



ANNUAL REPORT 2000
FOR THE YEAR ENDED MARCH 31, 2000

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

Corporate Profile

The Nippon Fire & Marine Insurance Co., Ltd., Japan's third oldest non-life insurance company, was established in 1892 when Japan's major industries began moving ahead with modernization after the Meiji Restoration.

Since then, the Company, the only major non-life insurance company that does not belong to a zaibatsu group, has steadily expanded its business with the growth of the Japanese economy, while adapting itself to the changing needs of the times. In 1992, the Company celebrated its 100th anniversary.

To respond to its customers not only in the retail market but also in the corporate market, Nippon Fire & Marine has built nationwide operations by developing market-oriented products, establishing a powerful sales network based on professional agencies, and utilizing its strong relationships with other financial institutions.

In overseas operations as well, its group network provides customers with timely and comprehensive insurance services throughout the world.

In August 1996, the Company established Nippon Fire Partner Life Insurance Co., Ltd., a wholly owned subsidiary, in preparation for the deregulation of the Japanese insurance industry.

With the addition of a life insurance subsidiary to the Group, Nippon Fire & Marine can now market both life and non-life insurance, and thus provide comprehensive coverage for its customers.

Along with Koa Fire & Marine Co., Ltd., its counterpart in a merger scheduled for April 2001, Nippon Fire & Marine will be taking bold measures to win the support of customers, markets, and shareholders in the 21st century.



Corporate Philosophy

- Basing all of our activities on serving our customers, we aim to be a company that is chosen by the customers and highly respected in society.
- Always being self-innovative in response to changes of the times, we aim to become a company that can create new value.

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Consolidated Financial Highlights

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. Years ended March 31

	Millions of Yen				Thousands of U.S. Dollars (* 1)
	2000	1999	1998	1997	2000
Operating income	¥ 695,212	¥ 656,064	¥ 721,110	¥ 737,092	\$6,549,339
Net premiums written for non-life insurance	410,825	413,339	437,875	442,901	3,870,239
Life insurance premiums	12,205	8,150	7,023	2,274	114,980
Ordinary profit	28,182	26,846	22,987	20,964	265,493
Net income	7,302	6,257	6,787	6,682	68,796
Net income per share: (in yen and U.S. dollars)					
Basic	12.61	10.77	11.68	11.50	0.118
Diluted (*2)	-	-	11.68	11.50	-
Total assets (*3)	1,906,585	1,883,204	1,907,475	1,930,147	17,961,234
Shareholders' equity	234,465	216,047	213,902	211,235	2,208,811
Shareholders' equity ratio (*3)	12.3%	11.5%	11.2%	10.9%	
Return on equity (ROE)	3.2%	2.9%	3.2%	-	
Price-earnings ratio (PER)	20.06	34.91	46.83	50.43	
Net cash used in operating activities	(39,072)	-	-	-	(368,088)
Net cash provided by investing activities	54,975	-	-	-	517,900
Net cash used in financing activities	(7,063)	-	-	-	(66,547)
Cash and cash equivalents at end of year	82,926	-	-	-	781,217

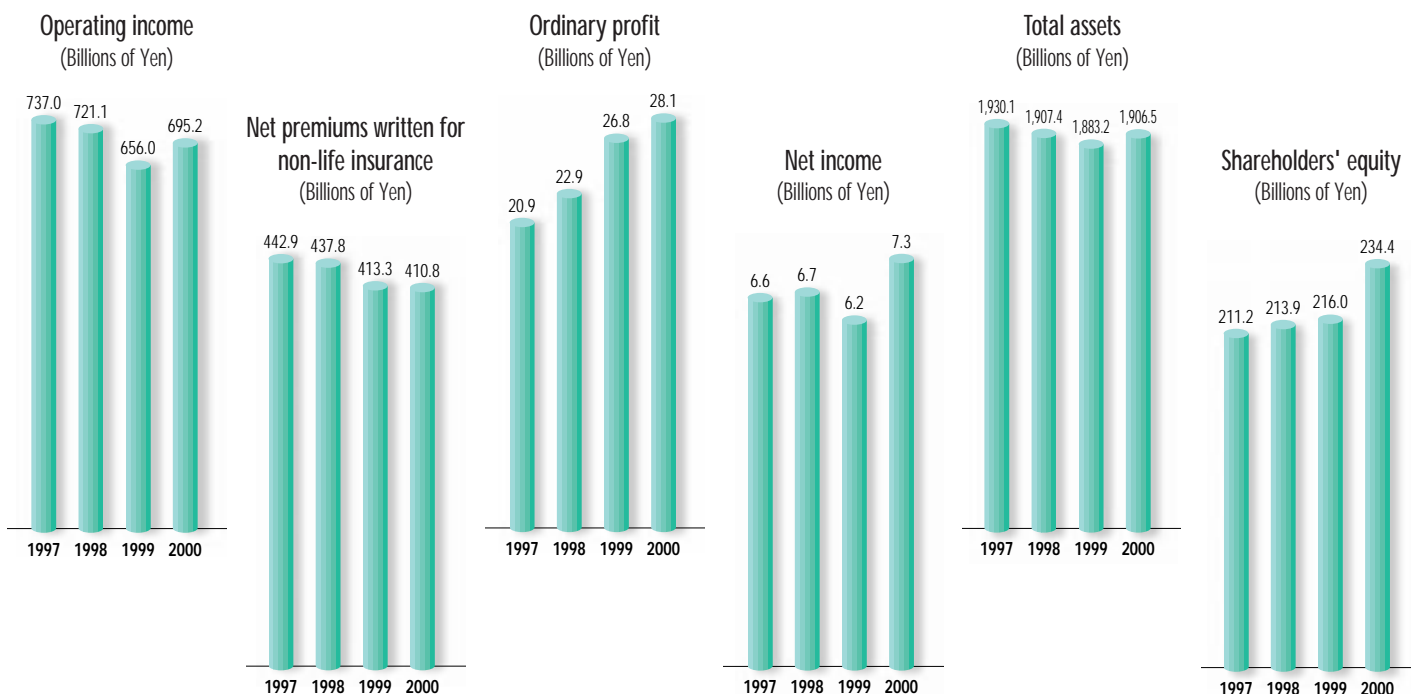
* : 1. U.S. dollar amounts are translated from yen at the rate of ¥106.15 = US\$1, the approximate rate prevailing at March 31, 2000.

2. There were no potential common shares to be issued during the years ended March 31, 2000 and 1999 due to the maturity of convertible bonds at March 31, 1998.

3. Total assets and shareholders' equity ratio for the years ended March 31, 1999, 1998, and 1997 have been recalculated in accordance with the revised Insurance Business Law effective from March 30, 2000.

4. Consolidated financial statements have been prepared since the year ended March 31, 1997.

5. Consolidated statement of cash flows is newly required by the revision of the disclosure code of consolidated financial statements in Japan for the year ended March 31, 2000.



To Our Shareholders

THE NIPPON FIRE & MARINE INSURANCE CO., LTD.



Ken Matsuzawa
President and Chief Executive Officer

With companies developing their own original business strategies to increase competitiveness in products and services or strengthen their organizations through tie-ups and mergers, the non-life insurance industry in Japan has entered a period of survival of the fittest based on market principles.

During the fiscal year under review, The Nippon Fire & Marine Insurance Co., Ltd. made an important management decision. Aiming to establish a comprehensive insurance group that can adequately meet the expectations of shareholders, customers, and the overall market, we agreed to a merger with The Koa Fire & Marine Insurance Co., Ltd., effective April 2001, the details of which can be found in the later part of my message.

Operating Environment

During fiscal 1999, Japan's economy showed some signs of recovery, such as improved corporate performances and a halt in the decline of capital investment by the private sector. However, personal consumption remained weak, preventing the economy from mounting a self-sustained recovery.

In the non-life insurance industry, deregulation progressed further as liberalization of the market got fully under way. Along with the market entry of foreign companies and companies from other industries prompted by deregulation, competition in developing new products and services and also in price intensified.

Under these conditions, it is absolutely necessary for a company to be able to grasp the changes in the operating environment and respond quickly. We believe that our top priority is to rapidly transform the company into a form appropriate for survival in these times by drastically changing its organization and structure.

To increase corporate value and maximize the benefits to shareholders and customers, we are moving quickly to implement thorough reforms and adjust to changes in the operating environment. In addition, we are strengthening our product development capabilities and further expanding our sales network.

Recognizing the necessity of a strong financial base and highly skilled human resources to support these measures, we are also continuing to emphasize the strengthening of our financial position and the training and education of our employees.

Consolidated Operating Results

During the fiscal year under review, operating income advanced 6.0%, to ¥695.2 billion. Net premiums written of Nippon Fire & Marine demonstrated clear signs of recovery during the fiscal year, declining only marginally. In the second half, net premiums written actually grew thanks to the launching of new personal accident and automobile insurance products which are mentioned later and were clearly on the rebound. In our life insurance operations, which are also one of our core businesses, premiums by our life insurance subsidiary, which was in its fourth year of operations, were up 49.8% while amount of business in force for individual insurance rose 36.3%.

Operating costs and expenses were ¥667.0 billion, rising 6.0%. Of this amount, net losses paid for non-life insurance increased 2.3%, principally due to an increase in loss payment for automobile insurance. Underwriting and administrative expenses declined by ¥2.6 billion thanks to the high priority placed on cost cutting measures within the Company.

Consequently, ordinary profit climbed 5.0% and net income gained 16.7%. Net income per share, therefore, increased to ¥12.61 from ¥10.77 and return on equity rose to 3.2% from 2.9% in the previous fiscal year.

In respect of shareholder return, Nippon Fire & Marine recently acquired and cancelled treasury stocks twice, once in January 2000 and once in April 2000. Based on a policy of maintaining stable dividend payments, the Company paid cash dividends of ¥7.00 per share, the same as in the previous fiscal year.

Corporate Governance

In June 1999, Nippon Fire & Marine implemented extensive corporate reforms to speed up its decision making process, introducing a Corporate Officer System and reducing the number of directors by half. Details of those reforms are as follows.

- We clarified the lines of management authority and responsibility within our organization by clearly separating the roles of the corporate officers who manage the Company under the direction of the president and the board of directors which supervises and monitors them.
- The president was also made the chief executive officer, given the responsibility of managing the Company along with the other corporate officers.

- The former Managing Directors' Committee was abolished and newly replaced by the Management Committee, comprising the president, representative directors, and corporate officers in charge of head office functions, as the forum for discussing management issues.

In addition, in light of the rapidly changing business environment, we shortened the term of office of directors in June 2000, to one year from the previous two years to implement an effective management structure and to clarify the management responsibility of directors.

DASH 21

DASH 21, our new two-year medium-term plan, got under way in fiscal 1999. Planned from the perspective of the 21st century, DASH 21 aims to further increase our marketing strength and profitability.

The main management issue addressed in the plan is to swiftly establish a corporate structure that conforms with today's liberalized markets. The plan centers on accomplishing three strategic reforms: conforming to the current needs of our customers and markets, reforming our sales structure, and improving our profit structure.

