

May 24, 2006

NIPPONKOA Insurance Group
Numerical Targets of Medium-Term Business Plan: “KAKUSHIN”

NIPPONKOA Insurance Co., Ltd., (President: Ken Matsuzawa) has set the numerical targets of its medium-term business plan, “KAKUSHIN (Reform, Core, Confidence),” for the three years from fiscal 2006 to fiscal 2008.

We released the outline and strategies of the medium-term business plan, “KAKUSHIN” on March 28, 2006. Today, we disclose the numerical targets of the plan following announcement of our financial results for fiscal 2005.



1. Numerical Targets for Non-life Insurance Business

(1) NIPPONKOA Insurance Co., Ltd.

	Fiscal 2005 (actual)	Fiscal 2008 (target)
Net premiums written	708.3 billion yen	750 billion yen
Loss ratio	62.7 %	60.0 %
Expense ratio	35.7 %	32.8 %
Combined ratio(*1)	98.4 %	92.8 %
Ordinary profit	26.7 billion yen	40 billion yen
Net income	13.2 billion yen	25 billion yen
Adjusted ROE(*2)	4.6 %	approx. 8 %

*1 Sum of loss ratio and expense ratio.

*2 In calculating adjusted ROE in the above table, “Net unrealized gain on available-for-sale securities” is deducted from the denominator.

<Supplementary explanation for the above numerical targets>

- Net premiums written

We aim to expand premium income by an average of 2% annually, by developing and strengthening existing sales channels, actively creating new sales channels, timely launching competitive products, and actively implementing sales increase plans in each market and channel.

In September 2006, we will launch “CAR BOX,” a new mainstay automobile insurance product for the personal market as the first of our strategic products for the medium-term business plan. We also plan to launch third-sector products(*3), products designed for Japan’s aging society with a

declining birthrate, and products to take advantage of lifting of a ban on banks' insurance product sales, thereby strongly increasing insurance sales.

*3 Third-sector products include medical insurance, etc.

- Loss ratio

We aim to improve our loss ratio by increasing premium revenue, strict underwriting, and establishment of an efficient system for timely and appropriate claim payments by utilizing information technology.

- Expense ratio

We will fundamentally reform our business structure and reduce expenses by improving productivity and pursuing low-cost operations through utilization of information technology and operations reformation, as well as by concentrating management resources on promising growth areas carefully selected through cost-effectiveness analysis.

- Profit

We aim to drastically improve our combined ratio and increase profitability by sales growth and expense reduction.

(2) Sonpo 24 Insurance Co., Ltd.

(an automobile insurance subsidiary)

	Fiscal 2005 (actual)	Fiscal 2008 (target)
Net premiums written	6.6 billion yen	18 billion yen

<Supplementary explanation for the above numerical target>

- Net premiums written

In cooperation with the parent company, NIPPONKOA Insurance, Sonpo 24 aims to substantially increase premiums by developing new sales channels through new tie-ups and establishment of new highly effective agencies, as well as by utilizing new Web technologies.

2. Numerical Targets for Life Insurance Business

(NIPPONKOA Life Insurance Co., Ltd.)

	Fiscal 2005 (actual)	Fiscal 2008 (target)
Amount of business in force for individual insurance	3,266.4 billion yen	5,500 billion yen
Ordinary profit (before provisioning additional policy reserves toward achieving "standard reserve")	4.6 billion yen	7 billion yen

