

Supporting Each Other

National Mutual Insurance Federation of
Agricultural Cooperatives



Unique Insurance Services

For Agriculture and Local Communities in Japan

Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives) was founded in 1951 as a cooperative insurance organization to insure members of the farming community under the motto “One for all, all for one.”

The 10-million member strong JA (Japan Agricultural Cooperatives) Group, to which Zenkyoren belongs, comprises Agricultural Cooperatives (JAs) at the local level and supporting organizations at the prefectural and national levels. The JA Group conducts a variety of businesses and provides a wide range of services through JAs. Zenkyoren is tasked with providing insurance coverage for JA members and policyholders against accidental loss of life and property damage, and assisting them with worry-free coverage throughout their lives.

The core goal of Zenkyoren is to help secure members’ livelihoods through farming and elevate their standard of living. We meet this goal by identifying the needs of people in agriculture and their communities, then offering unique life and non-life insurance. Zenkyoren continues to strengthen cooperative relationships with local JAs to provide members and policyholders with improved services and a greater sense of security.

Regarding fractional figures

- 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.



A Sound Foundation (As of March 31, 2020)

Total Assets

¥ **57,188**
billion



Working Assets

¥ **55,045**
billion



Solvency Margin Ratio

1,210.9%



Comprehensive Life Insurance

21.6 million
policies

(Policies in Force)



Building Endowment Insurance

9.9 million
policies

(Policies in Force)



Automobile Insurance

8.2 million
policies

(Policies in Force)



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A Message from the Management

“ Zenkyoren will strive to provide an ever-greater sense of security and confidence through JA insurance business, keeping the philosophy of mutual aid, the fundamental principle of agricultural cooperatives, as the starting point for its business activities. ”



Business Environment

A declining and aging population continues to affect agriculture in Japan, especially in the rural areas that form JA Group's main support base. Furthermore, large-scale farms and corporate involvement are increasing.

In these circumstances at the 28th National Congress of Agricultural Cooperatives in March 2019, the JA Group announced the results of its self-reform initiatives and clarified its priorities. The National Congress also resulted in a decision to step up efforts toward the three goals of “increasing farmer incomes,” “expanding agricultural production,” and “revitalizing local communities,” and to establish and strengthen sustainable management infrastructure to support these efforts.

At the same time, one of the targets under the government's plan for revitalizing agriculture, forestry and fishery industries and rural communities is to double the total incomes for agriculture and rural areas over the next 10 years through initiatives designed to capture domestic and overseas demand through the promotion of exports, local production for local consumption, nutritional education, and Sixth Industrialization.

In addition, the trade agreement between Japan and the U.S. came into force in January 2020, in addition to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11), effective from

December 2018, and the Economic Partnership Agreement (EPA) with the European Union, effective from February 2019. These trade agreements open markets for Japanese agriculture that will have important implications going forward.

Overview of Business Activities in Fiscal 2019

Fiscal 2019 was the first year of our three-year business plan under the slogan of “Connecting bonds of security and trust to the future: JA Kyosai (cooperative insurance) supports local communities and agriculture.” During the year, we proceeded with our work to strengthen the provision of coverage focused on life insurance toward securing the number of policyholders, strengthen initiatives to contribute to agriculture and local communities toward the engagement of potential new JA supporters, and strengthen business efficiency and policyholder support capabilities and improve soundness.

We developed new products including Single-Premium Whole Life Insurance with Living Benefits in response to the needs of lifetime gifting and business succession of farmers, Term Life Insurance to focus on the needs of younger generations through lower premiums, and Variable Expected Rate-Type Annuity Insurance which extends the annuity payment starting age and the entry age.



青江伯夫

Hakuo Aoe

Chairman of the Supervisory Board



柳井 二三夫

Fumio Yanai

President of the Board of Directors



We carried out initiatives to contribute to agriculture and local communities. We undertook agricultural risk assessment and preventive measure guidance on farm work-related accidents to help stabilize agricultural business. We also provided insurance coverage against agricultural risks in collaboration with our subsidiary Kyoei Fire & Marine Insurance Co., Ltd.

In order to contribute to the revitalization of local communities and agriculture, we carried out specific measures according to the unique features of each prefecture using our Revitalization Fund for Local Community and Agriculture.

In addition, we continued the process of business efficiency improvement through paperless and cashless processing using Lablets (tablet PCs).

We also enhanced our response capabilities for policyholders by reviewing the allocation of tasks between JAs and Zenkyoren, resulting in the transfer of loss adjustments pertaining to automobile insurance from the JAs to Zenkyoren.

Closing Remarks

Over the last 70 years since the inception of JA insurance business, under the philosophy of mutual aid, we have expanded the circle of mutual assistance in local communities and worked to create prosperous communities where people can live with a sense of security. April 1, 2020 marks the 20th anniversary since the integration of the former 47 prefectural insurance federations and Zenkyoren. The integration formed a two-tiered operation that removed any barriers between the two entities and concentrated their combined strengths to provide further peace of mind with members and policyholders.

We will continue to provide comprehensive coverage of life, home, and automobile and engage in good-faith business activities through sound management, so that we can deliver security and satisfaction to members and policyholders as an organization of community-based cooperatives focused on food and agriculture.

August 2020



Who is the JA Group?

The power of cooperatives: bringing prosperity to agriculture and local communities

Business of 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 Cooperatives Act. 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 various services including farming guidance, marketing and supply, credit, insurance, and welfare.

Structure of the JA Group

The agricultural cooperative system previously featured a three-tiered structure organized on local, prefectural, and national levels. Under this system, prefectural federations provided local-level JAs with supplementary functions, by conducting activities that the JAs themselves were unable to perform. The national federation provided complementary functions to support the prefectural federations and JAs, 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 JAs are being encouraged as a way to enhance the functionality and effectiveness of the organizational structure.

