



NIPPONKOA
INSURANCE

NIPPONKOA INSURANCE CO., LTD.

Results of the First Half of 2006 and Our Business Strategy

December 1, 2006

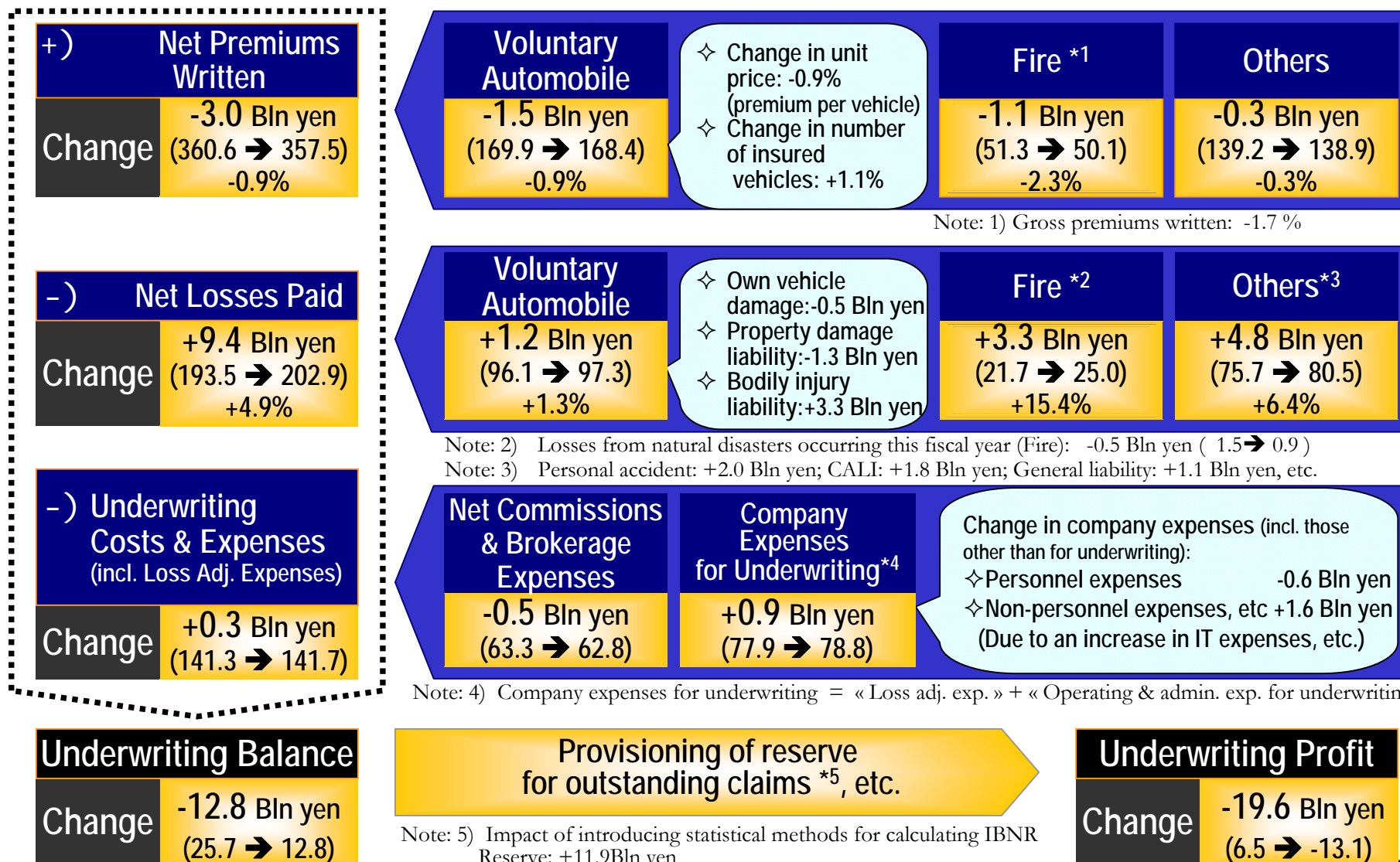


Part I Financial Highlights of 1H FY2006

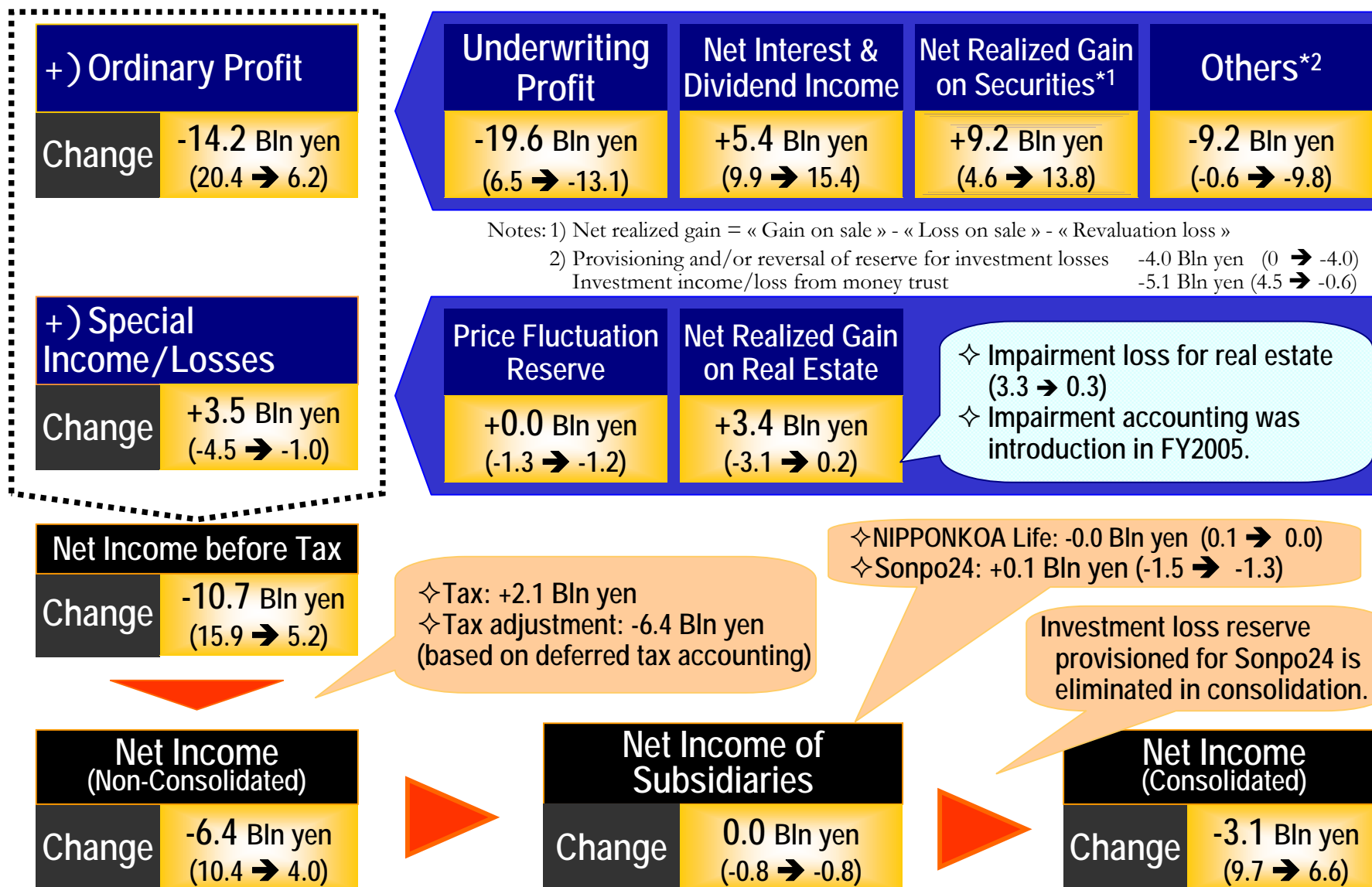
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Analysis of Year-on-Year Changes (Underwriting)



Analysis of Year-on-Year Changes (Others)



Statistical IBNR Reserve

Policy Inception

Fiscal Year End

Policy Expiration

Unpaid claims for losses incurred in this period are provisioned as reserve for outstanding claims

Premiums apportioned to this period are provisioned as premium reserve

Important impact on products with long-tail liability

Reported : Ordinary reserve for outstanding claims

Unreported : IBNR reserve for outstanding claims
(IBNR: Incurred But Not Reported)

◇ IBNR is an estimate : Calculation method was changed in FY2006 from arithmetic calculation to statistical method

◇ Adopt statistical method in FY2006 with respect to domestic business, effecting 11.9 billion yen increase in 1H FY2006

With respect to overseas business, which usually involves more uncertainty than domestic business, already adopted statistical method in prior years.

