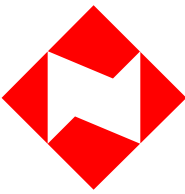


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DOWA

Financial Situation and Business Strategies of Nissay Dowa General Insurance

June 6, 2006

Nissay Dowa General Insurance Co.,Ltd.



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I. Financial Review of FY 2005

II. Forecast for FY 2006

III. New Medium-term Management Plan

Financial Highlights



Net premiums written in FY 2005 remained stable at the same level as the previous fiscal year. However, the underwriting balance achieved a turnaround and net income was the highest in the company's entire history, including the era of Dowa F&M.

(Billion yen, %)

| | | FY2004 | FY2005 | Increase/Decrease |
|---------------------------------------|---------------------------------------|------------------|------------------|-------------------|
| Net premiums written (Growth rate) | | 321.8 (0.2%) | 321.7 (0.0%) | 0 |
| Excl. the effect of change in CALI | Net premiums written (Growth rate) | 302.3 (0.2%) | 302.9 (+0.2%) | 0.5 |
| | Expense ratio | 35.7% | 34.5% | 1.2 points |
| | Loss ratio | 67.4% | 58.4% | 9.0 points |
| | Underwriting balance | 3.1% | 7.1% | +10.2 points |
| Current income | | 10.7 | 11.7 | +1.0 |
| Net income | | 5.0 | 7.3 | +2.3 |
| ROE | | 3.2% | 4.6% | + 1.4 points |

*ROE is adjusted by deducting the net increase in unrealized gain on available-for-sale securities from the equity section of the balance sheet. 3

Net Premiums Written by Class of Insurance

Net premiums written increased for fire insurance obtained through “Home-Pitatto”, which is a comprehensive insurance product for householders, as well as in miscellaneous categories including the rapidly growing liability insurance category. Meanwhile, net premiums written remained flat for voluntary automobile insurance, with the price per contract declining.

| | FY 2003 | | FY 2004 | | FY 2005 | |
|-------------------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| | Net premiums (Billion yen) | Growth rate (%) | Net premiums (Billion yen) | Growth rate (%) | Net premiums (Billion yen) | Growth rate (%) |
| Fire | 49.5 | 5.1% | 47.8 | 3.3% | 48.9 | 2.3% |
| Marine | 4.5 | 3.6% | 4.8 | 6.8% | 4.6 | 3.7% |
| Personal Accident | 30.1 | 2.5% | 31.1 | 3.1% | 29.9 | 3.9% |
| Voluntary Automobile | 159.7 | 2.5% | 159.4 | 0.2% | 159.5 | 0.0% |
| CALI | 22.1 | 4.5% | 21.9 | 0.7% | 21.4 | 2.3% |
| Miscellaneous | 36.9 | 5.6% | 37.1 | 0.5% | 38.4 | 3.5% |
| Total | 303.0 | 2.9% | 302.3 | 0.2% | 302.9 | 0.2% |

* Excluding the effect of the abolition of the governmental reinsurance scheme for CALI (Car Accident Liability Insurance). 4

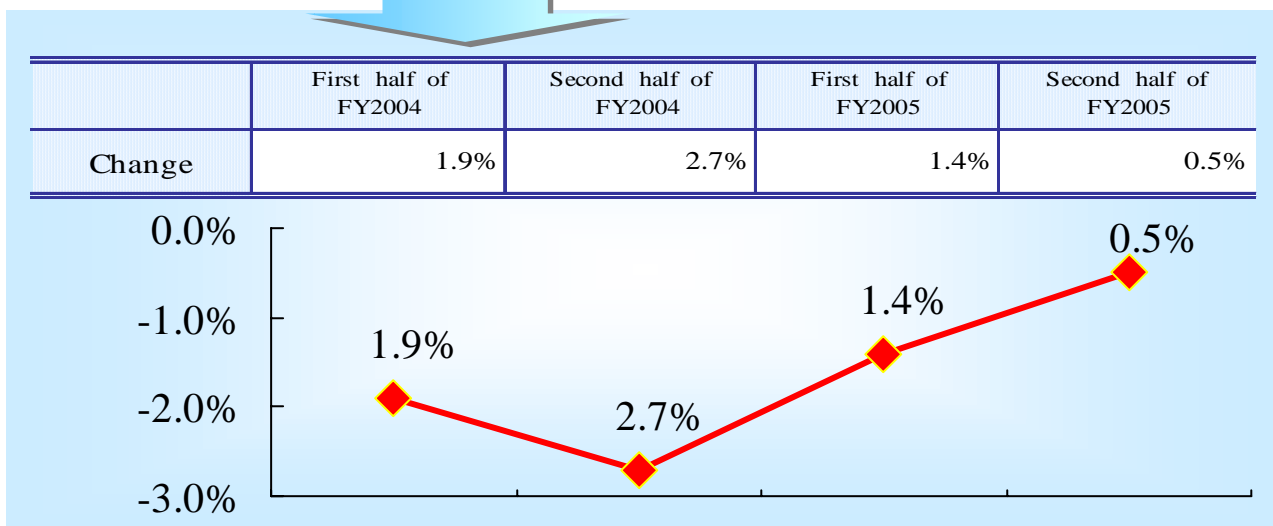
Trend of Premiums and Number of Contracts (Voluntary Automobile Insurance)



The breakdown of premiums for voluntary automobile insurance into the number of contracts and premiums per contract showed that premiums per contract started to increase because of the effect of the rising premium rate in June 2004.

[Premiums per contract and number of contracts for voluntary automobile insurance]

| | FY 2003 | FY 2004 | FY 2005 | (Sales accounts) |
|----------------------------------|---------|---------|---------|------------------|
| Growth rate | +2.0% | 1.2% | +0.6% | |
| Change in number of contracts | +1.4% | +1.1% | +1.5% | |
| Change in premiums per contracts | +0.6% | 2.3% | 0.9% | |



Premiums by Channel

The sales figure of NLI increased to 3.1%. Not only the Nippon Life sales staff channel but also Professional agents and Auto dealers contributed to the company's growth.

[Sales accounts]

(Billion yen, %)

