

NIPPONKOA Insurance Co., Ltd.

7-3, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8965, Japan

June 2, 2009

Dear Shareholders:

We are pleased to inform you that invitations (in the Japanese language) to attend the 65th ordinary general meeting of shareholders have been sent today to shareholders residing in Japan and to permanent representatives of non-resident shareholders.

Below you will find we have translated the gist of the invitation into English for your convenience.

Please note, however, that the information provided in this abridged translation is supplementary; it is not meant to influence shareholders in exercising their voting rights.

The unabridged version of the notice in Japanese has been made available to your permanent representative.

We thank you for your continued support of NIPPONKOA.

Sincerely,

Makoto Hyodo

President and Chief Executive Officer

This English translation is an abridged version of the original notice of convocation in Japanese. In the event of a discrepancy, the Japanese version shall prevail.

This English version of the notice of convocation can also be viewed on our website at the URL given below.

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

**NOTICE OF CONVOCAION OF THE 65th ORDINARY
GENERAL MEETING OF SHAREHOLDERS**

1. Date & Time: 10:00 a.m. on Thursday, June 25, 2009

2. Place: Conference Room, 13th Floor
NIPPONKOA Insurance Co., Ltd. Head Office, 7-3, Kasumigaseki 3-chome,
Chiyoda-ku, Tokyo

3. Meeting Agenda:

Items to be reported:

Business Report, Financial Statements, and Consolidated Financial Statements for the Company's 65th business term (from April 1, 2008 to March 31, 2009); and Results of Audit of the Consolidated Financial Statements conducted by Independent Public Accountants and Board of Statutory Auditors

Items to be resolved:

Item 1: Disposition of retained earnings

Item 2: Partial Amendments to Articles of Incorporation

Item 3: Appointment of eleven directors

Item 4: Appointment of one statutory auditor

4. Information:

How will I know if amendments are made to the Reference Materials for the General Shareholders Meeting and the attached documents?

If we need to amend information described in the Reference Materials for the General Shareholders Meeting, the Business Report, the Financial Statements or Consolidated Financial Statements, we will notify you of those amendments by putting them on our website (<http://www.nipponkoa.co.jp/gms/>).

REFERENCE MATERIALS FOR GENERAL SHAREHOLDERS MEETING

Agenda items and reference materials

Item 1: Disposition of retained earnings

As a company engaging in the non-life insurance business, a business of a highly public nature, the Company believes it important to ensure the stable base for its business from a long-term perspective.

With dispositions of retained earnings, we strive to enhance our internal reserves and further strengthen our ability to cover contingencies in preparation for earthquakes or other extraordinary disasters. Our basic policy is to continue to pay stable dividends to shareholders and to provide returns to shareholders through acquisitions of Company shares.

For our internal reserves, we propose to efficiently reinvest them in order to further strengthen both our ability to cover contingencies and the base for our business.

Taking into account the Company's business performance and in line with the abovementioned policy, we propose an annual dividend this year 0.50 yen up from last year as follows.

1. Type of assets for distribution
The Company proposes to pay dividends in cash.
2. Matters concerning allotment of assets for distribution and total amount
The Company proposes to pay annual dividends of ¥8 per share of common stock of the Company. The total amount of dividends will be 6,019,232,616 yen.
3. Effective date of distribution of retained earnings
The Company proposes that the effective date of the reserve increase will be June 26, 2009.

Item 2: Partial Amendments to Articles of Incorporation

1. Reason for Amendments

The Act for Partial Amendment to the Act on Transfer of Bonds, etc. for the Purpose of Rationalizing Settlement Related to Transactions of Stocks, etc. (Law No. 88 of 2004; “Stock Settlement Rationalization Act”) came into effect on January 5, 2009, and the shares of common stock of the Company will be handled under the Share Transfer System (Electronic Share Certificate System) under the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Law No. 75 of 2001).

In accordance with the implementation of the Electronic Share Certificate System, the Company will no longer charge share handling fees.

Accordingly, the Company will delete provisions relating to share certificates, beneficial owners, the register of beneficial owners, and handling fees and make other necessary amendments.

The Company will add necessary provisions as supplementary provisions, as it is required to prepare and maintain the register of lost share certificates until the first anniversary of the day following the day the Stock Settlement Rationalization Act came into force.

Provisions concerning issuance of share certificates set out in Article 6.3 of the Articles of Incorporation of the Company are considered abolished in accordance with Article 6.1 of the Supplementary Provisions of the Stock Settlement Rationalization Act.

2. Details of Amendments

The following table shows a comparison between the current Articles of Incorporation and the proposed amendments.

Current Version	Proposed Amendments
<p>Article 6. (Total Number of Shares Authorized to be Issued by the Company, and Number of Shares Constituting One Unit (<i>tangen</i>))</p> <p>1. The total number of shares authorized to be issued by the Company shall be one billion five hundred million (1,500,000,000).</p> <p>2. The number of shares of the Company constituting one unit (<i>tangen</i>) shall be one thousand (1,000).</p> <p>3. <u>The Company shall issue stock certificates for shares.</u></p> <p>4. <u>Notwithstanding the foregoing paragraph, the Company shall not issue stock certificates for Less Than One Unit Shares (<i>tangen</i>), except for those to be issued according to the Share Handling Regulations.</u></p>	<p>Article 6. (Total Number of Shares Authorized to be Issued by the Company, and Number of Shares Constituting One Unit (<i>tangen</i>))</p> <p>1. (Remains unchanged)</p> <p>2. (Remains unchanged)</p> <p>[Deleted]</p> <p>[Deleted]</p>

Article 7. (Rights Pertaining to Less Than One Unit Shares (*tangen*))

Shareholders of the Company (hereinafter including beneficial owners) shall not exercise any right pertaining to Less Than One Unit Shares (*tangen*) they have except for the following rights:

- (1) rights granted by the items listed in Article 189, Clause 2 of the Corporation Act;
- (2) the right to make a request pursuant to Article 166, Clause 1 of the Corporation Act;
- (3) the right to be allotted, in proportion to the number of shares owned by the shareholder, offered shares or offered stock acquisition rights; and
- (4) the right to make a request pursuant to Article 9.

Article 10. (Share Registrar)

- 1. The Company shall have a share registrar.
- 2. The share registrar and the location for handling its business shall be appointed in accordance with a resolution of the Board of the Directors and be announced in the form of public notice.
- 3. The preparation and keeping of the register of shareholders of the Company (hereinafter including the register of beneficial owners), the register of stock acquisition rights and the register of lost share certificates, and any other business relating to the register of shareholders, the register of stock acquisition and the register of lost share certificates shall be delegated to the share registrar and shall not be handled by the Company.

Article 11. (Share Handling Regulations)

The handling business and the fees with respect to the shares, and procedures relating to the exercise of the rights of shareholders shall, except as provided in the Company's Articles of Incorporation, be governed by the Share Handling Regulations to be established by the Board of Directors.

[New Supplementary Provisions]

Article 7. (Rights Pertaining to Less Than One Unit Shares (*tangen*))

Shareholders of the Company shall not exercise any right pertaining to Less Than One Unit Shares (*tangen*) they have except for the following rights:

- (1)~(4) (Remains unchanged)

Article 10. (Share Registrar)

- 1. (Remains unchanged)
- 2. (Remains unchanged)
- 3. The preparation and keeping of the register of shareholders of the Company and the register of stock acquisition rights, and any other business relating to the register of shareholders and the register of stock acquisition shall be delegated to the share registrar and shall not be handled by the Company.

Article 11. (Share Handling Regulations)

The handling business with respect to the shares and procedures relating to the exercise of the rights of shareholders shall, except as provided in the Company's Articles of Incorporation, be governed by the Share Handling Regulations to be established by the Board of Directors.

Supplementary Provisions

Article 1

The Company shall delegate the share registrar to prepare, keep and carry out any other business relating to the register of lost share certificates of the Company, and the Company shall not handle these matters.

Article 2

The Company will delete Articles 1 and 2 of these Supplementary Provisions on January 6, 2010.

Item 3: Appointment of eleven directors

The term of office of all 10 directors of the Company will expire at the end of the present Ordinary General Meeting of Shareholders. Accordingly, approvals for the appointment of the following 11 directors are requested.

Candidate Number	Name & Date of Birth	Summarized Resume; Position and Responsibilities in the Company; and Representative Status at Other Juridical Entities	Number of Shares of the Company Owned by the Candidate
1	Makoto Hyodo (Jan. 25, 1945)	<p>Apr. 1967 Entered The Nippon Fire & Marine Insurance Co., Ltd. Jun. 1991 General Manager of First Metropolitan Production Dept. Jun. 1993 General Manager of Fukushima Branch Jun. 1995 General Manager of Hiroshima Branch Apr. 1998 General Manager of Fourth Corporate Production Dept. Jun. 1999 Executive Officer and General Manager of Fourth Corporate Production Dept. Jun. 2000 Executive Officer and Executive General Manager of Tohoku Headquarters Apr. 2001 Executive Officer and Executive General Manager of Tohoku Headquarters of the Company Dec. 2001 Executive Officer and Executive General Manager of Tohoku Headquarters and General Manager of Iwate Branch Mar. 2002 Managing Executive Officer and General Manager of Fifth Production Dept. Apr. 2002 Managing Executive Officer Jun. 2004 Senior Managing Executive Officer Jun. 2005 Representative Director & Executive Deputy President Apr. 2007 President & Chief Executive Officer of the Company (present)</p> <p>Representative status at other juridical entities: Chairman of NIPPONKOA Welfare Foundation</p>	49,000
2	Masaya Futamiya (Feb. 25, 1952)	<p>Apr. 1974 Entered The Nippon Fire & Marine Insurance Co., Ltd. Jun. 1998 General Manager of Secretariat Office Apr. 2001 General Manager of Secretariat Office of the Company Apr. 2002 General Manager of Chief Executive Office & IR Office Jun. 2003 Executive Officer and General Manager of Chief Executive Office & IR Office Apr. 2004 Executive Officer and General Manager of Chief Executive Office & Customer Relationship Planning Dept. Jun. 2004 Managing Executive Officer Jun. 2005 Director and Managing Executive Officer (present)</p> <p>Responsibilities in the Company: Corporate Planning (Corporate Research & Development, IR), Business Integration Planning, General Affairs, and Commercial Lines Underwriting</p>	23,000

