

Special Feature

In light of a series of issues, including a Business Improvement Order from the FSA to improve the Company's business systems, we have revised some of our strategies and performance indicators under our medium-term management plan. We have also identified "address business quality reforms aggressively to establish ourselves as the true company of choice for our customers" as the most important goal of the plan.

Medium-Term Management Plan: Revised Basic Policy

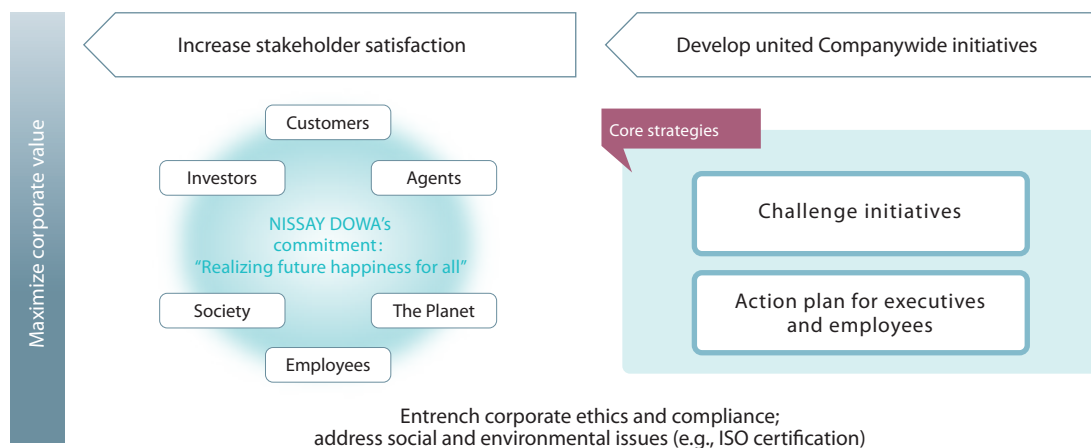
Crucial issues

"Address business quality reforms aggressively to establish ourselves as the true company of choice for our customers"

Companywide business slogan

"All efforts targeted at regaining the trust of our customers"

Implement CSR-oriented management



Priority initiatives

Key initiatives for regaining the trust of customers

Enhance quality of insurance soliciting activities

Improve insurance claim payment services

Simplify products and processes

Reinforce stance on compliance; incorporate perspectives of customers and external parties

Strengthen governance

Significantly increase systems development personnel

To achieve these goals, we will promote customer-oriented initiatives by implementing the following five measures under the slogan of “all efforts targeted at regaining the trust of our customers.”

- (1) Enhance quality of insurance soliciting activities
- (2) Improve insurance claim payment services
- (3) Simplify products and processes
- (4) Reinforce stance on compliance; incorporate perspectives of customers and external parties
- (5) Strengthen governance

We will also set numerical targets to ensure that we achieve growth that ranks high in the industry. At the same time, we will actively allocate business resources toward reforming the quality of management.

Key Performance Targets

			Fiscal Mar.'07		Fiscal Mar.'08 (est.)		Fiscal Mar.'09 (est.)	
				Change		Change		Change
Sales	Net premiums written	Billions of yen, %	326.3	1.4	333.0	2.0	344.0	3.3
Improve business efficiency	Net business expense ratio	% P	32.3	(0.2)	33.1	(0.8)	33.1	0.0
	Net loss ratio	% P	62.0	2.3	61.8	0.2	59.5	(2.3)
	Automobile loss ratio	% P	69.2	2.8	70.2	1.0	67.7	(2.5)
	Net combined ratio	% P	94.3	2.1	94.9	0.6	92.6	(2.3)
	Underwriting balance ratio	% P	5.7	(2.1)	5.1	(0.6)	7.4	2.3
Enhance business soundness	Catastrophe loss reserves	Billions of yen	110.1	1.4	120.6	10.5	131.0	10.4
	Fire disaster	Billions of yen	43.5	5.0	51.0	7.5	58.5	7.5
	Solvency margin ratio	% P	1,152.8	(2.4)	1,100 + ϑ		1,100 + ϑ	
Earnings, capital	Net income	Billions of yen	6.2	(1.0)	8.0	1.7	9.0	1.0
	ROE (revised)	% P	3.9	(0.7)	4.9	1.0	5.3	0.4
	Payout ratio	%	48.6					Approx. 40%