Among the many measures implemented based on this plan, we developed the savings-type voluntary automobile insurance package, Get Back. The first of its kind in the world, Get Back is designed to meet the diversifying needs of customers. Sales began in February 2000, and it has been well received with other products launched in fiscal 1999, such as KURASHINO-ANSHIN-HOKEN "MUST," a comprehensive policy to cover the risks of daily life of individuals, and OMISENO-ANSHIN-HOKEN "SALE," a policy that provides stores with the highest level of risk protection.

On the marketing side, in order to create distribution channels highly capable of serving customers for their better convenience, we have developed and are now promoting "ProLEADER," a new system for agencies which adopts state-of-the-art information technologies.

Compliance

We are aiming to be a company that is chosen by customers and one that is highly respected in society. As a foundation to achieve these goals, we believe that it is extremely important to ensure compliance with all applicable laws and regulations to gain and maintain the trust of our customers and the public.

Since April 1999, we have established a compliance promotion headquarters, committee, and office. We have also made necessary revisions of our internal rules and manuals, implemented internal control programs, and educated our executives and employees.

I myself serve as the head of the compliance promotion headquarters. To promote compliance, we have determined basic corporate policies and behavioral policies for executives and employees. In our newly drawn up "Compliance Manual," I commit decisively that we will actively work on compliance issues, which will contribute to the further development of our Company.

We intend to continue to improve compliance within the Company, increasing the trust our customers have in us.

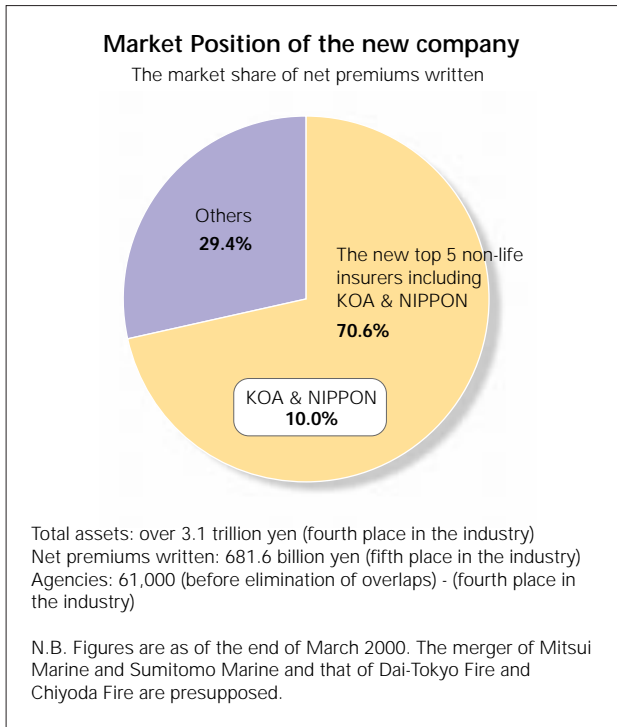
The Year 2000 Problem

In early 1999, we established a Year 2000 Project Committee in recognition of the serious management problem that the Y2K computer problem could cause. I acted as the chairman of the committee as we devoted our full efforts to achieve Y2K compliance, principally at our head office, and also at domestic and overseas offices throughout our network. As of this date, no significant problems have emerged.

The Merger with Koa Fire & Marine

In April 2001, we will merge with The Koa Fire & Marine Insurance Co., Ltd., having signed a memorandum to that effect on March 23, 2000.

Subject to the approval of the relevant authorities and of our shareholders, we intend to create a new company with the goal of achieving a large leap forward in development. The following are the details of the merger.



Purpose of the Merger

Nippon Fire & Marine and Koa Fire & Marine have their own strengths that have won the support of their customers and agents. Through the merger, we intend to fuse those strengths together to create a much stronger operating base, enabling us to better live up to the trust our customers place in us and contribute more widely to society.

In terms of size, the new company will have total assets of over ¥3.1 trillion, the fourth largest in the industry. Net premiums written will be ¥681.6 billion, fifth in the industry. We will have a 10% share of the non-life insurance market and a customer base of 11.0 million individuals and 1.1 million corporate clients, making us one of the leading companies in the industry. By working to quickly realize the maximum benefits of the merger, we intend to further improve on these figures.

Outline of the New Company

- The post-merger company

Nippon Fire & Marine will be the surviving company after the merger.

- Head Office

The head office will be located at 7-3, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, the current location of the head office of Koa Fire & Marine.

- Directors

The current President of Koa Fire & Marine, Mutsuharu Okamoto, will become the chairman of the new company and the current President of Nippon Fire & Marine, Ken Matsuzawa, will become the president. Around ten directors are expected to be appointed.

- Name of the new company, merger ratio

The name of the new company and the merger ratio will be determined upon agreement of the two companies, considering the advice of outside institutions.

- Corporate Officer System

Management decision making and business execution will be separated, and a Corporate Officer System will be introduced to speed up the decision making process and clarify the lines of management authority and responsibility within the organization.

- Stock Option System

To increase performance incentives and link the compensation system with shareholders' interests, we plan to introduce a stock option system.

- Ensuring Transparency of Operations

Information will be actively disclosed, and even greater transparency in operations will be achieved through such measures as revamped domestic and international investor relations.

Business Plan of the New Company

After the merger, the new company will aim to maximize its corporate value through the business plan based on the following three fundamental points.

1. Expanding scale

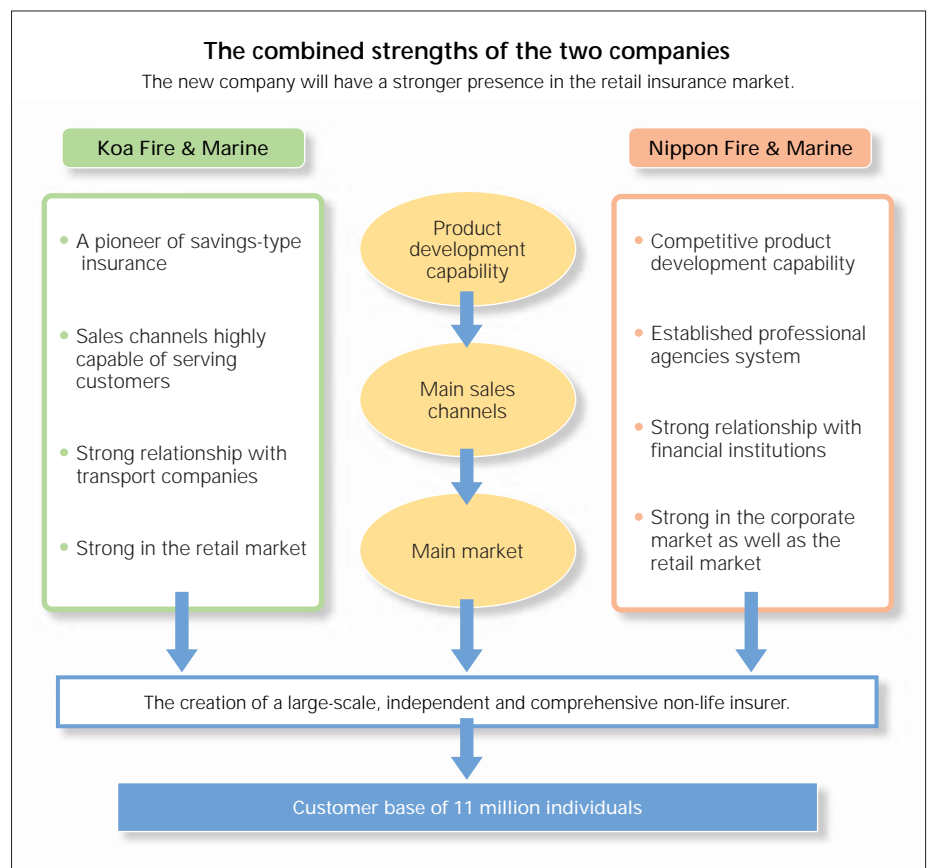
In addition to the expansion in scale due to the merger, the new company will heighten its competitiveness by strengthening its product development capabilities and the like, aiming to increase its market share to 11% by the end of fiscal 2003.

2. Improving profitability

In addition to the integration effect due to the merger, the new company will pursue further efficiencies, aiming to lower the net operating expense ratio to the 32% level by the end of fiscal 2003.

The efficiency targets are:

- Labor efficiency ——— reduce workforce from 9,000 to 7,000 people.
- Sales base integration — reduce sales bases from 548 to 330.
- Claim office integration — reduce claim offices from 296 to 210.
- System integration ——— the non-marine systems will be based on those of Nippon Fire & Marine, and the systems for marine and life operations will be based on those of Koa Fire & Marine.



In addition, the new company will aim to enhance profitability substantially by expanding investment income through improving the asset portfolio and by achieving greater capital efficiency.

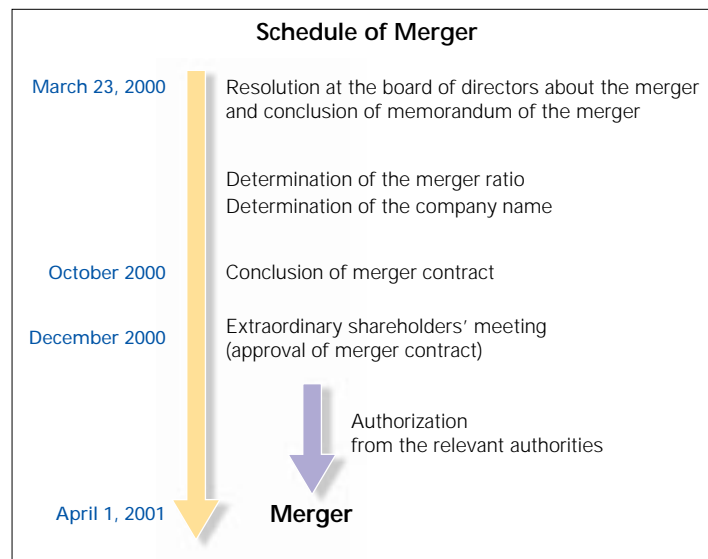
3. Enhancing financial strength

Pursuing the optimal balance between capital efficiency and capital strength, we will maintain an adequate solvency margin.

Existing Business Tie-Ups and Others

The following business tie-ups and joint product development activities are already under way preceding the merger in April 2001.

- Sharing of claims handling functions (February 2000).
- Joint recruiting of new graduates for fiscal 2001.
- Joint telephone service for the Sydney Olympics.
- Joint development and launch of UMINO-ANSHIN-HOKEN "NAGI" new marine hull insurance (April 2000).
- Joint development and launch of SUMAINO-SOGO-HOKEN "FULL HOUSE," an innovative comprehensive insurance for home owners (June 2000).
- Koa Fire & Marine's launch of savings-type automobile policies that are based on the same concept and product name as "Get Back" of Nippon Fire & Marine (June 2000).
- Joint development and launch of KOJINO-ANSHIN-HOKEN "K MASTER" policy to cover various risks of contractors (June 2000).
- Establishment of a joint organization to start up new businesses (June 2000).