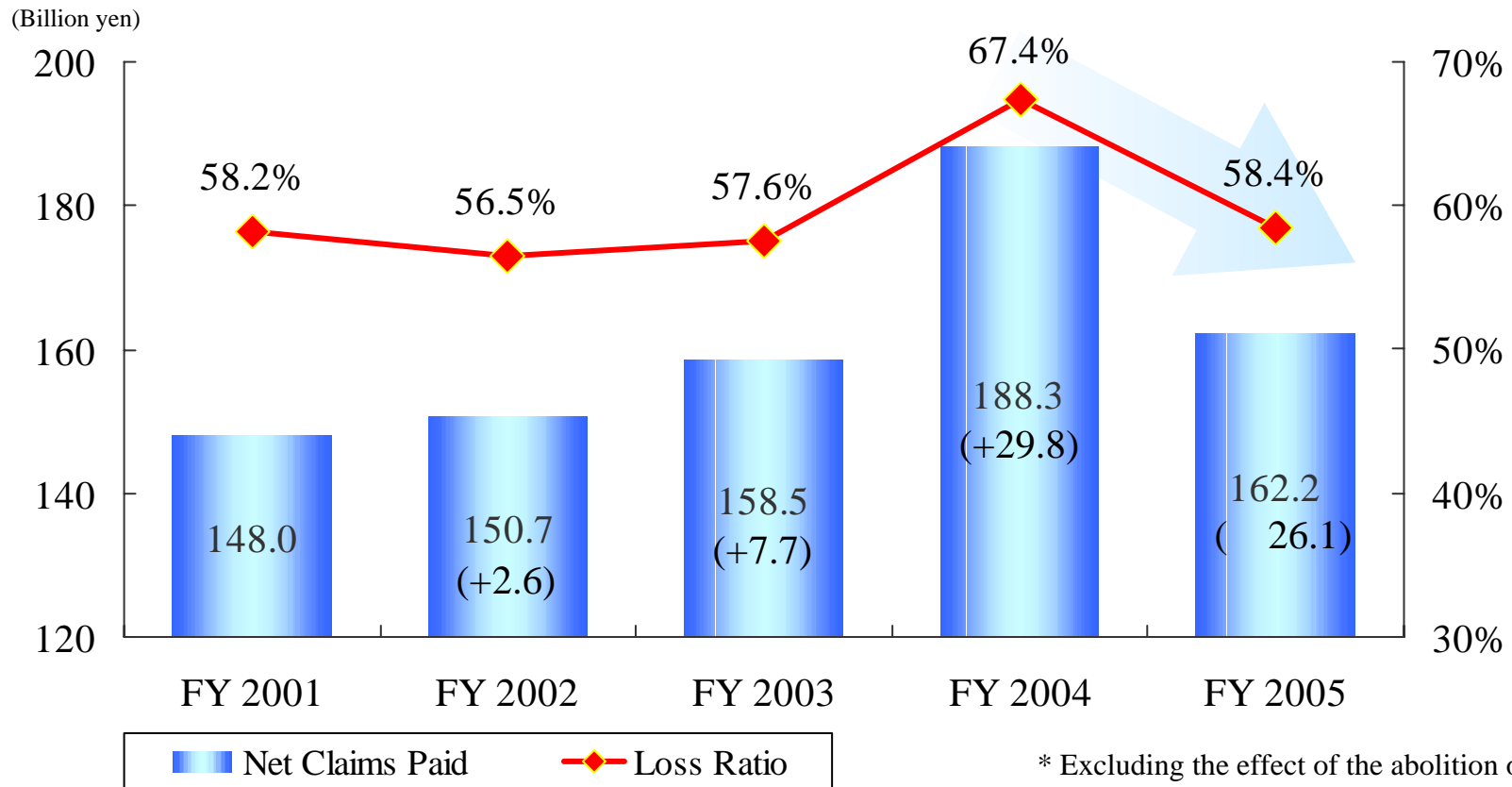
| | FY 2005 | Amount of increase | Growth rate |
|-------------------------|---------|--------------------|-------------|
| Nippon Life sales staff | 75.3 | 2.3 | 3.1% |
| Professional agents | 75.9 | 2.7 | 3.6% |
| Corporate channel | 69.5 | 1.2 | 1.8% |
| Banks | 18.9 | 0.4 | 2.3% |
| Auto dealers | 19.6 | 0.9 | 4.9% |
| Maintenance shops | 38.1 | 1.3 | 3.7% |
| Miscellaneous | 46.2 | 3.3 | 6.7% |
| Total | 343.8 | 5.5 | 1.6% |

*Figures of Nippon Life sales staff include premiums made by other sales agents related to Nissay's market.

Net Claims Paid

Due to fewer natural disasters, net claims paid decreased by 26.1 billion yen to 162.2 billion yen. As a result, the loss ratio decreased to 58.4%.

[Net claims paid, Loss ratio]



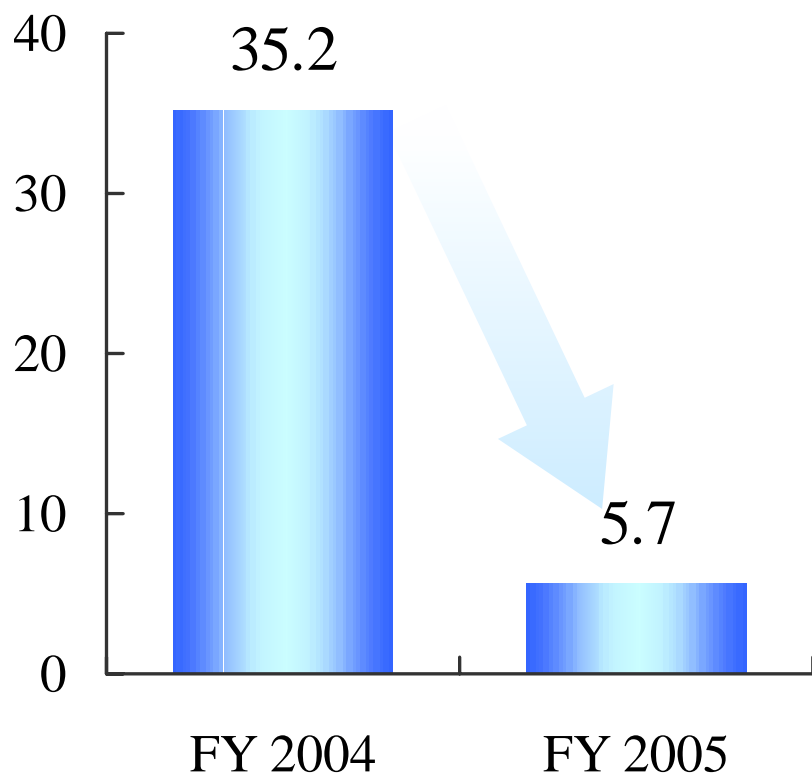
* Excluding the effect of the abolition of the governmental reinsurance scheme for CALI.

Net Claims Paid for Natural Disasters

In FY 2005, the losses caused by snow increased but typhoon damage decreased considerably from the previous year. As a result, net claims paid for natural disasters was 5.7 billion yen.

[Total amount of net claims paid for natural disasters]

(Billion yen)



| | FY 2004 | FY 2005 |
|--|---------|---------|
| Total amount of net claims paid for natural disasters (Amount paid & reserve) | 35.2 | 5.7 |
| Typhoon | 34.7 | 4.0 |
| Snow disaster | 0.3 | 1.6 |
| Reference | | |
| Amount already paid | 32.3 | 4.1 |
| Reserve | 2.8 | 1.5 |

*The amount of net claims paid for natural disasters that occurred in Japan. For snow disaster, net claims paid for only the items subject to fire insurance were recorded.

Net Claims Paid by Class of Insurance



Due to fewer natural disasters, the loss ratio of fire, voluntary automobile and miscellaneous improved.

(Billion yen, %)

| | FY 2003 | | FY 2004 | | FY 2005 | |
|----------------------|-----------------|------------|-----------------|------------|-----------------|------------|
| | Net claims paid | Loss ratio | Net claims paid | Loss ratio | Net claims paid | Loss ratio |
| Fire | 14.2 | 30.3% | 39.3 | 83.7% | 18.2 | 38.8% |
| Marine | 2.7 | 64.9% | 2.7 | 60.3% | 2.7 | 62.6% |
| Personal Accident | 12.0 | 44.7% | 11.3 | 40.7% | 11.7 | 43.4% |
| Voluntary Automobile | 97.0 | 67.1% | 101.7 | 69.9% | 96.8 | 66.4% |
| CALI | 12.8 | 69.6% | 12.4 | 68.9% | 12.1 | 69.4% |
| Miscellaneous | 19.5 | 55.3% | 20.6 | 58.5% | 20.3 | 55.3% |
| Total | 158.5 | 57.6% | 188.3 | 67.4% | 162.2 | 58.4% |

* Excluding the effect of the abolition of the governmental reinsurance scheme for CALI. 9

Net Claims Paid by Class of Insurance (Based on E.I.)



The loss ratio of fire based on E.I. improved greatly because of fewer natural disasters. However, the loss ratio of voluntary automobile based on E.I. deteriorated due to saving IBNR reserves calculated using new statistical methods.

