

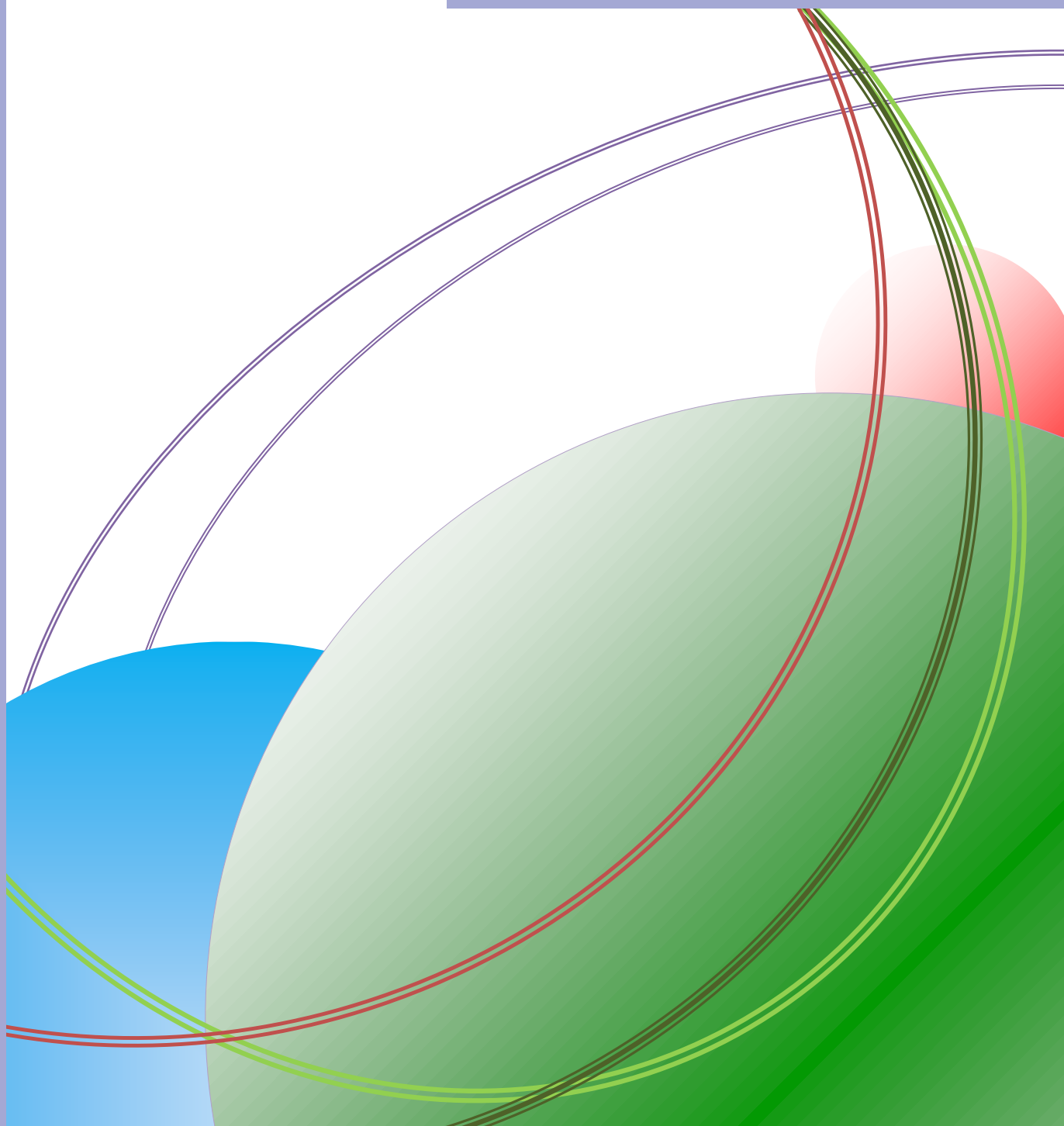
One for All, All for One

# SAIKYOSAIREN

Japan Reinsurance Federation of Consumers' Cooperatives

## FACT BOOK 2024

*Report on FY2023 Results*



# President's Statement



Firstly, I would like to express my sincere gratitude for your cooperation and continued support of the business operations of Saikyosairen.