In Conclusion

Fiscal 2000 will be Nippon Fire & Marine's final year of business. We will extend our full efforts to achieve the goals of DASH 21, and at the same time, we will be working with Koa Fire & Marine to create a new comprehensive insurance group that can offer a full range of insurance services at competitive prices based on high quality non-life and life insurance operations, and that can therefore meet the expectations of customers and the market.

Our ultimate management goal is raising corporate and shareholder value, and we will work hard everyday to become a company that is an attractive investment for shareholders. In April 2000, to support these endeavors, we established an investor relations department to enhance our communications with shareholders and other investors. In preparing to take the next major step in our development, I look forward to your continued support and cooperation.

July 2000



Ken Matsuzawa
President and Chief Executive Officer



Ken Matsuzawa
President & CEO
Nippon Fire & Marine

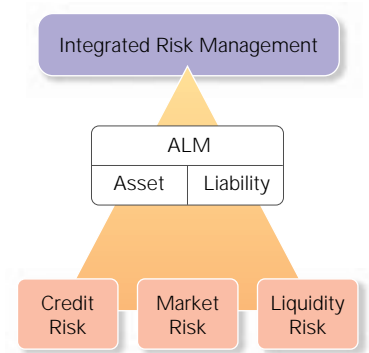
Mutsuharu Okamoto
President & CEO
Koa Fire & Marine

ALARMS, our new ALM and Risk Management System

Our newly developed risk management system, ALARMS*¹, which integrates our credit, market, and liquidity risk management, came online in November 1999. The system is capable of statistically calculating the value at risk (VaR)*² coefficients for each of our asset and liability classes, and is being used to implement more sophisticated risk management.

*1 Asset Liability and Risk Management System

*2 Value at Risk (VaR)...the greatest loss that may be expected on a given portfolio over a given period due to fluctuations in market conditions or creditworthiness of counterparties.



ProLEADER, a New Agency System

In December 1999, as part of our information system strategies, we introduced ProLEADER, a new agency system that includes the latest Internet and computer technologies.

The new system is a state-of-the-art agency system for the insurance industry in terms of content and usability, incorporating the latest technologies in its New Network (Virtual Private Network), Web Online, and New Online functions.

In April 2000, we began converting the systems of our agencies to ProLEADER or installing it freshly. Based on the completion of our agencies' systems, we expect to establish a foundation for the utilization of advanced information technologies.

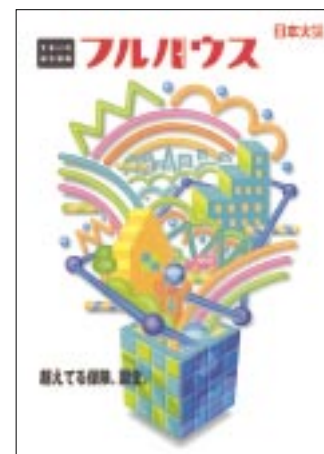
Environmental Risk Management

Nippon Fire & Marine undertakes a variety of activities to promote the wider use of its environmental risk management services by customers. In addition to holding seminars for regional governments and municipal organizations, chambers of commerce, and other business organizations, we also respond to the individual inquiries of companies. In December 1999, we published Volume 26 of our environmental information magazine, Risk Review Special Edition. The magazine explains in an easy to understand manner how a company's environmental activities can have an impact on their performance from the perspective of corporate environmental risk management. This magazine will continue to provide practical information to companies and other entities on environmental risk management from a variety of angles.



SUMAINO-SOGO-HOKEN, "FULL HOUSE"

Nippon Fire & Marine and Koa Fire & Marine have integrated their product development know-how in jointly developing SUMAINO-SOGO-HOKEN "FULL HOUSE," a breakthrough comprehensive insurance product for home owners. Introduced on May 1, 2000, this product represents the first joint effort by the retail operations of both companies. Its special features include top level coverage that directly meets customer general needs at a reasonable cost as well as providing for their detailed needs by offering special rider options that provide an indispensable safety coverage net for injury and liability in their daily lives. Nippon Fire & Marine has positioned this product as a core product of its retail operations.



"Get Back," The World's First Savings-Type Automobile Insurance

Against the backdrop of intensifying competition in the voluntary automobile insurance market because of liberalization, Nippon Fire and Marine developed the world's first savings-type automobile insurance, Get Back, launching it on February 1, 2000.

The special features of Get Back include the return payment on the maturity of the policy regardless of whether the customer has had an accident or the number of accidents. In addition, by improving the investment return on premiums and reducing administrative costs, Get Back reduces the payment burden on customers in comparison with ordinary products.

Since we also provide the highest level of coverage and services, Get Back is everything a customer could want in car insurance.



Public Relation Activities

Internet Home Page

Through its home page on the Internet, Nippon Fire & Marine offers a range of up-to-date information, including instant estimates of insurance costs, introductions of products, services, and its sales and claims handling office network, recruiting of professional sales agent trainees, employee recruiting, company profile, and financial statements.

<http://www.nihonkasai.co.jp>



Business Alliance with Six Financial Institutions

On November 16, 1999, we reached an agreement to form a comprehensive business tie-up with six financial institutions —The Koa Fire & Marine Insurance Co., Ltd.; The Sanwa Bank Limited; The Taiyo Mutual Life Insurance Co., Ltd.; Daido Life Insurance Co., Ltd.; The Toyo Trust & Banking Co., Ltd.; and Universal Securities (presently, Tsubasa Securities) Co., Ltd.

The tie-up is a functional, open-ended collaboration, free from any restraint related to capital affiliation or the companies' historical relationships. Nippon Fire & Marine expects to take advantage of this tie-up to further strengthen its competitiveness, especially in the retail market, by increasing the quality and sophistication of its services for customers.

International Operations

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

Worldwide Service Network

As the globalization of corporations makes marked advances, the Company aims to make further improvements in overseas operations in order to respond appropriately to the needs of client companies who are expanding overseas and require borderless insurance services. Also, by strengthening tie-ups with overseas insurance companies, the Company seeks not only to achieve efficient operations but also to exchange and share know-how and increase the speed and competitiveness of development of advanced products for the domestic market, which will be completely deregulated in the future.

By integrating overseas representative offices based on a thorough inspection of its overseas network, Nippon Fire & Marine has slimmed down its overseas organization and improved the efficiency of its allocation of management resources. The Company has directed management based on business analysis, achieved greater cost control, and thoroughly restructured operations of its overseas subsidiaries and affiliates.

While giving priority to profitability, Nippon Fire & Marine aims to strategically expand into promising new territories where growth can be expected and work on establishing a solid presence in territories where operations are already in place.

As explained later in the section “Overseas Group Network,” there are six regions in which the Company itself underwrites insurance and eight regions in which the Company’s overseas subsidiaries and affiliates underwrite insurance. Nippon Fire & Marine also provides its customers with insurance services throughout the world through its ties with major overseas insurance companies.

In order to ensure efficient operation and meet customer needs, the network is coordinated by a total of 32 overseas representatives, stationed in 21 representative offices in 16 different countries and regions. The network allows the timely provision of comprehensive insurance services to its customers, who are expanding their operations globally.

ASIA and OCEANIA

Nippon Fire & Marine established a representative office in Hong Kong in 1961. It has since established representative offices in Sydney, Singapore, Melbourne, Kuala Lumpur, Jakarta, Taipei, Bangkok, Shanghai, Hanoi and Manila. At present, the company cooperates with underwriting agents in Australia, Hong Kong and Singapore, and maintains affiliates in Indonesia and Malaysia to provide insurance and claim settlement service to our customers.

Country or Region	Underwriting Agent	<i>*the Company’s subsidiary or affiliate</i>
Australia	CGU Insurance Limited	
Singapore	Nippon Management Service (Singapore) Private Limited*	
Hong Kong	The Nippon Fire & Marine Insurance Management Company (Hong Kong) Limited*	

Country or Region	Insurance Company
Malaysia	Malaysia & Nippon Insurans Berhad*
Indonesia	P.T. Asuransi Bancbali Nippon Fire*

EUROPE

Since setting up a representative office in London in 1957, Nippon Fire & Marine has been serving clients in Europe for over 40 years. At present, a wholly owned subsidiary, Nippon Insurance Company of Europe Limited (NICE), provides customers with insurance services, including risk management and information services. With branches in Belgium, France, Germany, Italy, and the Netherlands, the operations of NICE cover the insurance markets of Europe. Through a tie-up established in 1999, the Company is able to provide insurance services in Northern and Eastern Europe and the CIS, allowing it to cover all of Europe and Central Asia.

Country or Region	Insurance Company	Underwriting Agent
United Kingdom	Nippon Insurance Company of Europe Limited*	
Belgium	"	AIM Belgique S.A.
Germany	"	Firma Carl Rieck
France	"	A.I.G. Europe S.A.
The Netherlands	"	Tollenaar & Wegener
Italy	"	A.I.G. Europe S.A.

AMERICA

Since establishing its representative office in New York in 1964, Nippon Fire & Marine has been providing clients with insurance services in the United States for over thirty years. With the insurance division of the leading American financial group acting as its underwriting agent, the Company's operations cover the entire United States. The Nippon Management Corporation, which was established as a wholly owned subsidiary in 1985, plays the vital role of managing the Company's business structure in the United States. In Guam and Canada, the Company also provides insurance services through leading insurance companies in each market, which act as underwriting agents.

Country or Region	Underwriting Agent
U.S.A.	The Travelers Marine Corporation The Nippon Management Corporation* (Sub-Agent)
Guam (U.S.A)	Nanbo Guam, Ltd.
Canada	CGU Insurance Company of Canada

Reinsurance

Reinsurance is another important field in the international market. In this area, Nippon Fire & Marine has developed long-term, solid relationships that allow the Company to efficiently diversify risks and arrange reinsurance as needed.

Investment Business

Nippon Fire & Marine's diversified international investment portfolio is an important part of the Company's overall investment strategy. Accordingly, the Company intends to continue to invest a portion of its investment funds overseas from the point of view of maintaining a diversified portfolio.

The Company has one overseas subsidiary, The Nippon Real Estate Investment Corporation, which is involved in real estate investment in the United States.

THE NIPPON FIRE & MARINE WELFARE FOUNDATION

With the Public Nursing Care Insurance System having started in April 2000, many developments are being made in dealing with Japan's aging society. Nippon Fire & Marine, based on its belief that enterprises must play an active role in ensuring the health and welfare of senior citizens, established the Nippon Fire & Marine Welfare Foundation in 1991 with the aim of contributing to society through a variety of activities and research programs designed to improve care for the elderly.

1. Supporting Families Caring for the Elderly

The Foundation provides training and information exchange services to support the "Boke Roujin Wo Kakaeru Kazoku No Kai," an association that helps families who care for relatives suffering from senile dementia.

