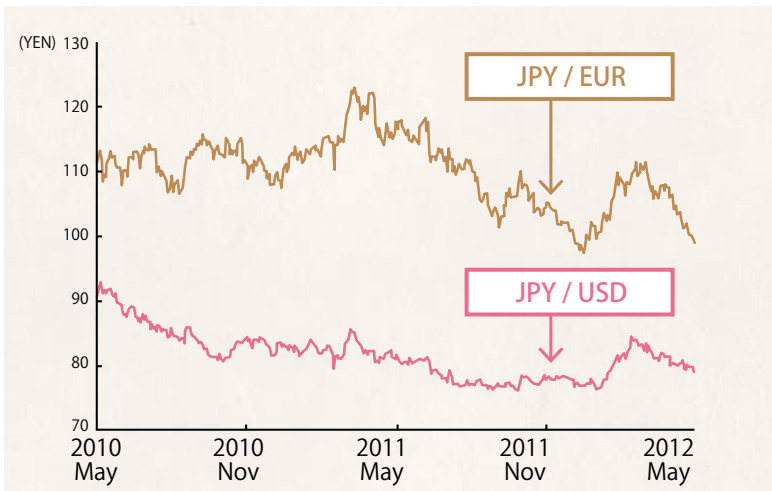
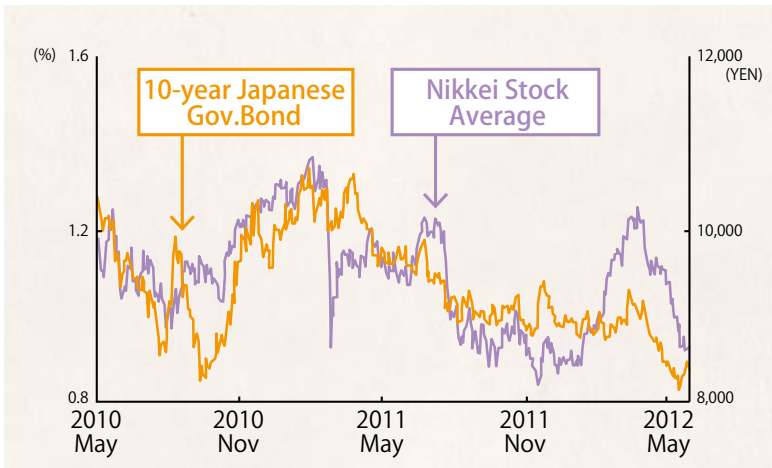
Although the Japanese economy showed signs of a gentle recovery led by demand related to recovery from the Great East Japan Earthquake, future prospects remain uncertain due to the lengthening of debt problems in Europe and global concerns about an economic slowdown.

While the economy turned toward recovery at one point in response to developments such as monetary easing measures by the Bank of Japan and responses to the debt problems in Europe, a rekindling of instability in Europe, as seen for example in strengthened concerns about Greece and Spain, cast a shadow on the global economy.

As a result of such global economic trends, the domestic interest rate (the 10-year new issue of Japanese Government Bond yields) stayed on a falling trend. Although credit rating agencies have successively lowered the ratings of Japanese Government Bonds (JGB) due to factors such as concerns about rising balances of government debt, there was no change in the flow of funds toward the JGB as demand remained strong for the JGB as stable assets. A movement toward risk aversion strengthened further as the instability in Europe intensified due to factors including concerns about a Greek exit from the euro at the end of the year, causing interest rates to drop to the lower 0.8% range.

The domestic stocks (Nikkei Stock Average) fell as far as the lower 8,000-yen range in November 2011 due to factors including the instability in Europe, flooding in Thailand, and the effects of the high value of the yen on international currency markets. Although they later recovered to set a new post-Great East Japan Earthquake high in the 10,000-yen range in March 2012, backed by the monetary easing policies of central banks and expectations of an economic recovery in the United States, the rekindling of European instability and concerns about a slowdown in the Chinese economy combined to lead to major decreases at the end of the fiscal year.

