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May 19, 2011

NKSJ Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2011 [under Japanese GAAP]

Company Name:	**NKSJ Holdings, Inc.**
Listed on:	Tokyo and Osaka Stock Exchange
Stock Code Number:	8630
URL:	http://www.nksj-hd.com/
Representative Director:	Masatoshi Sato, President & CEO
Contact:	Kazuhisa Tamura, Manager, Accounting Department

Scheduled date to hold general meeting of stockholders:	June 27, 2011
Scheduled date to file Securities Report:	June 27, 2011
Scheduled date to start payment of dividends:	June 28, 2011
Supplementary information for financial statements:	Yes
Schedule for investor meeting (intended for institutional investors and analysts):	Yes

Note) Any amounts less than one million yen are rounded down, unless otherwise noted.

1. Consolidated Financial Results for the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Consolidated Results of Operations

Note) The percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
Year ended March 31, 2011	2,621,689	－	(6,437)	－	(12,918)	－
Year ended March 31, 2010	－	－	－	－	－	－

Note) Comprehensive income: Year ended March 31, 2011 (143,120) million yen － %
Year ended March 31, 2010 － million yen － %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Year ended March 31, 2011	(7.77)	－	(1.1)	(0.1)	(0.2)
Year ended March 31, 2010	－	－	－	－	－

Reference) Investment gains on the equity method: Year ended March 31, 2011 511 million yen
Year ended March 31, 2010 － million yen

(2) Consolidated Financial Conditions

	Total assets	Total net assets	Equity ratio	Total net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2011	8,981,974	1,079,446	12.0	647.00
As of March 31, 2010	－	－	－	－

Reference) Equity capital: As of March 31, 2011 1,074,303 million yen
As of March 31, 2010 － million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Year ended March 31, 2011	(18,596)	38,768	(25,683)	398,912
Year ended March 31, 2010	－	－	－	－

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Year ended March 31, 2010	－	－	－	－	－	－	－	－
Year ended March 31, 2011	－	－	－	20.00	20.00	33,208	－	2.9
Year ending March 31, 2012 (Forecast)	－	－	－	80.00	80.00		207.6	

Note) NKSJ Holdings, Inc. plans a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. The effect of the reverse split of stocks is considered in estimation of dividends forecast for the fiscal year ending March 31, 2012.

3. Consolidated Forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

Note) The percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
Six months ending September 30, 2011 (April 1 to September 30, 2011)	1,383,500	4.0	1,000	(97.4)	－	(100.0)	－
Fiscal year ending March 31, 2012 (April 1, 2011 to March 31, 2012)	2,774,000	5.8	42,000	－	16,000	－	38.54

Note) NKSJ Holdings, Inc. plans a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. The effect of the reverse split of stocks is considered in estimation of net income per share for the fiscal year ending March 31, 2012.

4. Other

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2011 (changes in specified subsidiaries resulting in the change in the scope of consolidation): None

(2) Changes in accounting policies, procedures and methods of presentation :

①Changes due to revisions to accounting standards: None

②Changes due to other reasons: None

(3) Number of shares outstanding (Common stock) :

①Total shares outstanding including treasury stock:

As of March 31, 2011	1,661,409,178	shares
As of March 31, 2010	－	shares

②Treasury stock:

As of March 31, 2011	983,460	shares
As of March 31, 2010	－	shares

③Average number of shares outstanding:

Year ended March 31, 2011	1,660,618,367	shares
Year ended March 31, 2010	－	shares

(Disclosure regarding the execution of the audit process)

This summary is outside the scope of the audit procedure which is required by "Financial Instruments and Exchange Act", and the audit procedure of the consolidated financial statements was not completed as of the date of the disclosure of this summary.

(Notes for using forecasted information etc.)

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

For assumptions underlying the forecasts and notes for using forecasted information, please refer to "Outlook for the fiscal year ending March 31, 2012 " on page 2.

NKSJ Holdings, Inc. plans a reverse split of stocks to combine common stocks at a ratio of four shares to one share as of October 1, 2011. The effect of the reverse split of stocks is considered in the estimation of dividends and net income per share for the fiscal year ending March 31, 2012. Concerning the particulars of the reverse split of stocks, please refer to " Notice Concerning Reverse Split of Stocks, Amendment of Trading Unit of Stocks, and Amendment in Part of the Articles of Incorporation" NKSJ Holdings, Inc. released on the same day as this summary.

NKSJ Holdings, Inc. was established on April 1, 2010 as a holding company of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. The fiscal year ended March 31, 2011 is the first period, so there is no result for the fiscal year ended March 31, 2010.

Contents

1. Results of Operations

(1) Analysis of Results of Operations

(Results of Operations)

During the fiscal year ended March 31, 2011, the Japanese economy improved at only a modest pace, as personal income levels remained weak amid a high unemployment rate. This was despite an upturn in personal consumption supported by economic stimulus measures and increased exports and production on the back of improving overseas economies, primarily in Asia.

Furthermore, the Great East Japan Earthquake that occurred on March 11, 2011 is having an increasingly negative impact on economic conditions in Japan. Examples of such negative impacts include stagnation in corporate manufacturing activities and concerns over long-term power shortages.

The property and casualty (P&C) insurance industry has seen industry consolidation reshape the competitive landscape into one centered on three major insurance groups. In this context, business conditions remained challenging due to worsening profitability in automobile insurance and the negative effects of the Great East Japan Earthquake.

On April 1, 2010, Sompo Japan Insurance Inc. (Sompo Japan) and NIPPONKOA Insurance Co., Ltd. (Nipponkoa) integrated their operations under a joint holding company, NKSJ Holdings, Inc. (the Company) Using strengths nurtured over the two companies' respective 120-year histories as one group, the NKSJ Group (the Group) has made a new start as "a solution service group that is conducting all value judgments thoroughly from the customers' perspective, providing customers with security and services of the highest quality and contributing to social welfare."

Under the slogan of No.1 group for "Growth" and "Customers' Trust," the Group will enhance customers' trust by ensuring that every employee of the Group works to enhance quality from the customer's perspective. At the same time, the Group aims to achieve growth by expanding group-wide earnings by improving its profit-earning capacity in the domestic P&C insurance business and allocating management resources to growth fields such as the domestic life insurance business and the overseas insurance business. Based on this basic management policy, the Company will fulfill its role as a holding company by optimally allocating management resources and managing and advising the Group's subsidiaries.

Under these circumstances, consolidated financial results for the year ended March 31, 2011 were as follows:

Ordinary income for the year ended March 31, 2011 was 2,621.6 billion yen. This was reflected by underwriting income of 2,480.7 billion yen, 129.1 billion yen of investment income and 11.8 billion yen of other ordinary income. Meanwhile, ordinary expenses for the year ended March 31, 2011 were 2,628.1 billion yen. This was reflected by underwriting expenses of 2,144.9 billion yen, investment expenses of 51.5 billion yen, operating, general and administrative expenses of 419.9 billion yen and 11.7 billion yen of other ordinary expenses.