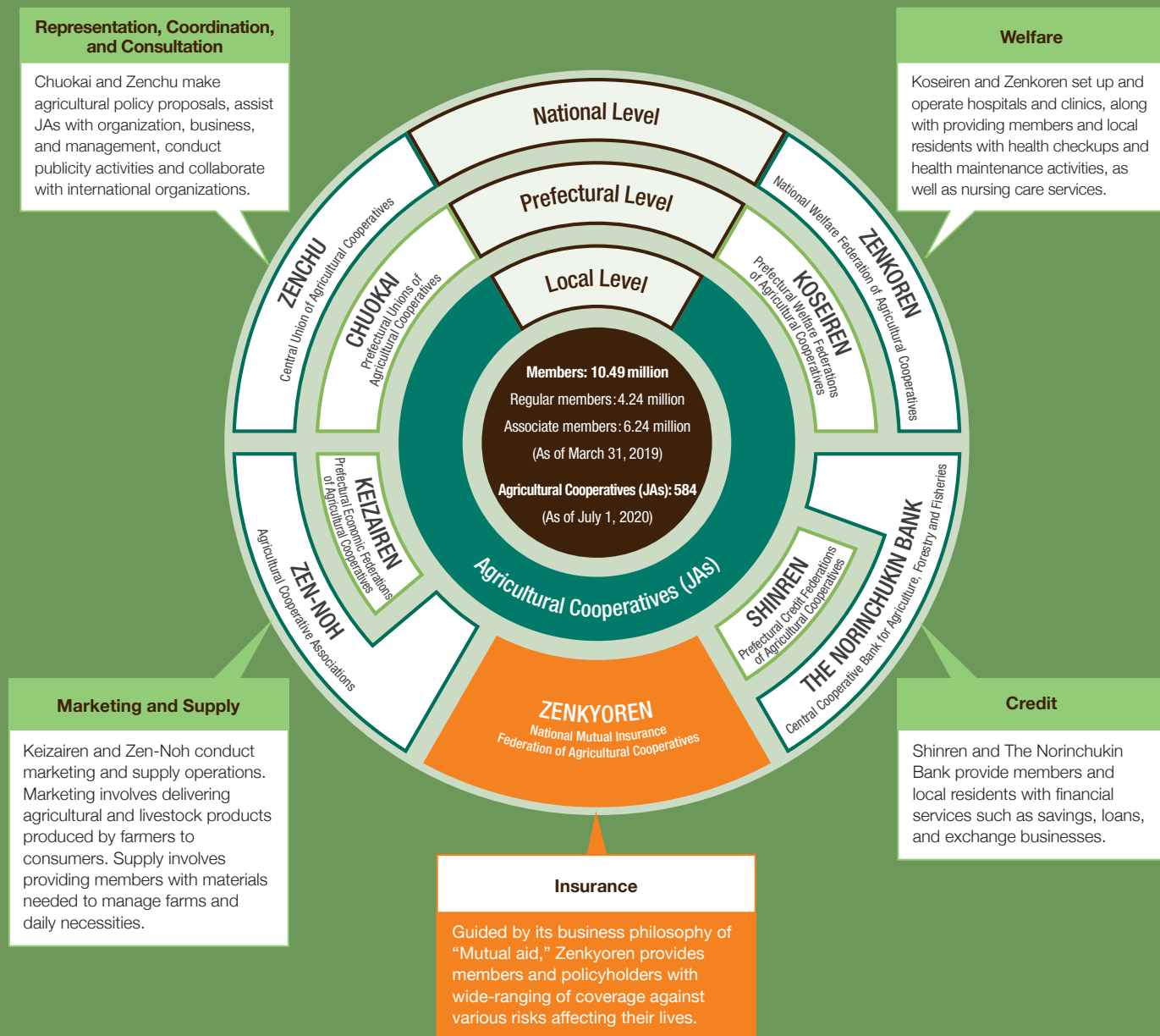
Function of JA Insurance Business

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) integrated with all prefectural insurance federations, thus forming a two-tiered operation with each tier performing distinct functions.



Structure of the JA Group



Agricultural Cooperatives (JAs):

With regard to insurance, local-level JAs provide direct liaison with members and policyholders and handle policy administration, processing, and contract maintenance, as well as the payment of claims. They also provide members and policyholders with various kinds of information related to the purchase of insurance policies.



Zenkyoren:

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 and public relations activities. It also manages investment funds, develops and operates information systems, holds training programs, and conducts welfare activities.



The Zenkyoren Way

Mission

Zenkyoren meets the trust and expectations of members and policyholders by providing security and satisfaction through business activities based on the philosophy of mutual aid that agricultural cooperatives strive for.

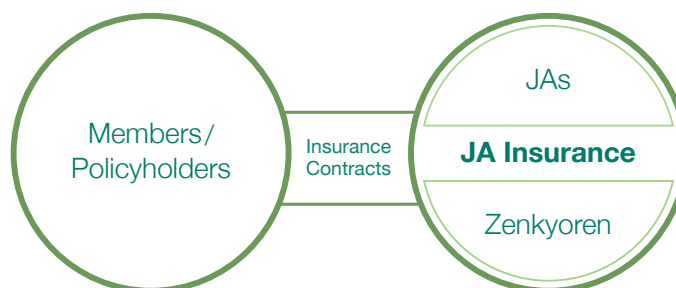
Zenkyoren helps members and policyholders to secure and improve their living standards by providing comprehensive coverage of life, home, and automobile with the best securities, prices, and services.

Zenkyoren contributes to the development of local communities where people can enjoy secure and affluent lives by actively pursuing its business activities.

Links between Zenkyoren and Members/Policyholders

Local-level JAs and Zenkyoren provide members and policyholders with a sense of security by jointly underwriting and administering insurance policies.

JAs and Zenkyoren collaborate to support insurance services.



Vision

JA insurance business will continue to protect the livelihoods of members and policyholders and contribute to the development of agriculture and local communities through the long-term development of business activities and effective adaption to change in the business environment, while also maintaining a strong integrated administrative structure between JAs and Zenkyoren.

Initiatives under the Zenkyoren Three-Year Business Plan (Fiscal 2019-2021)

Slogan

“Connecting bonds of security and trust to the future:
JA Kyosai (cooperative insurance) supports local communities and agriculture”

Policies

1. Ensure thorough provision of coverage to members and policyholders and secure a strong business foundation by engaging potential new JA supporters
2. Pursue optimization and strengthen soundness toward the future of sustainable business

Priority Initiatives

1. Strengthen the provision of coverage focused on life insurance toward securing the number of policyholders
2. Strengthen initiatives to contribute to agriculture and local communities toward the engagement of potential new JA supporters
3. Strengthen business efficiency and policyholder support capabilities and improve soundness

In addition to the priority initiatives described in Items 1 through 3 above, we will also continue to explore other initiatives, such as the creation of structures that will support the sustainable provision of insurance coverage and services, and the use of innovative technologies to develop new services. Through these efforts, we aim to adapt to a changing and increasingly competitive business environment, while building and evolving our business over the medium- to long-term future.

Plan for Fiscal 2020

Fiscal 2020 will be the middle year of Zenkyoren’s three-year plan for the period from fiscal 2019 to 2021. We will continue to work steadily toward the realization of our clearly defined goals for this plan by developing our initiatives taking into consideration progress and issue of fiscal year 2019.

Initiatives in Fiscal 2020

1. Ensure thorough provision of life coverage centered on new products
2. Enhance credibility by conducting member- and policyholder-oriented insurance promotion and follow-up activities
3. Develop plans in anticipation of the changing business environment in the future
4. Provide comprehensive security toward a sufficient level of coverage
5. Expand new JA supporters encouraged by our contributions to agriculture and local communities
6. Enhance business efficiency and strengthen our support capabilities for policyholders by utilizing new technology
7. Improve soundness and reliability toward the sustainability of the insurance business



Insurance Businesses



Basic Policy

Zenkyoren's mission is to help members and policyholders achieve peace of mind by providing wide-ranging coverage against various risks affecting their lives. Zenkyoren helps

policyholders to maintain their living standards by offering comprehensive coverage of life, home, and automobile to suit their goals and life plans.

Comprehensive Life Insurance



21.6 million Policies

Building Endowment Insurance



9.9 million Policies

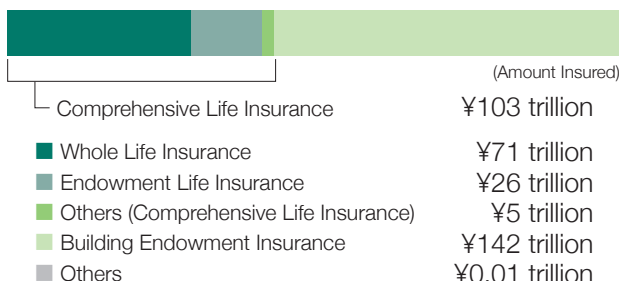
Automobile Insurance



8.2 million Policies

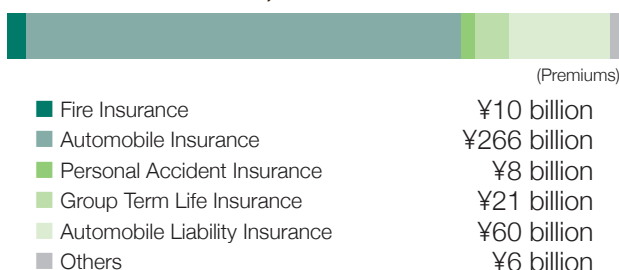
Breakdown of Long-Term Insurance, Policies in Force (FY2019)