Approximately 650 members participate annually in these activities of the Foundation, which provide the driving force for the development of the association.

2. Providing Scholarships for Home Nursing Care Specialists

With the implementation of the Public Nursing Care Insurance System, the quality of home-helpers has become an issue, reflecting the lack of adequately trained people. As one solution, the Nippon Fire & Marine Welfare Foundation offers financial assistance to students training to be social welfare workers specializing in home nursing care. To date, the Foundation has provided educational assistance to 98 people who are training to work in special-care homes for senior citizens and similar facilities throughout Japan.

3. Assisting Gerontology Research

The Foundation provides subsidies and grants for gerontology research in the field of social sciences, including social welfare, psychology and sociology, etc.

To date, the Foundation has provided 77 subsidies and grants to researchers, contributing greatly to gerontology research in Japan.

The Foundation plans to publish Gerontology Research Report No.4, a compilation of the results of funded research in fiscal 2000.

4. The Gerontology Research Institute

In October 1998, the Foundation established the Gerontology Research Institute to promote further research in the field of gerontology.

5. The "Show a Little Kindness" Campaign

Customers, agents, and Company employees are participating in this campaign, which collects small donations in the form of used postage stamps, coins, post cards that have been mistakenly addressed, and used prepaid telephone cards. Funds raised from these items are donated to 48 small retirement homes.

The NIPPON FIRE & MARINE SHUNJU EDUCATION FOUNDATION

The Nippon Fire & Marine Shunju Education Foundation was founded in 1955 and has since provided 1,745 Japanese students with tuition scholarships. In 1989, this Foundation began offering scholarships to students from East and Southeast Asia who are studying in Japan at their own expense. This Foundation has provided scholarships to 76 students from East and Southeast Asia to date.

FINANCIAL SECTION

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Operating Results

In fiscal 1999, the framework of the non-life insurance industry in Japan was undergoing dramatic change due to the progress of deregulation, intensified product, service, and cost competition, market entrance by foreign companies and domestic companies from other industries, and a succession of business and capital tie-ups. Against this backdrop, Nippon Fire & Marine and Koa Fire & Marine will merge in April 2001, establishing a new comprehensive insurance group to take another major step in their business development.

Under these trying business conditions, the Nippon Fire & Marine Group actively expanded its businesses, aiming to establish a profitability base. Consolidated performance for the fiscal year ended March 31, 2000 was as follows.

Operating income increased ¥39,147 million (US\$368.7 million), to ¥695,212 million (US\$6,549.3 million). Of this amount, net premiums written for non-life insurance totaled ¥410,825 million (US\$3,870.2 million), down ¥2,513 million (US\$23.6 million) compared to the previous term. Life insurance premiums were ¥12,205 million (US\$114.9 million), up ¥4,054 million (US\$38.1 million) compared with the previous term. Among other income items, decrease of underwriting reserves and net realized gains on sales of securities increased ¥32,528 million (US\$306.4 million) and ¥16,348 million (US\$154.0 million) respectively.

Operating costs and expenses climbed ¥37,812 million (US\$356.2 million), to ¥667,030 million (US\$6,283.8 million). This increase was mainly attributed to greater maturity refunds and dividends to policyholders, which grew by ¥28,260 million (US\$266.2 million). Net losses paid for non-life insurance amounted to ¥231,431 million (US\$2,180.2 million), being held to an increase of ¥5,195 million (US\$48.9 million).

As a result, ordinary profit totaled ¥28,182 million (US\$265.4 million), increasing ¥1,335 million (US\$12.5 million) compared with the previous term. After recording a special loss on provision for pension plan, net income advanced ¥1,044 million (US\$9.8 million), to ¥7,302 million (US\$68.7 million).

Cash flows from operating activities decreased ¥39,072 million (US\$368.0 million) because of the greater maturity refunds of savings-type insurance. Cash flows from investing activities increased ¥54,975 million (US\$517.9 million) while cash flows from financing activities declined ¥7,063 million (US\$66.5 million). Consequently, cash and cash equivalents at the end of the fiscal year totaled ¥82,926 million (US\$781.2 million), up ¥8,273 million (US\$77.9 million) from the end of the previous term.

Performance by Class of Non-life Insurance in Japan

The results according to category of non-life insurance in Japan, which is Nippon Fire & Marine's core business, are listed below.

Fire and Allied Lines

During the fiscal year under review, we actively marketed our services in this category, centered on comprehensive home and store insurance. Lower insurance premium rates due to growing competition, however, caused net insurance premiums written to decline 3.5%, to ¥63,326 million (US\$596.5 million). The loss ratio increased 1.4 percentage points to 47.4% because of the decrease in net premiums written.

Marine

The hull insurance market continued to weaken under the growing competition in overseas and in Japan. Cargo and transit insurance also fell because of declining trade levels. Net premiums written in this category dropped 9.9%, to ¥10,172 million (US\$95.8 million). The loss ratio was 54.5%, down 6.6 percentage points.

Personal Accident

Thanks to the active marketing focused on our new product, KURASHINO-ANSHIN-HOKEN "MUST", net premiums written rose 1.4%, to ¥43,344 million (US\$408.3 million). The loss ratio contracted 0.3 percentage points, to 46.1%.

Voluntary Automobile

During fiscal 1999, we expanded and improved our sales promotion measures and services, actively marketing the savings-type voluntary automobile insurance "Get Back" and other top-grade automobile insurance packages and implementing our KURUMANO-ANSHIN service, which includes an emergency wrecker truck service. Net premiums written increased 0.4%, to ¥219,766 million (US\$2,070.3 million). The loss ratio climbed 1.1 percentage points, to 62.5% due to increased payments for car-body damage.

Compulsory Automobile Liability

Expanding our sales network and strengthening sales efforts resulted in net premiums written advancing 0.8%, to ¥31,599 million (US\$297.6 million). The loss ratio rose 0.2 percentage points, to 74.7%.

Other

Despite an increase in premiums from movables all risks, declines in premiums from liability and workers' compensation insurance forced a 2.6% drop in net premiums written for other insurance to ¥42,197 million (US\$397.5 million). The loss ratio increased 8.1 percentage points, to 76.7% because of major claims and natural disasters.

Life Insurance

Fiscal 1999 was a year in which we emerged from our foundation period and entered a new period of high growth in life insurance business. Therefore, we actively pursued business expansion in the life insurance market to bring it up as one of the core businesses of the Nippon Fire & Marine Group.

Consequently, as previously mentioned, life insurance premiums expanded substantially. In addition, amount of business in force at the end of the fiscal year under review was ¥739,967 million (US\$6,970.9 million) for individual insurance, ¥5,155 million (US\$48.5 million) for individual annuity insurance, and ¥188,168 million (US\$1,772.6 million) for group insurance. In particular, the individual insurance and individual annuity insurance were up a significant 36.3% and 50.9%, respectively.

Financial Position

As of March 31, 2000, total assets amounted to ¥1,906,585 million (US\$17,961.2 million), increasing ¥23,380 million (US\$220.2 million) from the previous fiscal year.

In our investment activities, we sought to maintain a stable flow of investment income through flexible asset allocation. Nevertheless, poor investment conditions because of the prolonged low interest rate in Japan, the reduction in premiums, and the increased claim expenses resulted in a decline in investment assets, and investment income amounted to ¥44,224 million (US\$416.6 million), falling ¥6,579 million (US\$61.9 million). Net investment income after deducting investment income on deposit premiums amounted to ¥16,645 million (US\$156.8 million), decreasing ¥2,650 million (US\$24.9 million). This reduction is smaller than the ¥6,579 million (US\$61.9 million) reduction in gross investment income because of the reduced cost burden of savings-type insurance.

In November 1999, our new advanced "ALARMS" system came online at our head office. The system integrates our asset and liability management and our market and credit risk management. ALARMS will serve as our core management system to handle more complicated and diversified investment risk. It will also be a powerful tool in targeting greater investment income based on an appropriate balance of risk and return.

Dividend Policy

Cash dividends of the Company for the fiscal year under review were ¥7.00 (US\$0.065) per share, the same as in the previous fiscal year. Because of the strong public nature of the insurance business, we believe it is important to keep a solid operating base in the long term. The Company's basic profit distribution policy aims to maintain stable dividend payments in consideration of business performance while also building our internal reserves to further strengthen our capital base in preparation for the occurrence of earthquakes or unusual disasters. Moreover, aiming to increase our capital strength and strengthen our operating base, we efficiently reinvest our internal reserves.

Forecast for the Year Ended March 31, 2001

For fiscal 2000, we forecast that ordinary profit will be ¥30,000 million (US\$282.6 million) and net income will be ¥8,000 million (US\$75.3 million). These figures have been calculated based on an exchange rate of ¥105 to the U.S. dollar. The figures are also based on estimations that premiums written will increase because of greater efforts to market our core products, the introduction of new products, and the expansion of our sales network. We also expect that cost and expenses will fall further because of progress in our structural reform activities.

Adjustment in accrued severance benefits resulting from a change in accounting standards will amount to approximately ¥28,000 million (US\$263.7 million), which the Company intends to write off entirely in fiscal 2000.

Selected Financial Data

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. Year ended March 31, 2000

In this section, the following segment information indicates the figures before eliminating intercompany balances and transactions between "Non-life insurance" and "Life insurance".

1. Non-life Insurance

(1) Underwriting

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Direct premiums written			
Fire and allied lines	¥119,951	20.4%	\$1,130,017
Marine	13,225	2.2	124,588
Personal accident	133,417	22.7	1,256,881
Voluntary automobile	220,065	37.3	2,073,156
Compulsory automobile liability	54,612	9.3	514,483
Other (*)	47,628	8.1	448,686
Total	¥588,900	100.0%	\$5,547,814
(Deposit premiums included in Total)	(140,999)	(23.9)	(1,328,304)

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Net premiums written			
Fire and allied lines	¥ 63,348	15.4%	\$ 596,786
Marine	10,502	2.6	98,942
Personal accident	43,360	10.6	408,484
Voluntary automobile	219,766	53.4	2,070,340
Compulsory automobile liability	31,599	7.7	297,686
Other (*)	42,247	10.3	397,997
Total	¥410,825	100.0%	\$3,870,239

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Net losses paid			
Fire and allied lines	¥ 28,792	12.4%	\$ 271,244
Marine	5,446	2.4	51,306
Personal accident	18,225	7.9	171,694
Voluntary automobile	127,296	55.0	1,199,210
Compulsory automobile liability	20,343	8.8	191,649
Other (*)	31,327	13.5	295,128
Total	¥231,431	100.0%	\$2,180,234

* Of which, major lines of insurance are Liability, Movables all risks, Workers' compensation and Contractors' all risks.

