
Information Meeting

~ Strategies & Business Plan ~

NIPPONKOA INSURANCE CO., LTD.



NIPPONKOA
INSURANCE

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Part 1: Strategies & Business Plan

1. **Summary of FY2001 Results**
2. **Operating Environments**
3. **Business Plan**
4. **Main Points of Business Plan**
5. **Recent Sales Performance**
6. **Planned Sales Increase by Channel**
7. **Reduction of Low-yield Assets**
8. **Transformation of Asset Management Structure**
9. **IT Strategies (1)**
10. **IT Strategies (2)**
11. **Measurement of Risk, Capital Management**

1. Summary of FY2001

Premium income	Net premiums written : 668.3 billion yen Change from the previous year: -1.3%	Main reason for premium decrease was the reduction in premium rate of the automobile fleet policy. Positive growth was recorded for long-term fire policies sold over bank counters, and for general liability policies, etc.	Refer to II-2 “Premium Income” etc. (pages 17,30)
Paid losses, Expenses	Loss ratio: 59.8% Expense Ratio: 37.2%	Loss ratio improved by 1.9% due to a lack of serious natural disasters. Expense ratio improved by 0.2%.	Refer to II-3 “Paid Loses, Expenses” (page18)
Investment income	Net interest & dividend income: 18.6 billion yen Revaluation loss on securities: 73.8 billion yen	Net interest & dividend income decreased by 5.7% due to prolonged low interest rates. Revaluation loss on securities increased due to stock market decline.	Refer to II-5 “Investments, Life Insurance Business” (page 20).

Underwriting balance	Underwriting profit	Ordinary profit	Net income	Shareholders' equity	Solvency margin ratio
20.3 billion yen (Balance ratio 3.1%)	13.6 billion yen	-31.3 billion yen (25.5 billion yen on adjusted basis)	-19.0 billion yen	534.7 billion yen (BPS 637 yen)	917.2%

*1 The above figures do not include Taiyo F&M.

*2 Adjusted ordinary profit does not include gain/loss on sale of securities and revaluation loss on securities.

2. Operating Environment

Premium income

- **Main factors of market expansion: Active development of new products responding to diversified life styles and emergence of new risks. (Needs for coverage of medical & nursing care risk, liability risk will expand.)**
- **Downward pressure on premium rates will remain in some lines, but consumers will choose products based on the best balance of price and the quality of service.**

Market size is expected to remain level or slightly increase.

Combined ratio

- **Loss ratio excluding natural disasters will stabilize over the long-term, accompanied by revisions of premium rates.**
- **Combined ratio will be maintained at a stable level, amid efforts for improvement of operational efficiency.**

Combined ratio will remain stable over the long-term.

Investment

- **Drastic improvements in the investment environment, such as an acute increase in interest rate, cannot be expected.**
- **Insurers are likely to be differentiated by their efforts for improvement of their portfolios and investment policy.**

Investment styles will diversify.

3. Business Plan

	March-00	March-01	March-02	March-02 (incl. Taiyo F&M)	March-03	March-04
Net premiums written, Billions of Yen	681.6	677.0	668.3	676.0	[690.0] 730.0	[700.0] 755.0
Expense ratio (Total operating expenses, Billions of Yen)	38.6 % (176.4)	37.4 % (167.3)	37.2 % (166.2)	37.4 % (169.7)	[36.7 %] 34.7 % (167.7)	[36.5 %] 33.8 % (168.3)
Combined ratio	98.2 %	99.0 %	96.9 %	97.4 %	[96.2 %] 91.1 %	[96.0 %] 90.9 %
Ordinary profit, Billions of Yen (Adjusted ordinary profit, Billions of Yen)	48.0 (2.7)	47.1 (18.3)	-31.3 (25.5)	-29.6 (26.5)	22.0 (20.0)	23.0
Net income, Billions of Yen (ROE)	12.6 (3.6%)	13.5 (3.7%)	-19.0 (-5.6%)	-19.0 (-5.5%)	12.0 (3.7%)	13.0 (4%)

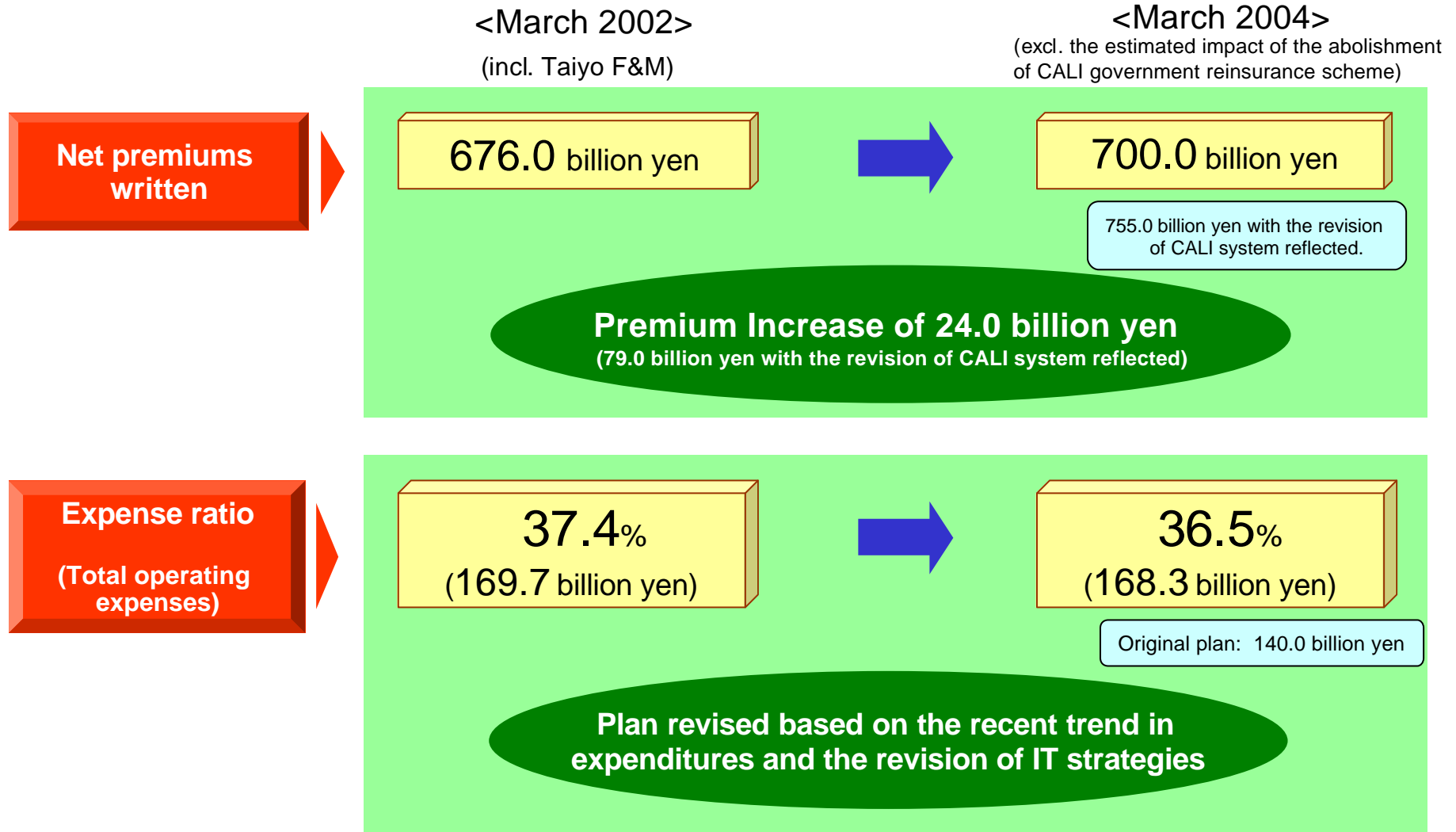
*1 Figures in [] in March-03 and after are on as-if basis excluding the estimated impact of abolishment of government reinsurance scheme for CALI.