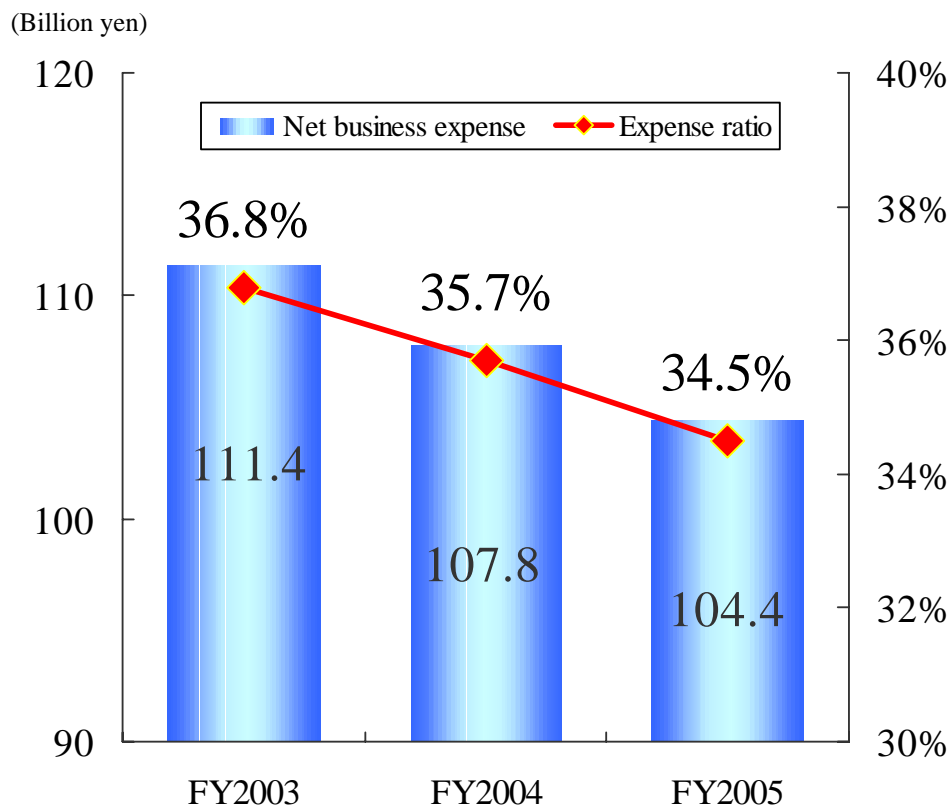
| | FY 2003 | | FY 2004 | | FY 2005 | |
|--------------------------------------|------------|--------|------------|--------|------------|--------|
| | Loss ratio | Change | Loss ratio | Change | Loss ratio | Change |
| Fire (excl. earthquake) | 38.2% | 4.1% | 110.4% | 72.2% | 49.4% | 61.0% |
| Marine | 53.0% | 17.0% | 63.6% | 10.6% | 70.0% | 6.4% |
| Personal Accident | 44.9% | 2.9% | 40.5% | 4.4% | 44.5% | 4.0% |
| Voluntary Automobile | 65.4% | 0.7% | 67.3% | 1.9% | 73.9% | 6.6% |
| Miscellaneous | 60.6% | 5.7% | 60.8% | 0.2% | 59.3% | 1.5% |
| Total (excl. earthquake and CALI) | 58.3% | 0.1% | 69.4% | 11.1% | 65.0% | 4.4% |

*Including claims expenses

Expense Ratio

By continuing to invest in IT and reduce personnel and non-personnel expenses aggressively, the expense ratio improved by 1.2 percentage points, to 34.5%, better than the planned value of 34.6%.

[Net business expenses, Net expense ratio]



[Breakdown of net business expenses]

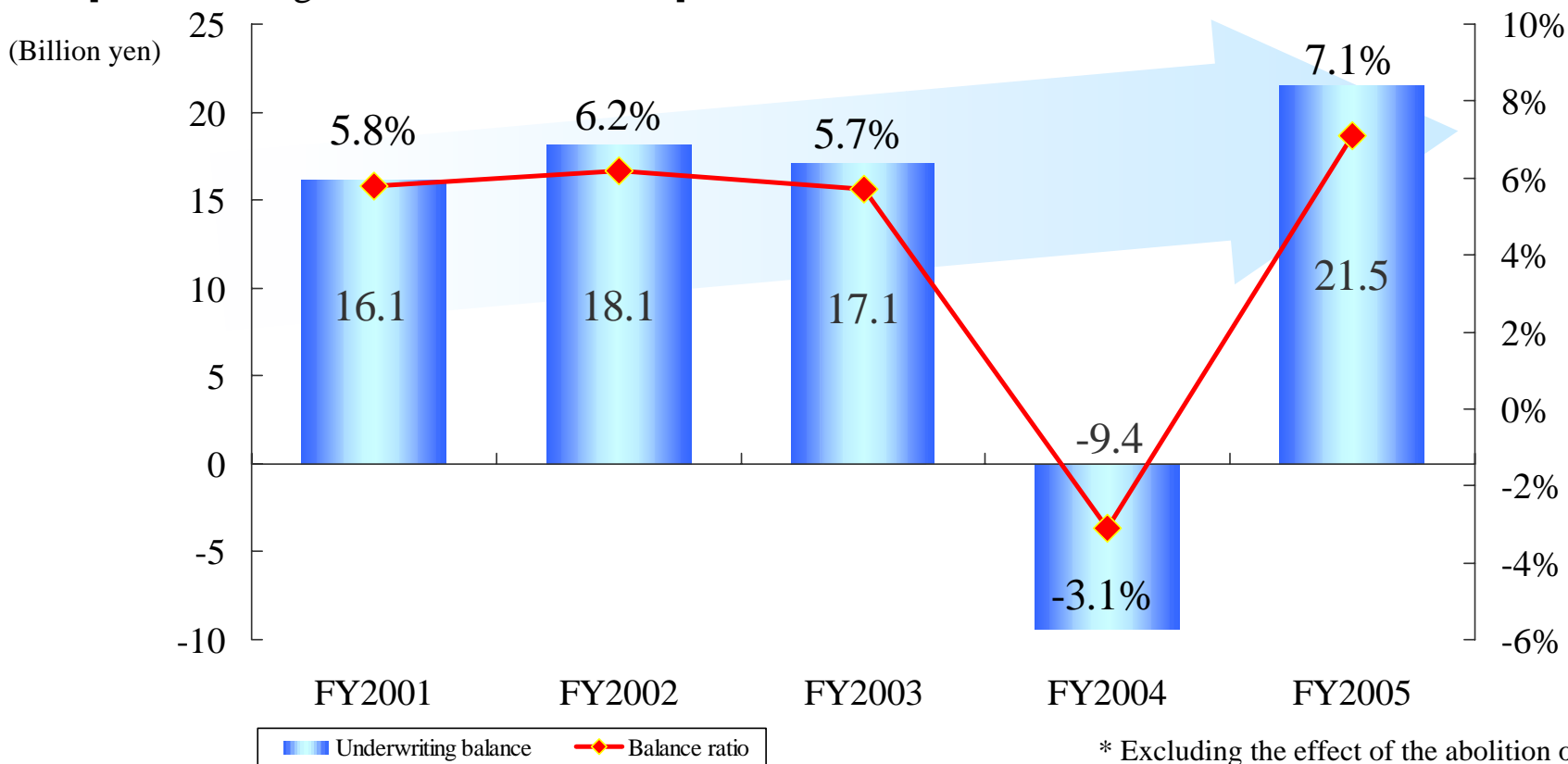
| | FY2004 | FY2005 | Increase/ Decrease |
|-------------------------------|--------------|--------------|-----------------------|
| Personnel expense | 24.0 | 22.1 | 1.9 |
| Non-personnel expense | 24.3 | 24.6 | +0.3 |
| Taxes | 2.3 | 2.4 | +0.1 |
| Net commissions and brokerage | 57.1 | 55.1 | 1.9 |
| Total | 107.8 | 104.4 | 3.4 |

* Excluding the effect of the abolition of the governmental reinsurance scheme for CALI.

Underwriting Balance

The combined ratio (total of loss ratio and expense ratio) was 92.9% and thus the underwriting balance improved by 10.1 percentage points, to 7.1% from the previous fiscal year.

