



ANNUAL REPORT 2015

National Mutual Insurance Federation
of Agricultural Cooperatives

DEEPER RELATIONSHIPS

PROFILE

Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives) was founded in 1951 to create “Mutual aid” through cooperation under the motto “One for all, all for one.”

The JA (Japan Agricultural Cooperatives) Group, to which Zenkyoren belongs, conducts a variety of businesses and provides a wide range of services through JA. Zenkyoren is responsible for the insurance business.

The fundamental goal of Zenkyoren is to assist members and policyholders in establishing stable and secure farming and higher standards of living by insuring them against accidental loss of life and property damage.

We meet this goal by offering both life and non-life insurance.

Zenkyoren continues to strengthen cooperative relationships with local communities to provide members and policyholders with improved services and a greater sense of security.

ZENKYOREN'S VISION

MEASURES TO ACHIEVE THE ZENKYOREN THREE-YEAR BUSINESS PLAN FOR FISCAL 2013 – 2015

Zenkyoren aims to further expand operations based on viewpoints of members and policyholders. To this end, it has set the following basic direction in its three-year business plan for fiscal 2013 – 2015:

- Further expand unique JA insurance business activities rooted in the community
- Strengthen Zenkyoren's guidance and support functions for JA and increase management efficiency

MAIN STRATEGIES FOR FISCAL 2015

In fiscal 2015, we will work on the following initiatives as the key measures in the final year of Zenkyoren's current three-year business plan.

1. Promote business activities rooted in the community

Introduce area strategies to all of JA

Conduct sales promotion activities interconnecting follow-up visits with the use of tablet PCs

Conduct a coverage review program and policy maintenance activities involving the use of tablet PCs

Strengthen “new partner” initiatives through sales promotion activities visiting uninsured people

2. Improve policyholder satisfaction

Strengthen capabilities for responding to policyholder needs

Build a claims assessment system that will be completely effective even in the event of major disasters

Develop social contribution activities rooted in the community

3. Implement organizational reforms

Reform the organization to strengthen business functions

Rebuild the damage assessment system for automobile accidents

4. Examine JA insurance business initiatives for revitalizing communities and increasing agricultural incomes

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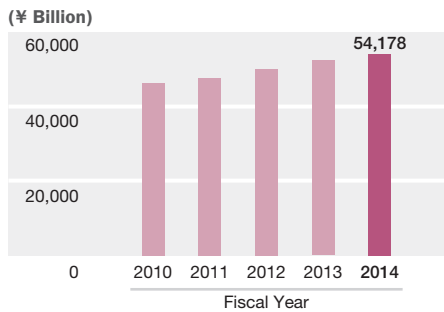
20 ZENKYOREN INFORMATION

Regarding fractional figure processing

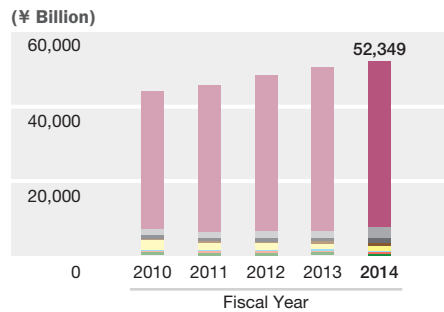
- Fractions in both yen and U.S. dollar amounts and the number of policies have been rounded down.
- Fractions in component ratios and year-on-year comparisons have been rounded off.

PRINCIPAL BUSINESS INDICATORS

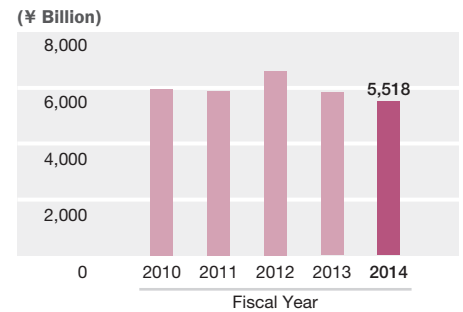
Total Assets



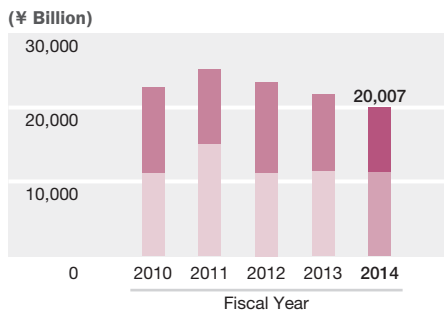
Working Assets



Total Premiums Received

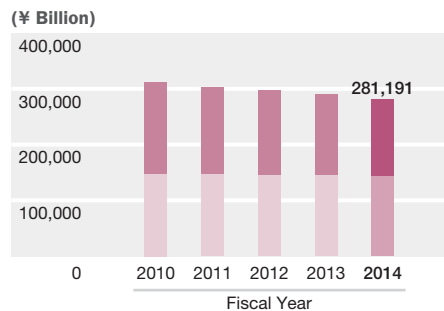


Long-Term Insurance, New Business



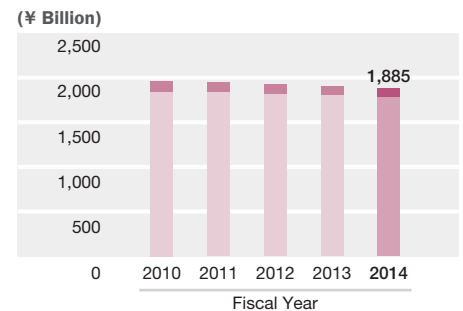
* Amount insured
 ■ Comprehensive Life Insurance
 ■ Building Endowment Insurance

Long-Term Insurance, Policies in Force



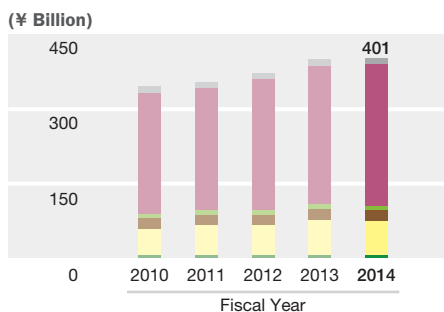
* Amount insured
 ■ Comprehensive Life Insurance
 ■ Building Endowment Insurance

Annuity Insurance



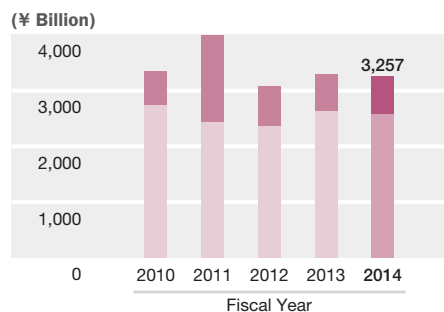
* Annual amount
 ■ New Business
 ■ Policies in Force

Short-Term Insurance, New Business



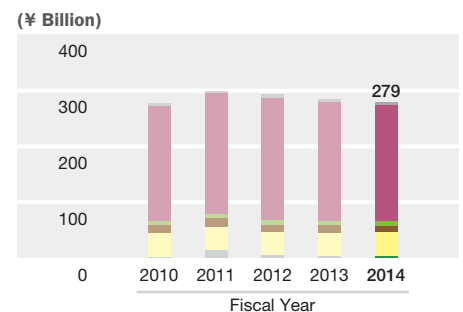
* Premiums received
 ■ Fire Insurance
 ■ Automobile Insurance
 ■ Personal Accident Insurance
 ■ Group Term Life Insurance
 ■ Automobile Liability Insurance
 ■ Others

Long-Term Insurance, Claims Paid



■ Accident
 ■ Maturity

Short-Term Insurance, Claims Paid



■ Fire Insurance
 ■ Automobile Insurance
 ■ Personal Accident Insurance
 ■ Group Term Life Insurance
 ■ Automobile Liability Insurance
 ■ Others

We Will Deepen Our Roots in Communities, Deliver More Security and Become More Trusted Based on the Philosophy of “Mutual Aid”

Review of Fiscal 2014

In fiscal 2014, the Japanese economy began showing signs of recovering from a slump in reaction to a hike in consumption tax and saw gradually improving trends in consumer sentiment and production activity.

