

Nonconsolidated Statements of Income

Nissay Dowa General Insurance Co., Ltd.
For the years ended March 31, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	2008	2008
Operating income			
Net premiums written	¥326,341	¥318,249	\$3,176,454
Accumulated premiums of savings-type insurance, net of maturity refund	(27,741)	(26,859)	(268,089)
Reversal of underwriting reserves	2,881	11,837	118,149
Interest and dividends received	24,717	28,577	285,228
Net gain on securities	11,632	17,338	173,056
Other income	1,436	1,100	10,988
Total operating income	339,267	350,243	3,495,788
Operating costs and expenses			
Net losses and claims paid	186,779	194,708	1,943,388
Loss adjustment expenses	15,449	16,764	167,330
Net commissions and brokerage	55,341	53,233	531,325
Operating and general administrative expenses	54,427	57,493	573,849
Provision for reserves for reported and estimated losses and claims	12,676	7,002	69,889
Net derivative financial instruments losses	2,224	4,679	46,702
Net loss on sales and disposal of property and equipment	99	931	9,293
Net loss on trading securities	312	—	—
Loss on impairment of long-lived assets (Note 7)	—	122	1,217
Foreign currency exchange loss	1,789	1,764	17,612
Other expenses	1,250	2,811	28,066
Total operating costs and expenses	330,351	339,511	3,388,676
Income before income taxes	8,916	10,731	107,112
Income taxes (Note 12)			
Current	2,000	5,468	54,578
Deferred	656	(1,186)	(11,847)
Total income taxes	2,657	4,281	42,731
Net income	¥ 6,259	¥ 6,450	\$ 64,380
Per share of common stock (Note 2 (16))			
Net income	¥16.47	¥16.98	\$0.169
Cash dividends applicable to the year	8.00	8.00	0.079

See accompanying Notes to Nonconsolidated Financial Statements.