

ANNUAL REPORT **2008**

National Mutual Insurance Federation of Agricultural Cooperatives

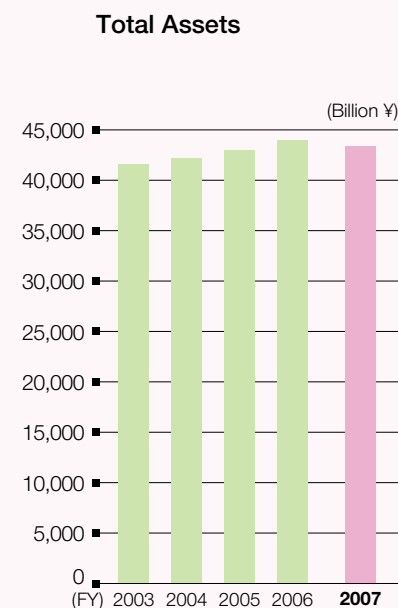
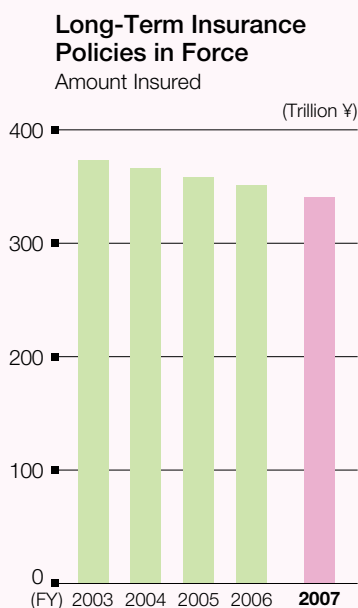
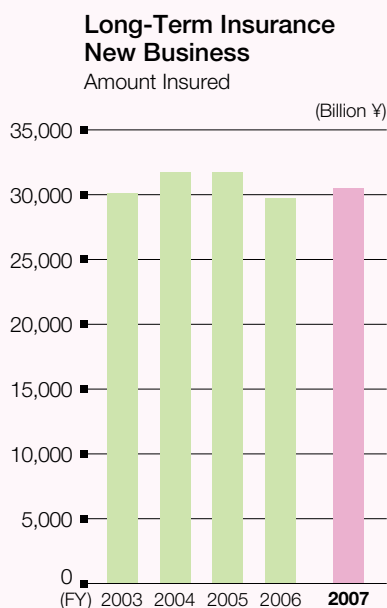
A Network with Heart



PRINCIPAL BUSINESS INDICATORS

As of March 31, 2008 and 2007
1US\$=100.19JPY (as of March 2008)

	Billions of Yen		Millions of U.S Dollars
	FY2007	FY2006	FY2007
Long-Term Insurance:			
New Business (Amount Insured)	¥ 30,758	¥ 29,731	\$ 306,996
Policies in Force (Amount Insured)	340,948	351,681	3,403,014
Short-Term Insurance:			
New Business (Premiums)	366	370	3,655
Total Premiums Received	4,731	4,648	47,221
Total Assets	43,517	44,109	434,348



Contents

Zenkyoren's Vision	1	International Initiatives	10
Message from the Management		Domestic Initiatives	11
– Shunichiro Yasuta, Chairman of the Supervisory Board	2	Social Responsibilities	12
– Kazumi Imao, President of the Board of Directors	3	Business Operations	14
JA Group	4	Balance Sheet	18
Types of Insurance	6	Income Statement	19
Asset Management	8	Supervisory Board, Board of Auditors and Board of Directors	20
Reinsurance Business	9	History	21

Regarding fractional figure processing

- Fractions in both yen and dollars amounts and the number of policies have been rounded down.
- Fractions in the component ratio and year-on-year comparison have been rounded off.

ZENKYOREN'S VISION

Zenkyoren's Basic Medium-to-Long-Term Objectives

In its three-year business plan covering the period FY2007-2009, the National Mutual Insurance Federation of Agricultural Cooperatives, known as Zenkyoren, has declared its medium-to-long-term business objectives, as well as its basic operating philosophy, as detailed below. Zenkyoren is working to ensure the provision of a reliable service giving comprehensive security and full satisfaction to its cooperative members and customers.

Our Medium-to-Long-Term Business Objectives

Expanding our organizational and business bases by strengthening ties of trust and cultivating new partners

We work to ensure the livelihoods of policyholders, expand our mutual aid network to include new partners, and encourage agricultural cooperatives members to understand and participate in cooperative activities.

Basic Strategies

Zenkyoren offers a full range of comprehensive insurance products and services to cater to the diverse needs of its cooperative members, customers and communities. At the same time, we practice rigorous legal compliance and conduct our business operations with integrity.

In fiscal 2008, the middle year of our three-year business plan, we have assigned priority to the achievement of the following five tasks.

1. Strengthening initiatives to build long-lasting ties with members and customers and find new partners
2. Upgrading our support for agricultural cooperatives
3. Contributing to more sophisticated business planning and management for agricultural cooperatives and the prefectural headquarters
4. Improving our response to the privatization of the postal life insurance system and the complete deregulation of direct sales of insurance policies by banks
5. Further improving Zenkyoren's reputation for trustworthiness

Profile

Zenkyoren (the 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 Group (Japan Agricultural Cooperatives), to which Zenkyoren belongs, conducts a variety of businesses and provides a wide range of services through its societies (agricultural cooperatives). Zenkyoren is responsible for the JA Group's agricultural cooperative insurance business.

The fundamental goal is to assist members 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 primary societies to provide members with improved services and a greater sense of security.

Number of employees: 6,167 (as of March 31, 2008)

MESSAGE FROM THE MANAGEMENT

- Shunichiro Yasuta, Chairman of the Supervisory Board

Achieving Zenkyoren's Mission

Circumstances of Agriculture in Japan and Reforms of the JA Group Including Zenkyoren

Today, the Japanese agricultural sector faces a wide array of issues to be addressed, including declining numbers of farmers and the increasingly advanced age of currently active farmers, and the decreasing revenue levels of farming households. Against this background, farmers' livelihoods depend crucially on the results of negotiations at the World Trade Organization, as well as the conclusion of Economic Partnership Agreements (EPA) between Japan and other countries. We at the Japan Agricultural Cooperatives (JA) Group are being required to provide financial support for core farmers who join the government-run revenue compensation system (a management support program covering the full spectrum of agricultural produce categories).

