



NIPPONKOA
INSURANCE

NIPPONKOA INSURANCE CO., LTD.

FY2006 Financial Results and Our Business Strategy

May 31, 2007

Part I Toward Restoration of Consumers' Confidence

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Outline of Events

Failure in payment of claims for additional coverage

- Feb. 2005 Started survey
- Sep. 2005 Reported findings
- Nov. 2005 Received administrative order for improvement of business
- Apr. 2007 Released final report

E.g. When multiple claims could be paid, an incidental claim remained unclaimed although main claim was paid.

Improper nonpayment of insurance claims in third sector products

- Jul. 2006 Received administrative order to conduct examination
- Oct. 2006 Reported findings
- Mar. 2007 Received administrative order for partial suspension of business

E.g. Nonpayment due to poor company judgement on whether noncoverage clause was applicable or not.

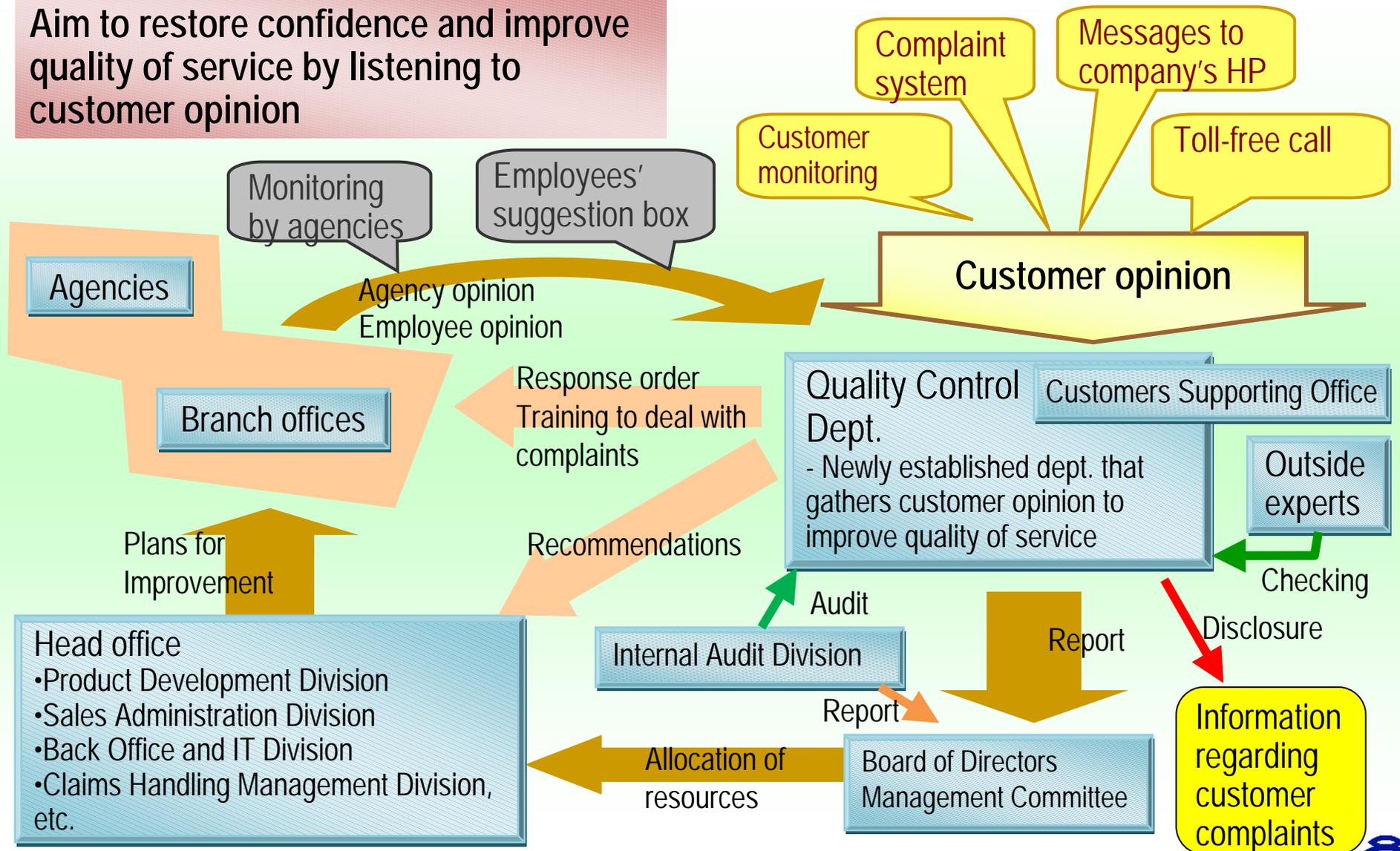
Improper calculation of premiums for fire insurance

- Dec. 2006 Received request from FSA to conduct examination
- Mar. 2007 Reported findings

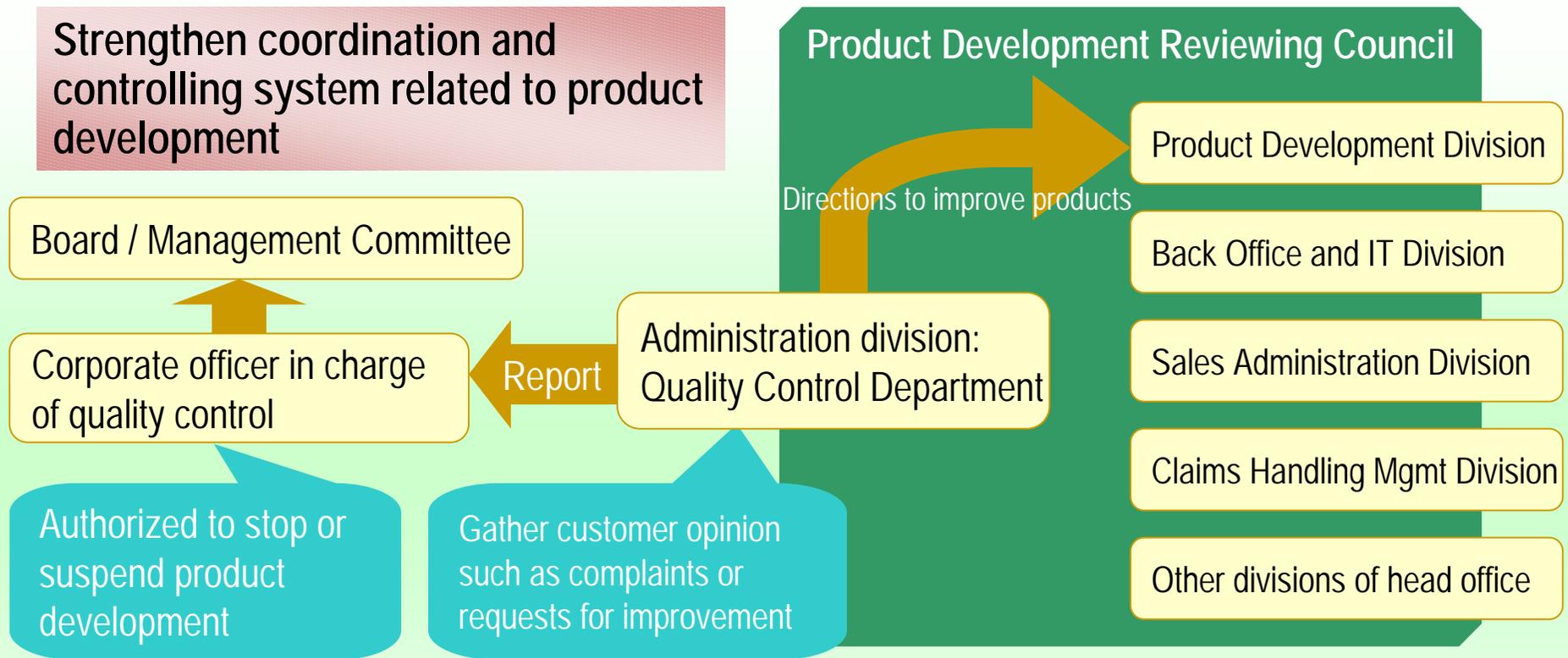
E.g. Premium was calculated using incorrect rate due to wrong assessment of construction method of the building.

To Improve Quality of Service

Aim to restore confidence and improve quality of service by listening to customer opinion



Product Development Coordination and Control System



Automobile insurance "Car BOX"

- Integrated and reduced riders of the policy while maintaining the same coverage
- Discount for cashless contract and website confirmation

Personal accident insurance "Anshin BOX"

- Integrated multiple personal accident insurance products to offer various plans suitable for customer needs
- Easy to understand custom-made clauses, incorporated into insurance policy and policy leaflet

Other Improvement Measures

Reform Council for Proper Claims Payment (Jun. 2007)	Reorganized Council for Proper Claims Payment, which is given clearer authority
Change policy of selling the third sector products (Jul. 2007)	Third sector products will be underwritten by our life insurance subsidiary in principle
Strengthen internal auditing (Apr. 2006 ~)	Reinforce internal audit department and enhance follow-up activities
Strengthen Claims Payment Examination Council (Jun. 2007)	Widen examination of coverage and establish sub-committees
Establish Customer Complaint System (Jun. 2006)	Set up a contact desk where outside lawyers receive complaints directly from customers
Strengthen Claims Handling Division (Apr. 2006 ~)	Increase staff
Establish internal qualification system (Oct. 2007)	Establish qualification system for claims handling staff, with periodical renewal
Training at Customers Supporting Office (May 2007)	All officers and employees of the head office receive practical training in handling customer complaint at Customers Supporting Office
Declaration of conformity to ISO10002 (Mar. 2008)	Aim to declare that our complaint management system conforms to ISO10002
Disclosure of information on complaints (May 2007 ~)	Disclose on our website our policy on complaint procedure, contacts, number of complaints, case examples, and status of improvement

