



Nissay Dowa General Insurance Co.,Ltd.

Financial Situation and Business Strategies of Nissay Dowa General Insurance

December 3, 2008

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Section I

Summary of non-consolidated financial results and forecast for full-year.

Main point of first half of FY 2008 financial results



Main Items

	First half of FY 2007	First half of FY 2008	Changes
Direct premiums written (billion yen)	174.9	173.0	1.8
Growth ratio(% , pt)	0.3	1.1	1.4
Net premiums written (billion yen)	159.7	155.7	4.0
Growth ratio(% , pt)	0.9	2.5	1.6
Net claims paid (billion yen)	94.4	92.2	2.1
Growth ratio(% , pt)	8.3	2.3	10.6
Loss ratio (% , pt)	64.1	64.8	+ 0.7
Expense ratio (% , pt)	32.0	33.4	+ 1.4
Combined ratio (% , pt)	96.1	98.2	+ 2.1
General interest and dividend (billion yen)	10.4	9.3	1.1
Investment result (billion yen)	16.4	10.0	6.3
Ordinary profit (billion yen)	6.9	4.7	2.1
Special gains (billion yen)	0.4	0.4	0
Net income (billion yen)	4.6	2.5	2.1

Excluded compulsory automobile liability insurance (CALI)	First half of FY 2007	First half of FY 2008	Changes
Direct premiums written (billion yen)	154.0	155.4	1.4
Growth ratio(% , pt)	0.5	0.9	0.4
Net premiums written (billion yen)	139.6	138.1	1.4
Growth ratio(% , pt)	0.7	1.1	0.4
Loss ratio (% , pt)	62.5	61.9	0.6
Expenses ratio (% , pt)	33.9	34.6	+ 0.7
Combined ratio (% , pt)	96.4	96.5	+ 0.1

- Direct premiums written decreased by 1.1 % to 173 billion yen. Net premiums written decreased by 2.5% to 155.7 billion yen. Direct premiums written excluded CALI increased by 0.9%
- The net claims paid decreased by 2.1 billion yen. The loss ratio increased by 0.7pts to 64.8% influenced by a decrease in net premiums written, which is caused by the CALI rate cut.
- The expense ratio increased by 1.4pts to 33.4% compared to the previous period with the continuous investment for quality innovation, etc.
- The combined ratio increased by 2.1pt to 98.2%. Excluded CALI, it increased by 0.1pt to 96.5%.
- With regard to the investment result, the general interest and dividend decreased by 1.1billion yen to 9.3 billion yen and the balance of the investment result decreased by 6.3 billion yen to 10 billion yen influenced by a significant deterioration in the operating environment due to turmoil in the financial markets.
- As a result of all the above, the ordinary profit decreased by 2.1 billion yen to 4.7 billion yen, and the net income for the first half of FY 2008 decreased by 2.1 billion yen to 2.5 billion yen.

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Net premiums written by line of business premiums, by channel



by line of business					Channel			
	First half of FY 2007 (billion yen)	First half of FY 2008				First half of FY 2008		
		(billion yen)	Changes (billion yen)	Changes (%)		(billion yen)	Changes (billion yen)	Changes (%)
Fire	20.9	20.8	0.1	0.6	Nippon Life sales staff	30.1	2.7	10.0
Marine	2.4	2.6	0.1	5.4	Corporate channel	39.6	4.1	11.6
Personal Accident	15.4	15.1	0.3	2.0	Professional Agents	43.5	0.1	0.2
Voluntary Automobile	80.7	79.9	0.7	1.0	Banks	10.2	0.7	6.6
CALI	20.1	17.5	2.5	12.8	Auto dealers	8.9	1.3	12.7
Miscellaneous	20.0	19.6	0.4	2.1	Auto repair shops	17.4	2.1	11.0
Total	159.7	155.7	4.0	2.5	Miscellaneous	19.6	2.5	11.2
					Total	169.2	0.3	0.2

■ Net premiums written by line of business

- Fire: It decreased by 0.6% influenced by a decrease in housing insurance, though the sales of our main product, “Home Pitatto”, and corporate channel increased.
- Marine: It continuously increased with the steady growth in Cargo.
- Personal Accident: It decreased by 2.0% influenced by the premium ratio cuts in last August 2007, though the sales of products for Group increased.
- Automobile: It decreased by 0.1% due to a reduction in the average policy premium. However, the number of contracts increased although there has been stagnation in the automobile sales market.
- CALI: It decreased by 12.8% influenced by the revision of the premium ratio in last April.
- Miscellaneous: It decreased by 2.1% due to a decrease in the premium income of large contracts.

■ Premiums by Channel

- The premium income increased up 10% driven by corporative sales activity with Nippon-Life Sales Staff, which established the sales system to combine “Insurance Policy Checking Activity” with “non-life insurance products”, and NLI corporate channel.
- Premiums written through the professional agents increased. The efforts of high productivity with the Quality Innovation Activity have been promoted.
- Premiums written through Banks and Automobile Dealers, which have been significantly influenced by the economic environment and CALI premium ratio revision, decreased.

Loss ratio by line of business

	First half of FY 2007		First half of FY 2008	
	(%)	Changes (pt)	(%)	Changes (pt)
Fire	39.8	1.9	39.2	0.6
Marine	57.6	6.2	65.5	+ 7.9
Personal Accident	60.9	+ 18.7	55.6	5.3
Voluntary Automobile	72.1	+ 7.2	70.6	1.5
CALI	75.1	0.1	87.2	+ 12.1
Miscellaneous	49.6	+ 2.1	55.4	+ 5.8
Total	64.1	+ 5.4	64.8	+ 0.7
Excluded CALI	62.5	+6.2	61.9	0.6

E/I based loss ratio by line of business

	First half of FY 2007		First half of FY 2008	
	(%)	Changes (pt)	(%)	Changes (pt)
Fire excluding earthquake	47.1	16.4	57.9	+10.8
Marine	67.2	+3.7	41.9	25.3
Personal Accident	51.3	+8.2	53.5	+2.2
Voluntary Automobile	78.0	+11.1	71.9	6.1
Miscellaneous	55.5	9.0	65.3	+ 9.8
Total	67.4	+ 4.0	66.4	1.0

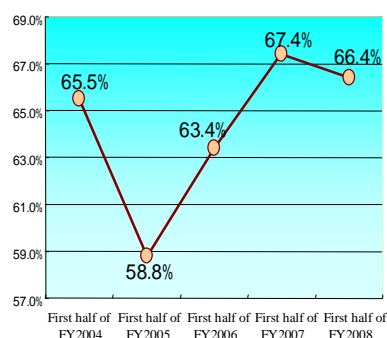
Loss ratio by line of business

- The loss ratio of main three products (Fire, Personal Accident, and Automobile) has improved compared to the previous year.
- Fire: It improved by 0.6pts with less influence of natural disaster than the previous year.
- Personal Accident: It improved by 5.3pts with less influence of the additional claims paid.
- Automobile: It improved by 1.5pts with less influence of the additional claims paid and a decrease in the number of accidents.
- Miscellaneous: It increased by 5.8pts because of a increase in overseas based re-insurance payments of Aviation insurance.

