WILLIS JAPAN LIMITED
(Registered Number 1689758)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Directors

MP Chitty
Willis Corporate Director Services Limited

Secretary

SK Bryant

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2008.

Principal activities and review of developments

Following the closure of its branch operation in Tokyo and the conclusion of various employee secondments the Company ceased to provide Japanese retail insurance, international insurance and reinsurance activities from the end of 2007. The Company now acts as a holding company. The Company is a subsidiary of Willis Group Holdings Limited (the Group), which is one of the world's leading professional service providers of risk management solutions, risk transfer expertise through insurance and reinsurance broking, and related specialised consultancy services.

The profit on ordinary activities after taxation amounted to £18,000 (2007: £291,000).

The Directors do not anticipate any changes in the Company's position for the foreseeable future.

No interim dividend was paid during the year (2007: £nil). The Directors do not recommend the payment of a final dividend (2007: £nil).

Enhanced Business Review

The Directors' Report is not required to include an enhanced business review. Advantage has been taken of the provisions of Section 246 (4) (a) of the Companies Act 1985 (as amended).

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. There were no changes in Directors during the year or after the year end.

Statement of Directors' responsibilities in relation to the financial statements

The Directors are responsible for preparing their annual report and the financial statements in accordance with applicable law and regulations for each financial year. The Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Disclosure of information to auditors

Each current Director of the Company confirms that:

- so far as he is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term.

By order of the Board

S R Bryant
Secretary
17th July 2009

51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIS JAPAN LIMITED

We have audited the financial statements of Willis Japan Limited for the year ended 31 December 2008 which comprise the primary financial statements such as the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements therein.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIS JAPAN LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
23 July 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Turnover	2	-	658
Operating expenses		26	(198)
Operating profit and profit on ordinary activities before taxation	3	26	460
Tax charge on profit on ordinary activities	6	(8)	(169)
Profit on ordinary activities after taxation		18	291

All activities derive from discontinued operations. With effect from 2008 the Company's principal source of revenue will derive from income on its shares in subsidiary undertakings.

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008

There are no recognised gains or losses in either 2008 or 2007 other than the profit for those years.

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Fixed assets			
Investments	7	499	499
Current assets			
Debtors: amounts falling due within one year	9	295	958
Current liabilities			
Creditors: amounts falling due within one year	10	(477)	(698)
Net current (liabilities) / assets		(182)	260
Total assets less current liabilities		317	759
Creditors: amounts falling due after more than one year		-	(460)
Net assets		317	299
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	316	298
Shareholders' funds		317	299

The financial statements were approved by the Board of Directors and authorised for issue on 17th July 2009 and signed on its behalf by:

SK Bryant
Authorised Signatory of
Willis Corporate Director Services Limited
Director

MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2008

Movement in shareholders' funds	**2008 £000**	2007 £000
Profit on ordinary activities after taxation	**18**	291
Net movement in shareholders' funds for the year	**18**	291
Shareholders' funds at beginning of year	**299**	8
Shareholders' funds at end of year	**317**	299

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements have been prepared:

- under the historical cost convention; and
- in accordance with applicable law and accounting standards in the United Kingdom.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This expectation is based on the following:

- the Company is an intermediate holding company within the Willis Group;
- while the Company has net current liabilities of £182,000 (2007: net current assets of £260,000), £174,000 of this is attributable to a net intercompany creditor. If this were to require settlement, the Group would arrange for either a dividend from the Company's subsidiary undertaking or provide alternative funding; and
- the Directors believe the Willis Group is a going concern.

For these reasons, the Directors continue to adopt the going concern basis in preparing the accounts.

Parent undertaking and controlling party

The Company's:

- immediate parent company and controlling undertaking is Willis Faber Limited; and
- ultimate parent and controlling company is Willis Group Holdings Limited, a company incorporated in Bermuda.

In accordance with Section 228A of the Companies Act 1985 (as amended), the Company is exempt from the requirement to produce group financial statements.

The largest and smallest group in which the results of the Company are consolidated is Willis Group Holdings Limited, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ.

Revenue recognition

Turnover comprises fees receivable in respect of management services and recharges of expenses to other Group undertakings.

Foreign currency translation

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates ('the functional currency').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1. Accounting policies (continued)

Fixed asset investments

Investments in subsidiaries are carried at cost less provision for impairment.

Pension costs

Certain employees participated in Willis Group Holdings Limited's UK defined benefit pension scheme. This scheme was closed to new entrants in January 2006. New entrants are now offered the opportunity to join a defined contribution scheme. The staff working for the Company were employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings Limited ('the Group').

Defined benefit scheme

A defined benefit scheme is a pension scheme that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The UK defined benefit scheme is funded, with the assets of the scheme held separately from those of the Company, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of Willis Limited's balance sheet.

As the Directors are unable to identify the Company's share of the scheme's underlying assets and liabilities, the Company recognises as its pension cost the contributions payable under the scheme during the year, as allowed by FRS17. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contribution rates are based on pension costs across the Group's UK companies as a whole.

Defined contribution scheme

A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The costs of the defined contribution scheme in which the Company participates are charged to the profit and loss account as part of employee costs in the period in which they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cash flow statement

Under FRS1 'Cash flow statements' the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a consolidated cash flow statement is prepared at Group level.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

2. Turnover

The table below analyses the Company's fees by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business.