Long-Term Insurance, Policies in Force **¥245 trillion**



Breakdown of Short-Term Insurance, New Business (FY2019)

Short-Term Insurance, New Business **¥373 billion**



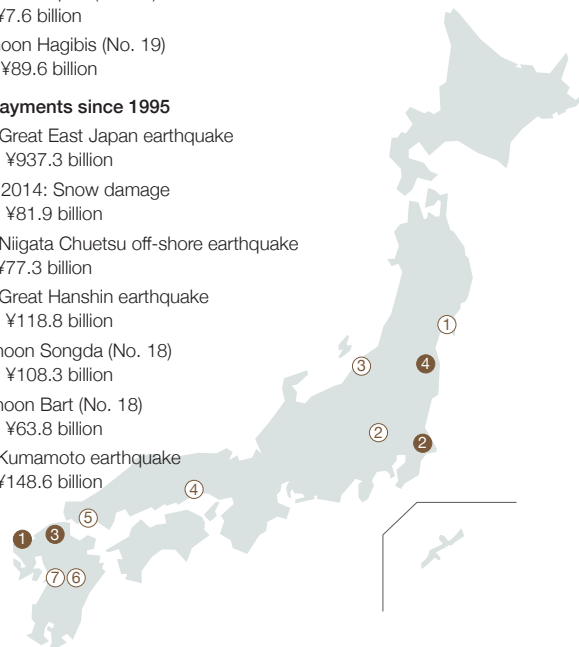
Building Endowment Insurance Payment (Claims paid for natural disasters)

Main payments in FY2019

- Aug. 2019: Heavy rain
1,947 claims, ¥4.2 billion
- Sep. 2019: Typhoon Faxai (No. 15)
73,192 claims, ¥63.7 billion
- Sep. 2019: Typhoon Tapah (No. 17)
24,560 claims, ¥7.6 billion
- Oct. 2019: Typhoon Hagibis (No. 19)
65,291 claims, ¥89.6 billion

Most significant payments since 1995

- Mar. 2011: The Great East Japan earthquake
684,376 claims, ¥937.3 billion
- Nov. 2013-Mar. 2014: Snow damage
174,877 claims, ¥81.9 billion
- Oct. 2004: The Niigata Chuetsu off-shore earthquake
87,659 claims, ¥77.3 billion
- Jan. 1995: The Great Hanshin earthquake
101,535 claims, ¥118.8 billion
- Sep. 2004: Typhoon Songda (No. 18)
284,560 claims, ¥108.3 billion
- Sep. 1999: Typhoon Bart (No. 18)
180,030 claims, ¥63.8 billion
- Apr. 2016: The Kumamoto earthquake
94,066 claims, ¥148.6 billion



(As of March 31, 2020)

Major Types of Insurance

Life Insurance

Comprehensive Life Insurance

Comprehensive Life Insurance enables policyholders to design their own personal coverage by freely combining various types of life insurance coverage (including death, medical treatment, retirement, nursing care) that address their individual concerns and worries. Also, policyholders can review and revise their coverage as their life stages change.

1. Whole Life Insurance

Claims are paid upon death or serious disability of the insured throughout the life 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. Term Life Insurance

Claims are paid upon death or serious disability of the insured during the term covered by the policy. The objective is to protect the livelihood of the family of the insured. Since there is no lump-sum payout at the expiration of the term, premiums are less expensive than those for Endowment Life Insurance.

3. Endowment Life Insurance

Claims are paid upon death or serious disability of the insured, or a predetermined amount is payable at 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.

4. Children's Insurance

This insurance systematically accumulates funds for the education, wedding, and other major life events of the policyholder's child (the insured). Claims are paid upon death or serious disability of the insured or the policyholder, or a predetermined amount is payable at the maturity date. In the event that the policyholder dies or suffers serious disability, an endowment pension is paid, and premium payments are no longer required.

5. Medical Insurance

This policy covers the cost of hospitalization and surgery in the event of illness or injury. Duration of coverage and premium payment terms can be selected. In addition,

expanded coverages for advanced medical treatment and the three major diseases (cancer, acute myocardial infarction, and cerebral stroke) are options.

6. 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.

7. 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.

Non-Life Insurance

1. Building Endowment Insurance

This policy insures buildings and household goods 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 household goods survive intact beyond the maturity date, this insurance supplies funds for rebuilding or replacement.

2. Automobile Insurance

This policy provides a broad range of insurance protection against automobile accidents, including liabilities for bodily injury and property damage to third parties, injuries for the insured and their family members, and physical damages for vehicles.

Topic

Developing New Products

Developing products that reflect the needs of our members and policyholders

In April 2020, we established Specific Severe Disease Insurance in response to the security need against economic burden of long-term treatment of lifestyle-related diseases, including the three major diseases (cancer, acute myocardial infarction, and cerebral stroke).



Asset Management and Reinsurance



Basic Policy

Most of Zenkyoren's liabilities are liability reserves for fixed 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. Zenkyoren also invests in equities and other assets in order to enhance profitability.

Also, Zenkyoren each year accumulates funds to build liability reserves and makes use of reinsurance for unforeseen crises and natural catastrophic events.

Working Assets

¥55,045 billion



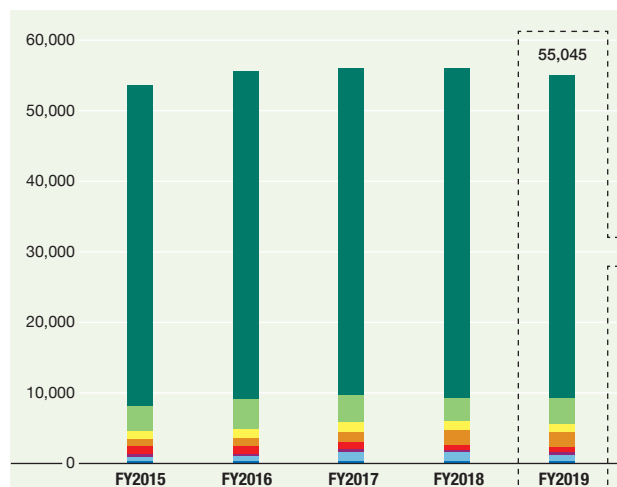
Liability Reserves

¥50,657 billion



(As of March 31, 2020)

■ Working Assets
(¥ Billion)



■ Breakdown of Working Assets

Public and corporate bonds	83.2%
Foreign securities	6.9%
Equities	1.9%
Other securities	4.1%
Loans	1.4%
Real estate investments	0.6%
Cash, bank deposits, and call loans	1.6%
Miscellaneous items	0.5%

Investment Environment

Easing monetary policy by the Fed and ECB caused downward movement in the Japanese long-term interest rate. However, the rate hovered flat under BOJ's yield curve control policy, which seemed not to deepen the negative rate, and the 10-year JGB yield ended the fiscal year at 0.005%.

Japanese stock prices strengthened due to easing monetary policy by the Fed and ECB and a bullish trend in U.S. stock prices. However, the stock market tumbled amid growing fears of slowdown in the world economy in response to the spread of COVID-19. The Nikkei stock average ended the fiscal year at ¥18,917.01.

Although U.S.-China trade friction and the outbreak of COVID-19 brought yen's appreciation against the U.S. dollar in some stages, the yen's foreign exchange rate remained almost flat and ended the fiscal year at ¥108.83.