The exchange rate (yen/U.S. dollar) trended at historically high values of the yen against the U.S. dollar, as the yen rose to its highest level in history in the range of 75 yen to the U.S. dollar in October 2011. Later the yen entered a decreasing trend due to factors such as intervention in the currency markets by the Japanese government and the Bank of Japan and additional monetary easing by the Bank of Japan, recovering to the mid-80-yen range in March 2012, but then the yen rose again due to factors such as uncertainty about U.S. economic prospects, as the dollar once again fell below 80 yen. The euro also remained in a downward trend against the yen all year long, due to the instability in Europe. Although the euro recovered to the 110-yen range temporarily in response to factors such as a large-scale infusion of funds by the European Central Bank (ECB), the drop in the euro again advanced as the European instability rekindled.



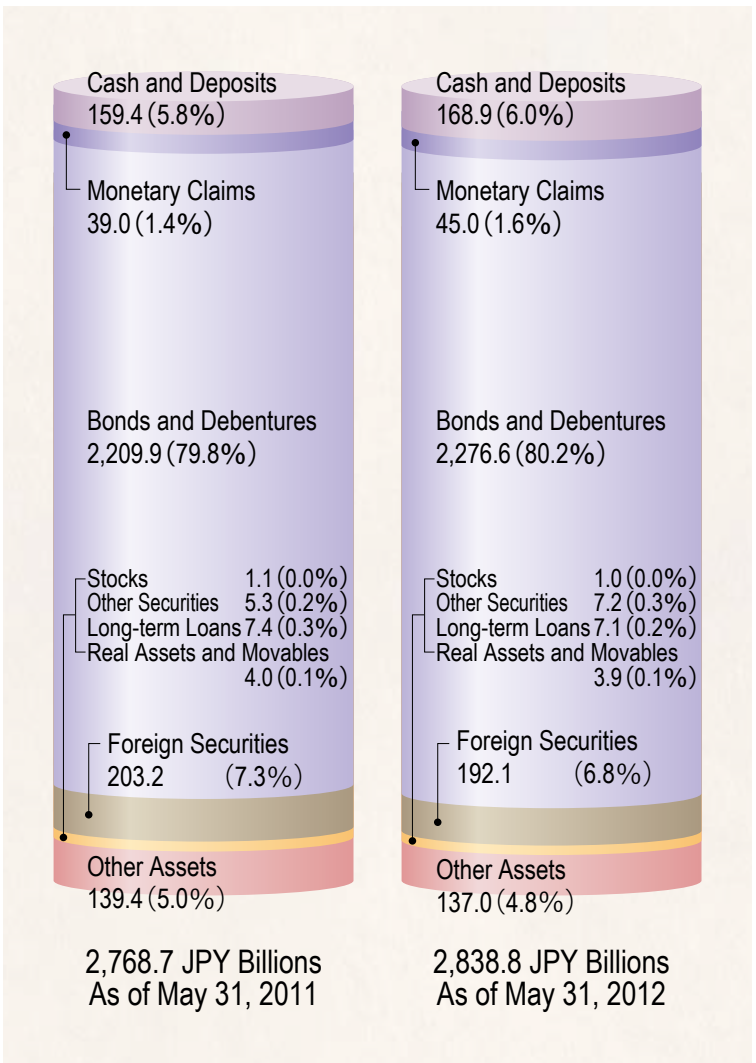
2 General Condition of Asset Management

Zenrosai's asset management has been employed mainly on government bonds and corporate debentures which promise stable, long-term profits, based on our management policies. Moreover, we encouraged long-term management of government bonds and corporate debentures from the perspective of ALM (comprehensive assets and liabilities management).

Assets we manage have reached JPY 2,838.8 billion, an increase of JPY 70.1 billion. Major items in detail are government bonds which comprise the core, with 80.2% government bonds and corporate debentures; 6.8% foreign securities; and 6.0% cash and deposits. Long-term loans include such cases as policy loans, while loans against nonfinancial companies are not approved under the co-operative society law.