Candidate Number	Name & Date of Birth	Summarized Resume; Position and Responsibilities in the Company; and Representative Status at Other Juridical Entities	Number of Shares of the Company Owned by the Candidate
3	Masahiko Okabe (Jan. 9, 1938)	Apr. 1961 Entered Nippon Express Co., Ltd. Jun. 1995 Director of Nippon Express Co., Ltd. Jun. 1997 Managing Director of Nippon Express Co., Ltd. Jun. 1999 President of Nippon Express Co., Ltd. Jun. 2001 President and Chief Executive Officer of Nippon Express Co., Ltd. Jun. 2004 Director of the Company (present) May 2005 Representative Director & Chairman of Nippon Express Co., Ltd. May 2009 Director & Chairman of Nippon Express Co., Ltd. (present)	0
4	Yoji Wakui (Feb. 5, 1942)	Apr. 1964 Entered Ministry of Finance May 1995 Deputy Vice Minister of Ministry of Finance Jul. 1997 Director-General of the Budget Bureau of Ministry of Finance Jul. 1999 Vice Chairman of the General Insurance Association of Japan Jun. 2004 Representative Director & Chairman of the Board of Japan Tobacco Inc. Jun. 2006 Chairman of the Board of Japan Tobacco Inc. (present) Jun. 2006 Statutory Auditor of the Company Jun. 2008 Director of the Company (present)	3,000
5	Junichiro Sano (Aug. 19, 1955)	Apr. 1978 Entered Nikko Securities Inc. Feb. 1996 Manager of Global Sales Dept. of Nikko Securities Inc. Feb. 1997 Manager of Wholesales Dept. of Nikko Securities Inc. Mar. 1999 Managing Director of Nikko Salomon Smith Barney Ltd. (now Nikko Citigroup Ltd.) Apr. 2006 President and CEO of Dalton Investments KK. Jun. 2008 Director of the Company (present) Feb. 2009 Chairman and Board Member of Dalton Investments KK. (present)	1,000
6	Tatsuya Tamura* (Oct. 11, 1938)	Apr. 1961 Entered The Bank of Japan Jan. 1992 Executive Director of The Bank of Japan Apr. 1996 Chairman of A.T. Kearney, Inc. May 2002 Representative Director of Global Management Institute Inc. (present) Mar. 2003 Chairman of Japan Independent Directors Network (present) Representative status at other juridical entities: Representative Director of Global Management Institute Inc.	0
7	Kazuo Hashimoto (Jun. 3, 1948)	Apr. 1971 Entered The Koa Fire & Marine Insurance Co., Ltd. Apr. 1995 General Manager of Fukui Branch Apr. 1997 General Manager of Yokohama Bayside Branch Apr. 1998 General Manager of Saving-type Insurance Dept. Apr. 1999 General Manager of Fire, Casualty & Savings-type Insurance Underwriting Dept. Apr. 2000 General Manager of Non-Marine Underwriting Dept. Apr. 2001 General Manager of Seventh Production Dept. of the Company Jun. 2002 Executive Officer and General Manager of Seventh Production Dept. Apr. 2003 Executive Officer Apr. 2004 Executive Officer and Assistant Executive General Manager of Kansai Headquarters Jun. 2004 Director & Managing Executive Officer and Assistant General Manager of Marketing Dept. Apr. 2006 Director & Senior Managing Executive Officer Jun. 2008 Representative Director & Executive Deputy President (present) Responsibilities in the Company: Assistant to the President and Chief Executive Officer, Quality Control, and Corporate Planning (other than Corporate Research & Development, IR)	38,000

Candidate Number	Name & Date of Birth	Summarized Resume; Position and Responsibilities in the Company; and Representative Status at Other Juridical Entities	Number of Shares of the Company Owned by the Candidate
8	Yasuhide Fujii (Dec. 10, 1951)	<p>Apr. 1974 Entered The Nippon Fire & Marine Insurance Co., Ltd. Jun. 1998 General Manager of Reinsurance Dept. Apr. 2001 General Manager of Reinsurance of the Company Apr. 2003 General Manager of Accounting Dept. Apr. 2005 Executive Officer Apr. 2006 Managing Executive Officer Apr. 2007 Director and Managing Executive Officer (present)</p> <p>Responsibilities in the Company: Accounting, Information Technology Planning, Information Systems, and Business Process Reengineering</p>	36,150
9	Takayuki Naito (Feb. 3, 1952)	<p>Apr. 1975 Entered Sanwa bank Ltd. Jan. 2000 General Manager of Derivatives Sales Dept. of Sanwa Bank Jan. 2002 General Manager of Funding and Exchange Dept. of UFJ Bank Ltd. Jan. 2006 Councilor at Headquarter of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Feb. 2006 Temporally transferred to the Company Apr. 2006 Transferred to the Company Jun. 2006 Executive Officer and Executive General Manager of Investment Headquarters (CIO) Apr. 2007 Executive Officer and Executive General Manager of Investment Headquarters (CIO) and Manager of Investment Dept. Oct. 2007 Executive Officer and Executive General Manager of Investment Headquarters (CIO) Jun. 2008 Director & Managing Executive Officer and Executive General Manager of Investment Headquarters (CIO) (present)</p>	6,000
10	Yuich Yamaguchi* (Apr. 8, 1952)	<p>Apr. 1976 Entered The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2001 General Manager of Okayama Branch of the Company Oct. 2001 General Manager of Osaka Minami Branch Mar. 2004 General Manager of Nagoya Branch Jun. 2005 General Manager of Claims Management Dept. Jun. 2006 Executive Officer and General Manager of Claims Management Dept. Jun. 2008 Managing Executive Officer and General Manager of Claims Management Dept. Aug. 2008 Managing Executive Officer (present)</p> <p>Responsibilities in the Company: Claims Management, Claims Dept. of Head office, and Mortgage Administration Dept.</p>	18,000
11	Kazufumi Yunome* (Nov. 11, 1952)	<p>Apr. 1977 Entered The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2001 General Manager of Corporate Research & Development office at Corporate Planning Dept. of the Company Apr. 2002 General Manager of Corporate Research & Development office at Chief Executive Office Jun. 2004 General Manager of Fire & Casualty Underwriting Dept. Jun. 2006 Executive Officer and General Manager of Fire & Casualty Underwriting Dept. Jan. 2007 Executive Officer and General Manager of Fire & Casualty Underwriting Dept. & Medical insurance Dept. Apr. 2007 Executive Officer and General Manager of Fire & Casualty Underwriting Dept. Apr. 2008 Executive Officer and General Manager of Personal Lines Insurance Dept. & Fire Insurance at Personal Lines Insurance Dept. Jun. 2008 Executive Officer and General Manager of Personal Lines Insurance Dept. (present)</p> <p>Responsibilities in the Company: Personal Lines Insurance</p>	13,000

Notes:

1. The candidates with asterisks (*) next to their name are newly appointed candidates.
2. Makoto Hyodo is the Chairman of NIPPONKOA Welfare Foundation. The Company makes contributions to the foundation to support its research activities.
3. The other candidates do not have any substantial business interest in the Company such as may be deemed to conflict with the performance of their duties.
4. Masahiko Okabe is a candidate for outside director. The Company appointed him as a candidate for outside director and asked him to provide advice and supervision from a broad perspective as a director, making use of his experience and insight as a manager of important companies in different business fields, and asked him to contribute to appropriately and efficiently managing the Company. He has contributed to the Company's management for five years as a director by making use of his experience and insight. Upon his reappointment, the Company intends to renew the limited liability agreement with him, the details of which are described in the business report (p.11 of [Attachment] later)
In March 2009, Nippon Express Co., Ltd., at which Mr. Okabe has concurrently held the office of director & chairman, received a cease and desist order and surcharge payment order from the Japan Fair Trade Commission for unreasonable restraint of trade in the form of holding discussions and the like with competitors from around September 2002 through around November 2007 over fuel surcharges and other fees relating to international air freight services.
However, Mr. Okabe provides internal guidance in Nippon Express on a day-to-day basis to improve Nippon Express's various compliance systems and educate employees for the purpose of enhancing compliance awareness. Since Nippon Express's receiving the orders from the Japan Fair Trade Commission, Mr. Okabe has been guiding Nippon Express in promptly executing the measures set out in the cease and desist order and in ensuring the entire company further strengthens and more thoroughly carries out compliance with corporate ethics and measures to prevent recurrence of such incidents.
In addition, Asahi Mutual Life Insurance Co., at which Mr. Okabe has concurrently held the office of outside director since July 2005, reinvestigated its insurance premiums and benefits paid over the five years from 2001 until 2005 and discovered that the payments in some cases were insufficient. In July 2008, Asahi Mutual Life Insurance was subject to an administrative disposition (a business improvement order) from the Financial Services Agency concerning its management of payments of insurance premiums. Mr. Okabe was not involved in the occurrence of these matters and has been performing his duties, such as proposing preventative measures, since these matters have been discovered.
5. Yoji Wakui is a candidate for outside director. The Company appointed him as a candidate for outside director and asked him to provide advice and supervision from a broad perspective as a director, making use of his experience and insight as a senior officer of the Ministry of Finance and a manager of important companies in different business fields, and asked him to contribute to appropriately and efficiently managing the Company. He has contributed to the Company's management for one year as a director and two years as a statutory auditor by making use of his experience and insight. Upon his reappointment, the Company intends to renew the limited liability agreement with him, the details of which are described in the business report (p.11 of [Attachment] later).
6. Junichiro Sano is a candidate for outside director. The Company appointed him as a candidate for outside director and asked him to provide advice and supervision from a broad perspective as a director, making use of his experience at domestic and international financial institutions and insight as an influential institutional investor, and asked him to contribute to enhance the corporate value and shareholders value of the Company and appropriately and efficiently managing the Company. He has contributed to the Company's management for one year as a director by making use of his experience and insight. Upon his reappointment, the Company intends to renew the limited liability agreement with him, the details of which are described in the business report (p.11 of [Attachment] later).
7. Tatsuya Tamura is a candidate for outside director. The Company appointed him as a candidate for outside director and asked him to provide advice and supervision from a broad perspective as a director, making use of his experience as executive director of the Bank of Japan, the representative of a major consulting firm, and Chairman of Japan Independent Directors Network. The Company asked him to contribute to enhancing the corporate value and shareholder value of the Company and appropriately and efficiently managing the Company. Upon his appointment, the Company intends to execute the same limited liability agreement with him as it has executed with its current outside directors, the details of which are described in the business report (p.11 of [Attachment] later).
8. Kazuo Hashimoto is to be appointed President & Chief Executive Officer of NIPPONKOA Life Insurance Co., Ltd. as of June 25, 2009.