At the same time, global market prices of cereals have risen to very high levels as a combined result of a worldwide food shortage stemming from a number of factors, among which the growing use of bio-fuels looms large. Moreover, public concern over food safety is growing in Japan against the backdrop of the nation's reliance on food imports from many countries, which are required to ensure a steady supply of food for the population.



安田 舜一郎

Shunichiro Yasuta
Chairman of the Supervisory Board

In these circumstances, the basic role fulfilled by Japan's agricultural sector is becoming even more important. It is the crucial duty of the JA Group to work together to ensure that the nation's food self-sufficiency rate is kept at a sufficiently high level, and also to meet the public's demands for safety in the supply of agricultural produce and livestock.

For more than half a century, basing its operations on the philosophy of mutual aid, Zenkyoren has sought – through the provision of comprehensive life security – to lay down the foundations that will enable its members and policyholders to enjoy secure and affluent lifestyles.

Under increasingly difficult conditions for agriculture, the JA Group, including Zenkyoren, is committed to sustained and concerted reform of its operations. Keeping its actions in step with the JA Group, Zenkyoren is determined to continue its constructive efforts to reform itself and to improve all its business functions, in a bid to remain the insurance organization of choice for its customers.

Strengthening Relationships of Trust

As an organization that has provided wide-ranging coverage for “life, homes, and automobiles” since its early days, Zenkyoren is a provider of comprehensive insurance.

Thanks to our deep roots in regional society, we at Zenkyoren have made a contribution to building communities through our insurance activities. In the process, we have also built up relationships of trust with our members and policyholders.

To further strengthen these relationships of trust and build long-lasting ties with all our customers and partners, we are conducting the 3Q Visit Project, person-to-person visits to all members and policyholders, through all JA local offices. In this way, we hope that our circle of partners will widen substantially to encompass all the next generation of Japan's core farmers.

The business environment within which Zenkyoren operates is changing rapidly and dramatically, but we will continue doing our best to provide services that meet the wide-ranging needs of our members and customers. At the same time, we will ensure strict legal compliance, conduct our business activities with care and sincerity, and help free our policyholders of financial worries.

*Building Closer Ties with Our Members and Customers
through 3Q Visit Project*

- Kazumi Imao, President of the Board of Directors

Pursuing Steady and Sound Business Management, and Building a Strong Financial Base

Business Performance

The Japanese economy followed a gradual growth path during the reporting term, driven by robust corporate earnings. However, amid turmoil in international capital markets from the start of 2008, corporate earnings deteriorated and fears of an economic downturn began to grow.

The primary problem facing Japan's agricultural sector is that the number of farmers is in constant decline, and the average age is rising. On top of this are the worldwide problems of rising food prices and a shortfall in supply. In response to these issues, there is a pressing need to increase understanding among the public of the importance of agricultural self-sufficiency. It is here that the JA Group has an important role to play.

Looking back at our insurance operations during the term under review, thanks to business initiatives pursued by the entire JA Group our nationwide sales of life insurance policies reached the initial goal, posting a particularly large increase over the previous year, while sales of pension insurance policies also grew year-on-year.

In short-term insurance policies, sales of automobile insurance policies recorded weak results against the background of a fall in vehicle sales, but automobile liability insurance sales reached our start-of-term target. However, long-term insurance policies in force totaled ¥340,948 billion (down ¥10,733.4 billion from the beginning of the term), despite our efforts to maintain the amount insured.

Insurance payouts for claims paid at maturity and for accidents reached an all-time high of ¥3,884.2 billion in fiscal 2007. With these payments, we were able to help our members and policyholders provide for their living security, and restore houses and other facilities damaged by natural disasters.

Fiscal 2008 is the second year in our three-year plan, executed under the slogan of "Strengthening Ties and Finding Partners: Actions to Win Support for Zenkyoren." Under this plan, we will conduct the 3Q Visit Project and take other steps to increase the frequency of communications with our members, and increase the number of visits in an attempt to provide better coverage for our members and policyholders. At the same time, we will further our efforts to lay the foundations for business in the future.

Ensuring Sound and Reliable Management

To maintain the trust of members and policyholders and protect the funds that they entrust us with, we are committed to ensuring that our management is sound and our operations secure. We are doing this by reinforcing our fund management capabilities, increasing profitability by reducing operating expenses and other measures, and by steadily accumulating the reserves necessary for insurance payments in the future by keeping them in balance with profit returns to members and policyholders.

As a result of these efforts, our solvency margin reached 879.1%* (885.7% in the previous fiscal year), giving us sufficient ability to meet future payment obligations. Basic profits totaled ¥418.7 billion, down from ¥421.6 billion in the previous term. This is attributable to declines in loading profit and risk premium, primarily as a result of the decrease in the balance of insurance policies in force, despite an improvement in the negative spread due to a higher investment yield.

* Please note that a simple comparison of this figure with the corresponding indicator for Japanese life and non-life insurance companies is not possible due to differences in the scope of business.



今尾和実

Kazumi Imao
President of the Board of Directors

*Offering Comprehensive and In-Depth Coverage
to Support the Lives of All Members and Policyholders*

About the JA Group

Japan Agricultural Cooperatives Group (the JA Group) 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 agricultural cooperatives (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.

The JA Cooperative Insurance Business

The JA Group's agricultural cooperative insurance business offers products and services designed to protect our members' well-being, provide financial security, and improve their lifestyles.

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

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

The primary societies and Zenkyoren jointly underwrite the insurance policies.

