



NIPPONKOA INSURANCE CO., LTD.

~ Financial Results of FY2008 1H and Corporate Strategy ~

November 28, 2008

Section I Financial Results

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Analysis of Year-on-Year Changes (Underwriting)

+) Net Premiums Written

Change **-13.5 Bln yen**
(352.7 → 339.1)
-3.8 %

Voluntary Automobile

-2.8 Bln yen
(166.4 → 163.5)
-1.7%

- ◇ Change in unit price: -1.3% (premium per vehicle)
- ◇ Change in number of insured vehicle: -1.0%

Fire *1

-1.1 Bln yen
(47.4 → 46.3)
-2.4 %

Others *2

-9.5 Bln yen
(138.8 → 129.3)
-6.8 %

Note 1: Gross premiums written: -1.7%

Note 2: CALI -6.9 Bln yen

-) Net Losses Paid

Change **-1.2 Bln yen**
(198.8 → 197.6)
-0.6 %

Voluntary Automobile

-1.9 Bln yen
(98.8 → 96.8)
-2.0 %

- ◇ Own vehicle damage: +0.7 Bln yen
- ◇ Bodily injury liability: -1.9 Bln yen
- ◇ Property damage liab.: -0.8 Bln yen

Fire *3

-0.7 Bln yen
(20.2 → 19.4)
-3.8%

Others *4

+1.5 Bln yen
(79.7 → 81.2)
+1.9 %

Note 3: Natural disasters (Fire ins. only, including losses that occurred in prior years: -0.2 Bln yen (3.6 → 3.4)

Note 4: Personal accident + 1.5 Bln yen, etc.

-) Underwriting Costs & Expenses (incl. Loss Adj. Expenses)

Change **-6.4 Bln yen**
(139.9 → 133.4)

Net Commissions & Brokerage Expenses

-3.9 Bln yen
(60.9 → 56.9)

Company Expenses for Underwriting *5

-2.5 Bln yen
(79.0 → 76.4)

- Changes in company expenses (incl. those other than for underwriting)
- Personnel expenses -2.6 Bln yen (Due to revision of retirement allowance plan, etc.)
 - Nonpersonnel expenses, etc. +0.1 Bln yen

Note 5: Company expenses for underwriting = Loss adj. exp. + Operating & admin. Exp. for underwriting

Underwriting Balance

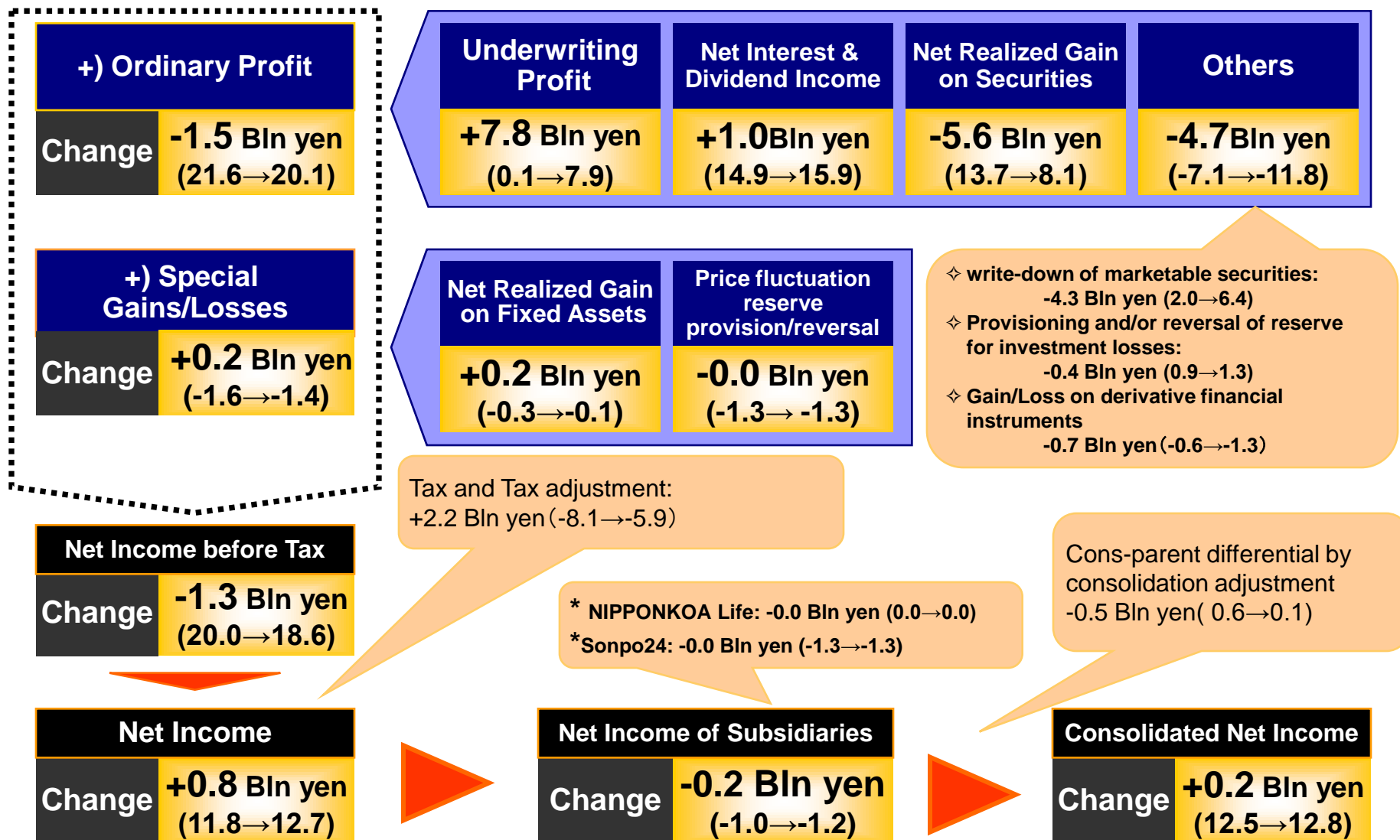
Change **-5.8 Bln yen**
(13.9 → 8.1)

Provisioning of premium reserve, etc.

Underwriting Profit

Change **+7.8 Bln yen**
(0.1 → 7.9)

Analysis of Year-on-Year Changes (Others)



Financial Summary of FY2008 1H and FY2008 Forecast

Billions of yen		FY 2007 1H	FY 2008 1H	YoY Change	FY 2008E (As of Nov.)
Net Premiums Written		352.7	339.1	-13.5	660.0
Loss Ratio ^{*1}		61.5 %	63.4 %	1.9 %	66.9 %
Expense Ratio		34.6 %	34.3 %	-0.3 %	35.4 %
Excluding CALI (Compulsory Automobile Liability Insurance)	Net Premiums Written	300.5	293.8	-6.6	576.9
	Loss Ratio ^{*1}	58.8 %	59.5 %	0.7 %	62.5 %
	Expense Ratio	37.4 %	35.9 %	-1.5 %	37.2 %
	Underwriting Balance	11.5	13.5	2.0	2.0
Underwriting Profit		0.1	7.9	7.8	-10.0
Ordinary Profit ^{*2}		21.6	20.1	-1.5	14.0
Net Income		11.8	12.7	0.8	9.0
Adjusted ROE ^{*3}		8.8 %	10.0 %	1.2 %	3.5 %
Consolidated Ordinary Profit		21.9	20.3	1.5	14.0
Consolidated Net Income		12.5	12.8	0.2	9.0
Consolidated Adjusted ROE ^{*3}		9.3 %	10.1 %	0.8 %	3.5 %

Note 1) Net paid losses from natural disasters: FY2007 1H 4.0 Bln yen (of which those incurred in that period 1.7 Bln yen), FY2008 1H 4.4 Bln yen (ditto 2.2 Bln yen), FY2008E 9.0 Bln yen

2) Net realized gain on securities: FY2007 1H 13.7 Bln yen, FY2008 1H 8.1 Bln yen, FY2008E 22.0 Bln yen

3) In calculating "Adjusted ROE," net unrealized gain on available-for-sale securities is excluded from shareholders' equity.

Main points of FY2008 Forecast

	Billions of yen	FY2008E	Difference from Forecast as of May	Comments
Net Premiums Written	Voluntary Automobile	326.6	[331.7 → -5.1]	<ul style="list-style-type: none"> ◇ Assume unit price of auto insurance will continue to decrease. Expect certain increase in auto insurance premium from December ◇ Delay in recover of housing market than expected ◇ Still in good condition with commercial lines (liability insurance, etc.)
	Other than above	333.3	[338.2 → -4.8]	
	Total	660.0	[670.0 → -10.0]	
Underwriting Profit (* excl. Compulsory Automobile)	Loss Ratio *	62.5 %	[61.8% → +0.7%]	<ul style="list-style-type: none"> ◇ Estimated damage from natural disaster reduced from 13.0 Bln yen to 9.0 Bln yen, due to end of typhoon season ◇ Loss ratio worsen, due to estimated decrease in losses paid and estimated decrease in net premium written ◇ Expect better expense ratio through improvement in cost cut
	Expense Ratio *	37.2 %	[37.8% → -0.6%]	
	Underwriting Balance *	2.0	[2.0 → ±0.0]	
	Underwriting Profit	-10.0	[-14.0 → +4.0]	
Asset Management Profit	Dividends	27.3	[24.9 → +2.4]	<ul style="list-style-type: none"> ◇ Net realized gain in securities revised to 22.0 Bln yen, due to market condition ◇ Similarly, write-down in domestic stock, foreign stock/fixed income revised to 10.0 Bln yen
	Realized Gain on Securities	22.0	[28.0 → -6.0]	
	Write down	10.0	[2.0 → -8.0]	
Profit	Ordinary Profit	14.0	[23.0 → -9.0]	<ul style="list-style-type: none"> ◇ No significant change in expected extraordinary gain/loss ◇ Downward revision in ordinary income and net income, due to decrease in net realized gain and write-downs
	Net Income	9.0	[13.0 → -4.0]	

(Reference) Structured Finance Exposure

1. Collateralized Debt Obligation (CDO)

Millions of Yen

	As of end of September, 2008		
	Fair Value	Unrealized Gains/Losses	Revaluation Loss
CDO	15,017	-1,542	-275
With Ratings	10,140	-867	-
Without Ratings	4,877	-675	-275

- Note: 1. CDO Ratings:AAA,45%;AA,37%;A,18%
 2. 81% of CDOs are corporate-based assets.
 3. CDO Area:domestic,43%;overseas,57%
 4. CDO does not include hedge trading.