[Underwriting balance, Balance ratio]

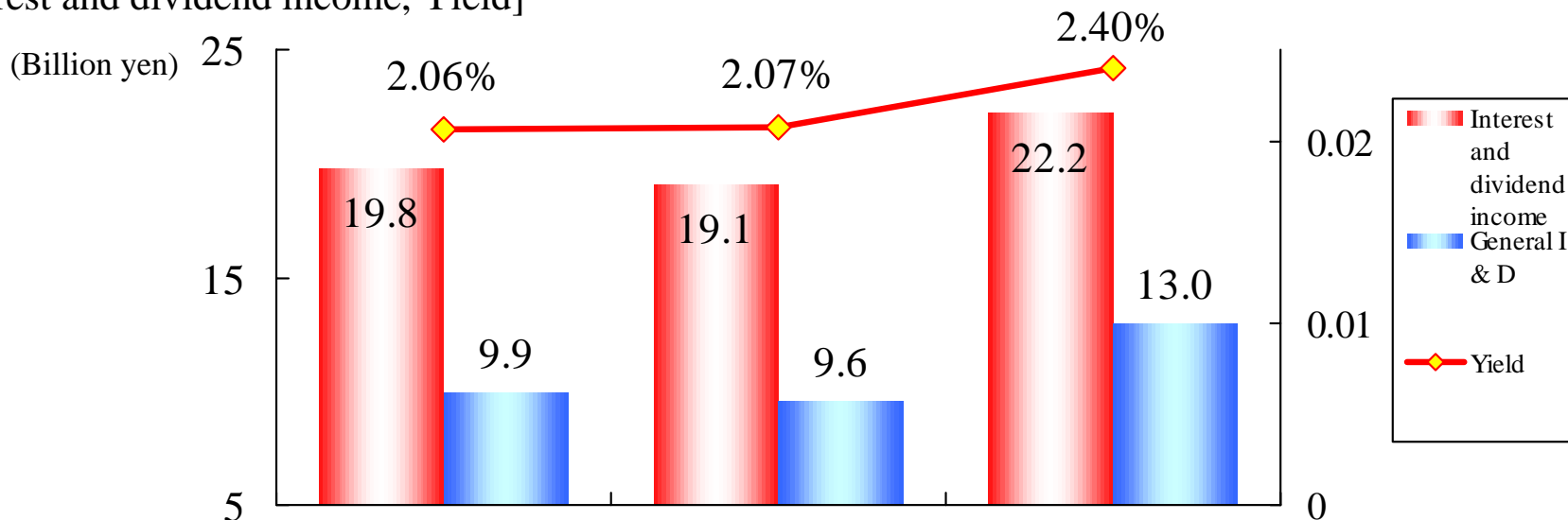


* Excluding the effect of the abolition of the governmental reinsurance scheme for CALI.

Interest and Dividend Income

Interest and dividend income increased by 3.1 billion yen to 22.2 billion yen and yield also increased to 2.40%. General I&D, or Interest and Dividend Income after deducting investment profit from maturity refund, which influences current income directly, increased to 13.0 billion yen.

[Interest and dividend income, Yield]



| | FY 2003 | FY 2004 | FY 2005 | Increase/Decrease |
|------------------------------|---------|---------|---------|-------------------|
| Interest and dividend income | 19.8 | 19.1 | 22.2 | +3.1 |
| Public & corp. bonds | 4.5 | 4.3 | 4.4 | +0.0 |
| Stocks | 3.8 | 4.0 | 5.2 | +1.2 |
| Foreign securities | 7.5 | 7.3 | 9.0 | +1.7 |

Investment Results

Because the company has nearly completed sales of its profitable shares, capital gains decreased by 7.2 billion yen to 20.5 billion yen. As a result, the Investment Profit decreased by 3.1 billion yen. On the other hand, unrealized capital gain on marketable securities increased by 127.3 billion yen, to 317.8 billion yen.

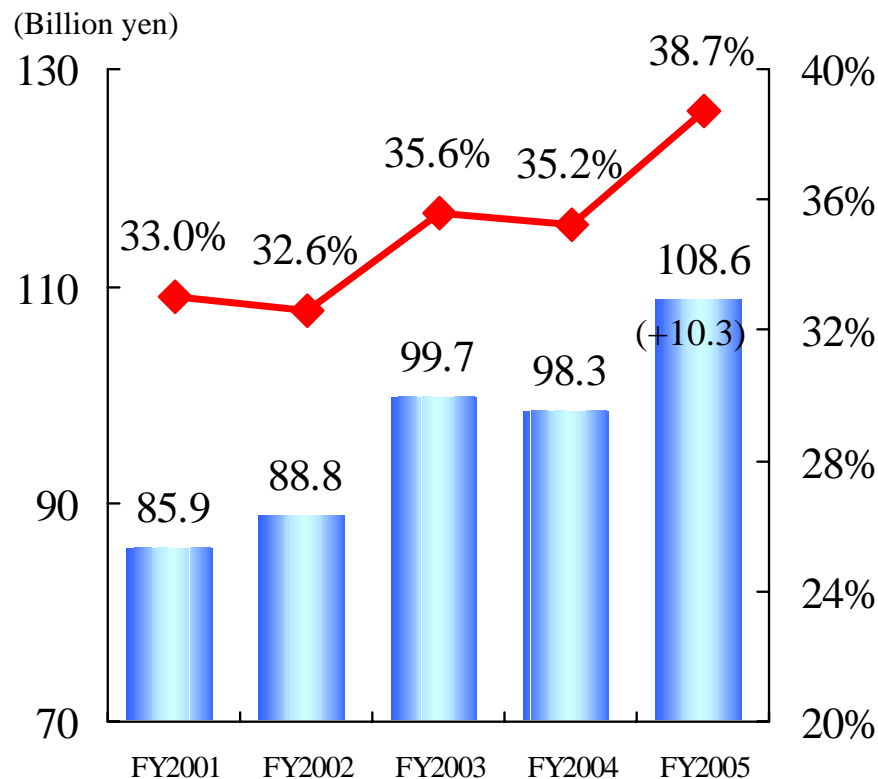
(Billion yen)

| | | FY 2003 | FY 2004 | FY 2005 | Increase/ Decrease |
|--|-------------------------------------|---------|---------|---------|-----------------------|
| Investment Income | (Net) Interest and dividend | 9.9 | 9.6 | 13.0 | 3.3 |
| | Capital gains | 6.6 | 27.8 | 20.5 | 7.2 |
| | Other investment income | 4.7 | 0.4 | 1.6 | 1.2 |
| | | 21.3 | 37.8 | 35.1 | 2.6 |
| Investment Cost | Capital loss | 4.1 | 2.6 | 2.9 | 0.2 |
| | Loss from revaluation of securities | 0.2 | 0.1 | 0.0 | 0.1 |
| | Other investment cost | 0.7 | 2.9 | 3.2 | 0.2 |
| | | 5.0 | 5.7 | 6.2 | 0.4 |
| Investment Profit | | 16.2 | 32.0 | 28.9 | 3.1 |
| Unrealized capital gain on marketable securities | | 193.7 | 190.4 | 317.8 | 127.3 |

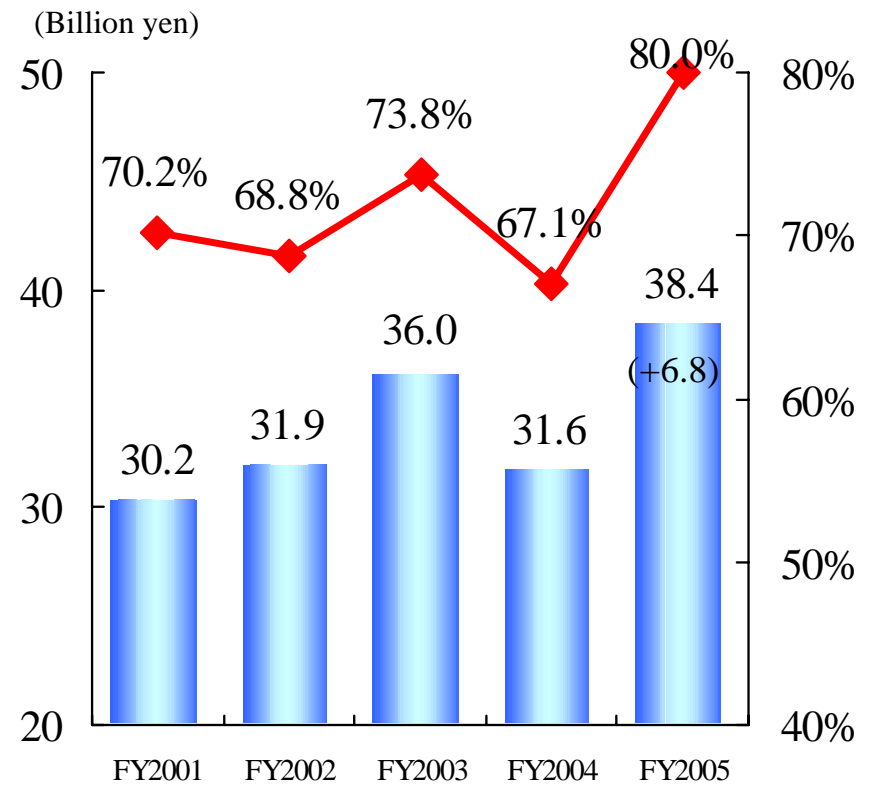
Catastrophe Loss Reserves

The company has carried out a planned transfer of reserves since FY 2003. At the end of FY 2005, the balance increased to 108.2 billion yen and the coverage ratio was 38.7%. Of special note is fire insurance: the balance of catastrophe loss reserves for fire insurance increased to 38.4 billion yen and the coverage ratio improved to 80.0%.