Division of Roles between Primary Societies and Zenkyoren

Primary Societies (Agricultural Cooperatives):

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

Zenkyoren:

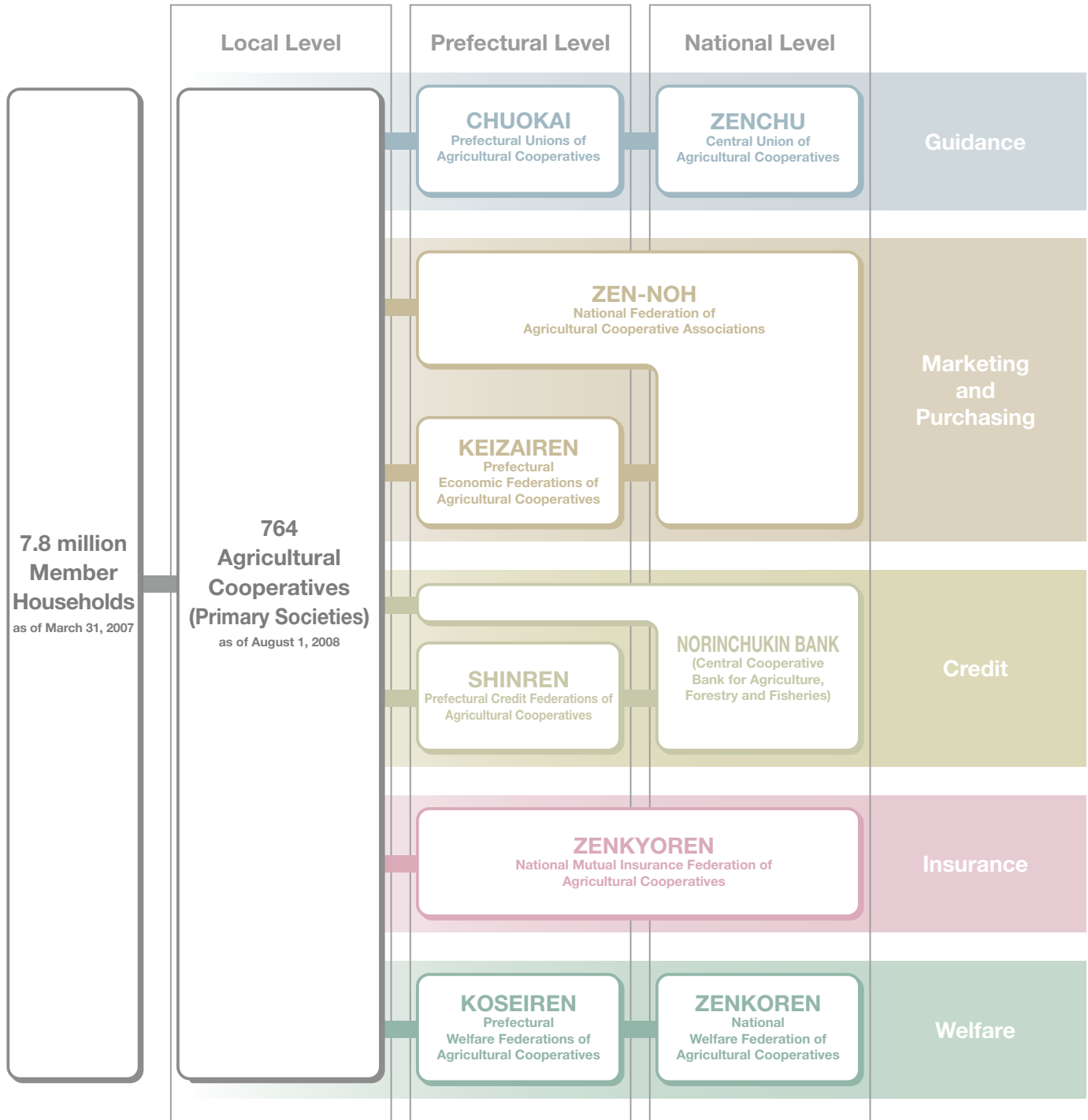

Zenkyoren's services can be divided roughly into four areas. Together, these services provide comprehensive security to policyholders.

- (1) Protection against risks, and money-saving functions
- (2) Finance-related services
- (3) Information services
- (4) Welfare services

The national headquarters of Zenkyoren engages in a wide range of agricultural cooperative insurance activities that include planning and management, product development, underwriting, and providing information and materials for sales promotion, as well as planning and execution of public relations activities. The national headquarters also manages investment funds, develops and operates information systems, holds educational and training programs, and conducts welfare activities. In addition, it supports the payments of claims performed by the prefectural headquarters.

Zenkyoren's prefectural headquarters support various activities carried out by the primary societies, and also play a pivotal role in payments of claims.

Organizational Structure of the JA Group

The large triangle of the JA logo represents nature and the earth, while the small triangle represents a person. The circle on the left symbolizes the wealth of farming and the fruits of the harvest, as well as the harmony of people based on a spirit of cooperation.

TYPES OF INSURANCE

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

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

Insurance Offered

Item \ Type	LONG-TERM INSURANCE (five or more years)	SHORT-TERM INSURANCE (less than five years)
LIFE INSURANCE	<ul style="list-style-type: none"> • Comprehensive Life Insurance <ol style="list-style-type: none"> 1. Whole Life Insurance 2. Endowment Life Insurance 3. Term Life Insurance 4. Annuity Insurance 5. Children's Insurance 6. Cancer Insurance 7. Medical Insurance 8. Term Medical Insurance 	<ul style="list-style-type: none"> • Group Term Life Insurance • Fixed-Amount Life Insurance
NON-LIFE INSURANCE	<ul style="list-style-type: none"> • 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

“Life Advisers” – Trained Insurance Consultants

Life Advisers Representing the Primary Societies

Insurance schemes are becoming more sophisticated and complicated at the same time that customer needs are becoming more varied. In this environment, customers need someone they can turn to for helpful, accurate information.

The primary societies have been meeting these needs since fiscal 1994, when they began training “life advisers.” As of the end of March 2008, 21,786 life advisers have been helping customers throughout the country. Life advisers not only serve as a pipeline

between customers and the primary societies, they also provide sound advice and information on all aspects of members' insurance needs from the members' standpoints. In addition, they undertake a host of activities aimed at ensuring total customer satisfaction.

For advice and information related to insurance, members are encouraged to visit the nearest primary society or the customer service section at the headquarters, or to simply call on the phone.

Major Types of Insurance

LIFE INSURANCE

Comprehensive Life Insurance

Comprehensive life insurance is a general term encompassing five basic types of life insurance. A comprehensive range of benefits, including those for death, disability, hospitalization, and medical treatment, is obtainable by combining various riders from each type.

1 Whole Life Insurance

Under this policy, 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 changed according to policyholder needs.

2 Endowment Life Insurance

Under this policy, 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 help provide financial security to policyholders during old age.

3 Term Life Insurance

Under this policy, 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 on maturity, premiums are less expensive than those for Endowment Life Insurance.

4 Annuity Insurance

Under this policy, annuities are paid every year beyond a date specified in the policy, throughout the lifetime of the insured to help provide financial security.

5 Children's Insurance

This insurance systematically accumulates funds for the education, marriage, and so on of policyholders' children. 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 (insured's parent or relative). In the event that the policyholder dies or suffers serious disability, an endowment pension is paid and premium payments are no longer required.