Item 4: Appointment of one statutory auditors

Toshiyuki Sho, statutory auditor, will resign at the end of the present Ordinary General Meeting of shareholders. Accordingly, approvals for the appointment of the following statutory auditor are requested. The Board of Statutory Auditors has endorsed this proposal.

Name & Date of Birth	Summarized Resume; Position and Responsibilities in the Company; and Representative Status at Other Juridical Entities	Number of Shares of the Company Owned by the Candidate
Atau Kadokawa (Jun. 28, 1947)	Apr. 1970 Entered The Nippon Fire & Marine Insurance Co., Ltd. Apr. 1994 General Manager of the Americas Dept. Apr. 1997 General Manager of Risk Management Mission, General Affairs Dept. Jun. 1998 General Manager of General Affairs Dept. Apr. 2000 General Manager of General Affairs Dept. & IR Office Jun. 2000 Executive Officer and General Manager of General Affairs Dept. & IR Office Apr. 2001 Executive Officer and General Manager of General Affairs Dept. & IR Office of the Company Apr. 2002 Executive Officer and General Manager of General Affairs Dept. Jun. 2002 Director & Managing Executive Officer Jun. 2005 Director & Senior Managing Executive Officer Apr. 2007 Representative Director & Executive Deputy President (present)	58,050

Notes:

1. The candidate is a newly appointed candidate.
2. He does not have any substantial interest in the Company such as may be deemed to conflict with the performance of his duties.

—End of Reference Materials—

Description of Outside Directors & Outside Statutory Auditor in Business Report (abstract).(Year ended March 31,2009)

(3) Limited Liability Agreement

Name	Details of Limited Liability Agreement
Tatsuhiko Ishikawa (Outside Director)	The Company has executed limited liability agreements with each Outside Director and Outside Statutory Auditor listed in the left column, the relevant details of which agreements are as follows.
Masahiko Okabe (Outside Director)	If an Outside Director (Outside Statutory Auditor) fails to perform its duty and causes the Company to incur loss, and if he performs his duty in good faith and without gross negligence, the Outside Director will be liable to the Company for damages only to the extent of 10,000,000 yen or the minimum liability set out in the Corporation Law, whichever is higher. The Outside Director will automatically be exempt from any damages in excess of that maximum amount of liability.
Yoji Wakui (Outside Director)	
Junichiro Sano (Outside Director)	The agreement executed with the Outside Directors expressly sets out that each Outside Director must perform its due diligence obligations and perform its duty in good faith after executing the agreement, and the agreement executed with the Statutory Auditors expressly sets out that each Outside Statutory Auditor must perform their obligations from an objective perspective and perform their duty in good faith after executing the agreement.
Kozue Shiga (Outside Statutory Auditor)	
Katsuro Oishi (Outside Statutory Auditor)	
Sumitaka Fujita (Outside Statutory Auditor)	

—End of the Business Report (abstract)—

Non-Consolidated Balance Sheet

As of March 31, 2009

(Millions of Yen)

ASSETS	
Cash and bank deposits	92,440
Cash	60
Bank deposits	92,379
Call loans	15,000
Receivables under resale agreements	29,996
Monetary receivables bought	41,300
Money in trust	38,547
Investments in securities	1,848,982
Government bonds	452,234
Municipal bonds	61,731
Corporate bonds	356,457
Stocks	601,039
Foreign securities	354,705
Other securities	22,813
Loans	229,695
Policy loans	6,399
General loans	223,296
Tangible fixed assets	129,326
Land	68,165
Buildings	48,828
Leased assets	52
Construction in progress	5,394
Other tangible fixed assets	6,885
Intangible fixed assets	1,097
Other assets	156,536
Premiums receivable	350
Agents' balances receivable	23,327
Foreign agents' balances receivable	5,122
Co-insurance balances receivable	2,371
Reinsurance balances receivable	29,069
Foreign reinsurance balances receivable	4,933
Account receivable	11,528
Accrued revenue	5,552
Deposits	6,830
Deposits for earthquake insurance	43,639
Suspense payments	14,095
Derivative financial instruments	7,123
Other assets	2,592
Deferred tax assets	103,865
Reserve for doubtful accounts	(2,145)
Reserve for investment loss	(12,926)
Total assets	2,671,715

(Millions of Yen)

LIABILITIES

Underwriting fund	2,178,097
Outstanding claims	283,027
Underwriting reserves	1,895,069
Other liabilities	116,365
Co-insurance balances payable	1,366
Reinsurance balances payable	18,766
Foreign reinsurance balances payable	2,421
Payable under securities lending transactions	41,264
Loans payable	1,740
Accrued tax	2,498
Deposits payable	1,855
Deferred revenue	950
Account payable	26,280
Suspense receipts	6,764
Derivative financial instruments	12,400
Lease obligations	54
Other liabilities	0
Reserve for retirement benefits	21,708
Reserve for bonuses	5,631
Reserve for bonuses to directors	2
Statutory reserves	2,581
Reserve for price fluctuations	2,581
Total liabilities	2,324,386

NET ASSETS

Common stock	91,249
Capital surplus	46,702
Capital reserve	46,702
Retained earnings	168,249
Revenue reserve	36,947
Other retained earnings	131,302
Reserve for dividends	34,385
Reserve for extraordinary losses	54,000
Reserve for losses from foreign investments	0
Reserve for reduction entry	3,100
General reserve	25,962
Deferred retained earnings	13,854
Treasury stock	(58,122)
Total shareholders' equity	248,078
Net unrealized gain on available-for-sale securities	95,091
Net deferred gains (losses) on hedge accounting	3,700
Total valuation and translation adjustments	98,792
Subscription rights to shares	458
Total net assets	347,329
Total liabilities and net assets	2,671,715

Notes to Non-consolidated Balance Sheet

1. Accounting standards and methods for valuation of investments in securities are as follows:
 - (1) Held-to-maturity bonds are carried at amortized cost.
 - (2) Stocks of subsidiaries and affiliates are carried at cost determined by the moving-average method.
 - (3) Marketable securities classified as available-for-sale are recorded according to their mark-to-market values based on the prices prevailing in the market on the balance sheet date. The unrealized gains/losses, net of tax, on the available-for-sale securities are recognized as a component of net assets. Cost for sale is calculated by the moving-average method.
 - (4) Non-marketable securities classified as available-for-sale are recorded at cost determined by the moving-average method or the amortized cost method.
2. Securities included in individually managed money in trust are valued by the market value method.
3. Derivative transactions outstanding are accounted for by the market value method.
4. Depreciation of tangible fixed assets (excluding leased assets) is charged under application of the declining-balance method. However, the straight-line method is applied to buildings (excluding connected installations) acquired on or after April 1, 1998.
5. Reserve for doubtful accounts is provided under the application of the standards for asset self-assessment and the standards for write-offs and provisions as follows:

For loans to borrowers that are bankrupt, under special liquidation procedures, barred from bill clearing transactions, or that are otherwise in a state of legal or virtual bankruptcy, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value.

For loans to borrowers that are found to be facing a material risk of going into bankruptcy in the future, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value, with further adjustments made as deemed necessary under consideration of such borrowers' overall repayment capabilities.

For all other loans, a reserve is provided based on the actual default ratios derived from the defaults observed during certain past periods.

Furthermore, the divisions in charge of respective portfolios of assets evaluate the entire loan portfolio according to the standards for asset self-assessment, and the internal independent inspection department audits the results of the divisional assessments. The provisions made as described above are based on those audit findings.
6. Reserve for investment loss is provided for the probable investment losses mainly concerning securities transactions based on the standards for asset self-assessment and the standards for write-offs and provisions.
7. Reserve for retirement benefits is provided on the basis of estimated amounts of retirement benefit obligation and plan assets at the balance sheet date. Prior service cost is amortized by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service. Any actuarial difference incurred in each year is amortized from the following year by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service.
8. Reserve for bonuses is provided on the basis of the estimated amount for payment at the end of the term.
9. Reserve for directors' bonuses is provided on the basis of the estimated amount for payment at the end of the term.
10. Reserve for price fluctuations is provided in accordance with Article 115 of the Insurance Business Law for loss

from price fluctuations of stocks and other securities.

11. Finance leases, other than those that are deemed to transfer the ownership of the leased assets to the lessees, those for which lease transactions took effect during a fiscal year that began prior to April 1, 2008, are accounted for by a method similar to the procedures used for ordinary operating leases.