International Investments

Zenkyoren is carefully making international investments such as foreign currency denominated bonds and equities and yen's denominated loans and bonds for foreign governments and companies by paying extremely close attention to foreign exchange risk, country risk, and other risks.

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

Reinsurance Activities

Reinsurance is a contract for transferring a part of insurance liabilities assumed by a direct insurance company to domestic and overseas insurance companies. Zenkyoren utilizes reinsurance as one of the risk diversifications in order to maintain sound business operation in case of natural catastrophic events. Reinsurance panels in Zenkyoren are carefully selected through our comprehensive evaluation and consideration of their credit worthiness (credit rating) by third-party agencies and terms and conditions of each contract, and are continuously monitored throughout the year for credit risk management.

	March 29, 2019	March 31, 2020
Long-term interest rate (10-year JGB yield)*	-0.095%	0.005%
Stock market (Nikkei 225)	¥21,205.81	¥18,917.01
Foreign exchange rate (¥/\$)	¥110.99	¥108.83

* JGB: Japanese government bond

Zenkyoren's Management



Basic Policy

Zenkyoren adopted its Supervisory Board system with the aim of creating a business execution structure capable of adapting flexibly to changes in the business environment. It also established several committees, including the Compliance Committee, the Enterprise Risk Management (ERM) Committee, the Claims Administration Committee, and the Business Quality Improvement Committee to strengthen its governance system.

General Meeting/Representative Meeting

The General Meeting is made up of regular members and is Zenkyoren's highest decision-making organ. The Representative Meeting is an alternative decision-making body consisting of elected representatives.

Supervisory Board

The Supervisory Board determines important matters such as fundamental policies and supervises business operations of the Board of Directors on behalf of the members.

Governance Organization



Board of Directors

The Board of Directors determines business execution policies in accordance with fundamental policies decided at the Supervisory Board and supervises business operations conducted by each director.

Auditor/Board of Auditors

The Auditors inspect business operations of the members of both the Supervisory Board and the Board of Directors.

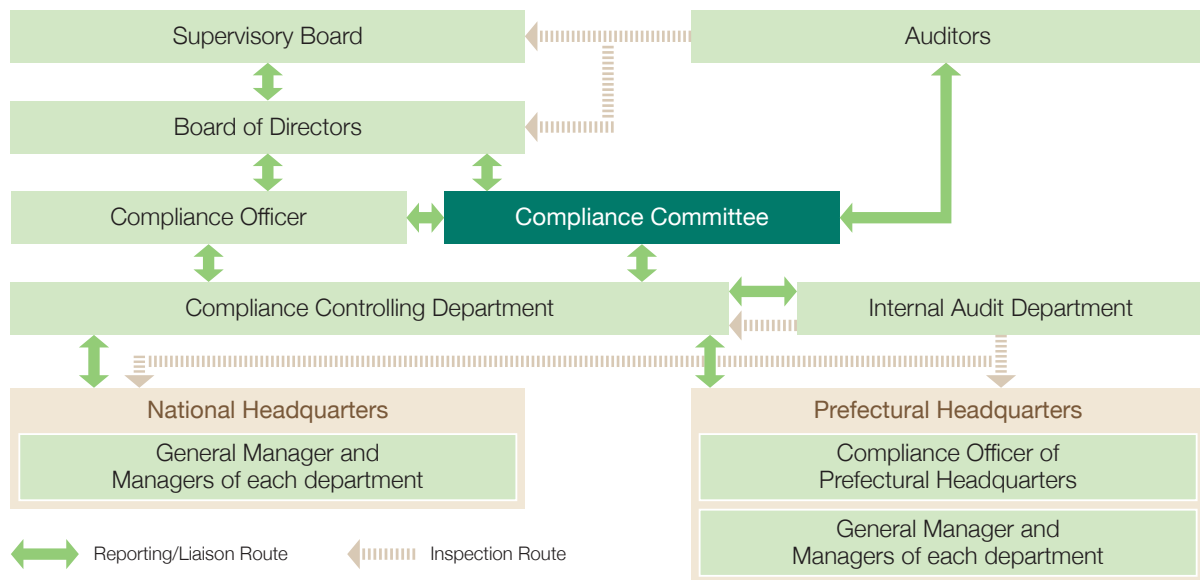
Zenkyoren’s Approach to Compliance

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 assigns a Compliance Officer (President of the Board of Directors) and establishes a compliance controlling department which is responsible for overall planning and proposals.

Furthermore, each prefectural headquarters assigns a Compliance Officer (General Manager of each 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.

Compliance Structure



Risk Management

Zenkyoren has formulated a Basic Risk Management Policy as a framework for an organizational approach to the management of various types of risk. Under this policy, we have categorized our risk exposure into underwriting risk, investment risk, liquidity risk, operational risk, system risk, legal risk, human resources risk, tangible asset risk, and reputational risk, each of which is managed based on risk characteristics. At the same time we apply Enterprise Risk Management (ERM) by integrating all kinds of the risks and conducting business management and control entirely.

At the organizational level, overall risk management activities are coordinated by the Risk Management Department. There are also risk management units responsible for individual areas. This structure ensures effective monitoring and controlling of risks.

We have also established an Enterprise Risk Management (ERM) Committee. Its role is to deliberate on matters relating to risks affecting any aspects of our management and business operations, and to enhance our integrated risk management.

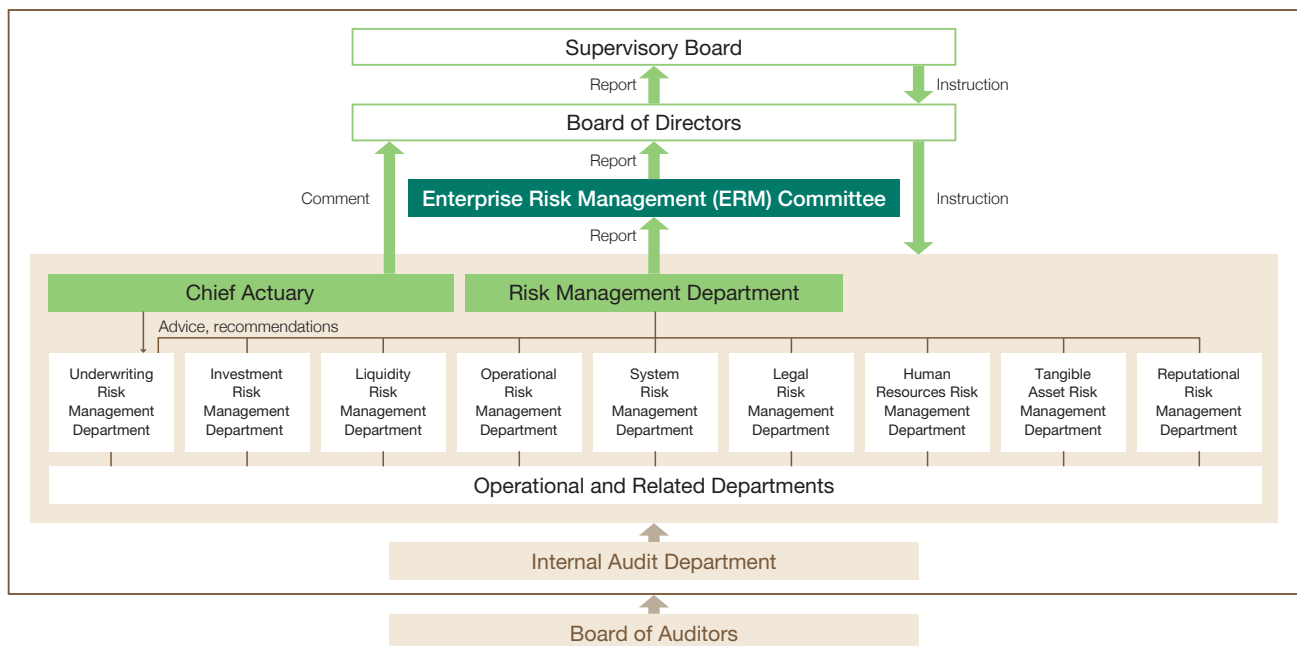
Enterprise Risk Management

Zenkyoren implements ERM by conducting quantitative and qualitative evaluations for various types of possessed risks based on their characteristics, integrating all kinds of the risks, and managing and controlling the entire business.