Highly reliable figures verified by a third-party actuary firm

FY2006 Forecast

		1H FY2005	1H FY2006	FY2006E (previous forecast)	FY2006E (revised forecast)
Net Premiums Written		360.6 Bln yen	357.5 Bln yen	720.0 Bln yen	710.0 Bln yen
Loss Ratio *1		58.2 %	61.6 %	61.6 %	64.8 %
Expense Ratio		34.6 %	34.9 %	35.3 %	35.5 %
Other than Compulsory Automobile	Loss Ratio *1	55.6 %	58.6 %	57.7 %	61.8 %
	Underwriting Balance	20.4 Bln yen	11.5 Bln yen	26.0 Bln yen	0 Bln yen
Underwriting Profit		6.5 Bln yen	- 13.1 Bln yen	- 9.0 Bln yen	- 25.0 Bln yen
Ordinary Profit *2		20.4 Bln yen	6.2 Bln yen	27.0 Bln yen	27.0 Bln yen
Net Income		10.4 Bln yen	4.0 Bln yen	15.0 Bln yen	15.0 Bln yen
Adjusted ROE *3		7.2 %	2.8 %	5.2 %	5.2 %
Consolidated Basis	Ordinary Profit	19.9 Bln yen	9.7 Bln yen	24.5 Bln yen	30.0 Bln yen
	Net Income	9.7 Bln yen	6.6 Bln yen	12.0 Bln yen	17.0 Bln yen
	Adjusted ROE *3	6.8 %	4.7 %	4.2 %	6.0 %

Notes 1) Net paid losses from natural disasters: 1H FY05, 8.6 Bln yen (of which those incurred in the year 1.8Bln); 1H FY06, 7.7Bln (ditto 1.3Bln); FY06E, 22.0 Bln
 2) Net realized gain on securities: 1H FY05, 4.6Bln yen; 1H FY06, 13.8Bln; FY06E(previous), 18.0Bln; FY06E (revised), 42.0Bln
 3) In calculating "Adjusted ROE," net unrealized gain on available-for-sale securities is excluded from shareholders' equity.
 ROE for 1H FY05 and for 1H FY06 is on annualized basis.

Basis for FY2006 Forecast

	FY2006 Forecast		Comments
Net Premiums Written	Voluntary auto.	338.5 Bln yen [342.9 → -4.4]	<ul style="list-style-type: none"> ◇ Pace of decline in unit price of auto has slowed down, and launch of new auto product is expected to boost sales in 2nd half ◇ Recovery of fire line was below expectations ◇ Slump in savings-type insurance caused by low interest rate environment has continued
	Other than auto.	371.5 Bln yen [377.0 → -5.5]	
	Total	710.0 Bln yen [720.0 → -10.0]	
Combined Ratio	Loss ratio	64.8 % [61.6% → +3.2%]	<ul style="list-style-type: none"> ◇ Due to typhoon 13, loss ratio will worsen ◇ Although expenses are within anticipation, expense ratio will be higher because of downward revision of net premiums written
	Expense ratio	35.5 % [35.3% → +0.2%]	
	Combined ratio	100.3 % [96.9% → +3.4%]	
Underwriting Balance (excl. CALI)	Underwriting balance	0.0 Bln yen [26.0 → -26.0]	<ul style="list-style-type: none"> ◇ Due to downward revision of net premiums written and worsening loss ratio, underwriting balance will be much lower
Profit	Ordinary profit	27.0 Bln yen [27.0 → 0]	<ul style="list-style-type: none"> ◇ Reserve for investment losses of 7.2 billion yen, additional provisioning for IBNR reserve of 16.0 billion yen, etc ◇ Maintain forecast of ordinary profit and net income as a result of increases in realized gain on securities and interest & dividend income
	Net income	15.0 Bln yen [15.0 → 0]	

Part II Business Plan

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Numerical Targets

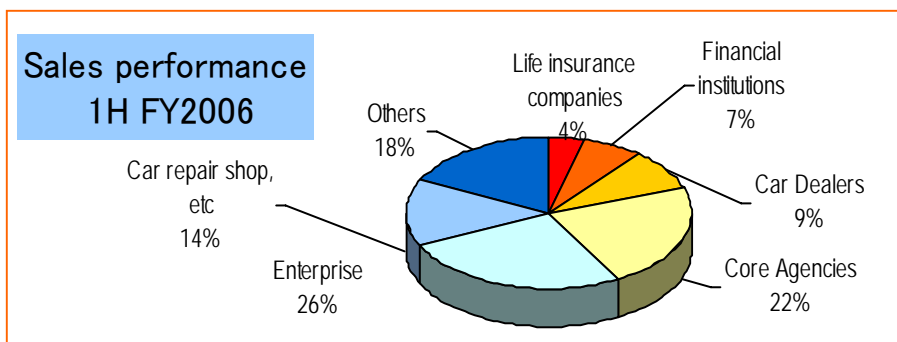
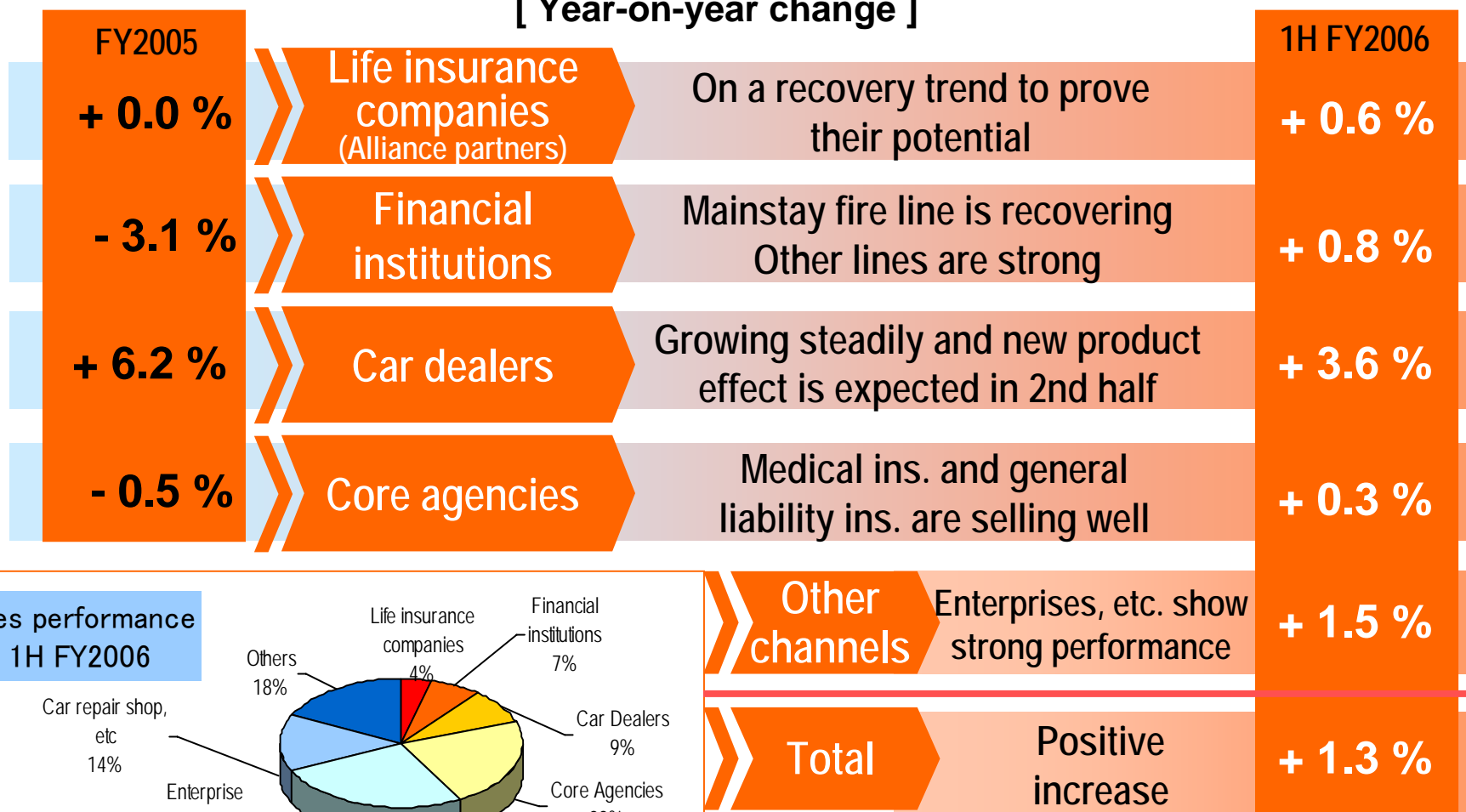
		FY2005	FY2006E (revised)	FY2007E	FY2008E
Net Premiums Written		708.3 Bln yen	710.0 Bln yen	730.0 Bln yen	750.0 Bln yen
Loss Ratio *1		62.7 %	64.8 %	61.2 %	60.0 %
Expense Ratio		35.7 %	35.5 %	34.9 %	32.8 %
Excluding CALI	Loss Ratio *1	60.3 %	61.8 %	57.1 %	56.0 %
	Underwriting Balance	5.7 Bln yen	0.0 Bln yen	33.0 Bln yen	58.0 Bln yen
Underwriting Profit		1.1 Bln yen	-25.0 Bln yen	4.0 Bln yen	8.0 Bln yen
Ordinary Profit *2		26.7 Bln yen	27.0 Bln yen	30.0 Bln yen	40.0 Bln yen
Net Income		13.2 Bln yen	15.0 Bln yen	16.0 Bln yen	25.0 Bln yen
Adjusted ROE *3		4.6 %	5.2 %	5.3 %	Approx. 8%
Consolidated Basis	Ordinary Profit	24.4 Bln yen	30.0 Bln yen	28.0 Bln yen	40.0 Bln yen
	Net Income	10.6 Bln yen	17.0 Bln yen	14.0 Bln yen	25.0 Bln yen
	Adjusted ROE *3	3.8 %	6.0 %	4.8 %	Approx. 8%

Notes 1) Net paid losses from natural disasters: FY05, 18.3 Bln yen; FY06E, 22.0 Bln; FY07E, 13.0 Bln; FY08E, 13.0 Bln.
 2) Net realized gain on securities: FY05, 7.6 Bln yen; FY06E, 42.0 Bln; FY07E, 10.0 Bln; FY08E, 16.0 Bln.
 3) In calculating "Adjusted ROE," net unrealized gain on available-for-sale securities is excluded from shareholders' equity.
 Unadjusted ROE in FY2008 would be approx. 3% if stock market remains at March 2006 level.