2. Commercial Mortgage-Backed Security (CMBS)

Millions of Yen

	As of end of September, 2008		
	Fair Value	Unrealized Gains/Losses	Revaluation Loss
CMBS	18,424	-229	-
Domestic	18,424	-229	-
Overseas	-	-	-

3. Credit Default Swap (CDS)

Millions of Yen

	As of end of September, 2008		
	Notional Amount	Fair Value	Revaluation Gains/Losses
CDS	19,000	-88	-88
CDS	6,000	-35	-35
CLN	13,000	-52	-52

- Note: 1. CLN is a credit linked note related to the credit of a single corporate.
 2. Referred corporate-individual credit for CDS and CLN

4. Others

We do not hold any SPEs, Leveraged Finance, financial secured, fixed income or structured finance product secured by mono-line, and other sub-prime or Alt-A exposures.

5. Subprime-related Investments of the above

Millions of Yen

	As of end of September, 2008		
	Fair Value	Unrealized Gains/Losses	Revaluation Loss
CDO	861	-138	-

Note: Rating: AAA; Inclusion ratio of subprime-related credit: 7%

Section II Management Planning

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Progress of Medium-Term Business Plan

Basic idea of the final year of the current medium-term business plan

Reforming business structure to be able to continually generate underwriting profit

High-Priority Actions 1 :

Lowering and Stabilizing Loss Ratio

- Strengthen underwriting
- Thoroughness of proper and timely claim payments



- Claim payments are basically proceeding as scheduled (except for natural disaster)
- Continue to strengthen underwriting

High-Priority Actions 2 :

Adjustment of Expense Ratio

- Promote reforming operational procedure
- Drastic revision in procurement cost
- Strengthening earnings, system investment for quality improvement



- Labor cost reduced, due to change in retirement benefit system
- Improving infrastructure to build up efficient sales/damage survey system

High-Priority Actions 3: Quality Improvement

- Promoting Quality Improvement Act
- Producing comprehensible products



- Establish basic quality and accomplish standard quality
- Product revision of Automobile Insurance (from Dec. 2008)

Downward revision in premium, due to severe business climate

Thorough promotion in high-priority actions

Expected to accomplish 2.0 Bln yen net underwriting balance (excl. CALI) (as planned in fore-end)

High-Priority Actions (1) – Loss Ratio –

Actions to lower and stabilize Loss Ratio in FY2008

Strengthening Underwriting

Building high quality policy portfolio

Strengthening preventing accident

Expanding accident prevention and information providing service

Thoroughness of proper and timely claim payments

Adjustment of unit repair cost, etc.

FY2008 Estimate

- Decrease in natural disaster from estimate in May (13.0 Bln yen → 9.0 Bln yen)
- Increasing tendency in personal accident insurance claim
- Decrease in Net premiums written

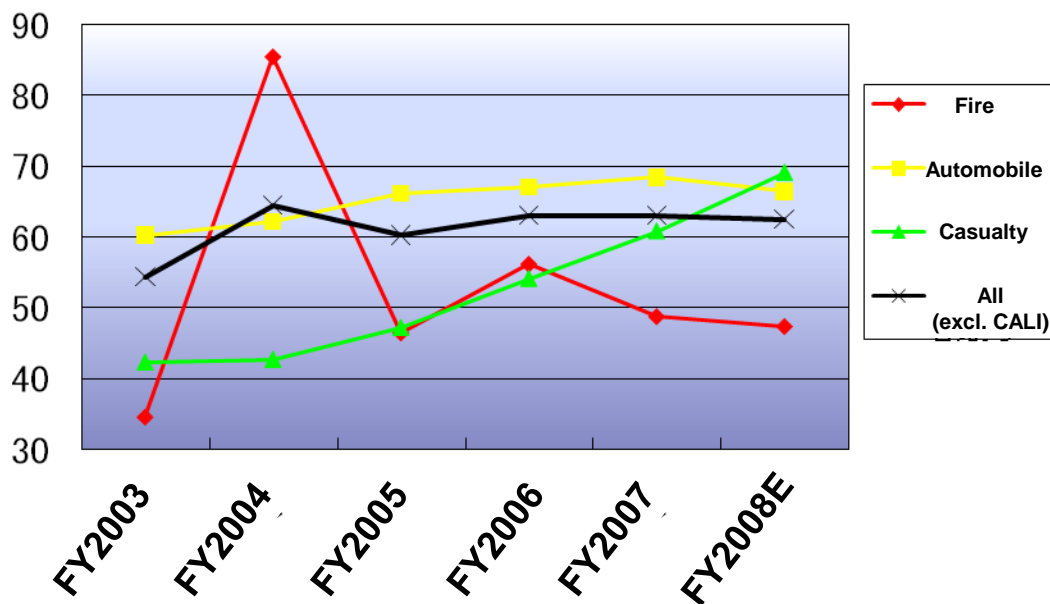
Loss Ratio (excl. CALI)
61.8% (Forecast in May) → 62.5%

Loss Ratio in FY2008 1H

- Decrease in claim paid for fire from natural disaster (07.9 3.6 Bln yen → 08.9 3.4 Bln yen, -0.2 Bln yen)
- Decrease in automobile insurance claim for personal injury and payments for big deals (98.8 Bln yen → 96.8 Bln yen, -2.0 Bln yen)
- Increase in personal accident payments, due to increase of significant claim payments (14.8 Bln yen → 16.3 Bln yen, +1.5 Bln yen)

◆ Loss Ratio (Year-on-Year comparison)

- Fire 45.3% (-1.0%)
- Automobile 64.7% (-0.3%)
- Personal Accident 61.4% (+9.4%)
- Total (excl. CALI) 59.5% (+0.7%)



High-Priority Actions (2) – Expenses –

Reduce expense ratio by radical reform of business structure

Billions of yen	FY2007	FY2008E (As of Nov.)	Key Effects on FY2008 Estimate
Personnel expenses	87.0	83.4	<ul style="list-style-type: none"> • Promote business process reform • Revise the retirement allowance plan
Non-personnel expenses (incl. taxes)	78.9	79.9	<ul style="list-style-type: none"> • Facilitate procurement cost reduction project • IT investments for profit increase and quality improvement
Net commissions & brokerage	117.1	112.5	<ul style="list-style-type: none"> • Partial revision of commission rate table
Total	283.0	275.9	<ul style="list-style-type: none"> • Expense ratio is calculated by dividing net premium written into the expense related to underwriting out of the above total • Loss adjustment expense is a component of the numerator of the loss ratio
Expense ratio (excl. CALI)	37.8%	37.2%	

Expenses in the first half of FY2008

Personnel expenses: 41.4 Bln yen (-6.1%), Non-personnel expenses: 38.0 Bln yen (0.0%),
Expense ratio: 34.3%(-0.3%) ※ () Comparison over the corresponding period of a year earlier

Personnel expenses: Decrease of retirement benefit expenses by revising the retirement allowance plan
Non-personnel expenses: Effect to decrease by facilitating procurement cost reduction project in the second half of FY2008, the expenses remained flat in the first half of FY2008

Improvement of Corporate Governance Structure

As of June 26, 2008

Streamlined Management

- ◆ Quick decision making
- ◆ Efficient management
- ◆ Strict auditing

Directors

10 persons

Including 4 independent directors

Corporate officers

26 persons

Statutory auditors

5 persons

Including 3 independent auditors

Proactive Reforms of Governance System

- ◆ Well-defined management responsibilities
- ◆ Greater transparency
- ◆ Benefit-sharing with shareholders

FY1999

Introduction of corporate officer system

FY2000

**Shortening of director's terms
(from 2 years to 1 year)**

FY2004

**Revision of compensation system for directors and officers:
- Abolishment of retirement allowance
- Introduction of stock options**

FY2006

Establishment of Nominations and Remuneration Committee

In July 2008, the Company was selected by the Pension Fund Association of Japan as eligible stock for the investment by its "Corporate Governance Fund *," which invests in enterprises with excellent corporate governance system.

Note: Only 80 companies listed on the TSE 1st Section have been selected as eligible for the investment by "Corporate Governance Fund."

Consolidation of Products

Rebuild simple and highly understandable products by promoting consolidation of products and policy conditions

Improve quality

Increase understandability

Reduce cost

Before

Jan. 2008

Future plan

Number of personal lines products Approx. 90
(Number of special conditions) Approx. 2,260



Approx. 60 (30% reduction)
Approx. 1,500 (30% reduction)



Approx. 30 (70% reduction)
Approx. 1,000 (60% reduction)

Examples of precedence consolidation of auto insurance

Auto insurance “Car BOX” (launched in Sept. 2006)

- Brought down the number of special conditions while maintaining the scope of coverage from 45 to 24 (*only with respect to conditions about coverage)
- Discount for premiums with no paper policy (confirmed at the Website) and cashless payment



(December 2008)

- Cut the number of special conditions further (from 62 to 47)
- Simplification of standard clauses
- Introduction of Carbon offset by utilizing no paper policy (on-line confirmation)
- Raise premiums in consideration of loss trends

Marketing Strategy (1) – Broad-Ranging Alliances –

Alliance with major life insurance companies

Sales: 13.7 Bln yen
(As of Sep. 2008)




 **TAIYO-LIFE**

7,619 sales people
(As of end of Mar. 2008)

 **MEIJIYASUDA LIFE**

31,215 sales people
(As of end of Mar. 2008)

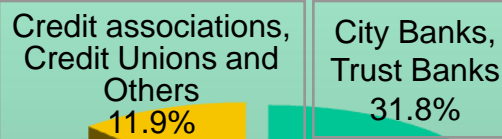
 **ASAHI MUTUAL LIFE**

14,282 sales people
(As of end of Mar. 2008)

SONPO 24 INSURANCE CO., LTD.