We calculate an integrated risk amount by using statistically unified measures, and evaluate and verify capital adequacy by comparing the integrated risk amount with financial strength.

We also conduct regular stress tests based on some scenarios such as catastrophic disasters and deterioration of financial markets—which are expected to be low-frequency events, but with significant influence to our business—in order to analyze possible losses and financial impacts. The result is reported to the ERM Committee.

Risk Management Structure



Zenkyoren's Initiatives



Basic Policy

Zenkyoren widely disseminates information about the value and role of cooperatives and engages in initiatives to create

new value through collaboration among cooperatives in Japan and abroad and promote the cooperative movement.

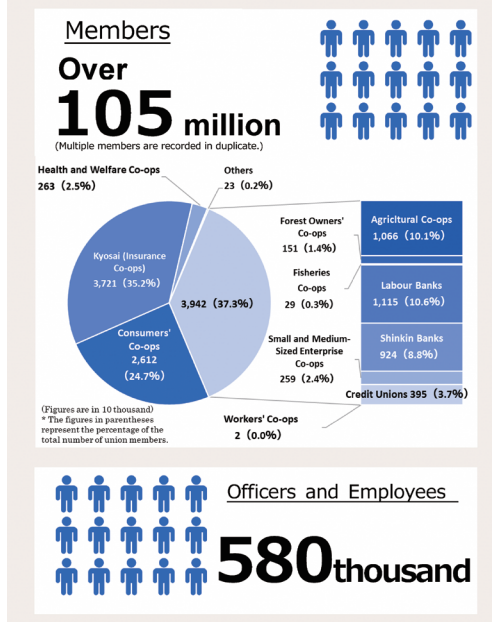
National Initiatives

Zenkyoren collaborates with cooperatives in various industries in Japan and participates in cooperatives' initiatives to promote the cooperative movement.

In July 2019, a commemorative event was held in Tokyo to mark the 97th International Day of Cooperatives. The theme for the event was "COOPS 4 DECENT WORK," which was aligned with Goal 8 "Decent work and economic growth" in the 2030 Agenda for Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in September 2015. Some case examples regarding the development of a local community through typical person-centered cooperative activities and collaboration for the revitalization of a local community were shared toward the realization of decent work.

In addition Zenkyoren is a member of the Japan Co-operative Alliance (JCA) which engages in voluntary activities to support areas stricken by typhoons and heavy rainfall, and works to expand opportunities for education about cooperatives as well as to raise awareness of cooperatives. Zenkyoren actively participates in those kinds of activities.

Japanese Cooperatives by the Numbers



Japanese Cooperatives by the Numbers
Source: Japan Co-operative Alliance (JCA)

Community Contribution Activities

To enable residents of local communities to live in good health with a sense of security

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 members and local residents in the community.

Health Management and Promotion Activities

Zenkyoren engages in nursing care and welfare activities, including health management and promotion activities, to assist members and local residents in leading healthy and active lives.

Rainbow Exercise Program

This was developed by Zenkyoren to enable people to avoid illness and promote health while doing fun exercises in time with music.



Rainbow exercise

Laughter and Health Classes

We hold classes in this program that promotes health through laughter.



Participants enjoy their classes

Health Care and Nursing Care Helpline

A full-time staff accepts inquiries by toll-free telephone on topics such as health, childrearing, and nursing care.

Disaster Relief and Reconstruction Assistance

Zenkyoren supports members and local residents who have suffered damage due to fires and natural disasters in rebuilding their lives through relief activities.

Distribution of Disaster-Relief Tarpaulins

We distribute disaster-relief tarpaulins free of charge to members and local residents whose homes have been damaged due to natural disasters and fires.



Disaster-relief tarpaulin

Provision of Temporary Housing

We provide temporary housing free of charge for eight months to members and local residents who can no longer reside in their homes due to fires and natural disasters.



Modular housing unit

Great East Japan Earthquake Reconstruction Assistance

Support for the Tohoku Youth Orchestra

We support the activities of an orchestra made up of children from areas affected by the Great East Japan Earthquake.



Tohoku Youth Orchestra

Traffic Accident Prevention Measures and Social Reintegration Assistance

Zenkyoren engages in various activities with the aim of helping realize a society free of traffic accidents, including traffic accident prevention measures and assistance for traffic accident victims.

JA Kyosai Anpanman Traffic Safety Caravan

JA Kyosai Anpanman (popular animated character) Traffic Safety Caravan tours nationwide and puts on a fun show to teach traffic rules to small children.



JA Kyosai Anpanman Traffic Safety Caravan
©やなせたかし/フレーベル館・TMS・NTV

Parent-Child Traffic Safety Musical

We hold traffic safety classes in the form of a musical all over Japan.



Traffic safety musical

Traffic Safety Classes

We hold traffic safety classes for junior and senior high school students, such as demonstrations of traffic accidents caused by dangerous bicycle riding.



Demonstration of traffic accident by stunt men

Initiatives for Training and Promoting Service Dogs

We support training and promoting service dogs to aid the everyday lives of persons with limb disabilities caused by traffic accidents.



A service dog demonstration

Rehabilitation Center for Social Reintegration Assistance

We have opened rehabilitation centers in Nakaizu, Shizuoka Prefecture and Beppu, Oita Prefecture to provide social reintegration assistance to persons with physical disabilities caused by traffic accidents.

Cultural Assistance and Environmental Conservation Activities

Zenkyoren places importance on spiritual enrichment and community ties and engages in cultural assistance activities to convey a spirit of mutual aid.

Calligraphy and Traffic Safety Poster Contests

We hold calligraphy and traffic safety poster contests for elementary and junior high school students in order to foster a spirit of mutual aid and compassion as well as to increase interest in traffic safety.



Calligraphy and poster contests

Reborn Campaign

In order to promote the effective use of resources and protection of the global environment, we engage in enlightenment activities which encourage the use of reconditioned or recycled parts instead of purchasing new parts at the time of repair and overall maintenance of motor vehicles.

Endowed Chairs at Waseda University and the University of the Sacred Heart

Zenkyoren has established an endowed lecture program at Waseda University since 2012. In addition, since 2018, another endowed course has been created at the University of the Sacred Heart. The aim of these endowed chairs is to foster students' awareness of agriculture and local communities by providing them with opportunities to consider and implement new regional development and collaboration models, and to think about the potential uses for the wide-ranging functions and values of agriculture, including its healing power.

International Initiatives

Zenkyoren collaborates with various cooperatives around the world and works to promote the cooperative movement.

