

## Nonconsolidated Statements of Income

Nissay Dowa General Insurance Co., Ltd.  
For the years ended March 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2007	2007
Operating income			
Net premiums written	¥321,786	¥326,341	\$2,764,436
Accumulated premiums of savings-type insurance, net of maturity refund	(33,534)	(27,741)	(234,996)
Reversal of underwriting reserves	12	2,881	24,406
Interest and dividends received	22,221	24,717	209,379
Net gain on securities	17,724	11,632	98,537
Net gain on sales and disposal of property and equipment	3,228	—	—
Net gain on trading securities	1,418	—	—
Other income	1,272	1,436	12,170
<b>Total operating income</b>	<b>334,130</b>	<b>339,267</b>	<b>2,873,933</b>
Operating costs and expenses			
Net losses and claims paid	177,379	186,779	1,582,210
Loss adjustment expenses	14,733	15,449	130,870
Net commissions and brokerage	55,180	55,341	468,795
Operating and general administrative expenses	53,842	54,427	461,058
Provision for reserves for reported and estimated losses and claims	14,177	12,676	107,382
Net derivative financial instruments losses	2,632	2,224	18,841
Net loss on sales and disposal of property and equipment	—	99	839
Net loss on trading securities	—	312	2,649
Loss on impairment of long-lived assets (Note 7)	2,065	—	—
Cumulative effect of accounting change for retirement benefits to directors and corporate auditors	2,079	—	—
Foreign currency exchange loss	562	1,789	15,159
Other expenses	1,347	1,250	10,595
<b>Total operating costs and expenses</b>	<b>324,000</b>	<b>330,351</b>	<b>2,798,402</b>
<b>Income before income taxes</b>	<b>10,129</b>	<b>8,916</b>	<b>75,531</b>
Income taxes (Note 12)			
Current	3,896	2,000	16,945
Deferred	(1,100)	656	5,562
<b>Total income taxes</b>	<b>2,796</b>	<b>2,657</b>	<b>22,508</b>
<b>Net income</b>	<b>¥ 7,333</b>	<b>¥ 6,259</b>	<b>\$ 53,022</b>
	Yen		U.S. dollars (Note 1)
Per share of common stock (Note 2 (17))			
Net income	¥19.28	¥16.47	\$0.139
Cash dividends applicable to the year	8.50	8.00	0.067

See accompanying Notes to Nonconsolidated Financial Statements.