

2024

Annual Report

Kokumin Kyosai co-op

National Federation of Workers and Consumers Kyosai Cooperatives

A Message from the President

We would like to express our sincere gratitude for your support. We have prepared this year's annual report to inform you of our various activities and our business and financial status. We hope that this report helps you understand what kind of difference we are making in our communities.

On January 1, 2024, an earthquake hit Japan's Noto Peninsula with a seismic intensity of 7, causing tremendous damage particularly in Ishikawa, Toyama, and Niigata prefectures. After that megaquake, there were multiple disasters, such as a hailstorm in Hyogo prefecture in April, torrential rains that continued from late July centered on Yamagata and Akita prefectures, an earthquake with its epicenter in Hyuuganada, Miyazaki prefecture, in August, and Typhoon No. 10.

We would like to express our deepest compassion to all those affected by these disasters and sincerely hope for the earliest recovery and reconstruction of the affected areas. As a consumer cooperative that upholds the principle of mutual aid, we will do our utmost to provide support to our members and the devastated areas.

In fiscal year 2023, the second year of our "Medium Term Management Plan 2022-25: Transformation and Creation", we have worked vigorously to implement "New mutual aid services" that incorporate digital technology with the concepts of "Helpful thinking" and "Co-creation", while vigorously responding to the raging disasters.

In order to further support and provide peace of mind and convenience to every member, we have been working to provide optimal coverage for our policyholders, services related to their daily lives, more convenience in our transactions, digitization of the data-processing and claim payment operations at our back offices, and improvement of the quality our ability to assess damages.

In April 2024, we upgraded our fire and natural disaster insurance based on the requests we had received from our members. In this era where larger natural disasters tend to happen more frequently than ever, we are taking steps to further improve our mutual aid to ensure that we can maintain the solvency of our insurance system and continue providing reliable assistance for disaster victims.

In addition to initiatives such as "The Traffic Safety for 7-Year-Olds Project" and the "Children's Well-being Support Project", we also launched a project where our members can support disaster-affected areas and address social issues, through donations calculated based on the number of our fire insurance estimates that we make. Furthermore, we have sought to expand the scale of mutual-aid support with our like-minded partner organizations.

In fiscal 2024, we pass the middle point of our four-year management plan. With the aim of realizing the three visions set out in the policy - "Our vision of our relationship with our members and consumers", "Our vision of our relationship", and "Our vision of operations and management", we will continue to create and implement "new mutual aid services" based on a review of the first two years and a complementary plan that considers recent changes in the world and the environment.

In order to be even more supportive and closer to our members, we will be implementing various measures, such as establishing diverse communication methods, promoting digital data utilization, reinforcing our ties with our affinity organizations and co-creation partners, and further digitizing our administrative and insurance payment operations.

December 2024 marks our 70th anniversary of the birth of our fire insurance, which is the very origin of our mutual aid business. In order to continue to deliver peace of mind into the future, we will continue to work towards our founding principle of "Towards a Safe and Affluent Society through Mutual Help" based on solidarity with our members, affinity groups, and co-creation partners.

We look forward to your continued support.



Shuichi Uchikoshi 打越 秋 一

Kokumin Kyosai co-op is a Cooperative

Kokumin Kyosai co-op is a popular name of National Federation of Workers and Consumers Kyosai Cooperatives. It is a not-for-profit organization, owned, managed, and utilized by its members. Kokumin Kyosai co-op provides both life and non-life insurance to improve members' security in life.

Mission Statement

“Towards a Safe and Affluent Society through Mutual Help”

Unchanging values that Kokumin Kyosai co-op should share with its members. This reflects our fundamental spirit of “helping each other”.

The meaning of “Kokumin Kyosai co-op”

We rebranded ourselves as “Kokumin Kyosai co-op”, a popular name designed to allow more people to feel closer to us, and to convey our mission and values more easily. We started to use this name since June 2019.

This name is directly derived from its Japanese version's sound and means that we are a cooperative organization to provide mutual aid for all citizens in Japanese.

1. **Kokumin** means for all citizens in Japan

We hope more people across the country join our mutual aid movement.

2. **Kyosai** means providing mutual aid system and the spirit of helping each other

We provide mutual aid needed by more and more people according to their individual lives.

3. **co-op** means Cooperative

We get people together and protect their lives with our mutual aid system.



Kokumin Kyosai co-op head office

Kokumin Kyosai co-op aims to realize its ideals not only through its business, but by working together

Our

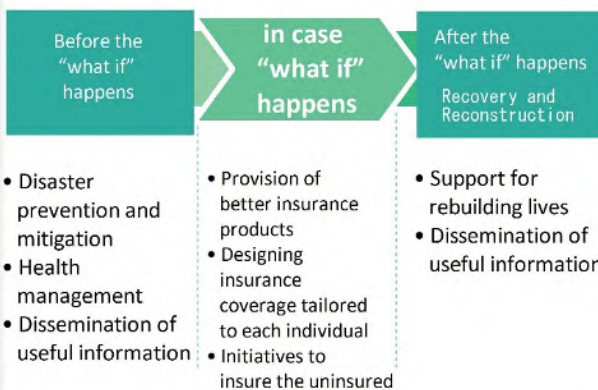
Towards a Safe and Affluent

Supporting the Lives of Our Members

Business (Insurance coverage/Services)

① Providing peace of mind through Kyosai

Kyosai is a system of mutual aid. Through mutual aid, we support our members' lives in a comprehensive manner, providing services to prevent and reduce the harm from disasters and providing financial support in the event of an emergency so that they can rebuild their lives quickly.



We will work not just by providing



Our products and services

Our



⑤ Building a society through

We will work to develop our projects movement through co-creation organizations and other co-creation
*Labor credit unions, consumer cooperatives, and maintenance businesses, NPOs, and ideals and aspirations.



We will utilize the gained through our in our business.



⑥ Employee engagement

We work to build an attractive organization by developing human resources, working styles, so that each and every employee can fully demonstrate

with like-minded organizations and the community to build a better world and address social problems.

Philosophy

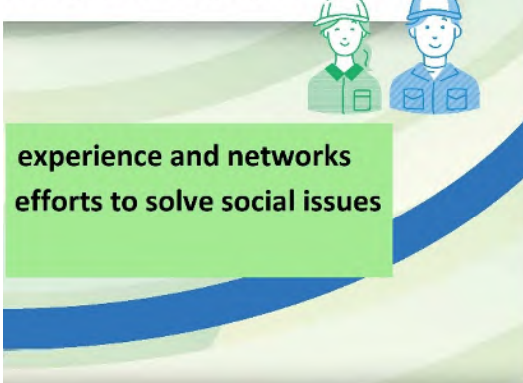
Society through Mutual Help

to solve social issues,
mutual aid and services.



co-creation
and the cooperative
activities with partner
partners.

cooperative organizations, automobile dismantling
other organizations and groups that share our



Creating a safe and secure local community

Initiatives to solve social issues

- ② Environmental conservation initiatives
We protect our rich natural environment and pass it on to future generations through our business and environmental conservation activities.
 - Initiatives to reduce resource and energy consumption in our business
 - Use of alternative resources and energy
 - Support for environmental activity groups
- ③ Initiatives for children's well-being
In order to support the healthy growth of children who will bear the future, we work to reduce traffic accidents, etc.
 - Initiatives to protect against traffic accidents
 - Initiatives to nurture rich minds and health
- ④ Disaster prevention and mitigation initiatives
We promote the spread of disaster prevention and mitigation measures, such as protecting organizations and local communities from natural disasters, and create mutual aid networks.
 - Community-based activities raising disaster prevention awareness
 - Increase the number of participants



further empowering women, and encouraging their potential and play a more active role.