As a result, ordinary loss amounted to 6.4 billion yen. Net loss after extraordinary items, net of total income taxes and non-controlling interests amounted to 12.9 billion yen.

Business results for each of the Group's reportable segments were as follows:

(a) P&C insurance business

In the P&C insurance business, net premiums written amounted to 1,933.2 billion yen. The P&C insurance business posted an ordinary loss of 1.9 billion yen and a net loss of 7.8 billion yen.

(b) Life insurance business

In the life insurance business, life insurance premiums written amounted to 238.1 billion yen. The life insurance business posted an ordinary loss of 3.4 billion yen and a net loss of 4.0 billion yen.

(Outlook for the fiscal year ending March 31, 2012)

For the fiscal year ending March 31, 2012, the Company is forecasting consolidated ordinary income of 2,774.0 billion yen, ordinary profit of 42.0 billion yen and net income of 16.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.

- Projections for net claims paid due to natural disasters, including the Great East Japan Earthquake occurred on March 11, 2011, are approximately 123.0 billion yen at Sompo Japan and approximately 72.0 billion yen at Nipponkoa, taking into account past trends.

- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2011.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

(2) Analysis of Financial Condition

Total assets as of March 31, 2011 were 8,981.9 billion yen. Total net assets were 1,079.4 billion yen.

For the fiscal year ended March 31, 2011, cash flows from operating activities resulted in expense of 18.5 billion yen. Cash flows from investing activities resulted in income of 38.7 billion yen. Cash flows from financing activities resulted in expense of 25.6 billion yen. As a result, cash and cash equivalents at the end of the period were 398.9 billion yen.

Equity and fair-value equity ratios were as follows:

Year ended March 31, 2011

Equity ratio 12.0(%)

Fair-value equity ratio 10.0(%)

Notes:

1. Equity ratio: shareholders' equity / total assets x 100

2. Fair-value equity ratio: market capitalization / total assets x 100

3. The Group does not publish its "ratio of cash flow to interest-bearing debt" or "interest coverage ratio," based on the belief that these indicators are not appropriate measures of the Group's actual financial position because its core business is insurance operations.

(3) Basic Profit Distribution Policy and Dividends for the fiscal year ended March 31, 2011 and the fiscal year ending March 31, 2012

The Company's basic profit distribution policy is to enhance shareholder returns, as it strives to enhance capital efficiency through investments in growing business fields while ensuring financial soundness.

The Company aims to return profits to shareholders primarily by paying a stable dividend, supplemented by stock buybacks where warranted by the Company's capital conditions. The Company targets a total payout ratio* of 50%, such that total shareholder returns amount to 50% of adjusted profit (excluding any increase in embedded value of life insurance subsidiaries). Based on this policy, the Company plans to pay year-end cash dividends per share of 20 yen to shareholders for the fiscal year ended March 31, 2011.

Based on its business forecasts, the Company plans to pay annual dividends per share of 80 yen to shareholders for the fiscal year ending March 31, 2012, taking into account the effect of projected reverse split of stocks.

* Total payout ratio = (total dividend + total stock buybacks) / adjusted profit (excluding increase in embedded value of life insurance subsidiaries)

2. The NKSJ Group

The NKSJ Group consists of NKSJ Holdings, Inc., 70 subsidiaries and 23 affiliates. The Group is engaged in property and casualty insurance business, life insurance business and other business.
Major group companies are as follows.

(As of March 31, 2011)

NKSJ Holdings, Inc.

Property and casualty insurance business

◎ Sompo Japan Insurance Inc.
◎ NIPPONKOA Insurance Co., Ltd.
◎ Sonpo 24 Insurance Company Limited
◎ Saison Automobile and Fire Insurance Company, Limited
◎ Sompo Japan Insurance Company of America <U.S.A.>
◎ Sompo Japan Insurance Company of Europe Limited <U.K.>
◎ NIPPONKOA Insurance Company (Europe) Limited <U.K.>
◎ NIPPONKOA Management Services (Europe) Limited <U.K.>
◎ Nippon Insurance Company of Europe Limited <U.K.>
◎ Sompo Japan Sigorta Anonim Sirketi <Turkey>
◎ Sompo Japan Asia Holdings Pte. Ltd. <Singapore>
◎ Sompo Japan Insurance (Singapore) Pte. Ltd. <Singapore>
◎ Tenet Insurance Company Limited <Singapore>
◎ Sompo Japan Insurance (China) Co., Ltd. <China>
◎ NIPPONKOA Insurance Company (China) Limited <China>
◎ Sompo Japan Insurance (Hong Kong) Company Limited <China>
◎ NIPPONKOA Insurance Company (Asia) Limited <China>
◎ Yasuda Seguros S.A. <Brazil>
★ Hitachi Capital Insurance Corporation
★ Berjaya Sompo Insurance Berhad <Malaysia>
★ Universal Sompo General Insurance Company Limited <India>
★ Maritima Seguros S.A. <Brazil>
★ Maritima Saude Seguros S.A. <Brazil>

Life insurance business

◎ Sompo Japan Himawari Life Insurance Co., Ltd.
◎ NIPPONKOA Life Insurance Company, Limited
◎ Sompo Japan DIY Life Insurance Co., Ltd.

Other business

◎ Sompo Japan DC Securities Co., Ltd. (Defined contribution pension plans and sale of investment trust)
◎ Healthcare Frontier Japan Inc. (Consulting about health and nursing care such as prevention of disease, etc.)
◎ SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. (Investment advisory service and management business of investment trust)
★ Yasuda Enterprise Development Co., Ltd. (Investment management and administration of investment partnerships)

Note) The definitions of each sign are as follows. ◎: Consolidated subsidiary ★: Affiliate accounted for under the equity method

3. Management Policies

(1) Basic Management Policies

The Group's basic group management policies are as follows:

Recognizing its social responsibility and public mission in insurance and financial services, the Group pursues sustained growth by executing management strategies for the entire Group through operations premised on building highly transparent governance systems and ensuring effective risk management and compliance. (No. 1 group for “Growth” and “Customers' Trust”)

(a) The Group is enhancing management efficiency through collaboration in all areas of the Group's operations to ensure that the effects of the business integration are realized as soon as possible.

(b) Drawing on the solid financial foundation and human resources provided by the business integration, the Group is strategically investing resources in growth areas in the aim of bolstering earnings on a group-wide basis and enhancing the corporate value.

(c) The Group endeavors to enhance operational quality in all of the service processes and provide customers with absolute peace of mind and the highest quality services so as to strengthen the trust that customers place in us.

