

Annual Report 2013

# ZENROSAI

National Federation of Workers and Consumers

Insurance Co-operatives



# 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 continued support for Zenrosai(National Federation of Workers and Consumers Insurance Co-operatives).

In FY2012, which corresponds to the latter fiscal year for our Phase II (FY2011 – FY2012) Mid-term Management Plan, Zenrosai has continued working to assist the victims of the Great East Japan Earthquake as the highest priority issue. In addition, Zenrosai has also deployed a variety of initiatives in the aim of entrenching and manifesting the results from Phase I (FY2009 – FY2010).

Examples of our major initiatives that could be mentioned include establishing ‘My Page’, which is an Internet service that aims to further improve the quality of our work, and re-establishing a sales promotion structure in each prefecture for promoting dialogue and face-to-face encounters that value direct contact with members with a view towards reforming and strengthening activities for promoting new projects. Another initiative is the new establishment of special provisions for personal motor insurance for the development of and revisions to products that are finely attuned to the needs of members.

What is more, in 2012, which was designated by the United Nations as the International Year of Co-operatives, we carried out proactive initiatives aimed at improving the recognition that Zenrosai is a co-operative. While the 2012 International Year of Co-operatives has come to an end, we will continue

with a variety of different initiatives in the aim of developing our co-operative as a whole and further demonstrating our social responsibility.

Conversely, with FY2013 as the final fiscal year of our FY2009 – FY2013 Mid-term Management Plan we are aiming to cap our initiatives to date, and have positioned this as a preparatory period

leading to the Next Mid-term Management Plan. As such, we are bolstering efforts geared towards achieving this vision for Zenrosai by the end of FY2013.

In Japan questions are currently being raised over how the social security system should be structured amidst the harsh economic environment and aging of society coupled with declining birth rates. Here the mission and role that co-operative insurance should play based upon a mentality of helping one another and mutual assistance are growing in importance.

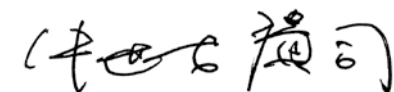
In light of such circumstances, we are aiming to reconstruct our business and organization, and strengthen governance in the aim of further raising our value as a co-operative. We will continue to promote initiatives geared towards achieving rapid decision-making and efficient management of organization.

Moreover, this year marks the 30-year anniversary of Kokumin Kyosai (individual term life insurance), which we first began handling in 1983. Over this period we have been able to provide members and their families with the security they need at affordable premiums by repeatedly revising our program in tune with the times and the changing needs of our members as a whole. I would like to offer my heartfelt gratitude to everyone who has supported Kokumin Kyosai up to this point. For the future, we will continue to march towards a new era as we deepen communication with all of our members in different regions and trade unions market under the motto of “Delivering peace of mind over generations.”

Zenrosai currently finds itself in an environment characterized by both harshness and difficulties, but we will get back to basics and forge ahead with the combined strength of all of our executives and employees towards the achievement of our philosophy “Towards a Safe and Affluent Society with Mutual Help.” Zenrosai will fulfil our social responsibilities and roles by continuing to provide peace of mind and trustworthiness, while valuing our ties with members, partner organizations, and communities.

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

October, 2013



Hiroshi Nakaseko  
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 The Reading Relay Project

### What is the Reading Relay Project?

Zenrosai's Reading Relay Project is a project that has been carried out in Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, and Tokyo since November 2012 whose goals are to provide psychological care to and the sound nurturing of the children of evacuees in the regions afflicted by the Great East Japan Earthquake. It was carried out in the hopes of letting children who had experienced the earthquake and been forced to change their lives following it temporarily immerse and lose themselves in a world of picture books. Story reading sessions were carried out in front of tapestries of *Takashi Yanase's Fairy Tale Picture Book*, which was produced by Takashi Yanase, the creator of Anpanman, which is enormously popular among children. These reading sessions travelled around to preschools and other places in 36 locations and were held for a total of 2,551 children. They were broadcast on community FM, and combined events were also held. In addition to Mr. Yanase, this project was held with the cooperation of a large number of people who were sympathetic to the aims of the project and who primarily took part as readers. These included Mihoko Inagaki, who is an actress who presides over the Mezamashi-Dokei Theater Troupe, local FM personalities, multiple NPOs, and reading volunteers.

### Heart-to-Heart Connections through the Reading Sessions

*Takashi Yanase's Fairy Tale Picture Book* is packed full of stories that stir up the imagination with their titles alone, such as "The Pansy and the Chimpanzee," "The Presbyopic Tadpole," and "The New Flower and the Old Man." The unique individual and appealing characters and variegated stories entrance children as well as adults. Among the stories is one that Mr. Yanase wrote by overlaying himself with the figure of a "Miracle Pine" that was the only one remaining in Rikuzentakata following the Great East Japan Earthquake. The reading sessions held in front of tapestries that were originally conceived by Mr. Yanase and which bring the world of the fairy tale picture book more vividly to life seemed to capture the children's hearts. The moment the readings began the children could be seen becoming engrossed with intense expressions on their faces, and after the sessions had ended the kids could be heard asking, "When are you coming back again?" The teachers who were attentively focused on the children's condition following the earthquake at the kindergartens and preschools in the afflicted regions that served as the venues were also pleased that the readings were held. Though it was fleeting, the project produced pleasing outcomes like delivering smiles to the afflicted regions and making heart-to-heart connections between the children and everyone involved. For the future, Zenrosai will lend out original tapestries to the preschools and the like in order to further expand the circle of these activities.

### Holding of the "Kizuna Performance"

The "Kizuna Performance" was held at the Toyosu Culture Center in Koto Ward, Tokyo on March 16, 2013 to serve as the goal of the Reading Relay Project. Ms. Inagaki performed story readings for children who had evacuated from the afflicted region and children within Tokyo. Numerous tapestries from *Takashi Yanase's Fairy Tale Picture Book* were also on display in the venue, and so the children could take a leisurely look at them. In addition, it also delivered a program that was full of variety, including a musical stage by Mezamashi-Dokei Theater Troupe, balloon art performances, and the Forest Classroom: "Mr. Acorn and the Forest Gang" by the National Land Afforestation Promotion Organization, from which the smiling faces of many children could be glimpsed. Even the adults were enormously pleased with the unique video message interspersed with original songs written by Mr. Yanase that was played at the outset of the performance. The whole place came together over the sight of the children energetically bouncing around as they sang in unison while folding "wish handkerchiefs," which were adorable handkerchiefs with original ditties printed on them that were supplied by Mr. Yanase. In a separate room that was set up away from the performance hall, the Japanese Red Cross Society had a corner where both parents and children



The reading session by Megumi Tachihara from Sea Wave FM Iwaki at Iwaki Municipal Nishiki Kindergarten, Fukushima Prefecture



The children at Morioka Municipal Kuriyagawa Preschool in Iwate Prefecture making handprint tapestries



Mihoko Inagaki, who presides over the Mezamashi-Dokei Theater Troupe



Forest Classroom by the National Land Afforestation Promotion Organization

could experience cardiopulmonary resuscitation using an AED, where it was impressive to see everyone learning in a serious manner by asking the staff questions. From the families that attended could be heard the smiling, joyful voices of the children at the same time as numerous sympathies to the disaster victims, making it a day where everyone shared their hopes for reconstruction.

### Takashi Yanase's Fairy Tale Picture Book.

This is a proud creation done by Mr. Yanase himself that is on a par with his Anpanman. Upon opening the picture book you will find that it contains charming stories packed full of Mr. Yanase's ideas. Zenrosai turned these stories into tapestries for the readings and lent them out. Zenrosai also donated the picture books to the establishments where the reading sessions were held.



A parent and child receiving a lesson from the Japanese Red Cross Society

## 2 Issuance of "Memories for Tomorrow: Fire Companies and Disaster Prevention Organizations from the Afflicted Regions Discuss the Great East Japan Earthquake"

We collected information on the activities of 15 fire companies and disaster prevention organizations in the afflicted region that offered aid through the Great East Japan Earthquake Reconstruction Support Special Reserves, a project to contribute to and aid communities by Zenrosai in 2012, and compiled this information into a report. This was done with the goal of raising awareness still further among a great number of people by conveying invaluable experiences from the Great East Japan Earthquake to later generations.



Takashi Yanase (left) and Kenjiro Tabaru, the ex-President of Zenrosai (right). Photo taken at Yanase Studios in Tokyo in April 2013

## 3 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 2012, 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*

## 4 Donating Circus Tickets

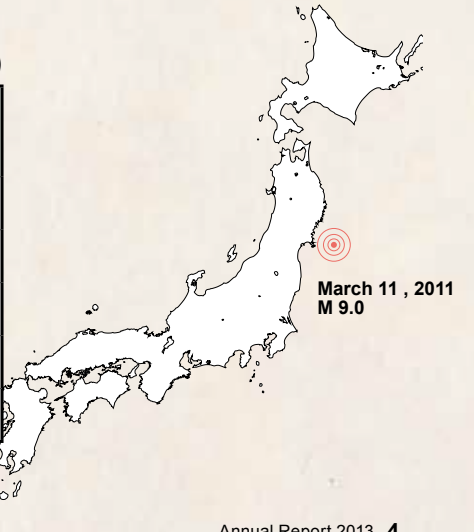
We organized invitations for children who have been living life as evacuees for an extended period of time in Koto Ward, Tokyo and their families to the 2013 Bolshoi Circus Tokyo Performance and donated the tickets.