E/I based Loss Ratio by Line of Business

- Fire: It increased by 10.8pts due to the additional reserves for major accidents.
- Automobile: It improved by 6.1pt reflecting a decline in paid claims.

E/I based loss ratio by all lines of business



Underwriting balance



Underwriting balance / Combined ratio				Expense				
	First half of FY 2007 (%)	First half of FY 2008 (%)	Changes (pt)	(billion yen)	First half of FY 2007		First half of FY 2008	
						Changes		Changes
Loss ratio	64.1	64.8	+0.7	Sales and Administrative Expense	24.5	+ 0.5	25.7	+1.2
Excluded CALI	62.5	61.9	0.6	Labor Cost	10.0	0.3	10.5	+ 0.5
Expense ratio	32.0	33.4	+1.4	Supply Cost	13.4	+ 0.9	14.1	+ 0.7
Excluded CALI	33.9	34.6	+0.7	Tax and Contribution	1.0	0.0	1.0	0.0
Combined ratio	96.1	98.2	+2.1	Other Fees and Collecting Cost	26.6	0.9	26.2	0.4
Excluded CALI	96.4	96.5	+0.1	Total	51.1	0.4	51.9	+ 0.8
Underwriting balance	3.9	1.8	2.1					
Excluded CALI	3.6	3.5	0.1					

- Underwriting balance (based upon the figures excluded CALI)

- The loss ratio declined by 0.6pts.

- The expense ratio increased by 0.7pts.

This is because of an increase in the number of staff and the system development for business quality innovation, although the other fees and collecting costs decreased.

- Consequently, the combined ratio and the underwriting balance kept the same level as the previous year.

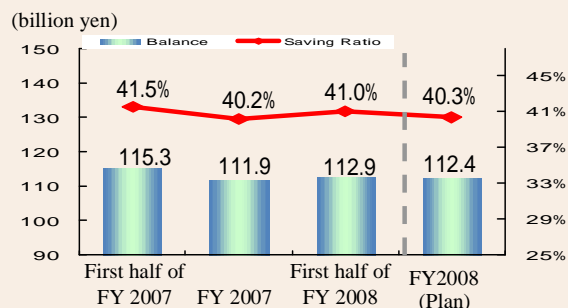
Reserve for outstanding losses and claims, catastrophic loss



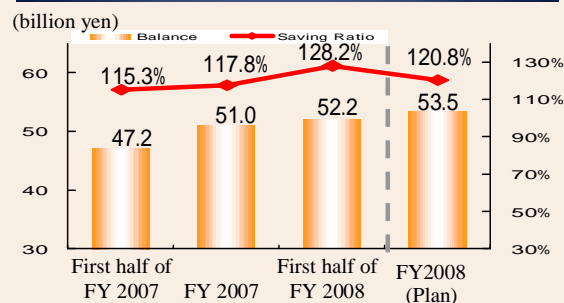
Reserve for outstanding losses and claims / Influences of Statistical IBNR Reserves

	First half of FY 2007		First half of FY 2008	
	Reserve for outstanding losses and claims (billion yen)	Influences of Statistical IBNR Reserves	Reserve for outstanding losses and claims (billion yen)	Influences of Statistical IBNR Reserves
Fire	0.1	0.1	2.4	0.1
Marine	0.2	-	0.6	-
Personal Accident	1.5	-	0.3	-
Voluntary Automobile	4.6	4.6	0.9	0.9
CALI	0.4	-	0.3	-
Miscellaneous	1.3	1.1	2.6	2.6
Total	4.4	5.9	4.7	3.7

Changes in catastrophic loss reserves (All Lines)



Changes in catastrophic loss reserves (Fire)



- Reserve for outstanding losses and claims
 - The amount of the provision for all lines was 4.7 billion yen.
 - The amount of the provision increased in Fire, which had unexpected large accidents, and other miscellaneous lines.
 - The 2.6 billion yen of the provision in Miscellaneous reflects an increase in the number of claims in liability, worker's compensation, and aviation in overseas market, etc.
- Catastrophic loss reserves
 - The ratio of the catastrophic loss reserves for all lines increased by 41.0% and the balance increased 1 billion yen to 112.9 billion yen compared to the end of the previous year.
 - The amount of our annual plan for the reserves in regard to fire was changed to 2.5 billion yen as a result of the recalculation based upon the latest claim results in accordance with the laws and regulations.
- The amount of the reserves was 1.25 billion yen, 50% of our plan, at the first half of FY 2008. Our reserve plan is to complete at the end of FY 2008.

Changes in catastrophic Loss Reserves (Line of business)

	First half of FY 2007 (%)	FY 2007	First half of FY 2008
Fire	115.3	117.8	128.2
Marine	155.8	142.9	151.1
Personal Accident	56.4	53.4	54.1
Voluntary Automobile	14.4	10.3	9.5
Miscellaneous	49.3	51.5	54.3
Total	41.5	40.2	41.0

The investment result and unrealized capital gains on securities

(billion yen)	First half of FY 2007	First half of FY 2008	Changes
Interest and dividend	14.9	13.8	1.0
Transfer of operating profit such as saving premiums, etc.	4.4	4.5	0.0
General income distribution (Net distribution)	10.4	9.3	1.1
Realized gain and loss on sales of securities	7.5	5.8	1.7
Foreign bonds	4.9	0.5	4.3
Loss on valuation of securities	0.4	3.3	2.9
Miscellaneous	1.1	1.7	0.6
The investment result	16.4	10.0	6.3

■ The investment result

- The investment result in the first half of FY2008 decreased to 10 billion yen by 6.3 billion yen compared to the first half of last year.
- The interest and dividend decreased by 1 billion yen compared to the first half of last year due to a decrease in the balance of foreign bonds and the interest of foreign bonds being influenced by the strong yen.
- The realized gain and loss on sales of securities decreased by 1.7 billion yen compared to the first half of last year due to a decrease in the gain on sales of foreign bonds, etc.
- The loss on valuation of securities increased by 2.9 billion yen compared to the first half of last year.