Net premiums written excl. CALI: March-02: 620.7 billion, March-03: 629.2 billion, March-04: 637.0 billion

*2 Adjusted ordinary profit does not include gain/loss on sale of securities and revaluation loss on securities.

*3 ROE is calculated excluding net unrealized gain on available-for-sale securities.

4. Main Points of Business Plan



5. Recent Sales Performance

Year-on-year sales increase by line for the month of April 2002* (excl. savings-type policies)

Fire +20.7%	Marine +7.2%	Personal Accident +11.2%	Voluntary automobile +3.7%	CALI +4.5%	Other +22.6%
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<Total>
Rate of increase: +8.9%
Amount of increase: +5.7 billion yen

Rate of increase: +7.9%
Amount of increase: +5.1 billion yen

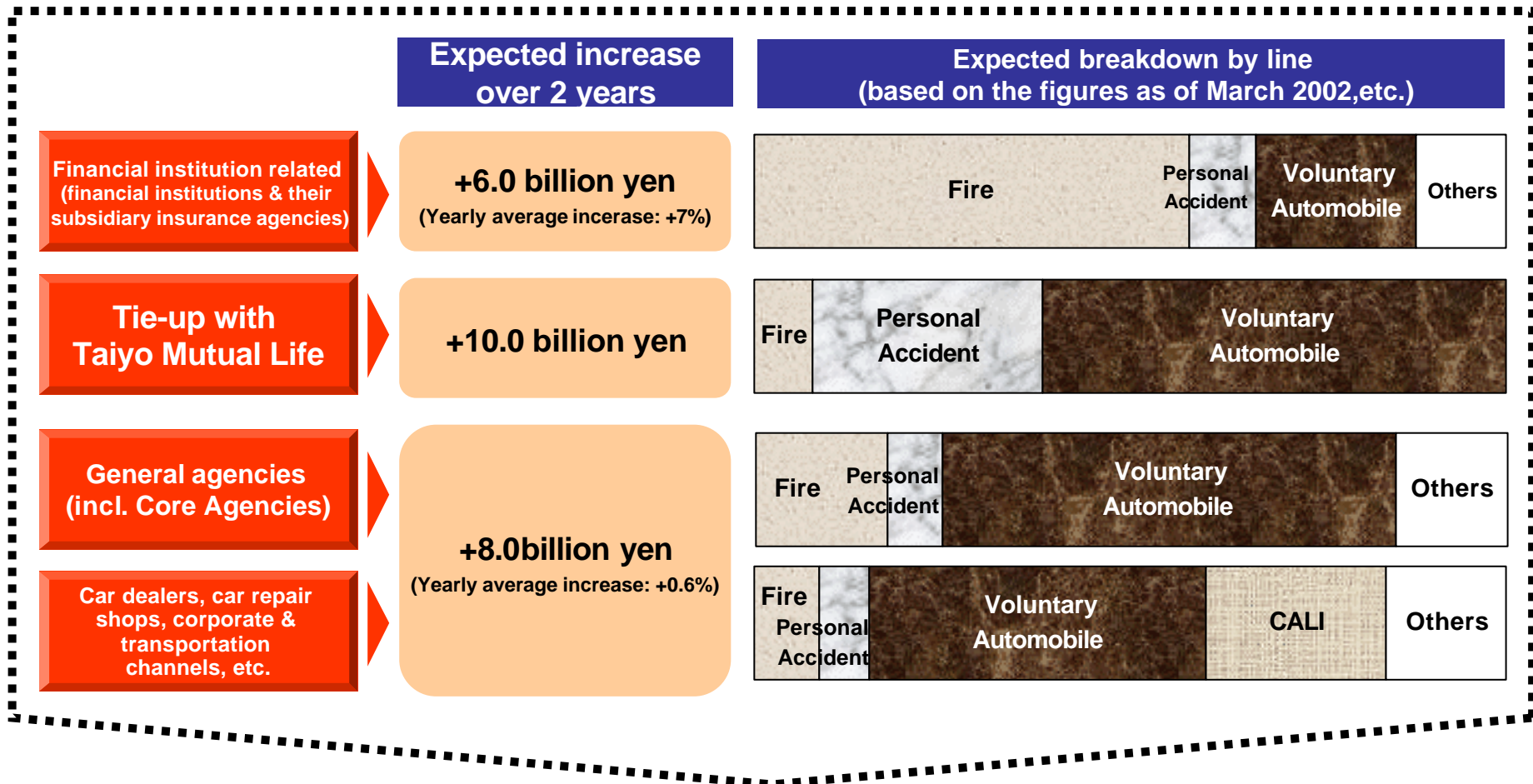
Sales increase at this stage is mainly from existing channels.

Visible sales increase is expected to emerge from June 2002 as an effect of the tie-up with Taiyo Mutual Life.

* Rate of increase is calculated based on the figure for April of the previous year (not including Taiyo F&M).

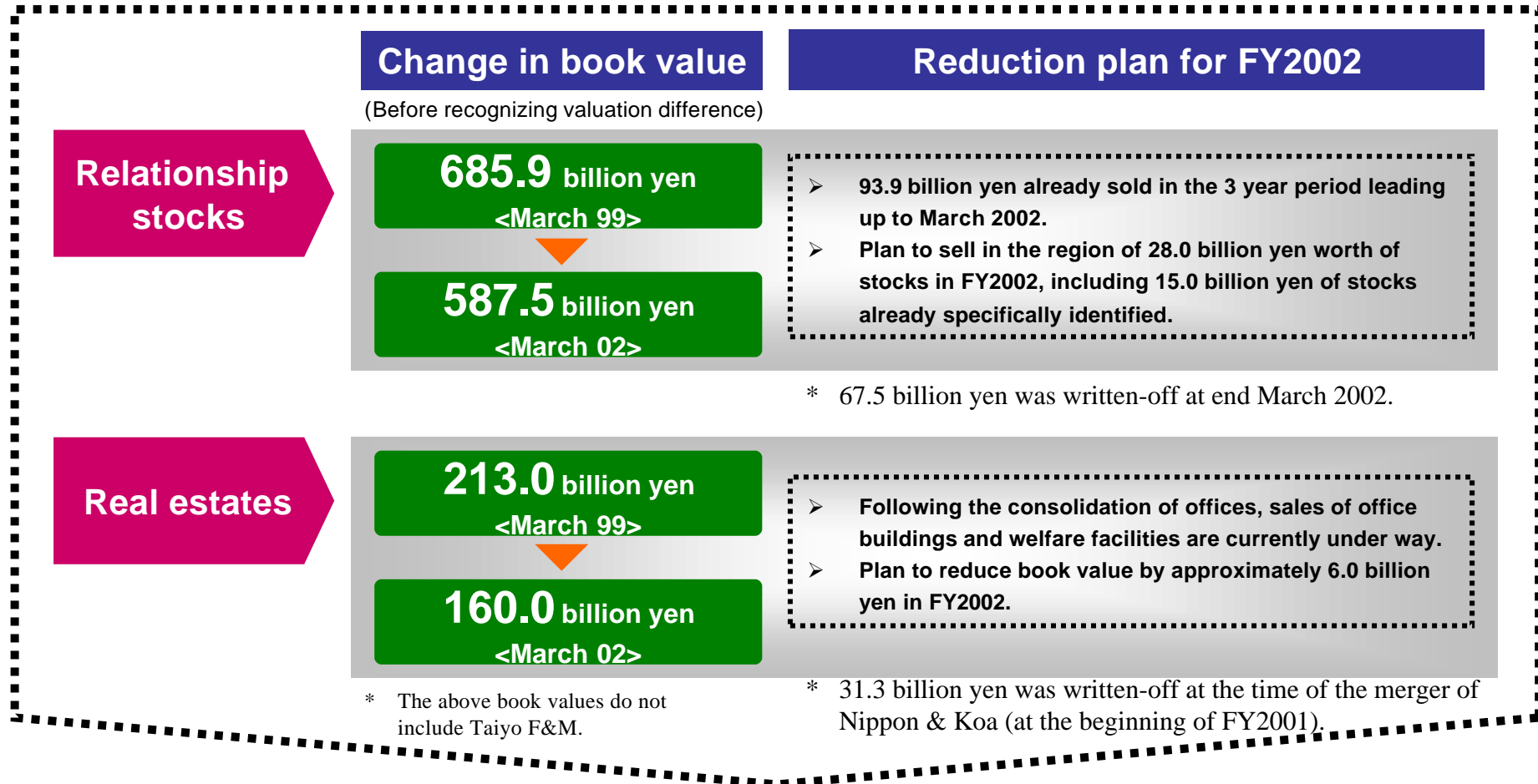
Former Taiyo F&M's contracts:
approx. 0.6 billion yen