Our net profit from asset management rose by JPY 2.1 billion (4.8%) from the previous fiscal year to JPY 45.6 billion, while our yield on investment was 1.62%.

Working Assets



Investment Profit

	(JPY billions)	
	FY2011	FY2012
Investment Profit	43.5	45.6
Yield on Investment	1.56%	1.62%

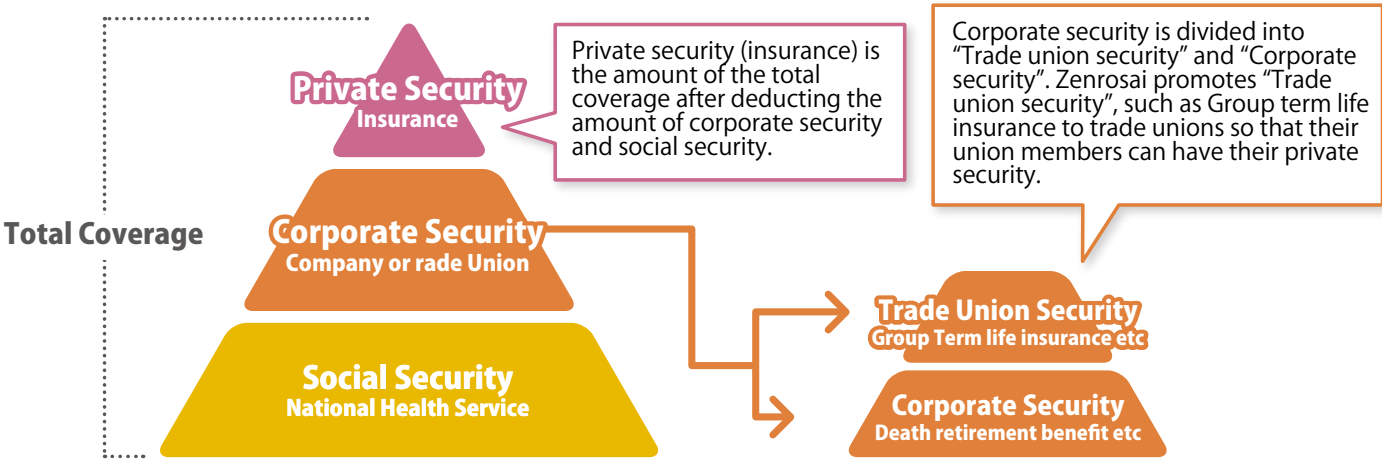
Approaches for Total Coverage

Measures for Risks (1)

It is a little unreasonable to try to secure ourselves against all the risks we face in our lives using only private insurance. It is important to prepare ourselves for risks by thinking about security taking into consideration all the security we need, including Social Security such as national health service and corporate security from sources such as companies or trade unions.