Sales Strategy (1) ~ Distribution Channels ~

Sales performance of focused-on channels

[Year-on-year change]

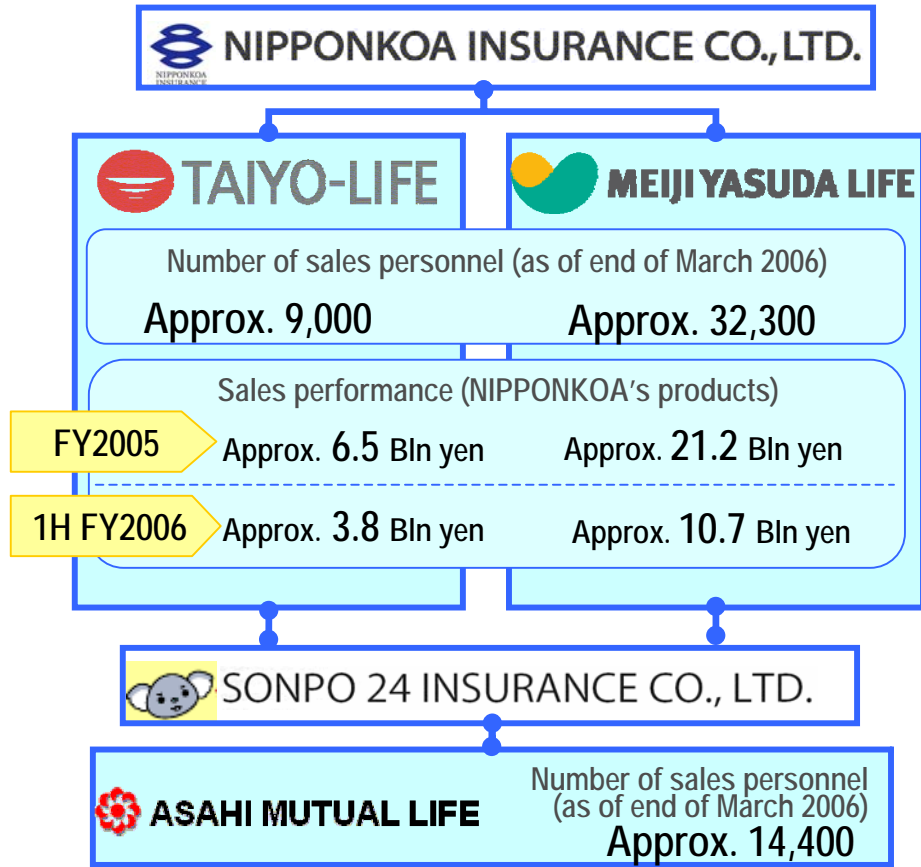


Note: Sales performance does not include savings-type insurance

Sales Strategy (2) ~ Broad-ranging Alliances ~

Alliances with several major life insurance companies

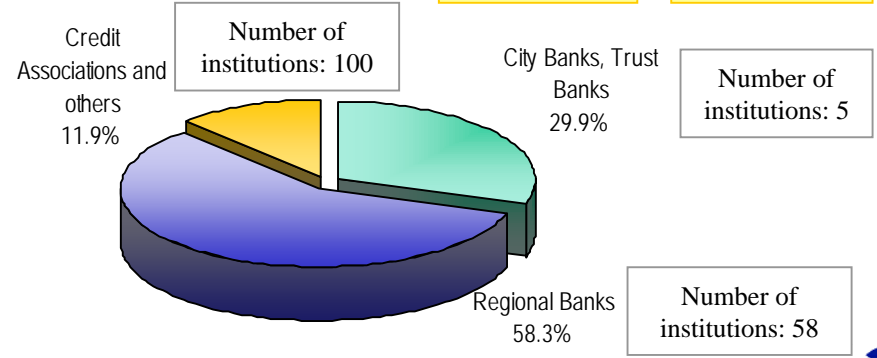
Strong channels established by taking advantage of being independent



Alliances with financial institutions

Proven channels with a wide variety of partners and accumulated know-how

[Sales performance]	FY2005	1H FY2006
City Banks, Trust Banks	13.8 Bln yen	7.2 Bln yen
Regional Banks	28.3 Bln yen	14.1 Bln yen
Credit Associations, Credit Unions and others	6.2 Bln yen	2.8 Bln yen
Total of Financial Institutions	48.3 Bln yen	24.2 Bln yen

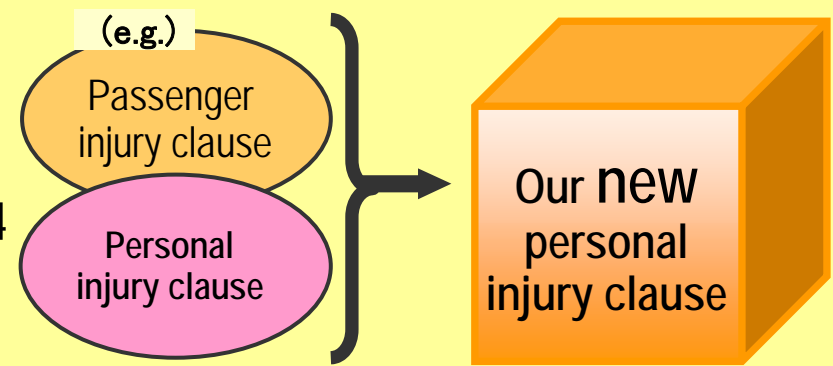


New Automobile Policy "Car BOX"

Launched in September 2006

"We offer you required coverage in the best-suited format."

- Integrated and streamlined special conditions of the policy to reflect the opinions of customers and agents.
Brought down the number of special condition from 45* to 24
- Nonetheless enhanced coverage as a whole policy.



*the number for our previous value-added product 'KURUMAX'

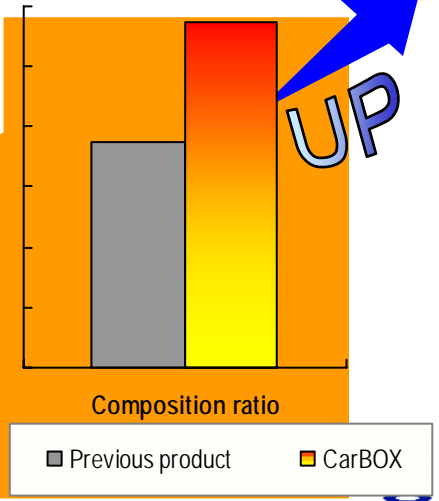
"Easy-to-understand" policy

We are the first major non-life insurer who introduced "Discount with Website confirmation"



Aim to increase Car BOX composition ratio (To all our auto policies for retail customers)

Higher average unit price
×
Increase in the number of contracts
= **RISE in Premium Income**



Loss Ratio

	1H FY2005	Major factors for the change	1H FY2006	FY2006E (previous forecast)	FY2006E (revised forecast)
Fire	45.0%	Losses from natural disasters are larger than initial assumption	53.5%	42.3%	54.1%
Voluntary automobile	61.5%	Along with the increase in the number of in-force contracts, number of claims is increasing	63.1%	64.1%	66.5%
Personal accident	41.0%	Increase in the number of in-force overseas travel accident policies, increase of large claims, etc	48.2%	43.1%	50.0%
All lines	58.2%	Revised forecast from a comprehensive standpoint	61.6%	61.6%	64.8%
All lines (Excl. CALI)	55.6%		58.6%	57.7%	61.8%

Note: All figures include the impact of abolishment of the government reinsurance scheme for CALI.
Losses from natural disasters paid in FY2006 are estimated to 22.0 billion yen.

Losses from natural disasters are expected to increase in FY2006

- ◇ Previous forecast of net losses paid is 13.0 billion yen: revised to 22.0 billion yen (+9.0 billion yen)
- ◇ The largest event occurring in FY2006 was typhoon 13 (September): final estimate is 11.5 billion yen (0.12 billion yen was paid in 1H FY2006)

Expenses

Reduction in Expenses : "TOP PRIORITY"