As a reinsurance center for Japanese mutual aid cooperatives, Saikyosairen contributes to the stabilization and development of our members' business through cooperative reinsurance, facilitating fellow cooperatives to strengthen their relationships among each other. This is in line with our corporate management philosophy "One for all, all for one," which is based on the core principle of mutual cooperatives and its spirit in supporting each other.

Currently, we are addressing various issues based on the "Management Plan for FY2023-FY2024". Regarding our most important issue, "expanding the number of members and inward business," we managed to add one new member joining us at the end of February 2024, bringing the total number of members to 67.

Various natural disasters have occurred during the year. In particular, the "2024 Noto Peninsula Earthquake" on January 1, 2024 caused extensive damage in Ishikawa, Toyama, Niigata prefectures etc. Saikyosairen, as a Kokumin Kyosai co-op Group member, cooperated in "on-site surveys" and contributed to raise or donate "charitable funds to affected victims and relief donation".

Concerns about the impact on people's lives caused by the increasing frequency and severity of large-scale disasters are growing due to the continuous extreme hot weather, with temperatures nationwide higher than average this year. While under this challenging environment, we will continue to strive fulfilling our role and mission to contribute to the stability and development of our members' businesses through cooperative reinsurance.

We are pleased to announce the publication of our disclosure paper "FACT BOOK 2024" which provides an overview of our business and various activities in FY2023. We humbly ask you to read the FACT BOOK and we hope that you reach a better understanding of Saikyosairen.

August, 2024

A handwritten signature in black ink, reading "野田 美生" (Noda Minao).

Minao Noda  
President of Saikyosairen

# SAIKYOSAIREN

Reinsurance Center for Japanese Cooperatives

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# Saikyosairen as a Cooperative

## About Saikyosairen

Saikyosairen is the only consumer cooperative that specializes in reinsurance business for cooperatives. Through Fire, Natural Perils, Life, Traffic Accident and Automobile reinsurance business, we contribute to the “stabilization of the management of member cooperatives and sound development of their business operations.” At the same time, we also make great efforts to fulfill our functions “to reinforce the collaboration between those members and other cooperatives” and “to support the business thereof.”

## 1. Outline

Formal Name	: Japan Reinsurance Federation of Consumers' Cooperatives (abbr. Saikyosairen)
Established	: January 13th, 1975
President	: Minao Noda
Regulated Law	: The Consumers' Livelihood Cooperative Society Law
Authority	: The Ministry of Health, Labor and Welfare
Members	: 67 members*
Membership Fund	: JPY 6.7 billion*
Staff	: 16 staff*
Business Conducted	: Saikyosai (Reinsurance specialized for cooperatives)

