

MESSAGE FROM THE PRESIDENT



Chairman:
Shozo Wakabayashi

President:
Akihiko Mori

We are delighted to introduce to the readers of this annual report a detailed disclosure of the current situation and activities of the Company.

Japan Earthquake Reinsurance Co., Ltd. was founded in 1966 as the only company in Japan permitted to exclusively handle reinsurance for earthquake insurance on dwelling risks. In the last 40 years since the introduction of earthquake insurance on dwelling risks, we have been underwriting the risk of dwelling earthquakes in Japan in alliance with the Japanese government and non-life insurance companies. As the core entity in this sector, we have not only been committed to bolstering and upgrading the system of reinsurance payment, but also to providing our best care to managing and operating the assets that support the system. The number of earthquake insurance contracts continued to rise in fiscal 2006, amounting to more than 10 million. The total asset balance as of the end of March 2007 was 908.9 billion yen. Earthquake insurance contracts will continue to increase in fiscal 2007, principally because of tax reform, which make earthquake insurance premiums deductible for tax purposes, and the introduction of the enhanced insurance premium discount system. We constantly review overall management with the aim at strengthening our business foundations, playing an even more important role, and fulfilling our responsibility.

We have long been dedicated to helping protect the environment. In March 2007, we took another step forward when we acquired the ISO 14001 international environmental management certificate, by introducing the environment management system.

We have prepared this annual report with an understanding that disclosure is an integral part of information provision and corporate governance. We hope that it will provide you with insight into the current situation and activities of the Company. We welcome any comments or opinions.

October 2007

Akihiko Mori
President
Japan Earthquake Reinsurance Co., Ltd.