■ Unrealized gains on securities

- The unrealized gains on securities decreased 108.2 billion yen by 59.2 billion yen compared to the end of FY 2007 due to the significant deterioration in the operating environment.

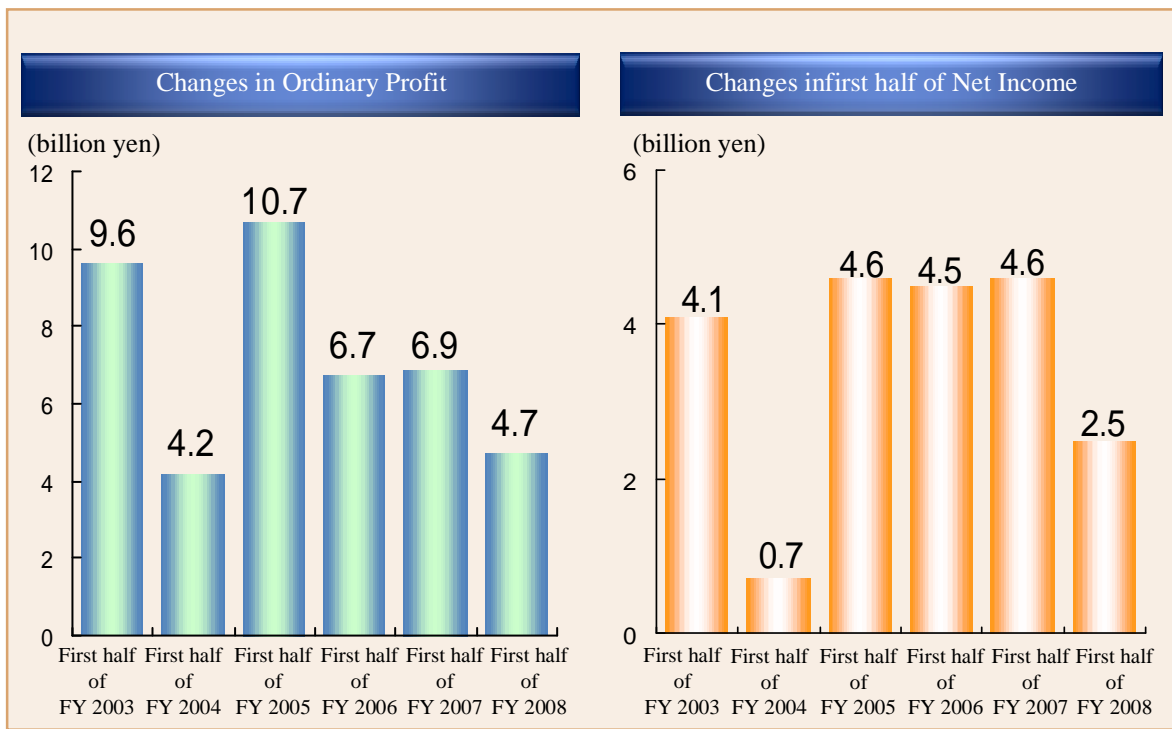
Breakdown of Interest and Dividend Income

(billion yen)	First half of FY 2007	First half of FY 2008	Changes
Yen-based bond	2.1	2.2	0.0
Stocks	3.8	4.1	0.3
In foreign currency bond	6.1	5.1	1.0
Other securities	1.0	0.7	0.2
Loan	0.4	0.4	0.0
Land and building	0.4	0.4	0.0
Miscellaneous	0.7	0.6	0.1
Total	14.9	13.8	1.0

Changes in Unrealized Gains on Securities

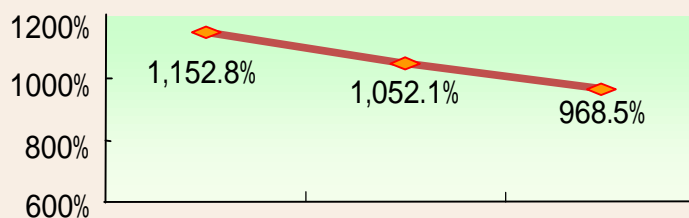
(billion yen)	First half of FY 2007	First half of FY 2008	Changes
Domestic bonds	0.7	0.3	4.2
Domestic stocks	289.7	121.3	43.7
Foreign securities	9.6	10.4	8.3
Others	2.5	2.9	2.9
Total	301.1	108.2	59.2

Changes is comparison with FY2007.



- The Ordinary Profit decreased by 2.1 billion yen to 4.7 billion yen compared to the previous year.
- The first half of Net Income after tax decreased by 2.1 billion yen to 2.5 billion yen compared to the previous year, which was the second worse result since the FY 2004 which was influenced by the significant typhoon damages.

Changes in solvency margin ratio



	FY2006	FY2007	First half of FY 2008
(A) The amount of Solvency Margin (billion yen)	632.8	509.1	468.8
Catastrophic loss reserves	129.5	132.2	133.8
Other gains on valuation of securities	289.6	150.6	97.3
Unrealized gains or loss on land	5.0	13.0	20.3
(B) The amount of risks (billion yen)	109.7	96.7	96.8
Asset management risks	56.3	43.7	41.1
Catastrophic risks	46.9	45.4	47.9
(C) Solvency Margin Ratio(%)	1,152.8	1,052.1	968.5
$[(A)/\{(B)\times 1/2\}]\times 100$			

- The Solvency Margin Ratio decreased by 83.6pts to 968.5% due to a decrease in unrealized gains on securities compared to the previous year, but it continues to maintain the highest level in the industry.

The Summary of the Full Year Forecast (Major Items)

		FY 2007		FY 2008 (revised plan)		FY 2008 (former plan)	
			Changes		Changes		Changes
Sales	Direct Premiums written (billion yen, %)	340.1	2.0	342.2	0.6	345.4	1.5
	Net premiums written (billion yen, %)	318.2	2.5	310.5	2.4	319.0	0.2
Improving Business Efficiency	Net claims paid (billion yen, %)	194.7	+ 4.2	187.6	3.7	186.0	4.5
	Loss Ratio (% , pt)	66.4	+ 4.4	66.1	0.3	63.8	2.6
	Automobile Loss Ratio (% , pt)	74.9	+ 5.7	70.0	4.9	68.9	6.0
	Expense ratio (% , pt)	33.5	+ 1.2	34.4	+ 0.9	34.5	+ 1.0
	Combined ratio (% , pt)	100.0	+ 5.7	100.6	+ 0.6	98.4	1.6
	Underwriting balance ratio (% , pt)	0.0	5.7	0.6	0.6	1.6	1.6
Earnings , capital	Net Income (billion yen)	6.4	0.1	3.5	2.9	7.0	0.5
	R O E (Fixed) (% , pt)	3.9	0.0	2.1	1.8	4.2	0.3
	Payout ratio (%)	47.1	-	40%以上		40%以上	

		FY 2007		FY 2008 (revised plan)		FY 2008 (former plan)	
			Changes		Changes		Changes
Bolstering business soundness	Catastrophic loss reserves (billion yen)	111.9	+ 1.7	112.4	+ 0.5	122.2	+ 10.3
	Fire disaster (billion yen)	51.0	+ 7.5	53.5	+ 2.5	58.5	+ 7.5
	Solvency Margin Ratio (% , pt)	1,052.1	100.7	970前後		1,100前後	

■ The Full-Year Forecast for FY 2008

The financial full-year forecast, released on May 21, 2008, was revised at a press release.