## Payment Status for the Great East Japan Earthquake

Zenrosai is performing examinations geared towards improving challenges based on a general overview of the response to the Great East Japan Earthquake. It is also continuing to call for information on disaster damage and promoting initiatives to pay mutual help money and condolence payments "down to the very last person."

Payment Status for the Great East Japan Earthquake (As of July 31, 2013)

	Number of Claim Payments	Amount Paid (JPY)
Fire Insurance	191,950	41,150,143,595
Natural Disaster Insurance	93,846	77,039,839,215
Mutual Aid Benefit Scheme	52,576	880,787,000
Life insurances	1,148	5,108,542,849
Total	339,520	124,179,312,659



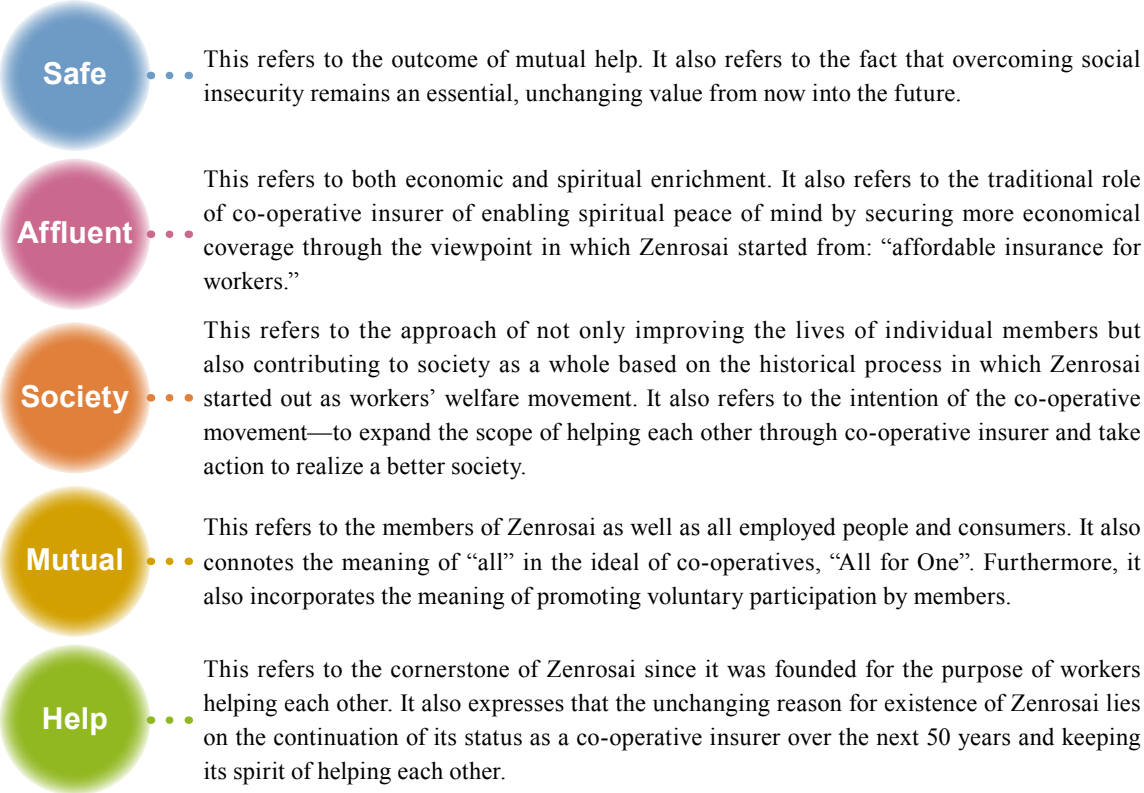


# Mission Statement of Zenrosai

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.

# 2013 IN BRIEF

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

In fiscal year 2012, as the latter 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 Members”

In February 2013, “My Page Service” was introduced as an Internet-based service that makes it possible for members to accomplish various tasks from their home computer, including checking policy details and performing procedures, such as applying for Kokumin Insurance (Individual Term Life Insurance).

## 3 A new approach to sales promotion and strengthening sales activities

In rapidly changing circumstances, we made progress on several fronts such as expanding canvassing activities and restructuring our business promotion system by policy confirmation activities employing approach data and reinforcing promotion activities based on direct interaction and dialogue that stress contact with members in order to move away from new policy canvassing activities centered on traditional advertising.

## 4 Insurance products to meet the needs of members

In the revisions to Automobile Insurance enacted in December 2012, premium levels were revised and various changes were made that include establishing a Lump-Sum Coverage Rider in Case of Total Vehicle Loss from an Earthquake, Volcanic eruption, or Tsunami, which pays a lump-sum benefit in the case that a vehicle is totally destroyed by an earthquake, volcanic eruption, or tsunami. With the Group Term Life Insurance revisions of August 2012, new mechanisms were introduced such as a wider range of attached riders making it easier to use the insurance.

## 5 2012 International Year of Co-operatives

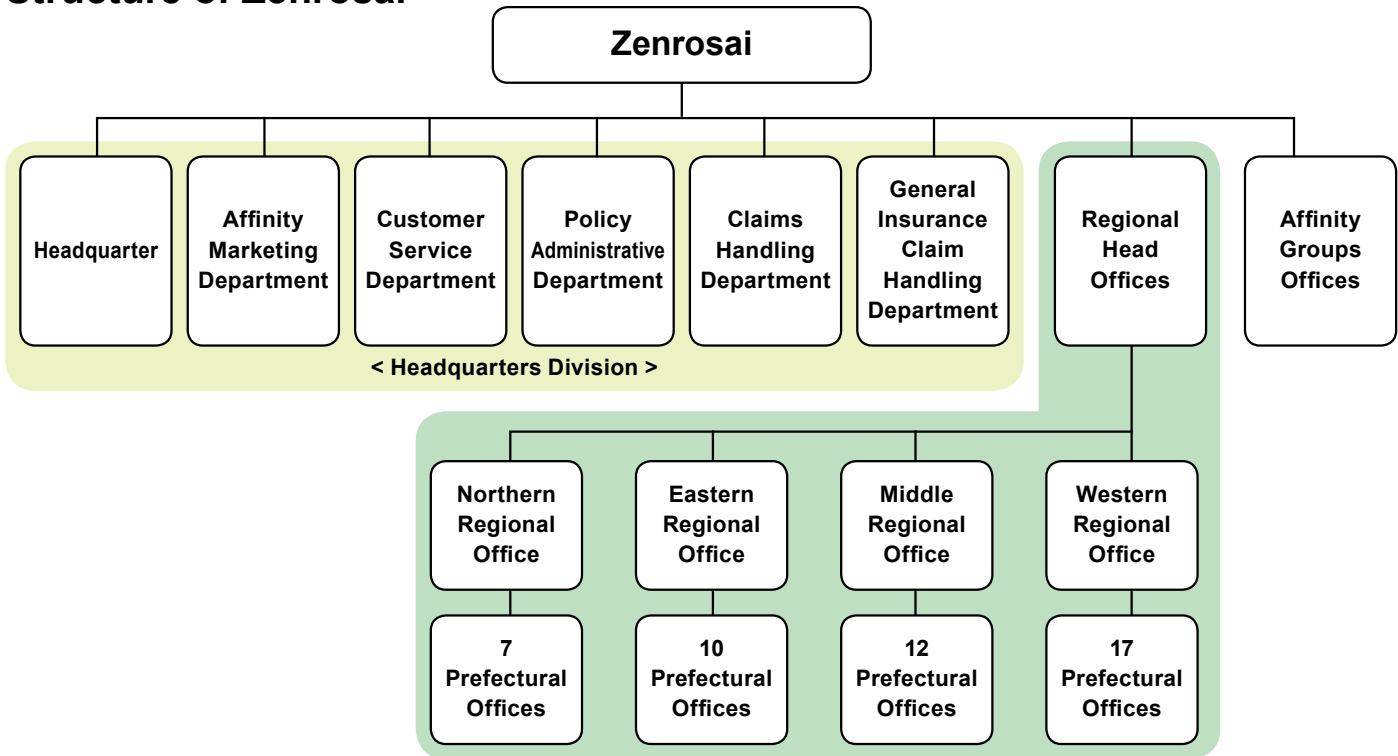
We took part in the Japan National Planning Committee composed of co-operative organizations in Japan, and worked to raise awareness of co-operatives as a whole and the ZENROSAI as co-operative among other goals. We will take part in the Co-operatives Japan from 2013 onwards, which is established in order to continue efforts to achieve these goals, and promote efforts in coordination with other co-operatives.

## 6 Efforts toward recovery from the Great East Japan Earthquake

On account of the performance of fire insurance with social contributions for eco-house, we contributed 11 million yen to the Midori no Bokin (“Green Fund”) restricted purpose donation: Great East Japan Earthquake Reconstruction Project, which is operated by the National Land Afforestation Promotion Organization. In addition, we ran the Reading Relay Project in order to support the psychological care and healthy growth of children living in the disaster stricken area.