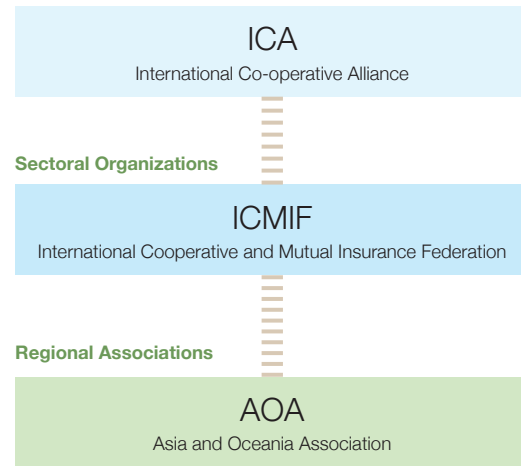
Zenkyoren plays a central role in international cooperative organizations. We are a member of the International Co-operative Alliance (ICA)*¹ and the International Cooperative and Mutual Insurance Federation (ICMIF)*² and participate in the activities of these organizations through conferences and committees. In addition, the president of Zenkyoren serves as chair of the Asia and Oceania Association of the ICMIF (AOA)*³.

At these international cooperative organizations, members cooperate in activities to help resolve various global issues, such as the widening gap between rich and poor and climate change. In the field of cooperative and mutual insurance, the organizations engage in activities to popularize microinsurance, which is attracting attention as a means of breaking the chain of poverty in developing countries.

In response to these initiatives, Zenkyoren is supporting cooperative and mutual insurance businesses in developing countries through participation in projects by the ICMIF to increase the availability of microinsurance. We have also continued our efforts to foster awareness of microinsurance in Asia and Oceania in cooperation with the AOA Secretariat.

In addition, some of Zenkyoren's executives and managers as the members in an AOA delegation visited

Global Cooperative Network



one of the cooperative and mutual insurance organizations in Singapore in August 2019, which is working on advanced digital innovation. We also dispatched some executives and young staff members to the ICMIF biennial conference in New Zealand in November 2019 to participate in lectures by experts and discussions among members about “The future of mutuality” as well as to deliver some presentations about Zenkyoren’s initiatives, which brought us good interaction with ICMIF members around the world.



ICMIF 2019 biennial conference (New Zealand)

*1 ICA (International Co-operative Alliance)

Founded in 1895, the International Co-operative Alliance (ICA) consists of 312 organizations from 109 countries (as of April 2020). With some one billion members, it is the largest non-governmental organization in the world and is registered as an advisory body of the United Nations Economic and Social Council and UNICEF.

*2 ICMIF (International Cooperative and Mutual Insurance Federation)

The International Cooperative and Mutual Insurance Federation (ICMIF) was established in 1922 for the purpose of contributing to the development of cooperative and mutual insurance. It consists of 197 organizations from 64 countries (as of April 2020).

*3 AOA (Asia and Oceania Association of the ICMIF)

The Asia and Oceania Association of the ICMIF (AOA) was founded in 1984 for the purpose of promoting the cooperative insurance movement in the Asia and Oceania region. It consists of 47 organizations from 13 countries (as of April 2020).

Business Operations

As of March 31, 2020, 2019, and 2018 US\$1=JPY108.83 (as of March 31, 2020)

Total Assets

Total assets amounted to ¥57.1 trillion, a decrease of 1.6% compared to the previous fiscal year. Policy reserves which were accumulated to prepare for the payments of insurance claims amounted to ¥52.1 trillion, a decrease of 1.4% from the previous year.

	FY2017	FY2018	FY2019	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Total Assets	¥58,189	¥58,099	¥57,188	\$525,483

Working Assets

	FY2017	FY2018	FY2019	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Million)
Working Assets	¥56,079	¥55,995	¥55,045	\$505,790

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

Sales of new long-term insurance policies were ¥2.3 trillion in terms of the maturity amount insured, a decrease of 24.6%, and ¥21.8 trillion in terms of the amount insured, a decrease of 19.5%. Total policies in force were ¥47.7 trillion in terms of the maturity amount insured, a decrease of 4.8%, and ¥245.4 trillion in terms of the amount insured, a decrease of 2.9%.

Long-Term Insurance, New Business

Type of Insurance	FY2017		FY2018		FY2019		
	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Amount (US\$ Million)
Comprehensive Life Insurance*	656	¥ 2,571	839	¥ 2,881	773	¥ 2,960	\$ 27,201
Building Endowment Insurance	1,624	29,496	1,472	24,266	1,184	18,898	173,648
Others	2	1	2	1	2	1	11
Total	2,283	¥32,069	2,313	¥27,149	1,960	¥21,859	\$200,862

*"Policies" exclude Nursing Care Insurance and Annuity Insurance. "Amount" excludes the Nursing Care Amount of Nursing Care Insurance and the Annual Amount of Annuity Insurance, but includes death coverage of the above two types of insurance. The same applies to "Policies in Force" below.

Long-Term Insurance, Policies in Force

Type of Insurance	FY2017		FY2018		FY2019		
	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Policies (Thousands)	Amount (¥ Billion)	Amount (US\$ Million)
Comprehensive Life Insurance*	17,996	¥117,766	17,662	¥110,044	17,429	¥103,210	\$ 948,360
Building Endowment Insurance	10,378	142,179	10,175	142,616	9,906	142,185	1,306,491
Others	11	11	11	11	10	11	108
Total	28,386	¥259,957	27,848	¥252,672	27,347	¥245,407	\$2,254,961

Nursing Care Insurance

Type of Insurance	FY2017		FY2018		FY2019		
	Policies (Thousands)	Nursing Care Amount (¥ Billion)	Policies (Thousands)	Nursing Care Amount (¥ Billion)	Policies (Thousands)	Nursing Care Amount (¥ Billion)	Nursing Care Amount (US\$ Million)
New Business	55	¥ 165	57	¥ 192	53	¥ 187	\$ 1,725
Policies in Force	492	¥1,323	523	¥1,416	553	¥1,514	\$13,914

Annuity Insurance

With regard to sales of new Annuity Insurance policies, the annual amount was ¥331.9 billion, an increase of 78.5%, and policies in force amounted to around ¥2.1 trillion, an increase of 11.3%.

Type of Insurance	FY2017		FY2018		FY2019		
	Policies (Thousands)	Annual Amount (¥ Billion)	Policies (Thousands)	Annual Amount (¥ Billion)	Policies (Thousands)	Annual Amount (¥ Billion)	Annual Amount (US\$ Million)
New Business	192	¥ 118	288	¥ 185	361	¥ 331	\$ 3,049
Policies in Force	3,318	¥1,891	3,445	¥1,967	3,647	¥2,190	\$20,127

Short-Term Insurance

Sales of new short-term insurance policies decreased by 4.2% to 23 million in number, and premiums received for these contracts amounted to ¥373.4 billion, a decrease of 0.7%.

Short-Term Insurance, New Business

Type of Insurance	FY2017		FY2018		FY2019		
	Policies (Thousands)	Premiums (¥ Million)	Policies (Thousands)	Premiums (¥ Million)	Policies (Thousands)	Premiums (¥ Million)	Premiums (US\$ Thousand)
Fire Insurance	1,375	¥ 11,580	1,324	¥ 11,130	1,273	¥ 10,722	\$ 98,520
Automobile Insurance	8,332	284,687	8,210	266,542	8,177	266,881	2,452,274
Personal Accident Insurance	11,712	8,982	11,329	8,654	10,415	8,210	75,438
Group Term Life Insurance	177	22,127	177	21,569	175	21,004	192,998
Automobile Liability Insurance	3,295	62,667	3,257	62,087	3,211	60,129	552,503
Others	491	6,560	471	6,141	474	6,485	59,588
Total	25,385	¥396,607	24,770	¥376,125	23,727	¥373,433	\$3,431,342

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

Claims Paid

Total claims paid in fiscal 2019 amounted to ¥4.1 trillion, a decrease of 9.0% from the previous year.