Alliance with financial institutions

Sales: 21.5 Bln yen
(As of Sep. 2008)



City Banks, Trust Banks

Number of institutions: 7
(As of end of Sep. 2008)

Regional Banks

Number of institutions: 58
(As of end of Sep. 2008)

Credit Associations, Credit Unions and Others

Number of institutions: 108
(As of end of Sep. 2008)

City Banks, Trust Banks

Number of institutions: 3
(As of end of Sep. 2008)

Regional Banks

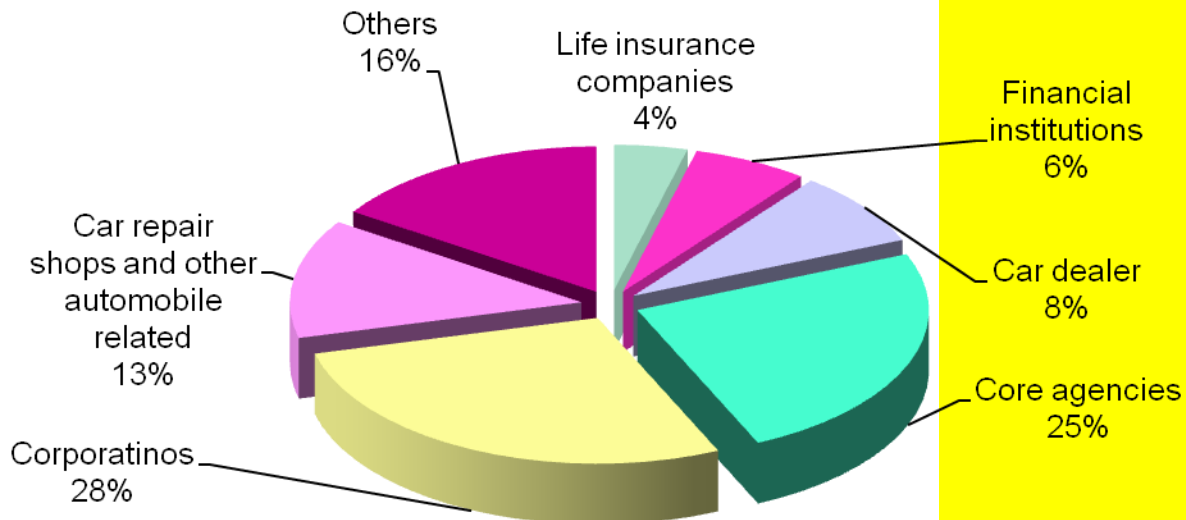
Number of institutions: 13
(As of end of Sep. 2008)

Credit Associations, Credit Unions and Others

Number of institutions: 14
(As of end of Sep. 2008)

Marketing Strategy (2) – Efficient Channels –

Breakdown of premium income by distribution channel (as of Sep. 2008)



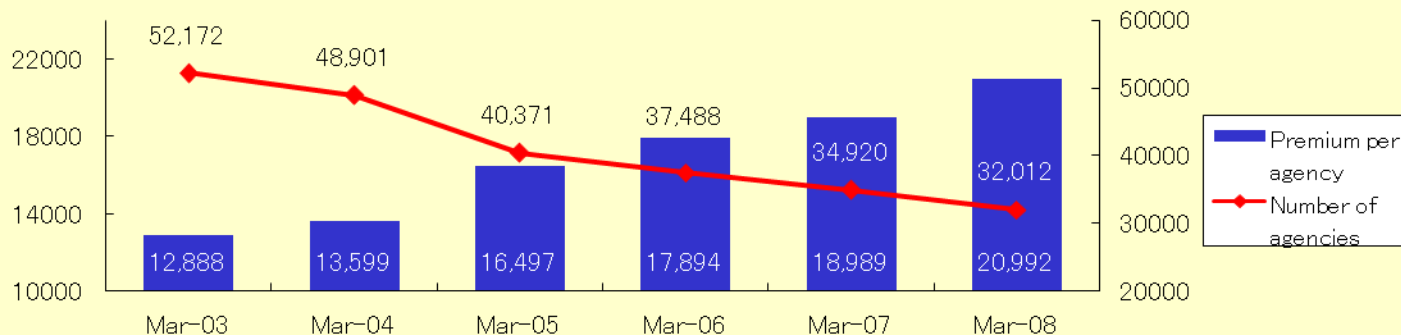
Channels We Focus on

- **Efficient**
- **High growth potential**
- **Fit to our strength**

Number of agencies

We have 30,796 agencies as of Sep. 2008

We will continue to promote efficiency by enlarging agencies and corporatizing



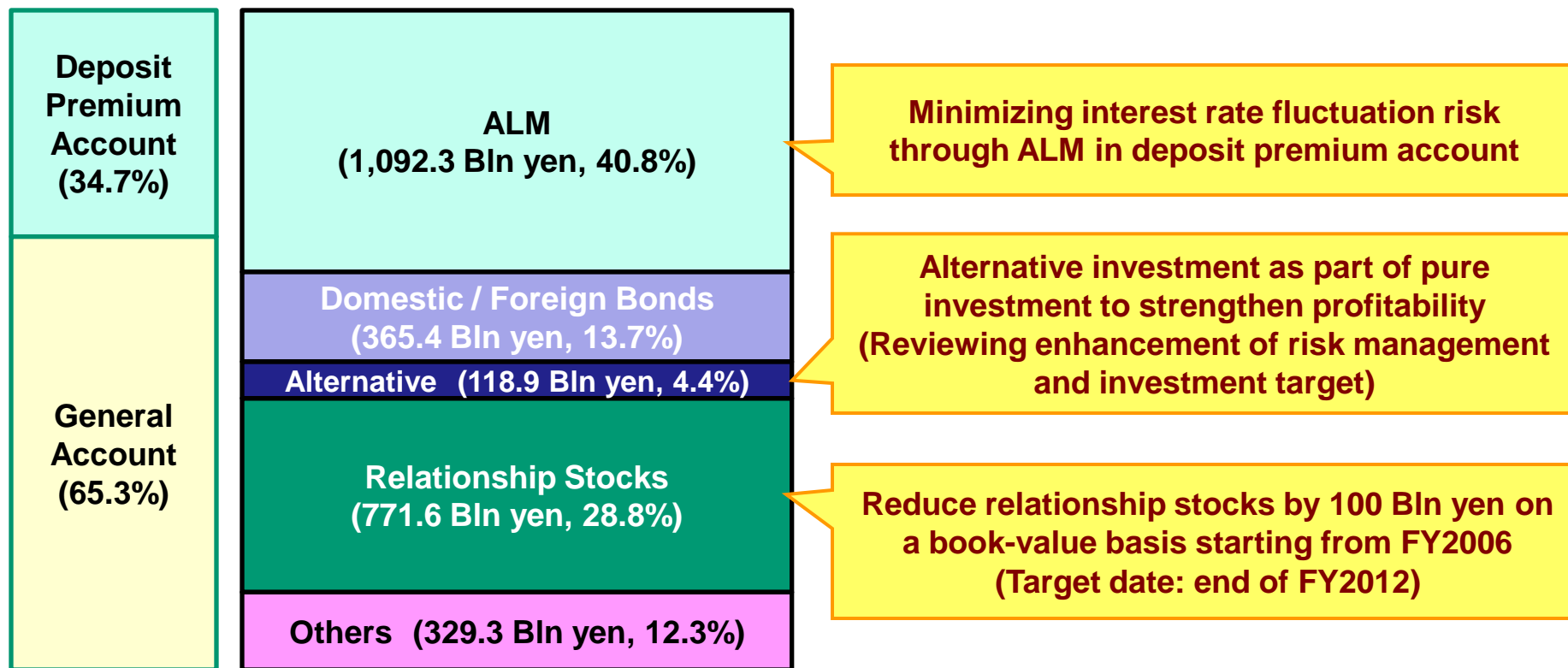
Note: Premium per agency is indicated by scale on the left hand side (Unit is thousand yen. Premium is sales-performance base). Number of agencies is indicated by scale on the right hand side.