Meanwhile, the situation surrounding agriculture is increasing in severity as the agricultural population ages and declines, and the price of rice falls, among other factors.

Against this backdrop, the Japanese government has begun to fast-track its deliberation of structural reforms in agriculture.

Moreover, the deliberation of reforms of agricultural cooperatives has led to the reexamination of the system of audits, framework of central unions, and stipulations regarding the board of agricultural cooperatives. This has precipitated a period of major transformation never before experienced by the JA Group.

In response, the entire JA Group has decided to work in unison on organizational self-reforms. Our aim is to revitalize local communities, expand agricultural production, and increase agricultural incomes as a network of cooperatives firmly rooted in Japanese agriculture.

Fiscal 2014 Initiatives and Future Business Developments

Fiscal 2014 was the middle year in Zenkyoren's current three-year business plan. As a result of the progress we have made with the plan's initiatives, we were able to achieve our nationwide sales promotion targets.

In addition, we also succeeded in securing a sufficient solvency margin, a figure indicating corporate financial soundness, of 1,027.0%.

Initiatives for Developing Business Closely Rooted in Communities

In fiscal 2014, we conducted sales promotion activities matching the local characteristics of each JA branch and introduced and developed area strategies to enhance insurance coverage and maintain or expand our business base.

The sales promotion activities we conducted were closely rooted in local communities and included coverage review programs that involved follow-up visits to all members and policyholders to confirm the policy content and make sure that the insurance needs of households were being met.

In addition to providing the support our Life Advisors (LA: JA staff with specialized knowledge of JA insurance) need in proposing insurance protection, we are also using tablet PCs to develop visual insurance presentations that are easy to understand.



市村 幸太郎

KOTARO ICHIMURA
Chairman of the Supervisory Board



勝瑞 保

TAMOTSU SHOZUI
President of the Board of Directors

Initiatives for Upgrading Policyholder Services

To strengthen our capability for responding to policyholders, we conducted a new JA Kyosai Customer Satisfaction Survey at 106 local JA and developed activities for improving policyholder satisfaction based on the survey results. At the same time, we also conducted service improvement campaigns in our operations for assessing damage from automobile accidents.

Initiatives for Implementing the JA Insurance Business Council's Recommendations

In May 2012, Zenkyoren's JA Insurance Business Council issued recommendations based on two central themes: 1) to further expand distinctly JA insurance business activities rooted in the community and 2) for Zenkyoren to strengthen its guidance and support functions for JA and increase management efficiency.

To reform Zenkyoren's organization, we launched human resource training initiatives aimed at strengthening our functions for providing JA with guidance and support. At the same time, in April 2014 we opened operation centers consolidating life insurance claims assessment functions on a prefectural scale in the Hokuriku and Tokai regions. Within fiscal 2015, we will build bases providing broader geographical coverage of life insurance claims assessment functions throughout Japan.

We are also monitoring the Tokai region, where we launched a pilot operation, to advance our reorganizational plans for broadening the geographical coverage of our bases for insurance underwriting.

We are also reexamining the division of functions between JA and Zenkyoren, in our framework for assessing damage from automobile accidents, to introduce a new structure in phases whereby Zenkyoren will be responsible for the damage assessment operations.

Meanwhile, our other business and data processing systems are being overhauled to reduce the clerical burden on JA and improve the service we provide policyholders. Starting in fiscal 2016, we will begin the introduction of new paperless and cashless business procedures in phases, along with other upgrades.

In Closing

For more than 60 years since commencing business activities, we have conducted business with the aim of expanding our circle of mutual assistance.

Under the philosophy of "Mutual aid," we will deepen roots centered on agriculture in communities and bring security and satisfaction to our members and policyholders by continuing to provide comprehensive coverage of life, homes and automobiles, and ensure sound management with the view to conducting business activities in good faith.

August 2015

About the JA Group

The JA (Japan Agricultural Cooperatives) Group, to which Zenkyoren belongs, is a national organization of farmers established in accordance with the Agricultural Cooperative Society Law. Based on a spirit of mutual aid, the JA Group undertakes cooperative business and other activities, for the purpose of enhancing agricultural operations and improving the standard of living among farmers. The JA Group provides its members with five essential services: insurance, guidance, credit, marketing and purchasing, and welfare.

The agricultural cooperative system previously featured a three-tiered structure organized on local, prefectural and national levels. Under this system, prefectural federations provided local primary societies with supplementary functions, by conducting activities that the primary societies themselves were unable to perform. The national federation provided complementary functions to support the prefectural federations and make the Group's activities more effective.

To cope with intensified global competition, the JA Group is reforming the organization and its business operations, with the aim of further improving agricultural operations and the living standard of farmers in years to come. Integration of prefectural and national federations and the consolidation of local primary societies are being encouraged as a way to enhance the functionality and effectiveness of the three-tiered organizational structure.

JA Insurance Business

JA insurance business offers products and services designed to protect members' and policyholders' well-being, provide financial security, and improve their lifestyles.

In April 2000, Zenkyoren (then a national federation only) merged with all prefectural insurance federations, thus forming a two-tiered operation with each tier performing distinct functions. This merger further tightened the bonds between Zenkyoren and primary societies. It also reduced operating costs while giving members and policyholders better services and a greater sense of security.

The primary societies provide members and policyholders with consulting services and communicate directly with them in response to claims.

The primary societies and Zenkyoren jointly underwrite insurance policies.

Division of Roles between Primary Societies and Zenkyoren

Primary Societies (JA):

At the local level, the primary societies provide direct liaison with members and policyholders and handle policy administration, processing and contract maintenance, as well as the payments of claims. They also provide members and policyholders with various kinds of information related to the purchase of insurance policies.

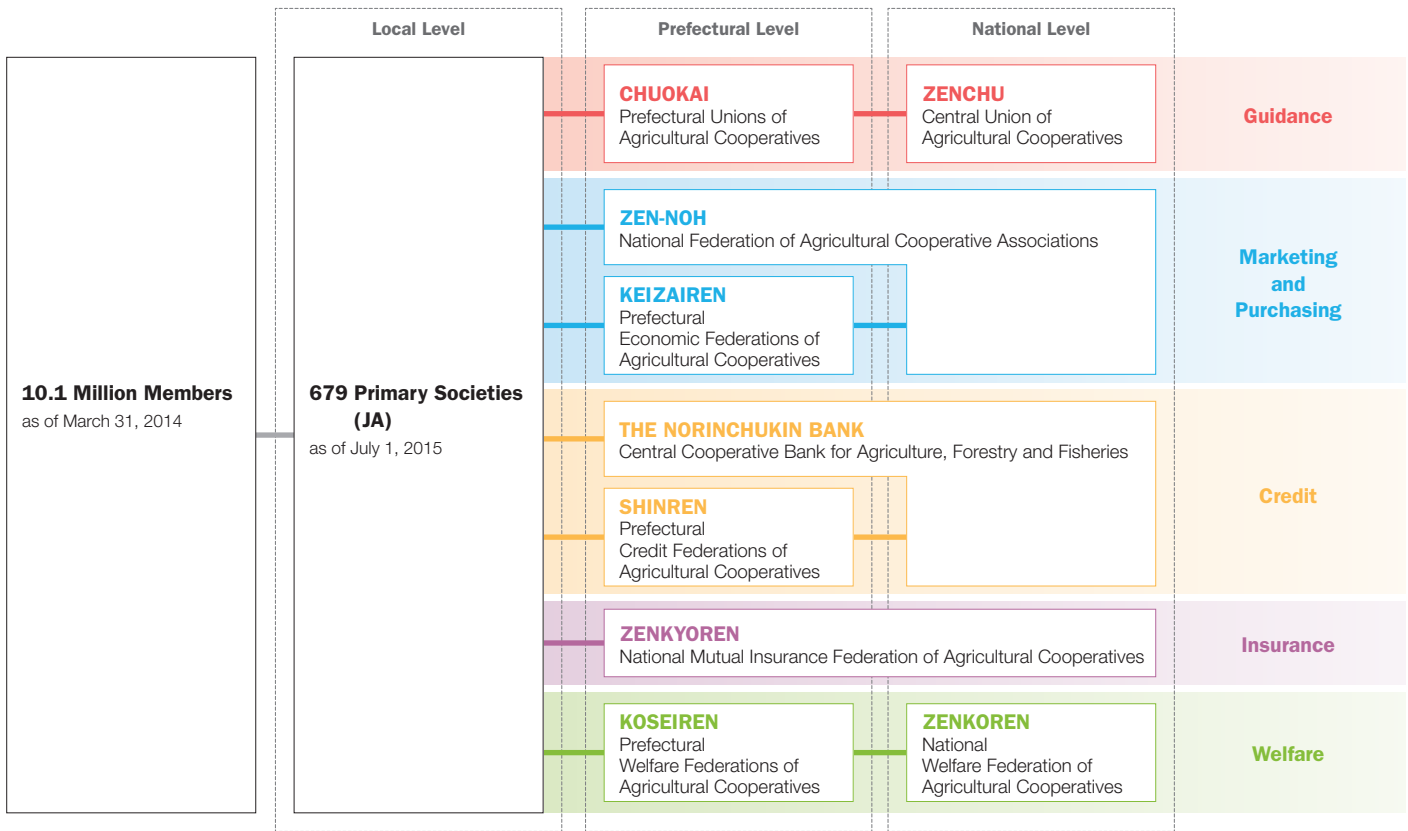
Zenkyoren:

Zenkyoren's services can be divided roughly into four areas. Together, these services provide comprehensive security to members and policyholders.

- (1) Protection against risks
- (2) Finance-related services
- (3) Information services
- (4) Welfare services

Zenkyoren engages in a wide range of JA insurance activities that include planning and management, product development, underwriting, claims assessments, and providing information and materials for sales promotion, as well as planning and execution of public relations activities. It also manages investment funds, develops and operates information systems, holds educational and training programs, and conducts welfare activities.

Organizational Structure of the JA Group



CHUOKAI — ZENCHU

Chuokai and Zenchu make agricultural policy proposals, provide training, audits and guidance to JA, conduct publicity activities and collaborate with international organizations.

SHINREN —

THE NORINCHUKIN BANK

Shinren and The Norinchukin Bank provide members and local residents with financial services such as savings, loans and exchange businesses.

ZENKYOREN

Guided by its business philosophy of “Mutual aid,” Zenkyoren provides comprehensive coverage of life, homes and automobiles.

KEIZAIREN — ZEN-NOH

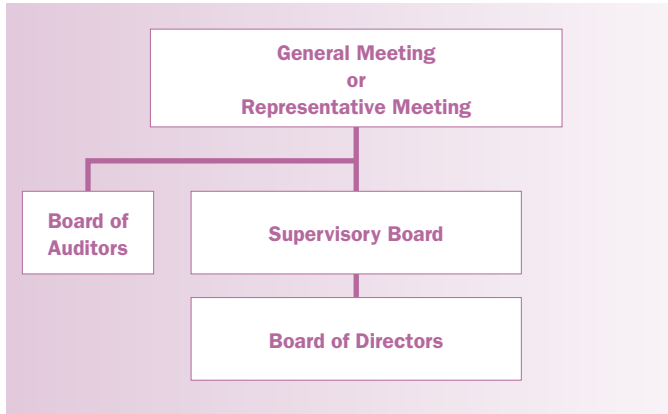
Keizairen and Zen-Noh conduct marketing and purchasing operations. Marketing involves delivering agricultural and livestock products produced by farmers to consumers. Purchasing involves supplying members with materials needed to manage farms and daily necessities.

KOSEIREN — ZENKOREN

Koseiren and Zenkoren set up and operate hospitals and clinics, along with providing members and local residents with health checkups and health maintenance activities, as well as nursing care services.

ZENKYOREN'S GOVERNANCE

Organizational Structure of Zenkyoren



Basic Policy on Building an Internal Control System

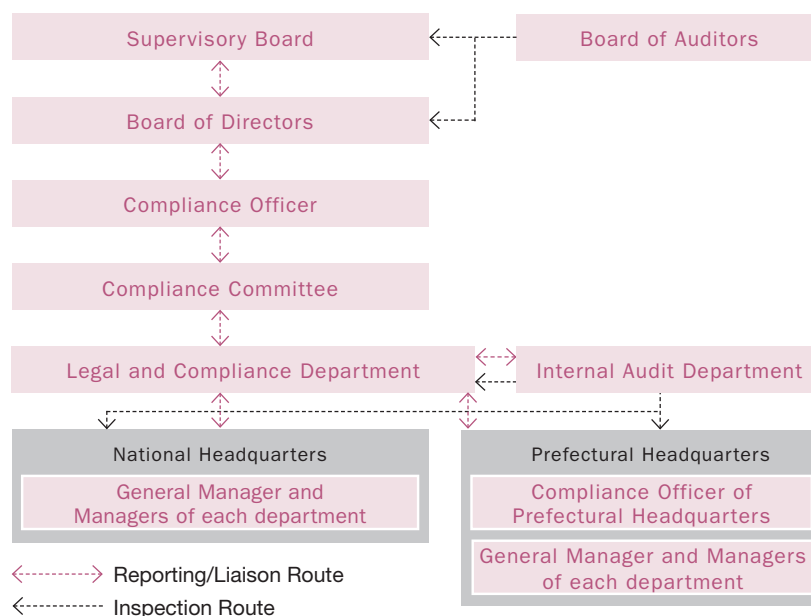
With its business activities rooted in its philosophy of mutual aid, Zenkyoren's mission is to continually respond to the trust and expectations of its members and policyholders by providing security and satisfaction. To achieve this mission, Zenkyoren considers compliance with applicable laws and regulations, its Articles of Association and other bylaws a fundamental part of its management approach and undertakes a number of initiatives to ensure its business is conducted soundly and appropriately. One specific measure is the establishment, by its Supervisory Board, of a Basic Policy on Building a Zenkyoren Internal Control System, under which said internal control system is being structured and run appropriately.

Compliance Approach at Zenkyoren

Our business is strongly society-oriented by nature. This is why we emphasize compliance as an integral part of our business management.

In advancing its approach to compliance, Zenkyoren has assigned a Compliance Officer (President of the Board of Directors) and established compliance departments, with the latter responsible for a range of activities from covering overall planning and proposals to adjustments and promotion.

Furthermore, each prefectural headquarters has been assigned a Compliance Officer of Prefectural Headquarters (General Manager of the Prefectural Headquarters), with general managers and responsible managers posted at the departmental level. Every executive and employee strives to ensure that day-to-day operations at their respective worksites take place in strict compliance with applicable laws and regulations.



RISK MANAGEMENT INITIATIVES

Risk Management Initiatives

To bring a systematic approach to managing various risks, Zenkyoren has formulated a Basic Risk Management Policy, and works to handle risks consistently and appropriately.

Under this basic policy, risks are classified and managed systematically as underwriting risk, asset management risk, liquidity risk, operational risk, and information system risk.