NON-LIFE INSURANCE

Building Endowment Insurance

This policy insures buildings and movable property owned by the policyholder or a relative of the policyholder against damage caused by fire, earthquake, or other natural disaster. Payment is also made upon death or serious injury of the policyholder or family members due to fire, earthquake, or other natural disaster.

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



Investment Environment

At the beginning of fiscal 2007 the yield on 10-year Japanese Government Bonds (JGBs) – the prime indicator of domestic long-term interest rates – stood at 1.65%. From that point, the yield commenced a consistent upward path on the back of expectations that the Bank of Japan would raise the uncollateralized overnight call rate (the key policy rate), as well as an upward movement in the U.S. long-term interest rate: the yield reached 1.96% in June. However, thereafter, market interest rates declined substantially sparked by the U.S. subprime mortgage issue and further fed by “flight to quality” international investments. In March 2008 the 10-year JGB yield reached 1.25%, its lowest level in two years and eight months, and ended the fiscal year (March 2008) at 1.27%.

In the domestic stock market scene, the Nikkei 225 Average started off fiscal 2007 at ¥17,028.41 and rose to ¥18,261.98 in July against the backdrop of the yen’s depreciation and the bullish trend of the U.S. stock markets. Subsequently, the Nikkei followed a downward path, affected by the decline of stock prices around the world in the aftereffects of the U.S. subprime loan crisis. This factor was exacerbated by a steep appreciation of the yen against the U.S. dollar, and the Nikkei fell to ¥11,787.51 in March 2008 for its lowest level in two years and seven months. To close the fiscal year, the Nikkei ended in March 2008 at ¥12,525.54.

On the foreign exchange markets, the yen stood at ¥117.99/\$1 at the start of fiscal 2007. However, the G7 finance ministers and central bank governors failed to mention the yen’s depreciation in the joint statement following their meeting in April, and this caused an acceleration of the yen’s slide, with the currency reaching ¥123.95/\$1 in June. Subsequent to this, however, the eruption of the subprime loan crisis caused an unwinding of the yen carry trade. The yen appreciated to ¥97.02/\$1 by March 2008, and ended at ¥100.19/\$1.

Highlights of Investment in Fiscal 2007

With the aim of building a solid, long-term earnings base, Zenkyoren invested principally in yen-denominated bonds and debt instruments while also following a strategically planned policy on the purchase of Japanese equities and overseas investment trusts. We worked to adjust our investment portfolio to achieve a balance between ensuring the soundness of Zenkyoren’s assets and planting the seeds of improved investment profitability in the future.

Similarly, to improve investment profitability we embarked on the purchase of new financial products, most notably preferred securities issued by financial institutions.

Investment Policy

The majority of our investments of funds deposited with Zenkyoren are in long-term, fixed-interest financial products, and we are faced with the need to make additional provisions to our liability reserves each fiscal year. In view of these circumstances, we have adopted a medium-to-long-term approach to investment, centered on liability reserve bonds to meet the criteria for the liability reserve, so as to secure stable earnings over the long term.

Specifically, to secure stable earnings over the long term, we focus our investment on yen-denominated bonds and loans to companies with sound financial positions. In parallel, we are reinforcing our investment in corporate bonds and equities, as well as loans to corporate customers, and are adjusting our portfolio to improve the soundness of our assets and raise investment profitability.

Current Situation of Asset Management

Our working assets at the end of fiscal 2007 amounted to ¥42,125.6 billion. Public and corporate bonds accounted for 80.2% of our asset portfolio, loans receivable for 6.7%, equities for 3.5%, and foreign securities for 5.8%. Investments denominated in foreign currencies accounted for 2.9% of our asset portfolio.

To promote agricultural productivity, we also offer a special low-interest loan program to farmers – something that sets us apart from ordinary life insurance providers and helps return benefits to farming communities.

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 bonds and stocks 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.



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



Zenkyoren Europe Limited (ZEL), London



The Staff of ZAMA (from left)
Shota Kobayashi Shinichi Narui
Naruto Takahashi Mary Taylor
Keisuke Higuchi



The Staff of ZEL (from left)
Yoshihide Hosono Keiji Sato
Kazuhiro Ozeki Elizabeth Ottewell
Koji Matsumura

Reinsurance Activities

Current Situation of Reinsurance Activities

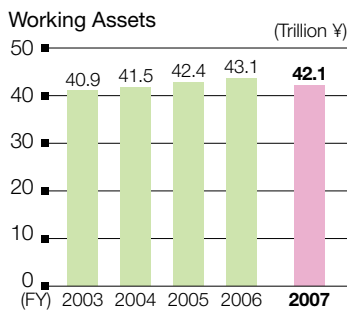
As part of risk management in respect of major natural perils, risks deriving from Building Endowment Policies, Cooperative-owned Building Fire Policies, and retrocession risks from the National Agricultural Insurance Association are ceded to multiple reinsurers.

Selecting Reinsurers

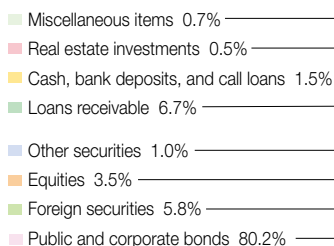
Reinsurance Panel in Zenkyoren is stringently selected considering the following elements.

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

Diversification of the risk portfolio by utilization of reinsurance contributes to a firm and stable business operation.



Breakdown of Working Assets



INTERNATIONAL INITIATIVES

Strengthening International Ties

Zenkyoren's international activities include serving as a member of the International Co-operative Alliance (ICA), a worldwide association of cooperatives, and as a member of the International Cooperative and Mutual Insurance Federation (ICMIF), a special committee of the ICA. We also serve as the secretariat of ICMIF's Asia and Oceania Association (AOA).

As the AOA Secretariat, Zenkyoren provides these opportunities for the promotion of information exchange among members in different countries, improving understanding of insurance, and supporting the development and expansion of cooperative insurance organizations. Zenkyoren supports these events through its participation in ICMIF and AOA activities.

In addition, Zenkyoren actively engages in personnel exchanges with cooperative insurance organizations, aiming to promote information exchange and better mutual understanding.