Medium-term Management Plan 2025:

Transformation and Creation

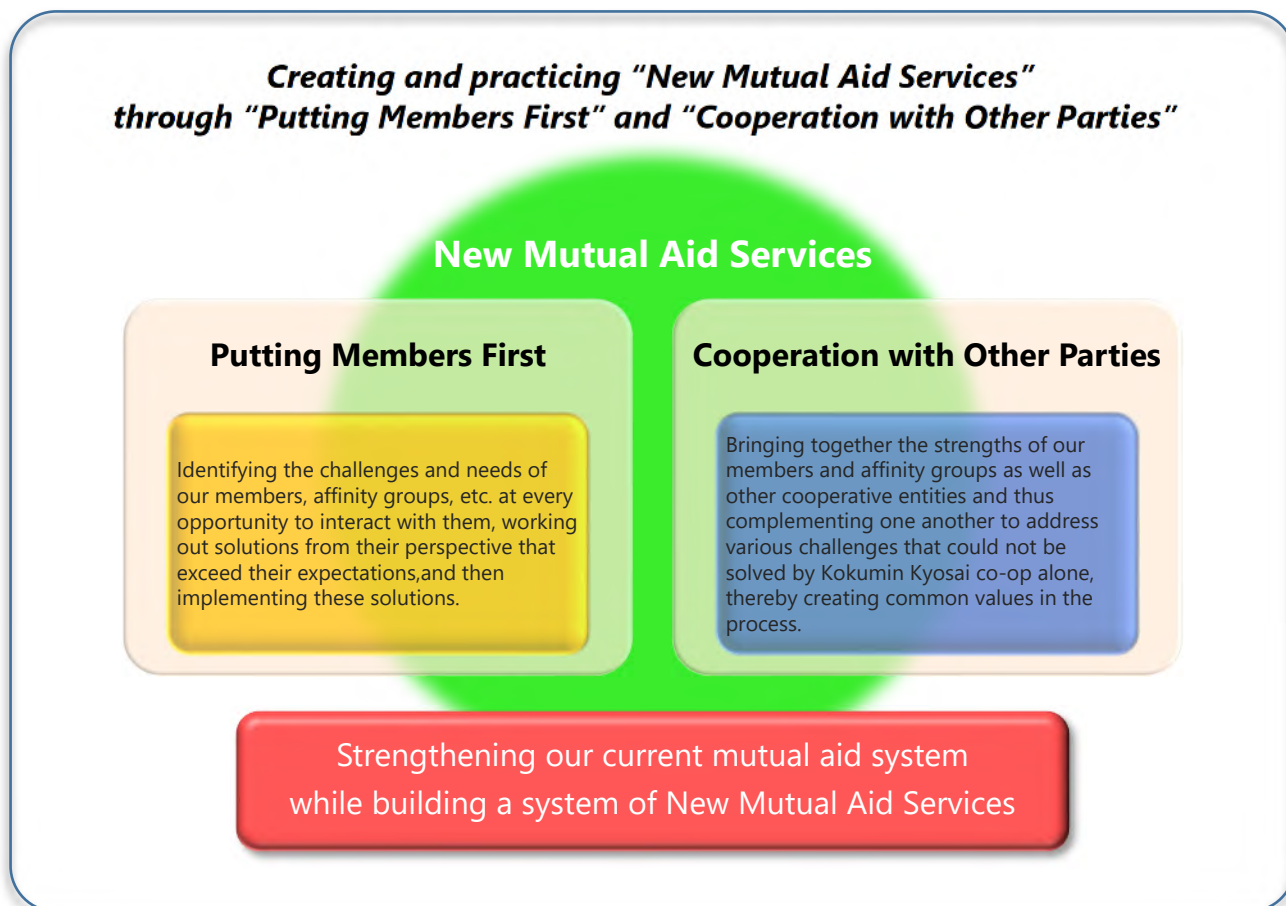
We have formulated a new four-year management plan, "Medium-term Management Plan 2025: Transformation and Creation", which started in FY 2022, and will continue to promote our efforts to further serve our members and to develop our mutual aid business.



1. New Mutual Aid Services

Thanks to the rapid development and spread of digital technology in recent years, web and online services have become more convenient. Because of this, we need to change and diversify our mutual aid services accordingly.

As society faces a variety of technology trends and changes, we will strive for sustainable business growth and the development of our co-operative efforts through taking on the challenge of creating and implementing new mutual aid services that incorporate digital technology into our business based on the principles of "Putting Members First" and "Cooperation with Other Parties" during the four years.



2. The shape of our vision

We have set out three visions and 10 actions as a specific vision of the “New Mutual Aid Services” we want to create and put into practice, and we will promote these initiatives while sharing them with our members, consumers, affinity groups, and partner organizations.

Our vision of our relationship with our members and consumers

1. Diversifying communication channels and tools to be a more accessible organization
2. Increasing the value of our business to our members by offering attractive products and great service
3. Expanding the scope of our mutual aid in society and increasing its value to society and the natural environment, by providing our members with opportunities to participate in our cooperative activities which aim to build understanding and support from the public

Our vision of our relationship with affinity groups and collaboration partners














4. Establishing a more efficient web-based interaction system based on the strength of our relationships with our members
5. Tackling shared issues with other organizations
6. Building mutual aid in local communities through partnerships with affinity groups and collaboration partners

Our vision of operations and management

7. Optimizing our organizational structure and roles utilizing digital technology and modern workstyles
8. Improving our data processing and claim payment systems through digital transformation
9. Updating personnel structures at our branch offices to concentrate communication and sales activities to align with the principle of Putting Members First
10. Ensuring financially sound and stable management

Kokumin Kyosai co-op's SDGs Action Pledge

Since its founding in 1957, Kokumin Kyosai co-op has been working together with our members, affinity groups, labor unions, other cooperatives to expand our mutual aid furthering our mission "Towards a Safe and Affluent Society through Mutual Help". This activity is in line with UN's Sustainable Development Goals (SDGs), which aim to create a society where no one is left behind. Kokumin Kyosai co-op reaffirms our role and responsibility in supporting our members and local communities impacted by harsh circumstances such as widening financial disparity, large-scale disasters, and the COVID-19 pandemic, and strives to contribute to the achievement of the SDGs.