Maturity payments were ¥3.0 trillion, a decrease of 9.6%, while accident payments were ¥1.0 trillion, a decrease of 7.4%.

Long-Term Insurance, Claims Paid

Type of Insurance	FY2017			FY2018			FY2019					
	(¥ Billion)			(¥ Billion)			(¥ Billion)			(US\$ Million)		
	Accident	Maturity	Total	Accident	Maturity	Total	Accident	Maturity	Total	Accident	Maturity	Total
Comprehensive Life Insurance	¥526	¥1,493	¥2,019	¥534	¥2,337	¥2,871	¥545	¥1,711	¥2,257	\$5,014	\$15,727	\$20,741
Building Endowment Insurance	109	861	970	351	1,020	1,371	263	1,321	1,584	2,418	12,138	14,556
Others	0	1	1	0	2	1	0	2	2	0	18	18
Total	¥635	¥2,356	¥2,992	¥886	¥3,360	¥4,246	¥808	¥3,034	¥3,843	\$7,432	\$27,884	\$35,316

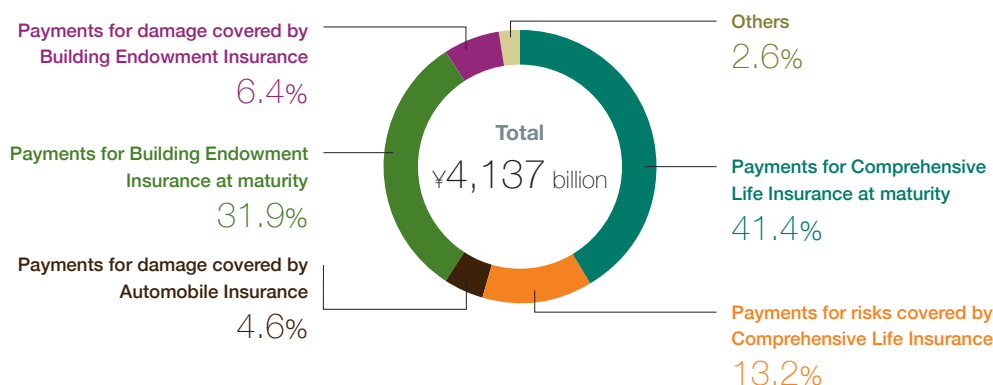
Note: The Comprehensive Life Insurance figures above include Nursing Care Insurance and Annuity Insurance.

Short-Term Insurance, Claims Paid

Type of Insurance	FY2017	FY2018	FY2019	
	(¥ Million)	(¥ Million)	(¥ Million)	(US\$ Thousand)
Fire Insurance	¥ 4,799	¥ 5,159	¥ 5,189	\$ 47,679
Automobile Insurance	192,460	193,954	190,111	1,746,862
Personal Accident Insurance	7,122	7,098	6,751	62,032
Group Term Life Insurance	11,510	12,801	11,992	110,190
Automobile Liability Insurance	38,048	35,631	33,722	309,859
Others	2,467	7,245	4,440	40,797
Total	¥256,409	¥261,892	¥252,207	\$2,317,440

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

Breakdown of Claims Paid in Fiscal 2019



Value of Actual Net Assets

As of March 31, 2020, Zenkyoren had actual net assets valued at ¥18,011 billion, maintaining a high ratio to total assets of 31.5%.

	FY2017	FY2018	FY2019	
	(¥ Billion)	(¥ Billion)	(¥ Billion)	(US\$ Billion)
Value of Actual Net Assets	¥17,800	¥18,773	¥18,011	\$165,496
Ratio to Total Assets	30.6%	32.3%	31.5%	

Note: The value of actual net assets, 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 is one of the indicators to make judgements for insolvency.

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 natural catastrophic events.

	FY2017	FY2018	FY2019	
	(¥ Trillion)	(¥ Trillion)	(¥ Trillion)	(US\$ Billion)
Liability Reserves	¥51.4	¥51.3	¥50.6	\$465

Balance Sheet

As of March 31, 2020 and 2019 US\$1=JPY108.83 (as of March 31, 2020)

	Millions of Yen		Thousands of U.S. Dollars
	FY2018	FY2019	FY2019
Assets			
Cash and Deposits	¥ 1,160,902	¥ 863,746	\$ 7,936,662
Money Trust	237,934	233,757	2,147,910
Monetary Claims Bought	33,412	26,277	241,453
Securities	53,413,952	52,869,565	485,799,554
Loans	845,869	748,368	6,876,486
Invested Real Estate	303,294	303,476	2,788,533
Outstanding Premiums	312,418	194,477	1,786,982
Reinsurance Receivables	14,180	14,536	133,568
Insurance Funds	0	0	0
Other Assets	198,148	189,058	1,737,187
Fixed Assets for Business	141,888	138,634	1,273,866
Capital Loans	200,000	200,000	1,837,728
Investments	109,437	108,903	1,000,678
Deferred Tax Assets	1,131,515	1,301,421	11,958,294
Reserves for Bad Debts	(3,109)	(3,194)	(29,351)
Reserves for Investment Losses	(623)	(661)	(6,076)
Total Assets	¥58,099,222	¥57,188,367	\$525,483,479
Liabilities			
Outstanding Reserves	¥ 936,330	¥ 890,769	\$ 8,184,964
Liability Reserves	51,315,892	50,657,779	465,476,240
Dividends Reserves	602,439	581,400	5,342,280
Reinsurance Payables	17,413	15,180	139,485
Agencies Payables	132	134	1,231
Other Liabilities	114,437	162,921	1,497,023
Insurance Funds	7,412	6,581	60,476
Provision for Benefits and Allowances	45,315	43,818	402,635
Price Fluctuation Reserves	1,125,766	1,163,720	10,693,010
Total Liabilities	¥54,165,139	¥53,522,305	\$491,797,347
Net Assets			
Paid-in Capital	¥ 756,537	¥ 756,537	\$ 6,951,550
Earned Surplus Reserves	396,623	414,080	3,804,839
Unappropriated Surplus at End of the Year	191,912	202,585	1,861,484
Other Surplus	1,592,783	1,619,300	14,879,176
Net Unrealized Gains on Securities	996,226	673,557	6,189,081
Total Net Assets	3,934,082	3,666,061	33,686,131
Total Liabilities and Net Assets	¥58,099,222	¥57,188,367	\$525,483,479

Income Statement

For The Years Ended March 31, 2020 and 2019 US\$1=JPY108.83 (as of March 31, 2020)

Income	Millions of Yen		Thousands of U.S. Dollars
	FY2018	FY2019	FY2019
Income			
Ordinary Income:			
Premiums and Other Insurance Income	¥5,328,655	¥4,346,825	\$39,941,423
Reversal of Policy Reserves	217,051	764,703	7,026,589
Investment Income	1,076,881	1,057,649	9,718,363
Other Ordinary Income	12,775	9,937	91,311
Total Ordinary Income	¥6,635,364	¥6,179,115	\$56,777,688
Expenses			
Ordinary Expenses:			
Benefits and Other Insurance Expenses	¥6,095,634	¥5,638,319	\$51,808,503
Provisions for Policy Reserves	9,678	9,672	88,874
Investment Expenses	126,526	129,710	1,191,861
Provisions for Price Fluctuation Reserves	37,614	37,954	348,747
Sales Expenses	26,395	24,823	228,089
General Administration Expenses	113,504	113,993	1,047,447
Other Ordinary Expenses	72,946	80,842	742,830
Total Ordinary Expenses	¥6,482,300	¥6,035,315	\$55,456,356
Surplus			
Ordinary Profits	¥ 153,063	¥ 143,800	\$ 1,321,331
Extraordinary Profits	1,639	5,404	49,664
Extraordinary Losses	1,639	2,856	26,251
Surplus before Taxes	153,063	146,348	1,344,745
Corporate and Other Taxes	70,519	74,978	688,946
Adjustments in Corporate Tax, etc.	(45,051)	(49,718)	(456,842)
Provisions for Policy Dividend Reserves	40,307	39,596	363,839
Net Surplus for the Year	87,287	81,492	748,802
Retained Earnings Brought Forward from the Beginning of the Year	34,875	44,145	405,637
Reversal from Voluntary Reserves	69,749	76,947	707,044
Unappropriated Surplus at the End of the Year	¥ 191,912	¥ 202,585	\$ 1,861,484