Zenkyoren's Contribution to AOA

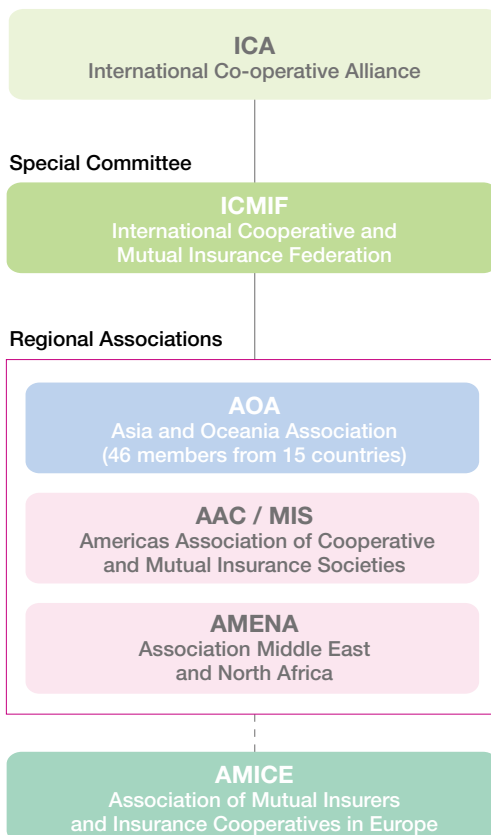
For more than 20 years since the foundation of the association in 1984, directors of Zenkyoren have served as chairmen of the AOA, and Zenkyoren has also served as its Secretariat. These are examples of Zenkyoren's contribution to the cooperative and mutual insurance movement in Asia and the Pacific region.

AOA Activities

AOA General Meetings are held once every two years to discuss the association's policy direction, financial position, operations and so on.

AOA seminars for executives and senior managers, and AOA forums – mainly for the staff of member organizations – are held every two years for the purposes stated above such promoting information exchange.

Global Partnership



AOA Seminar



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 cooperative members and 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

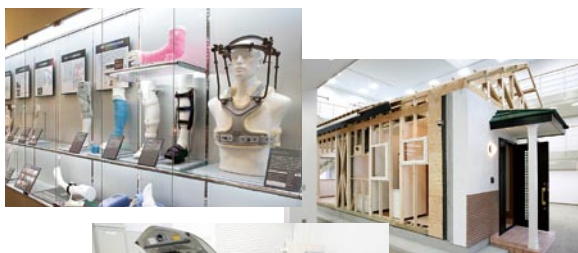
A new training facility was founded at the Makuhari New Center in Chiba Prefecture in April 2006, when a training base was relocated from Atsugi City in Kanagawa Prefecture. Zenkyoren's Makuhari Training Center is a facility that provides comprehensive training relevant to the operations of Zenkyoren, such as in automobile, property and medical insurance in addition to general training in the insurance business.

Adequate 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, classrooms and exhibition rooms for trainees to effectively learn expertise and skills in comprehensive life insurance, building endowment insurance, and automobile insurance.



Makuhari Training Center, Chiba



Online Network

Zenkyoren's operations span the country. Accordingly, we have developed one of the world's most extensive online networks, designed to link all our operations. We process data from across Japan at a sophisticated computer center in eastern Japan. Our online network promotes efficient, streamlined operation and allows us to communicate in real-time with policyholders around the nation.

We are in the process of expanding and strengthening our nationwide online network by implementing a new business application system called "Kind's 06" (JA Kyosai Information Network Developed System 2006). This advanced system is designed to further expedite our business operations. We are also working to provide better support for sales promotion, such as by updating our portable terminals.



Kawasaki Center, Kanagawa



Ishioka Center, Ibaraki

SOCIAL RESPONSIBILITIES

Health Care and Social Activities

As a complement to our insurance operations, Zenkyoren provides a host of human welfare services aimed at promoting better health and well-being for cooperative members and others in the community.

Health Care

To help our cooperative 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.

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 members in need of help.



The Nakaizu Rehabilitation Center



The Beppu Rehabilitation Center

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. Although it is reported that the number of those who need assistance from service dogs is approximately 15,000, the number of officially recognized service dogs remains a mere 41 nationwide (as of May 2008).

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



Service dog support poster



Service dog fetching a newspaper

(Photos by Japanese Service Dog Resource Academy)

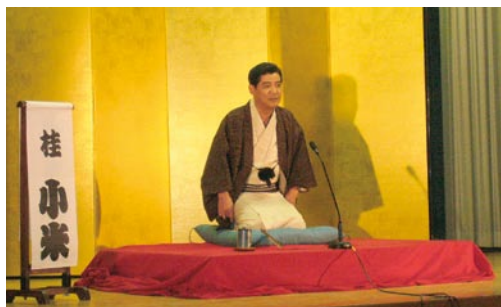
Actively Working on Traffic Safety Campaign

We participate in the national traffic safety campaign staged in spring and autumn, and from July to September every year we run the Zenkyoren National Traffic Safety Campaign. In this campaign, we link up with local government bodies, the police, and others and make a positive contribution to local traffic safety campaign by holding traffic safety classes, distributing traffic safety posters and other materials, handing out reflective night seals to the elderly and others, and donating hats and traffic safety booklets to kindergarten and primary school pupils.

Traffic Safety Course for Senior Citizens

Considering 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 in which exercises easy enough for anyone and laughter are combined, based on our newly developed original programs for senior citizens, “Traffic Safety Rainbow Exercise” and “Traffic Safety Comic Monologue.”



Nationwide Tour to Show Musicals on Traffic Safety

From fiscal 2004, we began sponsoring musical-style traffic safety classes targeted mainly at kindergarten children and their guardians.

In this musical, children can experience a pedestrian crossing on the stage. While the barrier between the audience and the stage is dissolved to create a single space, the program gives children an opportunity to effortlessly learn traffic safety rules.



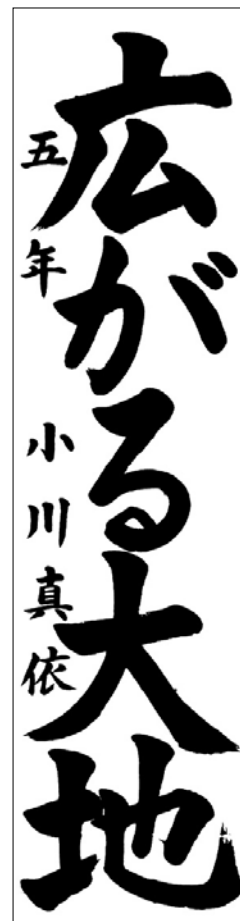
Synopsis

“Mamoru Wataru” is a cheerful imaginary character used to teach the basics of traffic safety to kindergarten children. Because he is somewhat naughty, he is sent by the principal into the world of humans to learn. There he meets a kindergarten child named Sunao and a police officer. With the assistance of those two people, he grows up learning all about traffic rules, including the meaning of traffic signals and how to use pedestrian crossings.

