

## MESSAGE FROM THE PRESIDENT



Chairman: Shozo Wakabayashi      President: Masamichi Irie

We would like to take this opportunity to express our sincere gratitude for the continued support from all our stakeholders.

Japan Earthquake Reinsurance Co., Ltd. (JER) was founded in 1966 as the only company in Japan permitted to exclusively handle reinsurance for earthquake insurance covering dwelling risks. Since then, as the core entity in this sector, we have not only been committed to bolstering and upgrading the systems covering our reinsurance payment, but also to providing our best care in managing and operating the assets that support the system.

In the wake of the Great East Japan Earthquake, we united throughout the year in fulfilling the social mission of earthquake insurance, namely helping to establish the stability for those affected. Accordingly, we have been arranging insurance payouts of more than 1 trillion yen, the largest insurance payout since the establishment of the earthquake insurance system, in cooperation with the Japanese government and non-life insurance companies.

As a result of the Great East Japan Earthquake, it has been reported that seismic and volcanic activity in Japan has increased. Facing the possibility of continued aftershocks, we are now required to take steps to be fully prepared for earthquakes and other disasters that may occur in the future, including an inland earthquake that could hit the Tokyo metropolitan area in the future and large earthquakes that may occur simultaneously or in quick succession in three areas: Tokai, Tonankai and Nankai.

In this environment, public expectations and concerns about earthquake insurance will rise, and JER will take on increasingly important roles and responsibilities in the earthquake insurance system. We are aware that we must be even more prudent in our management approach.

We began executing its third medium-term business plan from the current fiscal year. Under the new management structure, we will play an active role in enhancing and developing the earthquake insurance system and will strive to make JER even more reliable and trustworthy for our stakeholders.

We have prepared this annual report 2012 to provide our stakeholders with insight into the current situation and activities of JER. We welcome your comments and opinions.

July 2012

Masamichi Irie  
President  
Japan Earthquake Reinsurance Co., Ltd.