Asset Management Strategy

Pursue optimization of asset portfolio and profitability improvement

Asset Portfolio 2,677.5 Bln yen (as of Sep. 2008)

Asset Management Strategy



※1 () Asset balance amount, component percentage, on the market value basis

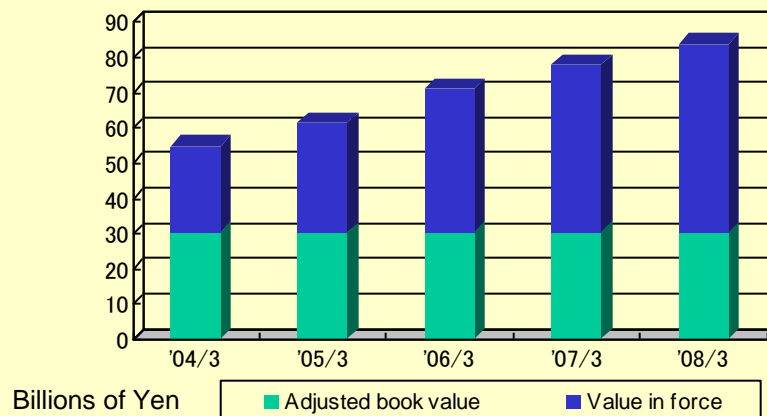
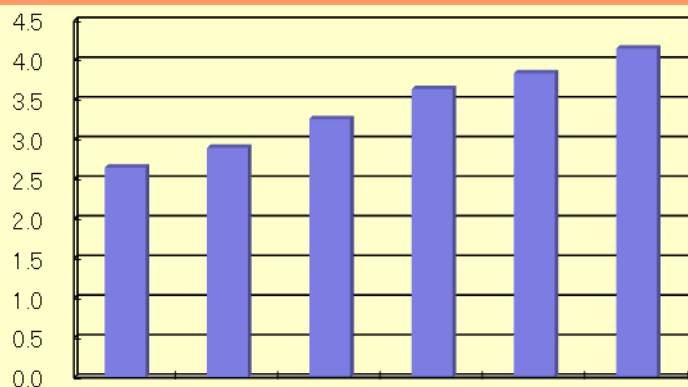
※2 Other major components: Cash and deposit (75.7 Bln yen) Loans (67.2 Bln yen) Real estate (117.2 Bln yen) etc

NIPPONKOA Life Insurance

Expanding scale steadily → Expect to reach the standard reserve level in FY2008

Policies in force (individual) : 3,847,2 billion yen (Sep. 2008)
⇒ 2008E : 4,150.0 billion yen

Embedded Value (Mar. 2008) : 83.5 billion yen



Trillions of Yen

Sep. 2008 : 3,932.9 Bln yen
(Change YoY : +202.1 Bln yen)

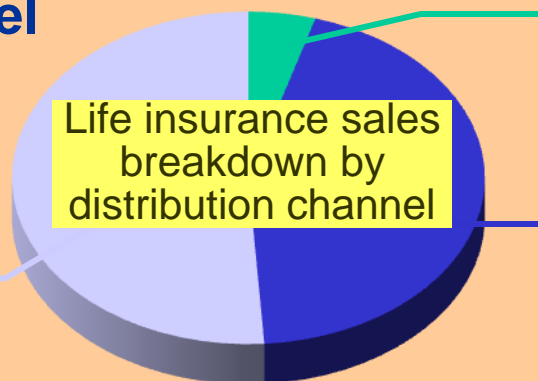
Billions of Yen

Adjusted book value Value in force

Status of Distribution Channel

Consulting sales focusing on customer needs is promoted using core agencies as the most important channel

Others (51%)
(corporations, agency trainees, etc.)



Financial Institutions (5%)
Number of institutions: 58
(As of end of Sep. 2008)

Core Agencies (44%)
Number of agencies: 1,998
(As of end of Sep. 2008)

Sonpo 24

Characteristics of Sonpo 24

★ Attractive Products

- ① Competitive price
- ② Simple and easily understandable products
- ③ Excellent services
- ④ Convenient contract procedure by utilizing no paper policy

★ The intermediary agency method to enhance operating effectiveness

Sonpo 24 directly takes care of the following:

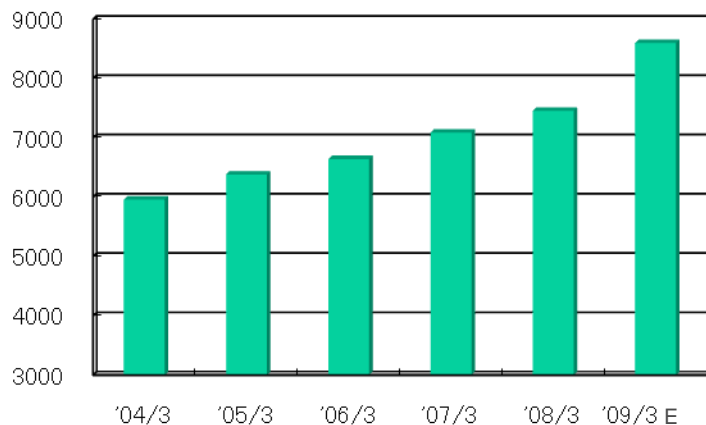
- ① To explain important matters
- ② To make contracts and collect premiums
- ③ To process change and renew of contracts
- ④ To respond and handle claims

★ Excellent service of claims-handling

Take advantage of NIPPONKOA's nationwide network

Steady growth by leveraging its characteristics

Millions of Yen Net premiums written



Full deregulation for insurance sales at banks in Dec. 2007

Business model with high growth potential

- ★ The intermediary agency method is best suited to sales at financial institutions
- ★ Financial institutions are important channels as intermediary agencies as well as life insurers for Sonpo 24 to increase revenue

Premiums have been steadily expanding through life insurers, financial institutions and other intermediary agencies

Challenge

Significant cut of expenses through revision of business processes

Objective

Contribution to our group profit by moving into the black promptly

Environmental Initiatives

Frequent abnormal weather is a threat to insurers

Progress of global warming is likely to increase the number as well as intensity of abnormal climate

➔ As an insurer, anti-global warming measures is a top priority

Our initiatives toward realization of low carbon society

I. Insurer of choice from customers

① Carbon neutral pledge
(Reducing our emissions)

② Carbon-offset products/accident handling
(Raising environmental awareness among customers)

③ Eco-safety driving contest
(Customers' emissions reduction/loss optimization)

(Measures already implemented/announced)



II. Direct support for customers' CO2 reduction efforts

① Support services to make emissions "visible"

Using "NIPPONKOA Standard for CO2 Emissions Calculation"

② Emissions reduction support service

Providing expertise on reduction scenario development based on our practical experiences

③ Support for customers' carbon offset initiatives

(Measures to be discussed going forward inc. whether or not to adopt)

Outline of Next Medium-term Business Plan (1)

Medium- to Long-term Vision: What NIPPONKOA Is Looking For

- **Company providing reassurance and safety which are friendly to the society and environment through its core insurance business**

Initiatives during the next medium-term business plan

Planned Period: FY2009 – FY2010

● Contribution to the society

- Environmental efforts (carbon neutral pledge, promotion of eco-safety driving)
- Exercise of CSR (Corporate Social Responsibility)

- Efforts responding to the society's needs
- Aggressive environmental efforts

● Quality improvement

- Improvement of products/operation quality (easy-to-understand products, etc.)
- Improvement of sales force quality (efficient and effective education/training programs, etc.)
- Best claims-handling quality (24-hour, 365-day initial handling service, etc.)

- Attractive product offering
- Distribution channels chosen by customers
- Excellent claims-handling

● Profitability improvement

- Efforts for strengthening underwriting activities and preventing accidents
- Improvement of income by business unit (products, channels)
- Promotion of low cost operation by improving operating efficiency
- Restructuring of asset management portfolio (reduction of strategically held shares, etc.)
- Pursuit of "scale expansion" in the life insurance business

- Competitiveness
- Return to stakeholders
- Reinvestment in growth areas

Outline of Next Medium-term Business Plan (2)

Domestic Non-life Insurance

- ◆ **Higher profitability**
 - Introduction of revenues management by business unit based on its unique management index
 - Improvement of administration efficiency to reduce administration risk and achieve low cost operation
 - Business process reform, promotion of strategic sourcing
- ◆ **Distribution strategy**
 - Promotion of proposal-based risk consulting marketing
 - Efforts on promising/new markets
- ◆ **Efforts to strengthen underwriting activities/prevent accidents**
 - Strengthening of underwriting activities to promote appropriate underwriting
 - Efforts to prevent/reduce accidents inc. eco-safety driving
- ◆ **Product/Service strategy**
 - Offering of “easy-to-understand products” by consolidating products/riders
 - Simplifying/Standardizing of contract procedure
- ◆ **Claims handling structure**
 - Improvement of initial handling inc. advice given at the time of 24-hour, 365-day accident reporting
 - Higher added value of claims handling
- ◆ **Quality improvement**
 - Improvement of management quality inc. establishment of highly transparent governance structure
 - Effective education/training to improve quality of sales force

Domestic Life Insurance

- ◆ **Scale expansion**
 - Strengthening of structure to respond to professional channel for life insurance
 - Improvement of direct sales channel
 - Offering/Modifying of products to meet market needs

Asset Management

- ◆ **Improvement of asset management portfolio**
 - Reduction of strategically held shares
 - Improvement of expected return, risk/return
 - Development of new investment areas

Overseas Insurance

- ◆ **Strengthening of profitability by geographic area**
 - Strengthening of sales structure in China through establishment of local subsidiary
 - Strengthening of coordination with domestic sales division to ensure stable income

Environment Business

- ◆ **Environment related services**
 - Development of environment-conscious products
 - Development of anti-global warming related products

Key Financial Targets of Next Medium-term Business Plan

1. NIPPONKOA Insurance (Non-consolidated) Billions of yen

Item	FY2008 (E)	FY2010	Change
Net Premiums Written	660.0	650.0	-10.0
Loss Ratio (excl. CALI)	62.5 %	60.8%	-1.7 %
Expense Ratio (excl. CALI)	37.2 %	37.2%	±0.0 %
Underwriting Balance (excl. CALI)	2.0	11.0	+9.0
Underwriting Profit	-10.0	11.0	+21.0
Ordinary Profit	14.0	40.0	+26.0
Net Income	9.0	25.0	+16.0
Adjusted Income ※1	16.0	30.0	+14.0
(New) Adjusted ROE ※2	3.1 %	5 %+	Approx. +2 %

※1 Adjusted Income (Non-consolidated) = (Underwriting Profit + Provision for Catastrophe Reserve + Net Interest/Dividend + Provision for Price Fluctuation Reserve – Special Factors) x (1-Effective Tax Rate) * Negative for reversal of reserve

※2 (New) Adjusted ROE (Non-consolidated) = Adjusted Income / Adjusted Shareholders' Equity
 • Adjusted Shareholders' Equity (Non-consolidated) = Net Assets – Net Unrealized Gain on Available-for-sale Securities – Subscription Rights to Shares + Catastrophe Reserve + Price Fluctuation Reserve