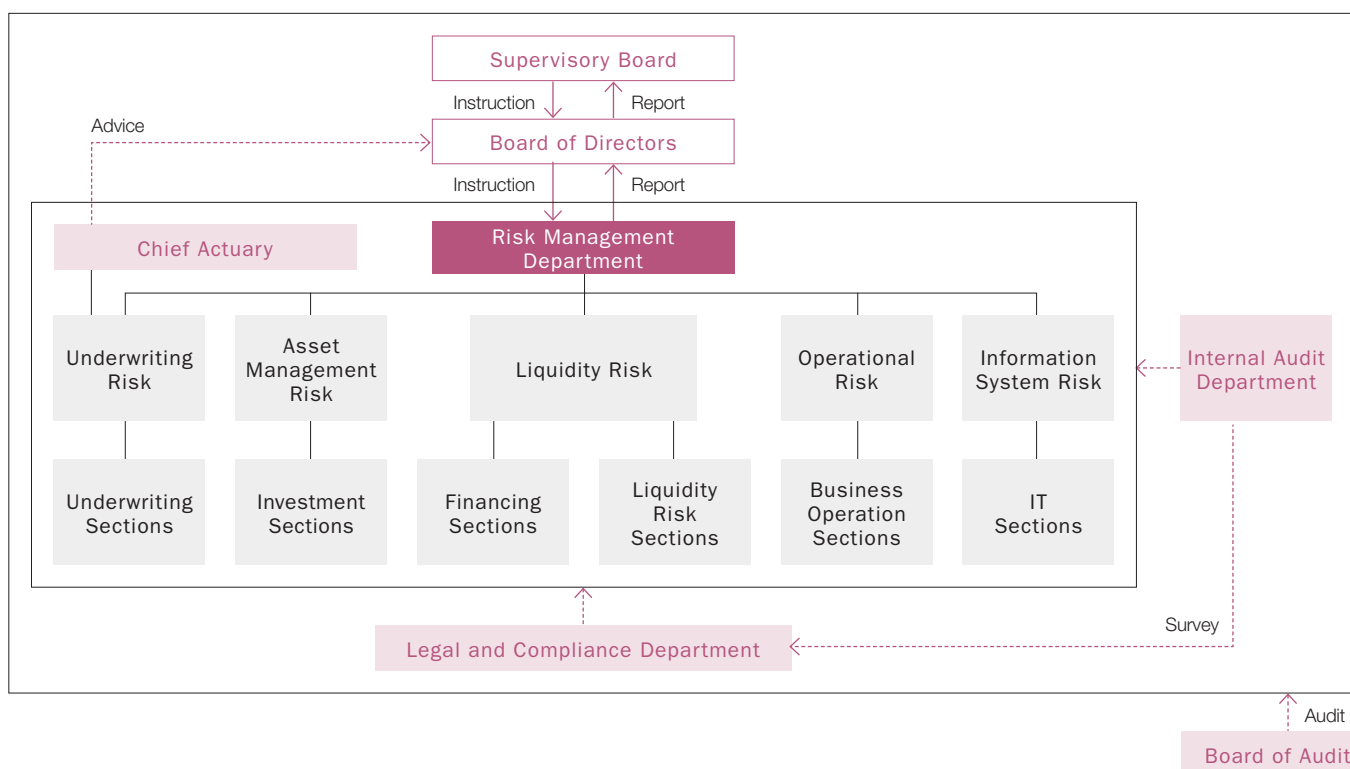
Structurally, this has involved establishing a Risk Management Department, the department with overall responsibility for the management of Zenkyoren's risk exposures, which in addition to overall supervision designates individual departments responsible for properly monitoring and controlling each type of risk.

In addition, an Enterprise Risk Management (ERM) Committee has been established to raise the sophistication of ERM going forward.

Five Types of Risk

Types of Risk	Risk Attributes
Underwriting Risk	The risk of incurring losses when economic conditions or the incidence of insured accidents fluctuate contrary to projections made at the time premiums were set.
Asset Management Risk	The risk of incurring losses due to fluctuation in the value of assets under management (market risk, credit risk, and real estate asset management risk).
Liquidity Risk	The risk of incurring losses when, due to a temporary increase in surrender value or an outflow of funds owing to a major disaster, Zenkyoren is forced to sell off assets at prices significantly lower than under normal conditions in order to secure the required funds.
Operational Risk	The risk of incurring losses due to inadequate internal control systems, or officers and employees either failing to follow appropriate procedures or being the cause of accidents and misconduct, etc.
Information System Risk	The risk of incurring losses due to computer system failure, malfunction or flaw, or the misuse of information systems.

Risk Management System



INSURANCE BUSINESSES

The JA Group is unique in its ability to provide life and non-life insurance, thus offering comprehensive coverage of life, homes and automobiles to match each member's and policyholder's lifestyle.

Coverage can be divided into two basic types, long-term and short-term insurance. The kinds of insurance offered are outlined below.

Major Types of Insurance

LIFE INSURANCE Comprehensive Life Insurance

Comprehensive Life Insurance is a general term encompassing basic types of life insurance.

A comprehensive range of benefits, including for death, disability, hospitalization, and medical treatment, is obtainable by combining various riders from each type.

1 Whole Life Insurance

Claims are paid upon death or serious disability of the insured. The objective is to protect the livelihood of the family of the insured. Conditions can be designed to suit individual policyholder needs.

2 Endowment Life Insurance

Claims are paid upon death or serious disability of the insured, or survival beyond the maturity date. The objective is to protect the livelihood of the family of the insured and to serve as a savings vehicle to provide financial security.

3 Term Life Insurance

Claims are paid upon death or serious disability of the insured. The objective is to protect the livelihood of the family of the insured.

Since claims are not paid at maturity, premiums are less expensive than those for Endowment Life Insurance.

4 Annuity Insurance

Annuities are paid every year beyond the date specified in the policy for contracted years or throughout the lifetime of the insured to provide financial security.

5 Children's Insurance

This insurance systematically accumulates funds for the education, weddings, and other major life events of the

policyholder's child (the insured). Claims are paid upon death or serious disability of the insured, or survival beyond the maturity date or prescribed age, or upon the death or disability of the policyholder. In the event that the policyholder dies or suffers serious disability, an endowment pension is paid and premium payments are no longer required.

6 Medical Insurance

This policy covers the cost of hospitalization, including surgery, in the event of illness or injury. In addition to whole life plans, limited period plans are also available.

7 Nursing Care Insurance

This policy is to accumulate funds for use when a predetermined level of nursing care is required, linked with the public nursing care insurance system.

NON-LIFE INSURANCE

1 Building Endowment Insurance

This policy insures buildings and movable property owned by the policyholder against damage caused by fire, earthquake, or other natural disasters.

Payment is also made upon death or serious injury of the insured or family members due to fire, earthquake, or other natural disasters.

Additionally, if the insured buildings or movable property survive intact beyond the maturity date, this insurance supplies funds for reconstruction or repurchase.

2 Automobile Insurance

This policy provides a broad range of insurance protection against automobile accidents, including accident cover for the insured and their family members, physical damage cover for vehicles, as well as cover for liability for damages to third parties, such as bodily injury or property damage.

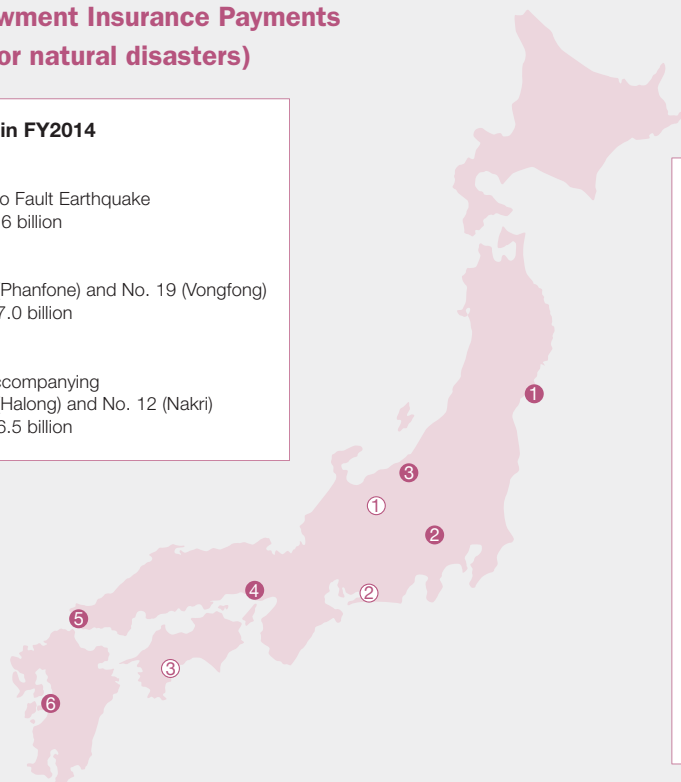
Insurance Offered

Item	Type	LONG-TERM INSURANCE (five or more years)	SHORT-TERM INSURANCE (less than five years)
LIFE INSURANCE		Comprehensive Life Insurance <ul style="list-style-type: none"> • Whole Life Insurance • Endowment Life Insurance • Term Life Insurance • Annuity Insurance • Children's Insurance • Medical Insurance • Cancer Insurance • Nursing Care Insurance 	<ul style="list-style-type: none"> • Group Term Life Insurance • Fixed-Amount Life Insurance
		Building Endowment Insurance	<ul style="list-style-type: none"> • Automobile Insurance • Automobile Liability Insurance • Fire Insurance • Cooperative-Owned Building Fire Insurance • Personal Accident Insurance • Liability Insurance • Volunteer Comprehensive Insurance