# Operational Framework of Zenrosai

## Structure of Zenrosai



## Management Framework of Zenrosai



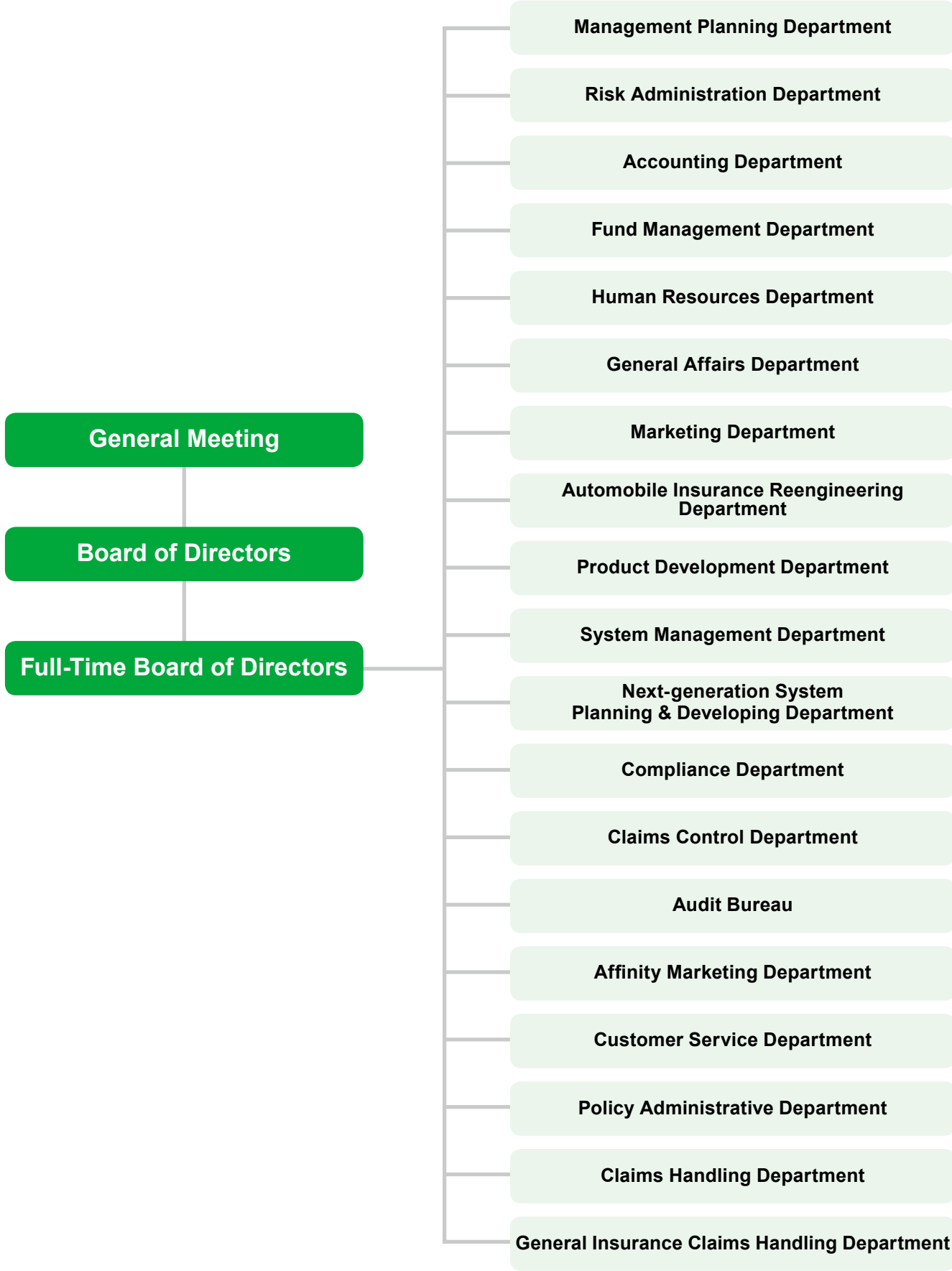
**Membership:** Anyone who subscribes to Zenrosai's philosophy and pays the membership fee can become a member of Zenrosai, and be eligible to take out an insurance policy. Approximately half of the members are through affinity groups such as trade unions, and the others are through organizers or other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

**Affinity Groups:** As of May 31, 2013, Zenrosai affinity groups total 37,746 throughout Japan: 29,058 trade unions, 6,529 other associations in workplaces and 2,159 community associations.

**Organizers:** Organizers are persons who introduce Zenrosai to communities and support members to participate various activities.

# Structure of Zenrosai Headquarters

As of October 1, 2013



**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*  
Hiroshi Nakaseko



*Senior Managing Director, Board of Directors*  
Hideo Hara

Hiroshi Nakaseko	<i>President, Board of Directors</i>	Tetsuo Takaishi	<i>Head Auditor</i>
Toshihiro Rikiishi	<i>Vice President</i>	Masahiro Ide	<i>Auditor</i>
Yasuo Ishiyama	<i>Vice President</i>	Katsumi Abeta	<i>Managing Director</i>
Shin Okayama	<i>Vice President</i>	Hiroshi Inamura	<i>Managing Director</i>
Kazuyuki Oda	<i>Vice President</i>	Chihiro Ikusawa	<i>Managing Director</i>
Hideaki Tokunaga	<i>Vice President</i>	Kazuyoshi Yamanaka	<i>Managing Director</i>
Hideo Hara	<i>Senior Managing Director, Board of Directors</i>	Keiji Takayama	<i>Managing Director</i>
Hiroshi Sakita	<i>Managing Director, Board of Directors</i>		
Mototsugu Akita	<i>Managing Director, Board of Directors</i>		
Shuji Hada	<i>Managing Director, Board of Directors</i>		

## Employees (Total number of full-time staff)

As of May 31, 2013      3,458



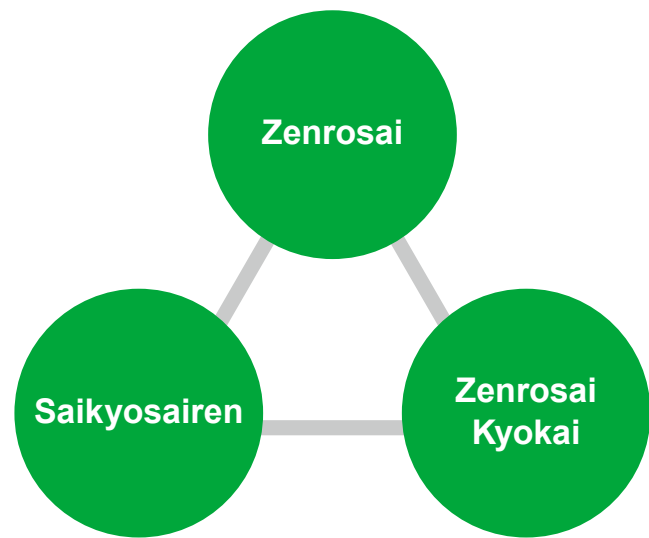
Zenrosai Head Office



Zenrosai Annual General Meeting



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 Consumers' 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. Ltd.	System administration	100%
Zenrosai Libs Co. Ltd.	Policy administration	100%
Zenrosai Assist Co. Ltd.	Policy administration	100%
Zenrosai WIC Co. Ltd.	Corporate insurance, Leasing, LTC	99%
Space Zero Co. Ltd.	Operating Space Zero, a multi-purpose auditorium	100%
Zest Co. Ltd.	Long term care services	92%

## 1 Sum Insured: JPY 691.8 Trillion

In the fiscal year of 2012, as the latter 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).

Also, we advanced efforts giving top priority to assisting victims of the Great East Japan Earthquake combined with the amount paid in the previous fiscal years, we have paid a cumulative total of JPY 123.9 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 117.5 billion from the previous fiscal year to JPY 3.2339 trillion.

Number of policy-in-force totaled 33.71 million (Δ 2.1%), 3.98 billion contract units (Δ 1.2%) and a sum insured of JPY 691.8 trillion (up 0.1%).

## 2 Steady Growth in Natural Disaster Insurance and Automobile Insurance

The number of policy-in-force decreased by 720,000 (2.1%) to 33.71 million. A look at the main developments in each of products shows that natural disaster insurance increased by 55,000 contracts (2.9%), thanks to the effort of 'Disaster Prevention and Coverage Examination Campaign', Accident insurance (revised in May 2012) by 19,000(4.5%), automobile insurance (revised December 2012) by 11,000 (0.6%). At the same time, a decrease in membership in trade unions due to factors such as decrease of number of policyholders in for trade unions led to decreases of 202,000 contracts (3.4%) in group term life insurance and 134,000 contracts (3.8%) in traffic accident insurance.

## 3 Strengthening the Financial Foundation Base

With the goal of shifting to a management structure that can rapidly respond to turbulent changes in the environment, Zenrosai has moved forward with efforts to strengthen its financial footing based on the Basic Financial Foundation Reinforcement Plan in order to provide security and peace of mind to its members into the future and to meet the various requirements of the Consumers' Livelihood Co-operative Society Law, such as ensuring the soundness of management and responding to stricter supervisory regulations in the future.

In fiscal 2012, Zenrosai's equity increased by JPY 22.3 billion to JPY 244.3 billion owing to factors including an improvement in market conditions, turning unrealized losses on other marketable securities into unrealized gains. Furthermore, adjusted equity capital, which includes contingency reserves and price fluctuation reserves, increased by JPY 44.5 billion to JPY 550.7 billion, raising the adjusted equity capital ratio to 17.0%.

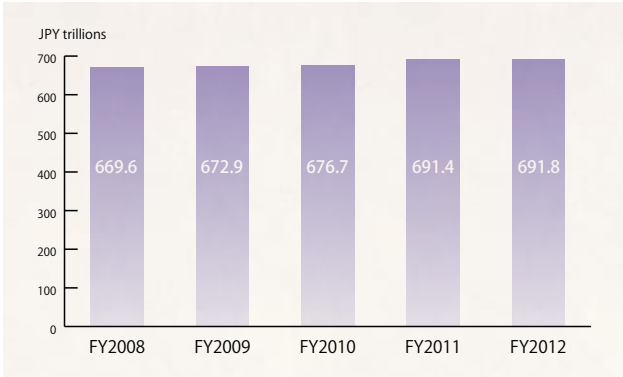
In addition, net worth with unrealized profit and loss added up increased by JPY 128.6 billion from the previous fiscal year to JPY 989.7 billion, raising the net worth ratio by 3.0 points to 30.6%.