Part II Financial Results of FY2006

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Financial Summary of FY2006

		FY2005	FY2006	YoY Change	FY2006E (forecast)
Net Premiums Written		708.3 Bln yen	703.3 Bln yen	-4.9 Bln yen	710.0 Bln yen
Loss Ratio *1		62.7 %	65.5 %	+ 2.8 %	64.8 %
Expense Ratio		35.7 %	35.5 %	- 0.2 %	35.5 %
Other than Compulsory Automobile	Loss Ratio *1	60.3 %	63.1 %	+ 2.7 %	61.8 %
	Underwriting Balance	5.7 Bln yen	- 8.5 Bln yen	- 14.2 Bln yen	0.0 Bln yen
Underwriting Profit		1.1 Bln yen	- 35.7 Bln yen	- 36.8 Bln yen	- 25.0 Bln yen
Ordinary Profit *2		26.7 Bln yen	24.5 Bln yen	- 2.2 Bln yen	27.0 Bln yen
Net Income		13.2 Bln yen	13.4 Bln yen	+1 Bln yen	15.0 Bln yen
Adjusted ROE *3		4.6 %	4.7 %	+0.1 %	5.2 %
Consolidated Basis	Ordinary Profit	24.4 Bln yen	28.1 Bln yen	+3.6 Bln yen	30.0 Bln yen
	Net Income	10.6 Bln yen	15.8 Bln yen	+5.2 Bln yen	17.0 Bln yen
	Adjusted ROE *3	3.8 %	5.6 %	+1.9 %	6.0 %

Notes 1) Net paid losses from natural disasters: FY05, 18.3 Bln yen (of which those incurred in the year 9.7Bln); FY06, 23.0Bln (ditto 15.0Bln); FY06E, 22..0 Bln

2) Net realized gain on securities: FY05, 8.5Bln yen; FY06, 47.0Bln; FY06E, 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.

Main Points of FY2006 Results

23.0 billion yen in losses due to natural disasters
*initial forecast = 13.0 billion yen

- ❖ Loss due to typhoon No. 13: 12.3 billion yen
*The sixth largest loss on record: Net losses paid: 11.7 billion yen; Reserve for outstanding claims: 0.6 billion yen
- ❖ Losses from snowfall in FY2005 exceeded estimate

6.8 billion yen reserve for possible investment loss provisioned for Sonpo 24

- ❖ Cumulative decline in NAV of Sonpo 24 exceeded 30% of the book-value (applied investment loss provision rule provisioning standard of 30%)
- ❖ However, this figure is eliminated in consolidation

47.0 billion yen gain on sale of securities

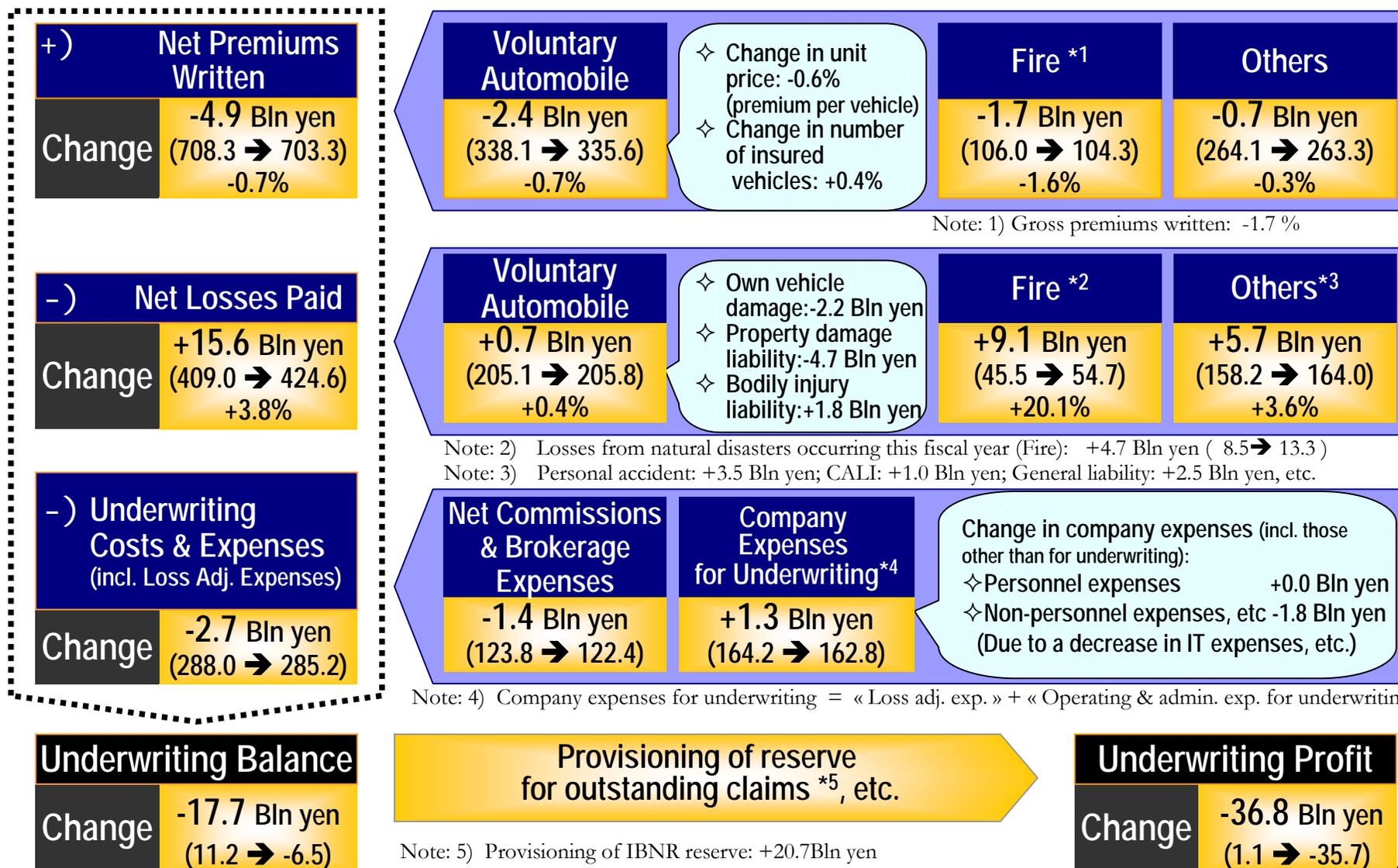
- ❖ Plan to reduce relationship stocks by 100 billion yen on a book-value basis from FY2006 through FY2012
- ❖ Reduced 16.5 billion yen in book-value in FY2006

20.7 billion yen increase in IBNR reserve, mainly due to adoption of statistical method

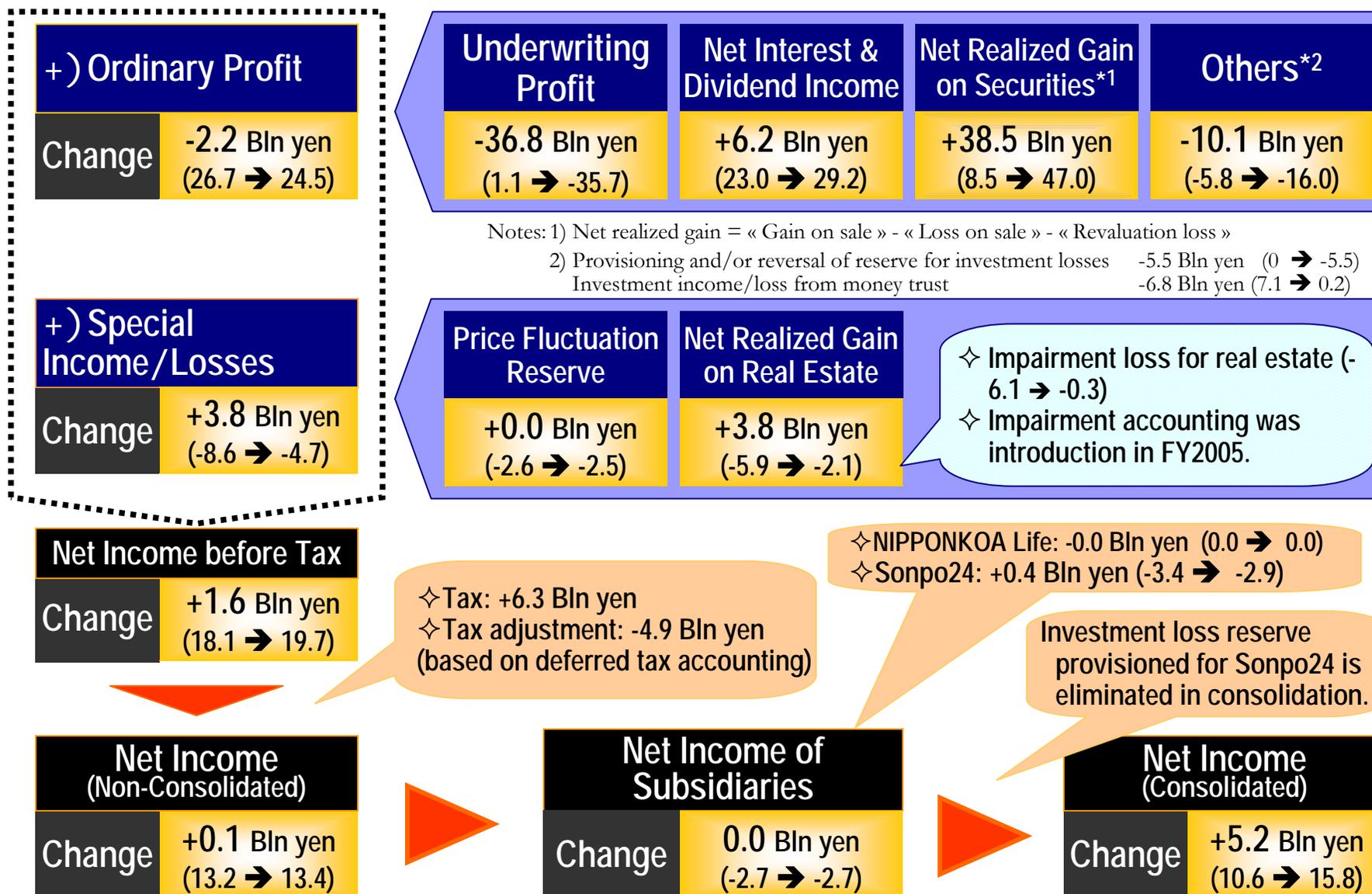
*IBNR: Incurred But Not Reported

- ❖ Calculation method changed in FY2006 from arithmetic calculation to statistical method
- ❖ Overseas business, **Verified by an actuarial firm** which usually involves more uncertainty than domestic business, had already adopted statistical method in a prior year