[Catastrophe Loss Reserves (Total)]



[Catastrophe Loss Reserves (Fire insurance)]



Balance Coverage ratio

Balance Coverage ratio

Introduction of Statistical IBNR Reserves

From FY 2006, we will be obligated to save IBNR reserves calculated using statistical methods. The company accelerated the schedule and kept a reserve for voluntary automobile insurance.

[Introducing statistical IBNR reserves]

- From FY 2006, we will be obligated to save IBNR reserves calculated by statistical methods for certain classes of insurance.

[IBNR reserves]

Reserves of claims paid are saved for accidents “Incurred But Not Reported” at the end of the fiscal year.

[Existing method for calculating IBNR reserves]

Save the amount for IBNR reserves, of whichever of the following figures is larger:

- The amount required to be saved for accidents “Incurred But Not Reported” for the last 3 years $\times 1/3 \times$ increase in the rate of loss in the most recent period
- 3% of net premiums earned (Voluntary automobile insurance)

[Measures for this FY]

- The company accelerated the schedule and calculated the amount of IBNR reserves using statistical methods and transferred 10.8 billion yen additionally for voluntary automobile insurance.

Method of Calculating Statistical IBNR Reserves



1. Estimating the total claims paid amount by year of accident occurrence and years elapsed, then calculating “appropriate reserves” by deducting the amount already paid

Example: The period from accident occurrence to payment of claim for up to 5 years

Generation status of accumulating claims paid (Result)

| Year occurred | Elapsed years | | | | |
|---------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 1 | 2 | 3 | 4 | 5 |
| FY2001 | 1,000 | 1,800 | 2,600 | 3,000 | ^{p5} 3,200 |
| FY2002 | 1,500 | 2,500 | 4,000 | ^{p4} 4,600 | Area to be estimated |
| FY2003 | 2,000 | 3,500 | ^{p3} 4,000 | | |
| FY2004 | 1,800 | ^{p2} 2,500 | | | |
| FY2005 | ^{p1} 1,600 | | | | |

Total amount of accumulating claims paid (Estimated)

| Year occurred | Elapsed years | | | | | Appropriate reserves |
|---------------|---------------|----------------------|----------------------|-------|--------|----------------------|
| | 1 | 2 | 3 | 4 | 5 | |
| FY2001 | 1,000 | 1,800 | 2,600 | 3,000 | 3,200 | 0 |
| FY2002 | 1,500 | 2,500 | 4,000 | 4,600 | 4,907 | 307 |
| FY2003 | 2,000 | 3,500 | 4,000 | 4,606 | 4,913 | 913 |
| FY2004 | 1,800 | 2,500 | 3,397 | 3,912 | 4,173 | 1,673 |
| FY2005 | 1,600 | ^{e27} 2,616 | ^{e37} 3,555 | 4,094 | 4,366 | 2,766 |
| Total | | | | | 21,559 | 5,659 |

Total amount of claims paid (Result) = (p 1 ~ p 5) = 15,900 ··· P
 LDF 1.00 1.63 1.36 1.15 1.07
 (Loss Development Factor)

Calculating example of LDF (2nd year) 1.63 = (1800+2500+3500+2500) ÷ (1000+1500+2000+1800)

LDF 1.00 1.63 1.36 1.15 1.07
 Sporadic rate 36.6% 59.9% 81.4% 93.8% 100.0%

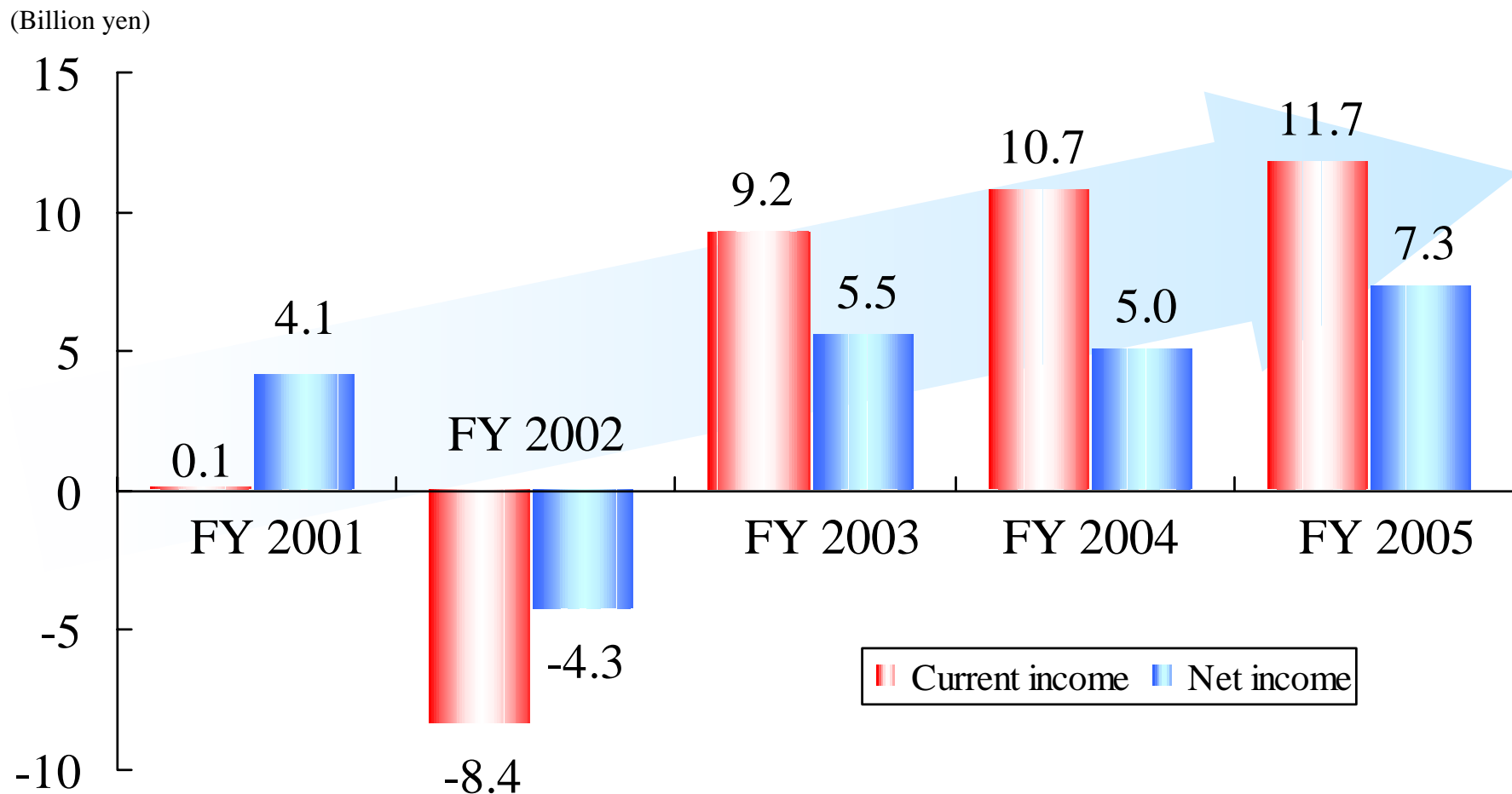
Calculating example ^{e27} = 1600 × 1.63 ^{e37} = 2616 × 1.36

Appropriate reserve 5,659 = Estimated total claims paid 21,559
 - claims paid p15900

2. “Appropriate reserves” - general reserves at the end of this FY = (statistical) IBNR reserves