(d) Utilizing the Group's core business strengths in socially significant areas such as the environment, health and medical care, the Group is fulfilling corporate social responsibility and helping to build a sustainable society through active dialog with stakeholders.

(e) The Group actively undertakes human resource exchanges within the Group, effectively utilize know-how and work to invigorate the workforce to realize a vibrant and open group that grows together with its employees.

(2) Financial Targets and Medium- and Long-term Corporate Management Strategies

(Basic Group Strategies)

The Group aims to further improve its profit-earning capacity in the domestic P&C insurance business, which is a profit driver of the Group. Also, the Group is shifting management resources to promising areas such as domestic life insurance and overseas insurance businesses, and working to establish a more balanced business portfolio. Moreover, the Group is investing in growth businesses by utilizing enhanced profit expanded by multiple profit drivers. In this way, the Group aims to create a sustainable growth cycle.

(The Group's Financial Targets)

The Group's financial targets are given in terms of adjusted profit[1] and adjusted consolidated ROE[2]. The Group is targeting adjusted consolidated profit of 41.2 billion yen and adjusted consolidated ROE of 2.2% for the fiscal year ending March 31, 2012.

Notes:

1. The definition of businesses and method for calculating adjusted profit are as follows:

<Calculation of adjusted profit>

Domestic P&C insurance: Net income
+ provision for catastrophic loss reserve (after tax)
+ provision for reserve for price fluctuation (after tax)
– gains/losses on sales of securities and impairment losses on securities (after tax)
– extraordinary factors

Domestic life insurance: Growth in embedded value (EV)
– capital account transactions (e.g., equity issuance)
– changes in EV attributable to interest rate movements

Overseas insurance: Net income as reported in financial statements

Financial and other services: Net income as reported in financial statements

<Definition of business>

Domestic P&C insurance: Sum of non-consolidated results for Sompo Japan and Nipponkoa

Domestic life insurance: Sum of results for Sompo Japan Himawari Life and Nipponkoa Life

Overseas insurance: Overseas insurance subsidiaries of Sompo Japan and Nipponkoa

Financial and other services: Saison Automobile & Fire, Sonpo 24, Sompo Japan DIY Life, financial services, healthcare, etc.

2. Calculation of adjusted consolidated ROE is as follows:

Adjusted consolidated profit / [consolidated net assets (excluding life insurance subsidiaries' net assets)
+ catastrophic loss reserve (after tax) + reserve for price fluctuation (after tax) + life insurance subsidiaries' EV]

* The denominator is the average balance at the end/start of each fiscal year

(3) Pressing Issues Ahead

Going forward, the outlook for the Japanese economy remains uncertain and does not allow optimism, although progress with earthquake restoration projects is expected to support a gradual upturn in economic conditions.

The P&C insurance industry as a whole must do its utmost to ensure the prompt payment of insurance claims, which constitutes its most important public mission in support of the restoration of disaster-stricken areas. On the other hand, since the earthquake is expected to affect domestic P&C insurance and other business areas where the Group operates, the Group intends to expand its business by carefully watching the impact of the earthquake and addressing it timely and properly.

The fiscal year ending March 31, 2012 marks the second year since the founding of the Company. As such, the Group will pursue sustainable growth and further improvement of its corporate value by meeting the expectations of customers and society at large through various services centered on insurance, and by promptly realizing integration synergies.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011
Assets:	
Cash and deposits	328,528
Call loans	78,399
Receivables under resale agreements	33,490
Receivables under securities borrowing transactions	30,370
Monetary receivables bought	32,273
Money trusts	67,861
Securities	6,431,235
Loans	691,294
Tangible fixed assets:	363,416
Land	195,746
Buildings	132,690
Leased assets	6,841
Construction in progress	2,028
Other tangible fixed assets	26,109
Intangible fixed assets:	53,438
Software	6,797
Goodwill	41,956
Other intangible fixed assets	4,684
Other assets	618,602
Deferred tax assets	258,966
Allowance for possible loan losses	(5,903)
Total assets	8,981,974
Liabilities:	
Underwriting funds:	7,313,315
Reserve for outstanding losses and claims	1,009,329
Underwriting reserves	6,303,985
Bonds	128,000
Other liabilities	305,559
Reserve for retirement benefits	104,793
Reserve for retirement benefits to directors	141
Reserve for bonus payments	22,624
Reserves under the special laws:	27,520
Reserve for price fluctuation	27,520
Deferred tax liabilities	572
Total liabilities	7,902,527

(Millions of yen)

	As of March 31, 2011
Net assets:	
Shareholders' equity:	
Common stock	100,045
Capital surplus	438,555
Retained earnings	298,339
Treasury stock	(572)
Total shareholders' equity	836,367
Accumulated other comprehensive income:	
Unrealized gains on securities available for sale, net of tax	268,976
Deferred gains on hedges	3,543
Foreign currency translation adjustments	(34,583)
Total accumulated other comprehensive income	237,936
Stock acquisition rights	2,349
Non-controlling interests	2,793
Total net assets	1,079,446
Total liabilities and net assets	8,981,974

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Ordinary income:	2,621,689
Underwriting income:	2,480,715
Net premiums written	1,933,283
Deposits of premiums by policyholders	153,723
Interest and dividend income on deposits of premiums, etc.	60,088
Life insurance premiums written	238,178
Reversal of reserve for outstanding losses and claims	13,655
Reversal of underwriting reserves	76,033
Other underwriting income	5,752
Investment income:	129,136
Interest and dividend income	156,467
Investment gains on money trusts	1,220
Investment gains on trading securities	104
Gains on sales of securities	26,359
Gains on redemption of securities	698
Gains on derivatives	4,134
Other investment income	238
Transfer of interest and dividend income on deposits of premiums, etc.	(60,088)
Other ordinary income:	11,837
Investment gains on the equity method	511
Other ordinary income	11,325
Ordinary expenses:	2,628,126
Underwriting expenses:	2,144,942
Net claims paid	1,244,450
Loss adjustment expenses	129,526
Net commissions and brokerage fees	353,193
Maturity refunds to policyholders	350,406
Dividends to policyholders	117
Life insurance claims paid	58,318
Other underwriting expenses	8,930
Investment expenses:	51,524
Investment losses on money trusts	968
Losses on sales of securities	9,281
Impairment losses on securities	20,993
Losses on redemption of securities	3,320
Investment losses on special account	379
Other investment expenses	16,581
Operating, general and administrative expenses	419,925
Other ordinary expenses:	11,734
Interest paid	7,301
Losses on bad debt	148
Other ordinary expenses	4,284
Ordinary loss	(6,437)