Analysis of Year-on-Year Changes (Underwriting)



Analysis of Year-on-Year Changes (Others)



Part III Business Plan

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Outline of Medium-term Business Plan (FY2006~FY2008)

Simultaneous pursuit of “premium growth” and “cost reduction”

Concentrate business resources in promising areas

- Focus on domestic non-life and life insurance business
- Focus on efficient sales channels in which we have competitive advantage

Strengthen sales competitiveness

- Launch attractive products (e.g. Car BOX; a new car policy launched in Sept. 2006)
- Promote scale expansion and service quality of agencies
- Increase number of agency trainees

Utilize strengthened IT infrastructure

- Restructure business processes by utilizing the state-of-the-art IT systems constructed during the 3 year period from FY2003 to FY2005
- Promote efficiency by utilizing our new large-scale call center

Promote group strategy

- Further promote life insurance business
- Make most of Sonpo24's unique business model
- Promote efficient overseas operations tailored to circumstances of each area

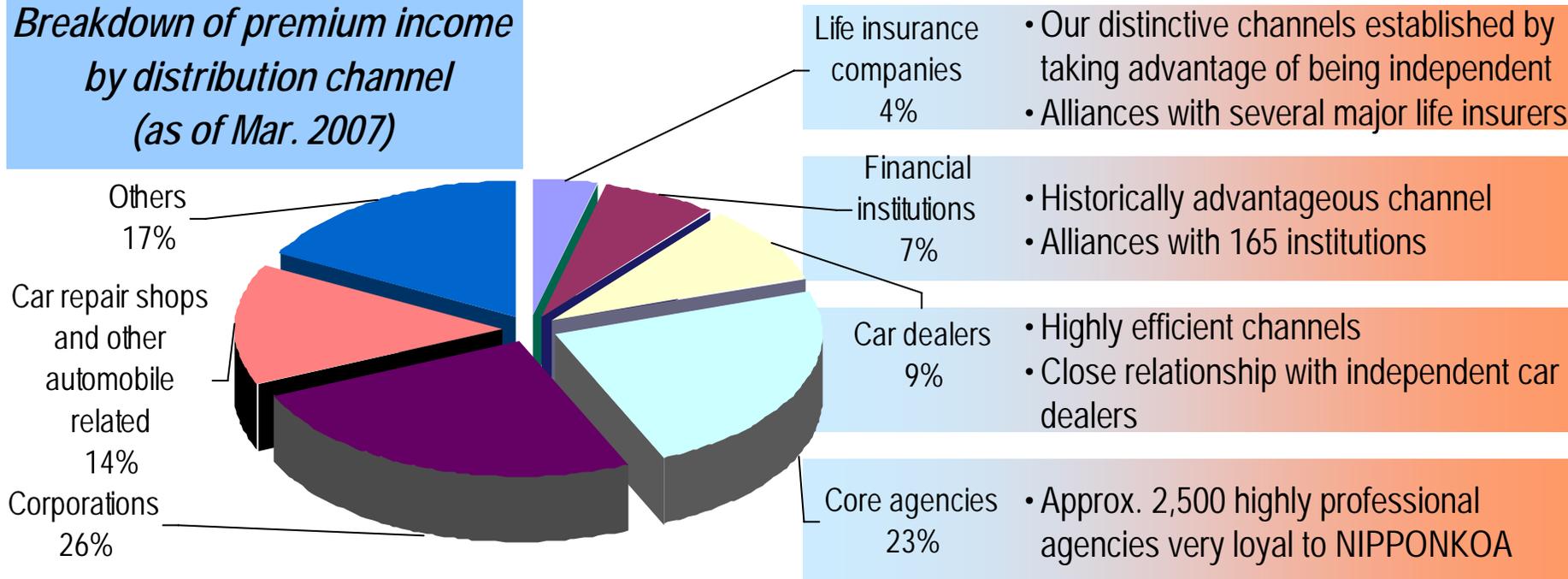
Numerical Targets

		FY2005	FY2006	FY2007E (forecast)	FY2008E (under review)
Net Premiums Written		708.3 Bln yen	703.3 Bln yen	710.0 Bln yen	750.0 Bln yen
Loss Ratio *1		62.7 %	65.5 %	63.7 %	60.0 %
Expense Ratio		35.7 %	35.5 %	35.7 %	32.8 %
Excluding CALI	Loss Ratio *1	60.3 %	63.1 %	60.7 %	56.0 %
	Underwriting Balance	5.7 Bln yen	-8.5 Bln yen	4.0 Bln yen	58.0 Bln yen
Underwriting Profit		1.1 Bln yen	-35.7 Bln yen	-10.0 Bln yen	8.0 Bln yen
Ordinary Profit *2		26.7 Bln yen	24.5 Bln yen	24.0 Bln yen	40.0 Bln yen
Net Income		13.2 Bln yen	13.4 Bln yen	13.0 Bln yen	25.0 Bln yen
Adjusted ROE *3		4.6 %	4.7 %	4.5 %	Approx. 8%
Consolidated Basis	Ordinary Profit	24.4 Bln yen	28.1 Bln yen	24.0 Bln yen	40.0 Bln yen
	Net Income	10.6 Bln yen	15.8 Bln yen	13.0 Bln yen	25.0 Bln yen
	Adjusted ROE *3	3.8 %	5.6 %	4.5 %	Approx. 8%

Notes 1) Net paid losses from natural disasters: FY05, 18.3 Bln yen; FY06, 23.0 Bln; FY07E, 13.0 Bln; FY08E, 13.0 Bln.
 2) Net realized gain on securities: FY05, 8.5 Bln yen; FY06, 47.0 Bln; FY07E, 23.0 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.

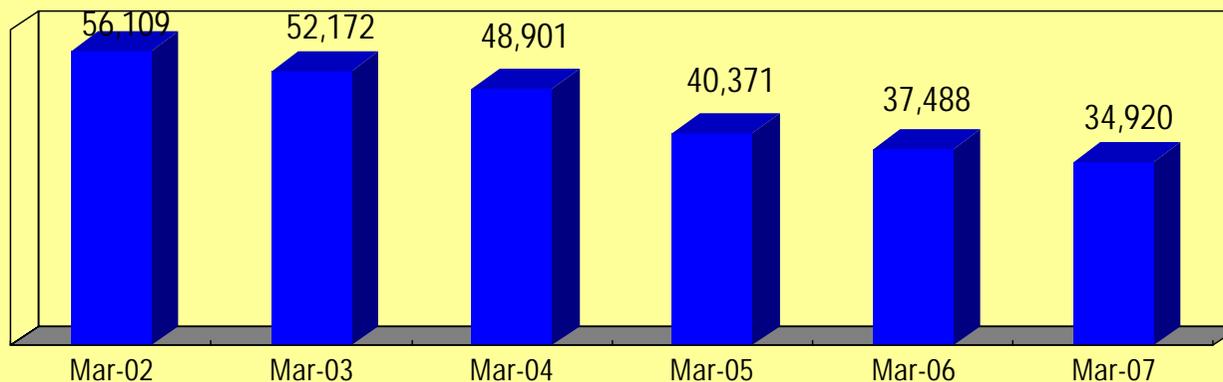
Sales Strategy (1) ~ Distribution Channels ~

Breakdown of premium income by distribution channel (as of Mar. 2007)



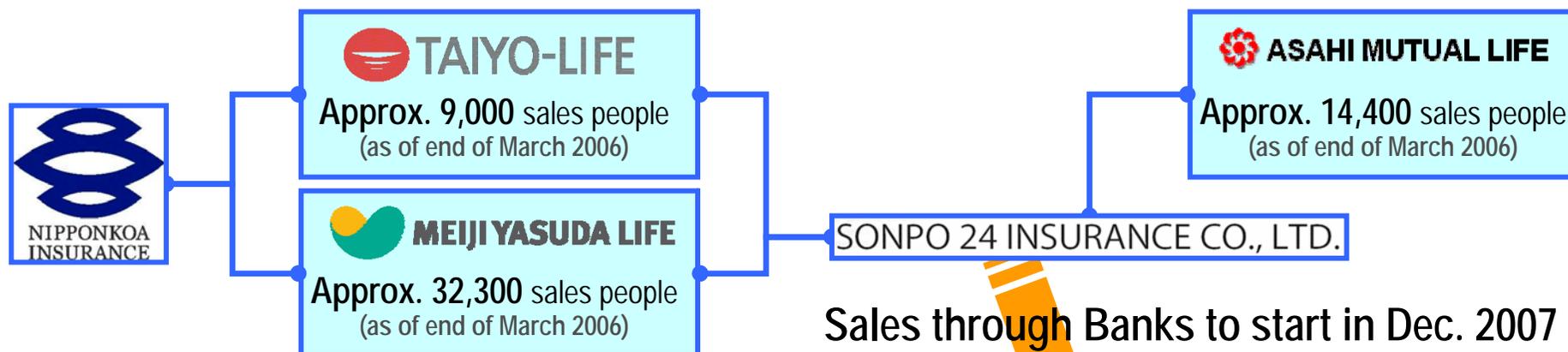
Number of agencies

Continuously consolidating agencies



Sales Strategy (2) ~ Broad Range Alliances ~

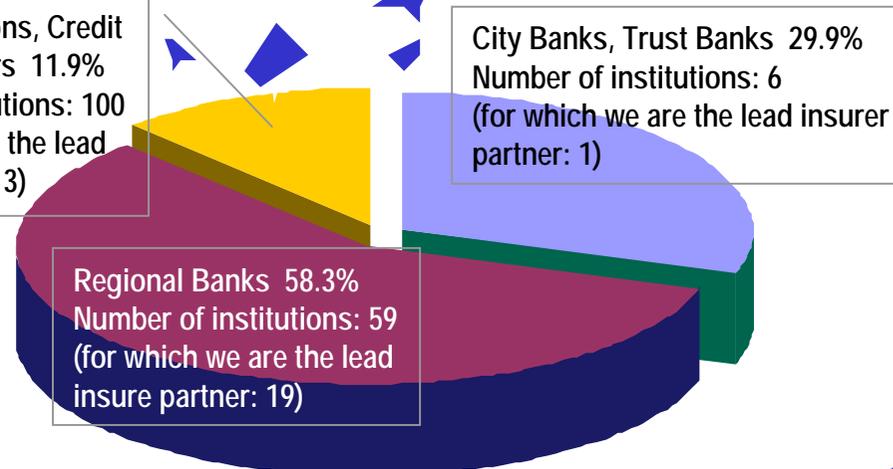
Alliances with several major life insurance companies