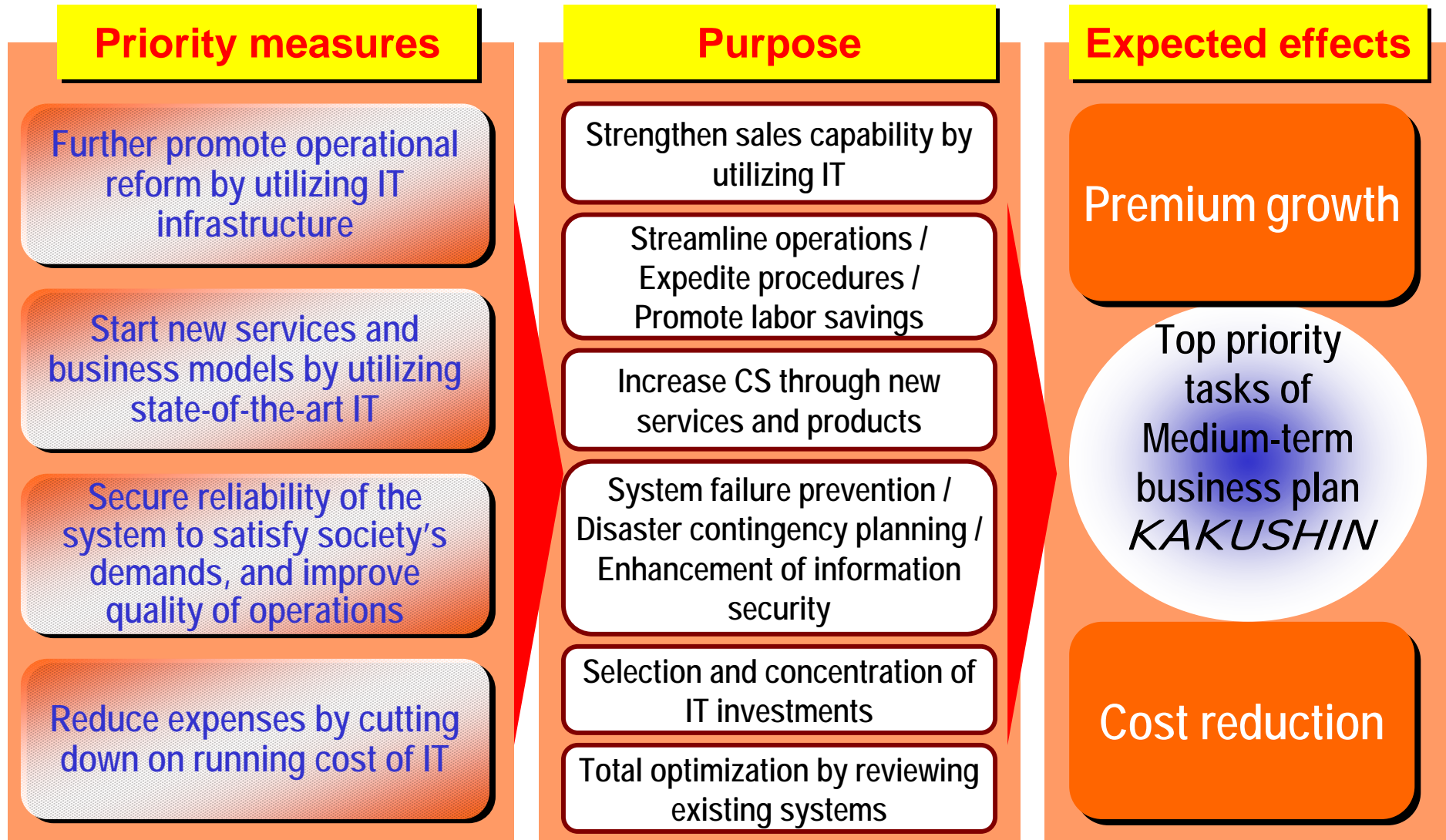
- Relocate main career track staff to growth areas (e.g. life insurance business, Sonpo24, strategic external assignments)
- Further right- sizing of head office, headquarters and branches
- Review each and every item of procurement cost
- Reduce running cost of IT by selective investment and integration of existing systems
- Promote efficiency by utilizing our new large-scale call center, which started operation in May 2006

(Unit: Billion yen)

	Expense ratio	Expenses	Personnel expenses	Non-personnel expense* (incl. taxes)	Net commissions & brokerage	
1H FY2006	34.9%	124.6	43.3	38.7	62.8	FY2008 target expense ratio 32.8%
FY2006E (Forecast)	35.5%	252.1	87.9	83.0	124.0	

※ All figures include the impact of abolishment of the government reinsurance scheme for CALI.

IT Strategy and Effects



Asset Management Strategy

Optimization of Asset Portfolio

Reduction of relationship stocks: down to an amount within shareholders' equity

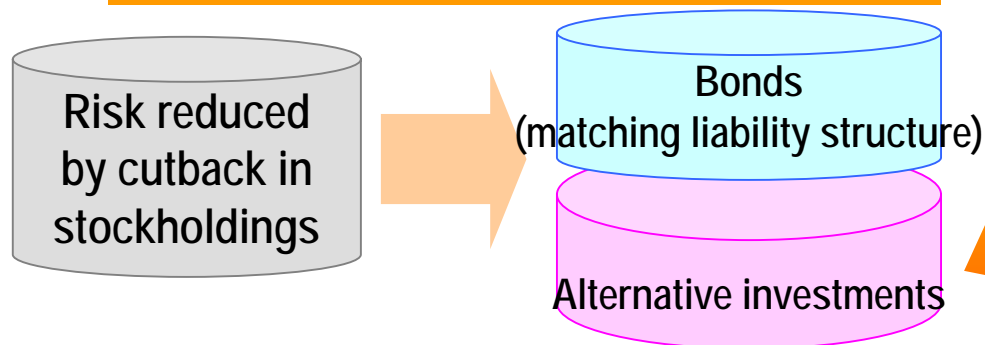
Reduce relationship stocks by 100 billion yen* on a basis of book-value as at the end of March 2006 by the end of FY2012

*Approx. 300 billion yen in market value as at the end of March 2006

Appropriate interest-risk control
Construct a well-balanced portfolio which matches liability structure through enhanced ALM

Note: Relationship stocks do not include subsidiary stocks.

Reallocation of risk



Strengthening of Pure Investment

◇ Strategically utilize ZEST AM (Obtain expertise in hedge funds)

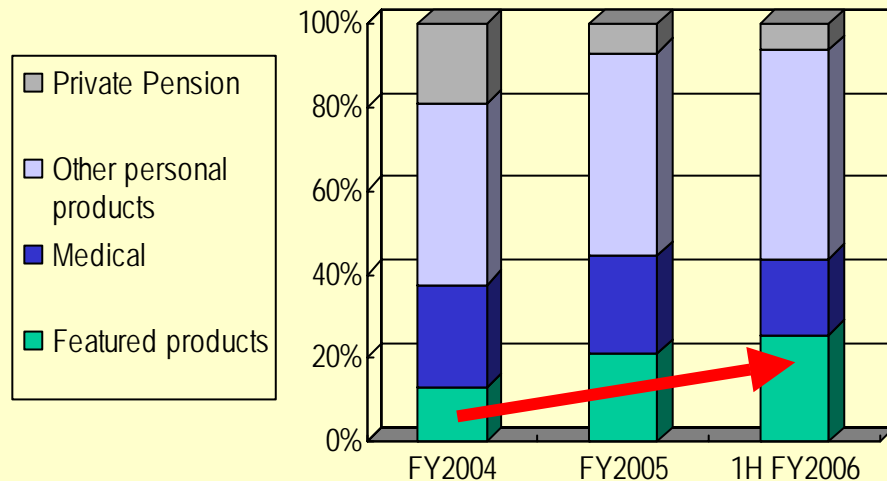


◇ Actively enhance alternative investments (pursue middle risk, middle return investment)

NIPPONKOA Life

Featured products, such as "new income guarantee policy," are increasing

- Composition of new contracts -



Featured products

Income guarantee policy / decreasing term insurance

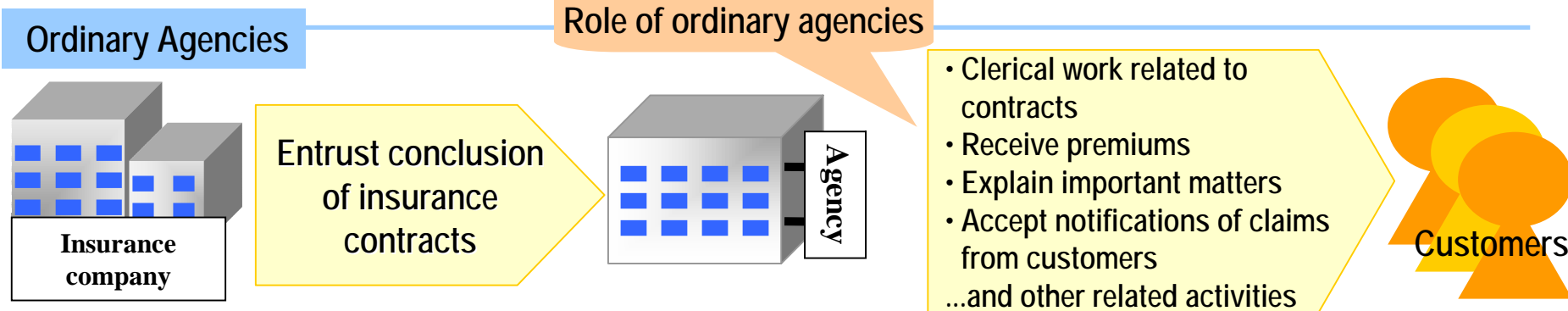
- ✓ Reasonable premium with coverage decreasing in line with policyholders' life cycle
- ✓ Products suitable for consulting-based sales by agencies who know their customers well