<Supplementary explanation for the above numerical targets>

- Amount of business in force for individual insurance

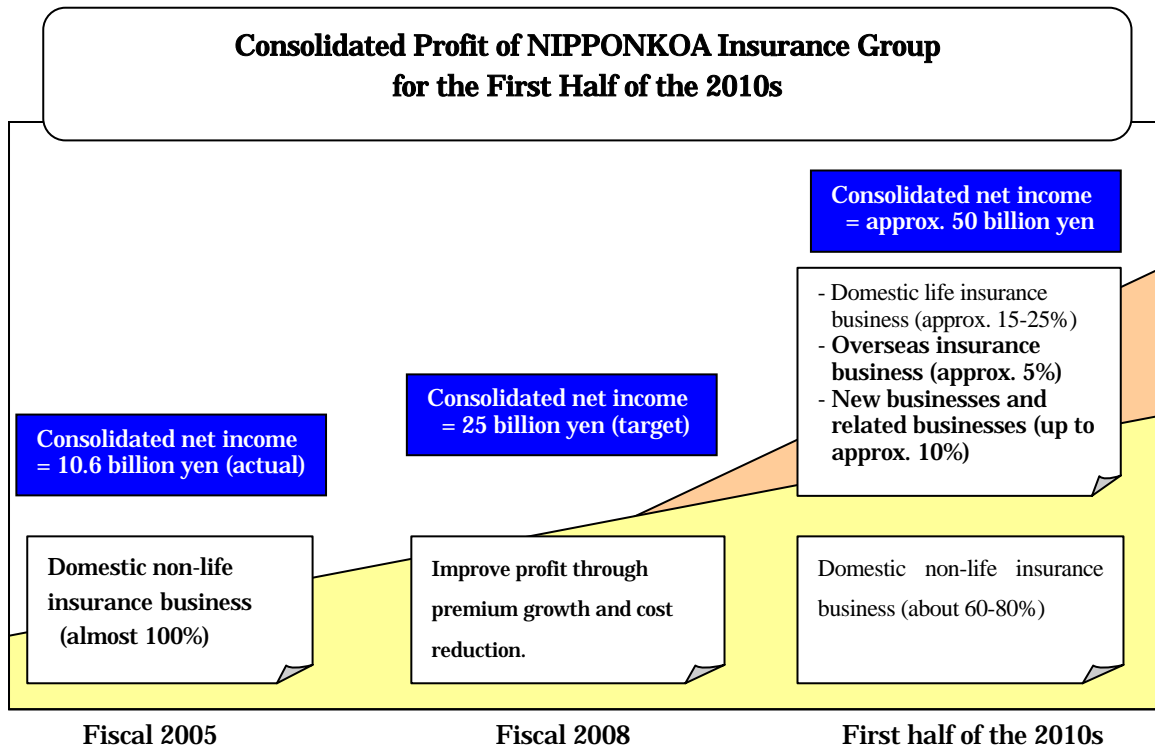
We aim to increase the amount of business in force by increasing our cross-sell ratio with non-life insurance toward over 7% (currently at the 5% level) with the following measures:

- strengthening sales promotion structure such as by increasing the number of highly specialized life insurance sales promoters
- enhancing support measures for increasing agency scale
- enhancing education and training framework
- constructing new direct sales systems

3. Numerical Targets for Consolidated Profit

	Fiscal 2005 (actual)	Fiscal 2008 (target)
Consolidated ordinary profit	24.4 billion yen	40 billion yen
Consolidated net income	10.6 billion yen	25 billion yen
Consolidated adjusted ROE(*2)	3.8 %	approx. 8 %

*2 In calculating consolidated adjusted ROE, "Net unrealized gain on available-for-sale securities" is deducted from the denominator.



<Supplementary explanation for the above diagram>

- By the end of fiscal 2008, we will have improved profit in our non-life insurance business by premium growth and expense reduction.
 - After fiscal 2008, along with continuing to develop our non-life insurance business, we expect to make our life insurance business become one of our major profit makers by increasing amount of business in force.
- Also, we will increase profit from our overseas insurance business by exploring emerging markets mainly in Asia, and develop new and/or related businesses from which we can expect synergies with our insurance business. We believe these efforts will increase our consolidated profit substantially.

Cautionary Statement

Estimates, projections, targets and other statements contained in this material that are not historical facts are forward-looking statements about the future performance and plans of NIPPONKOA Insurance Co., Ltd. (the "Company"). Such forward-looking statements are based on the Company's assumptions and beliefs in light of the information currently available to it. Therefore, those statements do not guarantee future performance, but involve risks and uncertainties. The Company cautions you that a number of important factors could cause actual results to differ materially from those contained in the forward-looking statements. Such factors include, but are not limited to, (1) general economic conditions in the Company's market, mainly Japan, (2) business conditions in the insurance industry, especially, increased competition, (3) fluctuation of exchange rates, and (4) the regulatory environment.