Alliances with financial institutions

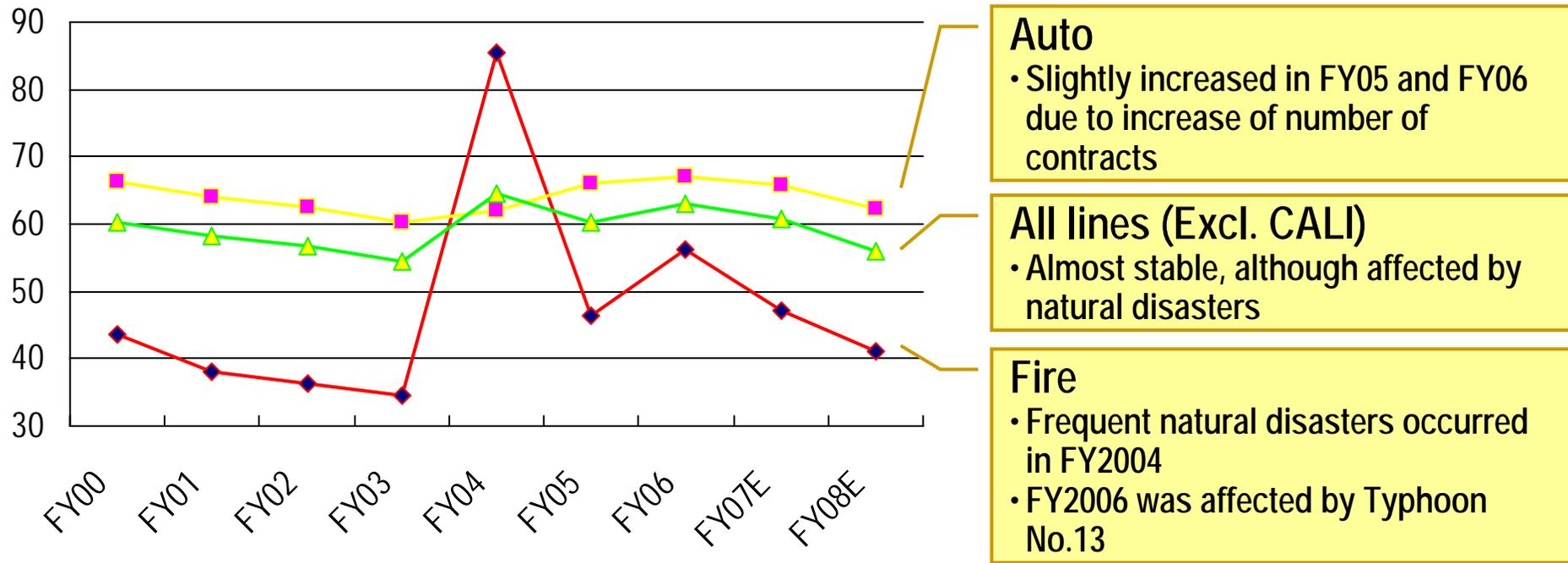
<i>[Sale performance]</i>	FY2006
City Banks, Trust Banks	14.0 Bln yen
Regional Banks	28.1 Bln yen
Credit Associations, Credit Unions and others	5.9 Bln yen
Financial Institutions in total	48.2 Bln yen

Credit Associations, Credit Unions and others 11.9%
Number of institutions: 100
(for which we are the lead insurer partner: 13)



Loss Ratio

Aim to stabilize at favorable level, adhering to proper and timely claim payment



Note: Plan for FY08 is currently under review.

Losses paid = Number of claims x Unit cost of payments

Number of claims depends on underwriting

Ensure high quality contract portfolio by appropriate underwriting

Unit cost of payments depends on claim handling

Pursue proper car repair cost, increase use of reworked parts, etc.

Expenses

Intend to reduce expense ratio by utilizing improved infrastructure

	FY2006	
Personnel expenses	88.4 Bln yen	<ul style="list-style-type: none"> Promote business process reform Allocate employees appropriately Utilize our large-scale call center
Nonpersonnel expenses (incl. taxes)	80.7 Bln yen	<ul style="list-style-type: none"> Facilitate procurement cost reduction project Select IT investments carefully and integrate existing IT systems
Net commissions & brokerage	122.4 Bln yen	<ul style="list-style-type: none"> Revise commission rate table (effective from FY2007)
Total	291.6 Bln yen	

Reduce each and every expense item

- Out of the above total, the expense related to underwriting is the numerator of expense ratio
- Loss adjustment expense is a component of the numerator of loss ratio

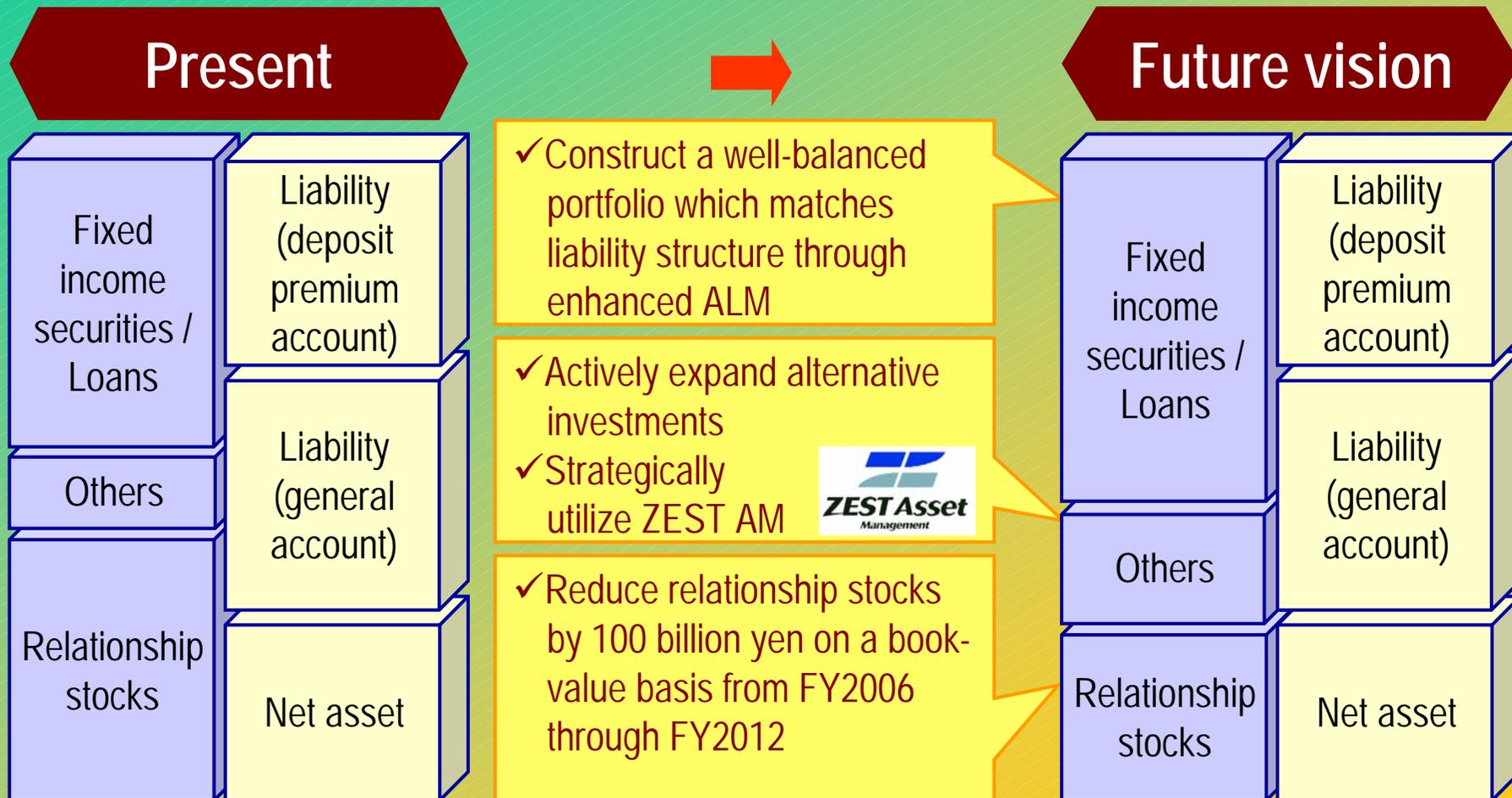
	FY2006	FY2007E	FY2008E
Expense ratio	35.5%	35.7%	32.8%

Figures for FY2008E are currently under review



Asset Management Strategy

Pursue optimization of asset portfolio and enhancement of pure investment



Note: Above illustration is a broad outline only, and it is not a description of accurate composition of assets.
Relationship stocks do not include subsidiary stocks.