Promote consulting-based sales with emphasis on responding to customer needs

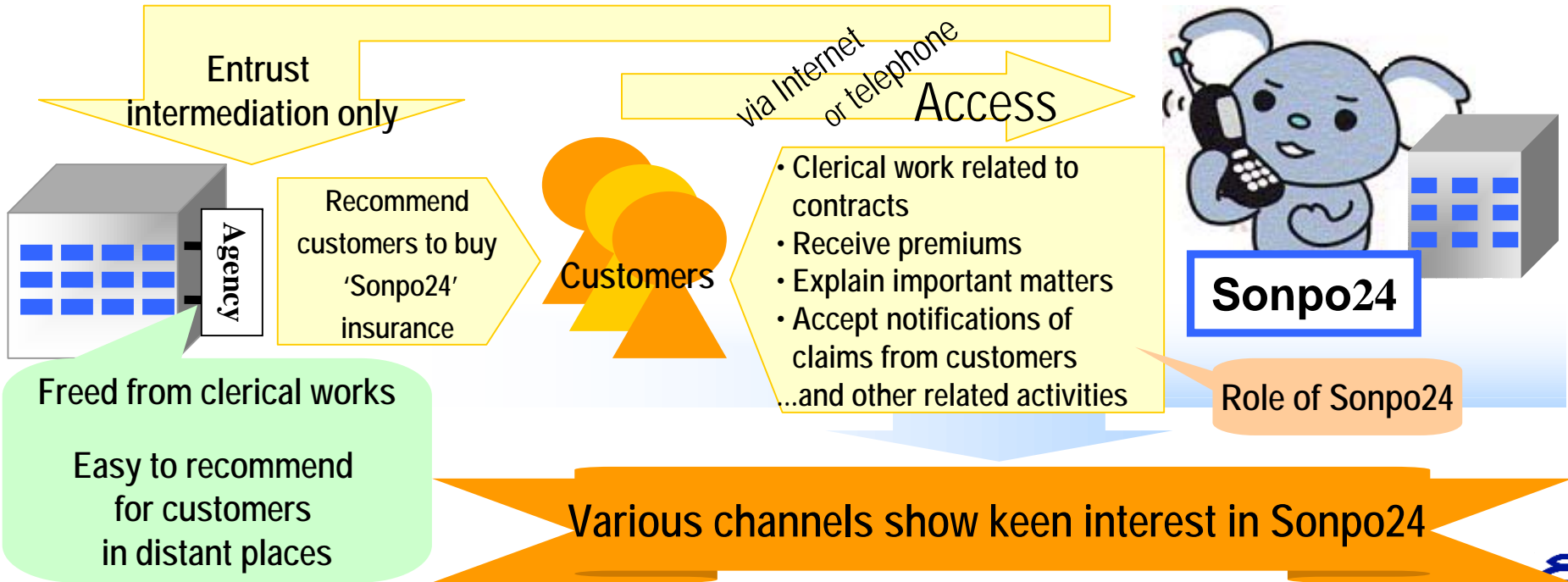
Core agencies
Number of agencies: 2,302
(as of September 2006)

Others
(enterprises,
agency trainees, etc.)

Financial institutions
Number of institutions: 62
(as of September 2006)



Sonpo24's original, 'Intermediary Agencies'



Financial Soundness & Shareholder Returns

Simulation to Analyze Risk & Capital using Dynamic Financial Analysis

Solvency Margin (March 2006): Approx. ¥ 1,340 billion*

*Adjusted Shareholders' Equity, including unrealized gain on available-for-sale securities, catastrophe reserve, price fluctuation reserve, etc. (all before taxes)
 ~ i.e. the numerator of "Solvency Margin Ratio" ~

Amount of Risk

~Risk related to insurance underwriting, asset management, etc.~

Residual Capital

Provide continuous return to shareholders as well as maintain financial soundness

[Indicators of shareholder return]

	FY2003	FY2004	FY2005
Dividend per Share	7.5 yen	7.5 yen	7.5 yen
Dividend Payout Ratio	39.4%	42.4%	46.0%
Total Return Ratio	77.3%	87.6%	118.1%
Dividend on Equity (DOE)	1.0%	1.1%	0.8%
"Total Return" on Equity	2.0%	2.2%	2.0%

"Total return" on Equity
 =(Cash dividend + Share repurchase) / Net Assets

Indicator to show ratio of total return to net assets

To Ensure Proper Payment of Claims

We will make every possible effort to regain customers' confidence and to fulfil our social responsibility.

Committee for Proper Claims Payment (Apr. 2006)	Committee for mutual checking among departments related to claims payment
Claims Payment Examination Council (Oct. 2006)	Consists of specialists from outside the Company
Claims Payment Management Department (Oct. 2006)	Strengthen management for proper claims payment
Claims Handling Counseling Section (Oct. 2006)	Expert staff provides consultation related to claims payment
Committee for Quality Improvement (Nov. 2006)	Protect customers and improve their convenience by improving operational quality
Nomination and Compensation Committee (Dec. 2006)	Advisory council to the Board of Directors to strengthen corporate governance
Medical Insurance Department (Jan. 2007)	Establish new department with personnel from both underwriting and claims handling section for medical insurance to improve their expertise and know-how through integration

Besides above, Company will take various actions, such as revision of pamphlets.

Financial Results of 1H FY2006

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Structure of Income & Losses

Millions of Yen

First half ended September 30 :		1H FY2005		1H FY2006		Change	
		excl. CALI		excl. CALI		excl. CALI	
Underwriting	(+) Net premiums written	360,605	305,523	357,516	304,356	-3,089	-1,166
	(-) Net losses paid	193,554	156,500	202,976	164,075	+9,422	+7,575
	(-) Loss adj. expenses, Underwriting costs & expenses	141,326	128,538	141,700	128,708	+373	+169
	(+) Underwriting balance	25,724	20,484	12,839	11,573	-12,885	-8,911
	(-) Increase in reserve for outstanding claims	-6,602	-5,154	9,777	10,929	+16,380	+16,083
	(-) Increase in premium reserve	15,675	6,241	15,126	8,992	-549	+2,750
	(-) Increase in catastrophe reserve	13,305	13,305	5,095	5,095	-8,209	-8,209
	(+) Other balances	3,163	418	4,011	296	+848	-122
	(+) Underwriting profit : A	6,510	6,510	-13,148	-13,148	-19,658	-19,658
	(+) Miscellaneous income related to underwriting : B	-873		-1,503		-629	
Investment, etc.	(+) Interest & dividend income	24,261		28,951		+4,690	
	(-) Investment income on deposit premium	14,265		13,501		-764	
	(+) Net interest & dividend income	9,995		15,449		+5,454	
	(+) Gain/loss on sale of securities	5,800		15,385		+9,584	
	(-) Revaluation loss on securities	1,171		1,545		+373	
	(+) Redemption profit from securities	226		216		-10	
	(+) Investment income from money in trust	4,514		-628		-5,143	
	(+) Revaluation gain/loss on derivative financial instruments	-2,325		-1,370		+955	
	(+) Other investment income/losses*	34		-3,863		-3,897	
	(+) Investment profit : C	17,073		23,642		+6,569	
(-) Administrative expenses on investments, etc. : D	3,161		3,252		+91		
(+) Other ordinary income/loss : E	944		508		-436		
Ordinary profit (A+B+C-D+E) : P	20,493		6,246		-14,246		
(+) Special income/loss : F	-4,564		-1,032		+3,532		
(-) Income taxes (including deferred tax) : G	5,442		1,184		-4,258		
Net Income (P+F-G)	10,485		4,030		-6,455		
Net income (consolidated)	9,733		6,612		-3,120		

Note) Other investment income/losses = « Gain on foreign exchange » - « Addition to reserve for investment losses » + « Other investment income »

Premium Income

Net Premiums Written by Line

Millions of Yen

First half ended September 30 :	1H FY2005	1H FY2006	Change % Change
Fire	51,346	50,185	-1,160 -2.3%
Marine	9,086	9,674	+587 +6.5%
Personal accident	32,626	32,222	-404 -1.2%
Voluntary automobile	169,983	168,422	-1,561 -0.9%
CALI (Compusory automobile liability)	55,082	53,159	-1,922 -3.5%
Other	42,480	43,851	+1,371 +3.2%
All lines	360,605	357,516	-3,089 -0.9%
All lines except CALI	305,523	304,356	-1,166 -0.4%

Notes: Figures for premium per vehicle of voluntary automobile are on a sales-performance basis.

(Main Factors for the Change)

Direct premiums written (except Savings-type): -0.5 Bln yen
 Direct premiums written (Savings-type): -0.4 Bln yen; Earthquake: -0.0 Bln yen
 Reinsurance premiums assumed: +0.4 Bln yen; Ditto ceded: +0.5 Bln yen

Hull: -0.1 Bln yen; Cargo: +0.7 Bln yen

Except savings-type products: +0.5 Bln yen
 Savings-type products: -0.9 Bln yen

Number of insured vehicles: Non-fleet: -0.5%; Fleet: +9.2%; Total: +1.1%
 Premium per vehicle*: Non-fleet: -0.4%; Fleet -3.3%; Total -0.9%

General liability: +1.4 Bln yen; Contractors' all risks: +0.1 Bln yen
 Burglary: -0.1 Bln yen; Transit: -0.1 Bln yen, etc.

Paid Losses

Net Losses Paid by Line

Millions of Yen

First half ended September 30 :	1H FY2005	1H FY2006	Change
	Amount / Loss Ratio	Amount / Loss Ratio	% Change
Fire	21,731 45.0%	25,086 53.5%	+3,354 +8.5%
Marine	3,995 45.8%	3,608 38.5%	-386 -7.3%
Personal accident	12,194 41.0%	14,252 48.2%	+2,057 +7.2%
Voluntary automobile	96,116 61.5%	97,318 63.1%	+1,202 +1.6%
CALI (Compusory automobile liability)	37,054 72.6%	38,901 78.4%	+1,847 +5.8%
Other	22,461 58.4%	23,809 59.5%	+1,347 +1.1%
All lines	193,554 58.2%	202,976 61.6%	+9,422 +3.3%
All lines except CALI	156,500 55.6%	164,075 58.6%	+7,575 +3.0%

(Major Factors of the Change)

Losses from natural disasters: -0.4 Bln yen

Cargo: -0.4 Bln yen, Hull: +0.0 Bln yen

Except savings-type products: +2.0 Bln yen

Savings-type products: -0.0 Bln yen

Own vehicle damage losses: -0.5 Bln yen

Property damage liability losses: -1.3 Bln yen

Bodily injury liability losses: +3.3 Bln yen

General liability: +1.1 Bln yen; Movable all risks: -0.6 Bln yen

Contractors' all risks: +0.2 Bln yen; Machinery: +0.4 Bln yen

Miscellaneous Pecuniary Loss: +0.3 Bln yen, Aviation: -0.4 Bln yen, etc.