1	Providing a sense of security through our mutual help	    
2	Environmental conservation efforts	  
3	Support for sound upbringing of children, including child rearing assistance, traffic safety projects, and health development programs	  
4	Disaster prevention and mitigation programs to protect our members from natural disasters such as typhoons and earthquakes	 
5	Collaboration with like-minded parties to build a vibrant society where people can work and live actively	
6	Maintaining a competitiveness in the face of a fast-changing business environment	 

Our Main Efforts in FY2023

In fiscal year 2023, the second year of the “Medium-Term Management Plan 2022-25: Transformation and Creation,” we proceeded with the introduction and promotion of our official app, the development of Kokumin Life Support (Support for insurance planning and for lifestyle planning), and initiatives to address social issues linked to fire coverage check-ups, based on the “Three Visions” that set out the goals of creating and practicing “new mutual aid services.”

Our Three Visions

1. Our vision of our relationship with our members and consumers

(i) Establishing diverse communication methods

In order to strengthen communication with members and improve convenience, we developed initiatives to promote the introduction and utilization of our official smartphone application (released in May 2023), while linking it to the commemorative 40th anniversary project of our signature product, Kokumin Kyosai Insurance.



In addition, we increased the number of our insurance products, which can be easily modified and renewed by policy holders from our “My Page” web account service. Also, we started providing our members with their policy certificates in digital form.

(ii) Providing a wide range of sense of security

In response to the increasing frequency and scale of wind and water disasters in recent years, as well as requests and feedbacks for updating our coverages from our members, we improved our home insurance, the Sumairu Kyosai (amalgam Sumai, Home in Japanese, and Smile) in April 2024 for the first time since 2015 which made it even more useful for helping members rebuild their lives.



Additionally, in order to support the affluent livelihood of our members, we have been promoting the development of the Kokumin Life Support (insurance design support and lifestyle design support) program and have been providing optimal insurance and various benefits tailored to our members.

Furthermore, with the recent rise in market interest rates in mind, we restarted providing the products that combine livelihood coverage and savings (such as the Kokumin Insurance (Child Coverage Type) with Maturity Refund) for those need to secure their assets.

(iii) Fostering members' participation and understanding of our business and initiatives

As part of the “Disaster-affected Area Support Project”, we made donations to volunteer (support) groups that were engaged in restoration support activities in disaster areas, in proportion to the number of Sumairu Kyosai insurance estimates.



In addition, with the aim of having members feel that they are participating in our social contribution activities through being our policyholders, we made donations to environmental activity groups in proportion to the number of new contracts of “Eco-friendly Housing-only Sumairu Kyosai with Social Contribution” insurance contracts.

2. Our vision of our relationship

with affinity groups and collaboration partners

(i) Introduction and development of a Web System for Set Kyosai (Group Insurance)

We have started to develop a web system for Set Kyosai (Group insurance available as part of a set package) at pilot organizations with the aim of developing “New Mutual Aid Services” in the workplace. This new system provides our members more convenience while reducing our partner organizations’ workload and it further streamlines operations for both sides, while also promoting a more personal approach to each member.



(ii) Initiatives in collaboration with affinity groups and co-creation partner organizations

Under strong ties with our affinity groups and partner organizations, we carried out activities such as proposals aimed at optimizing our members’ coverage and to reduce the number of the uninsured and under-insured. Also, we promoted the consideration and implementation of various initiatives, and we held a Co-creation Policy Council and other meetings to further co-creation initiatives with our partners.



(iii) Initiatives to solve social issues through mutual aid services

We continued to implement the “The Traffic Safety for 7-Year-Olds Project” (donation of road-crossing flags in accordance with the number of Automobile insurance estimates made) to protect children from traffic accidents, and the “Children’s Well-being Support Project” (donation of jump ropes in accordance with the number of new enrollments in the Kokumin Insurance (Child Coverage Type)) to support the health and safety of children. In addition, in light of the fact that social issues related to children’s growth have been



emerging recently, we have developed an educational and recreational program called “Nawa-toreh” that allows children to play with jump ropes while improving their physical fitness.

3. Our vision of operations and management

(i) Efforts to digitize administrative and payment operations

We introduced a support system for administrative processing and inspection operations, and then restructured the work processes to promote the automation of operations. We also provided information to members on the possibility of making claims online, with the aim of improving the convenience of members when making claims.

(ii) Realization of smooth procedures

To achieve a smooth experience for members, we have developed procedures for creating easy-to-read and easy-to-understand forms, and to reduce the burden on members when making a claim, we have started to accept claims without their seals (traditionally, in Japan, many official documents require official “hanko” seals, but now we are accepting policyholders’ signatures instead of seals).

(iii) Initiatives to improve the quality of loss adjustment services

In order to further improve our services for members, we have introduced a system that allows members to share their location information via an official app when using the Roadside Assistance Service for their automobile insurance, and to arrange for roadside assistance smoothly.

(iv) Initiatives based on new quality standards

We developed the new quality standard “CX-Challenge”, which sets out 16 key initiatives such as the payment of insurance benefits, and implemented initiatives to give customers a real sense of our desire to “minimize mistakes and discrepancies, and deliver insurance benefits to our members from the heart”.

(v) Further ensuring soundness and stability

We carried out appropriate financial administration based on the capital utilization policy of the medium-term management plan period, while ensuring the soundness and safety of our financial base.

Response to large-scale disasters

In fiscal year 2023, there were many natural disasters in various parts of the country, including an earthquake with its epicenter off the Noto Peninsula and severe hail centered in Hyogo Prefecture. In response to these large-scale disasters, we made it a top priority to support our members who were affected by the disasters, and we worked to pay insurance benefits as quickly as possible to help them rebuild their lives.

In response to the “2024 Noto Peninsula Earthquake” that occurred on January 1st, we worked hard to ensure the prompt payment of mutual aid benefits through measures such as the strengthening of on-site survey systems and disaster reception call reception systems through the dispatch of staff from across Japan to Ishikawa, Toyama and Niigata prefectures from January 10th, as well as the establishment of centralized payment centers.

We identified the areas of the Okunoto region of the Noto Peninsula that were completely devastated and the areas that were partially destroyed based on our own surveys using aerial photographs, satellite photographs, and information from various announcements and media reports by local governments and other organizations.

For the areas that were completely devastated, we omitted the damage survey and certified all of the property as completely destroyed, and for the areas that were partially destroyed, we certified the damage by having the policyholders submit a "disaster damage certificate" issued by the local government.

We also implemented special measures for members living in areas covered by the Disaster Relief Act, such as a grace period (up to 6 months) for payment of mutual aid premiums and contract continuation procedures upon request, special loans for long-term mutual aid products such as whole life mutual aid, personal pension mutual aid, and new group pension mutual aid, and simplified claim forms for life-related mutual aid.