NIPPONKOA Life

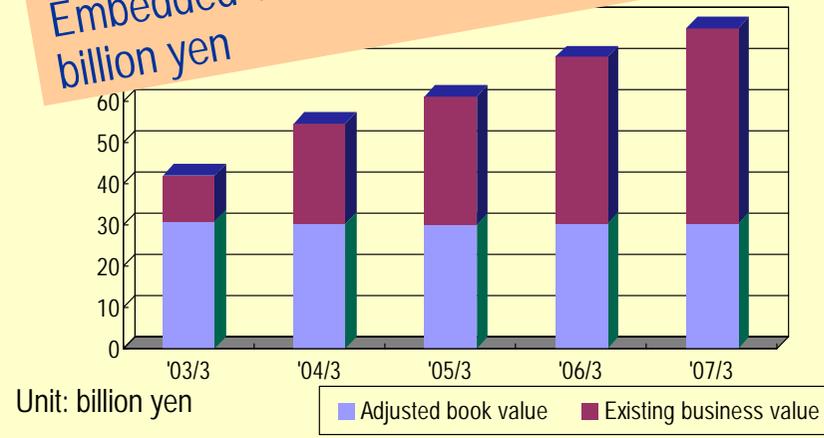
Expanding scale consistently →

Anticipate to contribute to our consolidated profit from FY2009

Amount of business in force for individual contracts in March 2007 was 3.64 trillion yen



Embedded Value in March 2007 was 77.6 billion yen



Sales channels

Promote consulting-based sales which accurately responds to customer needs

Others (49%)
(corporations, agency trainees, etc.)



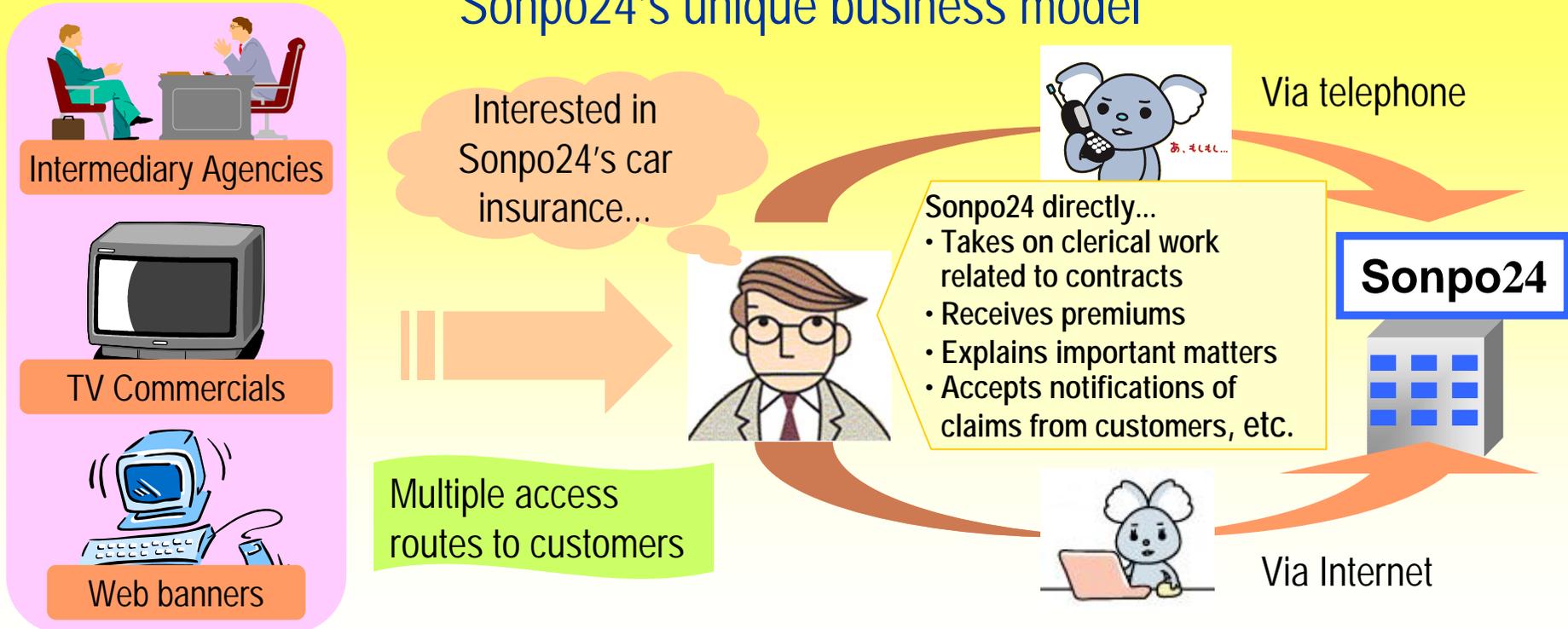
Financial institutions (4%)
Number of institutions: 60
(as of March 2007)

Core agencies (47%)
Number of agencies: 2,255
(as of March 2007)

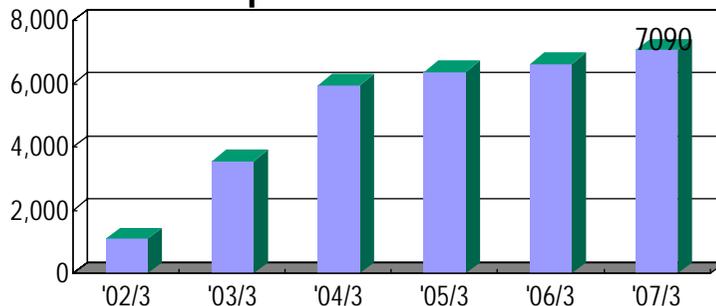
Sonpo24



Sonpo24's unique business model



Unit: million yen **Net premiums written**



Accelerate growth by developing new sales channels

Financial Soundness & Shareholder Returns

Simulation to Analyze Risk & Capital using Dynamic Financial Analysis

Solvency Margin (March 2007): Approx. 1,300 billion yen*

*“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]

	FY2004	FY2005	FY2006E
Dividend per Share	7.5 yen	7.5 yen	7.5 yen
Dividend Payout Ratio	42.4%	46.0%	44.8%
Total Return Ratio	87.6%	118.1%	97.0%
Dividend on Equity (DOE)	1.1%	0.8%	0.8%
Total Payout on Equity	2.2%	2.0%	1.7%

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

Indicator to show ratio of total return to net assets

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Structure of Income & Losses

Millions of Yen

Full Year ended March 31 :		FY2005		FY2006		Change	
		excl. CALI		excl. CALI		excl. CALI	
Underwriting	(+) Net premiums written	708,319	601,101	703,371	599,635	-4,948	-1,465
	(-) Net losses paid	409,007	333,492	424,621	348,061	+15,613	+14,568
	(-) Loss adj. expenses, Underwriting costs & expenses	288,081	261,884	285,292	260,112	-2,788	-1,771
	(+) Underwriting balance	11,230	5,724	-6,542	-8,538	-17,773	-14,262
	(-) Increase in reserve for outstanding claims	2,741	2,807	24,656	25,255	+21,914	+22,448
	(-) Increase in premium reserve	12,681	2,244	20,196	11,194	+7,515	+8,950
	(-) Increase in catastrophe reserve	401	401	-8,586	-8,586	-8,988	-8,988
	(+) Other balances	5,702	837	7,060	654	+1,358	-183
	(+) Underwriting profit : A	1,108	1,108	-35,747	-35,747	-36,856	-36,856
(+) Miscellaneous income related to underwriting : B	-613		-1,254		-640		
Investment, etc.	(+) Interest & dividend income	51,279		56,693		+5,413	
	(-) Investment income on deposit premium	28,238		27,407		-831	
	(+) Net interest & dividend income	23,041		29,286		+6,245	
	(+) Gain/loss on sale of securities	8,515		47,051		+38,535	
	(-) Revaluation loss on securities	849		1,889		+1,039	
	(+) Redemption profit from securities	489		417		-71	
	(+) Investment income from money in trust	7,100		287		-6,813	
	(+) Revaluation gain/loss on derivative financial instruments	-7,355		-2,162		+5,192	
	(+) Other investment income/losses*	291		-5,216		-5,507	
(+) Investment profit : C	31,232		67,772		+36,539		
(-) Administrative expenses on investments, etc. : D	6,666		6,354		-311		
(+) Other ordinary income/loss : E	1,738		122		-1,615		
Ordinary profit (A+B+C-D+E) : P	26,798		24,538		-2,260		
(+) Special income/loss : F	-8,623		-4,757		+3,865		
(-) Income taxes (including deferred tax) : G	4,902		6,355		+1,453		
Net Income (P+F-G)	13,273		13,425		+152		
Net income (consolidated)	10,670		15,872		+5,202		

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

Full Year ended March 31 :	FY2005	FY2006	Change % Change
Fire	106,088	104,351	-1,736 -1.6%
Marine	17,990	19,241	+1,250 +7.0%
Personal accident	59,756	59,293	-463 -0.8%
Voluntary automobile	338,116	335,636	-2,480 -0.7%
CALI (Compusory automobile liability)	107,218	103,735	-3,482 -3.2%
Other	79,148	81,112	+1,963 +2.5%
All lines	708,319	703,371	-4,948 -0.7%
All lines except CALI	601,101	599,635	-1,465 -0.2%

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

(Main Factors for the Change)

Direct premiums written (except savings-type): -0.7 Bln yen
 Direct premiums written (Savings-type): -0.7 Bln yen; Earthquake: -0.3 Bln yen
 Reinsurance premiums assumed: +0.4 Bln yen; Ditto ceded: +0.3 Bln yen

Hull: -0.0 Bln yen; Cargo: +1.3 Bln yen

Except savings-type products: +0.9 Bln yen
 Savings-type products: -1.3 Bln yen

Number of insured vehicles: Nonfleet: -0.7%; Fleet: +5.9%; Total: +0.4%
 Premium per vehicle*: Nonfleet: -0.6%; Fleet -0.9%; Total -0.6%

General liability: +1.7 Bln yen; Workers' compensation: +0.3 Bln yen;
 Contractors' all risks: +0.5 Bln yen; Burglary: -0.3 Bln yen;
 Transit: -0.2 Bln yen, etc.