(Changes in Accounting Procedures)

Although finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees had been accounted for by a method similar to the procedures used for ordinary operating leases, “Accounting Standard for Lease Transactions (ASBJ Statement on Accounting Standard No. 13),” and “the Guidance on the Accounting Standards for Lease Transactions (ASBJ Implementation Guidance on Accounting Standard No. 16)” became applicable regarding the financial statements for the current fiscal year, thereby applying the same accounting treatment for lease transactions as that for regular purchase/sale transactions beginning with transactions that take effect during the current fiscal year. Compared with the previous method of accounting, the effect of this change on ordinary profit and income before income taxes is immaterial.

12. The deferral hedge accounting method is applied to hedging transactions for interest rate swaps to hedge cash flow fluctuation risk of bonds and loans with variable interest rates and interest fluctuation risk related to long term insurance contracts based on “The accounting and auditing treatment on the application of the financial products accounting standard to the insurance industry”(Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter Industry Audit Practice Committee Report No.26). Where certain transactions fulfill the required conditions for the application of the exceptional treatment for interest rate swaps, this treatment is applied to such transactions.

The fair value hedge accounting method is applied to foreign exchange forward contracts and currency option transactions in order to reduce the risk of foreign exchange rate fluctuation on foreign currency denominated assets. Where certain transactions fulfill the required conditions for the application of assignment accounting, this accounting is applied to such transactions.

Hedge effectiveness is judged by comparing the accumulated fluctuation of the market value or cash flows between each hedged item and the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, if the material conditions of the hedging instrument and the hedged item are the same and there is high effectiveness for each hedge transaction, the judgement for the effectiveness is omitted.

As for hedge effectiveness based on Industry Audit Practice Committee Report No.26, this is judged by monitoring the circumstance of the interest which effects the calculation of theoretical prices of both insurance debt as hedged item and interest rate swap as hedging instrument grouped by the remaining period.

13. The accounting procedures applied are exclusive of consumption tax. However, loss adjustment expenses and operating and administrative expenses are treated inclusive of taxes.

Consumption taxes on assets not qualified for deduction are recorded in “Other assets” and amortized in equal amounts over 5 years.

14. The amount of ¥41,308million of securities extended based on securities lending agreements has been included in government bonds.

15. (1) The Company’s loan portfolio contained “loans for bankrupt borrowers” in the amount of ¥11 million and “delinquent/overdue loans” in the amount of ¥1,695 million.

“Loans for bankrupt borrowers” comprise loans in a status compliant with the criteria set forth in the pertaining items of Article 96, Clause 1 of the Enforcement Ordinance of Corporation Tax Law for which the accrual of interest income for accounting purposes has been discontinued (excluding written-off delinquent loans, hereafter called “non-accrual loans”), given that the collection or settlement of principal and/or interest

cannot be expected for reasons like principal and/or interest payments remaining past due for a specific term.

“Delinquent/overdue loans” are non-accrual loans other than “loans for bankrupt borrowers” and loans subject to interest payment forbearance for the purpose of facilitating the restructuring of, or for supporting, the borrowers.

(2) There was no amount of “delinquent/overdue loans for three months or more” in the Company’s loan portfolio.

“Delinquent/overdue loans for three months or more” consist of loans for which the principal and/or interest is past due three months or more counting from the first day after the contractual due date, but exclude “loans for bankrupt borrowers” and “delinquent/overdue loans”.

(3) The amount of “restructured loans” in the Company’s loan portfolio was ¥191 million.

“Restructured loans” comprise loans for which the lending conditions have been relaxed to facilitate the restructuring or support of the borrowers, such as reduction or exemption of interest rate, forbearance of interest payments and/or principal repayment, waiver of claims and other measures to the favor of the borrowers, but exclude “loans for bankrupt borrowers”, “delinquent/overdue loans” and “delinquent/overdue loans for three months or more”.

(4) The aggregate of “loans for bankrupt borrowers”, “delinquent/overdue loans”, “delinquent/overdue loans for three months or more” and “restructured loans” totaled ¥1,897 million.

16. Accumulated depreciation of tangible fixed assets was ¥137,870million, and advanced depreciation of tangible fixed assets was ¥19,039 million.

17. The Company held financial balances receivable from its subsidiaries and affiliates totaling ¥1,823 million. The Company had ¥455 million in financial balances payable towards its subsidiaries and affiliates.

18. The total amount of deferred tax assets and liabilities were ¥180,510 million and ¥56,326 million, respectively. The amount deducted from deferred tax assets, as valuation allowance was ¥20,318 million. Main items for deferred tax assets were “Underwriting reserves” of ¥99,005 million, “Revaluation loss on securities” of ¥20,764 million, “Outstanding claims” of ¥16,736 million, “Software” of ¥9,292 million, and “Loss from revaluation of property and equipment” of ¥7,154 million. Main item for deferred tax liabilities was “Net unrealized gain on available-for-sale securities and monetary receivables bought”, amounting to ¥50,828 million.

19. In addition to the tangible fixed assets stated on the balance sheet, the Company uses electronic data processing equipment under leasing arrangements.

20. The Company’s shareholdings in its subsidiaries and affiliates are valued at ¥57,691 million.

21. Assets pledged as collateral amounts to ¥47 million in cash and bank deposits, ¥7,747 million in securities and ¥4,762 million in tangible fixed assets. The Company had obligations from loans secured by collateral in the amount of ¥1,740 million.

22. Details of outstanding claims are as follows:

	(Millions of Yen)
Outstanding claims (before deduction of reinsurance ceded, excluding (b))	272,747
Outstanding claims for reinsurance ceded	16,023
Net (a)	256,723
Outstanding claims for earthquake insurance and compulsory automobile liability insurance (b)	26,303
Total: (a)+(b)	283,027

23. Details of underwriting reserves are as follows:

	(Millions of Yen)
Ordinary underwriting reserves (before deduction of reinsurance ceded)	534,795
Underwriting reserves for reinsurance ceded	15,433
Net (a).....	519,362
Other underwriting reserves (b).....	1,375,707
Total: (a)+(b)	1,895,069

24. Net assets per share amounts to ¥461.01.

Net assets per share is calculated based on the following information at March 31, 2009:

Total net assets: ¥347,329 million, Amount to be deducted from net assets: ¥458 million of subscription rights to shares, Net assets attributable to common stock: ¥346,870 million, Number of shares of outstanding common stock: 752,404 thousand shares

25. Of the securities pledged as collateral pertaining to derivative transactions, those for which the Company holds a right to dispose of them by sale or use as collateral at its discretion, amounts to ¥1,807 million, which the Company entirely owns.

26. Details of retirement benefits are as follows:

(1) Retirement benefit obligations and a breakdown of such obligations:

	(Millions of Yen)
Retirement benefit obligations	(70,979)
Plan assets	44,268
Unfunded portion of retirement benefit obligations	(26,710)
Unrecognized prior service cost	(2,658)
Unrecognized actuarial difference	9,554
Net amount of retirement benefit obligation on the Balance Sheets	(19,813)
Prepaid pension cost	1,894
Reserve for retirement benefits	(21,708)

(2) Basis for calculation of retirement benefit obligations:

The method of apportionment of the estimated funds	
for retirement benefit obligations over the period	Per amount basis, point basis
Discount rate	1.8%
Expected earnings ratio on investments	
Corporate pension plan	1.5%
Trust fund for retirement benefit and pension plan	0.0%
Period for amortization of prior service cost	10years
Period for amortization of actuarial difference	10years

27. The definitions of subsidiaries and affiliates noted above are based on Article 2-3 of the Order for Enforcement of the Insurance Business Law(No.425 of the government ordinance in 1995).

28. Amounts shown have been rounded down to full units of million yen.

Non-Consolidated Statement of Income

Year ended March 31, 2009

	(Millions of Yen)
Operating income	910,706
Underwriting income	849,404
Net premiums written	653,400
Deposit premiums from policyholders.....	42,425
Investment income on deposit premiums	24,143
Reversal of outstanding claims	1,684
Reversal of underwriting reserves	127,712
Other underwriting income	38
Investment income	59,005
Interest and dividends	51,124
Investment income from money in trust	259
Gain on sale of securities	31,477
Redemption profit from securities	252
Other investment income	35
Transfer of investment income on deposit premiums	(24,143)
Other operating income.....	2,297
Operating expenses	913,558
Underwriting expenses.....	724,529
Net losses paid	400,790
Loss adjustment expenses	35,313
Commissions and brokerage expenses.....	110,378
Maturity refunds to policyholders.....	176,779
Dividends to policyholders	8
Loss on foreign exchange	1,053
Other underwriting expenses	205
Investment expenses.....	63,299
Investment loss from money in trust.....	4,495
Loss on sale of securities	8,830
Revaluation loss on securities.....	35,983
Redemption loss from securities.....	651
Expense for derivative financial instruments.....	6,298
Loss on foreign exchange	748
Provision for reserve for investment loss.....	2,770
Other investment expenses	3,521
Operating and administrative expenses	124,773
Other operating expense.....	956
Interest paid	130
Provision for reserve for doubtful accounts	68
Write off of bad debts	6
Other ordinary expenses	751
Ordinary loss	2,851
Special gains	18,414
Gain on sale of fixed assets.....	335
Reversal of statutory reserves	18,079
Reversal of reserve for price fluctuations	18,079
Special losses	933
Loss on sale and disposal of fixed assets	444
Impairment losses	489
Income before income taxes	14,630
Income taxes	6,728
Deferred tax adjustment	(2,210)
Total income taxes	4,518
Net income	10,111

Notes to Non-consolidated Statement of Income

1. Total income and expenses from transactions with subsidiaries and affiliates amounted to ¥4,396 million and ¥26,941 million, respectively.