Because the decrease in operating profit is expected to be affected by turmoil in the financial markets stemming from the U.S. financial crisis.

■ A prerequisite for the Full-Year Forecast

- The Nikkei at the end of FY 2008 is expected to be around 11,000 yen, the same level as in September of 2008.
- The interest on the bonds of foreign exchange is calculated from the level in October of 2008.

The forecast on net premiums written

(billion yen, %)	FY 2007		Forecast FY 2008	
		Changes		Changes
Fire	44.2	7.5	45.1	2.1
Marine	5.4	9.5	5.7	4.9
Personal Accident	29.9	1.7	29.2	2.4
Voluntary Automobile	159.9	0.7	160.0	0.0
CALI	38.5	1.6	30.2	21.8
Miscellaneous	40.1	6.4	40.2	0.2
Total	318.2	2.5	310.5	2.4
Excluded CALI	279.6	2.6	280.3	0.2

- The net premium income excluded CALI is expected to increase by 0.2% compared to the previous year. The trend by line of business are below.
 - The expand sales of a new fire product, “Business Pitatto”, and our original product, “Home Pitatto”, etc.
 - The business results to be driven by Nippon Life TS agents in Automobile insurance market and a return to trend the productivity growth of professional agents.
 - An increase in income by large contracts of new breed insurance.

Full-Year Forecast of loss ratio (by Line of Business)



The forecast of the net premiums written

(billion yen, %)	FY 2007		Forecast FY 2008	
		Changes		Changes
Fire	17.1	19.0	16.8	2.2
Marine	2.6	0.5	3.4	+29.8
Personal Accident	16.5	+35.1	15.3	7.5
Voluntary Automobile	108.9	+7.1	100.5	7.8
CALI	28.0	0.5	28.3	+1.0
Miscellaneous	21.3	+2.9	23.3	+9.0
Total	194.7	+4.2	187.6	3.7
Excluded CALI	166.6	+5.1	159.3	4.4

The Forecast of the Loss Ratio

(% , pt)	FY 2007		Forecast FY 2008	
		Changes (pt)		Changes (pt)
Fire	40.6	5.3	39.0	1.6
Marine	50.5	4.8	61.7	+11.2
Personal Accident	60.3	+15.4	57.7	2.6
Voluntary Automobile	74.9	+5.7	70.0	4.9
CALI	79.5	+1.1	102.8	+23.3
Miscellaneous	55.5	+5.0	60.2	+4.7
Total	66.4	+4.4	66.1	0.3
Excluded CALI	64.6	+4.9	62.1	2.5

Including loss adjustment expenses

- The claims paid excluded CALI for full-year 2008 is expected to decrease by 4.4% to 159.3 billion yen compared to the previous year in consideration that the number of automobile accidents tend to decrease.

Full-Year Forecast of expenses



Forecast of expenses

(billion yen, %)	FY 2007		Forecast FY 2008			
		Chages	Rate for net premiums written		Chages	Rate for net premiums written
Sales and administrative expenses for underwriting	53.4	+ 3.3	16.8	54.4	+ 1.0	17.5
Commissions and Collection Fees	53.2	2.1	16.7	52.5	0.6	16.9
Net expenses, expense ratio	106.6	+ 1.2	33.5	106.9	+ 0.3	34.4
Excluded CALI	99.9	+ 1.3	35.7	99.9	0.0	35.6

Forecast of labor cost and supply cost

(billion yen)	FY 2007		Forecast FY 2006	
		Changes		Changes
Labor cost	33.7	0.0	35.8	+ 2.1
Supply cost	36.8	+ 4.5	36.6	0.2

- The strategic investment and the increase in the number of staff for business quality innovation will be implemented, while continuing to reduce the business expense in many fields. The net business expenses ratio excluded CALI for full-year is expected to improve to 35.6% by 0.1pt compared to the previous year.

Section

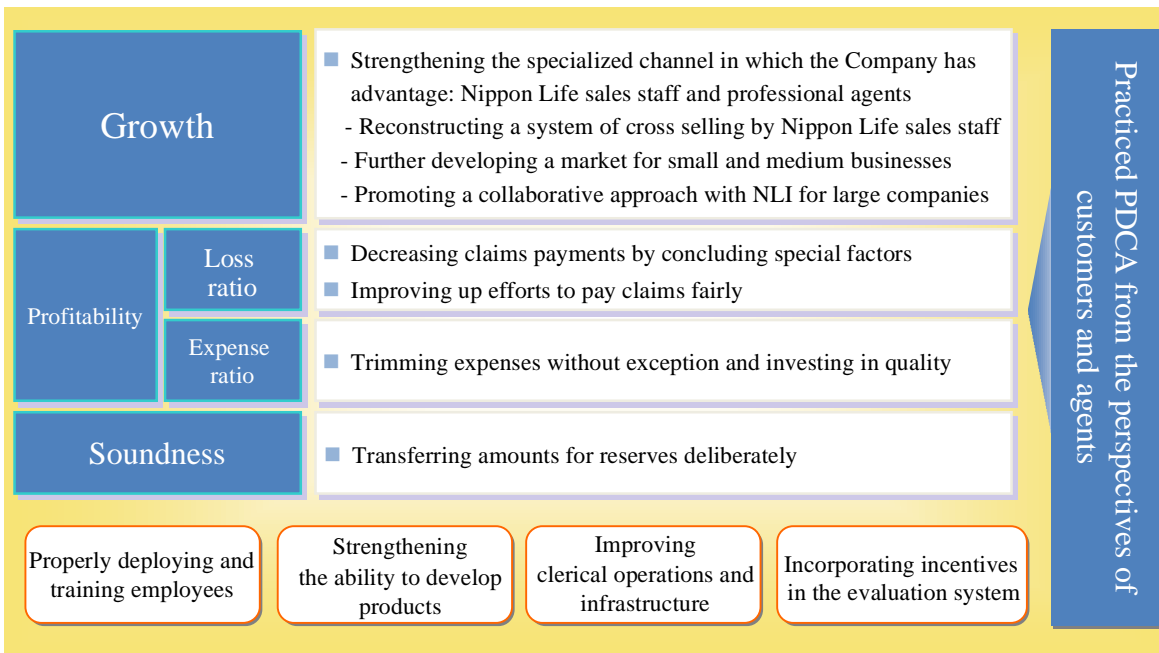
The progress of management plan and the efforts
for Second Half of FY 2008

Fundamental Policies for FY 2008



Capping measures for mid-term management plan

- Establish a solid status as the nonlife insurance arm of the Nippon Life Group.
- Institute policy checking activities and quality innovations, to improve performance and productivity.