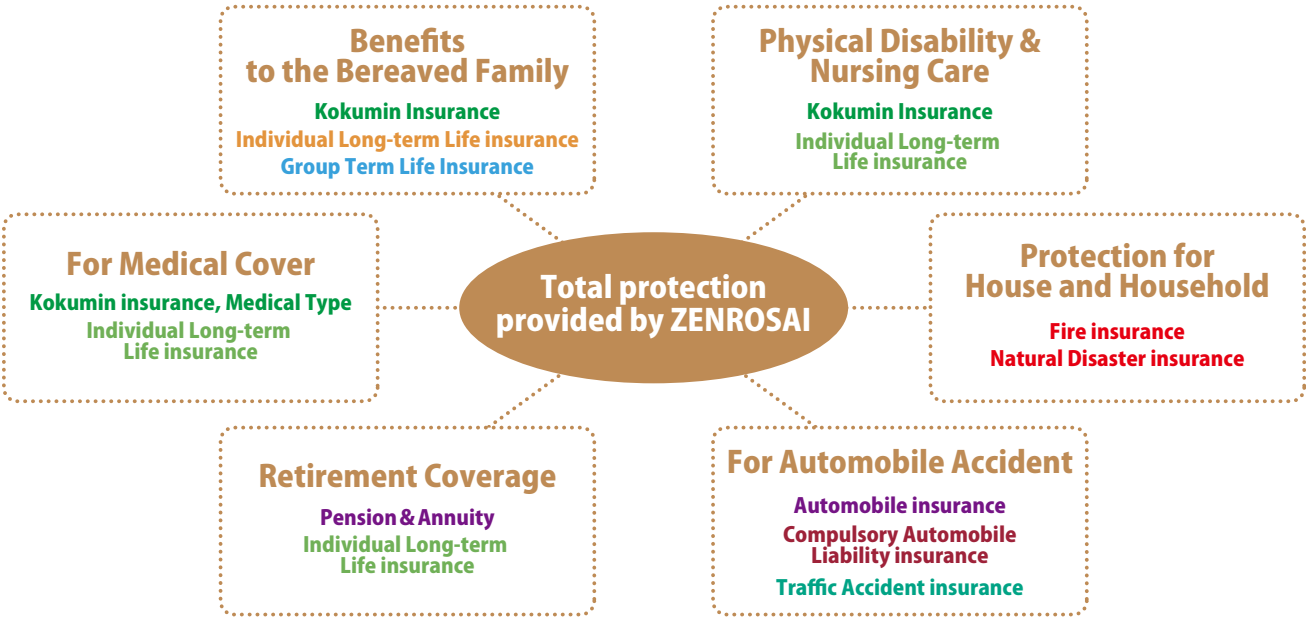
The key point is to understand the systems and level of social security and corporate security, and then to prepare for the category of risk that these do not cover by using private security (such as insurance and savings).

Based on this concept, Zenrosai provides its members with, what we call, Lifestyle Security Design Program. The goal is to enhance security and reduce household expenditures and through consultation with our members, consider the insurance coverage they truly need to prepare for uncertainties in a reasonable way, through planning and implementing a life plan suited to their own needs.



Measures for Risks (2)

Zenrosai takes advantage of its co-operative characteristics, and provides total protection for the members, such as life, non-life, and liability insurance.



Disaster Prevention and Coverage Examination Campaign of House & Living

Zenrosai is promoting ‘Disaster Prevention and Coverage Examination Campaign of House & Living in order to secure life and the safety of consumers and with the view of enabling prompt recovery of livelihood after disasters. For example, our measures include questionnaires with consumers and aspiration of anti-disaster consciousness of members with three viewpoints, ‘dairy preparations for disaster’, ‘safety ensuring in case of disaster’ and rehabilitation after disaster’.

In order to fulfil responsibility and role of Zenrosai, then hand it over next generation, Zenrosai is going to sep forward this activity.



Three viewpoints for protection

- ↑ ‘Dairy Preparations’
- ↑ ‘Safety Ensuring’
- ↑ ‘Rehabilitation’

Balance Sheet

Balance Sheet

	JPY millions		USD millions
Assets:	May 31, 2011	May 31, 2012	2012
Cash and deposits	159,389	168,942	2,131.8
Money-in-trust	161,370	155,773	1,965.6
Monetary claims bought	39,000	45,000	567.8
Securities	2,258,208	2,321,094	29,288.3
Loans	7,352	7,057	89.0
Invested real estate	4,046	3,922	49.5
Other investments	139,371	137,029	1,729.1
Reinsurance accounts receivables	3,214	2,602	32.8
Deposited accounts receivables	1,780	1,634	20.6
Accounts receivables	670	371	4.7
Other insurance business assets	14,979	15,521	195.8
Other business assets	152	154	1.9
Prepaid expenses	548	530	6.7
Accrued revenue	12,073	11,512	145.3
Other assets	6,984	10,498	132.5
Real assets and movables for operating	67,467	64,941	819.4
Fund to related organizations	5,779	5,631	71.1
Deferred tax assets	164,863	164,469	2,075.3
Allowance for bad debts	△ 287	△ 234	△ 3.0
Total Assets	3,046,959	3,116,448	39,324.3

Balance Sheet, cont.