Fees	2008 £000	2007 £000
United Kingdom	-	578
North America	-	80
	-	658

United Kingdom and North America represents fees received from Group undertakings as reimbursement for services performed on their behalf

3 Operating profit

Auditors' remuneration of £2,600 (2007: £2,600) was borne by another Group company.

4. Employee costs	2008 £000	2007 £000
Salaries	-	336
Social security costs	-	53
Other pension costs	-	15
	-	404

Number of employees – average for the period	2008 Number	2007 Number
Client services	-	2
Management / administration services	-	1
	-	3

With the closure of its branch operation in Tokyo and the conclusion of employee secondments the Company ceased to provide retail insurance, international insurance and reinsurance activities from the end of 2007 and retained no employees in 2008.

The staff working for the Company were employed by other subsidiary undertakings of Willis Group Holdings Limited. The Company bore the cost of the salaries, social security payments and pension contributions relating to such staff and reimbursed the employing company for the full amount of the costs incurred, as shown above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

5. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2007: £nil).

6. Tax charge on profit on ordinary activities	**2008 £000**	2007 £000
(a) Analysis of charge for the year		
Current tax:		
UK corporation tax on profit at 28.5% (2007: 30%)	8	138
Adjustments in respect of prior periods	-	31
Current tax charge on profit on ordinary activities (note 6(b))	8	169
(b) Factors affecting tax charge for the year		
The tax assessed for the year is equal to (2007: higher than) the standard rate of corporation tax in the UK (28.5%) (2007: 30%). The differences are explained below:		
Profit on ordinary activities before tax	26	460
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	8	138
Adjustments to tax charge in respect of prior years	-	31
Current tax charge for the year (note 6(a))	8	169

(c) Circumstances affecting current and future tax charges.

Following the Finance Act 2007, the UK corporation tax rate changed from 30% to 28% on 1 April 2008

7. Investments held as fixed assets	**Subsidiary undertaking £000**
Cost	
1 January 2008 and 31 December 2008	499
Provisions	
1 January 2008 and 31 December 2008	-
Net book value 31 December 2008 and 31 December 2007	**499**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

8. Shares in subsidiary undertaking

The principal subsidiary undertaking at 31 December 2008 was:

	Total capital and reserves as at 31 December 2008* £000	Profit on ordinary activities after taxation for the year ended 31 December 2008* £000	Percentage of share capital held	Class of share
Holding Company				
Willis Japan Holdings KK	2,168	1,325	100%	Ordinary of JPY1 each

* This financial information is unaudited.

The subsidiary undertaking is incorporated in Japan.

The Company is exempt from the obligation to prepare group financial statements in accordance with Section 228A of the Companies Act 1985 (as amended) as the Company is a wholly-owned subsidiary of Willis Group Holdings Limited, in whose financial statements it is consolidated. These financial statements relate to the Company only and not to its Group.

In the opinion of the Directors, the value of the shares in the subsidiary undertaking is not less than the amount shown in the balance sheet.

9. Debtors	2008 £000	2007 £000
Amounts falling due within one year:		
Amounts owed by Group undertaking	295	932
Other debtors	-	26
	295	958

10. Creditors: amounts falling due within one year	2008 £000	2007 £000
Amounts owed to Group undertaking	469	428
Corporation tax	8	138
Accruals and deferred income	-	132
	477	698

12. Called up share capital	2008 Number	2007 Number
Authorised share capital		
Ordinary shares of £1 each	**1,000**	1,000
	2008 £000	2007 £000
Allotted, called up and fully paid		
1,000 (2007: 1,000) ordinary shares of £1 each	**1**	1

13. Reserves and shareholders' capital	Share capital £000	Profit and loss account £000	Total £000
1 January 2008	**1**	**298**	**299**
Profit on ordinary activities after taxation	**-**	**18**	**18**
31 December 2008	**1**	**316**	**317**

14. Pensions

Defined Benefit Scheme

Certain employees of the Company were members of the Willis Pension Scheme in the United Kingdom ('the Scheme'), which is funded externally and is of the defined benefit type. The staff working for the Company were employed by Willis Limited, a fellow subsidiary undertaking of Willis Group Holdings Limited. The pension cost to the Company is based on the contribution rates assessed in accordance with the advice of professionally qualified actuaries using the projected unit credit method. The pension contributions rates are based on pension costs across the Group's UK companies as a whole.

The most recent actuarial valuation of the Scheme was at 31 December 2007. The most recent actuarial valuation has been reviewed and updated as at 31 December 2008 to take account of the requirements of FRS17 'Retirement Benefits', in order to assess the liabilities of the Scheme at 31 December 2008.

The Directors consider that the share of the Scheme's underlying assets and liabilities attributable to the Company's employees cannot be separately identified as several Group companies participate in the Scheme. Accordingly all Scheme assets and liabilities are included on the balance sheet of Willis Limited. The Scheme showed an overall

14. Pensions (continued)

Defined Benefit Scheme (continued)

surplus after tax of $96.2 million (£65.9 million) at 31 December 2008 compared with an overall surplus after tax of $324.1 million (£163.7 million) at 31 December 2007. Company contribution rates were 14.3% (2007: 14.4%) of pensionable earnings. In addition, the Scheme contributions increased to the rate of 6% in 2007 and to the rate of 8% in 2008 for all employed members.

Full disclosures for the Scheme under FRS17 are included in the financial statements of Willis Limited.

The Scheme was closed to new members from 1 January 2006.

15. Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between Group companies in the financial statements of companies 90% or more of whose voting rights are controlled within the Group. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.