Building Endowment Insurance Payments (Claims paid for natural disasters)

Main payments in FY2014

- ① Nov. 2014:
Nagano Kamishiro Fault Earthquake
5,126 claims, ¥5.6 billion
- ② Oct. 2014:
Typhoon No. 18 (Phanfone) and No. 19 (Vongfong)
19,838 claims, ¥7.0 billion
- ③ Aug. 2014:
Heavy rainfalls accompanying
Typhoon No. 11 (Halong) and No. 12 (Nakri)
15,321 claims, ¥6.5 billion



Main payments in the past

- ① Mar. 2011:
The Great East Japan Earthquake
679,417 claims, ¥933.5 billion
- ② FY2013:
Snow damage from Nov. 2013 to Mar. 2014
158,143 claims, ¥73.4 billion
- ③ Oct. 2004:
The Niigata Chuetsu Earthquake
87,659 claims, ¥77.3 billion
- ④ Jan. 1995:
The Great Hanshin Earthquake
101,535 claims, ¥118.8 billion
- ⑤ Sep. 2004:
Typhoon No. 18 (Songda)
284,560 claims, ¥108.3 billion
- ⑥ Sep. 1999:
Typhoon No. 18 (Bart)
180,030 claims, ¥63.8 billion

*Main payments since 1995

Investment Environment

At the beginning of fiscal 2014, the yield on 10-year Japanese Government Bonds (JGBs)—the prime indicator of domestic long-term interest rates—stood at 0.64%. The yield temporarily fell to under 0.20% due partly to the impact of lower Eurozone interest rates following additional monetary easing by the European Central Bank (ECB). Other factors included the Bank of Japan (BOJ)’s expansion of the quantitative and qualitative monetary easing (QQE), along with a drop in crude oil prices. After that, the bond yield rallied to 0.40% at the close of fiscal 2014, supported mainly by a rise in the U.S. interest rates.

In the domestic stock market, the Nikkei 225 Average started fiscal 2014 at ¥14,870. It temporarily lost some ground based on concerns about a downturn in the Japanese economy, mainly in response to the consumption tax hike in April 2014. However, the yen started to weaken further as the BOJ expanded its QQE, which gave rise to expectations of higher corporate earnings leading to an upturn in the Nikkei index. Thereafter, the index traded in a narrow range before tracking upwards around the fiscal year-end. This rebound was mainly based on expectations of capital inflows stemming from additional monetary easing by the ECB. Consequently, the Nikkei 225 Average ended fiscal 2014 at ¥19,206.

On the foreign exchange markets, the yen stood at ¥103.23/\$1 at the start of fiscal 2014. The yen remained

mostly range-bound against the U.S. dollar until mid-August. Thereafter, the dollar appreciated sharply against the yen due to rising expectations for a U.S. economic recovery, the end of a monetary policy of quantitative easing by the Federal Reserve, and the BOJ expanded its QQE. From the end of December 2014, the yen remained mostly flat in a high range against the dollar, ending the fiscal year at ¥120.17 against the dollar.

	March 31, 2014	March 31, 2015
Long-term interest rates (10-year JGB yield)	0.64%	0.40%
Stock market (Nikkei 225 Average)	¥14,827.83	¥19,206.99
Foreign exchange market (¥/\$ rate)	¥102.92	¥120.17

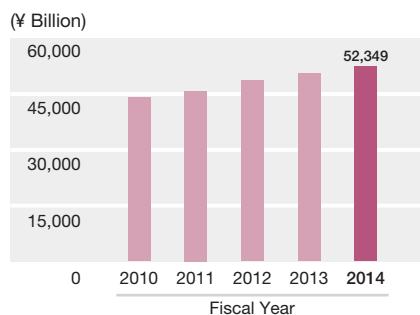
JGB: Japanese Government Bond

Investment Policy

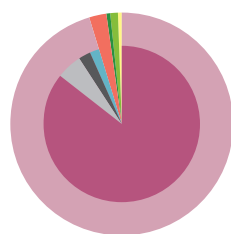
Zenkyoren is engaged in both the life and non-life insurance business. Moreover, most of our liabilities are liability reserves at fixed long-term interest rates because the main products we market are long-term insurance policies with predetermined fixed rates of return.

To secure funds for paying claims and other insurance refunds in the future, Zenkyoren invests mainly in fixed-income assets (public and corporate bonds, and loans) denominated in yen. In order to enhance profitability, it also invests in some equities and foreign bonds.

Working Assets



Breakdown of Working Assets



Securities	95.3%
Public and corporate bonds	85.8%
Foreign securities	5.3%
Equities	2.5%
Other securities	1.8%
Loans receivable	2.5%
Real estate investments	0.6%
Cash, bank deposits, and call loans	1.0%
Miscellaneous items	0.6%

REINSURANCE

Current Situation of Asset Management

We invested primarily in yen-denominated bonds to maintain and enhance stable earnings over the long term. In addition, we also invested in equities and foreign bonds. When investing in equities and foreign bonds, we pay adequate attention to market trends and price fluctuation risks (market risks).

(See the pie chart on page 10.)

International Investments

In its overseas investments, Zenkyoren pays extremely close attention to exchange risks, country risks and other risks, as we invest primarily in foreign-currency-denominated bonds and foreign equities, and in yen-denominated loans and bonds for foreign governments.

Our subsidiaries in New York (ZAMA) and London (ZEL) undertake support activities related to securities investments, overseas investments, and so on.

Reinsurance Activities

As part of natural disaster risk management, risks deriving from Building Endowment policies, Cooperative-Owned Building Fire policies, and retrocession risks from the National Agricultural Insurance Association are ceded to multiple reinsurers.

The Reinsurance Panel in Zenkyoren is stringently selected considering the following elements:

- Past performance of each reinsurance company
- Credit ratings by third-party rating agencies
- Financial strength

Utilizing reinsurance diversifies the risk portfolio, contributing to firm and stable business operations.



Zenkyoren Asset Management of America Inc. (ZAMA), New York



Zenkyoren Europe Limited (ZEL), London

INTERNATIONAL INITIATIVES

Zenkyoren's Links with International Organizations

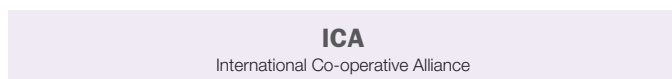
Zenkyoren is a member of the International Co-operative Alliance (ICA*¹), a worldwide association of cooperatives, and is also a member of the International Cooperative and Mutual Insurance Federation (ICMIF*²), one of the ICA's special committees.

Based on the spirit of mutual assistance and democracy, these international organizations operate around the world with the aim of contributing to the further development of cooperatives' activities and cooperative insurance.

*1 The ICA (established in 1895) is comprised of members from 283 organizations in 94 countries (as of December 2014), and is the world's largest NGO with approximately 1 billion members. The ICA is registered as an advisory body of the United Nations Economic and Social Council.

*2 The ICMIF (established in 1922) is comprised of members from 226 organizations in 70 countries (as of April 2015).

Global Partnership



Special Committees



Regional Associations



Zenkyoren's International Activities

Zenkyoren serves on the directorship of the ICMIF, and participates in various committees. Zenkyoren also belongs to the Asia and Oceania Association (AOA), a regional body of the ICMIF. From its founding in 1984 until today, directors of Zenkyoren have served as chairs of the AOA, and Zenkyoren has been the AOA's secretariat.