\*As at March 31st, 2024

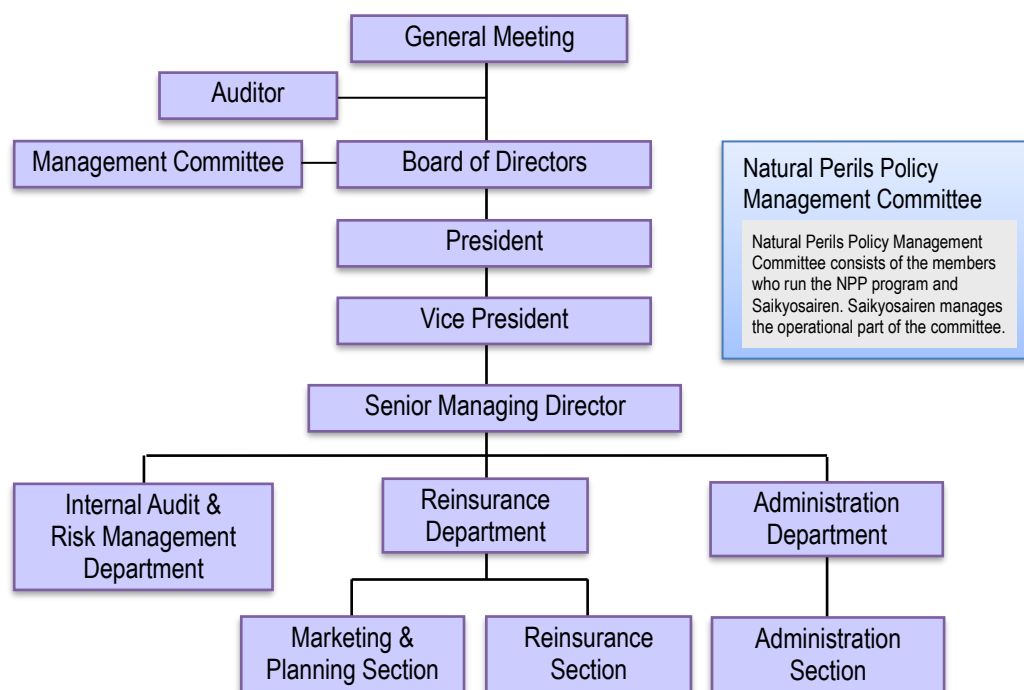
## 2. Organization Chart



**Minao Noda**  
President



**Hiroshi Suzuki**  
Senior Managing Director



### 3. Member Cooperatives

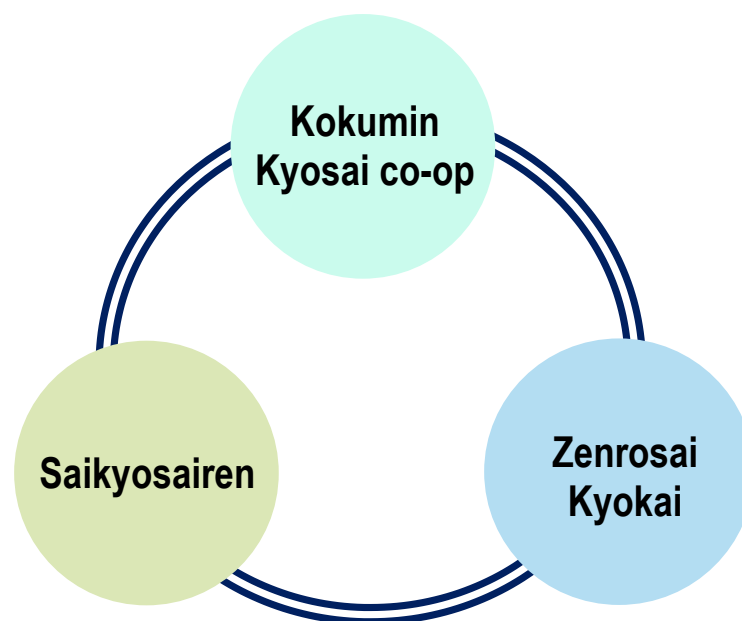
※Total 67 members (As at March 31st, 2024)

<b>Workers Cooperatives based on Prefecture</b>		<b>47 members</b>
Federation of Prefectural and Workers Cooperatives (members not listed)		
<b>Nationwide Workers Cooperatives based on Occupation</b>		<b>8 members</b>
Shinrin Rohren Kyosai	Japan All Forest Relating Industry Workers' Insurance Cooperative Society	
Jichiro Kyosai Seikyo	All Japan Prefectural and Municipal Workers' Cooperative Society	
Zensuido Kyosai	All Japan Water Supply Mutual Aid Cooperative Society	
Zentobacco Seikyo	All Japan Tobacco Workers' Cooperative Society	
Kyousyokuin Kyosai Seikyo	Japan Teachers' Mutual Aid Co-Operative Society	
Zenkoku Koun Kyosai Seikyo	National Traffic Industry Workers' Mutual Aid Cooperative Society	
Dentsu Kyosai Seikyo	Telecommunications, Electronic Information and Allied Workers Insurance Cooperative	
JP Kyosai Seikyo	Mutual Aid Cooperative for Postal Workers	
<b>Cooperatives based on Occupation</b>		<b>4 members</b>
Shuhan Seikyo	National Consumer Co-operatives for Liquor Stores	
Tobacco Hanbai Seikyo	The National Co-operation Society of Tobacco Retailers	
Zentoku Seikyo Kumiai	Zenkoku Yubin Kyokucho Seikatsu Kyodo Kumiai	
Boeisy Seikyo	Consumer Co-operative of Ministry of Defense	
<b>Cooperatives Federation</b>		<b>2 members</b>
Kokumin Kyosai co-op	National Federation of Workers and Consumers Kyosai Cooperatives	
CO-OP Kyosai	Japan CO-OP Insurance (Kyosai) Consumers' Co-operative Federation	
<b>Citizen's Cooperatives</b>		<b>2 members</b>
Kyoto Shimin Kyosai	Kyoto Citizens' Cooperative Society	
Kobe Shimin Seikyo	Kobe Citizens' Cooperative Society	
<b>Small &amp; Medium-sized Business Cooperatives</b>		<b>4 members</b>
IHD Kyosai	International Human Development Mutual Aid Cooperative	
Zenbeihan	Japan Rice Millers' and Distributors' Cooperative	
Nikkaren	National Federation of Fire Insurance Co-operatives for Small Business	
UNIVA Kyosai	UNIVA Mutual Aid Association	

## 4. About Kokumin Kyosai co-op Group

Saikyosairen is one of the members of the Kokumin Kyosai co-op Group.  
The Kokumin Kyosai co-op Group consists of the following three core members.