2. Details of net premiums written are as follows:

	(Millions of Yen)
Premiums written	756,188
Reinsurance premiums ceded	102,788
Net	653,400

3. Details of net losses paid are as follows:

	(Millions of Yen)
Losses paid	493,183
Reinsurance claims recovered	92,393
Net	400,790

4. Details of commissions and brokerage expenses are as follows:

	(Millions of Yen)
Commissions and brokerage expenses	118,521
Reinsurance commissions	8,143
Net	110,378

5. Details of Provision for outstanding claims are as follows:

	(Millions of Yen)
Provision for outstanding claims (before deduction of reinsurance ceded, excluding (b))	(4,549)
Provision for outstanding claims for reinsurance ceded	(3,585)
Net (a)	(963)
Provision for outstanding claims of earthquake insurance and compulsory automobile liability insurance (b)	(720)
Total (a)+(b)	(1,684)

() = reversal

6. Details of Provision of underwriting reserves are as follows:

	(Millions of Yen)
Provision of ordinary underwriting reserves (before deduction of reinsurance ceded)	(7,132)
Provision of underwriting reserves for reinsurance ceded	184
Net (a)	(7,317)
Other provision of underwriting reserves (b)	(120,395)
Total (a)+(b)	(127,712)

() = reversal

7. Details of interest and dividends are as follows:

	(Millions of Yen)
Interest on bank deposit	218
Interest on call loans	84
Interest on securities purchased under agreements to resell	49
Interest on monetary receivable bought	327
Interest and dividends from securities	43,378
Interest on loans	4,741
Rental income from real estate holdings	1,755
Other interest and dividends	568
Total	51,124

8. “Investment income/loss from money in trust” included net unrealized losses in the amount of ¥5,551 million. “Expense for derivative financial instruments” included net unrealized losses in the amount of ¥1,308 million.

9. Basic net income and diluted net income per share are ¥13.34 and ¥13.32, respectively.

Net income per share is calculated based on the following information for the current period:

Net income: ¥10,111 million, Net income attributable to common stock: ¥10,111 million, Weighted average number of shares of common stock outstanding during the current period: 757,928 thousand shares, Number of increased shares of common stock after dilution: 999 thousand shares. There is no amount which is not attributable to common shareholders, nor dilution to net income for the current period.

10. Expense for retirement benefit in “Loss adjustment expenses” and “Operating and administrative expenses” amounted to ¥4,986 million, details of which are as follows:

	(Millions of Yen)
Service cost	1,921
Interest expense	1,315
Expected investment income	(408)
Amortization of prior service cost	(700)
Amortization of actuarial difference	730
Subtotal	2,858
Amount contributed to the defined contribution pension plan	2,127
Total	4,986

11. Statutory tax rate for the reporting period was 36.10%, and the effective tax rate after application of tax-effect accounting was 30.88%. The difference between these two figures was attributable to non-taxable revenue including dividends received (minus 18.60%), valuation allowance (9.11%) and the amount of non-deductible expenses for tax purposes such as entertainment allowance (2.55%).

12. The details of the impairment of fixed assets in this fiscal year are as follows:

The fixed assets used in the insurance business operations, etc. are grouped together as a single fixed asset group, and leased properties and idle properties are grouped by individual properties.

The book values of the following properties, the profitability of which has decreased significantly due to falling land prices and other reasons were impaired to the recoverable amount. The amount of the resulting decrease has been accumulated within special loss from impairment losses on fixed assets amounting to ¥489 million.

(Millions of Yen)

Use	Category	District	Impairment losses			
			Land	Property	Others	Total
Leased properties	Land and buildings	4 properties, including property in Tokyo	1	121	95	218
Idle properties	Land and buildings	13 properties, including property in Fukui	210	60	-	270
Total			211	181	95	489

The recoverable amount is measured as the net sales value. The net sales value is measured by real estate appraisers.

13. The details of transactions with related parties are as follows:

Directors and major individual shareholders:

(Millions of Yen)

Attributes	Name	Ownership percentage with voting rights	Relationship with the related parties	Nature of transactions	Total transaction amount	Account	Ending balance
Director	Ken Matsuzawa	Direct: 0.0%	Former Chairman of the Board of the Company President of NIPPONKOA Welfare Foundation	Donation to NIPPONKOA Welfare Foundation	17	-	-
Director	Katsuro Oishi	Direct: 0.0%	Company Auditor Representative director and president of Taiyo Life Insurance Company	Real Estate Rental from Taiyo Life Insurance Company	478	Deposits	384

(Notes)1. The transaction amounts in the above table do not include consumption and other taxes.

2. Trade terms and conditions as well as the policy governing thereon

(1) The transactions with NIPPONKOA Welfare Foundation are so-called third party beneficiary transactions.

Mr. Ken Matsuzawa held the office of director of the Company from April 1, 2008 to June 26, 2008, and transactions performed during the said period are listed in the table.

(2) The transactions with Taiyo Life Insurance Company are so-called third party beneficiary transactions. The rent expenses are determined based on the actual rents in the surrounding neighborhood. Mr. Katsuro Oishi held the office of director of the Company from June 26, 2008 to March 31, 2009, and transactions performed during the said period are listed in the table. In addition to these transactions, the Company has commissioned Taiyo Life Insurance Company to act as our agent in nonlife insurance soliciting activities according to a nonlife insurance contract between the two companies. These transactions are not contained in the above table since the trade terms and conditions are clearly similar to those of other general transactions.

14. Amounts shown have been rounded down to full units of million yen.

Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2009

(Millions of Yen)

Shareholders' equity	
Common stock	
Balance at March 31, 2008	91,249
Balance at March 31, 2009	91,249
Capital surplus reserves	
Capital reserve	
Balance at March 31, 2008	46,702
Balance at March 31, 2009	46,702
Other capital surplus reserve	
Balance at March 31, 2008	-
Changes during this period	
Disposal of treasury stock	(126)
Reclassification of negative other capital surplus reserve	126
Total change of during this period	-
Balance at March 31, 2009	-
Retained earnings	
Revenue reserves	
Balance at March 31, 2008	35,647
Changes during this period	
Provision for revenue reserve	1,300
Total change of during this period	1,300
Balance at March 31, 2009	36,947
Other retained earnings	
Reserve for dividends	
Balance at March 31, 2008	34,385
Balance at March 31, 2009	34,385
Reserve for extraordinary losses	
Balance at March 31, 2008	54,000
Balance at March 31, 2009	54,000
Reserve for losses from foreign investments	
Balance at March 31, 2008	0
Changes during this period	
Reversal of reserve for losses from foreign investments	(0)
Total change of during this period	(0)
Balance at March 31, 2009	0
Reserve for reduction entry	
Balance at March 31, 2008	2,992
Changes during this period	
Provision for reserve for reduction entry	152
Reversal of reserve for reduction entry	(44)
Total change of during this period	107
Balance at March 31, 2009	3,100
General reserve	
Balance at March 31, 2008	25,962
Balance at March 31, 2009	25,962

(Millions of Yen)

Deferred retained earnings	
Balance at March 31, 2008	10,994
Changes during this period	
Provision for revenue reserve	(1,300)
Cash dividends	(5,716)
Reversal of reserve for losses from foreign investments	0
Provision for reserve for reduction entry	(152)
Reversal of reserve for reduction entry	44
Net income	10,111
Reclassification of negative other capital surplus reserve	(126)
Total change of during this period	2,860
Balance at March 31, 2009	13,854
Treasury stock	
Balance at March 31, 2008	(51,592)
Changes during this period	
Acquisition of treasury stock	(6,781)
Disposal of treasury stock	251
Total change of during this period	(6,530)
Balance at March 31, 2009	(58,122)
Total shareholders' equity	
Balance at March 31, 2008	250,340
Changes during this period	
Cash dividends	(5,716)
Net income	10,111
Acquisition of treasury stock	(6,781)
Disposal of treasury stock	124
Total change of during this period	(2,261)
Balance at March 31, 2009	248,078
Valuation and translation adjustments	
Net unrealized gain on available-for-sale securities	
Balance at March 31, 2008	284,592
Changes during this period	
Net change of items other than shareholders' equity	(189,500)
Total change of during this period	(189,500)
Balance at March 31, 2009	95,091
Net deferred gains (losses) on hedge accounting	
Balance at March 31, 2008	1,790
Changes during this period	
Net change of items other than shareholders' equity	1,909
Total change of during this period	1,909
Balance at March 31, 2009	3,700
Total valuation and translation adjustments	
Balance at March 31, 2008	286,382
Changes during this period	
Net change of items other than shareholders' equity	(187,590)
Total change of during this period	(187,590)
Balance at March 31, 2009	98,792

(Millions of Yen)

Subscription rights to shares	
Balance at March 31, 2008	408
Changes during this period	
Net change of items other than shareholders' equity	50
Total change of during this period	50
Balance at March 31, 2009	458
Total net assets	
Balance at March 31, 2008	537,131
Changes during this period	
Cash dividends	(5,716)
Net income	10,111
Acquisition of treasury stock	(6,781)
Disposal of treasury stock	124
Net change of items other than shareholders' equity	(187,540)
Total change of during this period	(189,802)
Balance at March 31, 2009	347,329

Notes to Non-consolidated Statement of Changes in Net Assets

1. The type and number of treasury stock are as follows:

(Thousands of shares)

	Previous fiscal year-end	Increase during the current period	Decrease during the current period	Current fiscal year-end
Common stock	54,517	10,092	271	64,339
Total	54,517	10,092	271	64,339

(Note) 1. Increase of 10,092 thousand shares in the number of treasury stock of common stock is due to the acquisition of 10,000 thousand shares based on the resolution by the Board of Directors on September 19, 2008 and the increase of 92 thousand shares resulting from purchase of fractional shares.