Current Income & Net Income

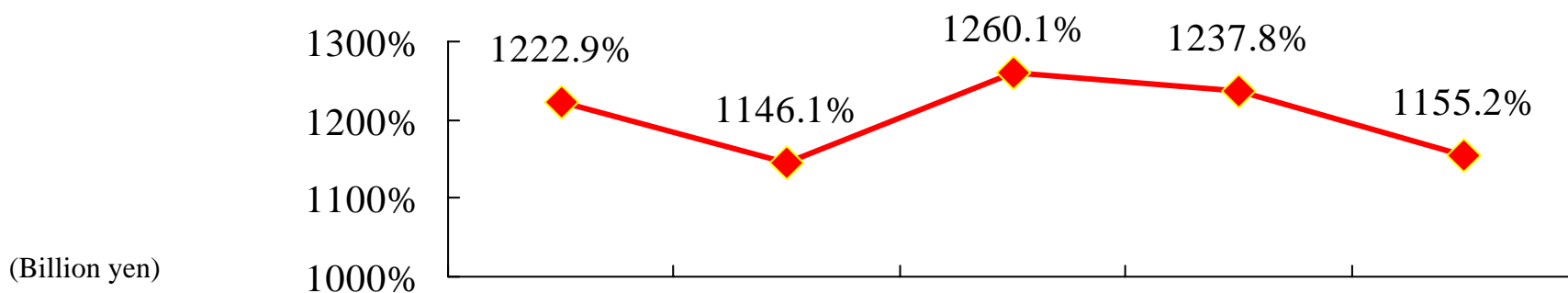
Current income increased by 1.0 billion yen from the previous year, to 11.7 billion yen. Thus, net income became 7.3 billion yen. This amount of income is the highest recorded in the company's entire history, including the era of Dowa F&M.



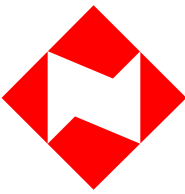
Solvency Margin Ratio

The solvency margin ratio decreased slightly to 1155.2% due to the change in the basis of calculating disaster risk to estimated loss by wind and flood disasters recurring at 70-year periods.

[Change in solvency margin ratio]



| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|--|---------|---------|---------|---------|---------|
| (A) Total amount of solvency margin | 462.9 | 389.2 | 494.7 | 489.0 | 620.6 |
| Catastrophe loss reserves | 100.7 | 104.4 | 116.2 | 115.6 | 127.0 |
| Unrealized capital gains | 135.9 | 78.4 | 174.1 | 171.2 | 285.8 |
| Unrealized profit and loss | 10.1 | 7.6 | 6.0 | 4.6 | 4.7 |
| (B) Total risk volume | 75.7 | 67.9 | 78.5 | 79.0 | 107.4 |
| Asset management risk | 47.7 | 36.5 | 45.0 | 42.9 | 55.6 |
| Disaster risk | 22.8 | 25.5 | 27.9 | 30.1 | 45.7 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 1222.9% | 1146.1% | 1260.1% | 1237.8% | 1155.2% |



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Targets and Forecasts for FY 2006

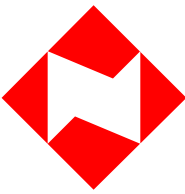
In FY 2006, the company will increase its net premiums by 2.7% and improve the underwriting balance by 0.2 points. Thus the company will achieve 13.0 billion yen in current income and 8.0 billion yen in net income. The forecast for ROE is 4.9%.

(Billion yen)

| | | FY 2005 | Targets for FY2006 | Increase/Decrease |
|---------------------------------------|---------------------------------------|------------------|--------------------|-------------------|
| Net Premiums Written (Growth rate) | | 321.7 (0.0%) | 330.6 (2.7%) | +8.9 |
| Excl. the effect of change in CALI | Net Premiums Written (Growth rate) | 302.9 (0.2%) | 311.2 (2.7%) | +8.3 |
| | Expense Ratio | 34.5% | 34.5% | ±0.0 points |
| | Loss Ratio | 58.4% | 58.1% | 0.3 points |
| | Underwriting Balance | 7.1% | 7.3% | +0.2 points |
| Current Income | | 11.7 | 13 | +1.3 |
| Net Income | | 7.3 | 8 | +0.7 |
| ROE | | 4.6% | 4.9% | +0.3 points |

*Expense ratio, loss ratio and underwriting balance exclude the effect from the abolition of the governmental reinsurance scheme for CALI.

*ROE is adjusted by deducting the net increase in unrealized gain on available-for-sale securities from the equity section of the balance sheet.



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Framework of New Mid-term Management Plan

CSR Management

Based on the premise of compliance, the company steadily executes strategic action plans and aims to maximize corporate value for the greater satisfaction of stakeholders.

Corporate ethics and thorough compliance

Maximizing corporate value

Achieving numerical targets

Improving stakeholders' satisfaction

- Shareholders - Sustainable and continuous return of profits
- Customers - Improving the quality of products and services to meet higher and diverse needs
- Agents - Enhancing the support as an insurance service partner
- Employees - Enabling employees to share a sense of unity and satisfaction through effective utilization of individual capabilities
- Society The Earth - Engaging in corporate citizenship activities such as social contributions and environmental conservation

Company-wide implementation

Main measures

Strategic measures of New Mid-term Management Plan

Action Plan by Management and Employees

Action by Management set an example and helps each employee take actions which lead to changes among the workforce

Vision - The Company in 2008

By promoting our company philosophy and achieving the targets mentioned below, we will be a socially recognized and admired company.

1. To establish a solid status as the non-life insurance arm of the Nippon Life Group.

The company carries out the Comprehensive Insurance Strategy of the Nippon Life Group and continues to be the best in the industry in terms of growth, profitability and soundness.

Growth

Achievement of ¥380.0 billion in premiums (on underwriting basis) with an average 3.5% annual growth

Profitability

High management efficiency capable of achieving and maintaining 90% of net combined ratio

Soundness

Fully able to cover risks with solvency margin ratio of over 1,000%

2. To become the company selected and highly trusted by customers and agencies through improved services and support.

3. To create a work environment where employees can share a sense of unity and satisfaction through effective utilization of individual capabilities.

Strategic Measures

Focusing resources on core business operations

- I Further enhancing the expansion of Nissay market
- II Structural reform in retail channel
 1. Supporting agents according to their attributes and reinforcing the growth
 2. Creating a new channel by utilizing subsidiary agents
 3. Reinforcing the structure of developing bank channels
- III Establishing a top-class property claims service in the industry in terms of both efficiency and customer satisfaction

Focusing resources on business infrastructure

- IV Bolstering profitability and product development capability
- V Radically strengthening managers and employees
- VI Reforming corporate governance

Investing 7 billion yen over three years for strategic systems development

I Further Enhancing the Expansion of Nissay's Market (1)

Increasing the power of customer acquisition by ensuring the system for handling NLI of each branch, introducing new products which meet each channel's attributes, and improving infrastructure

| Products and Services | System Infrastructure | Organization and Human Resources |
|---|---|---|
| <p>Releasing new long-term voluntary automobile insurance product (April 2005)</p> <p>Easing regulations for treatment of the fire insurance product "Home Pitatto"</p> <p>Expanding products and service lines for small companies</p> | <p>Upgrading mobile devices for NLI sales staff</p> <p>Upgrading the system of business management</p> <p>Upgrading the infrastructure for dispatched employees in NLI branches</p> <p>and more</p> | <p>Strengthening the operation for regarding 1 NLI branch as 1 Nissay Dowa agent</p> <p>Developing excellent human resources by introducing expert program</p> <p>Dispatching more employees to NLI</p> <p>and more</p> |

[Introducing long-term voluntary automobile insurance product: "Long"]

- Reducing customers' burden of renewal by setting the covered period for 2 years or 3 years
- Enabling NLI sales staff to focus on finding potential customers by reducing the maintenance burden

[Reinforcing operations that view Nippon Life branches as Nissay Dowa agents]

- Introducing the operating system of sales managers for each NLI branch, who have responsibility for achieving each branch's quota for general insurance
- Grasping the achievements of sales managers through head office system for checking visits to NLI branches

In this FY, NLI set a general insurance quota for 1,700 NLI branches all over Japan

Developing corporate customer market by improving risk consulting proposals such as BCM (business contingency management), and expanding the range of target companies

| Products and Services | System Infrastructure | Organization and Human Resources |
|--|--|--|
| Enriching risk management proposals - Business contingency management Financial simulation Flood 3D simulation Revising and introducing strategic products - D&O, IT liability insurance and more | Improving the progress management on an each-company basis by upgrading the corporate information system and more | Enhancing employees transferred to NLI Assigning workforce to niche markets which have high potential and more |