6. Planned Sales Increases by Channel



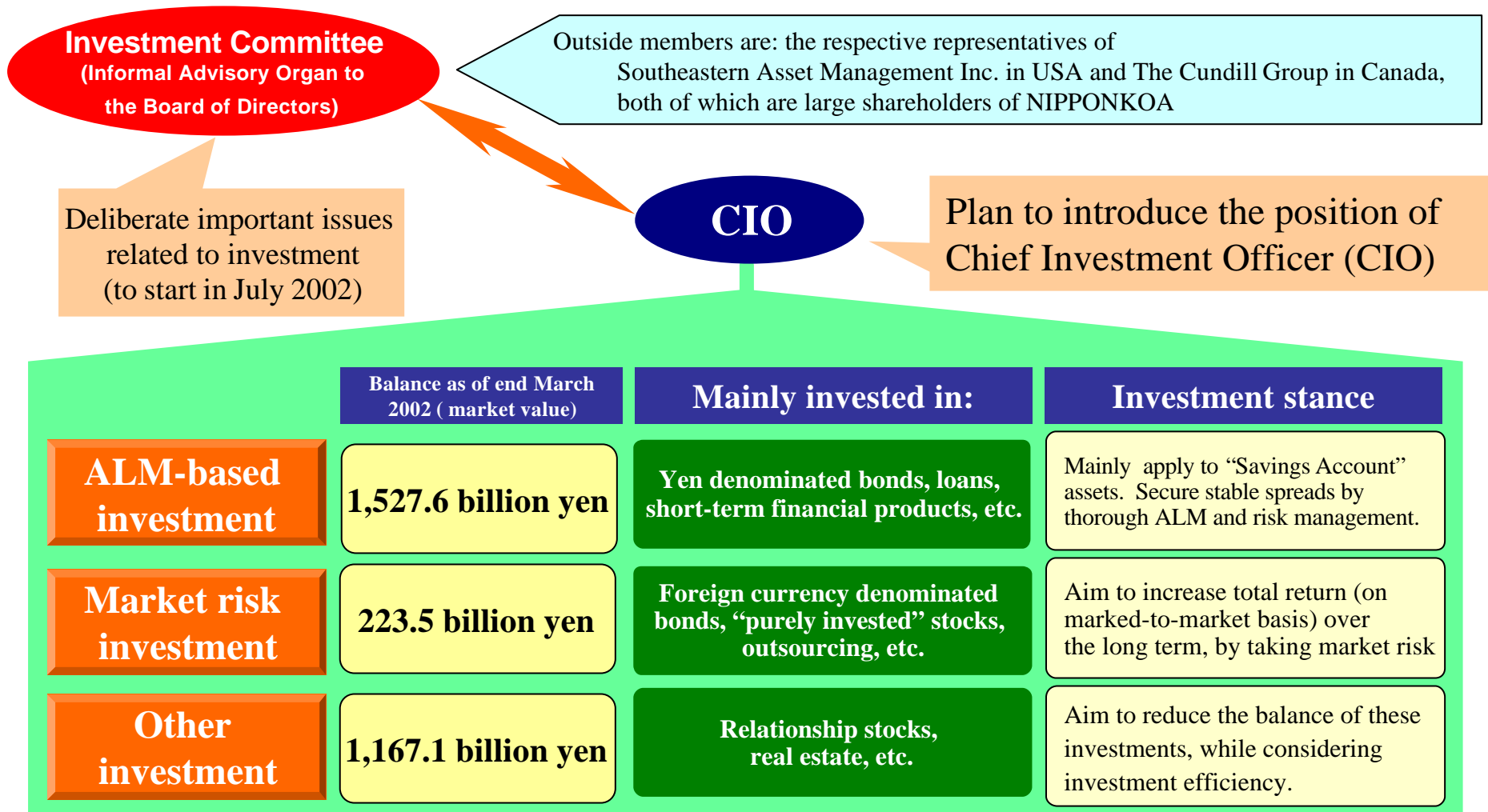
Planned increase of 24.0 billion yen over 2 years (from FY2002 to FY2003)

7. Reduction of Low-yield Assets



**Reduce low-yield assets by 20% by March 2004
(compared to March 1999 book value)**

8. Transformation of Asset Management Structure



*The above figures do not include Taiyo F&M

9. IT Strategies (1)

**Revision of IT strategies:
Response to innovation of technology and transformation of business model**

Main contents of IT investments

Construction of next generation IT infrastructure

- Construction of a next generation main system focused on: enhancement of the management function of customer base, flexibility of design, improvement in development efficiency.
- Construction of a Web-type IT system for agencies.
- Accommodation of large volume, high speed data transmission.

Promote digitalization in business processes

- Improve the functions of the claims-handling system. (Registration of claims, search and analysis function)
- Thorough digitalization of internal business processes. Upgrade management information (track record of sales performance, profit/loss control, etc.)

Strengthen communication with customers

- Enhance the ability of Virtual Counter to communicate with customers. Digitalize various procedures.

10. IT Strategies (2)

Investment over 3 years (from FY2002 to FY2004)
(Amount of investment will be determined stage by stage, paying attention to the ongoing development of IT technology.)

Total amount of investment is expected to be over 10.0 billion yen. <The expense will be incurred mainly in FY2003 and subsequent years.>

Expected effects

The foregoing Business Plan includes approx. 6.0 billion of expenses for IT system in FY2003.

Improvement of customer service

Improve customer convenience, expand service menu for customers.

Improvement of management capability

Enhance marketing capability by utilizing customer database.

Upgrade and accelerate decision making processes by various management support information.

Improvement of operational efficiency

Possible to alleviate a workload equivalent to approx. 500 personnel
(Transformation of business process, including online data entry by agencies, etc.)