By participating in AOA General Meetings held to discuss issues such as the association's policy direction, finances and management, as well as by participating in AOA seminars for managers and employees of member organizations, Zenkyoren contributes to information exchange among members in different countries, improving understanding of insurance practices, and supporting the development and expansion of cooperative insurance organizations.

Collaboration among Japanese and Overseas Cooperatives

Zenkyoren has participated in a national cooperative alliance "Cooperatives Japan" which was formed in commemoration of the International Year of Cooperatives 2012.

Zenkyoren also participated in events commemorating the International Day of Co-operatives (July 2014, held in Tokyo) and The 3rd United Nations World Conference on Disaster Risk Reduction (March 2015, held in Sendai) to promote the values of cooperatives and the roles they fulfill in modern-day society.



AOA's 30th Anniversary Seminar Colombo 2014 (Photo by AOA)

DOMESTIC INITIATIVES

Human Resource Development

Zenkyoren's Human Resource Development Guidelines are aimed at fostering people capable of meeting the expectations and earning the trust of members/policyholders in local communities. Under these guidelines we are working to develop employees who share the Zenkyoren philosophy and bring specialized skills and knowledge to their respective fields.

The Makuhari Training Center

Zenkyoren's Makuhari Training Center (founded in 2006) is a facility that provides comprehensive training relevant to the operations of Zenkyoren, such as in automobile, property and medical-related insurance in addition to general training in the insurance business.

Training Facilities

The Makuhari Training Center has classrooms for various types of training courses, such as small group discussions and lectures for a large number of trainees,

and classrooms and exhibition rooms for trainees to effectively learn expertise and skills in Comprehensive Life Insurance, Building Endowment Insurance, and Automobile Insurance.

Online Network

Zenkyoren's operations span the whole of Japan.

Accordingly, we process data from across the country at a computer center housing high-performance and secure ICT facilities, with the aim of delivering necessary services to policyholders and enhancing the speed with which policies are processed.

The online network we have built linking operations nationwide promotes efficient, streamlined operations and allows for communication in real-time between JA and members/policyholders throughout Japan.



Makuhari Training Center, Chiba



Ishioka Center, Ibaraki



A training aid for medical knowledge



A training aid for houses



A training aid for automobiles



Kawasaki Center, Kanagawa

SOCIAL RESPONSIBILITIES

Health Care and Social Activities

Zenkyoren considers its insurance business (provision of coverage) and social contribution activities (prevention of accidents and mutual aid activities after an accident) to be inseparable. Therefore, Zenkyoren conducts a host of social contribution activities aimed at promoting better health and well-being of its members and others in the community.

Health Care

To help our members enjoy better health and longer lives, Zenkyoren promotes health exams and medical checkups aimed at the early detection of disease.

Members can obtain information and advice from the Zenkyoren Health Care and Nursing Care Helpline.

We also organize campaigns aimed at raising awareness of health issues and encouraging members to follow healthier lifestyles. We also provide support for health-oriented activities, such as the “Rainbow Exercise” program that we developed.

Traffic Safety Course for Senior Citizens

In light of the increasing number of traffic accidents that involve senior citizens, Zenkyoren promotes the education of senior citizens in traffic safety measures to reduce the incidence of such traffic accidents.

Since the aging trend is more prominent in farming communities than in urban communities, we provide a traffic safety course that combines exercises easy enough for anyone, and laughter too, based on our newly developed original programs for senior citizens, “Traffic Safety Rainbow Exercise” and “Traffic Safety Comic Monologue.”

Since 2008 we have been offering advice on safe driving, using special vehicles equipped with driving simulators based at seven locations around the country. Participants can learn the do’s and don’ts of safe driving through simulations of situations with a high accident probability.

Service Dogs

We support activities to train and familiarize service dogs to assist those with disabilities as a result of traffic or other accidents with everyday tasks.

Through providing research support to the Japanese Service Dog Resource Center (JSDRC), Japan’s only such academic organization, and business support to the Japan Service Dog Association (JSDA), and conducting activities to promote understanding towards acceptance of service dogs, we help those with disabilities to become independent and participate in society.



A service dog demonstration
(Photo courtesy of JSDRC and JSDA)

The Nakaizu and Beppu Rehabilitation Centers

In 1973 Zenkyoren established rehabilitation centers in Nakaizu (Shizuoka Prefecture) and Beppu (Oita Prefecture), for people with physical disabilities as a result of traffic accidents or other mishaps. The centers provide a wide range of services, including physical rehabilitation, occupational therapy, and socialization training. Our comprehensive range of human welfare and rehabilitation services makes a positive contribution to the lives of people in need of help.

Cultural Activities

In order to convey the spirit of cooperation, the so-called “Mutual assistance,” to elementary and junior high school students, nurture creativity, and let as many people as possible feel the importance of traffic safety through raising awareness of the Japanese culture of calligraphy and art education, Zenkyoren has sponsored calligraphy and traffic safety poster contests to help to reduce traffic accidents.

Our 58th calligraphy contest and our 43rd traffic safety poster contest held in fiscal 2014 were the largest of their kind. Students across the country submitted over 1,420,000 entries to the calligraphy contest and more than 160,000 entries to the traffic safety poster contest.

BUSINESS OPERATIONS

AS OF MARCH 31, 2015, 2014 AND 2013 US\$1=JPY120.17 (AS OF MARCH 31, 2015)

Total Assets

Total assets at the end of fiscal 2014 amounted to ¥54.1 trillion, an increase of 3.5% compared to the previous fiscal year. This included ¥49.2 trillion in policy reserves accumulated to prepare for the payments of insurance claims to policyholders and other claims, which represented 90.9% of total assets.

	FY2012	FY2013	FY2014	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Total Assets	¥50,690	¥52,355	¥54,178	\$450,847

Working Assets

	FY2012	FY2013	FY2014	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Working Assets	¥48,582	¥50,442	¥52,349	\$435,631

Long-Term Insurance (New Business, Policies in Force)

Sales of new long-term insurance policies were ¥4.0 trillion in terms of the maturity amount insured, a decrease of 7.1%, and ¥20.0 trillion in terms of the amount insured, a decrease of 7.0%.

Total policies in force were ¥52.8 trillion in terms of the maturity amount insured, an increase of 0.2%, and ¥281.1 trillion in terms of the amount insured, a decrease of 2.8%.

Long-Term Insurance, New Business

Type of Insurance	FY2012		FY2013		FY2014		
	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Amount (US\$ Million)
Comprehensive Life Insurance	2,409	¥12,254	1,916	¥10,070	1,586	¥ 8,731	\$ 72,659
Building Endowment Insurance	758	11,170	835	11,429	886	11,274	93,817
Others	1	1	2	1	2	1	11
Total	3,169	¥23,426	2,753	¥21,501	2,474	¥20,007	\$166,489

Note: The figures above exclude Nursing Care Insurance and Annuity Insurance.

Long-Term Insurance, Policies in Force

Type of Insurance	FY2012		FY2013		FY2014		
	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Amount (US\$ Million)
Comprehensive Life Insurance	16,864	¥152,165	17,458	¥145,316	17,760	¥138,127	\$1,149,436
Building Endowment Insurance	10,696	145,153	10,587	144,073	10,529	143,052	1,190,420
Others	10	10	10	10	10	11	93
Total	27,571	¥297,329	28,056	¥289,401	28,300	¥281,191	\$2,339,950

Note: The figures above exclude Nursing Care Insurance and Annuity Insurance.

Nursing Care Insurance

Nursing Care Insurance was launched in April 2013.

Type of Insurance	FY2013		FY2014		
	Policies (Thousands)	Nursing Care Amount (¥ Billion)	Policies (Thousands)	Nursing Care Amount (¥ Billion)	Nursing Care Amount (US\$ Million)
New Business	105	¥249	142	¥392	\$3,262
Policies in Force	105	246	243	615	5,121

Annuity Insurance

With regard to sales of new Annuity Insurance policies, the annual amount was ¥104.8 billion, an increase of 1.6%, and policies in force amounted to around ¥1.8 trillion, a decrease of 0.7%.