2. Sonpo24

Billions of yen

Item	FY2008 (E)	FY2010	Change
Net Premiums Written	8.5	11.0	+2.5

※ Expected to be profitable in FY2010 on a single year basis

3. NIPPONKOA Life

Billions of yen

Item	FY2008 (E)	FY2010	Change
Business in force for individual insurance	4,150	4,700	+550
EV	88.5	101	+12.5
Increase in EV ※3	5.0	7.0	+2.0

※3 Excluding “impact of change in assumption on investment return” “impact of change in assumption on risk discount rate” and “if there is any capital increase/decrease during the year, such amount”

4. NIPPONKOA Insurance (Consolidated) Billions of yen

Item	FY2008 (E)	FY2010	Change
Ordinary Profit	14.0	40.0	+26.0
Net Income	9.0	25.0	+16.0
Adjusted Income ※4	18.5	38.0	+19.5
(New) Adjusted ROE ※5	3.0 %	5 %+	Approx. +2 %

※4 Adjusted Income (Consolidated) = Nonconsolidated Adjusted Income + Sonpo24/Overseas Subsidiaries' Financial Accounting Net Income + NIPPONKOA Life Increase in EV

※5 (New) Revised ROE (Consolidated) = Adjusted Income (Consolidated) / Adjusted Shareholders' Equity (Consolidated)

• Adjusted Shareholders' Equity (Consolidated) = Adjusted Shareholders' Equity (Non-consolidated) + Sonpo24/Overseas Subsidiaries' Financial Accounting Net Assets + NIPPONKOA Life EV

Capital Policy

Basic Concept

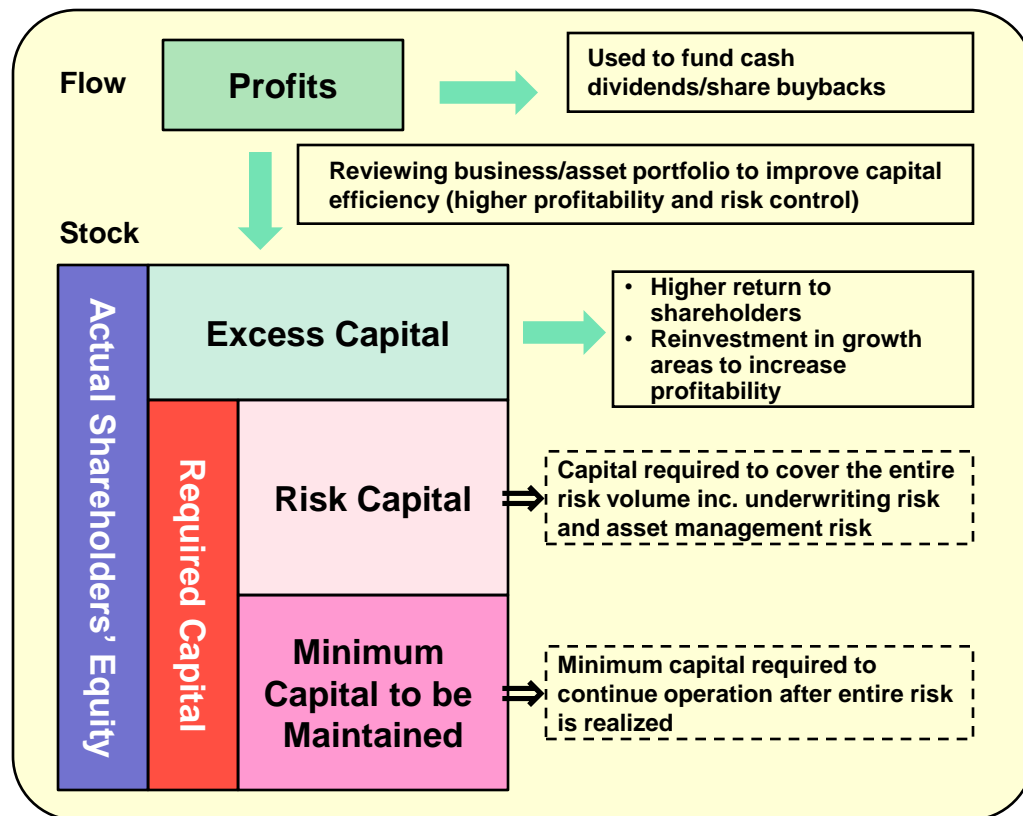
- Based on sound management of the insurance business, improve return to shareholders by increasing capital efficiency through effective use of assets

Initiatives during medium-term business plan

- I. Ensure soundness of insurance business
- Integrated risk management (DFA Model) based on calculated risk volume to ensure appropriate capital size (Secure sufficiency of required capital)

- II. Increase capital efficiency
- Reallocation of existing resources to improve profitability
 - Allocating resources to growth strategy to increase profitability
 - Sale of strategically held shares to create excess capital

- III. Improve return to shareholders
- Continued stable dividends
 - Prospect for increased dividends
 - Ongoing share buybacks/retirement



Shareholder Returns

Overall judgment of soundness of shareholders' capital, profit level and stock performance to provide return to shareholders

Dividends

【Basic Policy】

- Continued stable dividends
- Improvement of profit level to increase dividends

【FY2008 Plan】 (As of November 28, 2008)

Dividend per share (Annual) ...7.5 yen

Total dividends... 5.6 Bln yen (planned)

Share Buybacks

【Basic Policy】

- Improvement of capital efficiency to continue flexible share buybacks (Since FY1999)

【Cumulative Amount of Share Buybacks】

(As of November 28, 2008)

Amount...88.4 Bln yen

Shares...120,968,000 shares

(of which 57 million shares were retired)

Improve return to shareholders
under the next medium-term business plan

Strengthening of profitability
based on growth strategy

Restructuring of
business/asset portfolio

Improvement of
profit level
Reduction of risk
capital

Improvement
of capital
efficiency

Improvement
of return to
shareholders

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Structure of Income & Losses

Millions of Yen

			2007/9		2008/9		Change	
				excl. CALI		excl. CALI		excl. CALI
Underwriting		(+) Net premiums written	352,736	300,517	339,188	293,874	-13,547	-6,642
		(-) Net losses paid	198,870	161,468	197,654	160,192	-1,215	-1,275
		(-) Loss adj. exp, underwriting costs & exp.	139,909	127,530	133,422	120,113	-6,486	-7,417
		(+) Underwriting balance	13,957	11,518	8,111	13,568	-5,845	+ 2,050
		(-) Increase in reserve for outstanding claims	247	1,614	1,272	2,260	+ 1,024	+ 645
		(-) Increase in premium reserve	13,798	6,824	436	2,426	-13,362	-4,397
		(-) Increase in catastrophe reserve & contingency reserve	3,242	3,242	1,007	1,007	-2,235	-2,235
		(+) Other balance	3,439	271	2,527	48	-911	-222
		(+) Underwriting profit :A	107	107	7,923	7,923	+ 7,815	+ 7,815
		(+) Miscellaneous income related to underwriting :B	-597		455		1,053	
Investment, etc.		(+) Interest & dividend income	28,015		28,976		+ 960	
		(-) Investment income on deposit premium	13,104		13,064		-39	
		(+) Net interest & dividend income	14,911		15,912		+ 1,000	
		(+) Gain/loss on sale of securities	13,779		8,121		-5,657	
		(-) Revaluation loss on securities	2,081		6,427		+ 4,346	
		(+) Redemption profit from securities	194		-273		-468	
		(+) Investment income from money in trust	-198		-597		-398	
		(+) Revaluation gain/loss on derivative financial instruments	-627		-1,366		-739	
		(+) Other investment income/losses *	-1,087		-1,637		-550	
		(+) Investment profit :C	24,890		13,730		-11,159	
	(-) Administrative expenses on investments, etc. :D	3,105		3,001		-103		
	(+) Other ordinary income/loss :E	383		996		+ 612		
Ordinary profit (A+B+C-D+E) :P		21,678		20,104		-1,573		
	(+) Special income/loss :F	-1,675		-1,448		+ 226		
	(-) Income taxes (including deferred tax) :G	8,103		5,935		-2,167		
Net income (P+F-G)		11,899		12,719		+ 820		
Net income (consolidated)		12,565		12,836		+ 270		

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

	2007/9	2008/9	Change % Change
Fire	47,455	46,302	-1,152 -2.4%
Marine	9,624	9,274	-350 -3.6%
Personal accident	31,137	29,031	-2,106 -6.8%
Voluntary automobile	166,439	163,546	-2,893 -1.7%
CALI (compulsory automobile liability)	52,219	45,314	-6,905 -13.2%
Other	45,859	45,719	-139 -0.3%
All lines	352,736	339,188	-13,547 -3.8%
All lines except CALI	300,517	293,874	-6,642 -2.2%

(Major Factors of the Change)

→	Direct premiums written (except savings-type): -0.4 Bln yen Direct premiums written (Savings-type): -0.3 Bln yen; Earthquake: -0.1 Bln yen Reinsurance premiums assumed: -0.2 Bln yen; Ditto ceded: -0.0 Bln yen
→	Hull: +0.1 Bln yen; Cargo: -0.4 Bln yen
→	Except savings-type products: -2.0 Bln yen Savings-type products: Slight decrease
→	Number of insured vehicles: Nonfleet: -0.4%; Fleet: -3.9%; Total: -1.0% Premium per vehicle*1: Nonfleet: -1.6%; Fleet +0.4%; Total -1.3%
	Notes: Figures for premium per vehicle for voluntary automobile are on a sales-performance basis.
→	General liability: +1.1 Bln yen; Workers' compensation: +0.1 Bln yen; Machinery: -0.9 Bln yen; Contractors' all risks: -0.1 Bln yen; Burglary: -0.1 Bln yen, etc.