※Zenrosai has newly established the name Kokumin Kyosai co-op from June 2019.  
The group name has also changed to Kokumin Kyosai co-op Group.



**Kokumin Kyosai co-op** ( Est. September 29th, 1957)  
(National Federation of Workers and Consumers Kyosai Cooperatives)

Kokumin Kyosai co-op is a national federation established under 'The Consumers' Livelihood Cooperative Society Law, in operation of Kyosai business. It consists of 47 prefecture-based cooperatives, 8 occupation-based cooperatives and 3 cooperative federations.

**Saikyosairen** ( Est. January 13th, 1975)  
(Japan Reinsurance Federation of Consumers' Cooperatives)

As the only entity to arrange 'Saikyosai' (Reinsurance specialized for cooperatives), Saikyosairen supports original members by providing 'Saikyosai' to assist in securing the stability and development of their business operations as well as reinforcing the collaboration between each cooperative through its provision of 'Saikyosai.'

**Zenrosai Kyokai** ( Est. June 1st, 2004)  
(National Association for Workers' Welfare and Cooperative Insurance)

Zenrosai Kyokai provides mutual aid services through the research and study of the life and welfare of workers. Services include municipality associated Keicho insurance, Fire and Auto insurance for corporative bodies, as well as provision of Fire and Auto insurance as an insurance agency.

## 5. Associated Organizations

Saikyosairen collaborates with the following organizations for the purpose of developing insurance business for cooperatives and activities among cooperatives and workers' welfare.

### **Japan Cooperative Insurance Association Incorporated (JCIA)**

JCIA promotes the sound development of the cooperative insurance business by contributing to stabilizing the lives and improving the welfare of people engaged in the agriculture, forestry and fisheries industries through providing information, publicity and consultation activities in respect of cooperative insurance business to its members.

### **International Cooperative and Mutual Insurance Federation (ICMIF)**

ICMIF is a global trade association representing cooperative and mutual insurers. It conducts various research and studies for its members. Saikyosairen joined ICMIF in September 2006 in order to further strengthen the relationship with cooperatives and mutual insurers around the world.

### **National Council of Workers' Welfare (Chuo Rofukukyo)**

National Council of Workers' Welfare is a central organization of welfare. It comprises of prefectural labor organizations, workers' welfare organizations, national federations of consumer cooperatives and Workers' Welfare organizations.

## 6. History of Saikyosairen and Natural Perils Policy

Since 1975 when Saikyosairen was founded as “Tansan Kyosai Rengokai,” it has gone through the organizational changes described as below. Saikyosairen now assumes a role in the current organization as the “Reinsurance Center.”

<b>1975</b>	“Tansan Kyosai Rengokai” (Precedent organization of Saikyosairen) was formed to operate Auto insurance business.
<b>1980</b>	Reestablished as “Jidosha Kyosairen,” due to business expansion and unification with Rosaioren (Now known as Kokumin Kyosai co-op).
<b>1987</b>	<p><b>Reorganization as “Zenrosai Saikyosairen”</b></p> <p>Started to write reinsurance business for Automobile, Motorized Bicycle, Fire, Comprehensive (Keicho), Traffic Accident and Life in December 1987.</p> <p>Ceased to accept the insurance business for Automobiles and Motorized Bicycle and transferred it to Zenrosai and each industrial cooperative member. Started to provide claims services and data processing for Automobile insurance as a commissioned business.</p>
<b>2000</b>	<p><b>Natural Perils Policy Launch</b></p> <p>Started to write Natural Perils reinsurance business and placed the reinsurance for the group in the international reinsurance market.</p>
<b>2004</b>	<p><b>Consolidation of Automobile Insurance Business into Zenrosai and Founding of Specialized Organization for Reinsurance</b></p> <p>Consolidated Automobile insurance business of Workers Kyosai Group into Zenrosai on 1st October 2004 and became the only Japanese organization that specialized in reinsurance business for cooperatives.</p>
<b>2006</b>	<p><b>Rebranding to “Saikyosairen”</b></p> <p>Renamed as “Japan Reinsurance Federation of Consumers’ Cooperatives” (abbr. Saikyosairen). Officially made a fresh start as “Reinsurance Center” for all Kyosai organizations.</p>



## 1. Reinsurance Sector

### (1) Types of Reinsurance (Saikyosai) and Services

Saikyosairen offers the following seven types of reinsurance under license from the Ministry of Health, Labor and Welfare.