2. Decrease of 271 thousand shares in the number of treasury stock of common stock is due to the decrease of 250 thousand shares resulting from the exercise of subscription rights to shares and the decrease of 21 thousand shares resulting from sale of fractional shares.

2. Amounts shown have been rounded down to full units of million yen.

Consolidated Balance Sheet

As of March 31, 2009

(Millions of Yen)

ASSETS	
Cash and bank deposits	113,074
Call loans	16,043
Receivables under resale agreements	29,996
Receivables under securities borrowing transactions	32,127
Monetary receivables bought	41,300
Money in trust	74,843
Investments in securities	2,134,547
Loans	242,215
Tangible fixed assets	129,928
Land	68,165
Buildings	48,920
Leased assets	52
Construction in progress	5,394
Other tangible fixed assets	7,395
Intangible fixed assets	1,146
Software	39
Other intangible fixed assets	1,107
Other assets	167,746
Deferred tax assets	108,748
Reserve for doubtful accounts	(2,195)
Total assets	3,089,523
LIABILITIES	
Underwriting fund	2,557,377
Outstanding claims	290,239
Underwriting reserves	2,267,137
Other liabilities	155,289
Reserve for retirement benefits	22,007
Reserve for bonuses	6,127
Reserve for bonuses to directors	11
Statutory reserves	3,060
Reserve for price fluctuations	3,060
Deferred tax liabilities	37
Negative goodwill	146
Total liabilities	2,744,056
NET ASSETS	
Common stock	91,249
Capital surplus	46,702
Retained earnings	169,993
Treasury stock	(58,122)
Total shareholders' equity	249,822
Net unrealized gain on available-for-sale securities	97,349
Net deferred gains (losses) on hedge accounting	3,700
Foreign currency translation adjustment	(6,198)

Total valuation and translation adjustments	94,851
Subscription rights to shares	458
Minority interests	334
Total net assets	345,467
<hr/>	
Total liabilities and net assets	3,089,523

Consolidated Statement of Income

Year ended March 31, 2009

	(Millions of Yen)
Operating income	949,106
Underwriting income	878,563
Net premiums written	663,888
Deposit premiums from policyholders.....	42,425
Investment income on deposit premiums	24,155
Life insurance premiums	63,568
Reversal of outstanding claims	1,400
Reversal of underwriting reserves	81,420
Other underwriting income	1,706
Investment income	68,760
Interest and dividends	58,479
Investment income from money in trust	924
Gain on sale of securities	33,209
Redemption profit from securities	267
Other investment income	35
Transfer of investment income on deposit premiums	(24,155)
Other operating income	1,781
Operating expenses	952,149
Underwriting expenses.....	749,680
Net losses paid	406,234
Loss adjustment expenses	36,107
Commissions and brokerage expenses.....	116,647
Maturity refunds to policyholders.....	176,779
Dividends to policyholders	8
Life insurance losses and other payments.....	11,816
Other underwriting expenses	2,085
Investment expenses.....	60,541
Investment loss from money in trust.....	4,495
Loss on sale of securities	8,819
Revaluation loss on securities.....	36,000
Redemption loss from securities.....	651
Expense for derivative financial instruments.....	6,298
Other investment expenses	4,276
Operating and administrative expenses	140,827
Other operating expense.....	1,100
Interest paid	250
Provision for reserve for doubtful accounts	68
Write off of bad debts	6
Other ordinary expenses	775
Ordinary loss	3,043
Special gains	18,337
Gain on sale of fixed assets	335
Reversal of statutory reserves	18,002
Reversal of reserve for price fluctuations	18,002
Special losses	987
Loss on sale and disposal of fixed assets	498
Impairment losses.....	489
Income before income taxes and minority interests	14,307
Income taxes	8,429
Deferred tax adjustment	(4,118)
Total income taxes	4,311
Minority interests	24
Net income	9,971

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2009

(Millions of Yen)

Shareholders' equity		
Common stock		
Balance at March 31, 2008	.....	91,249
Balance at March 31, 2009	.....	91,249
Capital surplus reserves		
Balance at March 31, 2008	.....	46,702
Changes during this period		
Disposal of treasury stock	.....	(126)
Reclassification of negative other capital surplus reserve	.....	126
Total change of during this period	.....	-
Balance at March 31, 2009	.....	46,702
Retained earnings		
Balance at March 31, 2008	.....	165,741
Changes during this period		
Cash dividends	.....	(5,716)
Net income	.....	9,971
Reclassification of negative other capital surplus reserve	.....	(126)
Effect of changes in accounting policies applied to foreign subsidiaries	.....	124
Total change of during this period	.....	4,252
Balance at March 31, 2009	.....	169,993
Treasury stock		
Balance at March 31, 2008	.....	(51,592)
Changes during this period		
Acquisition of treasury stock	.....	(6,781)
Disposal of treasury stock	.....	251
Total change of during this period	.....	(6,530)
Balance at March 31, 2009	.....	(58,122)
Total shareholders' equity		
Balance at March 31, 2008	.....	252,099
Changes during this period		
Cash dividends	.....	(5,716)
Net income	.....	9,971
Acquisition of treasury stock	.....	(6,781)
Disposal of treasury stock	.....	124
Effect of changes in accounting policies applied to foreign subsidiaries	.....	124
Total change of during this period	.....	(2,277)
Balance at March 31, 2009	.....	249,822
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at March 31, 2008	.....	289,992
Changes during this period		
Net change of items other than shareholders' equity	.....	(192,642)
Total change of during this period	.....	(192,642)
Balance at March 31, 2009	.....	97,349
Net deferred gains (losses) on hedge accounting		
Balance at March 31, 2008	.....	1,790

(Millions of Yen)

Changes during this period	
Net change of items other than shareholders' equity	1,909
Total change of during this period	1,909
Balance at March 31, 2009	3,700
Foreign currency translation adjustment	
Balance at March 31, 2008	(1,492)
Changes during this period	
Net change of items other than shareholders' equity	(4,705)
Total change of during this period	(4,705)
Balance at March 31, 2009	(6,198)
Total valuation and translation adjustments	
Balance at March 31, 2008	290,291
Changes during this period	
Net change of items other than shareholders' equity	(195,439)
Total change of during this period	(195,439)
Balance at March 31, 2009	94,851
Subscription rights to shares	
Balance at March 31, 2008	408
Changes during this period	
Net change of items other than shareholders' equity	50
Total change of during this period	50
Balance at March 31, 2009	458
Minority interests	
Balance at March 31, 2008	398
Changes during this period	
Net change of items other than shareholders' equity	(64)
Total change of during this period	(64)
Balance at March 31, 2009	334
Total net assets	
Balance at March 31, 2008	543,198
Changes during this period	
Cash dividends	(5,716)
Net income	9,971
Acquisition of treasury stock	(6,781)
Disposal of treasury stock	124
Effect of changes in accounting policies applied to foreign subsidiaries	124
Net change of items other than shareholders' equity	(195,453)
Total change of during this period	(197,731)
Balance at March 31, 2009	345,467

Basis of presenting for Consolidated Financial Statements

1. The method of making the consolidated financial statements

The consolidated financial statements of the Company are made in accordance with the Corporate Accounting Rules (No.13 of the Ministry of Justice ordinance in 2006) and Enforcement Regulations of the Insurance Business Law (No.5 of the Ministry of Finance ordinance in 1996) implemented in relation to Article 118 of the Corporate Accounting Rules. The definitions of subsidiaries and affiliates are based on Article 2-3 of the Order for Enforcement of the Insurance Business Law Rules (No.425 of the government ordinance in 1995).

2. Scope of Consolidation

(1) Consolidated subsidiaries (6)

NIPPONKOA Life Insurance Company Limited
SONPO 24 Insurance Company Limited
Nippon Insurance Company of Europe Limited
NIPPONKOA Insurance Company (Europe) Limited
NIPPONKOA Insurance Company (Asia) Limited
NIPPONKOA Management Services (Europe) Limited

(2) Major non-consolidated subsidiaries

(Major non-consolidated subsidiary)
NIPPONKOA Claims Adjustment Company Limited
(Basis of non-consolidation)

Where the exclusion of subsidiaries from the scope of consolidation, by reason of the immateriality of their total assets, sales, net income and retained earnings, does not affect the reasonable interpretation of the financial position and operating results of an enterprise group, then those subsidiaries may be excluded from the scope of consolidation.

3. Application of equity method

The equity method of accounting for investments in common shares of 17 non-consolidated subsidiaries and 4 affiliates has not been applied because the effect to consolidated net income and retained earnings are minor and those are also immaterial in the aggregate.

4. Term-ends of consolidated foreign subsidiaries

Consolidated foreign subsidiaries are included on the basis of fiscal years ending on December 31, since the difference in the fiscal year ends does not exceed three months. As for major transactions occurring between the fiscal year ends of the consolidated foreign subsidiaries and the Company, necessary adjustments are made upon consolidation.

5. Summary of significant accounting policies

(1) Accounting standards and methods for valuation of investments in securities held by the Company and its domestic consolidated subsidiaries are as follows:

- i. Held-to-maturity bonds are carried at amortized cost
- ii. Underwriting reserves bonds are carried at amortized cost determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Underwriting Reserves Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).

The outline of risk management policy in relation to underwriting reserves bonds is as follows.

NIPPONKOA Life Insurance Company Limited sets up "policy reserve for single-premium whole-life" as a sub-category, and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of underwriting reserves bonds corresponding to this sub-category within a certain range, to better manage the changes in the interest rate risk associated with the assets and liabilities.