Paid Losses

■ Net Losses Paid/Loss Ratio by Line

Millions of Yen

	2007/9	2008/9	Change % Change
Fire	20,257 46.3%	19,478 45.3%	-779 0.9%
Marine	3,978 42.5%	3,273 36.4%	-704 -6.1%
Personal accident	14,806 52.0%	16,355 61.4%	+ 1,548 + 9.4%
Voluntary automobile	98,854 65.0%	96,886 64.7%	-1,967 -0.3%
CALI (compulsory automobile liability)	37,401 77.0%	37,462 88.7%	+ 60 + 11.7%
Other	23,571 56.9%	24,199 58.5%	+ 628 + 1.5%
All lines	198,870 61.5%	197,654 63.4%	-1,215 + 1.9%
All lines except CALI	161,468 58.8%	160,192 59.5%	-1,275 + 0.7%

(Major Factors of the Change)

→	Losses from natural disasters: -0.2 Bln yen (3.6 Bln yen→3.4 Bln yen, including losses from before first half)
→	Hull: slight increase, Cargo: -0.8 Bln yen
→	Except savings-type products: +1.5 Bln yen Savings-type products: slight increase
→	Own vehicle damage losses: +0.7 Bln yen; Casualty insurance losses: -0.8 Bln yen Bodily injury liability losses: -1.9 Bln yen; Personal injury liability losses: +1.4 Bln yen Passenger injury liability losses: -1.4 Bln yen; Own car accident losses: +0.1 Bln yen
→	Machinery: +0.4 Bln yen; Guarantee insurance: +0.4 Bln yen; trust: +0.2 Bln yen; Miscellaneous pecuniary loss: +0.1 Bln yen; indemnity liability: -0.5 Bln yen, etc.

Expense / Underwriting Fund

■ Expenses

Millions of Yen

	Amount		Change in Amount	Expense Ratio	
	2007/9	2008/9		2007/9	2008/9
Personnel expenses	44,092	41,409	-2,682	12.5%	12.2%
Nonpersonnel expenses, etc. *1	38,016	38,033	+ 16	10.8%	11.2%
Company expenses	82,108	79,443	-2,665	23.3%	23.4%

→ Main factors for the change
Revision of retirement benefit plan

	All Lines				
	Amount		Change in Amount	Expense Ratio	
	2007/9	2008/9		2007/9	2008/9
Company expenses on underwriting	79,003	76,441	-2,561	22.4%	22.5%
Net commissions & brokerage	60,905	56,981	-3,924	17.3%	16.8%
Operating and admin exp. on underwriting *2	61,106	59,197	-1,908	17.3%	17.5%
Underwriting costs & expenses	122,011	116,178	-5,833	34.6%	34.3%
Ditto, including Loss adj. expenses	139,909	133,422	-6,486	39.7%	39.3%

All Lines except CALI		
Amount	Expense Ratio	Change in Amount
66,547	22.6%	-2,928
53,565	18.2%	-4,488
52,027	17.7%	-2,336
105,593	35.9%	-6,824
120,113	40.9%	-7,417

Notes: 1) Operating & admin expenses on underwriting = « Company expenses on underwriting » - « Loss adjustment expenses »

■ Breakdown of Underwriting Fund/Price Fluctuation Reserve

Millions of Yen

	2008/3				2008/9				Change			
	Reserve for outstanding claims	Premium Reserve	Catastrophe Reserve	Contingency Reserve	Reserve for outstanding claims	Premium Reserve	Catastrophe Reserve	Contingency Reserve	Reserve for outstanding claims	Premium Reserve	Catastrophe Reserve	Contingency Reserve
Fire	28,808	361,900	107,994	---	30,899	359,575	111,192	---	+ 2,090	-2,325	+ 3,198	---
Marine	8,440	7,757	17,887	---	8,702	7,603	18,321	---	+ 261	-154	+ 434	---
Personal accident	20,995	30,067	30,744	16	20,264	32,063	29,371	15	-731	+ 1,996	-1,372	-1
Voluntary automobile	138,181	93,354	22,755	---	136,167	92,836	19,832	---	-2,014	-518	-2,923	---
CALI (Compulsory auto.)	27,024	207,712	---	---	26,036	205,721	---	---	-987	-1,990	---	---
Other	61,260	81,065	44,844	---	63,915	84,493	46,515	---	+ 2,655	+ 3,427	+ 1,671	---
All lines	284,711	781,858	224,225	16	285,984	782,294	225,233	15	+ 1,272	+ 436	+ 1,008	-1
All lines except CALI	257,687	574,145	224,225	16	259,947	576,572	225,233	15	+ 2,260	+ 2,426	+ 1,008	-1
Long-lived assets			1,016,682				981,605				-35,077	
Reserve as stated on B/S			2,022,782				1,989,148				-33,633	
Price fluctuation reserve		20,660				22,003					+ 1,342	

Asset Management

■ Breakdown of Interest & Dividend Income

Millions of Yen

1st Half FY2008	Income	Income Yield	
			Prev. Year
Deposits	118	0.30%	(0.49%)
Call loans	60	0.49%	(0.50%)
Receivables under resale agreement	35	0.58%	(0.56%)
Monetary receivables bought	144	1.05%	(0.97%)
Securities	25,047	2.72%	(2.49%)
Loans	2,255	2.09%	(2.06%)
Land & buildings	900	1.52%	(1.50%)
Sub-total*	28,561	2.45%	(2.27%)
Others	414		
Total	28,976		

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

■ Breakdown of Investment Yield

Millions of Yen

1st Half FY2008	Realization Basis			Mark-to-market Basis		
	Amount	Yield		Amount	Yield	
			Prev. Year			Prev. Year
Deposits	130	0.33%	(0.35%)	130	0.33%	(0.35%)
Call loans	60	0.49%	(0.50%)	60	0.49%	(0.50%)
Receivables under resale agreement	35	0.58%	(0.56%)	35	0.58%	(0.56%)
Monetary receivables bought	144	1.05%	(0.97%)	34	0.25%	(0.62%)
Money in trust	-597	-2.77%	(-0.90%)	-597	-2.71%	(-0.83%)
Securities	24,802	2.69%	(3.62%)	-87,166	-7.63%	(-0.35%)
Loans	2,256	2.09%	(2.06%)	2,253	2.09%	(2.07%)
Land & buildings	900	1.52%	(1.51%)	900	1.52%	(1.51%)
Derivatives	-1,366			-2,561		
Others	428			428		
Total	26,795	2.27%	(3.07%)	-86,482	-6.16%	(-0.09%)

■ Interest & Dividend Income on Securities

1st Half FY2008	Amount (Millions of Yen)
Domestic bonds	6,245
Domestic equities	8,643
Foreign securities	6,568
Others	3,589
Total	25,047

■ Capital Gains/Losses on Securities

Millions of Yen

1st Half FY2008	Gain on Sale (a)	Loss on Sale (b)	Revaluation Loss (c)	Net Gain (a-b-c)
Domestic bonds	36	5	---	30
Domestic equities	8,889	662	1,532	6,694
Foreign securities	2,058	1,871	2,793	-2,606
Others	---	323	2,101	-2,425
Total	10,985	2,863	6,427	1,693
Ditto, change	-4,187	+ 1,469	+ 4,346	-10,003

Self-assessment of Assets

■ Assets for Assessment

Millions of Yen

1 st Half FY2008	Unclassified	Class. II	Class. III	Class. IV	Total
Deposits	86,265	---	---	---	86,265
Call loans	25,000	---	---	---	25,000
Receivables under resale agreements	16,972	---	---	---	16,972
Monetary receivables bought	14,983	---	---	---	14,983
Money in trust	44,256	---	---	---	44,256
Securities	2,140,172	2,110	11,554	6,427	2,160,265
Loans	212,393	6,376	291	23	219,084
Policy loans	6,670	---	---	---	6,670
General loans	205,723	6,376	291	23	212,414
Borrowers specified	205,699	6,376	291	23	212,390
Normal	(205,599)	---	---	---	(205,599)
Caution required	(100)	(4,871)	---	---	(4,971)
Potentially bankrupt	---	(1,440)	(291)	---	(1,732)
De facto bankrupt	---	(50)	---	(20)	(71)
Bankrupt	---	(13)	---	(2)	(16)
Borrowers unspecified	23	---	---	---	23
Real & movable property	128,151	818	---	81	129,051
Other	183,944	1,344	1,250	237	186,776
Total	2,852,141	10,649	13,096	6,769	2,882,657

■ Risk-Monitored Loans

Millions of Yen

1 st Half FY2008	Amount of claims
Loans in bankruptcy	16
Overdue loans	1,803
Loans overdue for 3 months or more	23
Restructured loans	215
Total risk-monitored loans	2,058
Bad-loan ratio	0.9%
Total coverage ratio	95.5%

Note: Total coverage ratio is the percentage of the sum of collaterals, guarantee, provisions, etc. extended to the risk-monitored loan.

Note : Regarding assets for assessment, the asset balance shown above is before depreciation/reserves. As such the total balance is greater than the amount stated on the balance sheet by 6,508 million yen, which represents the amount for depreciation/reserves. However, the amount of impairment loss, etc., on real & movable property (52 million yen) recorded during the period has been reflected.