(2) Investment

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Investment assets			
Bank deposits	¥ 88,400	4.7%	\$ 832,785
Call loans	43,000	2.3	405,087
Monetary receivable bought	7,139	0.4	67,263
Money in trust	12,155	0.6	114,510
Securities	1,026,528	54.4	9,670,543
Loans	433,999	23.0	4,088,547
Land and buildings	107,714	5.7	1,014,742
Total	1,718,937	91.1	16,193,478
Total assets	¥1,886,242	100.0%	\$17,769,597

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Securities			
Domestic securities:			
Government bonds	¥ 18,249	1.8%	\$ 171,925
Municipal bonds	36,069	3.5	339,793
Corporate bonds	307,824	30.0	2,899,899
Equity securities	429,586	41.8	4,046,973
Foreign securities	234,280	22.8	2,207,072
Other securities	517	0.1	4,878
Total	¥1,026,528	100.0%	\$9,670,543

	Millions of Yen		Yield per annum	Thousands of U.S. dollar (Note 2)
	2000			2000
Investment income	Earned income	Average invested amounts		Earned income
Bank deposits	¥ 366	¥ 116,156	0.3%	\$ 3,455
Call loans	7	6,200	0.1	73
Monetary receivable bought	48	8,207	0.6	452
Money in trust	452	16,252	2.8	4,266
Securities	28,380	1,044,917	2.7	267,361
Loans	11,756	450,179	2.6	110,751
Land and buildings	2,437	113,549	2.1	22,960
Sub-total	¥ 43,449	¥1,755,463	2.5%	\$409,322
Other	453	-	-	4,274
Grand-total	¥ 43,903	-	-	\$413,596

2. Life Insurance

(1) Underwriting

	Millions of Yen	Thousands of U.S. Dollar (Note 2)
	2000	2000
Amount of business in force:		
Individual insurance	¥739,967	\$6,970,960
Individual annuity insurance	5,155	48,567
Group insurance	188,168	1,772,666
Amount of new business:		
Individual insurance	¥278,194	\$2,620,764
Individual annuity insurance	2,022	19,057
Group insurance	28,802	271,334

(2) Investment

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Investment assets			
Bank deposits	¥ 1,299	4.7%	\$ 12,239
Securities	21,444	76.8	202,019
Loans	249	0.9	2,353
Land and buildings	0	0.0	0
Total	22,993	82.4	216,613
Total assets	¥27,908	100.0%	\$262,912

	Millions of Yen	Proportion	Thousands of U.S. Dollar (Note 2)
	2000		2000
Securities			
Domestic securities:			
Government bonds	¥ 3,234	15.1%	\$ 30,466
Corporate bonds	12,226	57.0	115,183
Equity securities	877	4.1	8,265
Foreign securities	1,012	4.7	9,540
Other securities	4,093	19.1	38,563
Total	¥21,444	100.0%	\$202,019

	Millions of Yen		Yield per annum	Thousands of U.S. dollar (Note 2)
	2000			2000
Investment income	Earned income	Average invested amounts		Earned income
Bank deposits	¥ 0	¥ 899	0.0%	\$ 3
Monetary receivable bought	1	144	0.7	9
Securities	407	18,544	2.2	3,838
Loans	4	136	3.3	41
Land and buildings	-	0	-	-
Sub-total	¥413	¥19,725	2.1%	\$3,893
Other	-	-	-	-
Grand-total	¥413	-	-	\$3,893

Consolidated Balance Sheets

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD. As of March 31, 2000 and 1999

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	1999	2000
ASSETS			
Cash and bank deposits	¥ 89,773	¥ 91,880	\$ 845,722
Call loans	43,000	30,000	405,087
Monetary receivable bought	7,139	17,297	67,263
Money in trust	12,155	17,311	114,510
Investments in securities (Note 3)	1,037,972	1,032,984	9,778,356
Loans (Note 5)	434,249	465,702	4,090,900
Property and equipment, at cost (Note 6)	200,135	202,391	1,885,405
Less accumulated depreciation	83,397	79,983	785,657
Property and equipment, net	116,738	122,408	1,099,747
Other assets	92,146	93,850	868,082
Deferred tax asset (Notes 1(j) and 8)	73,409	-	691,564
Customers' liability for acceptances and guarantees	-	11,769	-
Total assets	¥1,906,585	¥1,883,204	\$17,961,234
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Underwriting fund:			
Reserve for outstanding losses and claims	110,066	109,516	1,036,899
Underwriting reserves	1,473,486	1,476,619	13,881,176
	1,583,553	1,586,136	14,918,076
Income taxes payable	8,017	3,242	75,529
Accrued severance benefits (Notes 1(k) and 9)	23,117	10,485	217,782
Reserve for price fluctuations (Note 1(l))	5,961	5,030	56,163
Other liabilities	51,469	50,493	484,870
Acceptances and guarantees	-	11,769	-
Total liabilities	1,672,119	1,667,156	15,752,422
Shareholders' equity: (Note 10 and 12)			
Common stock: ¥50 par value			
Authorized 990,000,000 shares in 2000 and 1,000,000,000 shares in 1999; issued and outstanding, 570,686,010 shares in 2000 and 580,686,010 shares in 1999	61,245	61,245	576,971
Additional paid-in capital	42,888	42,888	404,035
Retained earnings	130,331	111,914	1,227,806
Treasury stock	(0)	(1)	(2)
Total shareholders' equity	234,465	216,047	2,208,811
Total liabilities and shareholders' equity	¥1,906,585	¥1,883,204	\$17,961,234

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. For the years ended March 31, 2000, 1999 and 1998

	Millions of Yen			Thousands of U.S. dollars (Note 2)
	2000	1999	1998	2000
Operating income:				
Net premiums written for non-life insurance	¥410,825	¥413,339	¥437,875	\$3,870,239
Life insurance premiums	12,205	8,150	7,023	114,980
Decrease of underwriting reserves	50,698	18,169	30,286	477,608
Deposit premiums from policyholders	140,999	145,691	164,501	1,328,304
Investment income (Note 3)	44,224	50,803	57,622	416,620
Net realized gains on sales of securities	36,259	19,910	23,802	341,586
	695,212	656,064	721,110	6,549,339
Operating costs and expenses:				
Net losses paid for non-life insurance	231,431	226,236	220,864	2,180,234
Life insurance losses	1,304	558	172	12,288
(Decrease)/increase of reserve for outstanding losses and claims	(477)	(5,560)	1,391	(4,495)
Loss adjustment expenses	17,821	18,245	18,380	167,891
Net commissions and brokerage expenses	77,556	78,345	83,174	730,632
Underwriting and administrative expenses	91,077	93,713	95,024	858,003
Maturity refunds and dividends to policyholders	225,405	197,145	247,958	2,123,466
Revaluation loss on securities	12,311	14,503	25,038	115,978
Other operating costs and expenses, net	10,598	6,029	6,116	99,846
	667,030	629,218	698,123	6,283,846
Ordinary profit	28,182	26,846	22,987	265,493
Special items:				
(Provision for) reversal of price fluctuation reserve	(931)	(925)	519	(8,771)
Other special losses, net (Note 1(k))	(16,163)	(8,851)	(499)	(152,266)
Income before income taxes	11,087	17,070	23,007	104,454
Income taxes:				
Current	13,095	10,812	16,220	123,372
Deferred (Note 1(j))	(9,310)	-	-	(87,714)
Net income	¥ 7,302	¥ 6,257	¥ 6,787	\$ 68,796
		Yen		U.S. dollars (Note 2)
	2000	1999	1998	2000
Net income per share :				
Basic	¥12.61	¥10.77	¥11.68	\$0.118
Diluted (*)	-	-	11.68	-

* There were no potential common shares to be issued during the year ended March 31, 2000 and 1999 due to the maturity of convertible bonds at March 31, 1998.

The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. For the years ended March 31, 2000, 1999 and 1998

	Thousands of common shares	Millions of Yen		
		Common stock	Additional paid-in capital	Retained earnings
Balance as of March 31, 1997	580,686	¥61,245	¥42,888	¥107,102
Net income	-	-	-	6,787
Cash dividends	-	-	-	(4,064)
Bonus to directors	-	-	-	(53)
Balance as of March 31, 1998	580,686	61,245	42,888	109,771
Net income	-	-	-	6,257
Cash dividends	-	-	-	(4,064)
Bonus to directors	-	-	-	(50)
Balance as of March 31, 1999	580,686	61,245	42,888	111,914
Adjustment for underwriting reserve, etc. due to the application of deferred tax accounting	-	-	-	(47,699)
Prior year adjustment for deferred tax accounting	-	-	-	64,098
Increase in retained earnings due to the addition of a consolidated subsidiary	-	-	-	1,804
Net income	-	-	-	7,302
Cash dividends	-	-	-	(4,064)
Bonus to directors	-	-	-	(25)
Cancellation of treasury stocks (Note 10)	(10,000)	-	-	(3,000)
Balance as of March 31, 2000	570,686	¥61,245	¥42,888	¥130,331

	Thousands of U.S. Dollars (Note 2)		
	Common stock	Additional paid-in capital	Retained earnings
Balance as of March 31, 1999	\$576,971	\$404,035	\$1,054,305
Adjustment for underwriting reserve, etc. due to the application of deferred tax accounting	-	-	(449,357)
Prior year adjustment for deferred tax accounting	-	-	603,849
Increase in retained earnings due to the addition of a consolidated subsidiary	-	-	17,002
Net income	-	-	68,796
Cash dividends	-	-	(38,292)
Bonus to directors	-	-	(235)
Cancellation of treasury stocks (Note 10)	-	-	(28,261)
Balance as of March 31, 2000	\$576,971	\$404,035	\$1,227,806

The accompanying notes are an integral part of these statements.

Consolidated Statement of Cash Flows

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. For the year ended March 31, 2000

	Millions of Yen	Thousands of U.S. dollars (Note 2)
	2000	2000
Cash flows from operating activities:		
Income before income taxes	¥11,087	\$104,454
Adjustments to reconcile income before income taxes to net cash used in operating activities:		
Depreciation	6,428	60,559
Accrued severance benefits, less payments	12,632	119,005
Decrease of reserve for outstanding losses and claims	(573)	(5,398)
Decrease of reserve for underwriting reserves	(50,831)	(478,867)
Interest charges	135	1,279
Interest and dividends income	(44,224)	(416,620)
Net gain on investments and loans	(18,967)	(178,683)
Net loss on sales of property and equipment	2,871	27,052
Decrease in other current assets	2,688	25,331
Decrease in other current liabilities	(2,716)	(25,592)
Other, net	4,689	44,174
Sub-total	(76,778)	(723,304)
Interest and dividends received	45,954	432,917
Interest paid	(136)	(1,282)
Income taxes paid	(8,111)	(76,420)
Net cash used in operating activities	(39,072)	(368,088)
Cash flows from investing activities:		
Acquisition of property and equipment	(4,991)	(47,020)
Proceeds from sales of equipment	1,389	13,093
Purchases of investments and loans made	(344,185)	(3,242,447)
Sales of investments and collection of loans	399,781	3,766,197
Decrease in short-term investments	2,980	28,077
Net cash provided by investing activities	54,975	517,900
Cash flows from financing activities:		
Proceeds from short-term borrowings	10,000	94,206
Repayment of short-term borrowings	(10,000)	(94,206)
Dividends paid	(4,064)	(38,292)
Treasury stock acquired	(3,016)	(28,420)
Sales of treasury stock	17	165
Net cash used in financing activities	(7,063)	(66,547)
Effect of exchange rate changes on cash and cash equivalents	(564)	(5,321)
Net increase in cash and cash equivalents	8,273	77,943
Cash and cash equivalents at beginning of year	71,517	673,737
Increase of cash and cash equivalents due to the addition of a consolidated subsidiary	3,135	29,536
Cash and cash equivalents at end of year (Notes 1(d) and 11)	¥82,926	\$781,217

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

1. Summary of Significant Accounting Policies:

(a) Basis of presenting consolidated financial statements:

The Nippon Fire and Marine Insurance Company, Limited (the "Company") and its consolidated domestic subsidiary maintain their accounting records and prepare their financial statements on the basis of the statutory accounting principles and practices applicable to insurance companies generally accepted in Japan, and its consolidated foreign subsidiary maintains its books of account in conformity with those of its country of domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Securities Exchange Law and accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. Consolidated statement of cash flows has been required to be prepared with effect for the year ended March 31, 2000, in accordance with a new accounting standard.