Name of disaster	Number of disaster claims received	Number of investigations completed	Cumulative total of payments
Noto Peninsula Earthquake	19,980	18,282	13.33 (JPY billions)

“What If” and “Everyday Life”

Kokumin Kyosai co-op comprehensively supports your entire life.

From illnesses, accidents, and natural disasters such as typhoons and earthquakes, to preparing for the future, “What If” is a part of our lives. At Kokumin Kyosai co-op, the core of our activities is financial security through mutual aid. We prioritize providing total support, from proactive preparation to post-event follow-up, and covering all aspects of life. We aim to deliver a solid sense of security to the lives of our members and their families.

Kokumin Life Support

(Support for insurance planning and for lifestyle planning)



Supporting an active and comfortable lifestyle

Support all aspects of life with approximately 180,000 types of member services, from everyday living to special life events.

こくみん Life サポート



1. Support for Insurance Planning

The world, society, and the economy are constantly changing. Our goal is to deliver a sense of security and prosperity to each of our members, by providing support tailored to diverse lifestyles and values. This includes providing insurance coverage aligned with individual lifestyles and values, as well as supporting members in precautionary financial planning as well as living an active and comfortable lifestyle.

(i) What is Insurance Planning ?

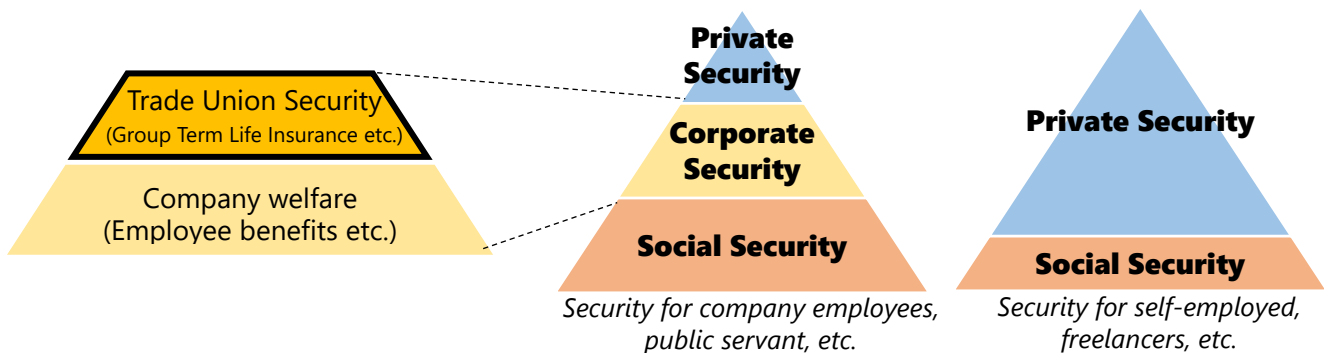
- To prepare for economic risks in cases of unforeseen circumstances such as illness, accidents, or natural disasters, we provide optimal insurance coverage selections taking into account the current financial situation and needs of members, as well as their lifestyles and future life plans, while aiming to minimize risks.
- We assist each member in planning the kind of life they want to lead in the future. This includes providing opportunities to enhance knowledge about security in general.
- We encourage members to review their overall finances based on their life plans. Through initiatives focused on achieving an affluent life in terms of "family budget, lifestyle, and well-being," we strive to help members realize a fulfilling life based on individual life planning.

(ii) Our approach to Insurance Planning

➤ Considerations for Optimal Security

Optimal Security differs depending on age, family composition, occupation, as well as lifestyle, and attitudes toward childcare and nursing care. When contemplating security, it's crucial to understand social security and corporate security within companies or organizations (pre-existing security) that one would receive in the event of unforeseen circumstances across different security areas.

Subsequently, by considering private security (such as self-prepared cooperative insurance or savings etc.), one can achieve security without burden, waste and unstable.



Social security

Social Security programs are provided by government. In Japan, we have comprehensive basic security, such as the national health insurance system, the public pension plan, and the national care insurance scheme for the elderly and disabled.

Corporate security

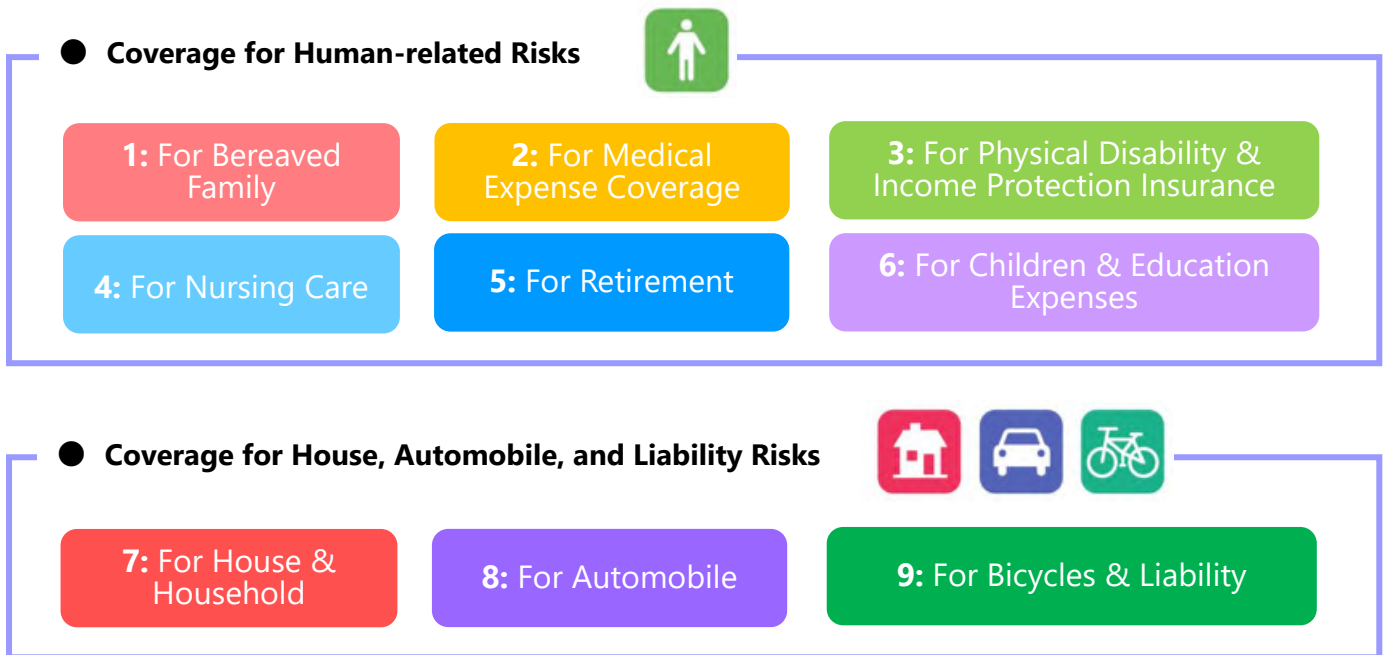
Corporate security can be provided by companies and/or their trade unions. Kokumin Kyosai co-op promotes "Trade union security", ensuring the lives and livelihoods of the members of trade unions through various products such as Group term life, Fire, and Automobile insurances.