Selecting potential corporate customers with employees transferred to NLI commercial line promotion section Securing the market by providing consulting proposals

- Expanding the target companies of NLI from big corporate customers to affiliate companies and medium-scale companies. Target companies are selected by transferred employees who have general insurance skills.
- Introducing active risk consulting by solid integration of the front line, back office and Phoenix Risk Research Institute (subsidiary company of NDI)
- Developing telemarketing strategically for specific organizations
- Starting to develop the market of mutual aid organizations and small short-period insurance companies

II Structural Reform in the Retail Channel

Supporting agents according to their attributes and reinforcing growth

General branch offices

Agents with premiums over 10 million yen
(Number of agents: 50%, Premiums: 90%)

- Focusing on big agents and NLI offices and achieving specialization for developing NLI market and setting up new channels
- Introducing a new personnel distribution system so sales managers can concentrate on one channel, thus strengthening their response to agents

Specialized branch offices

Agents with premiums below 10 million yen
(Number of agents: 50%, Premiums: 10%)

- Setting up 22 offices nationwide (April 2005)
- Responding to small agents considerably by using phone and fax and helping agents to maintain profitability and growth

Creating new channels by utilizing subsidiary agents

Subsidiary agent: NDI Insurance Service

- 10 branch offices nationwide (April 2005)
- Dealing with customers via a comprehensive call center (October 2005)

- Introducing the system of partner agent
- Expanding the system for supporting agents directly

Reinforcing the structure of developing bank channels

- Introducing new products originated for bank channels
- Establishing a Department of Sales Planning for Financial Institutions in 2006
- Reinforcing the operation with Nippon Life (Together with finding potential bank customers and developing both products and infrastructure)

Introducing an outbound call center for supporting banks
(Dec. 2008, planned)

III Establishing a Top-class Property Claims Service



Reforming the property claims service system and evolving the operation to improve customer satisfaction

- Improving the Claims Department and strengthening employees
 - Adding 33 staff in FY 2006
 - Introducing “Unit System” (Setting up small unit for strengthening employees’ management and training)
 - Introducing “Team leader system” (Making OJT a work objective of Team Leaders)
 - Consolidating the systems of encouraging interpersonal and moral risk in head office
- Improving customer satisfaction
 - Ensuring that operations satisfy customers, such as reducing the time taken to make claims paid (Revising the information system and basic operation)
 - Considering and introducing an operation for improving customer satisfaction by utilizing customer’s opinion throughout the company
- Changing operations of claims payment
 - Strengthening cooperation between the products department and the claims department
 - Integrating and simplifying products
 - Revising the forms and systems for preventing accidental omission of payments

Reinforcing governance of property claims service

- Creating a Committee for Claims Paid (provisional name) chaired by an outside lawyer (October 2006)
- Reinforcing internal controls with the Claims Payment Administration Dept. (April 2006)
- Creating a Committee for Structural Reform of the Claims Service (April 2006)

IV-VI Reinforcing the Business Infrastructure

IV.

Bolstering profitability and product development capability

Establishing a call center for agents
Improving the system for bank channels
Improving the system for claims payment and claims service
Visually formatting the insurance policy and revising insurance proposal forms
Revising the back office system for sales branches drastically, improving the internet-based agent support system

V.

Radical strengthening of managers and employees

Expanding the number of new recruits
- Over 100 new employees recruited over 3 years
Radical strengthening of managers (fostering specialists)
- Introducing a career development plan shaped for each job area
- Keeping the personnel system appropriate, based on new human resource development programs

VI.

Reforming corporate governance

Accelerating decision-making and specifying responsibility and authority by introducing an operating officer scheme
Reorganizing committees as part of efforts to enhance compliance and bolster risk management

Numerical targets 1: Developing the Operational Base

Retail

Professional agents
Strengthening the expansion of new-partner agents channel and developing agents' profitability

Auto dealers
Improving response capabilities for manufacturers by utilizing the comprehensive strength of Nissay group (strengthening organization-wide responses to head offices of manufacturers)

(Above: number of newly added agents Below: number of owned agents)

| | FY2005 | | FY2006-2008 (Planned) |
|----------------------------|----------------|-----------------------------|--------------------------|
| Professional agents | 392 (3,401) | Newly added 400 per year | 1,200 (4,270) |
| Auto dealers | 35 (614) | Newly added 70 per year | 210 (740) |

Wholesale

As NLI employees, our sales managers open ways for important companies and improve response capabilities for middle companies

Providing sophisticated consulting sales with uniting front and middle sections

Improving response capabilities for new markets (card associations and small short-period insurance companies) and for medical insurance

| | FY2004 | FY2005 | FY2006 (Planned) |
|---|--------|--------|---------------------|
| Newly developed companies | 222 | 251 | 300 |
| Newly developed occupational field | 51 | 58 | 80 |

Bank institute

Setting up Sales Planning Dept. for Financial Institution (Strengthening planning and consulting abilities)

Expanding sales by utilizing the call center

Constructing the framework for complete clearance

(Above: number of newly added agents Below: number of owned agents)

| | FY 2005 | | FY2006-2008 (Planned) |
|--------------|-------------|-----------------------------|--------------------------|
| Banks | 17 (132) | 50 newly added in FY2005 | 60 (192) |

Numerical targets 1: Net Premiums Written

Establishing the highest rate of growth in the industry
Achieving an annual average growth rate of 3.5%

| | | FY 2005 | | FY 2006 (Planned) | |
|-----------------------------|----------------------|---------|-------------|-------------------|-------------|
| | | | Growth rate | | Growth rate |
| Premiums written | | 343.8 | 1.6% | 355.6 | 3.5% |
| Net premiums written | | 321.7 | 0.0% | 330.6 | 2.7% |
| Classes of insurance | Fire | 48.9 | 2.3% | 51.4 | 5.1% |
| | Marine | 4.6 | 3.7% | 4.8 | 4.0% |
| | Personal Accident | 29.9 | 3.9% | 30.2 | 1.2% |
| | Voluntary Automobile | 159.5 | 0.0% | 163.4 | 2.5% |
| | CALI | 40.3 | 2.7% | 41.4 | 2.8% |
| | Miscellaneous | 38.4 | 3.5% | 39.1 | 1.9% |

(Billion yen, %)

| FY 2008 (Planned) | |
|-------------------|---------------------------------------|
| | Average growth ratio from FY2006-2008 |
| 381.0 | 3.5% |
| 352.2 | 3.0% |
| 57.4 | 5.4% |
| 5.2 | 4.0% |
| 31.3 | 1.6% |
| 171.4 | 2.4% |
| 44.8 | 3.6% |
| 41.9 | 3.0% |

Strategy (3) Increasing Operational Efficiency

The company will achieve a high level of operational efficiency on a par with major companies by making strategic investments.

Combined ratio: target for 90%

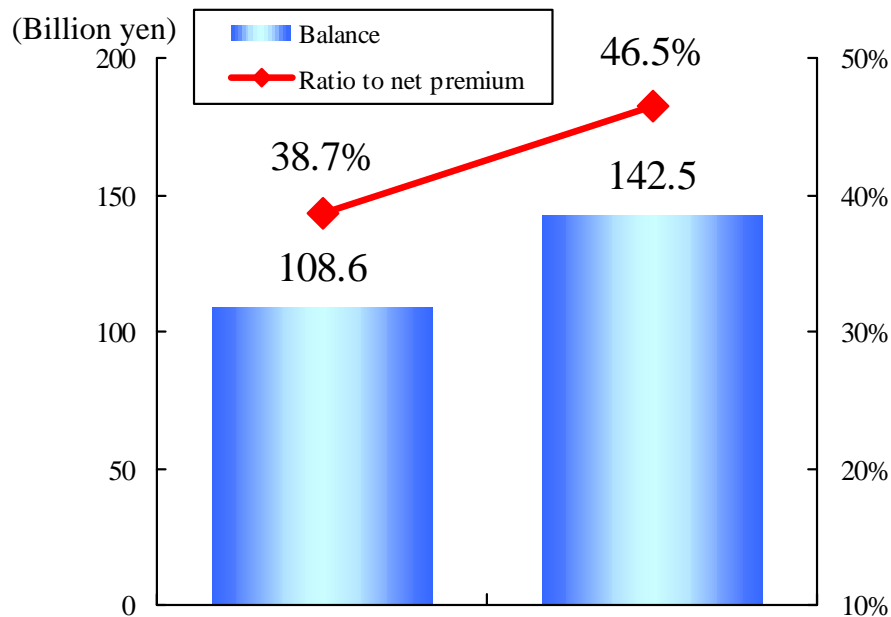
| | FY2005 | FY2006 | FY2007 | FY2008 | FY2008- FY2005 |
|-----------------------|------------------|------------------|------------------|------------------|----------------------------|
| Combined ratio | 92.2% (92.9%) | 92.2% (92.7%) | 90.6% (90.9%) | 90.0% (90.3%) | 2.2 points (2.6 points) |
| Expense ratio | 32.5% (34.5%) | 32.5% (34.5%) | 32.0% (34.0%) | 31.6% (33.6%) | 0.9 points (0.9 points) |
| Loss ratio | 59.7% (58.4%) | 59.7% (58.1%) | 58.6% (56.9%) | 58.4% (56.7%) | 1.3 points (1.7 points) |