11. Measurement of Risk, Capital Management

Simulation to measure total risk, based on Dynamic Financial Analysis

Current capital (March 2002) : Approx. 950 billion yen*

*including pre-tax unrealized gain on available-for-sale securities,
pre-tax catastrophe reserve, and pre-tax price fluctuation reserve

[Underwriting risks + Investment risks]

[Minimum maintenance capital]

(a) 400 to 450 billion yen

(b) 500 billion yen

Portion
subject
to
capital
management
policy

- * Set various scenarios by combination of fluctuations of profit/loss, asset values, etc. The above figure (a) is the amount of capital decrease (on market value basis), based on a worst case scenario that could occur once in 100 years.
- * The figure (b) is the minimum capital required to continue operations without hindrance, even if a once in a century worst case scenario occurred.

- Strategic investments
- Shareholder return (buyback, etc.)

Part 2: Results of FY2001

- 1. Summary of Income & Losses**
- 2. Premium Income**
- 3. Paid Losses, Expenses**
- 4. Underwriting Fund, Retirement Benefits**
- 5. Investments, Life Insurance Business**
- 6. Asset Self-Assessment**
- 7. Forecast for FY2002**
- 8. Revision of CALI system**

1. Summary of Income & Losses

		(NIPPONKOA Only) Millions of Yen			(incl. TaiyoF&M)
		March-01	March-02	Change	March-02
Underwriting	+) Net premiums written	(677,022)	(668,358)	(- 8,664)	(676,065)
	-) Net losses paid	(385,941)	(366,850)	(- 19,091)	(372,320)
	-) Loss adjustment expenses, Net operating expenses	(284,538)	(281,117)	(- 3,421)	(285,888)
	+) Underwriting balance (1a)	6,541	20,390	13,848	17,856
	-) Increase of reserve for outstanding losses & claims (1b)	9,516	7,138	- 2,378	6,813
	-) Increase of premium reserve (1c)	- 16,041	- 1,860	14,180	- 4,392
	-) Increase of catastrophe reserve (1d)	- 339	2,902	3,242	2,179
	+) Other balances (incl. investment income on CALI & earthquake ins.) (1e)	2,292	1,440	- 852	1,511
	+) Underwriting profit/loss (1)	15,698	13,650	- 2,048	14,767
	+) Miscellaneous income/expenses related to underwriting (2)	556	965	409	936
Investment, etc.	+) Interest & dividend income	(61,313)	(55,293)	(- 6,020)	(56,432)
	-) Investment income on deposit premium from savings-type ins., etc.	(41,509)	(36,617)	(- 4,891)	(37,640)
	+) Net interest & dividend income (3a)	19,804	18,676	- 1,128	18,792
	+) Gain/loss from sale of securities (3b)	31,232	16,993	- 14,238	17,950
	-) Revaluation loss on securities (3c)	2,483	73,899	71,416	74,117
	+) Redemption profit from securities (3d)	215	977	762	728
	-) Addition to reserve for investment losses (3e)	286	-	- 286	-
	+) Gain/loss from foreign exchange (3f)	- 571	105	676	105
	+) Other investment income/loss (3g)	- 2,100	- 116	1,983	- 88
	+) Investment profit/loss (3)	45,810	- 37,264	- 83,074	- 36,629
-) Investment expenses, etc. (Administrative exp. unrelated to underwriting) (4)	8,920	7,719	- 1,201	7,822	
+) Other ordinary income/loss (5)	- 6,009	- 983	5,025	- 908	
Ordinary profit	(1) + (2) + (3) - (4) + (5) = (A)	47,135	- 31,351	- 78,487	- 29,656
(Adjusted ordinary profit)	(A) - (3b) + (3c) = (B)	(18,386)	(25,554)	(7,167)	(26,510)
	+) Special income/loss	- 27,960	- 486	27,474	- 1,316
	-) Income taxes (incl. tax adjustment)	5,617	- 12,756	- 18,374	- 11,909
Net Income		13,556	- 19,082	- 32,638	- 19,062
Net income (consolidated)		13,968	- 22,741	- 36,709	- 22,722

*Other investment income/loss is composed of the following items on the income statement: "Investment income from money trusts"+"Investment income from trading securities"+"Revaluation profit/loss on derivative financial instruments"+"Other investment income/loss"

2. Premium Income

<Net premiums written by line>

Millions of Yen

	Amount	% change	Change
Fire	110,768	+ 0.7%	760
Marine	15,509	- 7.5%	- 1,257
Personal accident	61,798	- 5.2%	- 3,395
Voluntary automobile	351,612	- 1.0%	- 3,375
CALI	54,782	- 1.4%	- 781
Other	73,886	- 0.8%	- 614
Net premiums written	668,358	- 1.3%	- 8,664

(Main factors for the increase/decrease in premium)
Savings-type fire (excl. deposit premium): -2.2 billion yen
Hull: +0.1 billion yen, Cargo: -1.3 billion yen (Decrease in cargo is mainly due to the transformation of ex-Koa U.S. Branch to NIPPONKOA U.S. subsidiary)
Savings-type personal accident (excl. deposit premium): -2.0 billion yen
Decline in premium rates (Increase/decline ratio of unit price calculated from sales performance figures: Fleet -10.3%, Non-fleet: +0.2%, Total: -1.4%)
Direct premiums written: -1.5 billion yen (-1.6%)
Liability: +1.7 billion yen, Movable all risks & Theft: -1.7 billion yen, Transit: -0.9 billion yen, etc.

<The figures above do not include Taiyo F&M>

3. Paid Losses, Expenses

<Net losses paid>

	Amount	Change	Millions of Yen of which natural disasters	
			Amount	Change
Net losses paid	366,850	- 19,091	6,944	- 11,482
(Loss ratio)	59.8%	- 1.9%		
Fire	38,787	- 6,351	6,166	- 5,036
(Loss ratio)	37.4%	- 6.2%		
Voluntary automobile	208,178	- 10,273	63	- 6,037
(Loss ratio)	63.9%	- 2.4%		

<Major natural disaster losses paid>

(FY2001)

Fire	Mainly payment of losses incurred in FY2000
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(FY2000)

Fire	Hail in Chiba & Ibaraki	4.9 billion
	Tokai area downpour	3.4 billion
Automobile	Hail in Chiba & Ibaraki	2.7 billion
	Tokai area downpour	3.3 billion

<Expenses>

	Amount	% of Net premiums written	Change	Millions of Yen	
Personnel expenses	90,376	13.5%	- 196		
Non-personnel expenses, etc. (incl. taxes & contributions)	75,889	11.4%	- 848		
Total operating expenses (Loss adjustment expenses + Operating & administrative expenses)	166,265	24.9%	- 1,044		
Net commissions & brokerage expenses	122,570	18.3%	- 3,578		
Operating and administrative expenses for underwriting	126,003	18.9%	- 727		
Net operating expenses	248,574	37.2%	- 4,305		

(Major factors for the increase/decrease)

-> Decrease: Reduction of approx. 500 personnel, reduction in retirement pay, etc. Increase: Change of accounting policy for agency trainee personnel expenses

-> Reduction in rents, depreciation expenses, etc.