Private security

Private security indicates insurance which is the amount of total coverage after deducting the amount of social and corporate securities.

➤ **Areas of risk coverage**

There are two main types of risk that most people need to cover: coverage against illness, injury, and death, and coverage against damage or loss to property (home, auto, etc.) and liability. Within these two broad categories, there are nine coverage areas that fit most people depending on their lifestyle and insurance needs.



Understanding the required coverage amount for each area enables a clear assessment of risks, leading to thoughtful consideration of the "optimal insurance coverage" in each specific category.

2. Support for lifestyle planning

To reduce life's "What If", speed recovery when unexpected events occur, and support a secure and enriching everyday life and special life events, we provide comprehensive support for the general well-being of members and their families through approximately 180,000 types of services.

Overview

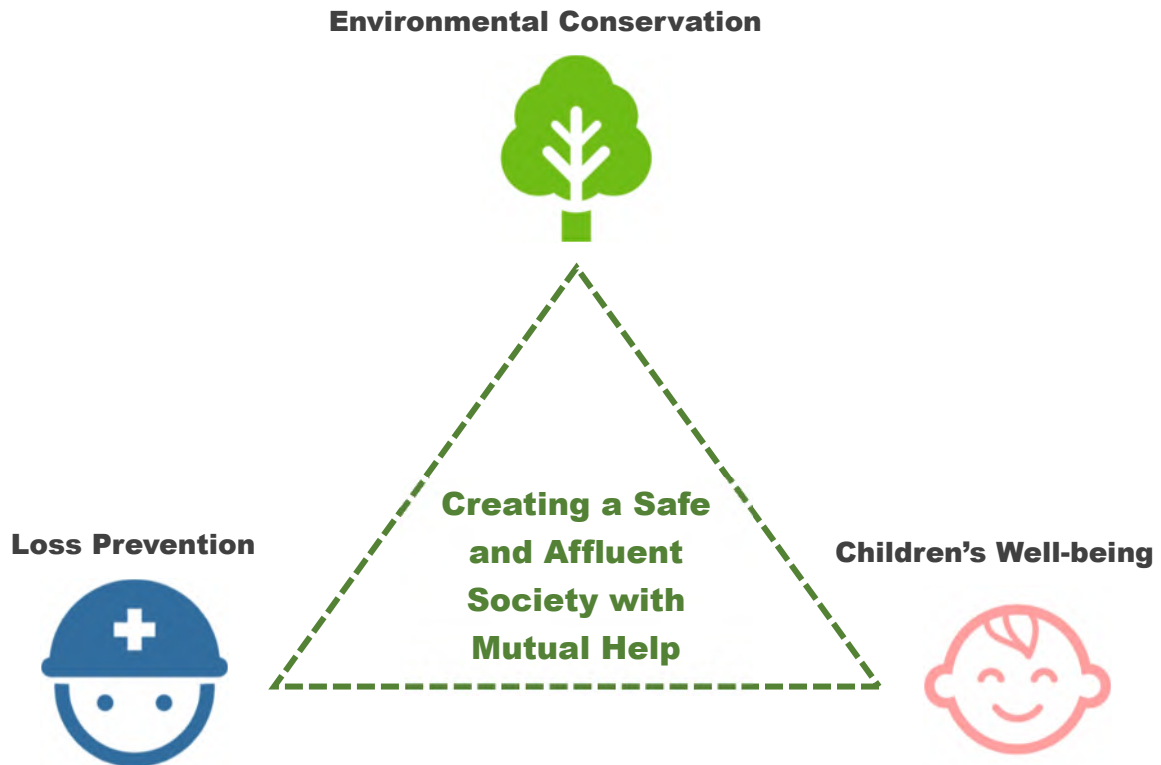
- (i) We offer both proactive preparation and post-event follow-up services in the case of injury, illness, and death as well as damage to homes and automobiles. We also provide services spanning everyday life and special life events at discount rates for members.
- (ii) These services are accessible to members of all generations, regardless of where they live.

<Examples>

- Support for early detection and treatment of illness
- Support for disaster preparedness measures and repairs
- Support for costs associated with owning a car
- Discount services for members such as travel reservations, restaurant bookings, preparations for a new baby, and engagement celebrations

Environmental and Social Activities

Based on the philosophy of "Towards a Safe and Affluent Society through Mutual Help", our association is tackling various local issues, with a focus on "environmental conservation", "disaster prevention and mitigation", and "the sound development of children", which are the key issues identified in the National Mutual Aid coop SDGs Action Declaration.



1. Environmental Conservation Initiatives

- Protecting our rich environment and passing it on to the next generation

(i) Environmental conservation activities through business activities.

We have formulated an "Environmental Policy" to address environmental issues such as climate change caused by global warming, and we are working to take environmentally friendly action in all areas of our business activities. We are actively working on environmental conservation activities to protect our rich natural environment and pass it on to the next generation.

• Business areas

When damaged parts are replaced in the repair of vehicles, this leads to an increase in CO₂ emissions. For this reason, our automobile insurance contributes to the effective use of resources and the reduction of CO₂ emissions by promoting the use of recycled parts. In addition, in order to prevent automobile accidents, we support safe drivers with a no-accident discount (up to a 64% discount based on 22 levels).

• Office activities

As part of our environmental conservation activities, we are working to reduce our consumption of electricity, copy paper and office supplies. We are also promoting "green purchasing", such as choosing environmentally friendly products and using sustainable resources.

- Building management

We are working to reduce the environmental impact of our building operations through procedures for controlling room temperature during air conditioning operation and waste management, with a focus on compliance with environmental laws and regulations and municipal ordinances regarding the operation of building facilities at the National Mutual Aid coop Hall. The room temperature standard for the Hall is set at 26-28°C in summer and 23-26°C in winter and the interim period, and we are working to reduce the load on air conditioning throughout the year.