The solvency margin ratio rose by 192.8 points from the previous fiscal year to 1,389.3%, 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 2008 shows that the sum insured increased by JPY 14.7 trillion (2.2%) in fiscal year of 2011 as natural disaster insurance and automobile insurance experienced steady growth. Again it grew by JPY 0.4 trillion (0.1%) in fiscal year of 2012, to JPY 691.8 trillion.

Sum Insured





## Trend in Policy-in-Forth

While the number of policies-in-force increased by 482,000 (1.4%) in fiscal 2011 due to factors including the start of reinsurance accepted in connection with the business consolidation of occupational co-operatives, it decreased by 720,000(2.1%) this fiscal year.

A look at the main features of these insurance accepted shows that while natural disaster insurance contracts increased by 55,000 (2.9%), accident insurance by 19,000(4.5%) and automobile insurance by 11,000 (0.6%), insurance products centered for trade unions saw decreases of 202,000 contracts (3.4%) in group term life insurance and 134,000 contracts (3.8%) in traffic accident insurance, due to factors such as union members reaching retirement age.

## Trend in Premiums Received

Insurance premiums received in fiscal year of 2012 decreased by JPY 4.3 billion (0.7%) from the previous fiscal year to JPY 586.4 billion. The real amount of decreased adjusted for the effects of factors such as one-time premiums on long-term insurance products was JPY 7.4 billion (1.3%).

## Trend in Claim Payments

Fiscal year of 2012 also saw numerous natural disasters including typhoons and snow damage, and it was a year in which the livelihoods of many members were severely affected.

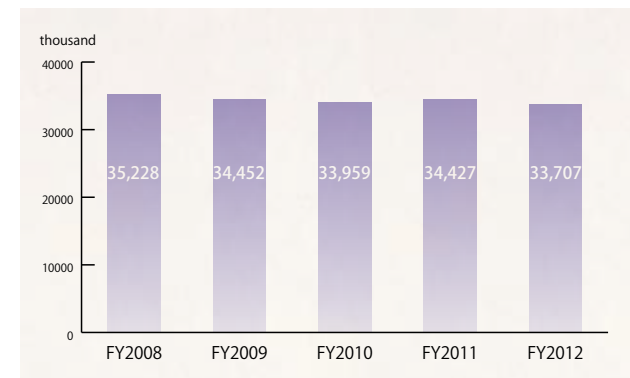
Amid such conditions, Zenrosai was able to assist members who suffered from natural disasters as a co-operative insurer, through making claim payments and ex-gratia payments to them.

Claim payments in fiscal year of 2012 decreased by JPY 53.1 billion from the previous fiscal year (13.7%) to JPY 334.8 billion.

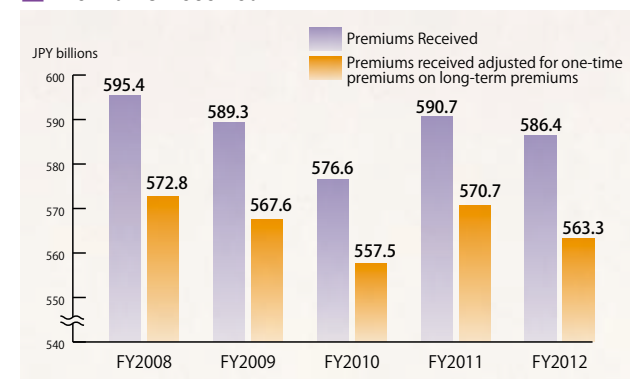
Payments of claims and other payments arising in response to incidents that occurred during fiscal year of 2012 including Typhoon Guchol, Bolaven, Jelawat damage from heavy rainfall disaster in Northern Kyushu, and the 2013 snow damage in northern Japan totaled JPY 3.5 billion (including reserve for outstanding claims).

Claim payments and ex-gratia payments related to the earthquake and accompanying disasters made during fiscal year of 2012 in response to the Great East Japan Earthquake totaled JPY 4.0 billion, so that the total amount of payments, including those made during fiscal year of 2011, reached JPY 123.9 billion.

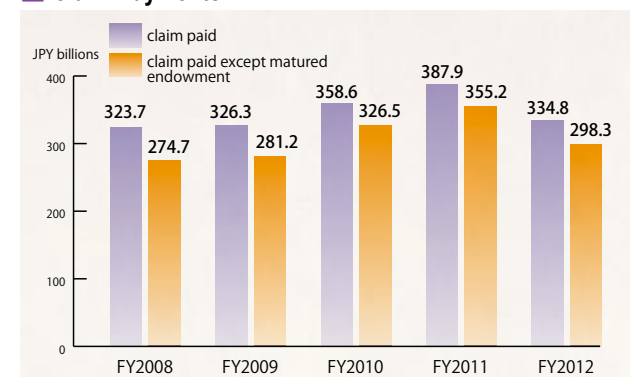
Number of Policies-in-Force



Premiums Received



Claim Payments



# Performance of Each Product

The total net increase for all insurance products during fiscal year of 2012 showed an increase of JPY 0.4 trillion (0.1%) in sum insured. At the same time, the number of policies-in-force decreased by 720,000 (2.1%). Claim payments in fiscal year of 2012 decreased by JPY 53.1 billion (13.7%) from the previous fiscal year to JPY 334.8 billion. Breakdown of the performance is outlined below.

## Fire Insurance and Natural Disaster Insurance

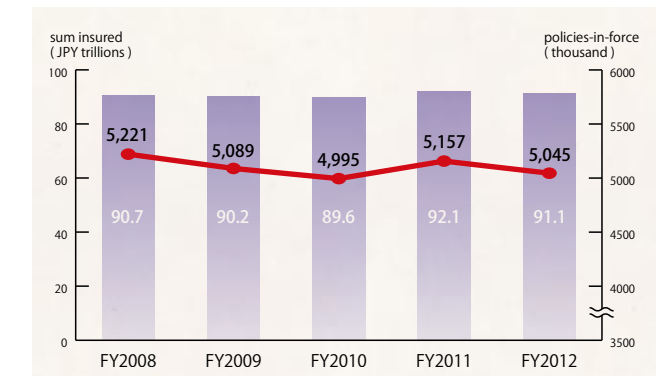
The number of fire insurance at the end of fiscal year of 2012 totaled 5,045 thousand including reinsurance contracts (net decrease: 112,000 contracts), while the sum insured was JPY 91.1 trillion (net decrease: JPY 924.9 billion).

Claim payments numbered 51,000 claims (net decrease: 2,000 claims) totaling JPY 17.1 billion (net decrease: JPY 0.7 billion), due to the decreased effects of the numerous natural disasters that occurred during the fiscal year.

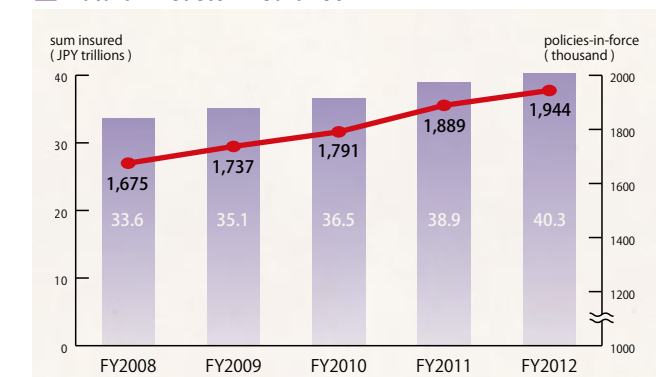
Also, the number of natural disaster insurance contracts held at the end of fiscal year of 2012 totaled 1.944 million (net increase: 55,000 contracts), while the sum insured was JPY 40.3 trillion (net increase: JPY 1.3 trillion).

Claim payment numbered 21,000 claims totaling JPY 7.6 billion (net decrease: JPY 40.2 billion).

Fire Insurance



Natural Disaster Insurance



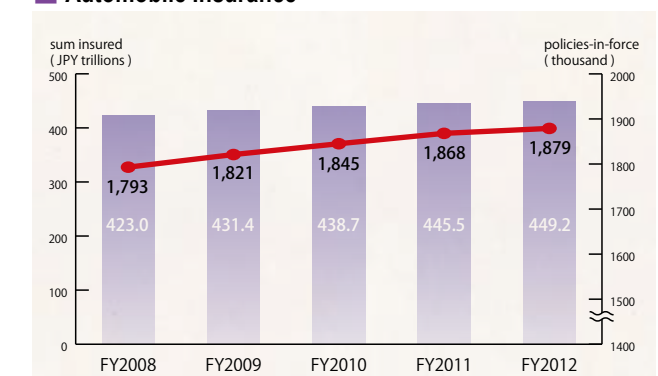
## Automobile Insurance and Compulsory Automobile Liability Insurance

The number of automobile insurance contracts held at the end of fiscal year of 2012 totaled 1.879 million (net increase: 11,000 contracts), while the sum insured was JPY 449.2 trillion (net increase: JPY 3.8 trillion).