Type of Reinsurance	Type of Service
Fire	Quota Share, Surplus, Excess of Loss
Natural Perils	Quota Share, Excess of Loss
Comprehensive (Mutual Aid Benefit aka Keicho)	Quota Share, Surplus, Excess of Loss
Life	Quota Share, Surplus, Excess of Loss
Traffic Accident	Quota Share, Surplus, Excess of Loss
Automobile	Quota Share, Excess of Loss
Compulsory Automobile Liability Insurance	Assume reinsurance of CALI within the Kokumin Kyosai co-op group. Provide an administrative service for mutual pooling and report to the government in accordance with the Automobile Liability Security Act.

### (2) What is Saikyosai?

- ◇ Reinsurance provision for cooperatives (agreement between Saikyosairen and members)
- ◇ The purpose is to secure members' business stability through risk diversification

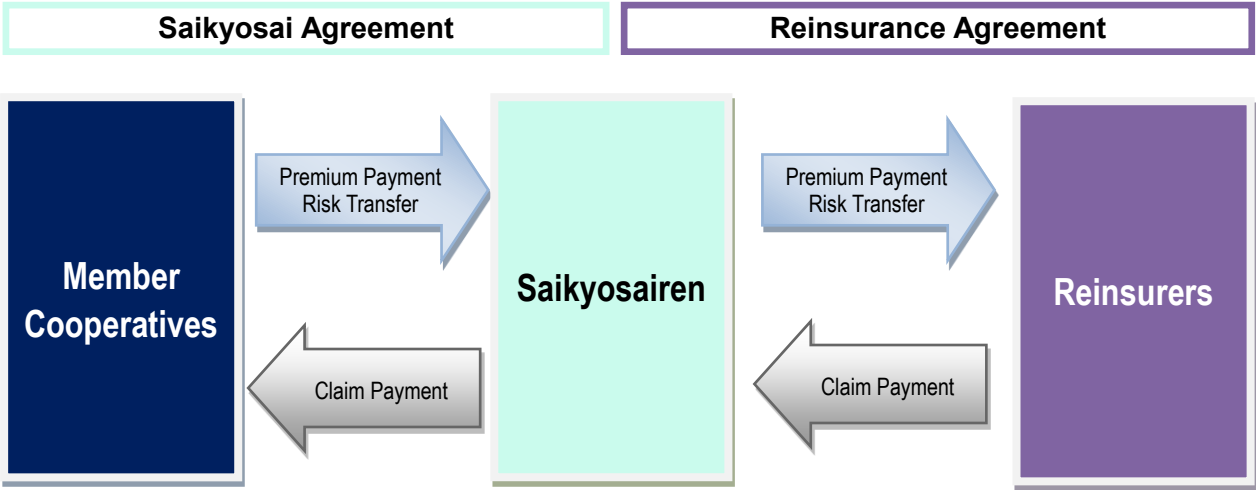
Saikyosai is a method available to cooperatives who runs insurance business, to transfer all or part of their risks. In essence, it functions as insurance coverage for cooperatives.

In order for member cooperatives to offer long and stable coverage to their policyholders, the large potential losses must be accounted for, especially those of earthquake and windstorms.

Saikyosai enables cooperatives to reduce risk retention, thus stabilizing its business and to provide variety of coverage for ever-diverse needs of their policyholders.

2. Ceding to the Global Reinsurance Market

In order to maintain sound business operations, Saikyosairen utilizes global reinsurance markets to divert part of the assumed risks internationally. Specifically, we recognize securing ways to transfer Earthquake and Windstorm aggregated risks to be our primary mission. Therefore, we work with reinsurers to establish reinsurance provisions that will ensure stability for the long term, while also promoting the values and principles of Japanese cooperatives to the Reinsurance market. As a result, during the Tohoku Earthquake, due to the speedy recovery of reinsurance claims from our reinsurance partners, we were able to smoothly process reinsurance claims payments to our members.