Paid Losses

Net Losses Paid by Line

Millions of Yen

Full Year ended March 31 :	FY2005	FY2006	Change
	Amount / Loss Ratio	Amount / Loss Ratio	% Change
Fire	45,551	54,708	+9,156
	46.5%	56.2%	+9.7%
Marine	8,546	8,108	-438
	48.6%	43.2%	-5.3%
Personal accident	25,507	29,090	+3,582
	47.2%	54.1%	+6.9%
Voluntary automobile	205,156	205,899	+742
	66.1%	67.0%	+0.9%
CALI (Compusory automobile liability)	75,515	76,559	+1,044
	75.8%	79.2%	+3.4%
Other	48,730	50,254	+1,524
	66.9%	67.2%	+0.3%
All lines	409,007	424,621	+15,613
	62.7%	65.5%	+2.8%
All lines except CALI	333,492	348,061	+14,568
	60.3%	63.1%	+2.7%

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

(Major Factors of the Change)

Losses from natural disasters: +4.7 Bln yen

Hull: -0.1 Bln yen, Cargo: -0.2 Bln yen,

Except savings-type products: +3.5 Bln yen

Savings-type products: +0.0 Bln yen

Own vehicle damage losses: -2.2 Bln yen

Property damage liability losses: -4.7 Bln yen

Bodily injury liability losses: +1.8 Bln yen

General liability: +2.5 Bln yen; Movable all risks: -1.7 Bln yen; Transit: -0.4 Bln yen;

Workers' compensation: +0.4 Bln yen; Contractors' all risks: +0.3 Bln yen;

Machinery: +0.4 Bln yen; Miscellaneous pecuniary loss: +0.3 Bln yen, etc.

Expenses

Expenses

Millions of Yen

	Amount		Change in Amount	Expense Ratio	
	FY2005	FY2006		FY2005	FY2006
Personnel expenses	88,319	88,481	+161	12.5%	12.6%
Nonpersonnel expenses, etc.* ¹	82,554	80,731	-1,822	11.7%	11.5%
Company expenses	170,873	169,212	-1,661	24.1%	24.1%

	All Lines				
	Amount		Change in Amount	Expense Ratio	
	FY2005	FY2006		FY2005	FY2006
Company expenses on underwriting	164,207	162,857	-1,349	23.2%	23.2%
Net commissions & brokerage	123,873	122,434	-1,438	17.5%	17.4%
Operating and admin exp. on underwriting* ²	129,213	126,972	-2,241	18.2%	18.1%
Underwriting costs & expenses	253,087	249,407	-3,680	35.7%	35.5%
Ditto, including Loss adj. expenses	288,081	285,292	-2,788	40.7%	40.6%

All Lines except CALI		
Amount	Expense Ratio	Change in Amount
143,202	23.9%	-291
116,910	19.5%	-1,479
112,915	18.8%	-1,326
229,825	38.3%	-2,805
260,112	43.4%	-1,771

Notes: 1) "Nonpersonnel expenses, etc." include taxes and contributions.

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

Retirement benefit obligation

Millions of Yen

	Mar 2006	Mar 2007
(Retirement benefit obligation)	-129,428	-136,292
(Pension assets)	89,798	97,126
(1) Unfunded retirement benefit obligation	-39,630	-39,166
(2) Unrecognized obligation for prior service	4,649	3,716
(3) Unrecognized actuarial differences	-7,011	-6,371
(4) Net obligation on B/S: (1)-(2)-(3)	-37,267	-36,511
(5) Prepaid pension cost	---	---
Allowance for retirement benefits: (4)-(5)	-37,267	-36,511

Retirement Benefit Costs

Millions of Yen

	FY2005	FY2006
Service costs	5,157	5,046
Interest costs	2,325	2,413
Expected investment income	-975	-1,228
Obligation for prior service to be amortized	-932	-932
Actuarial differences to be amortized	4,095	2,706
Total	9,671	8,005

Underwriting Fund

Breakdown of Underwriting Fund

Millions of Yen

	Mar 2006			Mar 2007			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	30,248	363,268	101,361	-2,138	+11,080	+4,363
Marine	8,616	6,007	16,225	9,690	7,559	17,051	+1,074	+1,552	+825
Personal accident	13,586	30,567	31,654	15,918	30,229	32,811	+2,331	-338	+1,156
Voluntary automobile	110,553	97,186	51,715	124,635	95,661	38,270	+14,082	-1,525	-13,444
CALI (Compulsory auto.)	28,262	188,552	---	27,662	197,554	---	-599	+9,001	---
Other	48,478	80,391	42,688	59,699	80,817	41,200	+11,220	+425	-1,487
All lines	241,883	754,893	239,282	267,854	775,089	230,695	+25,971	+20,196	-8,586
All lines except CALI	213,621	566,340	239,282	240,192	577,535	230,695	+26,571	+11,194	-8,586
Deposit premium reserve on savings-type policies	---	1,191,606	---	---	1,112,657	---	---	-78,948	---

Price Fluctuation Reserve

Millions of Yen

	Mar 2006	Mar 2007	Change (Provision)
Price fluctuation reserve	15,442	18,040	2,598

Asset Management

Breakdown of Interest & Dividend Income

Full FY2006 :	Income Millions of Yen	Income Yield	
			Prev. Year
Deposits	297	0.27%	0.07%
Call loans	42	0.33%	0.03%
Receivables under resale agreements	8	0.43%	---
Monetary receivables bought	375	0.70%	1.07%
Securities	48,141	2.54%	2.24%
Loans	5,253	2.00%	1.86%
Land & buildings	1,833	1.44%	1.41%
Sub-total*1	55,953	2.25%	1.99%
Others	740		
Total	56,693		

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

Interest & Dividend Income on Securities

Full FY2006 :	Amount Millions of Yen	Yield	
			Prev. Year
Domestic bonds	12,278	1.20%	1.31%
Domestic equities	13,189	3.00%	2.48%
Foreign securities	15,238	3.70%	3.28%
Others	7,435	30.53%	13.90%
Total	48,141	2.54%	2.24%

Breakdown of Investment Yield

Full FY2006 :	Incl. capital gain/loss ^{*2}			Incl. unrealized gain/loss ^{*3}		
	Amount Millions of Yen	Yield Prev. Year		Amount Millions of Yen	Yield Prev. Year	
Deposits	616	0.56%	0.38%	616	0.56%	0.38%
Call loans	42	0.33%	0.03%	42	0.33%	0.03%
Receivables under resale agreements	8	0.43%	---	8	0.43%	---
Monetary receivables bought	378	0.70%	1.18%	372	0.70%	1.25%
Money in trust	287	0.48%	13.98%	287	0.44%	13.58%
Securities	88,105	4.64%	2.65%	43,794	1.63%	16.04%
Loans	5,259	2.00%	1.90%	5,365	2.04%	1.84%
Land & buildings	1,833	1.44%	1.41%	1,833	1.44%	1.41%
Derivatives	-2,162	---	---	-2,162	---	---
Others	811	---	---	811	---	---
Total	95,180	3.77%	2.31%	50,970	1.54%	12.78%

*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

Full FY2006 :	Millions of Yen			
	Gain on Sale	Loss on Sale	Revaluation Loss	Net Gain
Domestic bonds	457	700	---	-243
Domestic equities	43,609	176	1,796	41,636
Foreign securities	5,509	1,274	69	4,165
Others	0	373	24	-397
Total	49,576	2,525	1,889	45,161
Ditto, change	+38,225	-309	+1,039	+37,495

Self-Assessment of Assets

Assets for Assessment

Millions of Yen

Full Year ended March 31, 2007:	Unclassified	Class. II	Class. III	Class. IV	Total
Deposits	98,067	---	---	---	98,067
Call loans	44,000	---	---	---	44,000
Monetary receivables bought	28,102	---	---	---	28,102
Money in trust	52,936	---	---	---	52,936
Securities	2,646,109	1,548	8,583	1,889	2,658,131
Loans	234,364	4,222	782	29	239,400
Policy loans	7,656	---	---	---	7,656
General loans	226,707	4,222	782	29	231,743
Borrowers specified	224,122	4,222	782	29	229,157
Normal	223,329	---	---	---	223,329
Caution required	792	2,609	---	---	3,402
Potentially bankrupt	---	1,050	776	---	1,827
De facto bankrupt	---	66	---	29	96
Bankrupt	---	495	6	---	501
Borrowers unspecified	2,585	---	---	---	2,585
Real & movable property	129,956	1,101	---	79	131,137
Other	151,187	1,594	1,538	275	154,596
Total	3,384,723	8,467	10,904	2,274	3,406,370

Risk-Monitored Loans

Millions of Yen

Full Year ended March 31, 2007:	Amount of Claims
Loans in bankruptcy	501
Overdue loans	1,923
Loans overdue for 3 months or more	158
Restructured loans	374
Total risk-monitored loans	2,958
Bad-loan ratio	1.2%
Total coverage ratio	92.5%

Note:

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

Note:

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

NIPPONKOA Life

Principal Indicators

Millions of Yen

	FY2005	FY2006	Change
Premium & other receipts	76,748	79,796	+3,048
Investment income	4,914	5,689	+775
Basic profit	1,479	1,885	+405
Ordinary profit	1,104	1,413	+309
Net income/loss	63	31	-32

Individual Life Insurance

Millions of Yen

	FY2005	FY2006	Change
Amount of business in force	3,266,479	3,648,103	+381,623

Millions of Yen

	FY2005	FY2006	Change
Amount of new business	726,776	866,437	+139,660

Note) Figures above include individual annuity products.