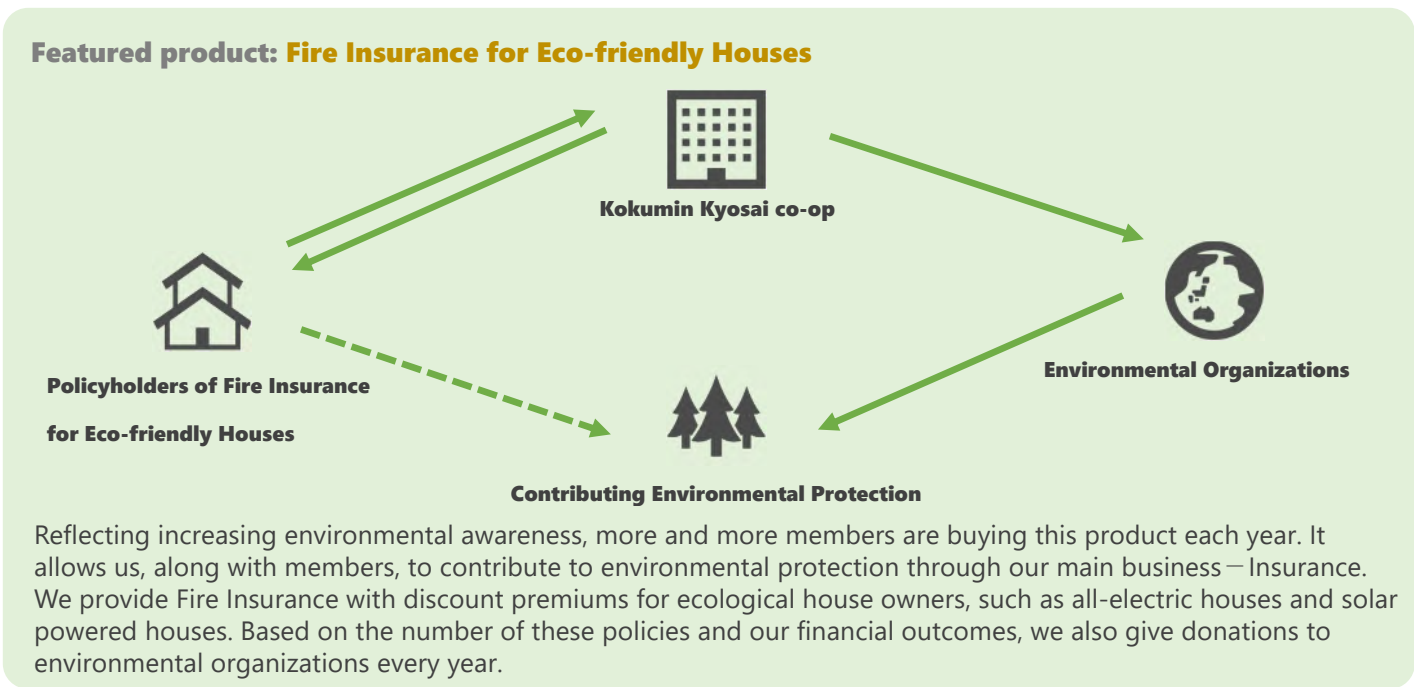
- Installation of solar panels and LED lighting

At the Kokumin Kyosai coop hall, we have installed solar panels on the roof and are contributing to the reduction of environmental impact by using renewable energy. We are also working on energy-saving measures, such as reducing energy consumption by switching all the lighting to LED.

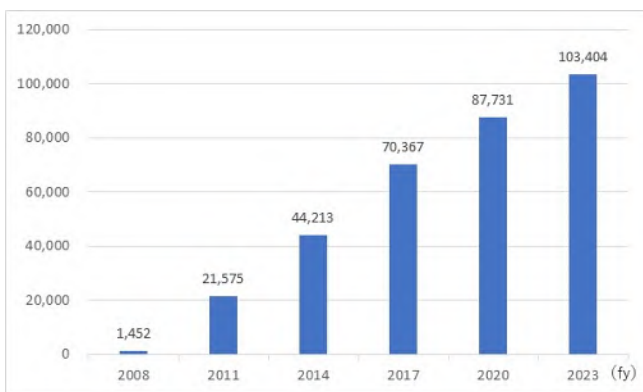
(ii) Donations through "Fire Insurance for Eco-friendly Houses"

The "Fire Insurance for Ecofriendly Houses program" is designed to allow us to work together with our members to contribute to environmental conservation. We are promoting the spread of environmentally friendly housing, such as solar power generation systems and all-electric homes (many homes in Japan rely on natural gas), to reduce CO₂ emissions and improve energy efficiency, and we are also making donations to environmental action groups. This is a mutual aid product that is kind to both the environment and our members, with the same coverage as the standard fire insurance but with a discounted premium.

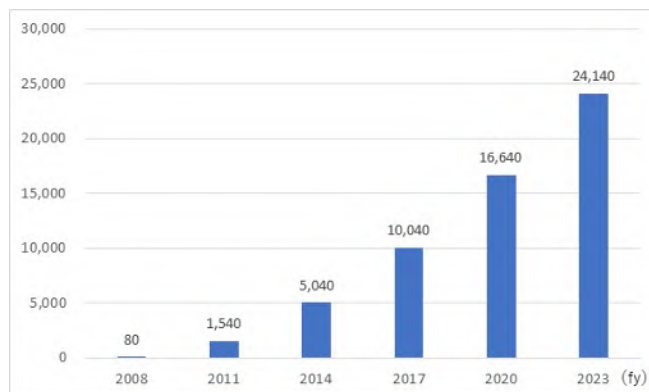
In FY2023, with a total of 103,404 enrollments (as of the end of May 2023), we donated ¥25 million to three organizations.



• Trends in the number of subscriptions



• Trends in cumulative donations



(iii) Implementation of ESG Investment

We strive to conduct asset management that considers the corporate social responsibility of the companies that we invest in, including environmental concerns.

In the FY2023, we acquired green bonds, social bonds, sustainability bonds and SDGs Bonds.

2. Disaster prevention and mitigation efforts

(i) The Disaster Prevention and Mitigation Project

From the beginning, Kokumin Kyosai co-op has been focused on protecting homes. Starting in March 2021, we have been executing the Disaster Prevention and Mitigation Project to promote the adoption of disaster prevention and mitigation measures and establish networks based on insights and experiences gained from past disaster responses.

➤ **The "What If" Project**

If a major earthquake were to hit the Tokyo metropolitan area, there are predictions that around 5 million people would have difficulty returning home and that there would be a shortage of food for 34 million people.

The "What if Project" is an initiative that aims to create resilient communities by encouraging each and every one of us to think about what we can do in the event of a disaster and to prepare accordingly.

In 2023, we held the "What if Festival" in Tokyo's Shibuya Ward and in Nagoya City in collaboration with various companies and organizations. We held booths and stage events where families could enjoy themselves while learning about disaster preparedness, and we conducted educational activities on disaster prevention and mitigation for all visitors.



➤ **Training and strengthening the activities of disaster prevention specialists**

As a driving force behind disaster prevention and mitigation activities in the local community, we have been encouraging our staff to acquire disaster prevention specialist qualifications, and we have trained 576 disaster prevention specialists (as of the end of May 2024). Disaster prevention specialists are developing activities to become the core of a network of prevention and mitigation activities that will bring peace of mind to our members throughout Japan. We will continue to promote the training of disaster prevention specialists.