# FY2023 Business Summary

## 1. Contract Status

The number of policies decreased by 0.36 million (-2.2%) to 15.57 million due to decrease in the various lines of business such as, Comprehensive, Fire, Traffic Accident, etc., while partially offset by increase in Auto and other policies.

The total number of contract units decreased by 0.9% to 1.37 billion units from the beginning of the fiscal year.

	Fire	Natural Perils	Comprehensive	Traffic Accident	Life	Auto	CALI*	Consolidated Total
Number of Policies (Unit:1,000)	4,244	2,390	7,464	33	64	1,100	274	15,571
Variance from FY2023	-81	-1	-203	-73	-41	42	2	-357
% Change	-1.9%	-0.1%	-2.7%	-68.9%	-39.4%	4.1%	0.8%	-2.2%
Number of Units (Unit:1,000)	832,861	497,609	25,529	634	741	15,409	274	1,373,060
Variance from FY2023	-12,934	1,025	-571	-1,101	-161	1,161	2	-12,579
% Change	-1.5%	0.2%	-2.2%	-63.4%	-17.9%	8.2%	0.8%	-0.9%

\*CALI = Compulsory Automobile Liability Insurance

## 2. Profit and Loss Performance

### (1) Cooperative Reinsurance Sector ※CALI excluded

#### ① Gross Reinsurance Premium

Gross reinsurance premium increased by JPY2.39 billion year on year to JPY 24.17 billion due to higher income from Natural Perils and Auto, while offset partially by lower income from Traffic Accident and Fire.

#### ② Gross Reinsurance Claims

Gross reinsurance claims increased by JPY 2.29 billion year on year to JPY 22.15 billion due to higher claims from Natural Perils, Auto, etc.

## 【Reinsurance Business Performance】

(Unit: JPY millions)

	Fire	Natural Perils	Comprehensive	Traffic Accident	Life	Auto	Reinsurance Total	CALI	Consolidated Total
Gross Reinsurance Premium *1	2,808	20,052	534	5	42	735	24,179	5,114	29,294
Variance from FY2023	-53	2,160	-9	-70	-15	384	2,395	-340	2,055
% Change	-1.8%	12.0%	-1.7%	-93.2%	-26.5%	109.1%	10.9%	-6.2%	7.5%
Gross Reinsurance Claims *2	2,313	18,774	258	42	34	731	22,154	5,258	27,413
Variance from FY2023	-307	2,451	-37	-187	-16	397	2,298	-49	2,248
% Change	-11.7%	15.0%	-12.8%	-81.5%	-32.6%	118.8%	11.5%	-0.9%	8.9%
Operating Surplus *3	382	266	180	183	9	41	1,062	—	1,062
Change (Amounts)	135	-10	174	73	16	-79	309	—	309

(NB)

\*1. Gross Reinsurance Premium = Inward Reinsurance Premium + Inward Reinsurance Premium for CALI + Ceded Reinsurance Claims (Recovered)

\*2. Gross Reinsurance Claims = Inward Reinsurance Claims + Inward Reinsurance Claims for CALI (Paid) + Ceded Reinsurance Premium (Paid) etc.

\*3. Operating Surplus = Gross Reinsurance Premium – Gross Reinsurance Claims + Investment Income – Investment Expenses – Operating Expenses ± Claim Reserves (Provision and Reversal) ± Underwriting Reserves (Provision and Reversal)

## (2) Investment Income

Investment income fell by JPY 6 million (-9.1%) year on year to JPY 67 million due to reduced interest income, mainly from decrease in securities held. As a result, investment yield was 0.13%.

## (3) Operating Expenses

Personnel expenses decreased by JPY 2 million from the previous year, while other expenses increased by JPY 8 million due to increase in research and study expenses and communication and transport expenses, resulting in overall expenses increase of JPY 6 million (1.8%) to JPY 352 million.

## (4) Surplus

### ① Ordinary Surplus

Ordinary surplus increased by JPY 304 million (37.2%) from the previous year to JPY 1,124 million. After accounting for corporate taxes and corporate taxes adjustment, the surplus for the period was JPY 842 million, which is JPY 260 million (44.7%) higher than the previous year.