Note: Loss ratio = (« Net losses paid » + « Loss adjustment expenses ») / « Net premiums written »

Expenses / Underwriting Fund

Expenses

Millions of Yen

	Amount		Change in Amount	Expense Ratio	
	1H FY2005	1H FY2006		1H FY2005	1H FY2006
Personnel expenses	44,009	43,351	-657	12.2%	12.1%
Non-personnel expenses, etc.*1	37,097	38,766	+1,669	10.3%	10.8%
Company expenses	81,106	82,118	+1,011	22.5%	23.0%
	All Lines				
	Amount		Change in Amount	Expense Ratio	
	1H FY2005	1H FY2006		1H FY2005	1H FY2006
Company expenses on underwriting	77,945	78,865	+920	21.6%	22.1%
Net commissions & brokerage	63,380	62,834	-546	17.6%	17.6%
Operating and admin exp. on underwriting*2	61,525	61,770	+244	17.1%	17.3%
Underwriting costs & expenses	124,906	124,604	-301	34.6%	34.9%
Ditto, including Loss adj. expenses	141,326	141,700	+373	39.2%	39.6%



(Major Factors of the Change)

Decrease of pension cost
Increase of printing cost

All Lines except CALI		
Amount	Expense Ratio	Change in Amount
68,697	22.6%	+735
60,010	19.7%	-565
54,366	17.9%	-84
114,376	37.6%	-650
128,708	42.3%	+169

Notes: 1) "Non-personnel expenses, etc." include taxes and contributions.

2) Operating & admin expenses on underwriting = « Company expenses on underwriting » - « Loss adjustment expenses »

Breakdown of Underwriting Fund / Price Fluctuation Reserve

Millions of Yen

	Mar 2006			Sep 2006			Change (Provision)		
	Reserve for Outstanding Claims	Premium Reserve	Catastrophe Reserve	Reserve for Outstanding Claims	Premium Reserve	Catastrophe Reserve	Reserve for Outstanding Claims	Premium Reserve	Catastrophe Reserve
Fire	32,386	352,187	96,998	35,447	353,942	100,397	+3,060	+1,754	+3,398
Marine	8,616	6,007	16,225	9,465	7,293	16,635	+849	+1,286	+409
Personal accident	13,586	30,567	31,654	12,387	32,520	32,542	-1,199	+1,953	+888
Voluntary automobile	110,553	97,186	51,715	117,396	97,647	50,261	+6,843	+460	-1,453
CALI (Compulsory auto.)	28,262	188,552	---	27,110	194,686	---	-1,152	+6,133	---
Other	48,478	80,391	42,688	51,165	83,929	44,540	+2,687	+3,537	+1,852
All lines	241,883	754,893	239,282	252,971	770,019	244,377	+11,088	+15,126	+5,095
All lines except CALI	213,621	566,340	239,282	225,861	575,332	244,377	+12,240	+8,992	+5,095
Deposit premium reserve on savings-type policies	---	1,191,606	---	---	1,160,407	---	---	-31,198	---
Price fluctuation reserve	15,442			16,741			1,299		

Asset Management

Breakdown of Interest & Dividend Income

First Half of FY2006 :	Income Millions of Yen	Income Yield	
			Prev. Year
Deposits	98	0.15%	0.05%
Call loans	3	0.24%	0.05%
Receivables under resale agreements	---	---	---
Monetary receivables bought	154	0.73%	1.06%
Securities	24,786	2.61%	2.08%
Loans	2,660	1.93%	1.89%
Land & buildings	931	1.46%	1.40%
Sub-total*1	28,633	2.29%	1.86%
Others	317		
Total	28,951		

*1 Interest income of "Money in trust" is included in calculating income yield of sub-total.

Interest & Dividend Income on Securities

First Half of FY2006 :	Amount Millions of Yen
Domestic bonds	6,240
Domestic equities	7,412
Foreign securities	7,201
Others	3,932
Total	24,786

Breakdown of Investment Yield

First Half of FY2006 :	Incl. capital gain/loss ^{*2}			Incl. unrealized gain/loss ^{*3}		
	Amount Millions of Yen	Yield		Amount Millions of Yen	Yield	
			Prev. Year			Prev. Year
Deposits	213	0.32%	0.19%	213	0.32%	0.19%
Call loans	3	0.24%	0.05%	3	0.24%	0.05%
Receivables under resale agreements	---	---	---	---	---	---
Monetary receivables bought	156	0.74%	1.06%	151	0.71%	1.12%
Money in trust	-628	-2.05%	19.19%	-628	-1.90%	18.60%
Securities	38,878	4.10%	2.58%	-22,577	-1.68%	14.11%
Loans	2,663	1.93%	1.89%	2,743	1.99%	1.84%
Land & buildings	931	1.46%	1.40%	931	1.46%	1.40%
Derivatives	-1,370	---	---	-1,269	---	---
Others	352	---	---	352	---	---
Total	41,199	3.24%	2.41%	-20,080	-1.20%	11.34%

*2 Figures include interest & dividend income and realized capital gain/loss

*3 Figures include interest & dividend income, realized capital gain/loss and unrealized gain/loss resulting from valuation of assets of assets

Capital Gains/Losses on Securities

First Half of FY2006 :	Millions of Yen			
	Gain on Sale	Loss on Sale	Revaluation Loss	Net Gain
Domestic bonds	386	466	---	-80
Domestic equities	13,074	26	1,520	11,527
Foreign securities	3,126	576	0	2,549
Others	0	132	24	-156
Total	16,587	1,202	1,545	13,840
Ditto, change	+10,016	+431	+373	+9,210

Self-Assessment of Assets

Assets for Assessment

Millions of Yen

First half ended Sep. 30, 2006:	Unclassified	Class. II	Class. III	Class. IV	Total
Deposits	121,698	---	---	---	121,698
Call loans	20,000	---	---	---	20,000
Monetary receivables bought	59,149	---	---	---	59,149
Money in trust	65,521	---	---	---	65,521
Securities	2,597,455	1,531	7,117	1,545	2,607,649
Loans	259,981	3,627	971	1,327	265,907
Policy loans	7,952	---	---	---	7,952
General loans	252,029	3,627	971	1,327	257,955
Borrowers specified	249,141	3,627	971	1,327	255,067
Normal	248,339	---	---	---	248,339
Caution required	801	1,856	---	---	2,658
Potentially bankrupt	---	1,224	795	---	2,019
De facto bankrupt	---	64	15	32	112
Bankrupt	---	481	160	1,294	1,936
Borrowers unspecified	2,888	---	---	---	2,888
Real & movable property	132,305	1,694	---	316	134,316
Other	143,814	1,667	1,641	286	147,410
Total	3,399,926	8,520	9,730	3,475	3,421,653

Risk-Monitored Loans

Millions of Yen

First half ended Sep. 30, 2006:	Amount of Claims
Loans in bankruptcy	1,936
Overdue loans	2,132
Loans overdue for 3 months or more	66
Restructured loans	576
Total risk-monitored loans	4,711
Bad-loan ratio	1.8%
Specific reserve for bad debts	4,227
Provision ratio	89.7%
Reserve for bad debts (Specific & General)	4,516
Provision ratio	95.9%

Note)

For the self-assessed assets, classification III and classification IV are fully written-off or provisioned.

NIPPONKOA Life

Principal Indicators

Millions of Yen

	1H FY2005	1H FY2006	Change
Premium & other receipts	37,148	38,891	+1,742
Investment income	2,270	2,738	+467
Basic profit	975	1,025	+50
Ordinary profit	724	768	+44
Net income/loss	151	67	-84

Individual Life Insurance

Millions of Yen

	FY2005	1H FY2006	Change
Amount of business in force	3,266,479	3,450,553	+184,073

Millions of Yen

	1H FY2005	1H FY2006	Change
Amount of new business	341,782	415,471	+73,688

Note) Figures above include individual annuity products.

Embedded Value

Billions of Yen

	FY2004	FY2005	Change
Embedded Value	61.2	70.7	+9.5
Adjusted book value	30.0	30.2	+0.2
Existing business value	31.2	40.5	+9.3
EV of new business	4.0	4.8	+0.8

Profit and Loss

Millions of Yen

	1H FY2005	1H FY2006	Change
(+) Income from insurance premiums :a1	37,148	38,891	+1,742
(-) Insurance claims and other payments :a2	10,631	13,373	+2,741
(-) Operating expenses :a3	6,292	7,512	+1,219
(-) Provision for outstanding claims :a4	324	-150	-475
(-) Provision for policy reserve :a5	21,242	19,771	-1,471
(+) Net interest & dividend income :a6	2,268	2,724	+455
(+) Other ordinary income and expenses :a7	49	-82	-132
Basic profit :A	975	1,025	+50
(+) Gain / loss on sale of securities :b1	---	12	+12
(-) Devaluation losses on securities :b2	---	---	---
(-) Other capital gain / loss :b3	---	---	---
Capital gain :B	---	12	+12
(-) Provision for contingency reserve :c1	251	269	+18
(+) Other nonrecurrent item :c2	---	---	---
Nonrecurrent item :C	-251	-269	-18
Ordinary profit (A+B+C) :P	724	768	+44
(+) Extraordinary gain / loss :D	-52	-56	-3
(-) Provision for reserve for policyholder dividends :E	429	571	+141
(-) Income taxes (including deferred tax) :F	91	73	-17
Net income (P+D-E-F)	151	67	-84

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Principal Indicators

	FY2005	1H FY2006	Change
Number of contract	150,339	78,622	---
Loss ratio	68.0%	67.0%	-1.0%
Expense ratio	79.5%	64.2%	-15.3%
Solvency margin ratio	2,618.7%	2,118.4%	-500.3%