	FY2012		FY2013		FY2014		
	Policies (Thousands)	Annual Amount (¥ Billion)	Policies (Thousands)	Annual Amount (¥ Billion)	Policies (Thousands)	Annual Amount (¥ Billion)	Annual Amount (US\$ Million)
New Business	190	¥ 110	173	¥ 103	184	¥ 104	\$ 872
Policies in Force	3,242	1,923	3,229	1,899	3,236	1,885	15,693

Short-Term Insurance

Sales of new short-term insurance policies decreased by 0.9% to 25 million in number, and premiums received for these contracts amounted to ¥401.7 billion, an increase of 0.6%.

Short-Term Insurance, New Business

Type of Insurance	FY2012		FY2013		FY2014		
	Policies (Thousands)	Premiums (¥ Million)	Policies (Thousands)	Premiums (¥ Million)	Policies (Thousands)	Premiums (¥ Million)	Premiums (US\$ Thousand)
Fire Insurance	1,435	¥ 12,124	1,434	¥ 12,261	1,438	¥ 12,297	\$ 102,330
Automobile Insurance	8,428	264,431	8,441	279,316	8,363	284,554	2,367,928
Personal Accident Insurance	12,138	8,919	12,066	9,540	12,053	9,618	80,036
Group Term Life Insurance	160	21,952	207	22,165	158	21,247	176,807
Automobile Liability Insurance	3,443	59,836	3,422	70,479	3,315	68,102	566,713
Others	451	5,520	469	5,786	471	5,932	49,363
Total	26,057	¥372,783	26,041	¥399,549	25,800	¥401,752	\$3,343,197

Note: Cooperative-Owned Building Fire Insurance, Fixed-Amount Life Insurance, and Liability Insurance are included in "Others."

Claims Paid

Total claims paid in fiscal 2014 amounted to ¥3.5 trillion, a decrease of 1.4% from the previous year.

Claims paid out at maturity accounted for ¥2.6 trillion, a decrease of 1.7%, while accident payments were ¥966.4 billion, a decrease of 0.5%.

Long-Term Insurance, Claims Paid

Type of Insurance	FY2012			FY2013			FY2014					
	(¥ Billion)			(¥ Billion)			(¥ Billion)			(US\$ Million)		
	Accident	Maturity	Total	Accident	Maturity	Total	Accident	Maturity	Total	Accident	Maturity	Total
Comprehensive Life Insurance	¥551	¥1,542	¥2,094	¥543	¥1,786	¥2,330	¥532	¥1,710	¥2,243	\$4,434	\$14,232	\$18,666
Building Endowment Insurance	168	811	979	136	831	968	148	863	1,012	1,237	7,186	8,423
Others	0	1	1	0	2	2	0	1	1	0	13	13
Total	¥720	¥2,355	¥3,075	¥680	¥2,620	¥3,301	¥681	¥2,575	¥3,257	\$5,671	\$21,432	\$27,104

Note: The Comprehensive Life Insurance figures above include Nursing Care Insurance and Annuity Insurance.

Short-Term Insurance, Claims Paid

Type of Insurance	FY2012	FY2013	FY2014	
	(¥ Million)	(¥ Million)	(¥ Million)	(US\$ Thousand)
Fire Insurance	¥ 6,495	¥ 5,106	¥ 5,307	\$ 44,162
Automobile Insurance	219,686	214,376	208,634	1,736,157
Personal Accident Insurance	8,226	8,154	7,812	65,007
Group Term Life Insurance	13,491	12,787	12,506	104,069
Automobile Liability Insurance	40,854	41,850	41,977	349,313
Others	4,827	2,953	3,240	26,961
Total	¥293,582	¥285,227	¥279,480	\$2,325,705

Note: Cooperative-Owned Building Fire Insurance, Fixed-Amount Life Insurance, and Liability Insurance are included in "Others."

Breakdown of Claims Paid

	FY2012	FY2013	FY2014	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Payments for Comprehensive Life Insurance at maturity	¥1,542	¥1,786	¥1,710	\$14,232
Payments for risks covered by Comprehensive Life Insurance . .	551	543	532	4,434
Payments for damage covered by Automobile Insurance	219	214	208	1,736
Payments for Building Endowment Insurance at maturity	811	831	863	7,186
Payments for damage covered by Building Endowment Insurance	168	136	148	1,237
Others	112	110	110	923
Total	¥3,406	¥3,624	¥3,575	\$29,750

Value of Actual Net Assets

As of March 31, 2015, Zenkyoren had actual net assets valued at ¥14,586.3 billion, maintaining a high ratio to total assets of 26.9%.

	FY2012	FY2013	FY2014	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Value of Actual Net Assets	¥11,900	¥11,910	¥14,586	\$121,380
Ratio to Total Assets	23.5%	22.7%	26.9%	

Value of Actual Net Assets

The value of actual net assets is one of the indicators to recognize broad capital, which is calculated by subtracting liabilities after deduction of items regarded as capital (reserves for price fluctuations, or contingency, etc.), from the fair value of assets.

Accumulation of Ample Liability Reserves

Zenkyoren accumulates the liability reserves necessary for future insurance payments which is the highest level of reserves.

Furthermore, from the standpoint of achieving a sounder financial position and responding to inverted spreads, Zenkyoren provisions the accumulation of additional liability reserves against certain Comprehensive Life Insurance contracts and Building Endowment Insurance contracts.

Also, Zenkyoren each year accumulates funds to build liability reserves and carries out reinsurance for unforeseen crises and major natural disasters.

Liability Reserves	FY2012	FY2013	FY2014	
	(¥ Trillion)	(¥ Trillion)	(¥ Trillion)	(US\$ Billion)
	¥45.2	¥46.6	¥47.7	\$397

BALANCE SHEETS

AS OF MARCH 31, 2015 AND 2014 US\$1=JPY120.17 (AS OF MARCH 31, 2015)

Assets	Millions of Yen		Thousands of U.S. Dollars
	FY2014	FY2013	FY2014
Cash and Deposits	¥ 65,567	¥ 62,465	\$ 545,625
Call Loans	447,400	319,900	3,723,058
Money Trust	94,892	64,769	789,650
Monetary Claims Bought	193,920	740,100	1,613,716
Securities	49,897,102	47,388,772	415,220,955
Loans	1,316,077	1,526,575	10,951,793
Invested Real Estate	334,870	340,046	2,786,642
Outstanding Premiums	245,343	270,711	2,041,633
Reinsurance Receivables	16,382	18,205	136,327
Other Assets	176,713	179,567	1,470,526
Fixed Assets for Business	129,284	106,347	1,075,846
Capital Loans	100,000	100,000	832,154
Investments	310,499	311,733	2,583,835
Deferred Tax Assets	856,506	933,011	7,127,452
Reserves for Bad Debts	(6,067)	(6,332)	(50,491)
Reserves for Investment Losses	(200)	(262)	(1,664)
Total Assets	¥54,178,291	¥52,355,610	\$450,847,064
Liabilities			
Outstanding Reserves	¥ 906,068	¥ 883,628	\$ 7,539,891
Liability Reserves	47,776,126	46,637,479	397,571,164
Dividends Reserves	586,814	578,488	4,883,199
Reinsurance Payables	19,082	19,168	158,800
Agencies Payables	105	113	874
Insurance Funds	7,696	7,990	64,047
Other Liabilities	270,430	219,808	2,250,402
Other Reserves	48,966	36,227	407,477
Price Fluctuation Reserves	897,914	810,540	7,472,034
Total Liabilities	¥50,513,206	¥49,193,444	\$420,347,892
Net Assets			
Paid-in Capital	¥ 756,922	¥ 756,971	\$ 6,298,760
Treasury Paid-in Capital	(183)	(184)	(1,530)
Earned Surplus Reserves	303,852	279,085	2,528,518
Unappropriated Surplus at End of the Year	176,780	158,672	1,471,088
Other Surplus	1,389,242	1,331,951	11,560,641
Net Unrealized Gains on Securities	1,038,472	635,670	8,641,692
Total Net Assets	¥ 3,665,085	¥ 3,162,165	\$ 30,499,171
Total Liabilities and Net Assets	¥54,178,291	¥52,355,610	\$450,847,064

Note: Fiscal 2014 refers to the period from April 1, 2014 to March 31, 2015.