Disaster prevention educational event

(ii) Disaster prevention and mitigation using digital technology

We deliver various content and services through our website, official app, and events to promote disaster preparedness among our members and the general public.

➤ **VR simulation events**

At disaster-prevention-themed events where we exhibit, we provide virtual disaster experience, where attendees can simulate earthquakes, typhoons, and flood using images and sounds by wearing VR goggles.



VR Earthquake simulator

(iii) Disaster prevention and mitigation activities with Junior Eco-Club

The Japan Environment Association (JEA), an environmental education and learning initiative conducted nationwide, has been a collaborative partner since 2021, and is one of the organizations that we support through our "Fire Insurance for Eco-friendly Houses" donation fund.

This is a disaster prevention and mitigation program for children participating in the Junior Eco-Club, jointly provided by the JEA and Kokumin Kyosai co-op. We also provide "Bosai Eco CAMP", a learning program which teaches how to survive in disaster situations.

In 2023, 2,872 children from 122 clubs participated nationwide.



Disaster prevention craftwork at 'Bosai Eco CAMP'

3. Support for the well-being of our children

(i) The Traffic Safety for 7-Year-Olds Project

In Japan, when children reach the age of seven years, they are given an expanded range of activities and responsibilities by their parents, including walking to school by themselves. There is data indicating that seven-year-olds are more susceptible to traffic accidents compared to other age groups. We all want to protect our children from traffic accidents, so we have implemented initiatives to collectively safeguard them.

➤ Donation of road-crossing hand flags

In order to protect our children’s futures from traffic accidents, we have been donating one crossing flag per automobile insurance estimate to elementary schools and children’s centers nationwide since June 2020. In fiscal year 2023, in cooperation with CO·OP Kyosai, we donated 324,796 crossing flags to elementary schools nationwide, bringing the total number of donations to approximately 1,217,000.



The elementary school that donated the crossing flags

➤ Joint research with Kanazawa University

To protect future generations from traffic accidents, joint research has been conducted with Mr. Makoto Fujiu, Associate Professor at Kanazawa University, to develop the “Children’s Road Safety Hazard Map”. Up-to-date information is posted to this online map about places where there are dangerous traffic situations and places where traffic safety measures have been implemented.



(ii) Children's Well-being Support Project

This is a project that started in January 2020 to support the healthy growth of children and pass on the spirit of mutual support to the future, in response to social issues such as the decline in children’s physical fitness.



School classes are being held using the jump ropes that were donated

➤ **Donation of jump ropes across Japan**

For each new Kokumin Insurance (Child Coverage Type) policy, one jump rope is donated to schools, children's centers, and other facilities nationwide. In fiscal year 2023, 81,966 jump ropes were donated, bringing the total number of donations to approximately 254,000.



Jump ropes

➤ **“NAWA-TOREH”, a recreational program using jump ropes**

This is a recreational program that allows children to use jump ropes to improve their physical strength while having fun. By using the “Jump Rope Training website”, where you can register nicknames and keep a record of your daily training, children can work on improving their fitness while gaining a sense of achievement.



*Trying NAWA-TOREH event
"Everyone Come to the NAWA-TOREH Square"*

Our Features

Unique Origin

In the 1950s, ordinary workers were poor and vulnerable to risks, but they could not afford insurance products because it was too expensive for them. Therefore, they started to form mutual assistance activities among members taking precaution against risks in communities. Since then, it has developed into a modern security system — Insurance.

As a Cooperative

Based on the cooperative principle, Kokumin Kyosai co-op provides insurance and mutual help for its members under the supervision of the Ministry of Health, Labour and Welfare and the Consumers' Livelihood Cooperative Society Law. Anyone can join the mutual and groups if they subscribe to this principle and pay the membership fee.



*The birth place of cooperatives:
Rochdale Pioneers Museum (England)*

Promoting Workers' Welfare

Kokumin Kyosai co-op has been working hand in hand with trade unions for the workers' welfare movement. The movement in Japan is organized through the voluntary activities of workers based on their own philosophy of mutual aid and solidarity. Kokumin Kyosai co-op was organized and has been run mainly by trade union members; however, its service extends to all workers in the community now.

Kokumin Kyosai co-op Group

Kokumin Kyosai co-op

(National Federation of Workers and Consumers Kyosai Cooperatives) underwrites insurance contracts for individuals directly. It comprises 55 primary cooperatives and three cooperative federations.

Saikyosairen

(Japan Reinsurance Federation of Consumers' Cooperatives) underwrites reinsurance for workers' and consumers' cooperatives as well as many other cooperatives in Japan.

Zenrosai Kyokai

(National Association for Workers Welfare and Cooperative Insurance) provides guidance, coordination and liaison work for workers' welfare and cooperative insurance.

Democratic Management Structure

Kokumin Kyosai co-op is a national federation comprised of 58 cooperative societies. It is owned, managed and utilized by its members. As it is essential for us to maintain members' participation in its management, we set up an integrated democratic structure. In order to conform to the members' will, members form Area Management Committees /Agencies on a district basis. They send representatives to General Meetings at the prefectural and national levels.

National Level: Kokumin Kyosai co-op (Federation)



Regional Level: Primary Cooperatives



Members



Risk Management System

Kokumin Kyosai co-op has categorized its risk exposure into three types (Crisis risk, Management risk, and Compliance risk) and established divisions accordingly, which work in cooperation with each other to enhance our integrated risk management.

Compliance

Cooperative insurance business is public-oriented in its nature and relies on the trust and support of its members. Therefore, we have strengthened our compliance structure by introducing committees and officers both at national and regional levels, rules and guidelines, and a help-line for whistleblowers' protection.

Markets

Workplaces

Workers in affinity groups, mainly trade unions, become Kokumin Kyosai co-op members.

Communities

Consumers (people) in local communities become Kokumin Kyosai co-op members through various channels (Kokumin Kyosai co-op shops, agencies, advisors, and our website etc).

Agencies

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

We provide our House Insurance, Long-term Individual Life Insurance, and Automobile Insurance to the members of CO•OP Kyosai and its member societies.

Labour Bank

Both Kokumin Kyosai co-op and the Labour Bank promote the cooperative movement and the workers' welfare movement. The Labour Bank sells Kokumin Kyosai co-op Fire Insurance, and Kokumin Kyosai co-op discounts its premium for those who take out housing loans with the Labour Bank.

Car Repairers

Kokumin Kyosai co-op provides compulsory automobile liability insurance to the members through its partnership with car repair shops.