Embedded Value

Billions of Yen

	FY2005	FY2006	Change
Embedded Value	70.7	77.6	+6.9
Adjusted book value	30.2	30.4	+0.2
Existing business value	40.5	47.2	+6.7
EV of new business	4.8	3.7	-1.1

Profit and Loss

Millions of Yen

	FY2005	FY2006	Change
(+) Income from insurance premiums :a1	76,748	79,796	+3,048
(-) Insurance claims and other payments :a2	23,483	27,640	+4,156
(-) Operating expenses :a3	13,497	15,559	+2,061
(-) Provision for outstanding claims :a4	740	-146	-887
(-) Provision for policy reserve :a5	42,346	40,493	-1,852
(+) Net interest & dividend income :a6	4,767	5,663	+895
(+) Other ordinary income and expenses :a7	32	-27	-59
Basic profit :A	1,479	1,885	+405
(+) Gain / loss on sale of securities :b1	81	12	-68
(-) Devaluation losses on securities :b2	---	---	---
(-) Other capital gain / loss :b3	---	---	---
Capital gain :B	81	12	-68
(-) Provision for contingency reserve :c1	457	485	+28
(+) Other nonrecurrent item :c2	---	---	---
Nonrecurrent item :C	-457	-485	-28
Ordinary profit (A+B+C) :P	1,104	1,413	+309
(+) Extraordinary gain / loss :D	-59	-59	---
(-) Provision for reserve for policyholder dividends :E	1,017	1,173	+156
(-) Income taxes (including deferred tax) :F	-36	147	+184
Net income (P+D-E-F)	63	31	-32

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Principal Indicators

	FY2005	FY2006	Change
Number of contract	150,339	161,633	---
Loss ratio	68.0%	68.0%	---
Expense ratio	79.5%	66.8%	-12.7%
Solvency margin ratio	2,618.7%	4,450.2%	+1831.5%

Profit and Loss

Millions of Yen

	FY2005	FY2006	Change
(+) Net premiums written	6,644	7,090	+445
(-) Net losses paid	3,619	4,008	+389
(-) Loss adj. expenses, Underwriting costs & expenses	6,182	5,545	-637
(+) Underwriting balance : a1	-3,157	-2,463	+693
(-) Increase in reserve for outstanding claims : a2	35	420	+384
(-) Increase in premium reserve : a3	190	56	-133
(+) Other balances : a4	7	10	+2
(+) Underwriting profit : A	-3,375	-2,929	+445
(+) Investment profit : B	24	22	-2
(+) Other ordinary income/loss : C	-33	-37	-3
Ordinary profit (A+B+C) : D	-3,384	-2,944	+439
(+) Special income/loss : E	-3	-6	-2
(-) Income taxes (including deferred tax) : F	12	7	-5
Net income (D+E-F)	-3,400	-2,958	+442

Forecast for FY2007

Principal Indicators

Billions of Yen

	FY2006		FY2007 Forecast	
		Excl. CALI		Excl. CALI
Net premiums written	703.3	599.6	710.0	604.7
Loss ratio	65.5%	63.1%	63.7%	60.7%
Expense ratio	35.5%	38.3%	35.7%	38.7%
Underwriting balance	-6.5	-8.5	4.0	4.0
Underwriting profit	-35.7		-10.0	
Interest & dividend income	56.6		48.2	
Net interest & dividend income	29.2		21.7	
Ordinary profit	24.5		24.0	
Net income	13.4		13.0	

Net Premiums Written by Line

Billions of Yen

	FY2006		FY2007 Forecast	
	Amount	% change	Amount	% change
Fire	104.3	-1.6%	105.0	+0.6%
Marine	19.2	+7.0%	19.6	+2.3%
Personal accident	59.2	-0.8%	56.5	-4.7%
Voluntary auto.	335.6	-0.7%	339.0	+1.0%
CALI (Compulsory auto.)	103.7	-3.2%	105.2	+1.4%
Other	81.1	+2.5%	84.5	+4.2%
All lines	703.3	-0.7%	710.0	+1.0%
All lines except CALI	599.6	-0.2%	604.7	+0.9%

Expenses

Billions of Yen

	FY2006		FY2007 Forecast	
	Amount	Expense Ratio	Amount	Expense Ratio
Personnel expenses	88.4	12.6%	89.2	12.6%
Nonpersonnel expenses, etc. *1	80.7	11.5%	85.6	12.1%
Company expenses	169.2	24.1%	174.9	24.6%
Of which expenses on underwriting	162.8	23.2%	168.3	23.7%
Net commissions & brokerage	122.4	17.4%	122.4	17.3%
Operating & admin exp. on underwriting*2	126.9	18.1%	131.3	18.5%
Underwriting costs & expenses	249.4	35.5%	253.7	35.7%

Net Losses Paid by Line

Billions of Yen

	FY2006		FY2007 Forecast	
	Amount	Loss Ratio	Amount	Loss Ratio
Fire	54.7	56.2%	45.5	47.2%
Marine	8.1	43.2%	9.4	48.9%
Personal accident	29.0	54.1%	27.5	54.1%
Voluntary auto.	205.8	67.0%	203.7	65.9%
CALI (Compulsory auto.)	76.5	79.2%	79.4	81.0%
Other	50.2	67.2%	49.5	63.8%
All lines	424.6	65.5%	415.2	63.7%
All lines except CALI	348.0	63.1%	335.7	60.7%

Notes: 1) "Nonpersonnel expenses, etc." include taxes and contributions.

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

Principal Indicators (1)

Parent Company

Millions of Yen

		FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
Direct premiums written ~excl. deposit premiums on savings-type policies	Fire	136,199	131,350	129,915	129,360	132,473	131,199	130,141	128,314
	Marine	19,510	19,383	18,254	16,783	16,815	17,712	18,887	20,407
	Personal accident	70,710	67,607	63,864	68,102	64,962	61,464	59,139	58,569
	Voluntary automobile	356,131	356,930	352,844	349,730	342,561	342,846	337,209	335,323
	CALI (Compulsory auto.)	96,983	98,160	96,544	116,231	115,059	111,258	105,160	105,598
	Other	80,844	82,370	81,218	80,828	82,301	83,709	83,773	85,340
	All lines	760,379	755,803	742,642	761,036	754,174	748,191	734,311	733,554
All lines except CALI	663,396	657,643	646,098	644,805	639,114	636,932	629,151	627,955	
Net premiums written	Fire	119,342	113,052	111,869	113,823	113,802	109,010	106,088	104,351
	Marine	16,961	16,927	15,624	15,802	15,880	16,722	17,990	19,241
	Personal accident	70,603	67,353	63,808	67,044	64,163	61,955	59,756	59,293
	Voluntary automobile	354,837	357,417	353,531	350,608	343,629	343,828	338,116	335,636
	CALI (Compulsory auto.)	55,630	56,172	55,309	97,745	114,214	112,674	107,218	103,735
	Other	76,483	76,893	75,921	76,209	76,880	78,665	79,148	81,112
	All lines	693,859	687,817	676,065	721,234	728,570	722,858	708,319	703,371
All lines except CALI	638,228	631,644	620,755	623,488	614,355	610,183	601,101	599,635	
Loss ratio	Fire	42.3%	43.7%	38.1%	36.3%	34.6%	85.5%	46.5%	56.2%
	Marine	55.0%	50.0%	53.3%	45.4%	49.5%	41.2%	48.6%	43.2%
	Personal accident	46.2%	49.4%	45.6%	44.6%	42.3%	42.7%	47.2%	54.1%
	Voluntary automobile	63.4%	66.4%	64.1%	62.6%	60.2%	62.1%	66.1%	67.0%
	CALI (Compulsory auto.)	75.3%	77.9%	78.5%	45.7%	48.5%	64.6%	75.8%	79.2%
	Other	69.0%	67.2%	72.7%	72.6%	68.6%	68.0%	66.9%	67.2%
	All lines	59.4%	61.6%	59.9%	55.2%	53.4%	64.5%	62.7%	65.5%
All lines except CALI	58.0%	60.2%	58.3%	56.7%	54.4%	64.5%	60.3%	63.1%	
Expense ratio	38.8%	37.5%	37.4%	35.4%	35.5%	34.4%	35.7%	35.5%	
Company expenses	180,282	170,892	169,798	169,020	173,607	167,206	170,873	169,212	

Note: All premerger figures are the totals of NIPPONKOA's former companies (Nippon F&M, Koa F&M, Taiyo F&M).

Principal Indicators (2)

Parent Company

Millions of Yen

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
Underwriting balance, excl. CALI	20,271	13,017	24,456	33,954	41,318	-12,737	5,724	-8,538
Ratio to net premiums written	3.2%	2.1%	3.9%	5.4%	6.7%	-2.1%	1.0%	-1.4%
Underwriting balance, all lines	12,618	5,740	17,856	68,014	80,837	8,077	11,230	-6,542
Ratio to net premiums written	1.8%	0.8%	2.6%	9.4%	11.1%	1.1%	1.6%	-0.9%
Underwriting profit	18,805	17,075	14,767	8,378	11,744	-35,962	1,108	-35,747
Interest & dividend income	76,746	63,003	56,432	49,523	47,118	47,462	51,279	56,693
Net interest & dividend income	24,681	20,237	18,792	16,560	15,626	17,456	23,041	29,286
Ordinary profit	48,564	47,652	-29,656	-36,721	45,797	22,534	26,798	24,538
Net income	11,897	13,997	-19,062	-28,637	15,885	14,559	13,273	13,425

Life Insurance Subsidiary

Amount of business in force (Bln) ~ individual insurance & individual annuity	1,562.7	1,900.6	2,112.3	2,452.9	2,662.7	2,914.8	3,266.4	3,648.1
Ordinary profit	-346	717	133	2,818	1,263	896	1,104	1,413
Net income	-552	87	-4,040	1,340	25	189	63	31

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Premium income	---	0	1,083	3,562	5,962	6,383	6,644	7,090
Ordinary profit	-53	-1,463	-4,545	-3,940	-3,701	-3,183	-3,384	-2,944
Net income	-53	-1,467	-4,556	-3,951	-3,715	-3,199	-3,400	-2,958

Consolidated Profit

Net income	11,835	14,409	-22,722	-25,890	19,319	13,467	10,670	15,872
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Note: All premerger figures are the totals of NIPPONKOA's former companies (Nippon F&M, Koa F&M, Taiyo F&M).