- iii. Stocks of subsidiaries and affiliates are carried at cost determined by the moving-average method.
 - iv. Marketable securities classified as available-for-sale are recorded according to their mark-to-market values based on the prices prevailing in the market on the balance sheet date. The unrealized gains/losses, net of tax, on the available-for-sale securities are recognized as a component of net assets. Cost for sale is calculated by the moving-average method.
 - v. Non-marketable securities classified as available-for-sale are recorded at cost determined by the moving-average method or the amortized cost method.
- (2) Valuations of securities included in money in trust are as follows:
- i. Securities included in individually managed money in trust are valued by the market value method.
 - ii. Securities included in individually managed money in trust not as trading securities or held-to-maturity securities are valued by the same method as available-for-sale securities.
- (3) Accounting standards and methods in valuation of derivative transactions
- Derivative transactions outstanding are accounted for by the market value method.
- (4) The method of depreciation of tangible fixed assets
- Depreciation of tangible fixed assets (excluding leased assets) held by the Company and its domestic consolidated subsidiaries are charged under application of the declining-balance method. However, the straight-line method is applied to buildings (excluding connected installations) acquired on or after April 1, 1998.
- (5) Major reserves
- i. Reserve for doubtful accounts

Reserve for doubtful accounts of the Company and its domestic consolidated subsidiaries is provided under the application of the standards for asset self-assessment and the standards for write-offs and provisions as follows:

For loans to borrowers that are bankrupt, under special liquidation procedures, barred from bill clearing transactions, or that are otherwise in a state of legal or virtual bankruptcy, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value.

For loans to borrowers that are found to be facing a material risk of going into bankruptcy in the future, a reserve is provided in the amount equivalent to such loans net of the expected realizable collateral value and the estimated recoverable guarantee value, with further adjustments made as deemed necessary under consideration of such borrowers' overall repayment capabilities.

For all other loans, a reserve is provided based on the actual default ratios derived from the defaults observed during certain past periods.

Furthermore, the divisions in charge of respective portfolios of assets evaluate the entire loan portfolio according to the standards for asset self-assessment, and the internal independent inspection department audits the results of the divisional assessments. The provisions made as described above are based on those audit findings.
 - ii. Reserve for investment loss

Reserve for investment loss of the Company and its domestic consolidated subsidiaries is provided for the probable investment losses mainly concerning securities transactions based on the standards for asset self-assessment and the standards for write-offs and provisions.
 - iii. Reserve for retirement benefits

Reserve for retirement benefits of the Company and its domestic consolidated subsidiaries is provided on the basis of estimated amounts of retirement benefit obligation and plan assets at the balance sheet date. Prior service cost is amortized by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service. Any actuarial difference incurred in each year is amortized from the following year by the straight-line method for a certain period (10 years) which shall not exceed the average remaining period of employees' service.
 - iv. Reserve for bonuses

Reserve for bonuses of the Company and its domestic consolidated subsidiaries is provided on the basis of the estimated amount for payment at the end of the term.
 - v. Reserve for directors' bonuses

Reserve for directors' bonuses of the Company and its domestic consolidated subsidiaries is provided on the basis of the estimated amount for payment at the end of the term.

vi. Reserve for price fluctuations

Reserve for price fluctuations of the Company and its domestic consolidated subsidiaries is provided in accordance with Article 115 of the Insurance Business Law for loss from price fluctuations of stocks and other securities.

(6) The accounting procedure for consumption tax

The accounting procedures applied are exclusive of consumption tax. However, loss adjustment expenses and operating and administrative expenses are treated inclusive of taxes. Consumption taxes on assets not qualified for deduction are recorded in “Other assets” and amortized in equal amounts over 5 years.

(7) Accounting standards of important finance leases

The Company’s finance leases, other than those that are deemed to transfer the ownership of the leased assets to the lessees, those for which lease transactions took effect during a consolidated fiscal year that began prior to April 1, 2008, are accounted for by a method similar to the procedures used for ordinary operating leases.

(Changes in Accounting Procedures)

Although the Company’s finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees had been accounted for by a method similar to the procedures used for ordinary operating leases, “Accounting Standard for Lease Transactions (ASBJ Statement on Accounting Standard No. 13),” and “the Guidance on the Accounting Standards for Lease Transactions (ASBJ Implementation Guidance on Accounting Standard No. 16)” became applicable regarding the financial statements for consolidated fiscal years beginning on or after April 1, 2008. The Company has adopted the Accounting Standard and the Guidance for the current fiscal year, thereby applying the same accounting treatment for lease transactions as that for regular purchase/sale transactions. The effect of this change on ordinary loss and income before income taxes and minority interests is immaterial.

(8) Accounting standards of important hedging transactions

The deferral hedge accounting method is applied to hedging transactions for interest rate swaps to hedge cash flow fluctuation risk of bonds and loans with variable interest rates and interest fluctuation risk related to long term insurance contracts based on “The accounting and auditing treatment on the application of the financial products accounting standard to the insurance industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter Industry Audit Practice Committee Report No.26). Where certain transactions fulfill the required conditions for the application of the exceptional treatment for interest rate swaps, this treatment is applied to such transactions.

The fair value hedge accounting method is applied to foreign exchange forward contracts and currency option transactions in order to reduce the risk of foreign exchange rate fluctuation on foreign currency denominated assets. Where certain transactions fulfill the required conditions for the application of assignment accounting, this accounting is applied to such transactions.

Hedge effectiveness is judged by comparing the accumulated fluctuation of the market value or cash flows between each hedged item and the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, if the material conditions of the hedging instrument and the hedged item are the same and there is high effectiveness for each hedge transaction, the judgement for the effectiveness is omitted.

As for hedge effectiveness based on Industry Audit Practice Committee Report No.26, this is judged by monitoring the circumstance of the interest which effects the calculation of theoretical prices of both insurance debt as hedged item and interest rate swap as hedging instrument grouped by the remaining period.

(9) Accounting principles and practices for consolidated foreign subsidiaries

Accounting principles and practices for consolidated foreign subsidiaries conform to International Financial Reporting Standards.

(Changes in Accounting Procedures)

Effective from the current consolidated fiscal year, the Company has adopted Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18). As a result, the Company made the necessary revisions in the settlement of accounts for the consolidated financial statements. The effect of this change on ordinary loss and income before income taxes and minority interests is immaterial.

6. Valuation of assets and liabilities of consolidated subsidiaries

All of the consolidated subsidiaries' assets and liabilities were valued at fair value as of the respective acquisition dates.

7. Amortization of Goodwill

The difference between cost and fair value of net assets acquired for SONPO 24 Insurance Company Limited is amortized over 5 years by the straight line method and the difference for other subsidiaries is charged or credited to the statements of income in the year of acquisition.

Changes in Presentation

Changes Related to Consolidated Balance Sheet

Effective from the current consolidated fiscal year, the format of the Consolidated Balance Sheet has been changed according to the revised Enforcement Regulation of Insurance Business Law. The major contents of the revision are as follows:

- (1) Disclosures relating to "Tangible fixed assets" are broken down into "Land" "Buildings" "Construction in progress" and "Other tangible fixed assets". The details of Tangible fixed assets as of the end of the previous consolidated fiscal year were Land of 68,544 million yen, Buildings of 50,228 million yen, Construction in progress of 2,788 million yen and Other tangible fixed assets of 8,816 million yen.
- (2) Disclosure relating to "Intangible fixed assets" is broken down into "Software" and "Other intangible fixed assets". The details of Intangible fixed assets as of the end of the previous consolidated fiscal year were Software of 56 million yen and other intangible fixed assets of 1,213 million yen.

Notes to Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets was ¥139,037 million, and advanced depreciation of tangible fixed assets was ¥19,039 million.
2. Shareholding amount for non-consolidated subsidiaries and affiliates is ¥2,320 million.
3. (1) The Company's loan portfolio contained "loans for bankrupt borrowers" in the amount of ¥11 million and "delinquent/overdue loans" in the amount of ¥1,695 million.

"Loans for bankrupt borrowers" comprise loans in a status compliant with the criteria set forth in the pertaining items of Article 96, Clause 1 of the Enforcement Ordinance of Corporation Tax Law for which the accrual of interest income for accounting purposes has been discontinued (excluding written-off delinquent loans, hereafter called "non-accrual loans"), given that the collection or settlement of principal and/or interest cannot be expected for reasons like principal and/or interest payments remaining past due for a specific term.

"Delinquent/overdue loans" are non-accrual loans other than "loans for bankrupt borrowers" and loans subject to interest payment forbearance for the purpose of facilitating the restructuring of, or for supporting, the borrowers.
- (2) There was no amount of "delinquent/overdue loans for three months or more" in the Company's loan portfolio.

"Delinquent/overdue loans for three months or more" consist of loans for which the principal and/or interest is past due three months or more counting from the first day after the contractual due date, but exclude "loans for bankrupt borrowers" and "delinquent/overdue loans".
- (3) The amount of "restructured loans" in the Company's loan portfolio was ¥191 million.

"Restructured loans" comprise loans for which the lending conditions have been relaxed to facilitate the restructuring or support of the borrowers, such as reduction or exemption of interest rate, forbearance of interest payments and/or principal repayment, waiver of claims and other measures to the favor of the borrowers, but exclude "loans for bankrupt borrowers", "delinquent/overdue loans" and "delinquent/overdue

loans for three months or more”.

(4) The aggregate of “loans for bankrupt borrowers”, “delinquent/overdue loans”, “delinquent/overdue loans for three months or more” and “restructured loans” totaled ¥1,897 million.