Note: Fiscal 2019 refers to the period from April 1, 2019 to March 31, 2020

Zenkyoren Information

History

1947	<ul style="list-style-type: none"> • Agricultural Cooperatives Act enacted 	
1948	<ul style="list-style-type: none"> • Agricultural Cooperative Insurance business started in Hokkaido 	
1951	<ul style="list-style-type: none"> • National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren) established • Launched operation of Cooperative-Owned Building Fire Insurance 	
1952	<ul style="list-style-type: none"> • Launched operation of Endowment Life Insurance 	
1953	<ul style="list-style-type: none"> • Launched operation of Building Endowment Insurance 	
1955	<ul style="list-style-type: none"> • Launched operation of Fire Insurance 	
1958	<ul style="list-style-type: none"> • Completed establishment of 46 Prefectural Federations, one for each of the prefectures in Japan (with the exception of Okinawa) 	
1961	<ul style="list-style-type: none"> • Launched operation of Children's Insurance 	
1962	<ul style="list-style-type: none"> • Launched operation of Group Term Life Insurance 	
1963	<ul style="list-style-type: none"> • Launched operation of Automobile Insurance 	
1964	<ul style="list-style-type: none"> • Joined the insurance committee of the International Co-operative Alliance (ICA) 	
1966	<ul style="list-style-type: none"> • Launched operation of mandatory Automobile Liability Insurance 	
1969	<ul style="list-style-type: none"> • Opened Atsugi Staff Training Center in Kanagawa Prefecture • Launched operation of Personal Accident Insurance 	
1972	<ul style="list-style-type: none"> • Established Okinawa Prefectural Federation • Zenkyoren became a member of the International Cooperative Insurance Federation (ICIF) derived from ICA 	
1973	<ul style="list-style-type: none"> • Opened Nakaizu and Beppu Rehabilitation Centers in Shizuoka Prefecture and Oita Prefecture 	
1974	<ul style="list-style-type: none"> • Online network system between National Federation and Prefectural Federations went into operation • Launched operation of long-term Life Insurance 	
1980	<ul style="list-style-type: none"> • Launched operation of Agricultural Machinery Insurance • Launched operation of Agricultural Machinery Endowment Insurance 	
1981	<ul style="list-style-type: none"> • Launched operation of Annuity Insurance 	
1983	<ul style="list-style-type: none"> • Launched operation of Whole Life Insurance 	
1984	<ul style="list-style-type: none"> • Opened Zenkyoren Automotive Training Center in Kanagawa Prefecture • Asia and Oceania Association (AOA) was set up as a regional association of ICIF 	
1985	<ul style="list-style-type: none"> • Opened Zenkyoren Osaka Computer Center 	
1988	<ul style="list-style-type: none"> • Established Zenkyoren Asset Management of America Inc. 	
		<ul style="list-style-type: none"> • Launched operation of Liability Insurance
1989		<ul style="list-style-type: none"> • Online network system for local Agricultural Cooperatives went into operation • Established Zenkyoren Europe Limited
1990		<ul style="list-style-type: none"> • Launched operation of Group Endowment Insurance
1992		<ul style="list-style-type: none"> • ICA/ICIF held International Congress in Tokyo
1993		<ul style="list-style-type: none"> • ICIF changed its structure and was renamed ICMIF (International Cooperative and Mutual Insurance Federation)
1994		<ul style="list-style-type: none"> • Set up Health Care Helpline • Opened Ishioka Computer Center
2000		<ul style="list-style-type: none"> • National and Prefectural Federations integrated
2001		<ul style="list-style-type: none"> • Formed business alliance with the Kyoei Fire & Marine Insurance Company, Limited
2002		<ul style="list-style-type: none"> • 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		<ul style="list-style-type: none"> • Kyoei Fire & Marine Insurance Company became a subsidiary • Launched operation of Medical Insurance
2004		<ul style="list-style-type: none"> • Opened Kawasaki Computer Center • AOA's 20th anniversary event held in Tokyo
2005		<ul style="list-style-type: none"> • Opened Zenkyoren East and West Japan Underwriting Centers in Kanagawa Prefecture and Osaka Prefecture • Insurance Agency system introduced
2006		<ul style="list-style-type: none"> • Opened Makuhari Training Center in Chiba Prefecture
2007		<ul style="list-style-type: none"> • Launched the Visit Project (follow-up visits to all members and policyholders)
2008		<ul style="list-style-type: none"> • Launched operation of a new type of single-premium Endowment Life Insurance
2009		<ul style="list-style-type: none"> • Launched operation of New Medical Insurance
2010		<ul style="list-style-type: none"> • Insurance Contract Law (new) enforced
2012		<ul style="list-style-type: none"> • International Year of Cooperatives
2013		<ul style="list-style-type: none"> • Launched operation of Nursing Care Insurance
2014		<ul style="list-style-type: none"> • Operation Centers launched in the Hokuriku and Tokai regions
2015		<ul style="list-style-type: none"> • Completed establishment of Operation Centers
2016		<ul style="list-style-type: none"> • Idea and practice of cooperatives was added to UNESCO's Intangible Cultural Heritage list
2018		<ul style="list-style-type: none"> • Launched operation of new Disability Insurance
2020		<ul style="list-style-type: none"> • Launched operation of Specific Severe Disease Insurance

• Domestic event • International event

Supervisory Board, Board of Auditors and Board of Directors

Supervisory Board

Chairman

Hakuo Aoe

Deputy Chairmen

Koichi Nishizawa

Yasuhiro Nakagawa

Other Members

of the Supervisory Board

Satoru Nakase

Naonobu Abo

Toru Karasawa

Tomio Sakamoto

Shigetoshi Hayashi

Ryoichi Okawa

Yuichi Tomita

Yoshikazu Aoyama

Hirotooshi Hasegawa

Takayuki Kishimoto

Hiroyuki Fukumoto

Katsuhiro Kagei

Yoshihiro Minato

Takashi Hisaoka

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Yukichi Kabemura

Toru Yamano

Minoru Maeda

Kazuhisa Tokui

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Standing Auditors

Shinichi Mima

Kenji Sone

Yoshihiko Kaga

Auditors

Kimito Amari

Hatsuo Komatsu

Tadao Ishii

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President

Fumio Yanai

Senior Managing Directors

Yoshihiko Murayama

Yoshinao Kiyama

Nobuyuki Kashima

Managing Directors

Yoshifumi Nagashima

Hideki Iwashita

Kazunari Takahashi

Toru Hayamizu

Satoshi Kubota

Takahiro Sumino

Shuichi Kondo

(As of July 30, 2020)

Zenkyoren

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 **Co-operative enterprises build a better world**

“Idea and practice of organizing shared interests in cooperatives”
has been registered on UNESCO’s Intangible Cultural Heritage list.



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