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

NIPPONKOA Life

■ Principal Indicators

Millions of Yen

	2007/9	2008/9	Change
Premium & other receipts	39,951	42,758	+ 2,807
Investment income	3,190	4,355	+ 1,164
Basic profit	728	169	-559
Ordinary profit	566	616	+ 50
Net income/loss	---	---	---

■ Individual Life Insurance (including pensions)

Millions of Yen

	2007/9	2008/9	Change
Amount of business in force	3,730,759	3,932,910	+ 202,151

Millions of Yen

	2007/9	2008/9	Change
Amount of new business	291,294	294,681	+ 3,387

■ Embedded Value

Billions of Yen

	2007/3	2008/3	Change
Embedded Value	77.6	83.5	+ 5.9
Adjusted book value	(30.4)	(30.0)	(-0.4)
Existing business value	(47.2)	(53.5)	(+ 6.4)
EV of new business	3.7	2.9	-0.7

■ Profit and Loss

Millions of Yen

	2007/9	2008/9	Change
(+) Income from insurance premiums :a1	39,951	42,758	+ 2,807
(-) Insurance claims and other payments :a2	14,514	16,028	+ 1,514
(-) Operating expenses :a3	7,456	8,489	+ 1,033
(-) Provision for outstanding claims :a4	70	-67	-138
(-) Provision for policy reserve :a5	20,269	21,924	+ 1,654
(+) Net interest & dividend income :a6	3,183	3,685	+ 501
(+) Other ordinary income and expenses :a7	-94	100	+ 195
Basic profit :A	728	169	-559
(+) Gain / loss on sale of securities :b1	---	602	+ 602
(-) Devaluation losses on securities :b2	---	---	---
(-) Other capital gain / loss :b3	---	---	---
Capital gain :B	---	602	+ 602
(-) Provision for contingency reserve :c1	160	154	-5
(+) Other nonrecurrent item :c2	-2	---	+ 1
Nonrecurrent item :C	-162	-154	+ 7
Ordinary profit (A+B+C) :P	566	616	+ 50
(+) Extraordinary gain / loss :D	-33	-35	-1
(-) Provision for reserve for policyholder dividends :E	514	545	+ 31
(-) Income taxes (including deferred tax) :F	18	34	+ 16
Net Income (P+D-E-F)	---	---	---

Sonpo 24

■ Principal Indicators

	2007/9	2008/9	Change
Number of contact	83,233	95,386	+ 12,153
Loss ratio	73.0%	72.7%	-0.3%
Expense ratio	67.3%	62.2%	-5.1%
Solvency margin ratio	4,005.5%	2,746.6%	-1,258.9%

■ Profit and Loss

Millions of Yen

	2007/9	2008/9	Change
(+) Net premiums written	(3,581)	(3,952)	(+ 371)
(-) Net losses paid	(2,213)	(2,428)	(+ 214)
(-) Loss adj. exp, underwriting costs & exp.	(2,810)	(2,902)	(+ 92)
(+) Underwriting balance :a1	-1,442	-1,379	+ 63
(-) Increase in reserve for outstanding claims :a2	---	-39	-40
(-) Increase in premium reserve :a3	-58	87	+ 146
(+) Other balances :a4	5	6	+ 1
(+) Underwriting profit :A	-1,379	-1,420	-40
(+) Investment profit :B	44	53	+ 9
(+) Other ordinary income/loss :C	7	10	+ 3
Ordinary profit (A+B+C) :D	-1,327	-1,356	-28
(+) Special income/loss :E	-2	-14	-11
(-) Income taxes (including deferred tax) :F	5	5	---
Net income (D+E-F)	-1,335	-1,375	-40

FY2008 Forecast

■ Principal Indicators

Billions of Yen

	2008/9		2009 / 3 E	
		excl. CALI		excl. CALI
Net premiums written	339.1	293.8	660.0	576.9
Loss ratio	63.4%	59.5%	66.9%	62.5%
Expense ratio	34.3%	35.9%	35.4%	37.2%
Underwriting balance	8.1	13.5	- 15.6	2.0
Underwriting profit	7.9		- 10.0	
Interest & dividend income	28.9		52.5	
Net interest & dividend income	15.9		27.3	
Ordinary profit	20.1		14.0	
Net income	12.7		9.0	

■ Expenses

Billions of Yen

	2008/9		2009 / 3 E	
	Amount	Expense ratio	Amount	Expense ratio
Personnel expenses	41.4	12.2%	83.4	12.6%
Non-personnel expenses, etc.	38.0	11.2%	79.9	12.1%
Total expenses	79.4	23.4%	163.4	24.8%
Of which expenses on underwriting	76.4	22.5%	1,57.2	23.8%

Net commissions & brokerage	56.9	16.8%	112.5	17.0%
Operating & admin exp. on underwriting *	59.1	17.5%	121.3	18.4%
Expenses relating to underwriting	116.1	34.3%	233.8	35.4%

■ Net Premiums Written by Product Line

Billions of Yen

	2008/9		2009 / 3 E	
	Amount	% Change	Amount	% Change
Fire	46.3	-2.4%	96.3	+ 0.4%
Marine	9.2	-3.6%	18.9	- 1.2%
Personal accident	29.0	-6.8%	52.0	- 7.6%
Voluntary auto.	163.5	-1.7%	326.6	- 1.4%
CALI	45.3	-13.2%	83.0	-19.2%
Other	45.7	-0.3%	83.0	- 0.5%
All lines	339.1	-3.8%	660.0	- 4.2%
All lines excl. CALI	293.8	-2.2%	576.9	- 1.6%

■ Net Losses paid by Product Line

Billions of Yen

	2008/9		2009 / 3 E	
	Amount	Loss ratio	Amount	Loss ratio
Fire	19.4	45.3%	41.7	47.4%
Marine	3.2	36.4%	8.8	48.2%
Personal accident	16.3	61.4%	32.6	69.1%
Voluntary auto.	96.8	64.7%	198.1	66.4%
CALI	37.4	88.7%	75.5	97.8%
Other	24.1	58.5%	48.9	63.8%
All lines	197.6	63.4%	405.9	66.9%
All lines excl. CALI	160.1	59.5%	330.3	62.5%

* Operating & admin expenses on underwriting = (Company expenses on underwriting) – (Loss adjustment expenses)

Principal Indicators (1)

■ NIPPONKOA Insurance Non-consolidated

		Millions of Yen						Millions of Yen	
		2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2007/9	2008/9
Direct premiums written (excl. deposit premiums on savings-type policies)	Fire	129,360	132,473	131,199	130,141	128,314	119,385	59,122	58,144
	Marine	16,783	16,815	17,712	18,887	20,407	20,397	10,293	9,852
	Personal accident	68,102	64,962	61,464	59,139	58,569	55,540	30,607	28,817
	Voluntary auto.	349,730	342,561	342,846	337,209	335,323	331,213	166,486	163,703
	CALI (Compulsory auto)	116,231	115,059	111,258	105,160	105,598	99,471	53,962	45,707
	Other	80,828	82,301	83,709	83,773	85,340	86,831	47,691	48,315
	All lines	761,036	754,174	748,191	734,311	733,554	712,839	368,163	354,539
	All lines excl. CALI	644,805	639,114	636,932	629,151	627,955	613,368	314,201	308,832
Net premiums written	Fire	113,823	113,802	109,010	106,088	104,351	95,880	47,455	46,302
	Marine	15,802	15,880	16,722	17,990	19,241	19,193	9,624	9,274
	Personal accident	67,044	64,163	61,955	59,756	59,293	56,306	31,137	29,031
	Voluntary auto.	350,608	343,629	343,828	338,116	335,636	331,294	166,439	163,546
	CALI (Compulsory auto)	97,745	114,214	112,674	107,218	103,735	102,776	52,219	45,314
	Other	76,209	76,880	78,665	79,148	81,112	83,440	45,859	45,719
	All lines	721,234	728,570	722,858	708,319	703,371	688,892	352,736	339,188
	All lines excl. CALI	623,488	614,355	610,183	601,101	599,635	586,116	300,517	293,874
Loss ratio	Fire	36.3%	34.6%	85.5%	46.5%	56.2%	48.8%	46.3%	45.3%
	Marine	45.4%	49.5%	41.2%	48.6%	43.2%	41.8%	42.5%	36.4%
	Personal accident	44.6%	42.3%	42.7%	47.2%	54.1%	60.8%	52.0%	61.4%
	Voluntary auto.	62.6%	60.2%	62.1%	66.1%	67.0%	68.4%	65.0%	64.7%
	CALI (Compulsory auto)	45.7%	48.5%	64.6%	75.8%	79.2%	78.5%	77.0%	88.7%
	Other	72.6%	68.6%	68.0%	66.9%	67.2%	65.0%	56.9%	58.5%
	All lines	55.2%	53.4%	64.5%	62.7%	65.5%	65.4%	61.5%	63.4%
	All lines excl. CALI	56.7%	54.4%	64.5%	60.3%	63.1%	63.1%	58.8%	59.5%
Expense ratio	35.4%	35.5%	34.4%	35.7%	35.5%	34.9%	34.6%	34.3%	
Total Company expenses		169,020	173,607	167,206	170,873	169,212	165,947	82,108	79,443

Principal Indicators (2)

■ NIPPONKOA Insurance Non-consolidated

Millions of Yen

Millions of Yen

	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2007/9	2008/9
Underwriting balance, excl. CALI	33,954	41,318	-12,737	5,724	-8,538	-5,439	11,518	13,568
Ratio to net premiums written	5.4%	6.7%	-2.1%	1.0%	-1.4%	-0.9%	3.8%	4.6%
Underwriting balance, all lines	68,014	80,837	8,077	11,230	-6,542	-2,268	13,957	8,111
Ratio to net premiums written	9.4%	11.1%	1.1%	1.6%	-0.9%	-0.3%	4.0%	2.4%
Underwriting profit	8,378	11,744	-35,962	1,108	-35,747	-14,042	107	7,923
Interest & dividend income	49,523	47,118	47,462	51,279	56,693	53,009	28,015	28,976
Net interest & dividend income	16,560	15,626	17,456	23,041	29,286	26,523	14,911	15,912
Ordinary profit	-36,721	45,797	22,534	26,798	24,538	16,769	21,678	20,104
Net income	-28,637	15,885	14,559	13,273	13,425	7,877	11,899	12,719