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 reduce traffic accidents.

In fiscal 2007 we celebrated the 51st calligraphy contest and 36th traffic-safety poster contest. Students across the country submitted over 1,330,000 entries to the calligraphy contest and more than 160,000 entries to the traffic-safety poster contest. These prominent contests are second to none in terms of scale as well as the number of times they have been held.



Calligraphy and Traffic-Safety Poster Contest in FY2007

Total Assets

Total assets amounted to 43.5 trillion yen (US\$434.3 billion), a decrease of 1.3% from the beginning of the fiscal year, primarily due to an increase in payments, as a result of an increase in the policies reaching maturity.

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

While conditions in the agricultural business remained dire, sales of new long-term insurance policies, in terms of the amount insured, totaled 30.7 trillion yen (US\$306.9 billion) in fiscal 2007. This figure was an increase of 3.5% over the previous fiscal year, and is attributable to an increase in the marketing of comprehensive life insurance policies, which more than offset a decline in new contracts for building endowment insurance.

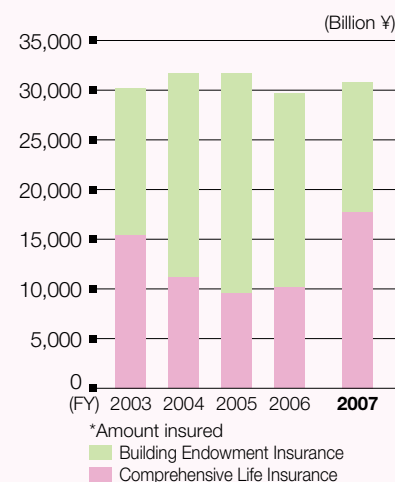
Total policies in force amounted to 340.9 trillion yen (US\$3.4 trillion), a drop of 3.1% from the previous year, as a result of an increase in the policies reaching maturity.

We sold 217,874 new annuity insurance policies, representing an annual amount of 160.3 billion yen (US\$1.5 billion). The number of new policies rose by 2.9% and the annual amount of new policies by 2.6% compared with the previous year. This brought the total number of policies in force to 3,131,031 representing an annual amount of 1.9 trillion yen (US\$19.4 billion).

Long-Term Insurance, New Business

Type of Insurance	FY2007		FY2006	
	Policies (Thousands)	Amount (Billions of Yen)	Policies (Thousands)	Amount (Billions of Yen)
Comprehensive Life Insurance	1,240	17,767	867	10,228
Building Endowment Insurance	826	12,989	1,229	19,502
Others	1	1	1	1
Total	2,068	30,758	2,098	29,731

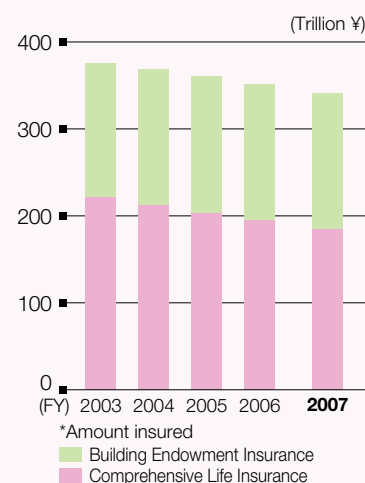
Note: Figures for Annuity Insurance are not included in the above statistics.



Long-Term Insurance, Policies in Force

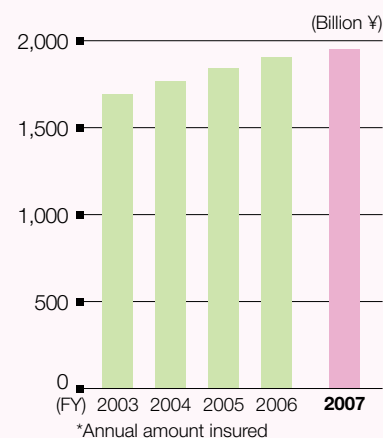
Type of Insurance	FY2007		FY2006	
	Policies (Thousands)	Amount (Billions of Yen)	Policies (Thousands)	Amount (Billions of Yen)
Comprehensive Life Insurance	14,106	185,273	14,689	194,873
Building Endowment Insurance	12,404	155,665	12,757	156,799
Others	9	8	9	8
Total	26,520	340,948	27,456	351,681

Note: Figures for Annuity Insurance are not included in the above statistics.



Annuity Insurance

Type of Insurance	FY2007		FY2006	
	Policies (Thousands)	Annual Amount (Billions of Yen)	Policies (Thousands)	Annual Amount (Billions of Yen)
New Business	217	160	211	156
Policies in Force	3,131	1,951	3,073	1,905



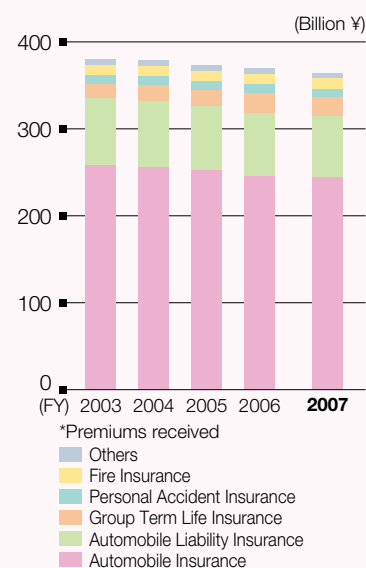
Short-Term Insurance

Short-term insurance policies for fiscal 2007 increased to 26,513,377 in number, a gain of 2.0% from the previous term. However, these contracts represent premiums received of 366 billion yen (US\$3.6 billion), a decrease of 1.0%.