* Part of agency trainee personnel expenses, which was formerly accounted for "Net commissions & brokerage expenses," is accounted for as personnel expenses in FY2001. (Agency trainee personnel expenses in FY2000: approx. 1.7 billion yen, approx. 0.3%)

<The figures above do not include Taiyo F&M>

4. Underwriting Fund / Retirement Benefits

<Breakdown of underwriting fund>

Millions of Yen

	March-01			March-02			Amount of increase		
	Premium reserve	Catastrophe reserve	Reserve for outstanding losses & claims	Premium reserve	Catastrophe reserve	Reserve for outstanding losses & claims	Premium reserve	Catastrophe reserve	Reserve for outstanding losses & claims
Fire	289,238	79,392	19,159	298,116	83,380	22,902	8,878	3,987	3,743
Marine	5,631	13,605	5,136	5,225	14,163	5,320	- 405	557	183
Personal accident	36,195	25,202	13,073	31,852	25,202	13,737	- 4,342	-	663
Voluntary automobile	107,627	54,937	111,741	105,858	53,322	113,655	- 1,768	- 1,614	1,913
CALI	95,797	-	13,482	89,857	-	13,623	- 5,939	-	140
Other	79,014	34,142	24,727	80,731	34,114	25,221	1,716	- 28	493
Total	613,504	207,281	187,321	611,643	210,184	194,460	- 1,860	2,902	7,138
(ditto incl. Taiyo F&M)	(633,741)	(213,096)	(189,989)	(629,349)	(215,275)	(196,802)	(- 4,392)	(2,179)	(6,813)
Assets related to savinas-type policies	1,539,218	-	-	1,425,005	-	-	- 114,212	-	-
(ditto incl. Taiyo F&M)	(1,590,394)	-	-	(1,466,653)	-	-	(- 123,740)	-	-

<Retirement benefit obligation>

	March-01	March-02	Change
(Retirement benefit obligation)	(- 122,202)	(- 131,225)	(- 9,023)
(Pension assets)	(71,700)	(70,400)	(- 1,300)
Unfunded retirement benefit obligation	- 50,501	- 60,825	- 10,323
Unrecognized obligation for prior service	-	- 11,739	- 11,739
Unrecognized actuarial differences	8,939	32,881	23,942
Sub-total	- 41,561	- 39,682	1,879
Prepaid pension cost	-	- 489	- 489
Allowance for retirement benefits	- 41,561	- 40,172	1,389

<Retirement benefit cost>

	Amount
Service cost	4,293
Interest cost	3,276
Expected investment income	- 891
Obligation for prior service to be amortized	- 1,304
Actuarial differences to be amortized	893
Total	6,269

<The figures above do not include Taiyo F&M>

5. Investments, Life Insurance Business

<Breakdown of interest & dividend income>

Millions of Yen

	March-01		March-02	
	Interest & dividend income	Yield	Interest & dividend income	Yield
Deposits	912	0.76%	255	0.18%
Call loans	87	0.26%	1	0.03%
Receivables under resale agreements	-	-	1	0.04%
Monetary receivables bought	58	0.60%	73	0.58%
Securities	40,644	2.30%	38,895	2.23%
Loans	15,875	2.50%	12,477	2.23%
Land & buildings	3,113	1.54%	2,913	1.75%
Sub-total	60,691	2.18%	54,619	2.07%
Others	622	-	674	-
Total	61,313	-	55,293	-

<Gain/loss on sale & revaluation loss>

Millions of Yen

	March-02		
	Gain on sale	Loss on sale	Revaluation loss
Domestic bonds	341	1,440	3,781
Domestic equities	12,451	334	67,538
Others	8,382	2,407	2,580
Total	21,175	4,181	73,899

<Major items of special income/loss>

*Merger cost	-11.4 billion
*Reversal of reserve for price fluctuations	9.7 billion
*Reversal of reserve for bad debts	1.2 billion

<The figures above do not include Taiyo F&M>

<Life insurance subsidiary>

Millions of Yen

	March-01	March-02	Change
Premium & other receipts	39,990	44,651	4,661
Investment income	1,547	2,050	503
Basic profit	752	1,625	873
Ordinary profit	717	133	- 584
Net income/loss	87	- 4,040	- 4,127

<Amount of business of individual insurance>

Millions of Yen

	March-01	March-02
Amount of business in force	1,900,617	2,112,396
Amount of new business	568,531	490,097

*Incl. Individual annuity and the third sector products

*Merger cost of life insurance subsidiary	3.7 billion
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6. Asset Self-Assessment

<Asset Self-Assessment (as of end March 2002)>

Millions of Yen

	Unclassified	Classification II	Classification III	Classification IV	Total
Securities	1,977,855	3,576	-	-	1,981,432
Loans	485,053	27,418	5,815	14,143	532,430
Policy loans	14,169	-	-	-	14,169
General loans	470,884	27,418	5,815	14,143	518,261
Borrowers specified	469,544	27,418	5,815	14,109	516,887
(Normal)	(463,277)	-	-	-	(463,277)
(Caution required)	(6,139)	(20,849)	-	-	(26,989)
(Potentially bankrupt)	(127)	(3,390)	(5,815)	-	(9,333)
(De fact bankrupt)	-	(1,116)	-	(3,710)	(4,826)
(Bankrupt)	-	(2,062)	-	(10,398)	(12,461)
Borrowers unspecified	1,339	-	-	34	1,374
Real & movable property	164,341	7,375	-	368	172,086
Other	443,076	6,365	2,317	83	451,843
Total assets subject to self-assessment	3,070,327	44,736	8,133	14,596	3,137,793
Assets not subject to self-assessment	-	-	-	-	28,836
Total assets (a): before write-offs & provisions	-	-	-	-	3,166,629

Write-offs & provisions (b)	25,690
Total assets (a-b)	3,140,938

<Risk-monitored loans>

End March 2002, Millions

	Amount of claim
Loans in bankruptcy	10,862
Delinquent/overdue loans	14,159
Loans delinquent/overdue for 3 months or more	2,514
Restructured loans	6,331
Total risk-monitored loans	33,868
Specific reserve for bad debts	22,319
Provision ratio	65.9%
Reserve for bad debts (specific and general)	25,280
Provision ratio	74.6%

Notes for asset self-assessment

* Securities are assessed after marking-to-market and recognizing revaluation loss.

* Classification III and classification IV assets are fully written-off or provisioned.

<The figures above do not include Taiyo F&M>

7. Forecast for FY2002

(1) Principal indicators

Billions of Yen

	March-02		March-03 projection	
	Amount	% change	Amount	% change
Net premiums written	676.0	- 1.7%	730.0	8.0%
Net losses paid	372.3	- 5.0%	379.4	1.9%
Loss ratio	59.9%	-	56.4%	-
Expense ratio	37.4%	-	34.7%	-
Combined ratio	97.4%	-	91.1%	-
Underwriting profit	14.7	- 13.5%	10.0	- 32.3%
Interest & dividend income	56.4	- 10.4%	48.6	- 13.8%
Net interest & dividend income	18.7	- 7.1%	16.2	- 13.7%
Ordinary profit	- 29.6	- 162.2%	22.0	-
Net income	- 19.0	- 236.2%	12.0	-

(2) Net premiums written by line

Billions of Yen

	March-02		March-03 projection	
	Amount	% change	Amount	% change
Fire	111.8	- 1.0%	112.2	0.3%
Marine	15.6	- 7.7%	15.5	- 0.2%
Personal accident	63.8	- 5.3%	66.4	4.1%
Voluntary automobile	353.5	- 1.1%	357.9	1.2%
CALI	55.3	- 1.5%	100.7	82.1%
Other	75.9	- 1.3%	77.0	1.5%
Total	676.0	- 1.7%	730.0	8.0%
(excl. CALI)	(620.7)	(- 1.7%)	(629.2)	(1.4%)