The accompanying consolidated financial statements reflect certain changes in classification and form of presentation of the Company's consolidated financial statements filed with Financial Supervisory Agency, as required by the Securities Exchange Law. Such changes are, in the opinion of management, appropriate to make the consolidated financial statements more familiar and informative for readers outside Japan.

As permitted by the Securities Exchange Law in Japan, amounts of less than one million yen and one thousand dollars have been omitted. As a result, the totals in yen and U.S.dollars shown on the financial statements and notes thereto do not necessarily agree with the sum of the individual amounts.

(b) Principles of consolidation:

The consolidated financial statements include accounts of the Company and its significant subsidiaries (the "Companies"). All material intercompany balances and transactions are eliminated. Consolidated foreign subsidiary is included on the basis of fiscal years ended on December 31.

During the fiscal year ended March 31, 2000 the Company started to consolidate a wholly owned non-life insurance subsidiary, Nippon Insurance Company of Europe Limited, due to the increase in its materiality to the Company's operations. All other subsidiaries of the Company are not consolidated as their total assets, net sales, net income and retained earnings in the aggregate are considered insignificant.

The equity method of accounting for investments in common shares of unconsolidated subsidiaries and affiliates has not been applied because their net income and retained earnings in the aggregate are considered insignificant.

(c) Foreign currency translations:

1) Foreign currency accounts:

The Company and its consolidated domestic subsidiary translate short-term receivables and payables denominated in foreign currencies into Japanese yen at the rate of exchange in effect at the balance-sheet date.

They also translate long-term receivables and payables denominated in foreign currencies, except for those hedged by forward exchange contracts, at historical rates. However, whenever material foreign exchange rate deterioration occur, such long-term receivables and payables and unlisted bonds and debentures denominated in foreign currencies are translated at the current exchange rate in order to recognize the significant losses from the change in value of the Japanese yen against foreign currencies. All revenues and expenses associated with foreign currencies are translated at the rates of exchange prevailing when such transactions are made. The resulting exchange losses are charged to income.

2) Foreign currency financial statements of consolidated subsidiary

The balance sheet accounts of foreign subsidiary are translated into Japanese yen at year-end rate except for shareholders' equity, which is translated at historical exchange rates. Differences arising from such translation are recognized as translation adjustment in the "Other assets" of accompanying consolidated balance sheets. All revenue and expense accounts of foreign subsidiary are translated into yen at year-end rate.

(d) Cash equivalents

Cash equivalents on the consolidated statement of cash flows are short-term, highly liquid investments with an original maturity of three months or less, and subject to insignificant risk of changes in value.

(e) Investments in securities other than subsidiaries and affiliates

The Company values listed securities at the lower of cost, determined by the moving-average method, or market. Its consolidated domestic subsidiary values equity securities and convertible bonds at the lower of cost, determined by the moving-average method, or market.

They value other securities at cost determined by the moving-average method.

Securities included in money in trust are valued in the same way. The Company decided to value the equity securities traded over the counter at the lower of cost or market effective from the year ended March 31, 1999. This change resulted in ordinary profit and income before income taxes respectively being ¥1,463 million less than it would have been if the prior method had been applied for the year ended March 31, 1999.

(f) Property and equipment:

Property and equipment are principally stated at cost less accumulated depreciation. The Company and its consolidated domestic subsidiary compute depreciation by the declining-balance method based on estimated useful lives, which are prescribed by the Japanese income tax laws.

In compliance with a revision of Japanese income tax laws in 1998, the Company adopted the straight-line method to depreciate buildings (except for their attached facilities) acquired on and after April 1, 1998.

(g) Leases:

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by the method similar to that applicable to ordinary operating leases.

(h) Reserve for outstanding claims:

In accordance with the regulations of the Insurance Business Law in Japan, the Company has established a reserve for outstanding claims in amounts estimated to be sufficient, in the opinion of the management, to discharge claims incurred and reported. The Company has also provision for losses incurred but not reported at the balance-sheet date with respect to automobile, personal accident, liability and workers' compensation insurance.

(i) Underwriting reserves:

- Non-life insurance

Pursuant to the provisions of the Insurance Business Law and related rules and regulations in Japan, the Company is required to maintain underwriting reserves in amounts determined as follows:

1) Premium reserve:

Insurance other than compulsory automobile insurance and earthquake insurance:

Whichever is the greater of the unearned premiums or the underwriting balance at the end of the year for policies written during the year, by lines of insurance and types of policy.

Compulsory automobile insurance:

Accumulated total sum of premiums written less claims incurred and related net investment income and contributions to the Japan Red Cross Society and other Japanese institutions. Insurance companies are not permitted to recognize any profit or loss from underwriting compulsory automobile liability insurance.

Earthquake insurance:

Accumulated total amounts of the underwriting balance and related net investment income.

In addition to the above, in order to provide for any extraordinary risks which might arise from a catastrophe, the Company is required to maintain a contingency reserve at an amount determined based on net premiums written by lines of business.

2) Deposits by policyholders:

The Company maintains reserves for the deposit portion of premiums and investment income on such portion, which are refundable to policyholders under long-term insurance.

- Life insurance

Pursuant to the provisions of the Insurance Business Law and related rules and regulations in Japan, the Nippon Fire Partner Life Insurance Company Ltd. is required to maintain premium reserves in amounts determined on the basis that future policy benefits for life insurance contracts are calculated pursuant to the five-year zillmerized reserve method.

(j) Income tax

Income taxes are recorded on an accrual basis. Furthermore, in accordance with a revision of the disclosure code of consolidated financial statements in Japan, the Companies have accounted for income taxes using deferred income tax accounting from April 1, 1999.

This change has given rise to a deferred tax asset balance of ¥73,409 million (US\$691,564 thousand), and resulted in net income for the year ended March 31, 2000 and consolidated retained earning at March 31, 2000 being ¥9,310 million (US\$87,714 thousand) and ¥73,409 million (US\$691,564 thousand) more, respectively than if the new accounting method had not been adopted.

(k) Accrued severance benefits and pension plans:

The Company and its consolidated domestic subsidiary have severance benefit plans covering substantially all employees. Accrued severance benefits are stated at an amount which would be required to be paid if all employees covered under the plan voluntarily terminated their employment at the balance-sheet date less the amount of plan assets related to the tax-qualified pension plan.

In addition to the pension plan described above, the Company has a pension plan, for which the Company adopted a new accounting policy in the year ended March 31, 2000 from the method recognizing expenses when payments are made to the method which recognizes a liability based on the discounted value of future payments.

This change is intended to provide a more appropriate presentation of the Company's pension obligations in its financial statements. The provision for the pension plan obligations amounted to ¥13,291million (US\$125,215thousand) and was included in "Other special losses, net" in the consolidated statements of income for the year ended March 31, 2000. This change also resulted in income before income taxes being less than it would have been if the prior method had been applied by ¥13,291million (US\$125,215thousand).

(l) Reserve for price fluctuations:

In accordance with Article 115 of the Insurance Business Law in Japan, the Company must set aside a reserve of an amount calculated at rates varying according to the kind of asset, unless permission is granted by the Commissioner of Financial Supervisory Agency, for possible loss from price fluctuation of stocks, etc. Also, the Company may reduce this reserve by the amount of the net loss resulting from reappraisals and sales of property and securities or from operations, and if permission is granted by the Commissioner of Financial Supervisory Agency, for any other reasons.

(m) Amounts per share of common stock:

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during each fiscal year. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of common shares to be issued upon the conversion of convertible bonds.

(n) Computer software development costs:

The Company had recorded the development costs of computer software for internal use as "Other assets" on the consolidated balance sheets and amortized them over 5 years subject to a provision of the Japanese income tax laws. For the year ended March 31, 1999, the Company decided to change the method

and included such costs in "Underwriting and administrative expenses" in the consolidated statements of income in the year in which they incur.

Accordingly, the unamortized balance of ¥3,878 million as of March 31, 1998 was charged to income for the year ended March 31, 1999 and included in "Other special losses, net" in the consolidated statements of income.

This change resulted in ordinary profit and income before income taxes for the year ended March 31, 1999 being less than they would have been if the prior method had been applied by ¥841 million and ¥4,720 million, respectively.

2. U.S. Dollar Amounts:

The translations of yen amounts into U.S. dollar amounts are included solely for convenience and have been made, as a matter of arithmetical computation only, at ¥106.15=US\$1, the approximate rate prevailing at March 31, 2000. The translations should not be construed as representations that yen have been or could be readily converted, realized or settled in U.S. dollars at the rate or any other rates.

3. Investments in Securities

The components of investments in securities as of March 31, 2000 and 1999 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	1999	2000
Domestic securities:			
Bonds	¥ 377,604	¥ 341,580	\$3,557,268
Equity securities	420,463	399,375	3,961,032
Foreign securities	235,293	285,859	2,216,612
Other securities	4,611	6,168	43,441
Total	¥1,037,972	¥1,032,984	\$9,778,356

Investment income for each of the three years in the period ended March 31, 2000 is summarized as follows:

	Millions of Yen			Thousands of U.S. Dollars (Note 2)
	2000	1999	1998	2000
Investment income	¥44,224	¥50,803	¥57,622	\$416,620
Less: Investment income on deposit premiums, etc.	27,578	31,507	36,962	259,808
Net investment income	¥16,645	¥19,295	¥20,659	\$156,811

Market value information of investments in securities as of March 31, 2000 is summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
	Carrying value	Estimated fair value	Net unrealized gain(loss)	Net unrealized gain(loss)
Domestic bonds:				
Marketable value available	¥294,860	¥300,382	¥5,522	\$52,022
Marketable value not available	82,743			
Domestic stocks:				
Marketable value available	406,599	819,379	412,780	3,888,648
Marketable value not available	13,863			
Foreign securities				
Marketable value available	59,539	60,793	1,254	11,818
Marketable value not available	175,754			
Other securities				
Marketable value available	499	488	(10)	(99)
Marketable value not available	4,111			
Investments in securities	¥1,037,972			
Money in trust	¥12,155	¥12,206	¥51	\$484

4. Derivatives

The Companies utilize derivative financial instruments to hedge their exposure to market risks arising from fluctuations in prices, foreign exchange rates and interest rates.