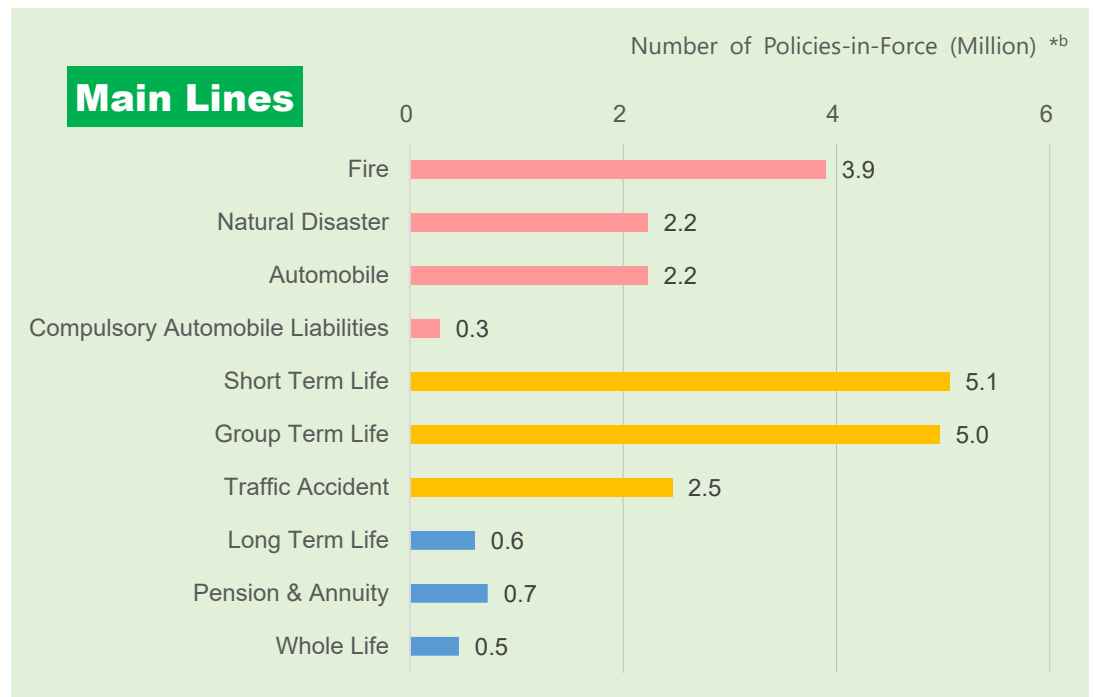
Retail Offices

We have 189 retail offices, called "Shops", nationwide, in which both existing and future members can get advice on insurance, apply for contracts, and make claims.



Key Figures

Number of Policies-in-Force ^{*a}		FY2022	FY2023
	Total	29.13 million	29.07 million
	General Ins.	15.97 million	15.95 million
	Short-term Life Ins.	9.19 million	9.01 million
	Long-term Life Ins.	2.48 million	2.42 million
	Contracted Business	1.49 million	1.69 million



Premiums Received ^{*b}	JPY 530.8 billion	USD 3.38 billion
General Ins.	JPY 218.1 billion	USD 1.39 billion
Short-term Life Ins.	JPY 177.6 billion	USD 1.13 billion
Long-term Life Ins.	JPY 135.0 billion	USD 0.86 billion

*USD1 = JPY156.74 (as of May 31,2024)

Claim Payments ^{*b}	JPY 325.5 billion	USD 2.07 billion
General Ins.	JPY 102.3 billion	USD 0.65 billion
Short-term Life Ins.	JPY 81.4 billion	USD 0.52 billion
Long-term Life Ins.	JPY 141.8 billion	USD 0.90 billion

*USD1 = JPY156.74 (as of May 31,2024)

^{*a} The figures are obtained by rounding down two decimal place.

^{*b} The figures are obtained by rounding off two decimal place.

Financial Highlights

Balance Sheet ^{*c}

	FY2023 (May 31, 2024)	
	JPY billions	USD millions*
Assets		
Cash and deposits	206	1,314
Money-in-trust and Monetary Claims	527	3,363
Securities	2,760	17,611
Loans	2	19
Investment real estate	2	17
Others	520	3,317
Total Assets	4,019	25,643
Liabilities		
Policy Reserves	3,313	21,138
Reinsurance accounts payables	4	25
Other insurance business liabilities	167	1,065
Others	18	118
Total Liabilities	3,502	22,347
Net Assets		
Co-operative share	187	1,194
Surplus	380	2,427
Valuation and translation adjustment	-52	-327
Total Net Assets	516	3,296
Total Liabilities and Net Assets	4,019	25,643

*USD1 = JPY156.74 (as of May 31,2024)

Income Statement ^{*c}

	FY2023 (May 31, 2024)	
	JPY billions	USD millions*
Income		
Premium and other income	538	3,436
Transfer from policy reserves	51	328
Investment income	54	349
Other ordinary income	3	24
Ordinary Income	648	4,139
Expenses		
Claims and Benefits	417	2,663
Transfer to policy reserves	4	29
Other ordinary expenses	138	881
Ordinary Expenses	560	3,574
Ordinary Surplus	88	564
Extraordinary Income	2	14
Extraordinary Expenses	0	2
Surplus before taxes	90	576
Corporate and other taxes and adjustments	14	94
Transfer to dividends reserves	38	243
Net surplus for the period	37	238
Other adjustment	1	12
Payment from voluntary reserves	9	63
Unappropriated surplus for the period	49	314

*USD1 = JPY156.74 (as of May 31,2024)

^{*c} The figures are obtained by rounding down one decimal place.

Asset Under Management ^{*b}

	FY2022	FY2023
Asset Under Management (JPY billions)	3,627.7	3,608.8
Cash and deposits	5.8%	5.7%
Monetary Claims	3.5%	3.1%
Securities	87.4%	88.0%
Bonds	75.0%	76.0%
Stocks	0.0%	0.0%
Foreign securities	9.1%	8.8%
Others	3.2%	3.2%
Loans	0.1%	0.1%
Investment Real Estate	0.1%	0.1%
Others	3.1%	3.0%
Investment Profit ^{*b} (JPY billions)	50.5	47.9
Yield on Investment ^{*d}	1.39%	1.31%

Management Index

	FY2022	FY2023
Basic Profit ^{*b} (JPY billions)	99.6	114.4
Solvency Margin Ratio ^{*b *e}	2,241.9%	2,253.3%
Adjusted Equity Capital ^{*b *f} (JPY billions)	1,072.1	1,096.9
	26.6%	27.3%
Net Worth ^{*b *g} (JPY billions)	1,627.7	1,360.9
	40.4%	33.9%

^{*b} The figures are obtained by rounding off two decimal place.

^{*d} The figures are obtained by rounding off three decimal place.

^{*e} Since Kokumin Kyosai co-op provides both life and non-life insurance, our solvency margin ratio cannot be compared simply to those of other life or non-life insurers.

^{*f} Adjusted equity capital includes the followings; equity capital, contingency reserves and price fluctuation reserves.

^{*g} 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).

NATIONAL FEDERATION OF WORKERS AND CONSUMERS KYOSAI COOPERATIVES



Annual Report 2024

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