(4) Expenses

Billions of Yen

	March-02		March-03 projection			
	Amount	% of net premiums written	Amount	% of net premiums written	Change	
LAE + Operating & admin. exp.	Personnel exp.	92.0	13.6%	91.4	12.5%	- 0.5
	Non-personnel exp., incl. taxes & contributions	77.7	11.5%	76.2	10.4%	- 1.5
	(Total)	169.7	25.1%	167.6	23.0%	- 2.1
Expenses for underwriting	Net commissions & brokerage exp.	123.9	18.3%	125.6	17.2%	1.7
	Operating & admin. exp.	129.0	19.1%	127.4	17.5%	- 1.6
	(Total)	252.9	37.4%	253.1	34.7%	0.1

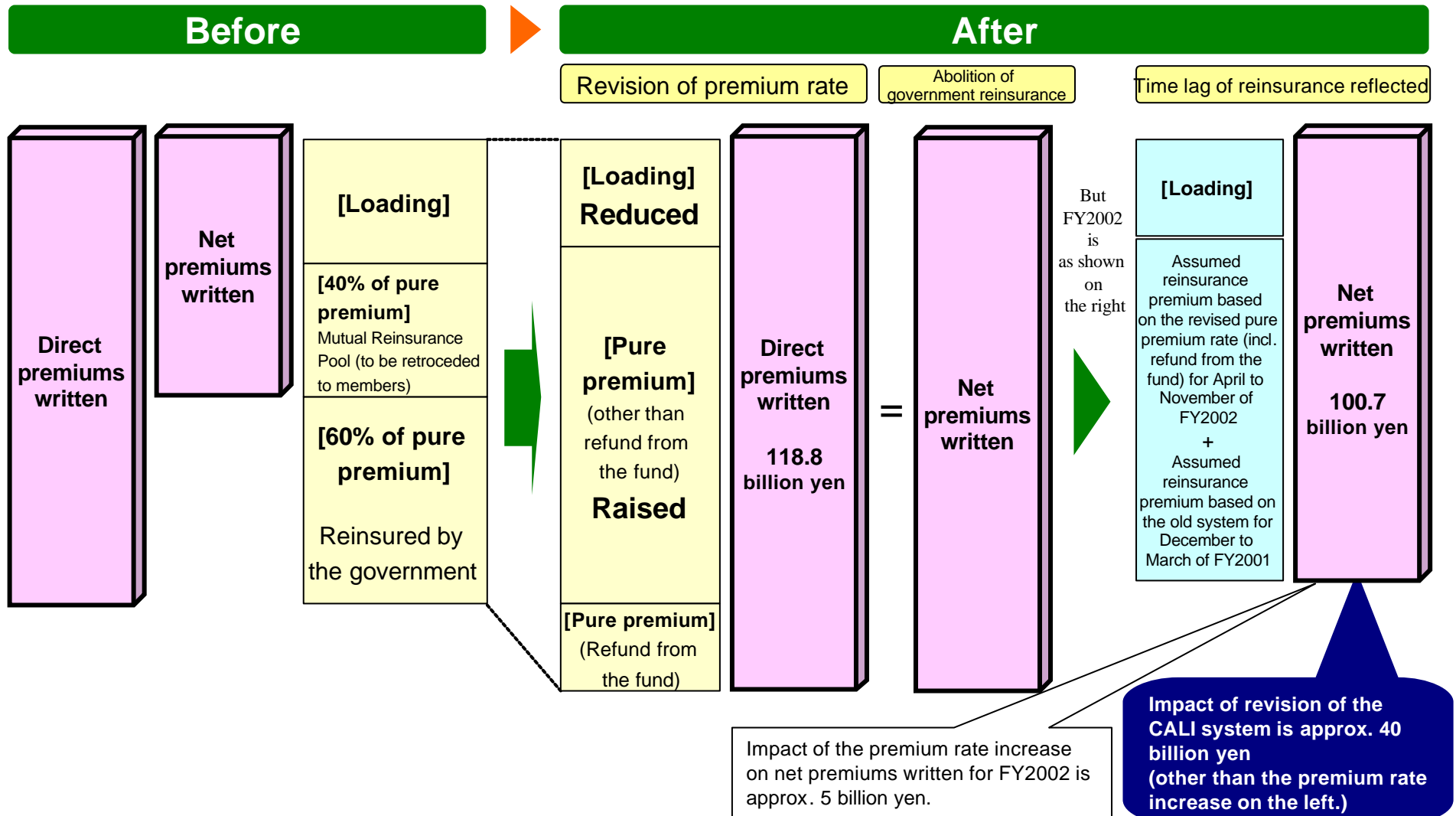
(3) Net losses paid by line

Billions of Yen

	March-02		March-03 projection	
	Amount	Loss ratio	Amount	Loss ratio
Fire	39.9	38.1%	43.3	41.0%
Marine	8.0	53.3%	8.3	55.7%
Personal accident	26.4	45.6%	26.9	44.7%
Voluntary automobile	209.7	64.1%	209.5	63.2%
CALI	36.8	78.5%	39.0	45.1%
Other	51.2	72.7%	52.1	72.7%
Total	372.3	59.9%	379.4	56.4%
(excl. CALI)	(335.4)	(58.3%)	(340.4)	(58.2%)

<March-02 figures in this page include Taiyo F&M>

8. Revision of CALI System (FY2002 Basis)



Appendix

1. Principal Indicators (1)
2. Principal Indicators (2)
3. Assets by Investment Style
4. Breakdown of Equity Portfolio by Industry
5. Sales Performance of New/Strategic Products
6. Sales Performance by Channel
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1. Principal Indicators (1)

<Parent company>		(NIPPONKOA Only) Millions of Yen						(incl. TaiyoF&M)	
		March-97	March-98	March-99	March-00	March-01	March-02	March-01	March-02
Direct premiums written (excl. deposit premiums from policyholders of savings-type policies)	Fire	144,905	144,183	134,133	131,405	127,788	126,894	131,350	129,915
	Marine	25,382	24,442	21,605	19,349	19,264	18,159	19,383	18,254
	Personal Accident	80,842	76,737	69,931	68,872	65,798	62,264	67,607	63,864
	Voluntary automobile	370,415	370,138	354,746	353,295	354,431	350,877	356,930	352,844
	CALI	106,821	98,118	95,047	96,239	97,441	95,908	98,160	96,544
	Other	87,360	84,358	79,839	78,189	79,835	78,765	82,370	81,218
	Total	815,727	797,979	755,304	747,351	744,560	732,870	755,803	742,642
Net premiums written	Fire	128,863	129,643	119,293	115,335	110,008	110,768	113,052	111,869
	Marine	21,531	20,882	18,800	16,780	16,767	15,509	16,927	15,624
	Personal Accident	80,428	76,237	69,601	68,431	65,193	61,798	67,353	63,808
	Voluntary automobile	371,452	370,230	353,553	352,103	354,988	351,612	357,417	353,531
	CALI	59,813	57,232	54,734	55,013	55,564	54,782	56,172	55,309
	Other	80,976	79,080	74,866	73,967	74,500	73,886	76,893	75,921
	Total	743,065	733,306	690,849	681,632	677,022	668,358	687,817	676,065
Loss ratio	Fire	35.2%	31.2%	43.6%	42.7%	43.6%	37.4%	43.7%	38.1%
	Marine	65.6%	57.7%	59.0%	54.8%	50.0%	53.1%	50.0%	53.3%
	Personal Accident	40.0%	42.4%	45.4%	46.3%	49.4%	45.3%	49.4%	45.6%
	Voluntary automobile	58.7%	60.0%	61.7%	63.3%	66.3%	63.9%	66.4%	64.1%
	CALI	66.4%	69.4%	74.5%	74.8%	77.5%	78.1%	77.9%	78.5%
	Other	57.3%	61.4%	66.3%	69.8%	67.8%	73.3%	67.2%	72.7%
	Total	53.3%	53.9%	58.4%	59.6%	61.7%	59.8%	61.6%	59.9%
Expense ratio	39.8%	39.7%	39.7%	38.6%	37.4%	37.2%	37.5%	37.4%	
Total operating exp. (loss adjustment exp. + operating & admin. exp.)		197,901	189,803	183,848	176,419	167,310	166,265	170,892	169,798