4. Assets pledged as collateral amounts to ¥294 million in cash and bank deposits, ¥7,876 million in securities and ¥4,762 million in tangible fixed assets. The Company had obligations from loans secured by collateral in the amount of ¥1,740 million included in “Other liabilities”.
5. The amount of ¥76,330 million of securities extended based on securities lending agreements has been included in investment in securities.
6. Of the securities received by the Company through loan transactions of bonds with collateral money and similar loan transactions (Repurchase transaction), those for which the Company and its domestic consolidated subsidiaries hold a right to dispose of them by sale or use as collateral at their discretion amounts to ¥33,795 million, which the Company entirely own.
7. Details of retirement benefits are as follows:

(1) Retirement benefit obligations and a breakdown of such obligations:

	(Millions of Yen)
Retirement benefit obligations	(71,490)
Plan assets	44,480
Unfunded portion of retirement benefit obligations	(27,009)
Unrecognized prior service cost	(2,658)
Unrecognized actuarial difference	9,554
Net amount of retirement benefit obligations on the Consolidated Balance Sheets	(20,113)
Prepaid pension cost	1,894
Reserve for retirement benefits	(22,007)

(2) Basic calculation of retirement benefit obligations:

The method of apportionment of the estimated funds	
for retirement benefit obligations over the period	Per amount basis, point basis
Discount rate	1.8%
Expected earnings ratio on investments	0.0%-1.5%
Period for amortization of prior service cost	10years
Period for amortization of actuarial difference	10years

8. The total amount of deferred tax assets and liabilities were ¥189,019 million and ¥57,616 million, respectively. The amount deducted from deferred tax assets, as valuation allowance was ¥22,691 million. Main items for deferred tax assets were “Underwriting reserves” of ¥102,256 million, “Revaluation loss on securities” of ¥19,347 million, “Outstanding claims” of ¥17,130 million, “Software” of ¥11,542 million, and “Tax loss carry forward” of ¥8,012 million. Main item for deferred tax liabilities was “Net unrealized gain on available-for-sale securities and monetary receivables bought”, amounting to ¥52,109 million.
9. Net assets per share amounts to ¥458.09.
Net assets per share is calculated based on the following information at March 31, 2009:
Total net assets: ¥345,467 million, Amount to be deducted from net assets: ¥458 million of subscription rights to shares, Minority interests: ¥334 million, Net assets attributable to common stock: ¥344,674 million, Number of shares of outstanding common stock: 752,404 thousand shares

10. Amounts shown have been rounded down to full units of million yen.

Notes to Consolidated Statement of Income

1. Basic net income and diluted net income per share are ¥13.15 and ¥13.13, respectively.

Net income per share is calculated based on the following information for the current period:

Net income: ¥9,971 million, Net income attributable to common stock: ¥9,971 million, Weighted average number of shares of common stock outstanding during the current period: 757,928 thousand shares, Number of increased shares of common stock after dilution: 999 thousand shares. There is no amount which is not attributable to common shareholders, nor dilution to net income for the current period.

2. Details of business expenses are as follows:

	(Millions of Yen)
Commissions and brokerage expenses	122,798
Salary	70,582

Business expenses are the sum of Loss adjustment expenses, Operating and administrative expense and Commissions and brokerage expenses in Consolidated Statement of Income.

3. Expense for retirement benefit in “Loss adjustment expenses”, “Operating and administrative expenses” amounted to ¥5,125 million, details of which are as follows:

	(Millions of Yen)
Service cost	2,060
Interest expense	1,315
Expected investment income	(408)
Amortization of prior service cost	(700)
Amortization of actuarial difference	730
Subtotal	2,998
Amount contributed to the defined contribution pension plan	2,127
Total	5,125

4. Statutory tax rate for the reporting period was 36.10%, and the effective tax rate after application of tax-effect accounting was 30.13%. The difference between these two figures was attributable to non-taxable revenue including dividends received (minus 19.02%), loss of the subsidiary company which does not have a tax effect (7.00%), the amount of non-deductible expenses for tax purposes such as entertainment allowance (2.79%) and valuation allowance (2.32%).

5. The details of the impairment of fixed assets in this fiscal year are as follows:

The fixed assets of the Company and its domestic consolidated subsidiaries used in the insurance business operations, etc. are grouped together as a single fixed asset group, and leased properties and idle properties are grouped by individual properties.

The book values of the following properties, the profitability of which has decreased significantly due to falling land prices and other reasons were impaired to the recoverable amount. The amount of the resulting decrease has been accumulated within special loss from impairment losses on fixed assets amounting to ¥489 million.

(Millions of Yen)

Use	Category	District	Impairment losses			
			Land	Property	Others	Total
Leased properties	Land and buildings	4 properties, including property in Tokyo	1	121	95	218
Idle properties	Land and buildings	13 properties, including property in Fukui	210	60	-	270
Total			211	181	95	489

The recoverable amount is measured as the net sales value. The net sales value is measured by real estate appraisers.

6. Amounts shown have been rounded down to full units of million yen.

Notes to Consolidated Statement of Changes in Net Assets

1. Items related to the type and total number of outstanding shares, and the type and number of treasury stock

(Thousands of shares)

	Previous fiscal year-end	Increase during the current period	Decrease during the current period	Current fiscal year-end
Outstanding shares				
Common stock	816,743	-	-	816,743
Total	816,743	-	-	816,743
Treasury stock				
Common stock	54,517	10,092	271	64,339
Total	54,517	10,092	271	64,339

(Note) 1. Increase of 10,092 thousand shares in the number of treasury stock of common stock is due to the

acquisition of 10,000 thousand shares based on the resolution by the Board of Directors on September 19, 2008 and the increase of 92 thousand shares resulting from purchase of fractional shares.

2. Decrease of 271 thousand shares in the number of treasury stock of common stock is due to the decrease of 250 thousand shares resulting from the exercise of subscription rights to shares and the decrease of 21 thousand shares resulting from sale of fractional shares.

2. Items related to subscription rights to shares

(Millions of Yen)

Category	Detail of subscription rights to shares	Outstanding balance at the current fiscal year-end
The company	Subscription rights to shares as stock options	458
Total		458

3. Items related to dividends

(1) Paid amount of dividends

Resolution	Type of shares	Aggregate amount of dividends	Dividend per share	Record date	Effective date
Regular shareholders' meeting held on June 26, 2008	Common stock	¥5,716 million	¥7.50	March 31, 2008	June 27 2008

(2) Cash dividends which will become effective in the following fiscal period out of those whose record date belongs to the current fiscal period

Matters concerning dividends attributable to common shares are proposed as an agenda of the regular shareholders' meeting to be held on June 25, 2009 as follows:

Resolution plan	Type of shares	Aggregate amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
Regular shareholders' meeting held on June 25, 2009	Common stock	¥6,019 million	Retained earnings	¥8	March 31, 2009	June 26, 2009

4. Amounts shown have been rounded down to full units of million yen.

(Reference) Solvency Margin Ratio (Non-consolidated) as of March 31, 2009

(Millions of Yen)

Ledger		
(A) Total amount of solvency margin		737,341
Capital or foundation funds etc.		242,517
Reserve for price fluctuations		2,581
Contingency reserve		13
Catastrophe reserve		278,051
Reserve for doubtful accounts (general)		79
Unrealized gain or loss on available-for-sale securities (before tax effect Deduction)		131,328
Unrealized gain or loss on Land		21,105
Excess refund reserve		-
Subordinated debts		-
Deduction items		13,573
Other items		75,238
(B) Total amount of risks $\sqrt{(R_1+R_2)^2 + (R_3+R_4)^2} + R_5 + R_6$		207,144
Ordinary insurance risks (R ₁)		41,627
Third-sector insurance risks (R ₂)		1
Assumed interest rate risks (R ₃)		3,234
Asset management risks (R ₄)		76,827
Business management risks (R ₅)		4,678
Major catastrophe risks (R ₆)		112,227
(C) Solvency margin ratio $[(A)/\{(B) \times 1/2\}] \times 100$		711.9%

(Note) The amounts and figures indicated above are calculated in accordance with Articles 86 and 87 of the Enforcement Regulations of the Insurance Business Law and with Ministry of Finance Notification No.50 of 1996.

“Capital or foundation funds etc.” is calculated as Total Net Assets less predetermined outflows from the company, valuation and translation adjustments and deferred assets.

- While non-life insurance companies accumulate policy reserves to prepare for the payment of insurance for actual losses incurred and maturity refund of savings-type insurance policies etc., sufficient solvency should be maintained in the event the company is exposed to an extraordinary risk that cannot be predicted because of the occurrence of a major disaster, a widespread decline in prices with regard to assets which the non-life insurance companies own, etc.
- Solvency margin ratio ([C] in the above table) is an index calculated under the Insurance Business Law etc. that indicates the ratio of the “solvency margin of a non-life insurance company by means of its capital, reserves, etc.”([A] in the above table) to “risks which will exceed usual estimates”([B] in above table).
- The “risks that exceed usual estimates” is the total of each of the following risk types.
 - i. Underwriting Risk (Ordinary Insurance Risks, Third-sector Insurance Risks):
Risks of the payment of insurance claims in excess of usual estimates. (excluding major catastrophe risk)
 - ii. Risk of assumed interest rate (Assumed Interest Risks):
Risks that may arise as a result of an actual return on investment that is lower than the assumed interest rate at the time the insurance premium is calculated.
 - iii. Asset Management Risk:
Risks of retained securities and other assets fluctuating in prices in excess of usual estimates, etc.
 - iv. Business Management Risks:
Risks other than i. through iii. above and v. that may arise in the business operations in excess of usual estimates.
 - v. Major Catastrophe Risks:
Risks of the occurrence of major catastrophes as a result of major disasters (such as the Great Kanto earthquake, the Ise Bay Typhoon or equivalent) in excess of usual estimates.
- The “solvency margin of a non-life insurance company by means of its capital, reserves, etc.” (Total amount of solvency margin) is the amount of a non-life insurance company’s net assets, reserves (such as reserve for price fluctuations, catastrophe reserve and others), unrealized gain or loss on land etc.
- The solvency margin ratio is one of the indices that regulatory authorities use to determine the soundness of an insurance company. It is generally held that insurance company is “adequate in terms of solvency to meet insurance payments” if the ratio is 200% or more.