	JPY millions		USD millions
Liabilities:	May 31, 2011	May 31, 2012	2012
Policy reserves	2,675,379	2,764,097	34,878.2
Reinsurance accounts payables	2,590	2,496	31.5
Accounts payables	1,432	1,044	13.2
Deposited accounts payables	279	314	4.0
Other insurance business liabilities	27,589	32,444	409.4
Other business liabilities	95	73	0.9
Loans payables	112	91	1.1
Deferred income	21	30	0.4
Expenses payables	8,344	8,912	112.5
Interests payables	0	0	0.0
Other liabilities	48,672	24,873	313.9
Reserves for possible loan losses and retirement allowances	36,531	38,044	480.1
Price fluctuation reserves	19,900	21,900	276.3
Total Liabilities	2,820,943	2,894,319	36,521.4
Net Assets			
Membership capital	237,786	234,081	2,953.7
Cooperative Share	132,160	142,471	1,797.7
Surplus	105,625	91,610	1,160.0
Statutory reserve	34,029	34,329	433.2
Voluntary reserve	68,835	54,579	688.7
Unappropriated surplus for the period (Net surplus for the period)	2,762 △ 16,889	2,703 △ 14,015	34.1 △ 176.8
Valuation and translation adjustments	△ 11,769	△ 11,952	△ 150.8
Total Net Assets	226,016	222,129	2,802.9
Total Liabilities and Net Assets	3,046,959	3,116,448	39,324.3

Note: Figures in US dollars are based on the interbank rate as of 31st May, 2012: Japanese Yen 79.25 shall be a US dollar.

Statements of Income

Income Statement

	JPY millions		USD millions
	FY2011	FY2012	FY2012
Ordinary Income:			
Premium and other income	587,032	640,974	8,088.0
Transfer from policy reserves	27,375	26,262	331.4
Other business income	983	846	10.7
Investment income	47,290	49,450	624.0
Other ordinary income	881	1,056	13.3
Total Ordinary Income	663,560	718,588	9,067.4
Ordinary Expenses:			
Claims and Benefits	448,181	473,621	5,976.3
Transfer to policy reserves	60,181	89,254	1,126.2
Other business expenses	45	39	0.5
Investment expenses	3,782	3,866	48.8
Operating expenses	112,294	114,565	1,445.6
Other ordinary expenses	395	327	4.1
Total Ordinary Expenses	624,879	681,673	8,601.6
Ordinary Surplus	38,681	36,915	465.8

Income Statement, cont.

	JPY millions		USD millions
	FY2011	FY2012	FY2012
Extraordinary Profit and Loss			
Extraordinary Income	505	3	0.0
Extraordinary Loss	43,356	5,426	68.5
Extraordinary Income	△ 42,851	△ 5,423	△ 68.5
Surplus before taxes	△ 4,171	31,491	397.4
Corporate and other taxes	20,846	20,121	253.9
Adjustment of corporate and other taxes	△ 27,640	△ 341	△ 4.3
Transfer to dividends reserves	19,513	25,726	324.6
Net surplus for the period	△ 16,889	△ 14,015	△ 176.8
Retained earnings from prior period	1,177	762	9.6
Payments from voluntary reserves	18,474	15,956	201.3
Unappropriated surplus for the period	2,762	2,703	34.1

Note: Figures in US dollars are based on the interbank rate as of 31st May, 2012: Japanese Yen 79.25 shall be a US dollar.