Short-Term Insurance, New Business

Type of Insurance	FY2007		FY2006	
	Policies (Thousands)	Premiums (Millions of Yen)	Policies (Thousands)	Premiums (Millions of Yen)
Fire Insurance	1,393	12,390	1,400	12,372
Automobile Insurance	8,443	246,234	8,460	248,251
Personal Accident Insurance	12,341	10,131	12,039	10,688
Group Term Life Insurance	204	21,719	216	20,307
Automobile Liability Insurance	3,658	69,675	3,407	72,420
Others	470	6,049	480	6,032
Total	26,513	366,200	26,004	370,073

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



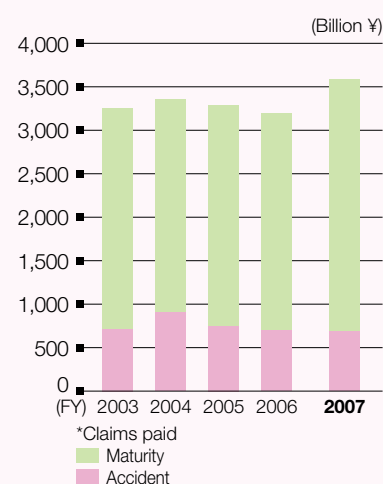
Claims Paid (Long-Term and Short-Term Insurance)

Total claims paid (including payments at maturity and accident) in fiscal 2007 totaled 3.8 trillion yen (US\$38.7 billion), an increase of 11.1% from the previous year. Claims paid out at maturity accounted for 2.9 trillion yen (US\$29.1 billion), an increase of 15.9% from the previous year, while accident payments were 0.9 trillion yen (US\$9.5 billion), a decrease of 1.4%.

Long-Term Insurance, Claims Paid

Type of Insurance	FY2007			FY2006		
	Accident (Billions of Yen)	Maturity (Billions of Yen)	Total (Billions of Yen)	Accident (Billions of Yen)	Maturity (Billions of Yen)	Total (Billions of Yen)
Comprehensive Life Insurance	582	1,858	2,440	596	1,647	2,244
Building Endowment Insurance	113	1,030	1,143	108	841	949
Others	0	0	0	0	1	1
Total	695	2,889	3,585	705	2,490	3,195

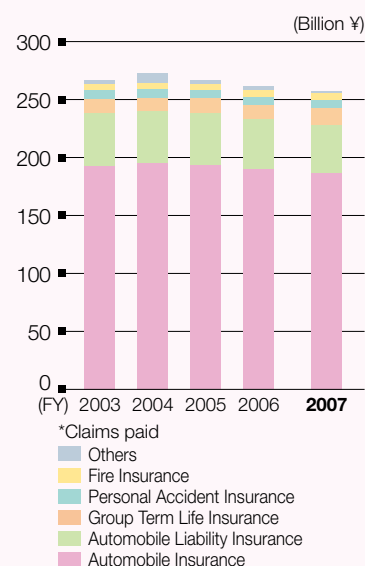
Note: Figures for Annuity Insurance are included in the above statistics.



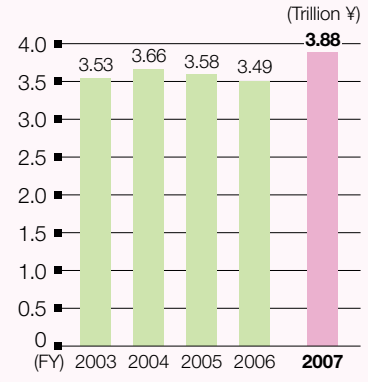
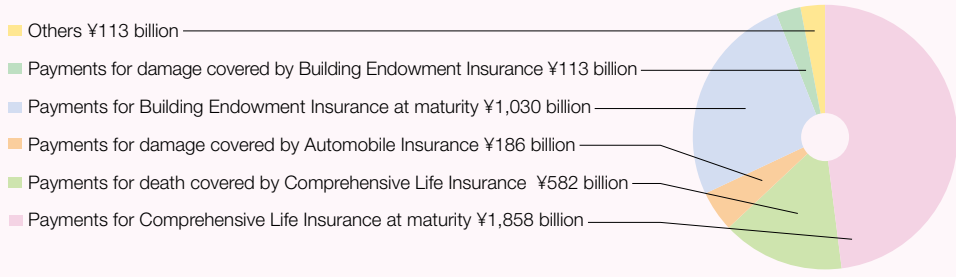
Short-Term Insurance, Claims Paid

Type of Insurance	FY2007	FY2006
	(Millions of Yen)	(Millions of Yen)
Fire Insurance	5,465	5,641
Automobile Insurance	186,808	190,575
Personal Accident Insurance	7,471	7,254
Group Term Life Insurance	13,816	11,826
Automobile Liability Insurance	41,930	42,957
Others	1,684	2,828
Total	257,176	261,084

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



Breakdown of Claims Paid



Insurance payments made in compensation for losses suffered as a result of natural disasters

Main payments made in FY2007

- March 2007 (damage caused by Noto Earthquake, mainly in Ishikawa and Toyama prefectures) : 15,309 cases totaling ¥13,440 million
- July 2007 (damage caused by Niigata Chuetsu off-shore Earthquake, mainly in Niigata and Nagano prefectures) : 30,684 cases totaling ¥30,770 million



Insurance payments made in FY2007 by Building Endowment Insurance for damage to property suffered as a result of natural disasters

¥59,200 million (up 9.4% year-on-year)

BALANCE SHEET

As of March 31, 2008 and 2007

1US\$=100.19JPY (as of March 2008)

Assets	Millions of Yen		Thousands of U.S. Dollars
	FY2007	FY2006	FY2007
Cash and Deposits	¥ 165,335	¥ 299,472	\$ 1,650,226
Call Loans	476,800	565,000	4,758,957
Money Trust	25,113	41,947	250,662
Monetary Claims Bought	290,391	481,788	2,898,410
Securities	38,128,231	38,593,040	380,559,255
Loans	2,822,104	2,814,963	28,167,528
Invested Real Estate	217,693	214,714	2,172,808
Outstanding Premiums	171,014	152,148	1,706,899
Reins. Receivables	5,083	2,029	50,736
Insurance Funds	0	6,288	0
Other Assets	236,488	210,430	2,360,401
Fixed Assets for Business	88,805	90,576	886,375
Investments	101,736	105,242	1,015,435
Deferred Assets	0	0	0
Deferred Tax Assets	807,524	555,138	8,059,933
Reserves for Bad Debts	(16,396)	(20,831)	(163,651)
Reserves for Investments Loss	(2,505)	(2,306)	(25,012)
Total Assets	¥ 43,517,423	¥ 44,109,645	\$ 434,348,968
Liabilities			
Outstanding Reserves	¥ 466,618	¥ 404,838	\$ 4,657,333
Liability Reserves	39,734,657	40,004,307	396,593,053
Dividends Reserves	515,253	524,259	5,142,768
Reins. Payables	14,148	20,532	141,219
Agencies Payables	104	114	1,041
Insurance Funds	10,699	0	106,791
Other Liabilities	216,640	318,714	2,162,293
Other Reserves	45,266	48,713	451,811
Price Fluctuation Reserves	549,790	515,476	5,487,482
Funds for Traffic Accident-Prevention	0	0	0
Total Liabilities	¥ 41,553,180	¥ 41,836,958	\$ 414,743,795
Net Assets			
Paid-in Capital	¥ 128,814	¥ 128,814	\$ 1,285,700
Treasury Paid-in capital	(57)	(34)	(573)
Earned Surplus Reserves	220,955	200,480	2,205,364
Unappropriated Surplus at End of the Year	132,940	130,500	1,326,886
Other Surplus	1,123,427	1,057,035	11,212,970
Net Unrealized Gains on Securities	358,161	755,891	3,574,825
Total Net Assets	¥ 1,964,242	¥ 2,272,686	\$ 19,605,173