In the following schedules of forward foreign exchange contracts, currency swap and interest rate swap agreements, "Contracted amount" represents a notional principal amount, not the amount affected by the market and/or credit risks. These currency swap and interest rate swap agreements are agreements to exchange only interest receipt entitlements without the exchange of the underlying principal amount.

The outstanding contracted amounts, fair value and unrealized gain/loss with respect to derivative transactions are summarized as follows:

(a) Forward foreign exchange contracts and currency swap agreements:

Forward foreign exchange contracts and currency swap agreements, which were made outside of the market, outstanding as of March 31, 2000 are summarized as follows:

	Millions of Yen			Thousands of U.S. Dollars (Note 2)	
	Contracted amount	Fair value	Net unrealized loss	Net unrealized loss	
Forward foreign exchange (*):	¥ -	¥ -	¥ -		\$ -
Currency swap:					
Receive fixed yen, pay fixed AS	1,700	(53)	(53)		(501)
Receive fixed Stg£ pay fixed yen	870	(14)	(14)		(138)
			(¥67)		(\$640)

* Any assets or liabilities denominated in foreign currencies, which are covered by the forward foreign exchange contracts to fix Japanese yen in the accompanying balance sheets at the end of each fiscal year, are excluded in the above table.

(b) Interest rate swap agreements:

Interest rate swap agreements, which were made outside of the market, outstanding as of March 31, 2000 are summarized as follows:

	Millions of Yen			Thousands of U.S. Dollars (Note 2)	
	Contracted amount	Fair value	Net unrealized gain/(loss)	Net unrealized gain/(loss)	
Interest rate swap agreements:					
Receive fixed rate, pay floating rate	¥30,749	¥532	¥532		\$5,013
Receive fixed rate, pay fixed rate	1,000	(37)	(37)		(350)
Receive floating rate, pay fixed rate	2,000	(250)	(250)		(2,356)
			¥244		\$2,306

5. Loans

Loans included "Loans to borrowers bankrupted or under legal restructuring procedures" and "Delinquent/ overdue loans" on which accrued interest income had not been recognized. Furthermore, the loans included "Restructured loans," which had been restructured to facilitate the restructuring of or assist the borrowers, by reducing the interest rate or providing a grace period for the payment of principal/interest, etc. The balances of the loans described above as of March 31, 2000 are as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 2)
	2000	2000
Loans to borrowers bankrupted or under legal restructuring procedures	¥ 1,267	\$11,938
Delinquent/overdue loans	18,404	173,385
Restructured loans	6,059	57,087
Total	¥25,731	\$242,411

6. Property and Equipment

The components of property and equipment as of March 31, 2000 and 1999 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	1999	2000
Land	¥ 55,148	¥ 58,015	\$ 519,535
Buildings	113,050	112,568	1,065,003
Furniture and equipment	31,139	31,718	293,355
Construction in progress	797	90	7,511
	200,135	202,391	1,885,405
Less accumulated depreciation	83,397	79,983	785,657
	¥116,738	¥122,408	\$1,099,747

Profits arising from certain types of real estate transactions, were deducted from book value in accordance with "A tentative treatment for the audit of deferral recognition of the profit regarding real estate in insurance business" (issued by the Japanese Institution of Certified Public Accountants ("JICPA") on March 24, 1999). Following this, the Company changed its accounting for such transactions and such profits will be reserved for as a component of retained earnings. This change resulted in income before income taxes being ¥334 million (US\$ 3,155 thousand) more than it would have been if the previous method had been applied.

7. Leases

Information on finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees for the years ended March 31, 2000 and 1999 is summarized as follows:

(a) Acquisition cost, accumulated depreciation and net book value of movable property:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	1999	2000
Acquisition cost	¥2,739	¥2,654	\$25,808
Accumulated depreciation	1,878	1,504	17,696
Net book value	¥ 861	¥1,150	\$ 8,111

(b) Future minimum lease payments:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	1999	2000
Within one year	¥463	¥ 456	\$4,366
Over one year	397	693	3,744
Total	¥861	¥1,150	\$8,111

(c) Lease expenses:

Lease expenses (the amount corresponding to depreciation expenses) during the years ended March 31, 2000 and 1999 amounted to ¥480million (US\$4,528thousand) and ¥741million, respectively.

(d) Computation of depreciation expenses:

Depreciation expenses are computed by the straight-line method over a period up to the length of the relevant lease contracts with no residual value. The figures shown in this note include the portion of interest thereon.

8. Income Taxes

1) The components of the net deferred tax assets as of March 31, 2000 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2000	2000	
Deferred tax assets:			
Underwriting reserves	¥48,393		\$455,900
Bad debt reserves	7,063		66,538
Accrued severance benefits (*)	5,974		56,286
Reserve for outstanding losses and claims	4,291		40,427
Unrealized loss on revaluation of investments in securities and real estate	2,332		21,970
Reserve for price fluctuations	2,144		20,206
Other	3,401		32,047
Total	73,601		693,376
Deferred tax liabilities:			
Deferred recognition of the profit regarding real estate	(120)		(1,139)
Other	(71)		(673)
Total	(192)		(1,812)
Deferred tax assets, net	¥73,409		\$691,564

* The Company changed the accounting presentation of underwriting reserves from a net-of-tax basis to gross-of-tax basis in order to account for the introduction of deferred income tax accounting. This change was resulted in ordinary profit and income before income taxes being lower than if deferred tax accounting had not been introduced by ¥465 million (US\$4,388 thousand) respectively.

The tax effect of prior year underwriting reserves, amounting to ¥47,699 million (US\$449,357 thousand) was reclassified from retained earnings to underwriting reserves, as described in the consolidated statements of shareholders' equity.

2) The reconciliation between statutory tax rate and effective tax rate is as follows:

	2000
Statutory tax rate in Japan	36.1%
Adjustments:	
Tax credit for dividends received	(13.9)
Expenses not deductible for tax purpose	7.3
Other	4.6
Effective tax rate	34.1%

9. Retirement Plan

The accumulated fund assets of the tax-qualified pension plan aggregated ¥10,063 million (US\$94,809 thousand) as at the most recent valuation date of March 31, 2000 with past service liabilities in an amount of 3,771million (US\$35,531 thousand), as of February 29, 2000 being amortized over about a 14-year and four month period. The balance of past service liabilities under the welfare pension plan aggregated ¥4,474million (US\$42,150 thousand) as of March 31, 1999 which would be amortized over a 12-year period.

10. Shareholders' Equity

Acquisition and cancellation of 10,000 thousand treasury stocks were decided by the Company's Board of Directors' meeting on January 13, 2000. Due to the above resolution, retained earnings decreased by ¥3,000 million (US\$28,261 thousand), and the number of outstanding common stock decreased by 10,000 thousand shares on January 20, 2000.

11. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2000 consist of the following:

	Millions of Yen	Thousands of U.S. Dollars (Note 2)
Items on the consolidated balance sheets:		
Cash and bank deposits	¥ 89,773	\$ 845,722
Call loans	43,000	405,087
Monetary receivable bought	7,139	67,263
Investments in securities	1,037,972	9,778,356
Less:		
Bank deposit for more than 3 months	53,441	503,451
Monetary receivable bought other than cash equivalents	7,139	67,263
Securities other than cash equivalents	1,034,378	9,744,497
Cash and cash equivalents	¥ 82,926	\$ 781,217

12. Subsequent Events

Subsequent events following March 31, 2000 are as follows:

1) Acquisition and cancellation of 10,000 thousand treasury stocks were decided by the Company's Board of Directors' meeting on April 13, 2000. Due to the above resolution, retained earnings decreased by ¥3,130 million (US\$29,486 thousand), and the number of outstanding common stock decreased by 10,000 thousand shares on April 21, 2000. In addition, the number of authorized common stock decreased by 10,000 thousand shares by the resolution of the shareholders' meeting held on June 29, 2000.

2) The appropriation of retained earnings of the Company including cash dividends in respect of the year ended March 31, 2000 was approved at the shareholders' meeting held on June 29, 2000 as follows:

	Millions of Yen	Thousands of U.S. Dollar (Note 2)
Retained earnings at March 31, 2000 (*)	¥113,684	\$1,070,975
Appropriations:		
Cash dividends (¥7.00 -US\$0.065)	3,994	37,633
Transfer to legal reserve (*)	1,000	9,420
Bonus to directors	15	141
Retained earnings to be carried forward	¥108,674	\$1,023,780

* The Company set aside legal reserve of ¥17,308million (US\$163,057thousand) as of March 31, 2000, and this is not shown in the consolidated balance sheets.

Report of Independent Certified Public Accountants

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

The Board of Directors

The Nippon Fire & Marine Insurance Company, Ltd.

We have audited the accompanying consolidated balance sheets of The Nippon Fire & Marine Insurance Company, Ltd. and its consolidated subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of income and shareholders' equity for each of the three years in the period ended March 31, 2000 and the consolidated statement of cash flows for the year ended March 31,2000, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial consolidated statements referred to above present fairly the consolidated financial position of the Nippon Fire & Marine Insurance Company, Ltd. and its consolidated subsidiaries as of March 31, 2000 and 1999, and the consolidated results of their operations for each of the three years in the period ended March 31, 2000 and the consolidated statement of cash flows for the year ended March 31,2000 in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis except for the following paragraph.

As discussed in Note 1 to the consolidated financial statements, in 2000 the Company changed its method of accounting for pension plan and income taxes and, in 1999 changed its method of accounting for valuation of investments in securities and computer software development costs.

The amounts expressed in U.S. dollars, provided solely for the convenience of the reader, have been translated on the basis set forth in Note 2 to the accompanying consolidated financial statements.