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Extraordinary gains:	3,540
Gains on disposal of fixed assets	1,605
Gains on negative goodwill	149
Other extraordinary gains	1,785
Extraordinary losses:	14,786
Losses on disposal of fixed assets	1,366
Impairment losses	1,118
Provision for reserves under the special laws:	9,028
Provision for reserve for price fluctuation	9,028
Other extraordinary losses	3,273
Loss before income taxes and non-controlling interests	(17,683)
Income taxes	3,240
Deferred income taxes	(7,623)
Total income taxes	(4,382)
Loss before non-controlling interests	(13,300)
Non-controlling interests	(382)
Net loss	(12,918)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Loss before non-controlling interests	(13,300)
Other comprehensive income:	
Unrealized losses on securities available for sale, net of tax	(120,733)
Deferred gains on hedges	3,543
Foreign currency translation adjustments	(12,233)
Share of other comprehensive income of affiliates accounted for under the equity method	(395)
Total other comprehensive income	(129,819)
Comprehensive income	(143,120)
(Comprehensive income attributable to)	
Comprehensive income attributable to shareholders of the parent	(142,660)
Comprehensive income attributable to non-controlling interests	(459)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Shareholders' equity:	
Common stock:	
Balance at the beginning of the period	70,000
Changes during the period:	
Issuance of new stocks - exercise of stock acquisition rights	45
Increase due to share exchange	30,000
Total changes during the period	30,045
Balance at the end of the period	100,045
Capital surplus:	
Balance at the beginning of the period	24,229
Changes during the period:	
Issuance of new stocks - exercise of stock acquisition rights	45
Disposal of treasury stock	31
Increase due to share exchange	414,248
Total changes during the period	414,325
Balance at the end of the period	438,555
Retained earnings:	
Balance at the beginning of the period	336,793
Changes during the period:	
Dividends	(25,700)
Net loss	(12,918)
Changes in the scope of consolidation	165
Total changes during the period	(38,454)
Balance at the end of the period	298,339
Treasury stock:	
Balance at the beginning of the period	—
Changes during the period:	
Acquisition of treasury stock	(769)
Disposal of treasury stock	196
Total changes during the period	(572)
Balance at the end of the period	(572)
Total shareholders' equity:	
Balance at the beginning of the period	431,023
Changes during the period:	
Issuance of new stocks - exercise of stock acquisition rights	91
Dividends	(25,700)
Net loss	(12,918)
Acquisition of treasury stock	(769)
Disposal of treasury stock	228
Changes in the scope of consolidation	165
Increase due to share exchange	444,248
Total changes during the period	405,344
Balance at the end of the period	836,367

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income:	
Unrealized gains on securities available for sale, net of tax:	
Balance at the beginning of the period	389,352
Changes during the period:	
Net changes in items other than shareholders' equity	(120,376)
Total changes during the period	(120,376)
Balance at the end of the period	268,976
Deferred gains on hedges:	
Balance at the beginning of the period	―
Changes during the period:	
Net changes in items other than shareholders' equity	3,543
Total changes during the period	3,543
Balance at the end of the period	3,543
Foreign currency translation adjustments:	
Balance at the beginning of the period	(21,674)
Changes during the period:	
Net changes in items other than shareholders' equity	(12,908)
Total changes during the period	(12,908)
Balance at the end of the period	(34,583)
Total accumulated other comprehensive income:	
Balance at the beginning of the period	367,678
Changes during the period:	
Net changes in items other than shareholders' equity	(129,741)
Total changes during the period	(129,741)
Balance at the end of the period	237,936
Stock acquisition rights:	
Balance at the beginning of the period	1,302
Changes during the period:	
Net changes in items other than shareholders' equity	1,046
Total changes during the period	1,046
Balance at the end of the period	2,349
Non-controlling interests:	
Balance at the beginning of the period	2,839
Changes during the period:	
Net changes in items other than shareholders' equity	(46)
Total changes during the period	(46)
Balance at the end of the period	2,793

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Total net assets:	
Balance at the beginning of the period	802,843
Changes during the period:	
Issuance of new stocks - exercise of stock acquisition rights	91
Dividends	(25,700)
Net loss	(12,918)
Acquisition of treasury stock	(769)
Disposal of treasury stock	228
Changes in the scope of consolidation	165
Increase due to share exchange	444,248
Net changes in items other than shareholders' equity	(128,742)
Total changes during the period	276,602
Balance at the end of the period	1,079,446

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Cash flows from operating activities:	
Loss before income taxes and non-controlling interests	(17,683)
Depreciation	20,132
Impairment losses	1,118
Amortization of goodwill	2,221
Gains on negative goodwill	(149)
Increase (decrease) in reserve for outstanding losses and claims	(23,560)
Increase (decrease) in underwriting reserves	(78,908)
Increase (decrease) in allowance for possible loan losses	(1,669)
Increase (decrease) in reserve for retirement benefits	1,227
Increase (decrease) in reserve for retirement benefits to directors	49
Increase (decrease) in reserve for bonus payments	105
Increase (decrease) in reserve for bonus payments to directors	(57)
Increase (decrease) in reserve for price fluctuation	9,028
Interest and dividend income	(156,467)
Losses (gains) on investment in securities	6,553
Interest expenses	7,301
Foreign exchange losses (gains)	6,767
Losses (gains) related to tangible fixed assets	(238)
Losses (gains) related to loans	56
Investment losses (gains) on the equity method	(511)
Decrease (increase) in other assets	44,787
Increase (decrease) in other liabilities	(1,199)
Others	20,151
Subtotal	(160,941)
Interest and dividend received	165,269
Interest paid	(7,173)
Income taxes paid	(15,750)
Cash flows from operating activities	(18,596)

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Cash flows from investing activities:	
Net decrease (increase) in deposits	25,600
Purchase of monetary receivables bought	(1,187)
Proceeds from sales and redemption of monetary receivables bought	10,282
Increase in money trusts	(1,874)
Decrease in money trusts	18,351
Purchase of securities	(858,423)
Proceeds from sales and redemption of securities	838,695
Loans made	(192,900)
Collection of loans	229,106
Net increase in receivables and payables under securities borrowing transactions	121
Others	15,280
Subtotal	83,050
Total of operating activities and investment transactions as above	64,453
Acquisition of tangible fixed assets	(13,324)
Proceeds from sales of tangible fixed assets	2,707
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(28,410)
Others	(5,254)
Cash flows from investing activities	38,768
Cash flows from financing activities:	
Proceeds from issuance of stocks	0
Proceeds from sales of treasury stock	20
Acquisition of treasury stock	(769)
Dividends paid	(25,696)
Dividends paid to non-controlling shareholders	(5)
Others	768
Cash flows from financing activities	(25,683)
Effect of exchange rate changes on cash and cash equivalents	(2,584)
Net increase (decrease) in cash and cash equivalents	(8,095)
Cash and cash equivalents at the beginning of the period	262,844
Net increase in cash and cash equivalents due to share exchange	141,141
Net increase in cash and cash equivalents due to merger	3,022
Cash and cash equivalents at the end of the period	398,912

(5) Notes on Going-Concern Assumption

None.