■ Fundamental Business Plan in FY 2008.

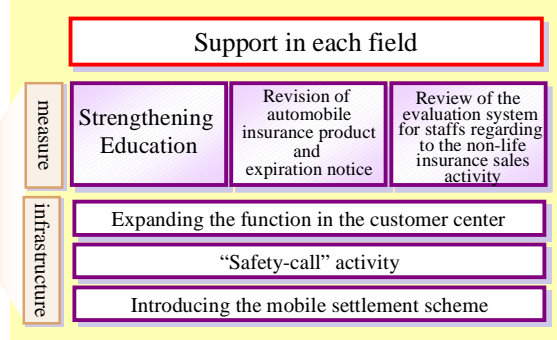
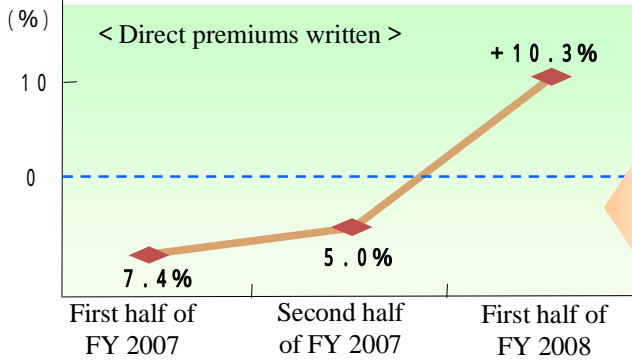
- FY 2008 is the final year of the medium-term business plan.

To establish the stable evaluation as a non-life insurance company within the Nissay Group.

To recover the business results and improve the productivity through the implementation of the quality innovation.

To make a company-wide effort to improve each item with regard to “Growth”, “Profitability”, and “Soundness”

Sales through Nippon-Life Sales staffs channel is recovered drastically in this year.



The "LONG" with high ratio of continuing contracts increased.

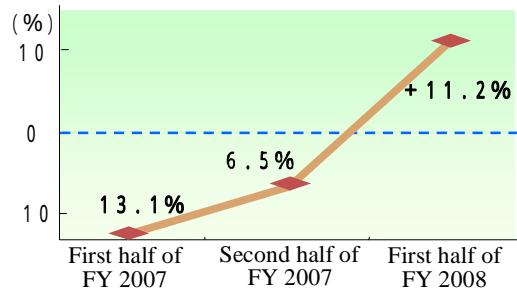
	First half of FY 2007	Second half of FY 2007	First half of FY 2008
Share of "Long" in our voluntary automobile	59.0%	63.0%	69.2%

The contract continuation rate in time passed through 13 months.

"one year contract" 88.0%

"Long" 93.8%

Changes in the number of new policy regarding to the automobile insurance



■ In Nissay retail market, both NDI and NLI cooperate to strengthen the support system from various sectors.

- Education: Strengthening of the education for TS sales staffs on the initial stage.
- Products and Services: The sales promotion of "Pitatto-kun", Automobile insurance, which is divided by several risks, with the premium discount for the gold drivers' license and "Long".
- Evaluation for activities: To establish new evaluation system for the sales of both life and non-life insurance in addition to non-life insurance policy check and the number of non-life insurance contracts.

Improvement of understandability and satisfaction for customers.
Improvement of sales activity for sales staffs

■ The number of new contracts continuously increases in main Automobile insurance. The increase in the market share of "Long" contracts makes a good influence on the ratio of continuous contracts as a whole.

Nippon Life sales staff is a driving force position of achievements.

Improvement of services to support the sales performances

Development of "Safety-call" as a response for an accident

- Visiting call when an accident happened.
Phone-call once a month in case of bodily injury
- Thank you call
Phone-call after receiving claim documents.
- Completed call
Phone-call to inform the claim process completed.

Expanding the function of the customer center

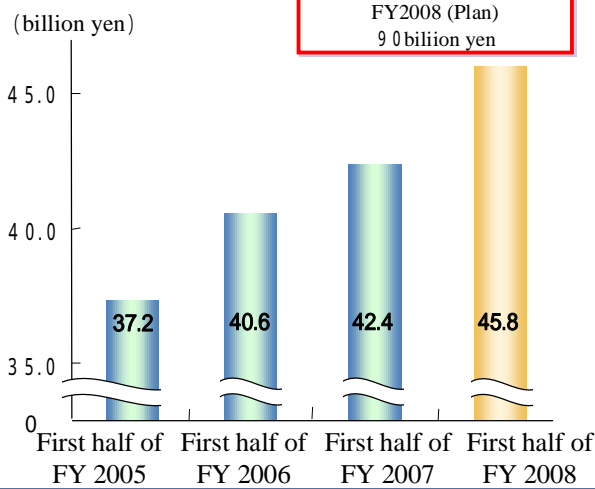
- We started to issue a certification for suspended contracts and to use three way call for customer support.

The number of customer support in the first half of FY 2008 is 118.6% compared to the previous period.

Support for Large Corporations Market

- Cooperation with Corporate Relations Management Dept. of Nippon Life(NLI).
 - To promote the sales development using Business Continuity Management as an opportunity.
 - Continuous personal insurance proposal activity.