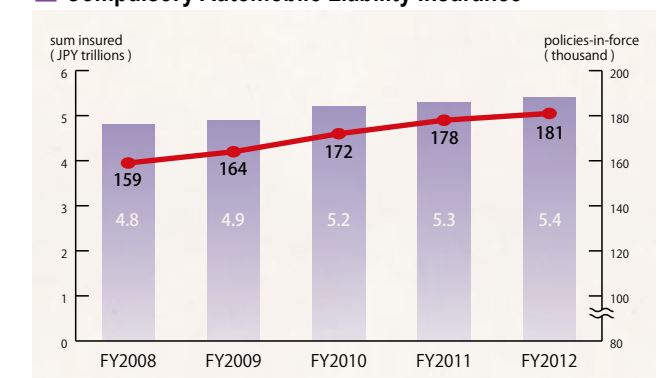
Claim payments numbered 209,000 claims (net increase: 2,000 claims) totaling JPY 55.7 billion (net increase: JPY 0.7 billion).

The number of compulsory automobile liability insurance contracts held totaled 181,000 (net increase: 3,000 contracts), while the sum insured was JPY 5.4 trillion (net increase: JPY 85.9 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 2012 totaled 6.529 million (net decrease: 132,000 contracts), while the sum insured was JPY 45.7 trillion (net decrease: JPY 1.2 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 438,000 claims (net decrease: 10,000 claims) totaling JPY 63.1 billion (net decrease: JPY 5.3 billion).

### Individual Long-term Life Insurance

The number of individual long-term life insurance at the end of fiscal year of 2012 totaled 1.215 million (net decrease: 83,000 contracts), while the sum insured was JPY 4.6 trillion (net decrease: JPY 0.4 trillion).

Claim payments numbered 187,000 claims (net increase: 1,000 claims) totaling JPY 55.4 billion (net increase: JPY 2.3 billion).

### Annuities/Whole Life Insurance

The number of annuity contracts held at the end of fiscal year of 2012 totaled 191,000 (net increase: 3,000 contracts), while the sum insured was JPY 874.4 billion (net increase: JPY 3.4 billion).

Claim payments numbered 341,000 claims (net increase: 6,000 claims) totaling JPY 36.8 billion (net decrease: JPY 8.2 billion).

The number of whole life insurance contracts totaled 410,000 (net increase: 4,000 contracts), while the sum insured was JPY 1.1 trillion.

Claim payments including those under Kokumin Insurance numbered 98,000 claims (net increase: 6,000 claims) totaling JPY 11.9 billion (net increase: JPY 0.18 billion).

### Other Insurance

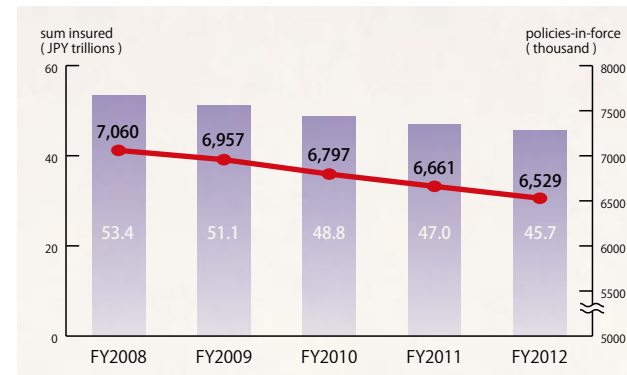
A look at contracts held centered on trade unions at the end of fiscal year of 2012 shows that the number of group term life insurance contracts held totaled 5.791 million (net decrease: 202,000 contracts), while the sum insured was JPY 32.7 trillion (net decrease: JPY 1.4 trillion). At the same time, claim payment numbered 173,000 claims (net decrease: 246 claims) totaling JPY 36.3 billion (net decrease: JPY 4.3 billion).

Also, the number of traffic accident insurance contracts held totaled 3.375 million (net decrease: 134,000 contracts), while the sum insured was JPY 9.6 trillion (net decrease: JPY 0.4 trillion). Claim payment numbered 31,000 claims (net decrease: 556 claims) totaling JPY 4.8 billion (net decrease : JPY 0.16 billion).

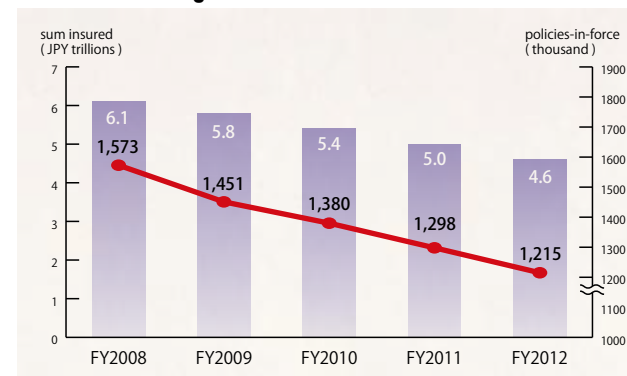
The number of group annuity contracts (both old and new types) held totaled 625,000 (net decrease: 8,000 contracts), while the sum insured was JPY 1.5 trillion (net decrease: JPY 24.9 billion).

Claim payments numbered 247,000 claims (net increase: 12,000 claims) totaling JPY 32.7 billion (net increase: JPY 1.4 billion).

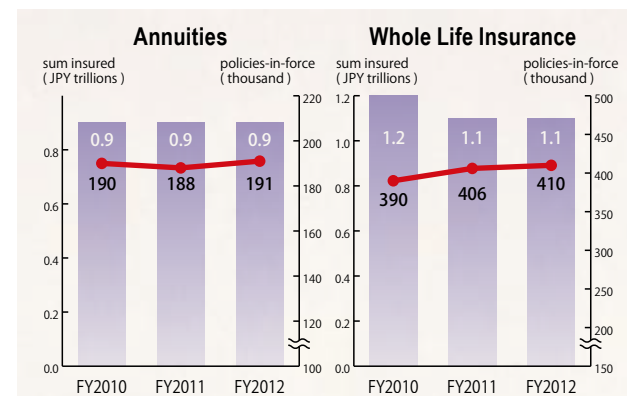
#### Kokumin Insurance



#### Individual long-term life insurance



#### Annuities/Whole Life Insurance



## Financial Highlights

	FY2008	FY2009	FY2010	FY2011	FY2012
Ordinary Income	700,852	678,920	663,560	718,588	675,305
Ordinary Surplus	32,114	42,224	38,681	36,915	32,295
Net Surplus	5,183	7,891	△ 16,889	△ 14,015	9,406
Membership Capital	130,770	131,852	132,160	142,471	142,596
Total Capital	231,133	240,857	226,016	222,129	247,139
Total Assets	2,868,709	2,986,028	3,046,959	3,116,448	3,233,931
Policy reserves and others	2,408,637	2,508,575	2,557,667	2,646,890	2,745,467
Securities	2,048,604	2,254,448	2,258,208	2,321,094	2,413,303
Number of Staff	3,546	3,405	3,379	3,472	3,458
Solvency Margin Ratio (%)	916.4	1,036.4	1,109.7	1,196.4	1,389.3

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



## Financial Highlights

### Premium Income by Lines ( JPY millions )

Types of Insurance	FY2011			FY2012		
	FY2011	Share, %	Rate of Change, %	FY2012	Share, %	Rate of Change, %
Fire Insurance	58,623	9.9	△ 0.5	58,103	9.9	△ 0.9
Natural Disaster Insurance	34,905	5.9	8.8	37,018	6.3	6.1
Traffic Accident Insurance	9,488	1.6	△ 3.5	9,110	1.6	△ 4.0
Automobile Insurance	68,504	11.6	1.1	70,542	12.0	3.0
Compulsory Automobile Liability Insurance	1,950	0.3	14.0	1,998	0.3	2.5
Group Term Life Insurance	74,174	12.6	△ 3.7	71,269	12.2	△ 3.9
Individual Term Life Insurance	120,500	20.4	△ 1.9	118,121	20.1	△ 2.0
Individual Term Life Insurance for Pre-Adolescent	8,006	1.4	△ 1.3	7,821	1.3	△ 2.3
Individual Term Life Insurance for Senior	6,284	1.1	△ 3.8	6,149	1.0	△ 2.1
Accident Insurance	10,734	1.8	△ 2.1	10,643	1.8	△ 0.9
Personal Liability Insurance	-	-	-	82	0.0	16,387.1
Individual Long-Term Life Insurance	74,584	12.6	△ 2.1	74,920	12.8	0.5
Individual Annuity	14,724	2.5	2.8	15,775	2.7	7.1
Group Annuity	6,464	1.1	△ 75.5	6,161	1.1	△ 4.7
New Group Annuity	41,442	7.0	87.6	40,877	7.0	△ 1.4
Whole Life Insurance	39,550	6.7	1.9	39,792	6.8	0.6
Other Insurance Business	20,796	3.6	292.6	18,015	3.1	△ 13.4
Total	590,729	100.0	2.5	586,393	100.0	△ 0.7