(6) Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 24 companies

Sompo Japan Insurance Inc.
NIPPONKOA Insurance Co., Ltd.
Sonpo 24 Insurance Company Limited
Saison Automobile and Fire Insurance Company, Limited
Sompo Japan Himawari Life Insurance Co., Ltd.
NIPPONKOA Life Insurance Company, Limited
Sompo Japan DIY Life Insurance Co., Ltd.
Sompo Japan DC Securities Co., Ltd.
Healthcare Frontier Japan Inc.
SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
Sompo Japan Insurance Company of America
Sompo Japan Insurance Company of Europe Limited
NIPPONKOA Insurance Company (Europe) Limited
NIPPONKOA Management Services (Europe) Limited
Nippon Insurance Company of Europe Limited
Sompo Japan Sigorta Anonim Sirketi
Sompo Japan Asia Holdings Pte. Ltd.
Sompo Japan Insurance (Singapore) Pte. Ltd.
Tenet Insurance Company Limited
Sompo Japan Insurance (China) Co., Ltd.
NIPPONKOA Insurance Company (China) Limited
Sompo Japan Insurance (Hong Kong) Company Limited
NIPPONKOA Insurance Company (Asia) Limited
Yasuda Seguros S.A.

Sompo Japan Sigorta Anonim Sirketi (the company name was changed from Fiba Sigorta Anonim Sirketi as of February 25, 2011) and Tenet Insurance Company Limited are included in the consolidation through the acquisition of their shares for the fiscal year ended March 31, 2011.

(2) Names of principal non-consolidated subsidiaries

Names of principal non-consolidated subsidiaries

Ark Re Limited
Sompo Japan Reinsurance Company Limited

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the Group's financial conditions and results of operations in terms of total assets, ordinary income, net income or loss and retained earnings, they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 6 companies

Hitachi Capital Insurance Corporation
Yasuda Enterprise Development Co., Ltd.
Berjaya Sompo Insurance Berhad
Universal Sompo General Insurance Company Limited
Maritima Seguros S.A.
Maritima Saude Seguros S.A.

(2) The non-consolidated subsidiaries and affiliates (Ark Re Limited, Sompo Japan Reinsurance Company Limited, etc.) are not accounted for under the equity method as each company has a minor impact on net income or loss and retained earnings and they do not have a material impact as a whole.

(3) NKSJ Holdings, Inc. holds 26.6% of voting rights of Japan Earthquake Reinsurance Co., Ltd. ("Japan Earthquake") through its domestic consolidated property and casualty insurance subsidiaries. As Japan Earthquake is engaged in public business and NKSJ Holdings, Inc. can not have a material impact on Japan Earthquake's decisions of finance, promotion and business strategy, Japan Earthquake is excluded from affiliates.

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the differences in the balance sheet dates do not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.
Cost of sale is calculated under the moving-average method.

(b) Bonds held to maturity are carried at amortized cost based on the moving-average method.

(c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).
The outline of risk management policy in relation to policy reserve matching bonds is as follows.
Certain domestic consolidated life insurance subsidiaries set up "policy reserve for single-premium whole-life" as a sub-category, and follow the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds corresponding to this sub-category within a certain range, to better manage the changes in the interest rate risk associated with the assets and liabilities.

(d) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.

(e) Securities available for sale which have readily determinable fair value are carried at fair value based on the market price at the end of the fiscal year.
Changes in unrealized gains or losses, net of applicable income taxes, are directly included in net assets, and cost of sale is calculated based on the moving-average method.

(f) Securities available for sale which are considered extremely difficult to figure out fair value are carried at cost based on the moving-average method.

(g) Securities managed as trust assets in money trusts for trading purposes are carried at fair value.

(h) Securities managed as trust assets in money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

(2) Valuation policies and methods for derivatives transactions
Derivatives transactions are carried at fair value.

(3) Depreciation methods of significant assets

(a) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets (excluding leased assets) held by NKSJ Holdings, Inc. and its domestic consolidated subsidiaries is computed using the declining-balance method, except for buildings (excluding fixtures attached to buildings) acquired on or after April 1, 1998 on which depreciation is computed using the straight-line method.

Depreciation of tangible fixed assets (excluding leased assets) held by the foreign consolidated subsidiaries is mainly computed using the straight-line method.

(b) Intangible fixed assets

Capitalized software for internal use held by the consolidated subsidiaries is amortized using the straight-line method based on the estimated useful life.

(4) Accounting policies for significant reserves

(a) Allowance for possible loan losses

In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible loan losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.

For claims on debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated recoverable amounts from the disposal of collateral and from guarantees.

For claims on debtors that are highly probable that they would bankrupt in the future, allowances are provided based on the amount remaining after deduction of the estimated recoverable amounts from the disposal of collateral and from guarantees, considering the debtor’s overall solvency assessment.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is computed based on historical loan loss experience.

The departments responsible for respective assets assess relevant claim in accordance with the in-house self-assessment criteria. The asset auditing department independently reviews the results and allowances are provided based on the said results.

The other consolidated subsidiaries determine the collectability of the receivables respectively to provide allowances based on the said results to cover the estimated future losses.

(b) Reserve for retirement benefits

In order to provide for employees’ retirement benefits, the domestic consolidated subsidiaries record the amount based on the projected retirement benefit obligation and the estimated plan assets at the end of the fiscal year.

Prior service costs are amortized using the straight-line method over certain years within the average remaining service years of employees at the time of occurrence.

Actuarial gains and losses are amortized using the straight-line method over certain years within the average remaining service years of employees at the time of occurrence from the following fiscal year.

(c) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the fiscal year based on internal regulations.

(d) Reserve for bonus payments

In order to provide for employees’ bonus payments, the estimated amounts to be paid at the end of the fiscal year are recorded.

(e) Reserve for price fluctuation

In order to provide for possible losses arising from price fluctuation of stock etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.

(5) Significant hedge accounting

Generally the domestic consolidated subsidiaries apply the deferred hedge accounting method to interest rate swaps to hedge cash flow fluctuation risk of floating-rate loans and bonds and interest rate fluctuation risk related to long-term insurance contracts based on "The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry" (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.26, hereafter "Industry Audit Practice Committee Report No.26"). The exceptional treatment is applied to certain interest rate swaps to the extent that such transactions meet certain conditions required for the application of the exceptional treatment.

The domestic consolidated subsidiaries apply the fair value hedge accounting method to equity swaps for hedging the future stock price fluctuation risks.

The fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated assets. The exceptional treatment is applied to certain transactions to the extent that such transactions meet certain conditions required for application of the exceptional treatment.

Hedge effectiveness is judged by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of judgment. However, when the material conditions are shared among the hedged item and the hedging instrument and its effectiveness is considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the exceptional treatment, the judgment of the hedge effectiveness is omitted.

The hedge effectiveness based on Industry Audit Practice Committee Report No.26 is judged by monitoring the interest rates which impact the calculation of theoretical prices of both insurance liabilities as hedged item and interest rate swaps as hedging instrument which are grouped by different remaining periods.

(6) Amortization of goodwill

Goodwill is amortized over 20 years using the straight-line method. Insignificant amounts of goodwill are amortized at one time.

(7) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments with original maturities or redemption of three months or less, which can be cashed easily and have few risks of fluctuation in value.

(8) Accounting for consumption taxes

NKSJ Holdings, Inc. and its domestic consolidated subsidiaries account for national and local consumption taxes using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses for which the domestic consolidated insurance subsidiaries account using the tax-included method.

Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over five years.

(7) Notes to the Consolidated Financial Statements

(Notes to the consolidated balance sheets)

As of March 31, 2011

1. Accumulated depreciation of tangible fixed assets amounts to 396,437 million yen. Advance depreciation of tangible fixed assets amounts to 28,987 million yen.

2. Investments in non-consolidated subsidiaries and affiliates

Securities (stocks)	37,122	million yen
Securities (equity interests)	6,003	million yen

3. (1) Loans to borrowers in bankruptcy and overdue loans amount to 591 million yen and 2,210 million yen, respectively.
Loans to borrowers in bankruptcy represent those loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because repayments of principal or interest were overdue for considerable periods and they are regarded uncollectible and which met the events defined in Article 96-1-3 (the maximum amount transferable to allowance for possible loan losses) and 4 of the Corporate Income Tax Law Enforcement Regulation (Article 97 of 1965 Cabinet Order). Hereafter, those loans are referred to as “Non-accrual loans”.
Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(2) Loans overdue for three months or more amount to 1 million yen.
Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

(3) Restructured loans amount to 963 million yen.
Restructured loans represent, among loans which are not included in any of the above categories, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amount to 3,767 million yen.

4. Securities of 64,798 million yen, deposits of 2,330 million yen and tangible fixed assets of 5,177 million yen are pledged as collateral. The borrowings of 1,834 million yen, which are included in other liabilities, are secured debts.
Other than those mentioned above, stocks of affiliates of 2,794 million yen are pledged as collateral, but the entire amount is eliminated for the preparation of the consolidated financial statements.

5. Securities include 74,592 million yen of lending securities under loan agreements.

6. The amount of loan commitments outstanding is 10,940 million yen.

7. While the securities amounting to 34,071 million yen received under securities borrowing transactions are available for discretionary disposal through sale or re-hypothecation, all of them are held by the company.

(Notes to the consolidated statements of income)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Major components of operating expenses

Agency commissions, etc.	353,682	million yen
Salaries	221,632	million yen

Operating expenses represent the sum of loss adjustment expenses, operating, general and administrative expenses and net commissions and brokerage fees included in the consolidated statements of income.

2. Impairment losses are recognized on the following assets for the year ended March 31, 2011.

Purpose of use	Category	Location, etc.	Impairment losses (millions of yen)			
			Land	Buildings	Others	Total
Properties for rent	Land and buildings	9 properties including a building for rent in Tokyo	596	354	—	951
Idle properties	Land, building and others	11 properties including a parking lot in Ehime	145	19	1	166
Total			742	374	1	1,118

The domestic consolidated insurance subsidiaries categorize properties used for the insurance business as a single asset group for the entire insurance business. Each property for rent, idle property and potential disposal property is categorized as a single asset group. The other consolidated subsidiaries categorize properties used for the business as a single asset group for each subsidiary.
When properties reduce profitability significantly for the year ended March 31, 2011, mainly due to a decline in the prices of land, the consolidated subsidiaries devalue the carrying amounts to the realizable value. These decreases in the carrying amounts are recorded as impairment losses in extraordinary losses.
The realizable value is calculated using the value in use or the net selling price for properties for rent and the net selling price for idle properties. The value in use is calculated by discounting the future cash flows at the discount rate of 5.2%. The net selling price is the appraisal value based on the Real Estate Appraisal Standard.

3. Other extraordinary gains are 1,785 million yen of gains on extinguishment of tie-in shares.

4. The major components of other extraordinary losses are 1,465 million yen of the disaster losses related to the Great East Japan Earthquake and 904 million yen of the impact related to the adoption of accounting standards for asset retirement obligations.

(Notes to the consolidated statements of changes in net assets)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Type and number of shares outstanding and type and number of treasury stock

	Number as of March 31, 2010 (thousand shares)	Increase for the year ended March 31, 2011 (thousand shares)	Decrease for the year ended March 31, 2011 (thousand shares)	Number as of March 31, 2011 (thousand shares)
Shares outstanding				
Common stock	—	1,661,409	—	1,661,409
Total	—	1,661,409	—	1,661,409
Treasury stock				
Common stock	—	1,317	334	983
Total	—	1,317	334	983

Notes)

1. Breakdown of increase in shares outstanding of common stock of 1,661,409 thousand shares is as follows.
   New stocks issued in the establishment of NKSJ Holdings, Inc. through share exchange of Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd.: 1,661,263 thousand shares
   Increase due to exercise of stock acquisition rights: 145 thousand shares
2. Breakdown of increase in treasury stock of common stock of 1,317 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by board of directors: 1,000 thousand shares
   Increase due to purchase of shares less than a full trading unit: 317 thousand shares
3. Breakdown of decrease in treasury stock of common stock of 334 thousand shares is as follows.
   Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 299 thousand shares
   Decrease due to sales of shares less than a full trading unit: 34 thousand shares

2. Stock acquisition rights

Classification	Breakdown of stock acquisition rights	Balance as of March 31, 2011 (millions of yen)
NKSJ Holdings, Inc.	Stock acquisition rights for stock option	2,349
Total		2,349

3. Dividends

(1) Dividends paid

NKSJ Holdings, Inc. is a joint holding company established through share exchange on April 1, 2010, so the amounts of dividends paid are the amounts approved at each general meeting of stockholders of wholly-owned subsidiaries mentioned below.

Sompo Japan Insurance Inc.

Resolution	Type of share	Total amount of dividend	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 28, 2010	Common stock	19,681 million yen	20 yen	March 31, 2010	June 29, 2010

NIPPONKOA Insurance Co., Ltd.