2. Principal Indicators (2)

<Parent company>

(NIPPONKOA Only) Millions of Yen

(incl. TaiyoF&M)

	March-97	March-98	March-99	March-00	March-01	March-02	March-01	March-02
Underwriting balance	51,287	47,195	13,401	12,433	6,541	20,390	5,740	17,856
Underwriting balance ratio	6.9%	6.4%	1.9%	1.8%	1.0%	3.1%	0.8%	2.6%
Underwriting profit	11,982	25,924	25,405	18,662	15,698	13,650	17,075	14,767
Interest & dividend income	103,515	95,922	86,579	74,049	61,313	55,293	63,003	56,432
Net interest & dividend income	26,585	30,239	29,675	23,598	19,804	18,676	20,237	18,792
Ordinary profit	33,853	31,740	38,392	48,020	47,135	- 31,351	47,652	- 29,656
Net income	11,147	11,993	11,735	12,657	13,556	- 19,082	13,997	- 19,062

<Life insurance subsidiary>

Amount of business in force (billion yen): individual insurance, annuity	224.4	677.0	1,173.6	1,562.7	1,900.6	2,112.3
Ordinary profit	- 424	- 594	- 544	- 346	717	133
Net income	- 449	- 793	- 913	- 552	87	- 4,040

<Consolidated profit>

Net income	10,938	11,572	11,292	12,595	13,968	- 22,741	14,409	- 22,722
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3. Assets by Investment Style

As of end March 2002 (marked-to-market basis), Millions of Yen

		Balance of investment assets by investment style			Total		General Account	Savings Account	
		ALM-based investment	Market risk investment	Other investment		Proportion			
Securities	Yen denominated bonds, etc.	879,718	45,259	1,000	925,977	31.7%	60,413	865,564	
		(Public & corporate bonds)	(683,958)	(32,646)	-	(716,604)	(24.6%)	(50,731)	(665,873)
		(Foreign securities)	(195,759)	(12,613)	(1,000)	(209,372)	(7.2%)	(9,682)	(199,690)
		Foreign securities (foreign currency denominated)	-	121,294	38,803	160,097	5.5%	102,020	58,076
		Domestic equities	-	-	884,478	884,478	30.3%	884,478	-
		Others (e.g. Beneficiary certificates of investment trust, etc.)	-	9,913	964	10,878	0.4%	10,878	-
Receivables under resale agreements		-	-	-	-	-	-	-	
Monetary receivables bought		43,415	-	-	43,415	1.5%	8,151	35,263	
Money trusts		-	47,100	50	47,150	1.6%	45,116	2,033	
Loans		532,430	-	-	532,430	18.2%	84,967	447,463	
Deposits		72,077	-	81,837	153,915	5.3%	131,439	22,476	
Call loans		-	-	-	-	-	-	-	
Land & buildings		-	-	160,028	160,028	5.5%	160,028	-	
Total		1,527,641	223,568	1,167,162	2,918,372	100.0%	1,487,495	1,430,877	
Total return (incl. unrealized gain/loss)		0.87%	7.56%	- 7.18%	- 1.93%	<The figures above do not include Taiyo F&M>			

4. Breakdown of Equity Portfolio by Industry

Millions of Yen

	March-01 (Total of Koa & Nippon)			March-02		
	Number of shares (in thousands)	Marked-to-market value		Number of shares (in thousands)	Marked-to-market value	
			Proportion			Proportion
Financials & insurance	432,261	248,024	25.0%	323,566	192,215	21.7%
Chemicals & medicines	145,575	187,514	18.9%	147,244	188,797	21.3%
Electric machinery	107,570	115,139	11.6%	107,200	103,449	11.7%
Commerce (wholesale & retail)	145,801	88,112	8.9%	140,899	79,184	9.0%
Transportation vehicles	99,161	69,636	7.0%	86,986	58,922	6.7%
Transportation (land & air)	108,496	56,461	5.7%	108,901	55,295	6.3%
Foods	61,116	51,477	5.2%	62,489	44,702	5.1%
Utilities (electricity & gas)	14,777	25,529	2.6%	14,777	25,850	2.9%
Machinery	53,603	23,962	2.4%	64,064	21,344	2.4%
Services	19,412	17,667	1.8%	19,096	15,220	1.7%
Others	287,492	108,828	11.0%	284,606	99,497	11.2%
Total	1,475,270	992,353	100.0%	1,359,834	884,478	100.0%

<The figures above do not include Taiyo F&M>

5. Sales Performance of New/Strategic Products

<Sales performance for FY2001>

Policies/Vehicles, Millions of Yen

		Main features	Month of launch	Number of policies/vehicles	Sales performance
Voluntary automobile	KURUMAX	High level coverage, reasonable premium level based on a new rate classification	July-01	157,497	11,793
	GetBack	World's first savings-type automobile policy	February-00	140,091	12,596
Fire	Full House	High level coverage on replacement cost basis (property damage, various expenses related to housing)	May-00	286,743	18,086
	Commercial Property Insurance	Covers all properties of a corporate customer with one policy (Property damage, loss of profit, etc.)	April-01	2,400	5,636
Personal accident	MUST	Wide-ranging coverage of risks of daily life (Personal accident, household movable property, liability, etc.)	April-99 (Revised October 00)	106,063	5,481
	Medico/MUST Medico	Third sector product which makes the most of non-life insurance know-how (Medical, cancer)	July-01	75,961	3,999
Other category	J-Master	Covers accident compensation for employees (Death, aftereffects of injury, hospitalization, hospital visits)	October-01	3,026	1,081
	K-Master	Covers various risks related to constructions comprehensively (Liability, property, personal accident)	June-00	5,755	2,071
	SALE	Comprehensive cover of various risks of shopkeepers (Property, loss of profit, liability)	October-99	15,743	1,540
	Comprehensive General Liability (incl. Policies for small & medium-sized companies)	Comprehensive cover of corporate customers' liability risks	April-01	122,054	17,880

* Sales performance of GetBack does not include savings portion.