ChuoAoyama Audit Corporation

Tokyo, Japan

June 29, 2000

Selected Non-consolidated Financial Data

THE NIPPON FIRE & MARINE INSURANCE CO., LTD. Years ended March 31

1. Five Year Summary

	Millions of Yen					Thousands of U.S. Dollars (*1)
	2000	1999	1998	1997	1996	2000
Operating income	¥688,516	¥652,155	¥719,004	¥736,748	¥668,364	\$6,486,261
Net premiums written	410,406	413,339	437,875	442,901	432,486	3,866,289
Investment income	43,720	50,544	57,492	62,387	67,397	411,870
Net losses paid	231,198	226,236	220,864	222,886	217,164	2,178,032
Ordinary profit	28,142	27,292	23,328	21,146	33,806	265,123
Net income	7,328	6,719	7,142	6,873	7,032	69,035
Net income per share: (in yen and U.S. dollars)						
Basic	12.66	11.57	12.30	11.83	12.11	0.119
Diluted (*2)	-	-	12.29	11.83	12.10	-
Cash dividends per share (in yen and U.S. dollars)	7.00	7.00	7.00	7.00	7.00	0.065
Total assets (*3)	1,885,368	1,871,822	1,900,430	1,927,971	1,949,051	17,761,361
Shareholders' equity	235,126	217,057	214,452	211,427	208,674	2,215,040
Shareholders' equity ratio (*3)	12.5%	11.6%	11.3%	11.0%	10.7%	
Return on equity (ROE)	3.2%	3.1%	3.4%	3.3%	3.4%	
Price-earnings ratio (PER)	19.98	32.50	44.47	49.03	54.67	
Loss ratio (*4)	60.7%	59.1%	54.6%	54.8%	54.9%	
Expense ratio (*5)	39.1%	39.8%	39.1%	38.9%	39.2%	

* : 1. U.S. dollar amounts are translated from yen at the rate of ¥106.15 = US\$1, the approximate rate prevailing at March 31, 2000.

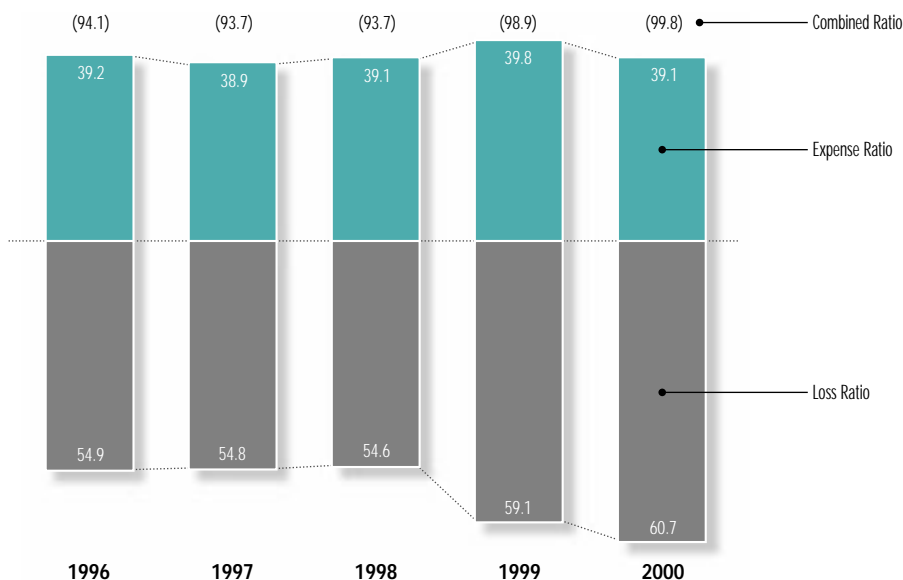
2. There were no potential common shares to be issued during the years ended March 31, 2000 and 1999 due to the maturity of convertible bonds at March 31, 1998.

3. Total assets and shareholders' equity ratio for the years ended March 31, 1999, 1998, and 1997 have been recalculated in accordance with the revised Insurance Business Law effective from March 30, 2000.

4. Ratio of net losses and loss adjustment expenses paid to net premiums written.

5. Ratio of net operating expenses less loss adjustment expenses paid to net premiums written.

Loss and Expense Ratios (%)



2. Solvency Margin Ratio

	Millions of Yen		Thousands of U.S. Dollars (*)
	2000	1999	2000
A. Solvency margin	¥ 829,368	¥828,110	\$7,813,176
B. Total amount of risk	124,335	114,076	1,171,316
Solvency margin ratio: $(A \div B \times 1/2) \times 100$	1,334.1%	1,451.8%	

* U.S. dollar amounts are translated from yen at the rate of ¥106.15 = US\$1, the approximate rate prevailing at March 31, 2000.

An insurance company has underwriting funds which have been set up for the obligations under various insurance contracts including maturity refunds of savings-type insurance. Even though unexpected damages caused by catastrophic natural disasters, unexpected decline of the fair value of investment assets and all other unexpected business risks occur, an insurance company should seek to maintain an adequate solvency margin.

The solvency margin ratio is the proportion of "solvency margin" to "unexpected risk (equal to total amount of risk)" as described below. The ratio is calculated based on the Insurance Business Law of Japan and related regulations.

The Financial Supervisory Agency monitors the solvency margin ratio to assess the financial condition of insurance companies and demands that companies meet the statutory requirement of a solvency margin ratio of at least 200%.

A: Solvency Margin

This represents the solvency of the insurance company and contains the following components:

1. Company's capital
2. Reserves (catastrophe loss reserves, reserve for price fluctuations, etc.)
3. Some portion of unrealized gain of marketable stocks and lands
4. Others

B: Total amount of risk

Total amount of risk considers all risks arising from insurance business and consists of the following:

1. Underwriting risk (includes risk of catastrophic disasters)
2. Shortfall risk of expected investment yield regarding savings-type insurance
3. Investment risk
4. Management risk

CORPORATE DATA

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Overseas Group Network

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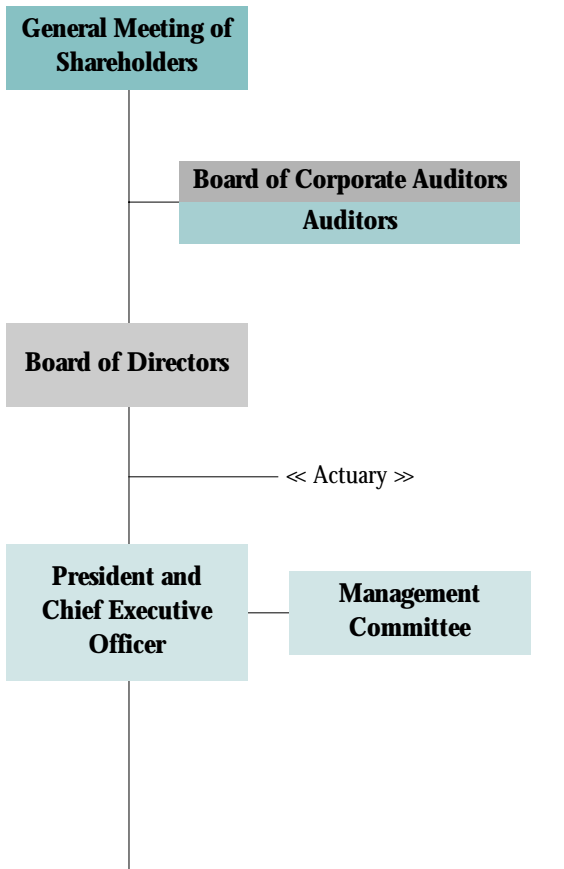
Canada

CGU Insurance Company of Canada

2206 Eglinton Avenue East, Scarborough,
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Organization Chart

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD. As of June 29, 2000



HEAD OFFICE

Sales Promotion Headquarters	*Member of the Sales Promotion Headquarters
Secretariat	
Corporate Planning	Compliance Integration Planning
Corporate Communications	
Inspection	
General Affairs	Investor Relations
Personnel	
Personnel Development	
Accounting	
Investment Planning	
Securities	
Loans	
Information System Planning	Agency System
Information System Development	
Data Processing	
Affiliate Affairs	
*Sales Promotion	Financial Channel Planning
*Sales Planning	2 Customer Service Centers (Tokyo, Osaka) Distribution System Agency Staff Recruitment and Training
*Agency Development	
*Automobile Production Development	
*Fire and Casualty Underwriting	Commercial Lines Savings Insurance
Reinsurance	
*Automobile Underwriting	
Strategic Risk Management and Consulting	
Non-Marine Claims	
*Marine	Marine Claims
*International	China
20 Representative Offices: London/Düsseldorf/Frankfurt/Hamburg/Brussels/Paris/ New York/Los Angeles/Chicago/Toronto/ Sydney/Melbourne/Singapore/Hong Kong/Kuala Lumpur/ Jakarta/Taipei/Bangkok/Hanoi/Manila/	1 Representative Office: Shanghai
Headquarters Claims	
Mortgage Administration	
5 Non-Marine Production (I. II. III. IV. Government Affairs)	
2 Marine Production (Cargo/Hull)	

REGIONAL PRODUCTION HEADQUARTERS

Automobile Productions	5 Departments
Metropolitan	12 Departments
Hokkaido	4 Departments
Tohoku	8 Departments
Kanto	12 Departments
Chubu	10 Departments
Kansai	14 Departments
Chugoku, Shikoku	8 Departments
Kyushu	7 Departments

Directors & Officers

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

As of June 29, 2000

BOARD OF DIRECTORS

Ken Matsuzawa*

Kyoji Adachi*

Teruo Ueshima

Kozo Takahashi

Shoichiro Oguri

Toshiyuki Komatsu

Tsutomu Shimizu

*Representative Director

CORPORATE AUDITORS

Kazuhiko Inoue

Seizaburo Sakurai

INDEPENDENT

CORPORATE AUDITORS

Shinichiro Uchikubo

Itaru Ishikawa

CORPORATE OFFICERS

President and Chief Executive Officer

Ken Matsuzawa

Executive Deputy President

Kyoji Adachi

Executive Vice Presidents

Teruo Ueshima

Kozo Takahashi

Shoichiro Oguri

Toshiyuki Komatsu

Senior Vice Presidents

Kenji Shimoi

Shinichi Suzuki

Tsutomu Shimizu

Yoshiaki Shinozaki

Vice Presidents

Takeshi Takahashi

Tatsuya Yasutake

Akira Matsuno

Makoto Hyodo

Hiroshi Yokoi

Osamu Takeuchi

Tadashi Mori

Koshu Asahina

Katsuhide Sakurai

Yoshihiro Nakadai

Atau Kadokawa

Shunichi Arimura

Corporate Data

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

As of March 31, 2000

Head Office

2-10, Nihonbashi 2-chome, Chuo-ku,
Tokyo 103-8255, Japan

Telephone: (03) 3272-8111

Facsimile: International Department

(03) 5229-3385

Reinsurance Department

(03) 5229-3369

Marine Claims Department

(03) 5229-3383

Corporate Communications

(03) 3231-3468

Investor Relations

(03) 3231-3612

URL : <http://www.nihonkasai.co.jp/>

Established 1892

Capital ¥61,245 million
(US \$576,971 thousand)

Offices

Domestic 318

Overseas 21

Claims handling offices 151

Employees 5,736

Agents 34,550

Number of Shares of Common Stock

Authorized : 990,000,000 shares

Issued : 570,686,010 shares

Stock Exchange Listings

Tokyo, Osaka, Nagoya

General Meeting of Shareholders

The General Meeting of Shareholders is to be held within four months of April 1 each year.

The latest Annual General Meeting of Shareholders was held on June 29, 2000.

Transfer Agent

The Toyo Trust and Banking Company, Ltd.
4-3, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8214, Japan

THE NIPPON FIRE & MARINE INSURANCE CO.,LTD.

2-10, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-8255, Japan

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