Cooperation among Co-operative Societies

Business tie-up with Labour Bank and JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation)

Labour Bank, as a co-operative insurance agent of Zenrosai, had been promoting “Mortgage fire insurance (including natural disaster insurance)” since April 2009, and started promoting “fire insurance” from April 2010. In March 2009, Labour Bank and Zenrosai announced its joint declaration titled “New consumers' welfare which Labour Bank and Zenrosai head for”.

As voluntary organizations for workers' welfare, Labour Bank and Zenrosai have provided financial and insurance services for their better and stable life for over fifty years.

Having strengthened close relationship between consumers and civic activities with cooperation among co-operative societies, we will find out consumers' new needs and develop products and schemes. Therefore, Labour Bank and Zenrosai contribute to the creation of new society of mutual help and compassion through our core business, financial and co-operative insurance services.

Also, we are conducting product tie-up and marketing activities for life and fire insurance business with JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation).

Affiliation to JCIA (Japan Cooperative Insurance Association)

It was in 1960s when the necessity of cooperation to strengthen social role of "co-operatives doing insurance business" was pointed out for the first time.

After that, co-operative insurance business has been developing well, but collaborative relationship among co-operative insurance societies was not enough because of different applicable laws. Then, the four societies, including Zenrosai, Zenkyoren, Kyosuioren and Kyosai (co-operative insurance) Hoken (insurance) Institute started a concrete canvas and firstly, "Connecting Association of Co-operative Insurance Society" was launched in 1988 and after that, aggregate corporation "Japan Co-operative Insurance Association" was established in 1992.

The association's purpose is "to promote a sound development of co-operative insurance business and, through this activity, to contribute to stability of living and improvement of welfare for all working classes such as farmers, forest workers, fisheries, laborers and so on in the community and society."

- JCIA Members**
- Zenrosai
 - Zenrosai Kyokai
 - Saikyosairen
 - Kyosuioren
 - Zenkyoren
 - Seikyo Zenkyoren
 - Daigaku Seikyo Kyosairen
 - Chusho-Kigyo Kyosai
 - Kyoei Fire & Marine Insurance
 - Zenkoku Seikyoren
 - Nikkaren
 - Kokyoren
 - Zenjikyō
 - JCIF

Affiliation to JJC (Japan Joint Committee of Cooperatives in Japan)

Aiming at alignment activity looking to the international scope, Zenrosai has been a member society of JJC since 1992. JJC was established in 1956 as a connecting body of agricultural co-operative, consumers' co-operative, fisheries' co-operative, and others in the central area to promote mutual connection and alliance among different types of co-operatives in Japan, solution of common problems and alliance with co-operative movements in foreign countries.

- JJC Members**
- Zenrosai
 - JA-ZENCHU
 - ZEN-NOH
 - Zenkyoren
 - JCCU
 - The Norinchukin Bank
 - IE-NO-HIKARI ASSOCIATION
 - Japan Agriculture News
 - National Association of Labour Banks
 - HeW CO-OP JAPAN
 - JWCU
 - Zengyoren
 - ZENMORI-REN
 - NFUCA

Social Contribution Activities

Based on our mission statement, “Towards a safe and affluent society with mutual help,” Zenrosai is carrying out activities to contribute actively to the community. Areas of ‘Loss Prevention Activity’, ‘Environmental Preservation Activity’, and ‘Upbringing Healthy Children Activity’ are put as priority areas for building and passing along a safe and affluent society, and we are carrying out a variety of social contribution activities.



Social Contribution Report

Loss prevention activity “Bosai Cafe (loss prevention cafe)”

The “Bosai Cafe” is being promoted by the Cabinet Office as a traveling course to raise awareness of disaster prevention among the public. With just a little effort, anybody can protect him or herself from natural disasters such as earthquakes and typhoons and minimize the damage they cause. The “Bosai Cafe” is held as a program in which the entire family, from children through adults, can participate, through combining together a variety of events under the motto of being fun and easy to understand. These events include taste testing of emergency food, lectures by experts and others, disaster prevention science experiment shows, and disaster prevention games.