Wholesale: Changes in Sales Accounts



Wholesale: Performance of Sales Infrastructure Development

	First half of FY 2007	First half of FY 2008	Changes
The number of new client companies	100	115	+ 15
The number of new sales area in corporate	20	35	+ 15

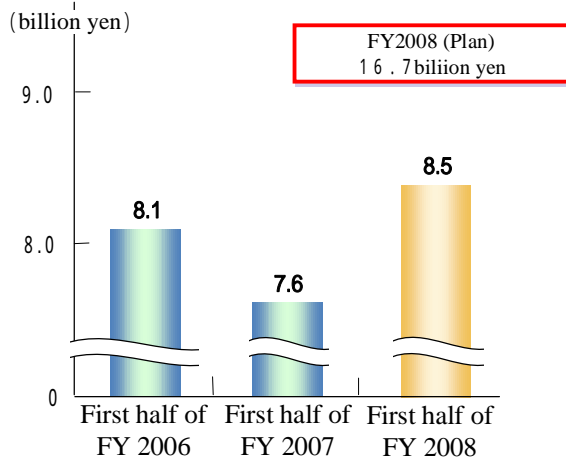
Wholesale: Sales performance of Personal insurance products

	First half of FY 2007 (billion yen)	First half of FY 2008 (billion yen)	Changes (%)
TOTAL	0.92	1.24	34.6%
GLTD	0.42	0.67	59.1%
Group medical	0.5	0.57	13.8%

Support for small and medium companies

- Cooperation of Sales Development with NLI branches (TS cooperation)
 - Sales development with agents network.
- Cooperation of Sales Development with Corporate Relations Management Dept. of NLI (Metropolitan corporate development)
 - Market Development in the metropolitan area using both life and non-life insurance products.
 - Strategic placement of our staff to NLI.

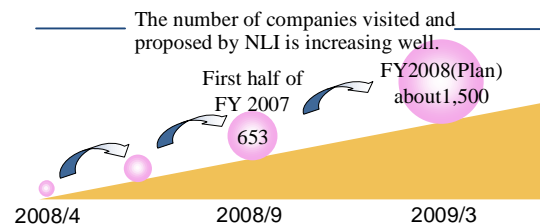
Cooperation with Nippon Life sales staff : Changes in Sales Performance



Cooperation with Nippon Life sales staff : Sales Performance of Strategic Products

	First half of FY 2007 (billion yen)	First half of FY 2008 (billion yen)	Changes (%)
TOTAL	2.69	3.02	12.3
“Keiei Protect”(Accident)	0.71	0.78	11.0
“Property”(Fire)	1.98	2.24	13.1

The progress of sales development for companies in metropolitan area.



Main Purpose

To establish the scheme "Improvement of Business Quality brings the gains in profitability."

Full of contract checking activity

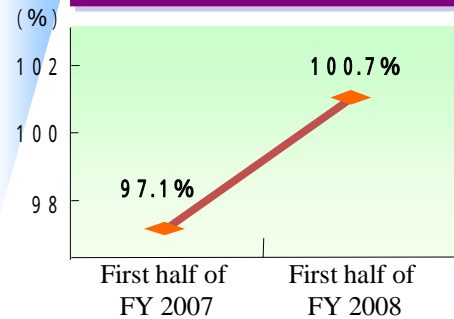
- Documents must be easily understandable for customers.
- Thorough education for agents in regard to the explanation method of our products to customers.

Efforts to increase quality of our agents.

- To establish "Agent Quality Standard" and evaluate its satisfaction.
- To enhance the education for agents using "NDI Web-based training course", and so on.

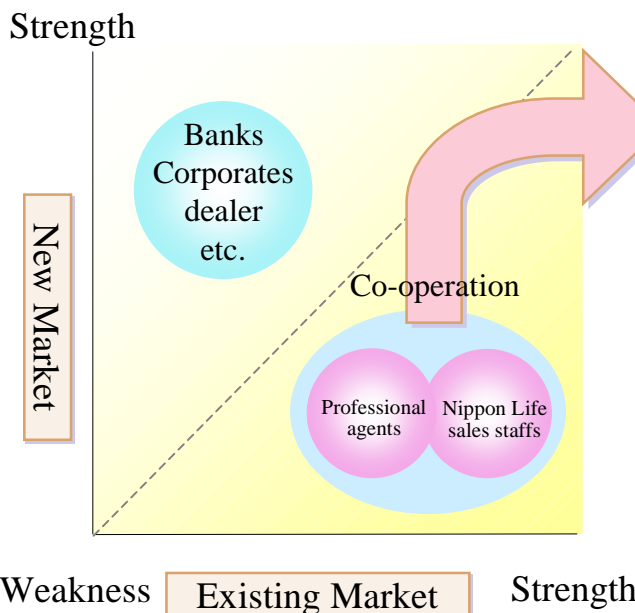
Improvement of Sales Force

To maintain the good progress of sales performance excluded CALI in retail market.



Sales Channels utilizing our strengths.

Our Original Two Big Exclusive Channels



	Professional agents	Nippon Life sales staffs
The new Automobile insurance policy in the first half of FY 2008 compared to the previous same period.	About 3,400	About 44,000
	102.1%	106.0%

The number of new car sales in the first half of FY 2008 is 97.3% compared to the previous year.

Professional Agents Channel was largely expanded.

The growth ratio
(= the number of agents at the end of FY 2007 / the one at the end of FY 2000)

32.5%

Basic Policy

- To supply products utilizing the features of our sales channels.
- To improve “easily understandable explanation for customers”

Features of our sales channels and products

Channel	Feature	Strategic products
Nippon Life sales staffs	<ul style="list-style-type: none"> • High skills of typic explanation 	<ul style="list-style-type: none"> ■ “Long” (long-term automobile insurance, revised in April of 2008) The price advantages against one year contracts / simple procedure
Professional agents	<ul style="list-style-type: none"> • Strength for existing market 	<ul style="list-style-type: none"> ■ “Keiei Protect” (Personal Accident insurance) Claim payment without certification of workers’ compensation / simple procedure
	<ul style="list-style-type: none"> • High skills of Comprehensive Consulting 	<ul style="list-style-type: none"> ■ “Home Pitatto” (Fire insurance) Coverage pattern in line with customers’ needs. ■ “Business Pitatto” (Fire insurance, newly released in October of 2008) ■ “Pitatto-kun” (Automobile insurance, revised in April of 2008) To choose appropriate conditions for customers, such as drivers and age ranges

Pursuit for “easily understandable products”

Revisions of Products	Simplification of policy
<ul style="list-style-type: none"> ● April of 2008: Automobile (First revision) ● October of 2008: Business Pitatto (new release) ● FY 2009: Automobile (Second revision) ● Corresponding to revision of the Insurance Law 	<ul style="list-style-type: none"> ● Standardization of policy ● Simplification of terminology ● Visualization of brochure and application form

New Release! Comprehensive fire insurance for business “Business Pitatto”

Point 1: Appropriate conditions for comprehensive coverage and simple coverage

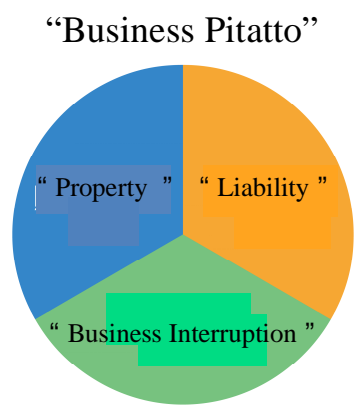
- To unify loss in property, loss from business interruption, and liability.
- To select necessary coverage only, i.e. loss in property only, or loss from business interruption only.