* Figures in parentheses exclude the effect of the abolition of the governmental reinsurance scheme for CALI.

Strategy (4) Catastrophe Loss Reserve

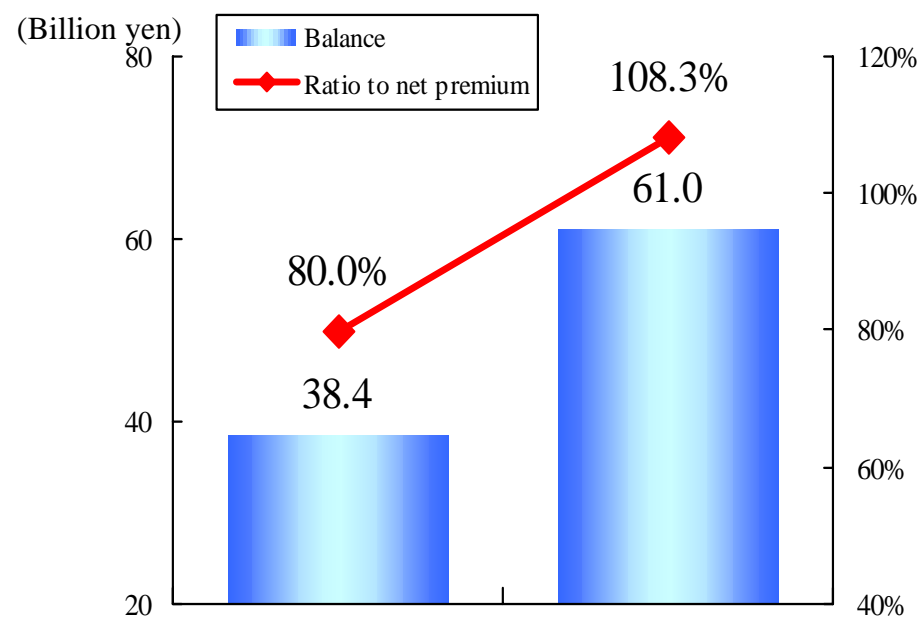
To strengthen creditworthiness, the company plans to transfer a total of approximately 30.0 billion yen, with approximately 20.0 billion yen for fire insurance in 3 years. In addition, the company has to build the Catastrophe Loss Reserve for fire insurance up to the estimated amount of net claims paid due to typhoon disasters recurring on a 70-year basis. The company is planning to achieve this requirement with 3 years.

[Catastrophe loss reserve (Total)]



| | FY 2005 | FY 2008 |
|----------------------|---------|---------|
| Balance | 108.6 | 142.5 |
| Ratio to net premium | - | 33.9 |

[Catastrophe loss reserve (Fire)]

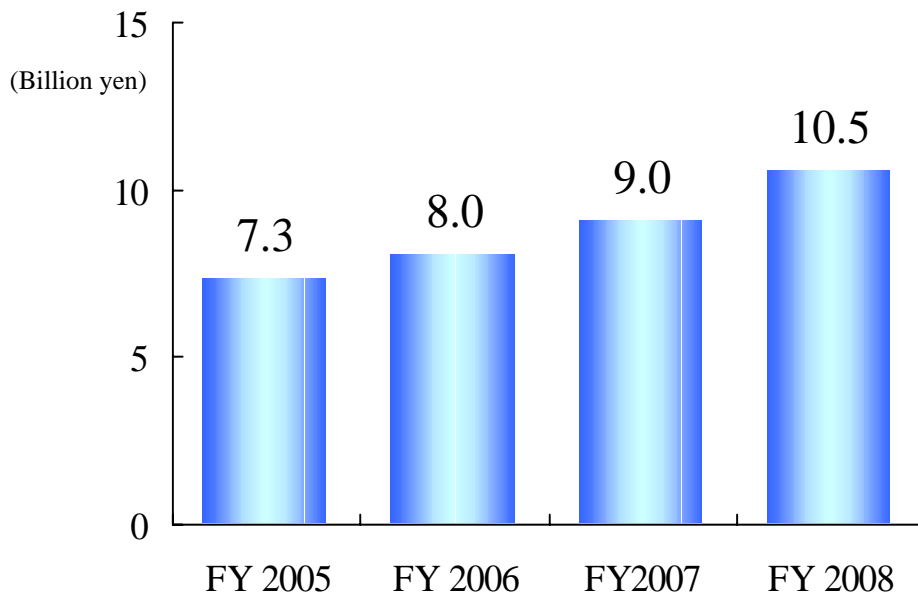


| | FY 2005 | FY 2008 |
|----------------------|---------|---------|
| Balance | 38.4 | 61.0 |
| Ratio to net premium | - | 22.6 |

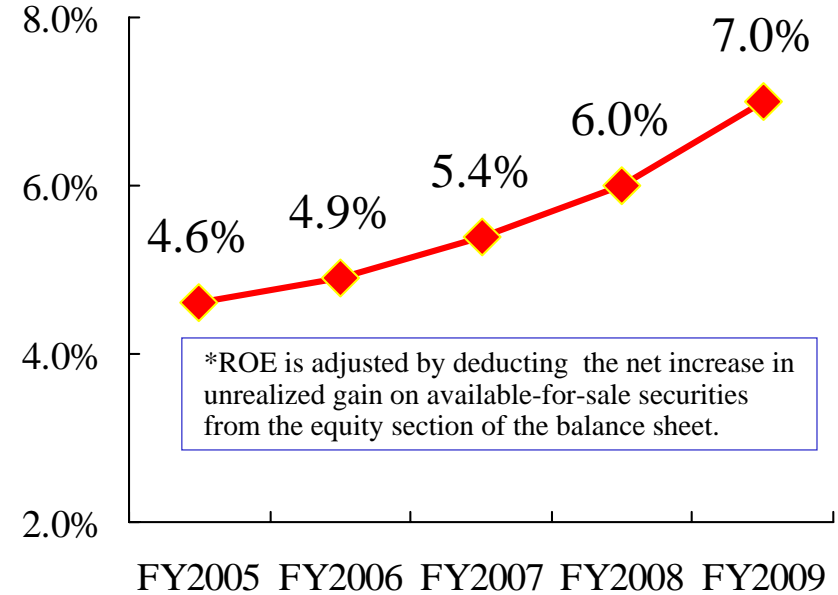
Strategy (5) Capital Policies

The company aims to achieve structural reorganization for attaining the highest profitability in the industry and attempts to achieve a 7.0% of ROE in FY 2009 and pay more stock dividends.

[Net income]



[ROE]

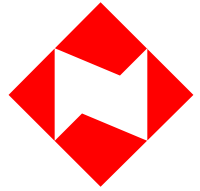


Stock dividend

Maintain a 40% dividend payout ratio

**Buying back
company shares**

Continue to actively buy back company shares



**NISSAY
DOWA**

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Forward-looking Statements

This document contains forward-looking statements, including information about business plans, earning forecasts, and strategies. Such statements are based on the assumptions and conclusions of Nissay Dowa management at the time this document was written. Due to changing circumstances, actual results and achievements may differ from those anticipated in these statements.