Bosai Cafe

Fire insurance with social contribution for eco-houses

“Fire insurance with social contribution for eco-houses” is a insurance policy in which Zenrosai makes donations to groups carrying out environmental activities in accordance with the conditions of business performance each year. It provides the same coverage as normal fire policy but at a discounted rate for eco-friendly houses, making it an insurance policy that is good for both society and members.

In the fiscal year of 2011, we donated JPY 11 million under this program to the following group conducting environmental activities:

National Land Afforestation Promotion Organization.
-Midori no Bokin (“Green Fund”) restricted purpose donation: Great East Japan Earthquake Reconstruction Project

Wrestling with environment issues

(i) Earning ISO14001 Certification

At the start of the 21st century, which has been called the “environmental century,” Zenrosai clearly identified the promotion of environmental preservation activities as one of the corporate basic principles in the second term plan of its 21st Century Vision. It also declared the continual deployment of environmental activities to be its mission in society. As a result of the development of an Environmental Management System (EMS) begun in April 2000 and promotion of environmental activities in which the entire office worked together as one, in December 2000 Zenrosai’s head office earned ISO14001 certification. Inspired by this achievement, since 2001 Zenrosai has expanded its environmental activities to regional offices and prefectural offices as well as to the entire Zenrosai group.



2012 Zenrosai Community Contribution Grant Program

Since 1992 we have provided grants to organizations taking on issues such as environmental problems. In 2012, we conducted “2012 Zenrosai Community Contribution Grant Program” targeting activities in two areas, which are ‘Activities to protecting the environment’ and ‘Activities to support sound child rearing’, all under the theme of “benefiting children living today and in the future, in order to leave a rich natural environment for the children of the future.”

The main focuses of the program are “activities that will lead to community building, growth, and revitalization by linking people with each other through numerous community residents taking part in the activities” and “activities that will take firm root in the community and will continue.” From the perspective of how to contribute to building ties in the community, in addition to environmental protection results and contributions to sound child rearing, this program is expected to lead to community building, growth, and revitalization by broadening the scope of people helping each other in the community.

Subject activities

Environment

- (i) Activities to protect the natural environment in the community
- (ii) Activities to build a sound material-cycle society in the community
- (iii) Activities to learn the importance of the community’s nature and environment

Child Rearing

- The following activities to support diverse ways of raising children outside the school in the community:
- (i) Activities to build enriched places for children to play
 - (ii) Activities to create places where children can interact with and learn from each other

Note: Focus is placed on activities in which children themselves actively can take part.



Applications and Screening Results

Type of Grant	Number of Applied Organizations	Number of Elected Organizations	Grant Amount
Environment	115	36	JPY 9,839,300
Child Rearing	221	34	JPY 9,785,000
Total	336	70	JPY 19,624,300

Zenrosai Culture Festival

Based on the desire to enable children, who will shoulder the next generation, and their families to grow enriched hearts through contact with quality art and culture, we held the 21st Zenrosai Culture Festival under the slogan: “Have fun with your entire family.”

This year’s Culture Festival featured performance of four works: the festival’s first talk session/lecture meeting and diverse stage performance including dance performance by 80 children from Expression D.S. in Iwaki, Fukushima Prefecture (special guest); a heartwarming musical in Osaka dialect featuring children who live their lives without giving up hope, believing in the future, and a woman in an old-fashioned penny candy store; a puppet performance by 31 puppeteers; and a performance depicting the world the giant hornet, Maria, flies through on the topic of “living.” Many people came to enjoy the festival during its run.



Dance Expression D.S



Puppet Show, Tempest, by Hitomiza

2012 United Nations International Year of Co-operatives

United Nations has declared 2012 as the International Year of Co-operatives (IYC) at the 64th General Assembly on December 18th 2009, highlighting the contribution of co-operatives to socio-economic development, particularly their impact on poverty reduction, employment generation and social integration.