■ Life Insurance Subsidiary (NIPPONKOA Life)

Amount of business in force (billions of yen) - individual insurance & individual annuity	2,452.9	2,662.7	2,914.8	3,266.4	3,648.1	3,847.2	3,730.7	3,932.9
Ordinary profit	2,818	1,263	896	1,104	1,413	1,275	566	616
Net income	1,340	25	189	63	31	---	---	---

■ Sompo24

Premium income	3,562	5,962	6,383	6,644	7,090	7,458	3,581	3,952
Ordinary profit	-3,940	-3,701	-3,183	-3,384	-2,944	-3,360	-1,327	-1,356
Net income	-3,951	-3,715	-3,199	-3,400	-2,958	-3,394	-1,335	-1,375

■ Consolidated

Net income	-25,890	19,319	13,467	10,670	15,872	8,991	12,565	12,836
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Note: Sompo24 has been consolidated since 2H FY2004

Sales Performance by Distribution Channel

■ Sales Performance, excl. Savings-Type Policies

Upper Row: Sales Performance (Millions of Yen)

Lower Row: % Change

1st Half of FY2008		Fire		Marine	Personal Accident	Voluntary Auto	CALI (Compulsory Automobile)	Transit	Others	Total	Proportion
	Number of agencies		Long-Term Products								
Financial institutions	707	10,737	4,919	208	2,125	4,828	204	241	3,217	21,560	6.4%
		- 7.9%	-19.1%	-14.7%	-5.8%	-1.7%	-25.8%	+ 6.2%	+ 4.4%	-4.8%	
Life insurance companies (Alliance partners)	2	1,543	439	---	2,856	8,858	31	9	446	13,743	4.1%
		+ 3.7%	+ 5.2%	---	-4.8%	-2.4%	-20.8%	+ 0.8%	+ 5.2%	-2.1%	
Corporation & transportation affiliated agencies	2,780	17,112	1,910	6,932	10,485	29,237	4,319	4,895	21,037	94,016	27.8%
		+ 4.9%	+ 27.8%	- 2.7%	-1.7%	-1.0%	-27.6%	- 3.3%	+ 5.8%	-0.6%	
Car dealers, car repair shops and other automobile related	15,655	1,380	300	70	745	40,711	28,638	101	1,012	72,659	21.5%
		+ 3.1%	+ 2.1%	-11.6%	-7.9%	-0.4%	-25.1%	-12.3%	+ 2.0%	-11.9%	
General agencies, etc	12,065	21,727	5,545	2,605	9,283	81,529	4,747	1,183	14,719	135,793	40.2%
		- 2.6%	+ 0.2%	- 1.0%	-4.5%	-2.2%	-27.1%	+ 9.0%	- 0.1%	- 3.3%	
Of which "Core Agencies"	2,151	11,598	2,751	172	5,203	54,663	2,596	484	8,023	82,741	24.5%
		+ 0.4%	+ 2.2%	- 6.0%	-7.1%	-2.7%	-25.6%	-0.3%	+ 2.3%	- 3.1%	
Total	30,796	52,499	13,114	9,815	25,495	165,163	37,940	6,428	40,431	337,771	100.0%
		- 1.1%	- 5.1%	- 2.6%	-3.6%	-1.6%	-25.6%	-1.1%	+ 3.4%	- 4.6%	

Sales performance analysis on voluntary automobile

Proportion of volume

% change in number of insured vehicles

% change in unit price (premium per vehicle)

Nonfleet

83 %

-0.4 %

-1.6 %

Fleet

17 %

-3.9 %

+ 0.4 %

Total

100 %

-1.0 %

-1.3 %

Asset Breakdown by Investment Category

(Market value basis, Millions of Yen)

End of Sep. 2008	Deposit Premium Account	General Account			Total	
		Pure investment	Others		Proportion	
Securities	737,056	614,628	802,154	1,416,782	2,153,838	80.4%
Domestic stocks	---	1,525	771,586	773,111	773,111	28.9%
Yen-denominated securities	716,691	375,818	18,730	394,549	1,111,240	41.5%
(Bonds)	(705,891)	(318,736)	(1,540)	(320,277)	(1,026,168)	(38.3%)
(Others)	(10,800)	(57,081)	(17,190)	(74,271)	(85,071)	(3.2%)
Foreign securities (foreign currency denominated)	20,364	237,284	11,837	249,121	269,486	10.1%
(Bonds)	(20,364)	(207,292)	---	(207,292)	(227,656)	(8.5%)
(Others)	---	(29,992)	(11,837)	(41,829)	(41,829)	(1.6%)
Monetary receivables bought	13,672	1,310	---	1,310	14,983	0.6%
Cash in trust	---	44,206	50	44,256	44,256	1.7%
Loans	151,876	---	67,208	67,208	219,084	8.2%
Deposits	10,601	11,286	64,377	75,663	86,265	3.2%
Call loans	16,972	25,000	---	25,000	41,972	1.6%
Real estate (Land & buildings)	---	---	117,160	117,160	117,160	4.4%
Total Investment Assets	930,179	696,432	1,050,950	1,747,382	2,677,562	100.0%
Change from end of FY2007	- 98 ,618	- 34 ,861	- 337 ,116	- 371 ,977	- 470 ,596	

Equity / Loan Portfolio by Industry

■ Breakdown of the equity portfolio by industry

Millions of Yen

As of end of Sep, 2008	Number of shares (in thousands)	Mark-to-market Value	
			Proportion
Financials & Insurance	269,944	232,344	30.1%
Chemicals & Medicines	83,288	154,664	20.0%
Commerce	89,630	59,451	7.7%
Electric machinery	81,455	59,283	7.7%
Transportation vehicles	75,030	56,151	7.3%
Transportation (Land & Air)	96,748	47,356	6.1%
Foods	49,648	43,474	5.6%
Machinery	38,796	31,065	4.0%
Utilities (Electricity & Gas)	4,918	11,374	1.5%
Steel	46,654	10,956	1.4%
Others	132,749	67,032	8.7%
Total	968,868	773,111	100.0%



Note: "Chemicals" includes medicines. Wholesale and retail are shown under the "Commerce" caption. "Financials & Insurance" includes banking, insurance and other financial services.

Note: "Services, etc." includes restaurants/lodging, medical/welfare, education, hybrid services, and miscellaneous services (i.e., services not classified into other categories).

■ Breakdown of the loan portfolio by industry

Millions of Yen

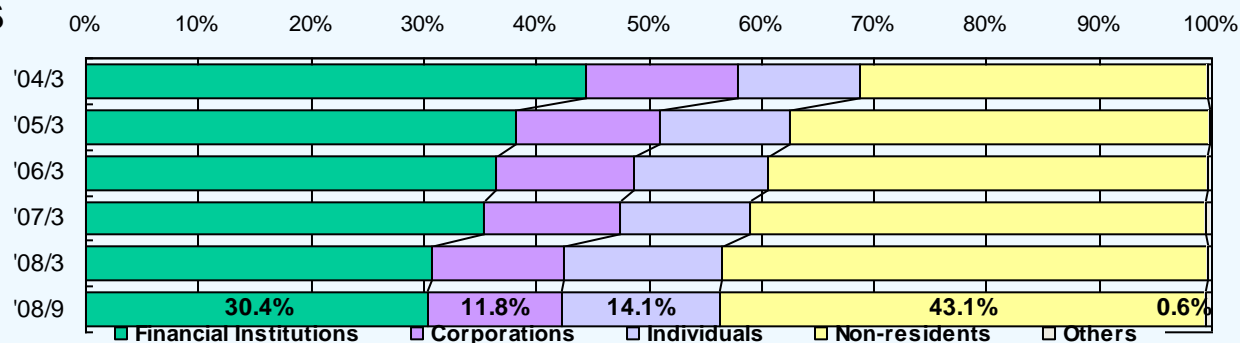
As of end of Sep, 2008		
		Proportion
Financials and Insurance	90,152	41.1%
Real estate	9,574	4.4%
Services, etc.	7,401	3.4%
Commerce (Wholesale & Retail)	3,753	1.7%
Manufacturing	3,103	1.4%
Utilities (Electricity, Gas, etc.)	1,136	0.5%
Construction	1,855	0.8%
Transportation	1,475	0.7%
Communication	---	---
Agriculture, Forestry and Fisheries	---	0.0%
Others	93,445	42.7%
	<i>Of which, Personal finance, Housing loans</i>	
	40,107	18.3%
Sub-total	211,897	96.7%
Public bodies	23	0.0%
Public corporations	493	0.2%
Policy loans	6,670	3.0%
Total	219,084	100.0%



Stock Related Data

State of Shareholdings

(Number of shares issued as of September 30, 2008 (incl. treasury stocks): 816,743 thousand)



Major Shareholders

(As of September 30, 2008)

1. State Street Bank & Trust Co.	9.9%	6. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.7%
2. Longleaf Partners Funds	7.8%	7. Japan Trustee Services Bank , LTD	2.6%
3. NIPPONKOA (treasury stock)	6.7%	8. The Joyo Bank, Ltd.	2.5%
4. Nippon Express Co., Ltd.	4.4%	9. Taiyo Life Insurance Co.	2.2%
5. Mellon bank Treaty Clients Omnibus	2.7%	10. Japan Trustee Services Bank , LTD	2.1%

Share Repurchases

(Cumulative 120.96 million shares repurchased as of October 31, 2008, of which 57 million shares were canceled)

Jan 2000	: 10 million shares	Dec 2004 – Jan 2005	: 10 million shares
Apr 2000	: 10 million shares	Oct 2005 – Feb 2006	: 10 million shares
Nov 2001 – Feb 2002	: 10 million shares	Dec 2006	: 6 million shares
Feb 2003	: 10 million shares	Jul 2007	: 34 million shares
Jan 2004 – Mar 2004	: 10 million shares	Oct 2008	: 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.

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