6. Sales Performance by Channel

Upper row: Sales performance (Millions of Yen)

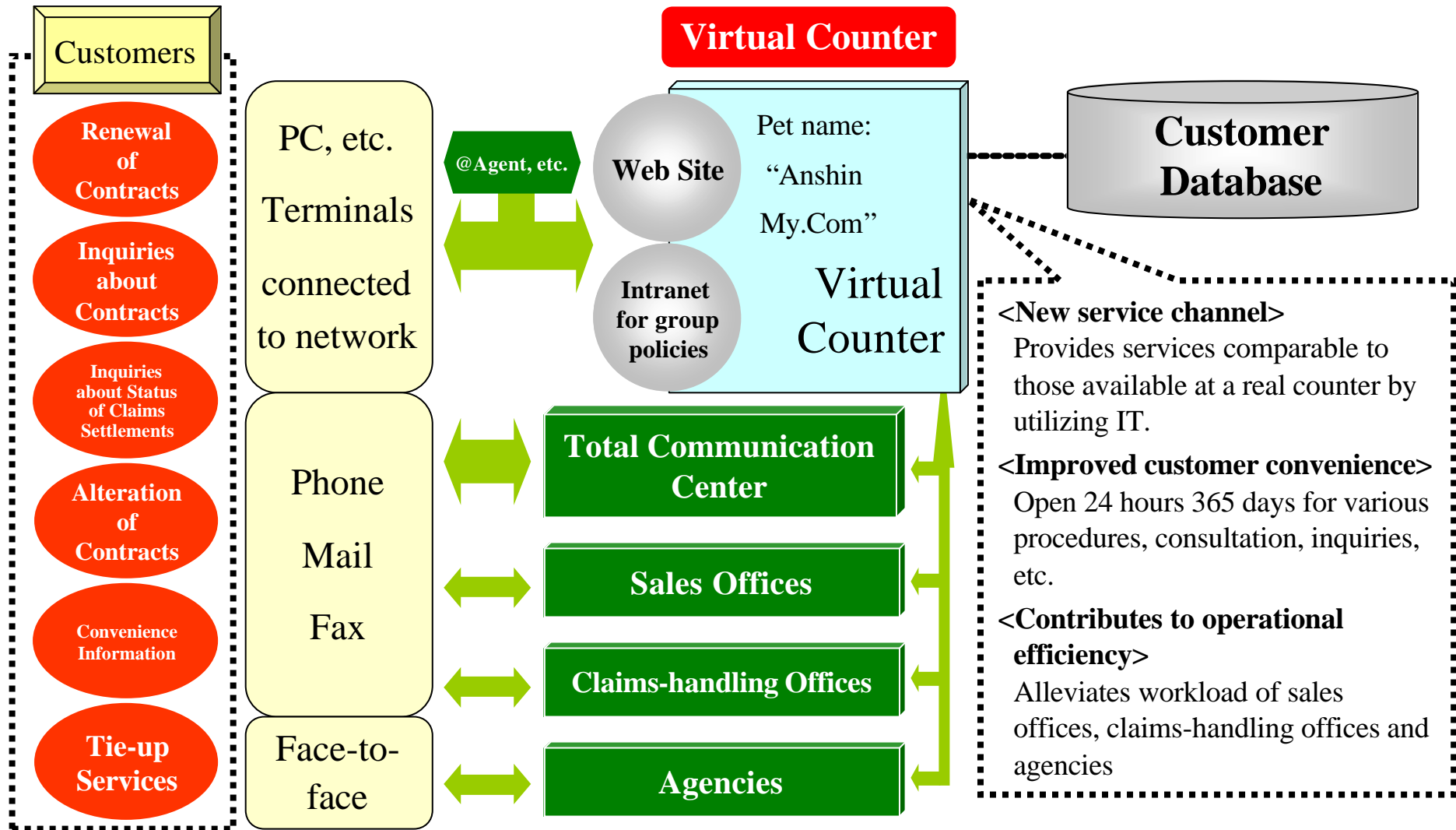
<Sales performance by channel for FY2001 (excl. savings-type policies)>

Lower row: % change

	Number of agencies	Fire	Marine	Personal accident	Voluntary automobile	CALI	Transit	Others	Total	Proportion
Financial institution related channels (Financial institutions & their insurance agency subsidiaries)	835	24,556 + 18.8%	211 + 7.7%	3,696 - 3.9%	9,056 - 3.2%	440 - 4.6%	358 + 39.5%	4,082 + 6.0%	42,400 + 9.8%	6.1%
Corporate and transportation channels	4,944	27,600 - 1.4%	10,643 - 3.3%	20,866 - 2.4%	64,682 - 2.8%	12,421 - 6.5%	11,728 - 6.3%	30,836 - 1.0%	178,776 - 2.8%	25.7%
Car dealers, car repair shops, service stations and other automobile related channels	22,456	2,541 + 3.1%	99 - 11.7%	2,024 + 12.4%	91,179 - 0.5%	70,655 - 0.1%	176 - 3.9%	1,872 + 8.7%	168,546 - 0.1%	24.2%
General agencies, etc.	27,115	53,463 - 5.3%	4,891 - 0.8%	22,930 + 3.3%	184,454 - 2.6%	12,750 - 3.3%	2,247 - 1.1%	25,866 + 4.5%	306,602 - 2.1%	44.0%
of which "Core Agencies"	3,483	20,189 + 3.5%	427 + 0.5%	11,813 + 5.7%	111,905 + 0.4%	5,373 + 1.0%	892 + 1.9%	10,798 + 7.5%	161,398 + 1.6%	23.2%
Total	55,350	108,160 + 0.6%	15,844 - 2.4%	49,516 + 0.6%	349,371 - 2.1%	96,267 - 1.4%	14,510 - 4.7%	62,655 + 1.9%	696,323 - 1.1%	100.0%

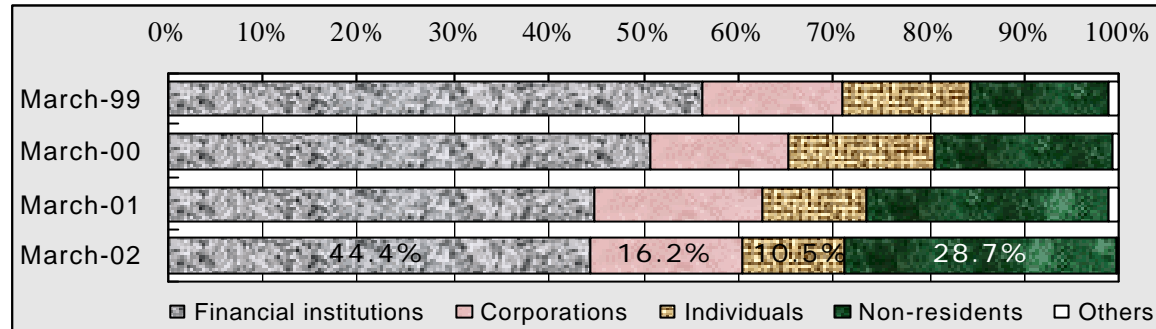
<The figures above do not include Taiyo F&M>

7. Illustration of the Virtual Counter System



8. Stock Related Data

State of Shareholdings



Number of shares outstanding (incl. treasury stocks): 838,157 thousand
 (843,743 thousand, as of April 1, 2002 due to the merger with Taiyo F&M)

Major Shareholders

(as of March 31, 2002)

1. State Street Bank & Trust Co.	2. The UFJ Bank, LTD	3. Nippon Express Co., LTD	4. Royal Trust Corp. of Canada Client Account	5. Retirement Benefits Trust Account for The Asahi Bank, LTD.
9.4%	4.7%	4.2%	3.9%	3.0%
6. The Joyo Bank, LTD.	7. Naigai Kisen	8. Nippon Life Insurance Co.	9. The Dai-Ichi Kangyo Bank, LTD.	10. The Ashikaga Bank, LTD.
3.0%	2.9%	2.6%	2.4%	2.3%

Share Repurchases

- January 2000: 10 million shares repurchased and canceled
- April 2000: 10 million shares repurchased and canceled
- Nov.2001 - Feb.2002 (total): 10 million shares repurchased and canceled
- Subject to the approval of the Ordinary General Meeting of Shareholders to be held on June 27, 2002, set a ceiling of repurchase at 80 million shares (40 billion yen) for the period from this General Meeting to the next Ordinary General Meeting of Shareholders.

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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.