Resolution	Type of share	Total amount of dividend	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 28, 2010	Common stock	6,019 million yen	8 yen	March 31, 2010	June 29, 2010

(2) Of dividends with record date within the year ended March 31, 2011, dividends with the effective date after March 31, 2011

Resolution	Type of share	Total amount of dividend	Source of dividend	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 27, 2011	Common stock	33,208 million yen	Retained earnings	20 yen	March 31, 2011	June 28, 2011

(Notes to the consolidated statements of cash flows)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Reconciliation of cash and cash equivalents to the line items disclosed in the consolidated balance sheet as of March 31, 2011

Cash and deposits	328,528	million yen
Call loans	78,399	million yen
Receivables under resale agreements	33,490	million yen
Securities	6,431,235	million yen
Time deposit with an original maturity of more than 3 months	(46,402)	million yen
Securities other than cash equivalents	(6,426,338)	million yen
Cash and cash equivalents	398,912	million yen

2. Major components of assets and liabilities of newly consolidated subsidiaries through the acquisition of shares

The major components of assets and liabilities of a newly consolidated subsidiary, Tenet Insurance Company Limited, at the commencement of the consolidation are as follows. The following also shows the acquisition cost of the shares and net expenditure for the acquisition of those shares.

Assets:	8,233	million yen
Cash and deposits	4,903	million yen
Goodwill	2,625	million yen
Liabilities:	(4,183)	million yen
Underwriting funds	(3,706)	million yen
Acquisition cost of the shares of the subsidiary mentioned above	6,674	million yen
Cash and cash equivalents of the subsidiary mentioned above	(186)	million yen
Net: Expenditure for the acquisition of the subsidiary mentioned above	6,488	million yen

The major components of assets and liabilities of a newly consolidated subsidiary, Sompo Japan Sigorta Anonim Sirketi, at the commencement of the consolidation are as follows. The following also shows the acquisition cost of the shares and net expenditure for the acquisition of those shares.

Assets:	21,489	million yen
Cash and deposits	14,473	million yen
Goodwill	21,234	million yen
Liabilities:	(14,150)	million yen
Underwriting funds	(12,314)	million yen
Acquisition cost of the shares of the subsidiary mentioned above	28,573	million yen
Cash and cash equivalents of the subsidiary mentioned above	(6,651)	million yen
Net: Expenditure for the acquisition of the subsidiary mentioned above	21,922	million yen

3. Significant non-cash transactions
None.

4. Cash flows from investing activities include cash flows from investment activities conducted as a part of insurance business.

(Segment information)

[Segment information]

1. Summary of reportable segments

The reportable segment of NKSJ Holdings, Inc. (NKSJ) is the component of our company, for which discrete financial information is available, and whose operating results are regularly reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.

The respective group companies of NKSJ determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of NKSJ.

Therefore, NKSJ is composed of the business segments which include the respective group companies as a minimum component, and “Property and casualty insurance business” and “Life insurance business” are determined as the reportable segments. NKSJ and other operations which are not covered by the reportable segments, are included in “Others”. The major companies which constitute each reportable segment and “Others” are listed below.

“Property and casualty insurance business” conducts underwriting of property and casualty insurance, investment and related activities. “Life insurance business” conducts underwriting of life insurance and investment activities.

		Major companies
Reportable segments		
	Property and casualty insurance business	Sompo Japan Insurance Inc. NIPPONKOA Insurance Co., Ltd. Sonpo 24 Insurance Company Limited Saison Automobile and Fire Insurance Company, Limited Sompo Japan Insurance Company of America Sompo Japan Insurance Company of Europe Limited Yasuda Seguros S.A.
	Life insurance business	Sompo Japan Himawari Life Insurance Co., Ltd. NIPPONKOA Life Insurance Company, Limited Sompo Japan DIY Life Insurance Co., Ltd.
Others		NKSJ Holdings, Inc. Sompo Japan DC Securities Co., Ltd. Healthcare Frontier Japan Inc. SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. Yasuda Enterprise Development Co., Ltd.

2. Calculation methods for the amount of sales, net income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are the same methods as that mentioned in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements”. Net income or loss attributable to the reportable segments is the amounts based on net income in the consolidated statements of income.

Income arising from internal segment is based on the price of transactions among third parties.

3. Information related to the amount of sales, net income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustment (Note 3)	Carrying amount on the consolidated financial statements (Note 4)
	Property and casualty insurance business	Life insurance business	Total				
Sales: (Note 1)							
Sales from transactions with external customers	1,933,283	238,178	2,171,461	5,313	2,176,775	444,913	2,621,689
Sales arising from internal segment	–	–	–	3,109	3,109	(3,109)	–
Total	1,933,283	238,178	2,171,461	8,423	2,179,885	441,804	2,621,689
Net income (loss) attributable to segment	(7,873)	(4,073)	(11,946)	(971)	(12,918)	–	(12,918)
Assets attributable to segment	7,233,827	1,740,175	8,974,003	7,971	8,981,974	–	8,981,974
Other items:							
Depreciation expenses	18,464	1,405	19,870	262	20,132	–	20,132
Amortization of goodwill	349	1,872	2,221	0	2,221	–	2,221
Interest and dividend income	129,528	27,559	157,088	1	157,090	(622)	156,467
Interest paid	7,202	95	7,298	7	7,306	(4)	7,301
Investment gains (losses) on the equity method	509	–	509	2	511	–	511
Extraordinary gains:	3,547	–	3,547	–	3,547	(6)	3,540
Gains on negative goodwill	149	–	149	–	149	–	149
Extraordinary losses:	13,507	1,283	14,791	1	14,793	(6)	14,786
Impairment losses	1,118	–	1,118	–	1,118	–	1,118
Income tax expense	(3,735)	(664)	(4,400)	17	(4,382)	–	(4,382)
Investment in affiliates accounted for under the equity method	20,271	–	20,271	1,166	21,437	–	21,437
Increase in tangible fixed assets and intangible fixed assets	41,685	4,580	46,266	419	46,686	–	46,686

Notes)

1. The definitions of sales are as follows.

Property and casualty insurance business:	Net premiums written
Life insurance business:	Life insurance premiums written
“Others” and carrying amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes other operations.
3. Adjustments of sales are as follows.

Elimination of transactions arising from internal segment:	(3,109)	million yen
Ordinary income related to property and casualty insurance business and life insurance business excluding net premiums written and life insurance premiums written:	444,913	million yen

4. Net income or loss attributable to segment is adjusted to net loss in the consolidated statements of income.

[Related information]

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Information by products and services

(1) Property and casualty insurance business

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Sales from transactions with external customers	239,420	47,611	180,262	982,028	241,625	242,335	1,933,283

Note) Sales represent amounts of net premiums written.

(2) Life insurance business

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Sales from transactions with external customers	215,929	10,780	11,468	—	238,178

Note) Sales represent amounts of life insurance premiums written.