Point 2: Full Coverage

- Expanding the coverage for wind related disaster.
- Expanding the coverage for water related disaster.

Point 3: The premium of convincing

- Satisfactory premium by unifying every coverage as a comprehensive compensation product.
- New discount to apply across all sections of covers.



- Profitability -
Improvement of Loss Ratio regarding to Automobile Insurance

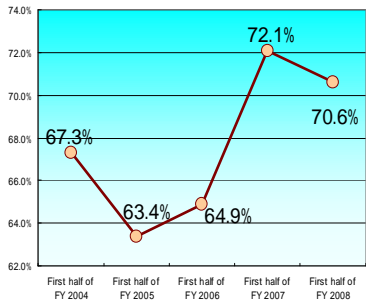


Main Factors of Improvement

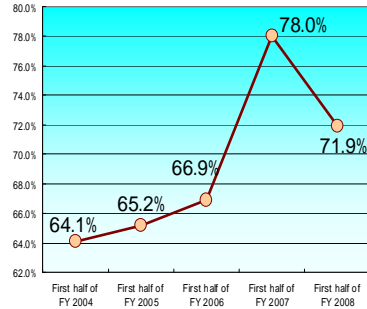
FY 2007 Convergence of Special Factors	■ Additional claims payments
	■ To promote long-term payments
Strengthening of Payment Control and Assessment	■ To promote of the use FUREAI Factory
	■ To improve medical check system
Revision of Products Underwriting	■ To increase premium per policy by expanding strategic product sales
	■ To introduce mobile risk control

	H19 中間期	H20 中間期
Additional claims payments (billion yen)	1 . 1	0 . 0 2
To promote long-term payments (billion yen)	2 . 3	1 . 1
“FUREAI Factory” (hundred million)	1 . 8	2 . 0
“Tosho Wide” (%)	6 1 . 8	7 4 . 1
“Pittato Kun”(%)	2 1 . 4	2 8 . 9