### ② Unappropriated Surplus for the Period

Unappropriated surplus for the period, after adding JPY 29 million of surplus carried forward from the beginning of the fiscal year to the surplus for the period of 842 million, resulted in JPY 872 million, which is JPY 261 million (42.9%) higher than the previous year.

### 3. Financial Statements ※FY2023 ending on March 31st, 2024

#### (1) Balance Sheet

(Unit: JPY thousands)

	FY 2022	FY 2023	Differences	% Change
<b>I. Assets</b>				
1. Cash and deposits	34,391,696	39,252,535	4,860,838	14.1
2. Money-in-trust	-	-	-	-
3. Money due	6,000,000	6,000,000	-	-
4. Securities	16,187,766	12,207,015	-3,980,750	-24.6
5. Loans	-	-	-	-
6. Reinsurance accounts receivables	951,167	1,012,149	60,981	6.4
7. Other business assets	3,860,843	4,140,585	279,742	7.2
8. Advance payment provisions	22,345	22,070	-275	-1.2
9. Uncollected profits	12,830	11,169	-1,660	-12.9
10. Other assets	32,654	32,215	-439	-1.3
11. Fixed assets for business operation	11,736	7,902	-3,834	-32.7
12. Fund	88,026	88,026	-	-
13. Deferred tax asset	6,739,144	6,963,197	224,053	3.3
14. Allowance for bad debts	-	-	-	-
<b>Total Assets</b>	<b>68,298,212</b>	<b>69,736,868</b>	<b>1,438,655</b>	<b>2.1</b>
<b>II. Liabilities</b>	36,481,604	37,152,041	670,437	1.8
1. Policy reserves	34,046,768	34,521,693	474,925	1.4
2. Reinsurance accounts payables	548,938	460,564	-88,373	-16.1
3. Other insurance business liabilities	831,865	1,374,491	542,626	65.2
4. Expenses payables	7,090	7,166	75	1.1
5. Other liabilities	755,906	488,578	-267,327	-35.4
6. Allowance	23,540	24,216	675	2.9
7. Price fluctuation reserves	267,495	275,330	7,835	2.9
<b>III. Net Assets</b>	31,816,608	32,584,826	768,218	2.4
1. Members capital	31,755,739	32,580,352	824,613	2.6
(1) Membership fund	6,720,920	6,725,920	-	-
(2) Surplus	25,034,819	25,854,432	819,613	3.3
① Legal reserves	8,060,916	8,177,916	117,000	1.5
② Voluntary reserves	16,363,449	16,804,449	441,000	2.7
③ Unappropriated surplus for the period	610,453	872,066	261,613	42.9
(Surplus for the period)	582,192	842,558	260,365	44.7
2. Difference of value and etc.	60,868	4,473	-56,395	-92.7
<b>Total Liabilities and Net Assets</b>	<b>68,298,212</b>	<b>69,736,868</b>	<b>1,438,655</b>	<b>2.1</b>

## (2) Profit and Loss Statement

(Unit: JPY thousands)

	FY 2022	FY 2023	Difference	% Change
<b>Ordinary Income</b>	27,315,813	29,585,145	2,269,331	8.3
1. Gross Reinsurance Premium *1	27,238,619	29,294,061	2,055,442	7.5
2. Transfer from policy reserves	-	220,661	220,661	-
3. Investment income	74,738	67,914	-6,823	-9.1
4. Other ordinary income	2,456	2,507	51	2.1
<b>Ordinary Expenses</b>	26,496,234	28,460,841	1,964,606	7.4
1. Gross Reinsurance Claims *2	25,164,164	27,413,065	2,248,900	8.9
2. Transfer to policy reserves	986,135	695,586	-290,548	-29.5
3. Investment expenses	-	-	-	-
4. Operating expenses	345,935	352,188	6,253	1.8
5. Other ordinary expenses	-	-	-	-
<b>Ordinary surplus</b>	819,578	1,124,304	304,725	37.2
Extraordinary income	-	-	-	-
Extraordinary loss	10,476	7,835	-2,641	-25.2
<b>Surplus before taxes</b>	809,102	1,116,469	307,366	38.0
Corporate and other taxes	739,457	476,119	-263,338	-35.6
Adjustment of corporate and other taxes	-512,547	-202,208	310,338	-
<b>Net surplus for the period</b>	582,192	842,558	260,365	44.7
Retained earnings from prior period	28,260	29,508	1,247	4.4
Payments from voluntary reserves	-	-	-	-
<b>Unappropriated surplus for the period</b>	610,453	872,066	261,613	42.9

\*1 Gross Reinsurance Premium = Reinsurance Premium + Reinsurance Premium for CALI (Received) + Reinsurance Claim (Recovered)

\*2 Gross Reinsurance Claims = Reinsurance Claim + Reinsurance Claim for CALI (Paid) + Ceded Reinsurance Premium (Paid) etc.