### Claim Paid by Lines ( JPY millions )

Types of Insurance	FY2011			FY2012		
	FY2011	Share, %	Rate of Change, %	FY2012	Share, %	Rate of Change, %
Fire Insurance	17,185	4.4	13.9	16,332	4.9	△ 5.0
Natural Disaster Insurance	47,783	12.3	30.8	7,629	2.3	△ 84.0
Traffic Accident Insurance	4,997	1.3	0.8	4,837	1.4	△ 3.2
Automobile Insurance	54,947	14.2	6.4	55,693	16.6	1.4
Compulsory Automobile Liability Insurance	1,072	0.3	△ 0.3	1,344	0.4	25.4
Group Term Life Insurance	40,684	10.5	△ 0.9	36,335	10.9	△ 10.7
Individual Term Life Insurance	54,931	14.2	△ 0.8	50,786	15.2	△ 7.5
Individual Term Life Insurance for Pre-Adolescent	4,639	1.2	3.3	4,351	1.3	△ 6.2
Individual Term Life Insurance for Senior	2,761	0.7	△ 3.1	2,474	0.7	△ 10.4
Accident Insurance	6,100	1.6	8.3	5,497	1.6	△ 9.9
Personal Liability Insurance	-	-	-	12	0.0	17,851.7
Individual Long-Term Life Insurance	53,077	13.7	△ 0.8	55,390	16.5	4.4
Individual Annuity	45,040	11.6	1.6	36,807	11.0	△ 18.3
Group Annuity	4,276	1.1	△ 82.4	1,562	0.5	△ 63.5
New Group Annuity	26,977	7.0	399.6	31,137	9.3	15.4
Whole Life Insurance	11,705	3.0	11.4	11,884	3.5	1.5
Other Insurance Business	11,739	3.0	1,008.3	12,764	3.7	8.7
Total	387,914	100.0	8.2	334,833	100.0	△ 13.7

## Management index

### Ensuring Sufficient Security to Reward the Trust of Members

#### Adjusted Equity Capital: JPY 550.7 Billion; Adjusted Equity Capital Ratio: 17.0% Sufficient equity capital to meet insurance liability

As shown in the table at right on our ability to insurance liability, due to the increase in equity capital by JPY 22.3 billion, as well as increase in contingency reserves and price fluctuation reserves, the resulting adjusted equity capital increased by JPY 44.5 billion to JPY 550.7 billion, for an adjusted equity capital ratio of 17.0 percent.

(JPY billions,%)

Summary		FY 2011		FY 2012	
		Amount	Percent, %	Amount	Percent, %
Adjusted equity capital	Member Equity	233.9	7.5	240.8	7.4
	Valuation and translation adjustment	△12.0	△0.4	3.5	0.1
	Subtotal	222.0	7.1	244.3	7.6
	Contingency reserves	262.3	8.4	280.1	8.7
	Price fluctuation reserves	21.9	0.7	26.2	0.8
Total		506.2	16.2	550.7	17.0
Total assets		3,116.4	-	3,233.9	-

#### Basic Profit: JPY 120.6 Billion A sufficient level for co-operative insurance business

Basic profit increased by JPY 2.9 billion from the previous fiscal year to JPY 120.6 billion due to the recovery of improve of profit or loss and the improvement in risk premium profit or loss.

(JPY billions)

Summary	FY 2011	FY 2012
Basic profit	117.7	120.6
(Expense profit or loss)	( 5.0)	( 2.8)
(Investment profit or loss)	( △8.3)	( △3.7)
(Risk premium profit or loss)	(121.0)	(121.5)

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: 1,389.3%

The total solvency margin rose as a result of continued increases in liability reserves and price fluctuation reserves. At the same time, the total amount of risk decreased since general insurance risk and expected interest-rate risk were kept down. As a result, the solvency margin ratio rose by 192.8 points from the previous fiscal year to 1,389.3 percent.

(JPY billions,%)

Summary	FY 2011	FY 2012
Total solvency margin (A)	738.7	850.3
Total risk (B)	123.5	122.4
Solvency margin ratio (A)/{(B)×(1/2)}×100	1,196.4%	1,389.3%

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 989.7 Billion; Net Worth Ratio: 30.6%

Net worth was JPY 989.7 billion, increased by JPY 128.6 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 2011	FY 2012
Net worth	861.1	989.7
Net worth ratio	27.6%	30.6%

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

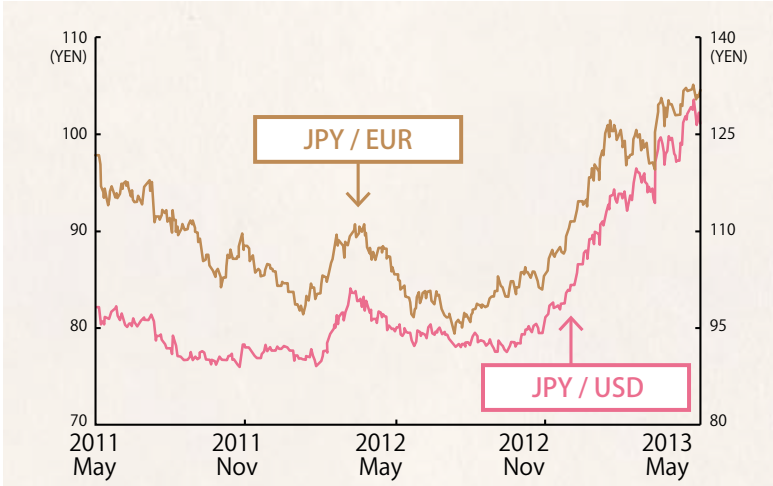
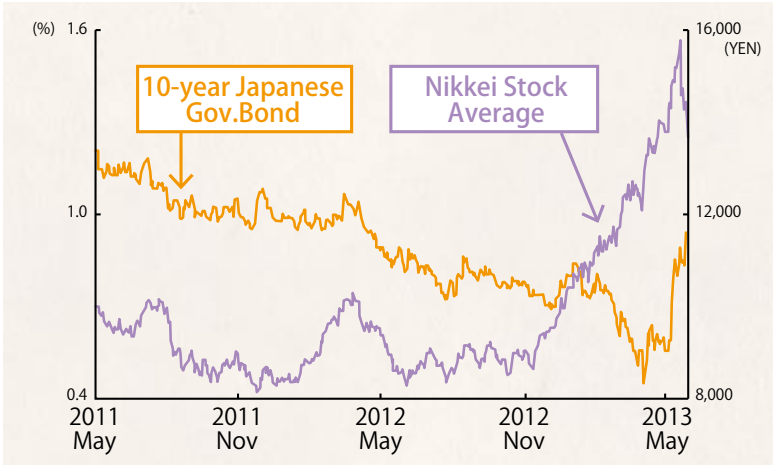
## 1 Asset Management Environment

An overview of the economic situation in FY2012 finds that in the first half of the fiscal year, there was concern that the world economy was weakening mainly due to the European debt crisis coupled with the US “fiscal cliff,” a convergence of the expiration of tax cuts and mandatory spending cuts. In the second half, whereas the European economy had been in the doldrums adversely affected by fiscal austerity and a slowdown in the emerging economies, the US saw a moderate economic recovery led chiefly by the favorable job market and consumer spending as a result of the agreement between the ruling and opposition parties to avoid the fiscal cliff. In Japan, the new Abe administration that was launched in December 2012 introduced a package of economic measures dubbed “Abenomics,” comprising the three pillars of monetary easing, fiscal stimulus, and a growth strategy to pull the country out of its deflationary spiral. The yen’s depreciation and stock price hike driven by Abenomics helped consumer spending, export industries, etc., to pick up towards the end of the second half of FY2012.

Domestic interest rates (yields on newly issued 10-year government bonds) had been on a downtrend owing to continued solid demand for Japanese government bonds as safe assets on the back of the gloomy outlook for the global economy, together with expectations for the monetary policy adopted by the new Abe administration. In April 2013, the Bank of Japan (BOJ) decided to implement an easy monetary policy of unprecedented dimensions in terms of both quality and quantity, including a massive government bond-buying program. Domestic interest rates, which temporarily dropped to an all-time low of 0.315% with the announcement of the BOJ’s decision, had remained volatile as is witnessed by the fact that they bounced sharply back to just below 1% on expectations for an economic recovery.

Domestic stock prices (the Nikkei Stock Average) stayed between 8,500 yen and 9,000 yen on account of the prolonged appreciation of the yen and concerns about Europe’s debt problems. Since the start of the Abe administration, expectations in relation to effective policies from the administration boosted domestic stock prices with the Nikkei Stock Average briefly reaching the 15,000 yen level in May 2013, propelled by the BOJ’s unprecedented degree of monetary easing. However, in the wake of comments made by the Chairman of the US Federal Reserve Board (FRB) that it could slow down its asset purchase program, fears of the FRB’s early exit from quantitative easing spread, which led to a plunge in domestic share prices.

Meanwhile, having remained strong for a while on the basis of demand for a safe haven, the yen had been depreciating after the launch of the Abe administration. It breached the 100 yen to the dollar barrier for the first time in almost four years in response to the BOJ’s aggressive credit-easing moves. Although it was affected by the sluggish European economy, the euro also continued to advance against the yen thanks to the ongoing appreciation of the dollar against the yen, with the euro to yen exchange rate surpassing the 130 yen level in the second half of FY2012.