The United Nations’ goals for the IYC are to :

- 1 Increase public awareness about co-operatives and their contributions to socio-economic development and achievement of the Millennium Development Goals.
- 2 Promote the formation and growth of co-operatives.
- 3 Encourage governments to establish policies, laws and regulations conducive to co-operative formation, growth and stability of co-operatives.

Internationally, IYC was officially launched at the United Nations on 31st October 2011. Also, in Japan, the IYC Kick-Off Event was held on 13th January 2012 at United Nations University in Shibuya, Tokyo. Zenrosai’s approach to the IYC includes developing a dedicated web page in its website and distributing leaflet and DVD to make an appeal about Zenrosai as a Co-operative.

The International Co-operative Alliance (ICA) launched the Blueprint for a Co-operative Decade, an ambitious strategy to make co-operatives the fastest growing business model by the end of the decade at the Co-operatives United in Manchester on October, 2012. The co-operative decade strategy not only aims to make co-operatives the fastest growing form of business but also seeks to make co-operatives the acknowledged leader in environmental, social and economic sustainability. The blueprint aims to take co-operatives to a position of being the preferred model by people worldwide.

Zenrosai is going to contribute to raising Co-operative’s status with the IYC slogan, “Co-operative enterprises build a better world” hand in hand with other co-operatives both in Japan and overseas.



Zenrosai IYC Leaflet

DVD to introduce Zenrosai activity

International Affairs

Zenrosai thinks that cooperation and solidarity among not only Japanese co-operative societies but also those all over the world is essential. Development conditions on history, culture, society and economy differs from country to country. Same as this, co-operatives have also been developing in various ways. Zenrosai believes that an involvement in international affairs is important because we can take a good look at our organization and country through wide-range exchange with 1 billion co-operators participating in co-operative movements and people in the world.

Zenrosai participates in various international activities based on its belief that development of co-operative movement in the world contributes to the world peace, enhances social justice and improves people's living and welfare. In particular, Zenrosai has been engaged in the development activity and expanded the relationship with organizations such as overseas co-operatives and trade unions through ICA and ICMIF in order to spread and promote co-operative movement globally. With the advance of globalization, it is getting more important to keep in touch with similar organizations and related international bodies in the world. In order to share our experiences and information each other, Zenrosai has been liaising with co-operative and mutual organizations all over the world.



Visit to Länsförsäkringar, Swedish Mutual Insurer (September 2012)

Affiliation to ICA

The International Co-operative Alliance (ICA), which has over 100 years' history, is the largest non-governmental organization that unites, represents and serves co-operatives worldwide. It exists to provide an effective and efficient global voice and forum for knowledge, expertise and coordinated action for and about co-operatives. ICA members are international and national co-operative organisations from all sectors of the economy including agriculture, banking, consumer, fisheries, health, housing, insurance and tourism. Currently, the ICA has member organisations from almost 100 countries, representing approximately 1 billion individuals worldwide. Around 100 million people work for co-operatives globally. Zenrosai joined ICA in 1992, when ICA held its International Congress in Tokyo. Since then, Zenrosai has been working hand-in-hand with co-operatives overseas for the advancement of the co-operative movement internationally.



ICA's Extra-ordinary General Assembly (November 2012)

Affiliation to ICMIF

In 1962 Zenrosai became a member of International Co-operative and Mutual Insurance Federation (ICMIF), which is a specialized body of ICA for co-operative insurers. Zenrosai has assisted its activity as a member of ICMIF Board. Also, Zenrosai has been a member of ICMIF Development Committee for more than 20 years. The Committee's task is to offer technical assistance for the development of co-operative insurance in developing countries. Zenrosai's contributions to its activities in the past years have included conducting feasibility studies for insurance programs, hosting seminars and paying regular consultancy visits. Also, Zenrosai strengthens relationships with ICMIF and members of ICMIF by participating in the ICMIF activities.



ICMIF Board Meeting (Stockholm)



*Zenrosai participates as a member

Zenrosai is
a Co-operative