

MESSAGE FROM THE PRESIDENT



Chairman:
Shozo Wakabayashi

President:
Hideo Suzuki

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. For more than 40 years since then, we have been underwriting the dwelling risk of 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 our reinsurance payment, but also to providing our best care to managing and operating the assets that support the system.

Since last year, Samoa, Haiti, and Chile have each experienced massive earthquakes of seven to eight magnitudes, causing extensive damage. In association with the Chilean earthquake, a serious tsunami warning was issued in Japan for the first time in 17 years, affecting people on the coast, some of whom were evacuated for many hours. Although there were no major temblors in Japan, there were an earthquake with its seismic center in Suruga Bay, an earthquake with its epicenter to the east of the Izu Peninsula, and an earthquake centered in the sea around the main island of Okinawa.

With rising public awareness of earthquake insurance in these circumstances, the number of earthquake insurance contracts increased steadily, and reaching 12.27 million at the end of March 2010, partly reflecting reductions in earthquake insurance premiums and the expansion of tax deductions for earthquake insurance premiums from income.

In asset management, the Company achieved a profit despite the appreciation of the yen. As a result, total assets of the Company stood at 1,092.2 billion yen.

Given the increasingly important roles and responsibilities in the earthquake insurance system, we must be even more prudent in our management approach. In these circumstances, we will play an active role in enhancing and developing the earthquake insurance system and will address challenges such as refining our expertise in earthquake insurance operations, bolstering our asset management and risk management, and improving our business continuity plan.

We have prepared this annual report to provide our stakeholders with insight into the current situation and activities of the Company. We welcome any comments or opinions.

July 2010

Hideo Suzuki
President
Japan Earthquake Reinsurance Co., Ltd.