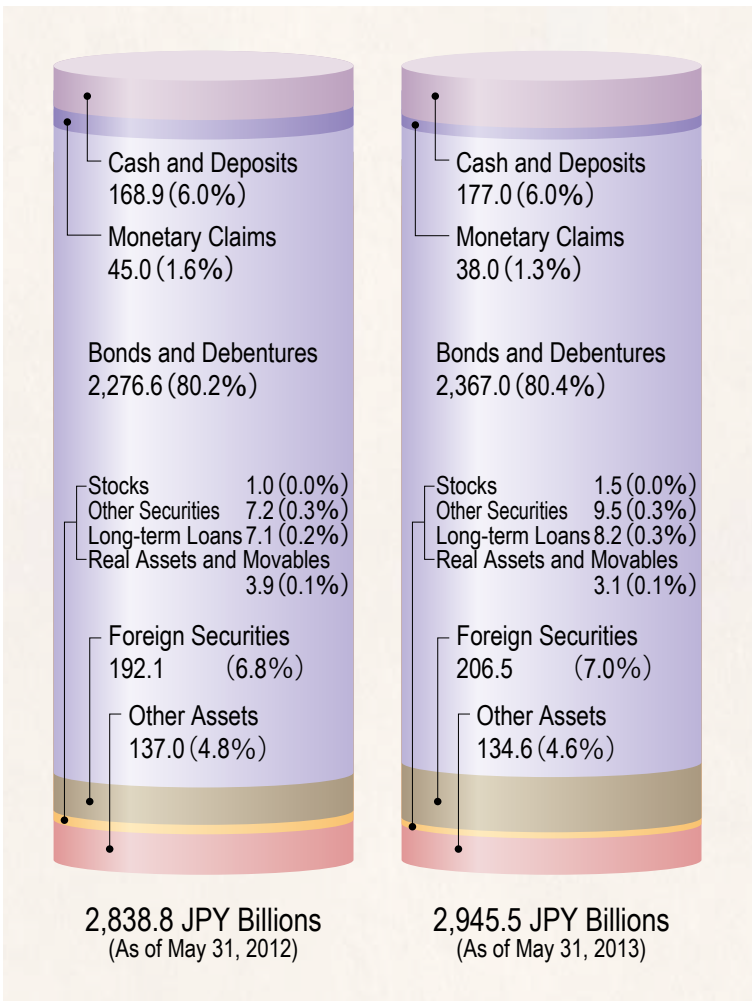


## 2 General Condition of Asset Management

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 2,945.5 billion, an increase of JPY 106.7 billion. Major items in detail are government bonds which comprise the core, with 80.4% government bonds and corporate debentures; 7.0% 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 Consumers’ Livelihood Co-operative Society Law. Our net profit from asset management rose by JPY 1.9 billion (4.2%) from the previous fiscal year to JPY 47.5 billion, while our yield on investment was 1.64%.

### Working Assets



### Investment Profit

	(JPY billions)	
	FY2011	FY2012
Investment Profit	45.6	47.5
Yield on Investment	1.62%	1.64%



# Balance Sheet

## Balance Sheet

	JPY millions		USD millions
<b>Assets:</b>	<b>May 31, 2012</b>	<b>May 31, 2013</b>	<b>2013</b>
Cash and deposits	168,942	176,967	1,752.0
Money-in-trust	155,773	171,259	1,695.5
Monetary claims bought	45,000	38,000	376.2
Securities	2,321,094	2,413,303	23,891.7
Loans	7,057	8,249	81.7
Invested real estate	3,922	3,085	30.5
Other investments	137,029	134,604	1,332.6
Reinsurance accounts receivables	2,602	2,211	21.9
Deposited accounts receivables	1,634	1,697	16.8
Accounts receivables	371	360	3.6
Other insurance business assets	15,521	15,251	151.0
Other business assets	154	1	0.01
Prepaid expenses	530	699	6.9
Accrued revenue	11,512	11,985	118.7
Other assets	10,498	11,348	112.3
Real assets and movables for operating	64,941	63,075	624.4
Fund to related organizations	5,631	5,608	55.5
Deferred tax assets	164,469	176,457	1,746.9
Allowance for bad debts	△ 234	△ 229	△ 2.3
<b>Total Assets</b>	<b>3,116,448</b>	<b>3,233,931</b>	<b>32,015.9</b>

## Balance Sheet, cont.

	JPY millions		USD millions
<b>Liabilities:</b>	<b>May 31, 2012</b>	<b>May 31, 2013</b>	<b>2013</b>
Policy reserves	2,764,097	2,862,445	28,338.2
Reinsurance accounts payables	2,496	2,643	26.2
Accounts payables	1,044	633	6.3
Deposited accounts payables	314	336	3.3
Other insurance business liabilities	32,444	33,819	334.8
Other business liabilities	73	4	0.04
Loans payables	91	71	0.7
Deferred income	30	37	0.4
Expenses payables	8,912	8,904	88.1
Interests payables	0	0	0.0
Other liabilities	24,873	27,892	276.1
Reserves for possible loan losses and retirement allowances	38,044	23,771	235.3
Price fluctuation reserves	21,900	26,240	259.8
<b>Total Liabilities</b>	<b>2,894,319</b>	<b>2,986,792</b>	<b>29,569.2</b>
<b>Net Assets</b>			
Membership capital	234,081	243,612	2411.8
Cooperative Share	142,471	142,596	1,411.7
Surplus	91,610	101,017	1,000.1
Statutory reserve	34,329	34,629	342.8
Voluntary reserve	54,579	55,311	547.6
Unappropriated surplus for the period (Net surplus for the period)	2,703 △ 14,015	11,077 9,406	109.7 93.1
Valuation and translation adjustments	△ 11,952	3,527	34.9
<b>Total Net Assets</b>	<b>222,129</b>	<b>247,139</b>	<b>2,446.7</b>
<b>Total Liabilities and Net Assets</b>	<b>3,116,448</b>	<b>3,233,931</b>	<b>32,015.9</b>

Note: Figures in US dollars are based on the interbank rate as of 31st May, 2013 : Japanese Yen 101.01 shall be a US dollar.

# Statements of Income

## Income Statement

	JPY millions		USD millions
	FY2012	FY2013	FY2013
<b>Ordinary Income:</b>			
Premium and other income	640,974	598,866	5,928.8
Transfer from policy reserves	26,262	26,504	262.4
Other business income	846	412	4.1
Investment income	49,450	48,654	481.7
Other ordinary income	1,056	869	8.6
<b>Total Ordinary Income</b>	<b>718,588</b>	<b>675,305</b>	<b>6,685.5</b>
<b>Ordinary Expenses:</b>			
Claims and Benefits	473,621	427,089	4,228.2
Transfer to policy reserves	89,254	99,112	981.2
Other business expenses	39	16	0.2
Investment expenses	3,866	1,166	11.5
Operating expenses	114,565	115,318	1,141.6
Other ordinary expenses	327	308	3.0
<b>Total Ordinary Expenses</b>	<b>681,673</b>	<b>643,010</b>	<b>6,365.8</b>
<b>Ordinary Surplus</b>	<b>36,915</b>	<b>32,295</b>	<b>319.7</b>

## Income Statement, cont.

	JPY millions		USD millions
	FY2012	FY2013	FY2013
<b>Extraordinary Profit and Loss</b>			
Extraordinary Income	3	14,934	147.8
Extraordinary Loss	5,426	6,254	61.9
<b>Extraordinary Income</b>	<b>△ 5,423</b>	<b>8,680</b>	<b>85.9</b>
Surplus before taxes	31,491	40,975	405.7
Corporate and other taxes	20,121	23,797	235.6
Adjustment of corporate and other taxes	△ 341	△ 17,968	△ 177.9
Transfer to dividends reserves	25,726	25,740	254.8
Net surplus for the period	△ 14,015	9,406	93.1
Retained earnings from prior period	762	803	7.9
Payments from voluntary reserves	15,956	868	8.6
<b>Unappropriated surplus for the period</b>	<b>2,703</b>	<b>11,077</b>	<b>109.7</b>

Note: Figures in US dollars are based on the interbank rate as of 31st May, 2013 : Japanese Yen 101.01 shall be a US dollar.