# **IV Risk Management & Compliance**

## **1. Risk Management**

Saikyosairen identifies various risks surrounding organization management and business operations to execute appropriate risk management according to the characteristics of each risk.

We strive to strengthen our risk management to secure sound and adequate business operations as the top priority of our management.

The Internal Audit and Risk Management Department sets a controlling office for risk management in order to implement a comprehensive and inter-department management.

## **2. Compliance**

In recognition of Saikyosairen's public mission and social responsibility and to ensure trust from members, we conduct our business based on the “Directors & Employees Code of Conduct” which is based on ethical and legal compliance and devotion to the utmost effort to serve members.

To further strengthen awareness of compliance of our officers and employees, we set a “Month for promoting Compliance” every year and continue to carry out educational activities.

## **3. External / Internal Audit**

We have appointed four auditors, including one full-time and three part-time auditors to verify the appropriateness of business operations, execution of business and accounting. This is done in cooperation with an independent auditor.

Internal Audit conducted by the Audit and Risk Management Department proposes suggestions and improvements by verifying and assessing the appropriateness of its implementation status on respective departments.

## 1. Supporting Member Cooperatives

Saikyosairen utilizes various channels to provide business support to our member cooperatives. Our support activities include providing training seminars and networking opportunities as well as facilitating lectures with topics related to cooperative insurance and reinsurance. They are tailored not only for the member cooperatives but also open for prospective members.



Seminar, " Insurance consumer trends as observed by GCS (Global Consumer Study) result "

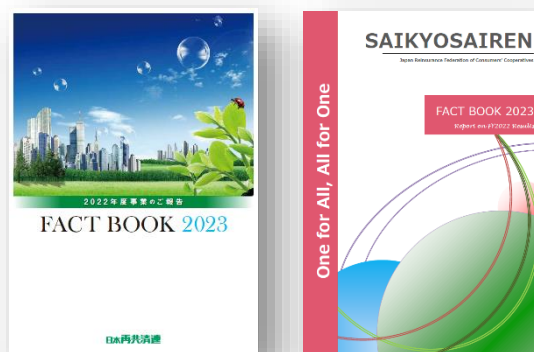
## 2. Disclosure

Saikyosairen discloses the following information for public viewing.

**Website** (<https://www.saikyosairen.or.jp>)



**Fact Book**



You can see the Fact Book via our website both in Japanese and in English.



### “Sairen Dayori” Quarterly News Letter

“Sairen Dayori” is issued quarterly informing our member cooperatives of hot topics such as activity reports and business risks surrounding cooperative organizations.

※available only in Japanese



### 3. Promotion of SDGs

To fulfill our mission as a cooperative, we are working to promote the SDGs as an activity that contributes to the implementation of a sustainable society.

#### ① **Activities to Mitigate Environmental Load**

As a part of the environmentally friendly activities, we continuously promote reducing paper use, recycling, power saving, and purchasing and use of environmentally conscious office products etc.

#### ② **Initiatives based on Cooperative Reinsurance Business**

We support the business stability of our member cooperatives by providing various supporting services, including cooperative reinsurance business (inward reinsurance and overseas reinsurance placement) and natural catastrophe risk analysis.

#### ③ **Disaster Prevention and Mitigation Initiatives**

We provide information on disaster prevention and mitigation to our members as well as to cooperatives that may become our members through issuing our newsletter, “Sairen Dayori.”

#### ④ **Providing Learning Opportunities to Our Member Cooperatives**

We promote the SDGs through seminars for officers and employees of our member cooperatives, including incorporating lectures on the relationship between the SDGs and the cooperative's activities.

#### ⑤ **ESG Initiatives**

We promote asset management that considers corporate social responsibility, including the environment, through purchasing "SDGs bonds," such as green bonds, social bonds, and sustainability bonds.

※ ESG refers to the Environment, Social, and Governance.





## **SAIKYOSAIREN**

Japan Reinsurance Federation of Consumers' Cooperatives

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