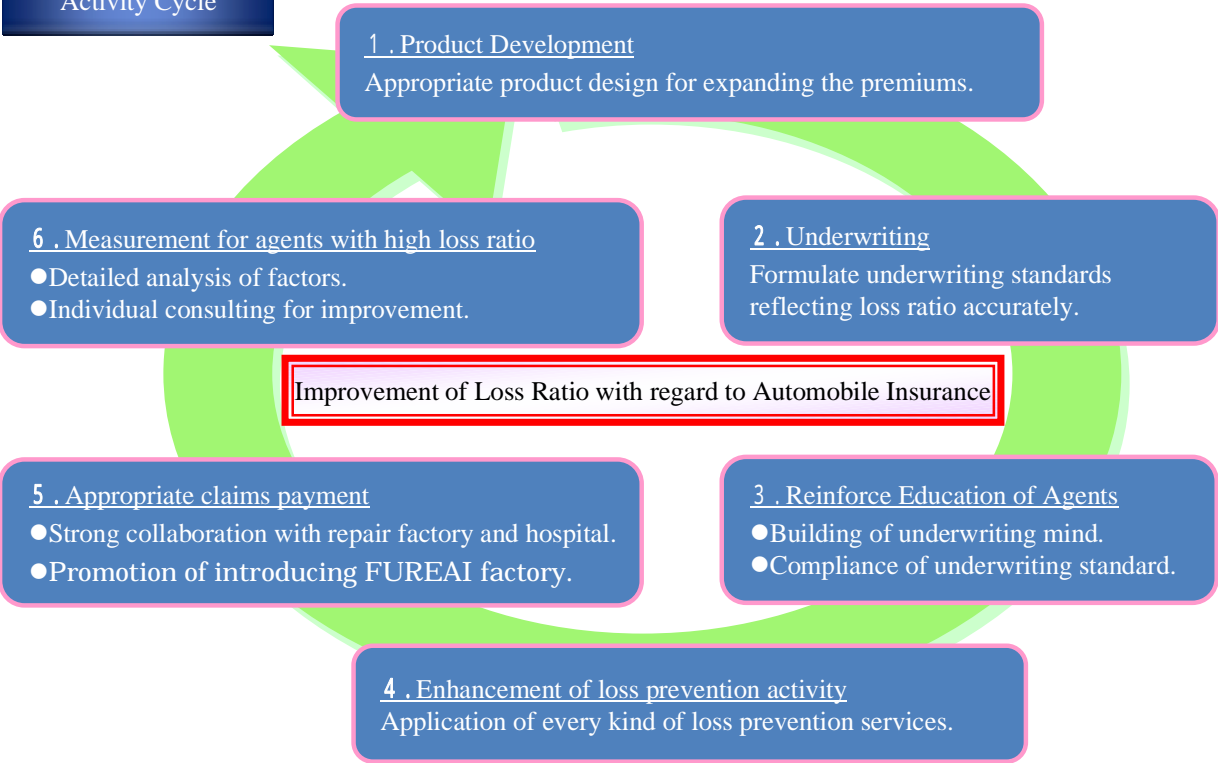
Changes in the automobile loss ratio



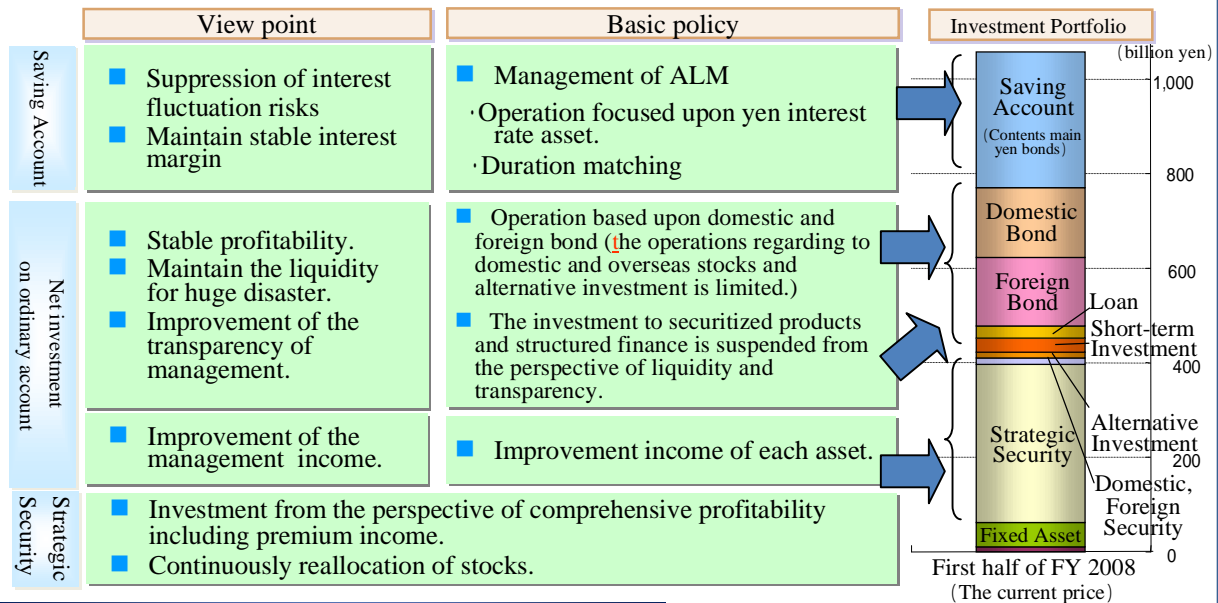
Changes in the automobile E/I based loss ratio



Activity Cycle



Fundamental Policy for Asset Management



Efforts in the improvement of profitability in each asset.

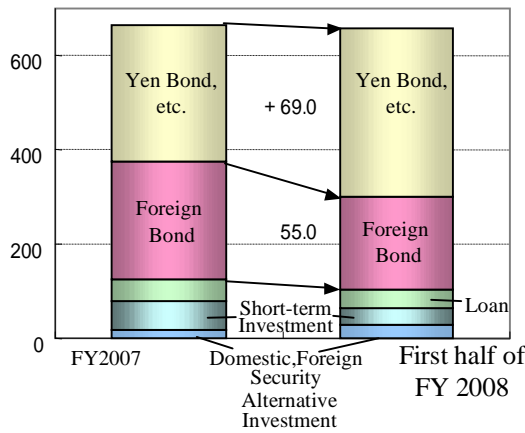
Foreign Bond	Yen Bond	Domestic, Foreign Security/Alternative Investment
<ul style="list-style-type: none"> ■ Mobile allocation of currency. ■ Distribution of currency including currency of sourced countries. ■ Adjustment of exchange hedge ratio. 	<ul style="list-style-type: none"> ■ To invest positively on highly evaluated corporate bonds when undervalued. 	<ul style="list-style-type: none"> ■ The basic policy is the index investment to domestic and foreign stocks. ■ Investment in equity can be implemented if there is chance of profit.

- In the saving account, we implement the ALM management focused upon yen interest asset from the perspectives with a suppression of interest fluctuation risks and long-termed stable profit.
- In the net investment of ordinary account, we implement mainly domestic and foreign bonds with perspectives of maintenance of stable management profit and liquidity of manageable asset.
- Strengthening of an increase in each asset profitability in consideration of market risks.

Efforts in the first half of FY 2008

- The continuous asset management operation focused upon domestic and foreign bonds.
- The asset allocation has been modified from the beginning of FY 2008 to reduce exchange risks.
 - Foreign debt; the reduction by 55 billion yen
 - Yen bond; the increase in the saving by 69 billion yen.

【Changes in the asset allocation】
(Corporate account, billion yen)



- The currency portfolio has been modified corresponding to the changes in the market regarding on foreign bond operation. The reduction in Euro, the British pounds, and Australia dollar to shift to US dollar.

Strategy for the second half of FY 2008

- Market environment
 - For a while, the fluctuation in the market is expected in consideration of the economic data, corporate earnings, etc.
 - However, it is believed that the market will gradually be stable in consideration that the reduction in interest rate cuts and the injection of public funds to financial institutions will be implemented cooperatively by each country.



- Strategy for the second half of FY 2008
 - To maintain the current deliberate stance.
 - On the other hand, the domestic equity investment, which has sold too much in the global market to prevent risks, will be considered

- In the first half of FY 2008, the deliberate stance is basically maintained for the asset management operation focused upon the domestic and foreign bonds, net investment, the reduction of foreign bonds, and the increase in the saving fund of yen dominated bonds.
- In the second half of FY 2008, it is expected that the market will fluctuate for a while in consideration of the economic data and corporate earnings, etc, although it is believed that the market will gradually be stable supported by every country's measurement.
- Therefore, the domestic equity finance, which has sold too much in the global market to prevent risks, will be considered by the continuously maintaining of our deliberate stance.

References

- No investment in sub-prime related products and mono-line related products.
- The balance of securitized product is 5.1 billion yen. The inner risk is extremely limited. All are domestic assets. The 4.6 billion yen of all is essentially credit for Japanese major good companies, which is repackaged corporate bond. The 500 million yen is commercial mortgage-backed securities.

Basic policy about capital allocation

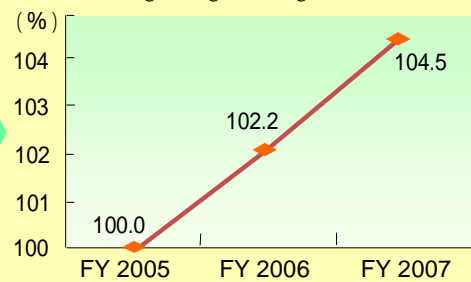
- Adequate reserves to continue insurance business in any environment.
- Investment contributing to the improvement of quality and growth potential.
- Maintenance of the stable dividend.

Efforts to strengthening of Management Infrastructure and Solvency Margin

- Positive fund-raising for management infrastructure, such as capital and reserves to strengthen solvency margin.

(million yen)	FY 2005	FY 2006	FY 2007
Capital and funds, etc.	156,810	159,996	163,380
Reserve for price fluctuation	5,752	6,384	7,050
Contingency reserve	-	-	147
Catastrophic loss reserve	127,015	129,541	132,279
General allowance for possible loan losses	161	72	65
Total	289,738	295,993	302,921

[Efforts to strengthening of Management Infrastructure]



Solvency margin at the end of September in 2008: 968.5%.

Maintenance of the stable dividend.

	F Y 2005	F Y 2006	F Y 2007	FY 2008 (PLAN)
Dividend bid (yen)	8	8.5	8	8
Payout ratio (%)	44.1	48.6	47.1	

To maintain more than 40% of payout ratio

【A reference】

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A description about future potential achievements by the company is included in this document. However, this description naturally contains constant risks and uncertainties as a result of environmental changes and therefore such future achievements cannot be guaranteed by the management.