Profit and Loss

Millions of Yen

	1H FY2005	1H FY2006	Change
(+) Netpremiums written	3,135	3,458	+323
(-) Net losses paid	1,593	1,921	+328
(-) Loss adj. expenses, Underwriting costs & expenses	2,895	2,616	-279
(+) Underwriting balance : a1	-1,353	-1,079	+273
(-) Increase in reserve for outstanding claims : a2	87	264	+177
(-) Increase in premium reserve : a3	58	46	-12
(+) Other balances : a4	3	9	+5
(+) Underwriting profit : A	-1,495	-1,381	+114
(+) Investment pprofit : B	12	4	-8
(+) Other ordinary income/loss : C	-33	0	+34
Ordinary profit (A+B+C) : D	-1,516	-1,376	+140
(+) Special income/loss : E	-2	-0	+1
(-) Income taxes (including deferred tax) : F	7	3	-3
Net income (D+E-F)	-1,525	-1,380	+145

Forecast for FY2006

Principal Indicators

Billions of Yen

	1H FY2006		FY2006 Forecast	
		Excl. CALI		Excl. CALI
Net premiums written	357.5	304.3	710.0	605.3
Loss ratio	61.6%	58.6%	64.8%	61.8%
Expense ratio	34.9%	37.6%	35.5%	38.3%
Underwriting balance	12.8	11.5	-1.9	0.0
Underwriting profit	-13.1		-25.0	
Interest & dividend income	28.9		51.2	
Net interest & dividend income	15.4		23.6	
Ordinary profit	6.2		27.0	
Net income	4.0		15.0	

Net Premiums Written by Line

Billions of Yen

	1H FY2006		FY2006 Forecast	
	Amount	% change	Amount	% change
Fire	50.1	-2.3%	106.7	+0.6%
Marine	9.6	+6.5%	19.2	+6.7%
Personal accident	32.2	-1.2%	60.0	+0.4%
Voluntary auto.	168.4	-0.9%	338.5	+0.1%
CALI (Compulsory auto.)	53.1	-3.5%	104.7	-2.3%
Other	43.8	+3.2%	80.9	+2.2%
All lines	357.5	-0.9%	710.0	+0.2%
All lines except CALI	304.3	-0.4%	605.3	+0.7%

Expenses

Billions of Yen

	1H FY2006		FY2006 Forecast	
	Amount	Expense Ratio	Amount	Expense Ratio
Personnel expenses	43.3	12.1%	87.9	12.4%
Non-personnel expenses, etc.*1	38.7	10.8%	83.0	11.7%
Company expenses	82.1	23.0%	171.0	24.1%
Of which expenses on underwriting	78.8	22.1%	164.3	23.1%
Net commissions & brokerage	62.8	17.6%	124.0	17.5%
Operating & admin exp. on underwriting**	61.7	17.3%	128.1	18.0%
Underwriting costs & expenses	124.6	34.9%	252.1	35.5%

Net Losses Paid by Line

Billions of Yen

	1H FY2006		FY2006 Forecast	
	Amount	Loss Ratio	Amount	Loss Ratio
Fire	25.0	53.5%	53.8	54.1%
Marine	3.6	38.5%	9.1	48.8%
Personal accident	14.2	48.2%	27.2	50.0%
Voluntary auto.	97.3	63.1%	206.1	66.5%
CALI (Compulsory auto.)	38.9	78.4%	80.1	82.1%
Other	23.8	59.5%	47.1	63.6%
All lines	202.9	61.6%	423.5	64.8%
All lines except CALI	164.0	58.6%	343.4	61.8%

Notes: 1) "Non-personnel expenses, etc." include taxes and contributions.

2) Operating & admin expenses on underwriting = « Company expenses on underwriting » - « Loss adjustment expenses »

Appendix

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Principal Indicators (1)

Parent Company

		Millions of Yen						Millions of Yen	
		FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	1H FY2005	1H FY2006
Direct premiums written ~excl. deposit premiums on savings-type policies	Fire	131,350	129,915	129,360	132,473	131,199	130,141	62,894	61,804
	Marine	19,383	18,254	16,783	16,815	17,712	18,887	9,493	10,406
	Personal accident	67,607	63,864	68,102	64,962	61,464	59,139	32,231	31,757
	Voluntary automobile	356,930	352,844	349,730	342,561	342,846	337,209	169,489	168,221
	CALI (Compulsory auto.)	98,160	96,544	116,231	115,059	111,258	105,160	53,543	53,847
	Other	82,370	81,218	80,828	82,301	83,709	83,773	44,855	46,025
	All lines	755,803	742,642	761,036	754,174	748,191	734,311	372,507	372,062
	All lines except CALI	657,643	646,098	644,805	639,114	636,932	629,151	318,964	318,214
Net premiums written	Fire	113,052	111,869	113,823	113,802	109,010	106,088	51,346	50,185
	Marine	16,927	15,624	15,802	15,880	16,722	17,990	9,086	9,674
	Personal accident	67,353	63,808	67,044	64,163	61,955	59,756	32,626	32,222
	Voluntary automobile	357,417	353,531	350,608	343,629	343,828	338,116	169,983	168,422
	CALI (Compulsory auto.)	56,172	55,309	97,745	114,214	112,674	107,218	55,082	53,159
	Other	76,893	75,921	76,209	76,880	78,665	79,148	42,480	43,851
	All lines	687,817	676,065	721,234	728,570	722,858	708,319	360,605	357,516
	All lines except CALI	631,644	620,755	623,488	614,355	610,183	601,101	305,523	304,356
Loss ratio	Fire	43.7%	38.1%	36.3%	34.6%	85.5%	46.5%	45.0%	53.5%
	Marine	50.0%	53.3%	45.4%	49.5%	41.2%	48.6%	45.8%	38.5%
	Personal accident	49.4%	45.6%	44.6%	42.3%	42.7%	47.2%	41.0%	48.2%
	Voluntary automobile	66.4%	64.1%	62.6%	60.2%	62.1%	66.1%	61.5%	63.1%
	CALI (Compulsory auto.)	77.9%	78.5%	45.7%	48.5%	64.6%	75.8%	72.6%	78.4%
	Other	67.2%	72.7%	72.6%	68.6%	68.0%	66.9%	58.4%	59.5%
	All lines	61.6%	59.9%	55.2%	53.4%	64.5%	62.7%	58.2%	61.6%
	All lines except CALI	60.2%	58.3%	56.7%	54.4%	64.5%	60.3%	55.6%	58.6%
Expense ratio	37.5%	37.4%	35.4%	35.5%	34.4%	35.7%	34.6%	34.9%	
Company expenses	170,892	169,798	169,020	173,607	167,206	170,873	81,106	82,118	

Note) All the pre-merger figures are the total of NIPPONKOA's former companies (Nippon F&M, Koa F&M, Taiyo F&M).

Principal Indicators (2)

Parent Company

	Millions of Yen						Millions of Yen	
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	1H FY2005	1H FY2006
Underwriting balance, excl. CALI	13,017	24,456	33,954	41,318	-12,737	5,724	20,484	11,573
Ratio to net premiums written	2.1%	3.9%	5.4%	6.7%	-2.1%	1.0%	6.7%	3.8%
Underwriting balance, all lines	5,740	17,856	68,014	80,837	8,077	11,230	25,724	12,839
Ratio to net premiums written	0.8%	2.6%	9.4%	11.1%	1.1%	1.6%	7.1%	3.6%
Underwriting profit	17,075	14,767	8,378	11,744	-35,962	1,108	6,510	-13,148
Interest & dividend income	63,003	56,432	49,523	47,118	47,462	51,279	24,261	28,951
Net interest & dividend income	20,237	18,792	16,560	15,626	17,456	23,041	9,995	15,449
Ordinary profit	47,652	-29,656	-36,721	45,797	22,534	26,798	20,493	6,246
Net income	13,997	-19,062	-28,637	15,885	14,559	13,273	10,485	4,030

Life Insurance Subsidiary

Amount of business in force (Bln) ~ individual insurance & individual annuity	1,900.6	2,112.3	2,452.9	2,662.7	2,914.8	3,266.4	3,085.3	3,450.5
Ordinary profit	717	133	2,818	1,263	896	1,104	724	768
Net income	87	-4,040	1,340	25	189	63	151	67

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Premium income	0	1,083	3,562	5,962	6,383	6,644	3,135	3,458
Ordinary profit	-1,463	-4,545	-3,940	-3,701	-3,183	-3,384	-1,516	-1,376
Net income	-1,467	-4,556	-3,951	-3,715	-3,199	-3,400	-1,525	-1,380

Consolidated Profit

Net income	14,409	-22,722	-25,890	19,319	13,467	10,670	9,733	6,612
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Note) All the pre-merger figures are the total of NIPPONKOA's former companies (Nippon F&M, Koa F&M, Taiyo F&M).

Sonpo24 is consolidated from 2H FY2004.