Note: Fiscal 2007 refers to the period from April 1, 2007 to March 31, 2008.

INCOME STATEMENT

As of March 31, 2008 and 2007

1US\$=100.19JPY (as of March 2008)

Income	Millions of Yen		Thousands of U.S. Dollars
	FY2007	FY2006	FY2007
Ordinary Income:			
Premiums and Other Insurance Income	¥ 4,766,416	¥ 4,664,048	\$ 47,573,773
Reversal of Policy Reserves	385,498	105,740	3,847,674
Investment Income	865,465	851,566	8,638,239
Other Ordinary Income	5,153	4,126	51,434
Total Ordinary Income	¥ 6,022,533	¥ 5,625,481	\$ 60,111,122
Expenses			
Ordinary Expenses:			
Benefits and Other Insurance Expenses	¥ 5,410,235	¥ 4,914,104	\$ 53,999,758
Provisions for Policy Reserves	76,373	167,609	762,282
Investment Expenses	108,704	97,079	1,084,987
Provisions for Price Fluctuation Reserves	34,314	36,013	342,490
Sales Expenses	24,292	25,436	242,466
General Administration Expenses	109,425	109,606	1,092,181
Other Ordinary Expenses	23,620	21,019	235,758
Total Ordinary Expenses	¥ 5,786,966	¥ 5,370,869	\$ 57,759,925
Surplus			
Ordinary Profits	¥ 235,566	¥ 254,611	\$ 2,351,196
Extraordinary Profit	7,047	1,682	70,346
Extraordinary Losses	2,577	5,045	25,730
Surplus before Taxes	¥ 240,036	¥ 251,249	\$ 2,395,811
Corporate and Other Taxes	128,451	126,224	1,282,074
Adjustments in Corporate Tax. etc.	(76,714)	(79,640)	(765,689)
Provisions for Policy Dividend Reserves	94,532	102,294	943,530
Net Surplus for the Year	¥ 93,767	¥ 102,371	\$ 935,896
Balance Brought Forward from the Previous Year	18,272	13,833	182,382
Reversal from Voluntary Reserves	20,900	14,295	208,607
Unappropriated Surplus at End of the Year	132,940	130,500	1,326,886

SUPERVISORY BOARD, BOARD OF AUDITORS AND BOARD OF DIRECTORS

Supervisory Board

Chairman

Shunichiro Yasuta

Deputy Chairman

Katsumi Hanamoto
Iwao Okuno

Other Members of the Supervisory Board

Kazuo Kimura	Yoshihiro Okayama
Toshio Yasuda	Masuo Nakamura
Hiromu Ichinosawa	Kuniyuki Sakane
Masashi Ehara	Nobuo Yamamoto
Kiyoshi Ishii	Toshihiro Miyatake
Hisanobu Hirose	Ryou Nishiuchi
Toshiomi Yamada	Katsuyoshi Yamanaka
Tadatoshi Okada	Koichi Kawaida
Iwao Kurauchi	Anyu Onaha
Yasuhiro Nakagawa	Naoshi Suzuki

Board of Auditors

Standing Auditor

Hiromi Watahiki
Kazuaki Nakamura
Haruji Tsukatani

Auditor

Hideki Wakai
Kimito Amari

Board of Directors

President

Kazumi Imao

Senior Managing Director

Yoshinori Yokoi
Kenji Sugiyama

Managing Director

Kiyoshi Kato
Shiro Arita
Shinichi Miyamoto
Masakazu Maezawa
Tamotsu Shozui
Shoichi Kawatake
Junsei Nakamura

(As of July 25, 2008)

Board System

Since 2002, Zenkyoren, as the cooperative insurance organization for the agricultural cooperatives, 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 members 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 the members.
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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+81-3-5215-9248 (International Finance)
+81-3-5215-9390 (Reinsurance)
Fax: +81-3-5215-9484
E-mail: intl-aoa@ja-kyosai.or.jp

Zenkyoren Asset Management of America, Inc.

340 Madison Avenue, 4F Suite D
New York, NY 10173, U.S.A.
Tel: +1-212-826-3644
Fax: +1-212-826-3814

Zenkyoren Europe Limited

7th Floor, 62 Cornhill
London EC3V 3NH, U.K.
Tel: +44-20-7283-9568
Fax: +44-20-7283-0545

HISTORY

-
- 1947** • Agricultural Cooperative Society Law enacted
-
- 1948** • Agricultural Mutual 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, then under U.S. jurisdiction)
-
- 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 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 and Oita prefectures
-
- 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 Automotive Training Center Co., Ltd.
 - 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** • The Kyoei Fire & Marine Insurance 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 and Osaka prefectures
 - Insurance Agency system introduced
-
- 2006** • Opened Makuhari Training Center in Chiba prefecture
-
- 2007** • Launched 3Q Visit Project (person-to-person visits to all members and policyholders)
-



Rhododendrons at the Ninnaji Temple (Kyoto)

The Ninnaji Temple in Japan's ancient capital of Kyoto is famous for its mitsuba tsutsuji variety of rhododendrons. At just the right season, in the grounds of the temple, late-blooming varieties of cherry blossom and early-blooming rhododendrons combine and compete to produce a brilliant and beautiful scene.

- Scientific name: *Rhododendron dilatatum*



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