Sonpo24 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

FY2006	Number of Agencies	Fire	Of Which Long-Term Products	Marine	Personal Accident	Voluntary Auto.	CALI (Compulsory Automobile)	Transit	Others	Total	Proportion
Financial institutions	748	27,828	15,776	333	4,008	9,400	565	341	5,801	48,275	6.8%
		-2.2%	-6.5%	+6.2%	+1.8%	+0.3%	+0.8%	-20.7%	+0.1%	-1.2%	
Life insurance companies (Alliance partners)	2	3,188	945	1	5,879	18,120	91	11	812	28,103	4.0%
		+3.2%	+7.8%	+49.3%	+6.0%	-0.4%	+9.1%	+25.6%	+8.1%	+1.5%	
Corporation & transportation affiliated agencies	3,078	31,789	3,653	14,098	20,048	56,861	11,074	9,965	33,147	176,983	25.1%
		-0.2%	-0.5%	+10.7%	+0.2%	-0.1%	+2.9%	-5.5%	+2.5%	+1.0%	
Car dealers, car repair shops and other automobile related	16,322	3,014	650	123	1,939	82,296	77,861	219	1,944	167,397	23.7%
		+4.2%	-0.9%	+1.3%	-4.0%	+0.0%	+3.3%	+11.5%	+1.8%	+1.6%	
General agencies, etc.	15,295	50,848	13,173	4,467	20,299	167,994	13,109	2,221	26,715	285,652	40.4%
		-0.3%	+1.3%	+5.4%	-0.7%	-0.5%	+1.2%	+9.5%	+2.8%	+0.1%	
Of which "Core Agencies"	2,483	24,377	5,697	320	11,174	108,090	6,511	957	13,537	164,966	23.4%
		+0.8%	+5.1%	+6.8%	-2.9%	-0.8%	+1.0%	+4.4%	+5.6%	-0.1%	
Total	34,920	116,668	34,197	19,021	52,173	334,671	102,700	12,757	68,420	706,410	100.0%
		-0.5%	-2.5%	+9.3%	+0.4%	-0.3%	+3.0%	-3.4%	+2.4%	+0.6%	

Sales performance analysis on voluntary automobile

Proportion of volume

% change in number of insured vehicles

% change in unit price (premium per vehicle)

Nonfleet

84 %

- 0.7 %

- 0.6 %

Fleet

16 %

+ 5.9 %

- 0.9 %

Total

100 %

+ 0.4 %

- 0.6 %

Asset Breakdown by Investment Category

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

As of end of Mar, 2007	Deposit Premium Account	General Account		Total	Proportion	
		Pure Investment	Other Investment			
Securities	846,029	620,760	1,189,451	1,810,212	2,656,241	82.0%
Domestic equities	---	7,390	1,150,606	1,157,997	1,157,997	35.7%
Yen-denominated securities, excluding equities	818,485	408,001	19,171	427,172	1,245,658	38.4%
Public & corporate bonds	807,685	363,347	1,770	365,117	1,172,803	36.2%
Others	10,800	44,654	17,400	62,055	72,855	2.2%
Foreign currency-denominated securities	27,544	205,368	19,672	225,041	252,585	7.8%
Public & corporate bonds	27,544	174,651	---	174,651	202,195	6.2%
Others	---	30,717	19,672	50,389	50,389	1.6%
Monetary receivables bought	25,005	3,097	---	3,097	28,102	0.9%
Money in trust	---	52,886	50	52,936	52,936	1.6%
Loans	175,368	---	64,031	64,031	239,400	7.4%
Deposits	2,031	19,011	77,024	96,035	98,067	3.0%
Call loans	11,000	33,000	---	33,000	44,000	1.4%
Land & buildings	---	---	121,465	121,465	121,465	3.7%
Total Investment Assets	1,059,434	728,755	1,452,022	2,180,778	3,240,212	100.0%
Change from the end of the previous fiscal year	-85,261	+65,820	-51,839	+13,981	-71,280	---

Equity / Loan Portfolio by Industry

Breakdown of the equity portfolio by industry

Millions of Yen

As of end of Mar, 2007	Number of Shares (in	Marked-to-Market Value	
			Proportion
Financials & Insurance	250,414	317,446	27.4%
Chemicals & Medicines	91,273	198,182	17.1%
Electric machinery	80,284	105,620	9.1%
Commerce (Wholesale & Retail)	89,234	98,264	8.5%
Transportation vehicles	77,409	93,292	8.1%
Transportation (Land & Air)	95,256	69,739	6.0%
Machinery	39,744	53,704	4.6%
Foods	52,702	50,769	4.4%
Steel	48,654	24,465	2.1%
Utilities (Electricity & Gas)	7,206	22,403	1.9%
Others	147,983	124,109	10.7%
Total	980,163	1,157,997	100.0%

Breakdown of the loan portfolio by industry

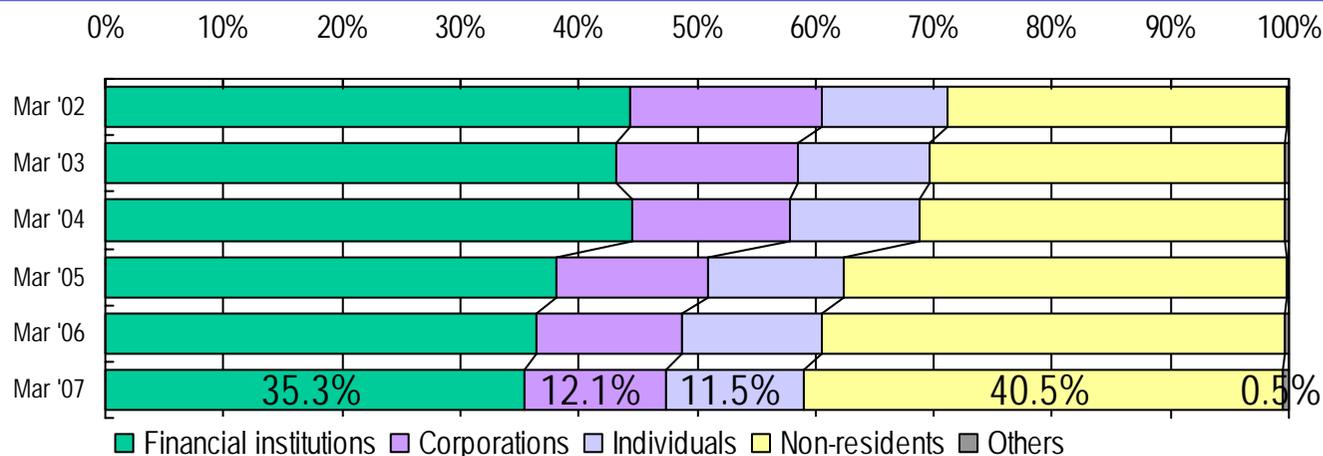
Millions of Yen

As of end of Mar, 2007		
		Proportion
Financials and Insurance	100,971	42.2%
Real estate	12,290	5.1%
Services, etc.	8,139	3.4%
Commerce (Wholesale & Retail)	5,831	2.4%
Manufacture	2,619	1.1%
Construction	1,515	0.6%
Transportation	1,249	0.5%
Utilities (Electricity, Gas, etc.)	1,158	0.5%
Communication	300	0.1%
Agriculture, Forestry and Fisheries	2	0.0%
Others	97,078	40.6%
Of which, Personal finance, Housing loans	46,323	19.3%
Sub-Total	231,156	96.6%
Public bodies	41	0.0%
Public corporations	546	0.2%
Policy Loans	7,656	3.2%
Total	239,400	100.0%

Stock Related Data

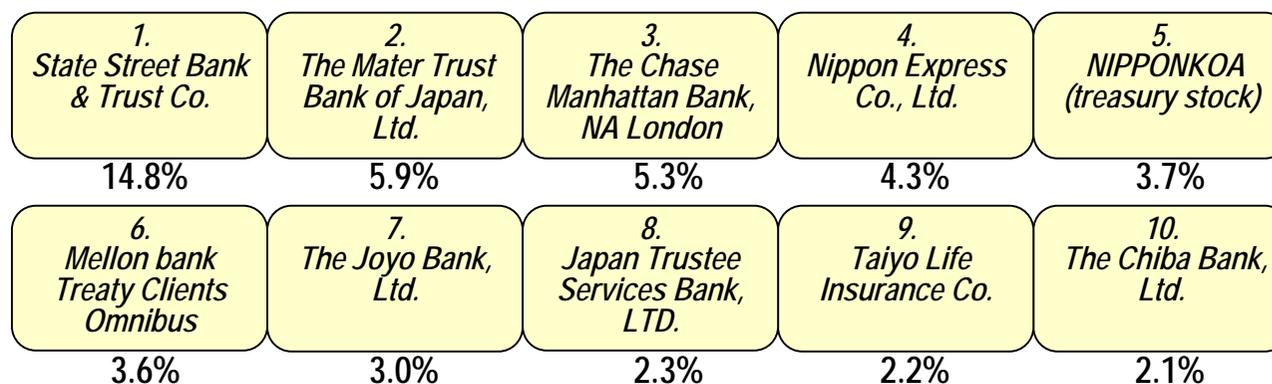
State of Shareholdings

(Number of shares issued as of March 31, 2007 (incl. treasury stock): 826,743 thousand)



Major Shareholders

(As of March 31, 2007)



Share Repurchases

(Cumulative 7.6 million shares repurchased as of March 31, 2007, of which 47 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
 Dec 2006 : 6 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.