Sales Performance by Distribution Channel

Sales Performance, excl. Savings-Type Policies

Upper Row: Sales Performance (Millions of Yen)

Lower Row: % Change

1H FY2006		Fire	Of Which Long-Term Products	Marine	Personal Accident	Voluntary Auto.	CALI (Compulsory Automobile)	Transit	Others	Total	Proportion
Financial institutions	750	13,443	7,845	193	2,390	4,892	282	168	2,876	24,245	6.7%
		+0.5%	-1.8%	+17.0%	+2.5%	+1.5%	+0.3%	-22.8%	+0.1%	+0.8%	
Life insurance companies (Alliance partners)	3	1,469	426	1	3,266	9,279	45	8	408	14,476	4.0%
		+2.9%	+4.1%	+597.6%	+5.2%	-1.5%	+14.4%	+43.6%	+4.8%	+0.6%	
Corporation & transportation affiliated agencies	3,338	14,742	1,816	7,209	11,389	30,030	6,062	5,126	19,454	94,012	26.1%
		-1.5%	+0.9%	+14.1%	+2.6%	+0.7%	+3.4%	-5.0%	+7.6%	+2.7%	
Car dealers, car repair shops and other automobile related	16,580	1,346	284	81	868	41,395	37,682	109	981	82,461	22.9%
		+0.7%	+0.5%	+2.5%	-1.8%	+0.8%	+2.9%	+7.9%	+2.9%	+1.8%	
General agencies, etc.	16,286	24,107	6,154	2,629	10,555	85,156	6,584	1,047	14,355	144,432	40.2%
		-0.7%	+0.8%	+6.4%	+0.6%	-0.3%	+1.4%	+9.3%	+5.1%	+0.4%	
Of which "Core Agencies"	2,507	10,721	2,344	161	5,500	52,938	3,092	439	7,266	80,116	22.3%
		+0.3%	+3.6%	+5.2%	-1.7%	-0.5%	+0.4%	+1.5%	+8.0%	+0.3%	
Total	36,500	55,106	16,525	10,113	28,468	170,751	50,656	6,457	38,074	359,626	100.0%
		-0.5%	-0.4%	+12.0%	+2.0%	+0.1%	+2.7%	-3.3%	+5.9%	+1.3%	

Sales performance analysis on voluntary automobile

	Proportion of volume	% change in number of insured vehicles	% change in unit price (premium per vehicle)
Non-fleet	84 %	- 0.5 %	- 0.4 %
Fleet	16 %	+ 9.2 %	- 3.3 %
Total	100 %	+ 1.1 %	- 0.9 %

Asset Breakdown by Investment Category

(Marked-to-Market basis, Millions of Yen)

As of end - Sep 2006 :	Deposit Premium Account	General Account			Total	Proportion
		Pure Investment	Other Investment			
Securities	865,636	571,979	1,168,488	1,740,468	2,606,104	79.8%
Domestic equities	---	6,174	1,141,198	1,147,372	1,147,372	35.2%
Yen-denominated securities, excluding equities	840,701	346,174	9,239	355,414	1,196,115	36.6%
Public & corporate bonds	830,201	300,933	2,104	303,037	1,133,238	34.7%
Others	10,500	45,241	7,134	52,376	62,876	1.9%
Foreign currency-denominated securities	24,935	219,630	18,050	237,681	262,616	8.0%
Public & corporate bonds	24,935	192,627	---	192,627	217,562	6.7%
Others	---	27,002	18,050	45,053	45,053	1.4%
Monetary receivables bought	21,660	37,488	---	37,488	59,149	1.8%
Money in trust	---	65,471	50	65,521	65,521	2.0%
Loans	201,898	---	64,009	64,009	265,907	8.1%
Deposits	18,814	40,803	62,079	102,883	121,698	3.7%
Call loans	---	20,000	---	20,000	20,000	0.6%
Land & buildings	---	---	125,399	125,399	125,399	3.8%
Total Investment Assets	1,108,009	735,743	1,420,027	2,155,770	3,263,780	100.0%
Change from the end of the previous fiscal year	-36,686	+72,808	-83,834	-11,026	-47,712	---

Equity / Loan Portfolio by Industry

Breakdown of the equity portfolio by industry

Millions of Yen

As of end - Sep 2006 :	Number of Shares (in thousands)	Marked-to-Market Value	
			Proportion
Financials & Insurance	255,127	326,129	28.4%
Chemicals & Medicines	98,136	207,190	18.1%
Electric machinery	81,257	98,693	8.6%
Transportation vehicles	82,314	97,925	8.5%
Commerce (Wholesale & Retail)	91,556	92,102	8.0%
Transportation (Land & Air)	96,332	62,685	5.5%
Foods	53,163	50,461	4.4%
Machinery	40,694	44,870	3.9%
Utilities (Electricity & Gas)	7,674	20,546	1.8%
Steel	48,677	18,504	1.6%
Others	161,665	128,263	11.2%
Total	1,016,599	1,147,372	100.0%

Breakdown of the loan portfolio by industry

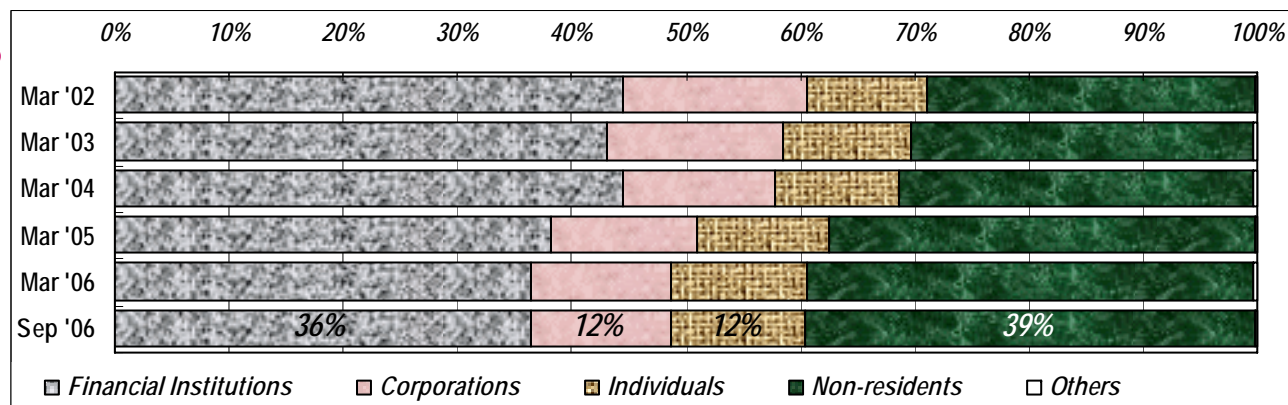
Millions of Yen

As of end - Sep 2006 :	Proportion	
Financials and Insurance	127,249	47.9%
Real estate	14,367	5.4%
Services, etc.	8,337	3.1%
Commerce (Wholesale & Retail)	4,521	1.7%
Manufacture	2,879	1.1%
Utilities (Electricity, Gas, etc.)	889	0.3%
Construction	1,714	0.6%
Transportation	1,354	0.5%
Communication	306	0.1%
Agriculture, Forestry and Fisheries	2	0.0%
Others	95,725	36.0%
Of which, Personal finance, Housing loans	46,100	17.3%
Sub-Total	257,348	96.8%
Public bodies	46	0.0%
Public corporations	560	0.2%
Policy Loans	7,952	3.0%
Total	265,907	100.0%

Stock Related Data

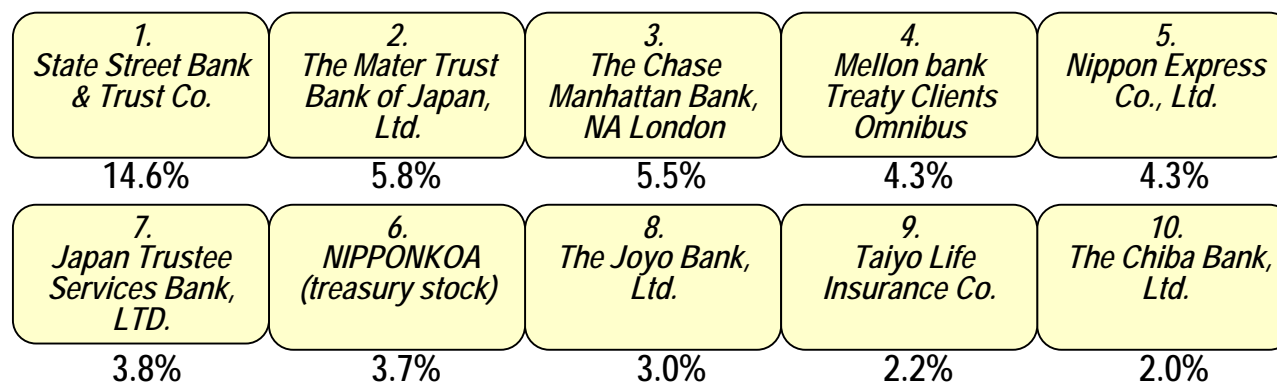
State of Shareholdings

Number of shares issued
as of September 30, 2006
(incl. treasury stock):
833,743 thousand



Major Shareholders

(As of September 30, 2006)



Share Repurchases

Cumulative 70 million shares repurchased
as of September 30, 2006,
of which 40 million shares were canceled

Jan 2000 : 10 million shares
Apr 2000 : 10 million shares
Nov 2001 - Feb 2002 : 10 million shares
Feb 2003 : 10 million shares
Jan 2004 - Mar 2004 : 10 million shares
Dec 2004 - Jan 2005 : 10 million shares
Oct 2005 - Feb 2006 : 10 million shares

For further inquiries related to this presentation, please contact:

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Cautionary Statement

Estimates, projections, targets and other statements contained in this material that are not historical facts are forward-looking statements about the future performance and plans of NIPPONKOA Insurance Co., Ltd. (the "Company"). Such forward-looking statements are based on the Company's assumptions and beliefs in light of the information currently available to it. Therefore, those statements do not guarantee future performance, but involve risks and uncertainties. The Company cautions you that a number of important factors could cause actual results to differ materially from those contained in the forward-looking statements. Such factors include, but are not limited to, (1) general economic conditions in the Company's market, mainly Japan, (2) business conditions in the insurance industry, especially, increased competition, (3) fluctuation of exchange rates, and (4) the regulatory environment.