INCOME STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2015 AND 2014 US\$1=JPY120.17 (AS OF MARCH 31, 2015)

Income	Millions of Yen		Thousands of U.S. Dollars
	FY2014	FY2013	FY2014
Ordinary Income:			
Premiums and Other Insurance Income	¥5,531,986	¥5,864,252	\$46,034,671
Reversal of Policy Reserves	73,930	72,391	615,213
Investment Income	1,110,002	1,105,542	9,236,931
Other Ordinary Income	11,075	12,437	92,168
Total Ordinary Income	¥6,726,994	¥7,054,622	\$55,978,985
Expenses			
Ordinary Expenses:			
Benefits and Other Insurance Expenses	¥4,989,032	¥5,014,593	\$41,516,458
Provisions for Policy Reserves	1,177,345	1,477,399	9,797,336
Investment Expenses	65,921	100,752	548,569
Provisions for Price Fluctuation Reserves	87,374	54,743	727,088
Sales Expenses	23,488	25,242	195,462
General Administration Expenses	102,389	102,231	852,036
Other Ordinary Expenses	40,027	25,328	333,089
Total Ordinary Expenses	¥6,485,579	¥6,800,292	\$53,970,041
Surplus			
Ordinary Profits	¥ 241,414	¥ 254,330	\$ 2,008,944
Extraordinary Profits	3,303	6,946	27,487
Extraordinary Losses	683	983	5,687
Surplus before Taxes	¥ 244,034	¥ 260,293	\$ 2,030,744
Corporate and Other Taxes	115,694	131,879	962,758
Adjustments in Corporate Tax, etc.	(76,019)	(72,754)	(632,601)
Provisions for Policy Dividend Reserves	71,952	77,333	598,755
Net Surplus for the Year	¥ 132,407	¥ 123,835	\$ 1,101,831
Retained Earnings Brought Forward from the Beginning of the Year	7,777	12,070	64,721
Reversal from Voluntary Reserves	36,596	22,766	304,536
Unappropriated Surplus at the End of the Year	¥ 176,780	¥ 158,672	\$ 1,471,088

HISTORY

- 1947** Agricultural Cooperative Society Law enacted
- 1948** Agricultural Cooperative Insurance business started in Hokkaido
- 1951** National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren) established
Launched operation of Cooperative-Owned Building Fire Insurance
- 1952** Launched operation of Endowment Life Insurance
- 1953** Launched operation of Building Endowment Insurance
- 1955** Launched operation of Fire Insurance
- 1958** Completed establishment of 46 Prefectural Federations, one for each of the prefectures in Japan (with the exception of Okinawa)
- 1961** Launched operation of Children's Insurance
- 1962** Launched operation of Group Term Life Insurance
- 1963** Launched operation of Automobile Insurance
- 1964** Joined the insurance committee of the International Co-operative Alliance (ICA)
- 1966** Launched operation of mandatory Automobile Liability Insurance
- 1969** Opened Atsugi Staff Training Center in Kanagawa Prefecture
Launched operation of Personal Accident Insurance
- 1972** Established Okinawa Prefectural Federation
International Cooperative Insurance Federation (ICIF) was derived from ICA and Zenkyoren became a member of ICIF
- 1973** Opened Nakaizu and Beppu Rehabilitation Centers in Shizuoka Prefecture and Oita Prefecture
- 1974** Online network system between National Federation and Prefectural Federations went into operation
Launched operation of long-term Life Insurance
- 1980** Launched operation of Agricultural Machinery Insurance
Launched operation of Agricultural Machinery Endowment Insurance
- 1981** Launched operation of Annuity Insurance
- 1983** Launched operation of Whole Life Insurance
- 1984** Opened Zenkyoren Automotive Training Center in Kanagawa Prefecture
Asia and Oceania Association (AOA) was set up as a regional association of ICIF
- 1985** Opened Zenkyoren Osaka Center in Osaka Prefecture
- 1988** Established Zenkyoren Asset Management of America Inc.
- 1989** Launched operation of Liability Insurance
Online network system for local Agricultural Cooperatives went into operation
Established Zenkyoren Europe Limited
- 1990** Launched operation of Group Endowment Insurance
- 1992** ICA/ICIF held International Congress in Tokyo
- 1993** ICIF changed its structure and was renamed ICMIF (International Cooperative and Mutual Insurance Federation)
- 1994** Set up Health Care Helpline
Opened Ishioka Center in Ibaraki Prefecture
- 2000** National and Prefectural Federations integrated
- 2001** Formed business alliance with the Kyoei Fire & Marine Insurance Company, Limited
- 2002** Launched Zenkyoren Happy & Dream Club (membership club for policyholders)
Launched operation of Cancer Insurance
Launched operation of Defined Contribution Annuity Insurance
Supervisory Board System introduced
- 2003** Kyoei Fire & Marine Insurance Company became a subsidiary
Launched operation of Medical Insurance
- 2004** Opened Kawasaki Center in Kanagawa Prefecture
AOA's 20th anniversary event held in Tokyo
- 2005** Opened Zenkyoren East and West Japan Underwriting Centers in Kanagawa Prefecture and Osaka Prefecture
Insurance Agency system introduced
- 2006** Opened Makuhari Training Center in Chiba Prefecture
- 2007** Launched the 3Q Visit Project (follow-up visits to all members and policyholders)
- 2008** Launched operation of a new type of single-premium Endowment Life Insurance
- 2009** Launched operation of New Medical Insurance
- 2010** Insurance Contract Law (new) enforced
- 2012** International Year of Cooperatives
- 2013** Launched operation of Nursing Care Insurance
- 2014** Operation centers launched in the Hokuriku and Tokai regions

SUPERVISORY BOARD, BOARD OF AUDITORS AND BOARD OF DIRECTORS

Supervisory Board

Chairman

Kotaro Ichimura

Deputy Chairmen

Keiichi Tabata

Nobuo Yamamoto

Other Members of the Supervisory Board

Yukihiko Tanuma

Hisaichi Ishikawa

Kazuo Kimura

Toyokuni Kakurai

Ryuji Wakabayashi

Mitsuo Takakuwa

Hisanobu Hirose

Toshio Muroi

Hideyoshi Kosaka

Hamaichi Yoshida

Yasuhiro Nakagawa

Kiyoshi Nakatani

Koichi Nakayama

Toshihiro Miyatake

Takashi Hisaoka

Katsuyoshi Yamanaka

Hiroshi Sato

Shigeyoshi Kubo

Miyoshi Jahana

Naoshi Suzuki

Board of Auditors

Standing Auditors

Genyu Hiroya

Morito Yamazaki

Kenji Sone

Auditors

Kimito Amari

Hatsuo Komatsu

Board of Directors

President

Tamotsu Shozui

Senior Managing Directors

Masami Ishikawa

Mototsugu Shimasaki

Fumio Yanai

Managing Directors

Shinichi Mima

Eiichi Takaara

Yoshihiko Murayama

Hironori Ishitoya

Ryuji Sukegawa

Yasushige Yoshimura

(As of July 31, 2015)

Board System

Since 2002, Zenkyoren has employed the following board system to deal with rapid changes in the business environment, to respond to a wide range of businesses and, most importantly, to reflect the opinions and feedback of agricultural cooperatives more adequately.

1. The Supervisory Board determines important matters such as fundamental policies, and supervises business operations of the Board of Directors on behalf of agricultural cooperatives.
2. The Board of Directors executes daily business operations.
3. The Auditors inspect business operations for both the Supervisory Board and the Board of Directors.

Zenkyoren

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