

MESSAGE FROM THE PRESIDENT



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.

Earthquakes have inflicted damage in many parts of the country in recent years. The Niigata Chuetsu offshore earthquake and the Noto Peninsula earthquake occurred in 2007, while the Iwate-Miyagi inland earthquake hit in June 2008. Not only Japan was affected, but also the Szechuan Earthquake occurring in China in the same year and causing a large amount of damage.

Meanwhile, the Japanese government has published the results of research and various studies on earthquakes, and people's earthquake awareness is more heightened than ever, reflecting their concerns over the imminence of large earthquakes such as the Tonankai-Nankai earthquake and earthquakes with their epicenter below metropolitan Tokyo, the Chubu and the Kinki regions.

In this environment, the number of earthquake insurance contracts reached a record high of 11.26 million at the end of March 2008. This came as a result of rising expectations of and interest in earthquake insurance on the back of the enhanced earthquake insurance premium discount system and the establishment of the earthquake insurance premium deduction system. The total asset balance of the Company amounted to 955.9 billion yen, just under one trillion yen. I believe that the Company's role and responsibilities will become far greater with its central position in the earthquake insurance system, and that we will be called upon to perform more stringent management than ever.

We have prepared this annual report with an understanding that disclosure is an integral part of information provision for earthquake insurance policyholders and those who are interested in earthquake insurance, as well as being an extremely effective means for 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.

July 2008

A handwritten signature in black ink that reads "Hideo Suzuki". The signature is written in a cursive, flowing style.

Hideo Suzuki
President
Japan Earthquake Reinsurance Co., Ltd.