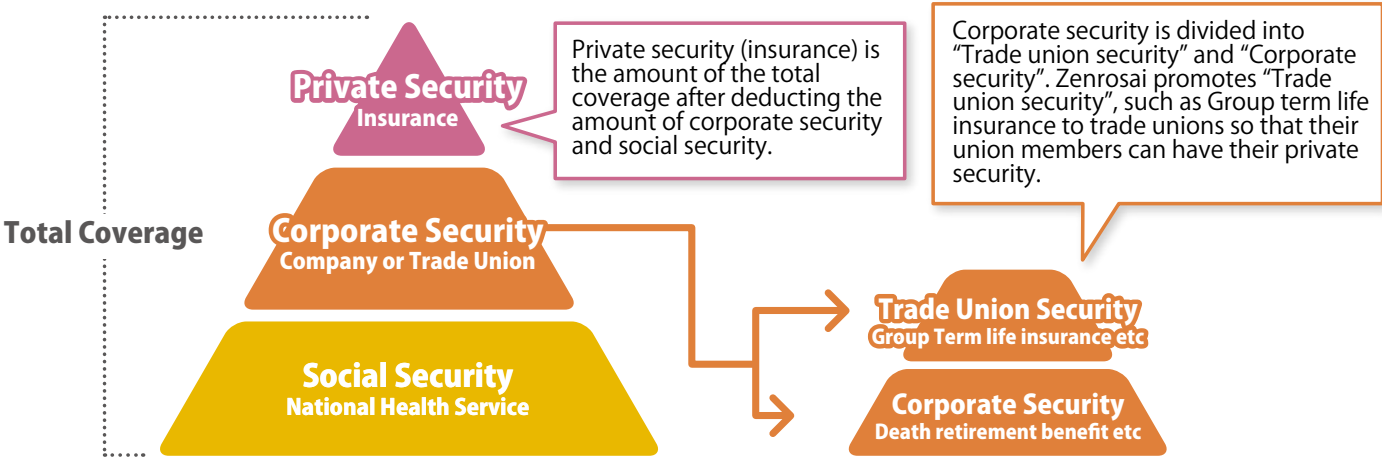
# Approaches for Total Coverage

## 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.

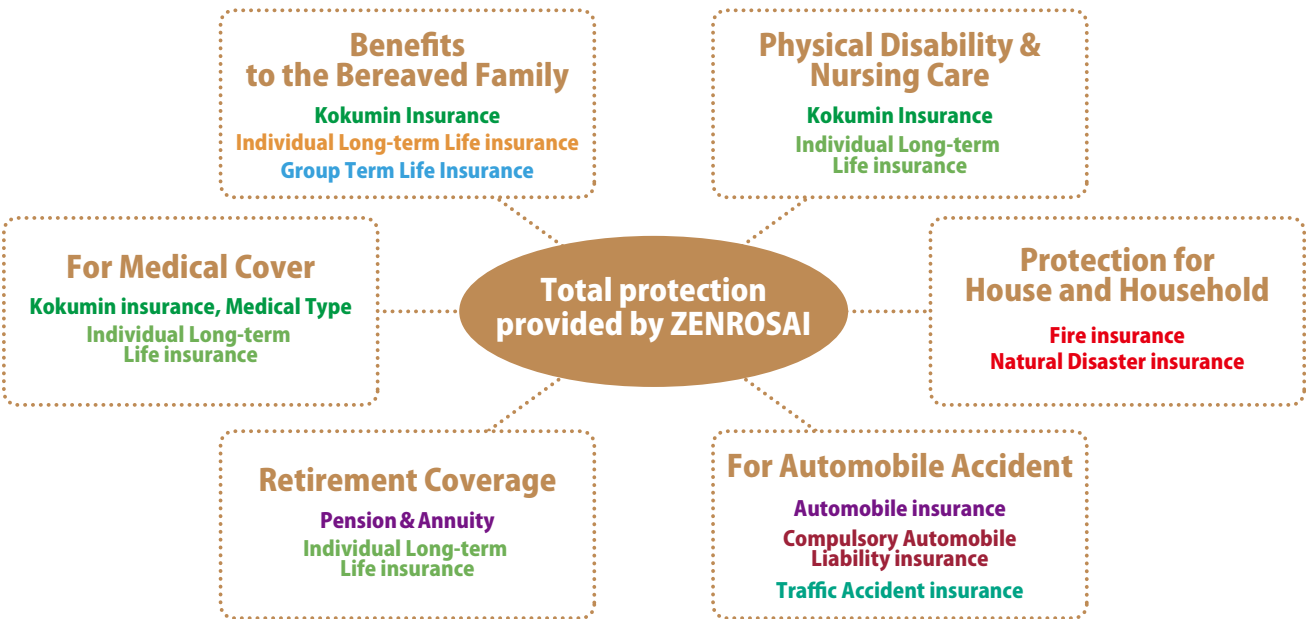
The key point is to understand the systems and level of social security and corporate security, and then to prepare for the category of risk that these do not cover by using private security (such as insurance and savings).

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.



# 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, Kyosuiren 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, labourers and so on in the community and society."

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

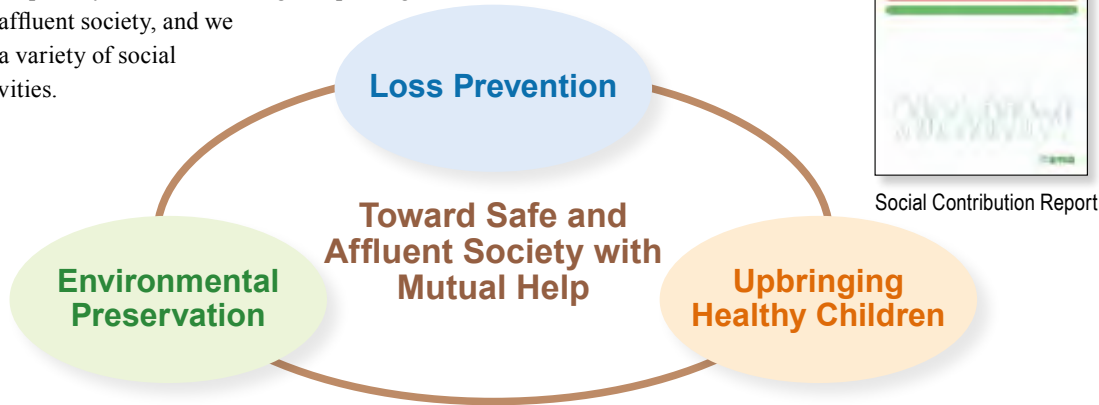
## Affiliation to JJC (Japan Joint Committee of Cooperatives in Japan)

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

# 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.



## 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 2012, 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

### 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.



# Social Contribution Activities

## 2013 Zenrosai Community Contribution Grant Program

Since 1992 we have provided grants to organizations taking on issues such as environmental problems. In 2013, we conducted “2013 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	141	36	JPY 9,833,606
Child Rearing	226	34	JPY 9,863,080
Total	367	70	JPY 19,696,686

## 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 22nd Zenrosai Culture Festival under the slogan: “Have fun with your entire family.”

This year, a total of twenty-four performances of four shows were put on during the festival—3.11 *Wo Wasurenai* (Never Forget 3.11), a charity performance to support children’s theater following the Great East Japan Earthquake; *Tenshi No Kyujitsu* (Angel’s Holiday), which deals with living with one’s dreams; *Shin-Okami-O Lobo* (the new Lobo, the King of Currumpaw), which depicts life’s preciousness and is based on the collected works of Ernest Thompson Seton; and a theatrical production of the timeless masterpiece *The Little Prince*. The performances drew about 6,500 families.



*Tenshi No Kyujitsu*  
(Angel’s Holiday)



*Shin-Okami-O Lobo*  
(the new Lobo, the King of Currumpaw)



# International Year of Co-operatives and Future Endeavors



Zenrosai participated in the Japan National Planning Committee for IYC 2012, which was promoted as an endeavor of co-operatives throughout Japan, and worked with Japanese co-operatives to raise awareness of co-operatives.

Zenrosai also undertook independent activities including adding a special International Year of Co-operatives page to its website and informing people of the significance of the International Year of Co-operatives and Zenrosai's efforts, as well as creating standard Zenrosai leaflets and DVDs to raise awareness of Zenrosai as a co-operative.

Furthermore, within the regional offices and prefectural offices, efforts that incorporated the distinctive characteristics of each local area were made, such as holding commemorative events and seminars/symposiums in partnership with prefectural executive committees.

In March 2013, the Japan National Planning Committee for IYC 2012 was dissolved, but the Co-operatives Japan was established in May 2013 as a successor organization in order to achieve the goals given above. Zenrosai takes part in the conference, working to raise the status of co-operatives.



Zenrosai IYC Leaflet



DVD to introduce Zenrosai activity

## Blueprint for a Co-operative Decade

At the General Assembly of the International Co-operative Alliance (ICA) in Manchester in October 2012, ICA unveiled plan to guide co-operatives into their strongest growth phase. Following comment and discussion, the document, "Blueprint for a Co-operative Decade" was approved by the General Assembly in 2013.

The ambitious plan in this Blueprint - the "2020 vision" - is for the co-operative form of business by 2020 to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- The fastest growing form of enterprise

To pursue the 2020 Vision, the Blueprint strategy therefore involves concentrating on these 5 critical interlinked themes, and establishing implementation strategies in relation to each of them. The overarching agenda for the ICA, its members and the co-operative sector generally is laid out here:

- 1 Elevate **participation** within membership and governance to a new level
- 2 Position co-operatives as builders of **sustainability**
- 3 Build the co-operative message and secure the co-operative **identity**
- 4 Ensure supportive **legal frameworks** for co-operative growth
- 5 Secure reliable co-operative **capital** while guaranteeing member control



# 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.



Mr Nakaseko(right), President of Zenrosai and Mr Sundström(left), ICMIF Chairman.

## 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 CONFERENCE 2013 (Cape Town)

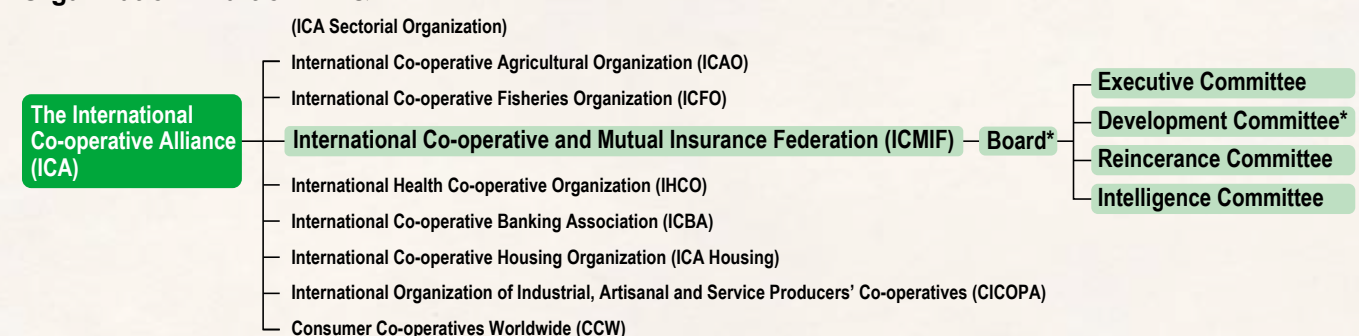
## Affiliation to ICMIF

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 CONFERENCE 2013 (Cape Town)

### Organization Chart of ICA & ICMIF



\*Zenrosai participates as a member

Annual Report 2013

Z E N R O S A I

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a Co-operative