2. Information by geographic area

(1) Sales

Geographic information is omitted because sales (net premiums written and life insurance premiums written) from transactions with external customers attributed to Japan constitute more than 90 percent of sales (net premiums written and life insurance premiums written) in the consolidated statements of income.

(2) Tangible fixed assets

Geographic information is omitted because tangible fixed assets located in Japan constitute more than 90 percent of tangible fixed assets in the consolidated balance sheets.

3. Information by major customers

None.

[Information related to impairment losses on fixed assets by reportable segments]

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Impairment losses	1,118	—	1,118	—	—	1,118

[Information related to amortization of goodwill and balance of goodwill by reportable segments]

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Amortization for the year ended March 31, 2011	349	1,872	2,221	0	—	2,221
Balance as of March 31, 2011	22,604	19,352	41,956	—	—	41,956

[Information related to gains on negative goodwill by reportable segments]

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Gains on negative goodwill	149	—	149	—	—	149

Outline of events resulting in recognition of gains on negative goodwill

Property and casualty insurance business:

As mentioned in “Business combinations”, Sompo Japan Insurance Inc., which was defined as the acquirer, acquired NIPPONKOA Insurance Co., Ltd. through share exchange, and NKSJ Holdings, Inc. was established as a joint holding company as of April 1, 2010.

(Securities)

Fiscal year ended March 31, 2011

1. Trading securities (As of March 31, 2011)

(Millions of yen)

	Carrying amount on balance sheet	Unrealized gains (losses) recognized in statements of income
Trading securities	16,289	(517)

2. Bonds held to maturity (As of March 31, 2011)

(Millions of yen)

		Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Securities whose fair value exceeds their carrying amount on balance sheet	Domestic bonds	995,987	1,028,399	32,411
	Foreign securities	35,918	36,481	562
	Subtotal	1,031,906	1,064,881	32,974
Securities whose fair value doesn't exceed their carrying amount on balance sheet	Domestic bonds	137,065	134,472	(2,592)
	Foreign securities	13,644	13,601	(42)
	Subtotal	150,709	148,074	(2,635)
Total		1,182,616	1,212,955	30,339

3. Policy reserve matching bonds (As of March 31, 2011)

(Millions of yen)

		Carrying amount on balance sheet	Fair value	Unrealized gains (losses)
Securities whose fair value exceeds their carrying amount on balance sheet	Domestic bonds	10,397	10,653	256
Securities whose fair value doesn't exceed their carrying amount on balance sheet	Domestic bonds	6,489	6,392	(97)
Total		16,887	17,045	158

4. Securities available for sale (As of March 31, 2011)

(Millions of yen)

		Carrying amount on balance sheet	Cost	Unrealized gains (losses)
Securities whose carrying amount on balance sheet exceeds their cost	Domestic bonds	2,072,558	2,024,355	48,202
	Domestic stocks	1,048,158	549,193	498,965
	Foreign securities	427,681	395,039	32,641
	Others	54,348	50,963	3,385
	Subtotal	3,602,747	3,019,552	583,195
Securities whose carrying amount on balance sheet doesn't exceed their cost	Domestic bonds	354,765	360,520	(5,755)
	Domestic stocks	476,054	552,661	(76,607)
	Foreign securities	618,991	694,896	(75,905)
	Others	28,882	29,810	(928)
	Subtotal	1,478,692	1,637,889	(159,196)
Total		5,081,440	4,657,441	423,998

Notes)
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.

5. Securities available for sale sold (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	271,796	4,875	1,512
Domestic stocks	60,320	18,711	2,338
Foreign securities	88,613	2,481	5,018
Others	217	70	126
Total	420,947	26,138	8,995

6. Securities for which impairment losses are recognized (April 1, 2010 to March 31, 2011)

For the fiscal year ended March 31, 2011, impairment losses on securities available for sale which have readily determinable fair value amount to 20,124 million yen (domestic stocks: 19,731 million yen, foreign securities: 393 million yen). Impairment losses on securities available for sale which are considered extremely difficult to figure out fair value amount to 381 million yen (domestic stocks: 333 million yen, foreign securities: 47 million yen).

Basically, NKSJ Holdings, Inc. and its domestic consolidated subsidiaries recognize impairment losses on securities which have readily determinable fair value if fair value declines by 30% or more of their cost at the end of the fiscal year.

(Derivatives transactions)

Fiscal year ended March 31, 2011 (As of March 31, 2011)

1. Derivatives transactions to which hedge accounting is not applied

(1) Currency derivatives

(Millions of yen)

	Notional amount	Due after 1 year of notional amount	Fair value	Unrealized gains (losses)
Over-the-counter transactions:				
Forward foreign exchanges:				
Short:				
EUR	36,566	−	(1,187)	(1,187)
USD	10,243	−	(145)	(145)
GBP	183	−	(4)	(4)
Long:				
USD	7,398	−	73	73
TRY	2,598	−	38	38
EUR	183	−	3	3
Currency options:				
Short:				
Call:				
EUR	5,911	−		
	6*	−*	(7)	(1)
Long:				
Put:				
EUR	5,300	−		
	6*	−*	−	(6)
Total	——	——	(1,228)	(1,228)

Notes)

1. Calculation methods for the fair value
   (1) Forward foreign exchanges
   The fair value is calculated using forward exchange rate.
   As for forward foreign exchange transactions between foreign currency and the other foreign currency, the fair value is calculated using forward exchange rate of the other foreign currency and yen on the day of forward foreign exchange transactions.
   (2) Currency options
   The fair value is based on the price quoted by counterparties.
2. Amounts with an asterisk (*) represent the amount of the option premiums.

(2) Equity derivatives

(Millions of yen)

	Notional amount	Due after 1 year of notional amount	Fair value	Unrealized gains (losses)
Market transactions:				
Equity index futures:				
Short	6,546	—	(773)	(773)
Total	——	——	(773)	(773)

Note) Calculation methods for the fair value
The fair value is based on the closing price at major exchanges.

(3) Bond derivatives

(Millions of yen)

	Notional amount	Due after 1 year of notional amount	Fair value	Unrealized gains (losses)
Market transactions:				
Bond futures:				
Long	1,730	—	(2)	(2)
Total	——	——	(2)	(2)

Note) Calculation methods for the fair value
The fair value is based on the closing price at major exchanges.

(4) Others

(Millions of yen)

	Notional amount	Due after 1 year of notional amount	Fair value	Unrealized gains (losses)
Over-the-counter transactions:				
Credit derivatives:				
Short	9,000	9,000	17	17
Long	1,000	—	(1)	(1)
Weather derivatives:				
Short	597	201		
	21*	7*	(9)	12
Earthquake derivatives:				
Short	3,560	10		
	103*	0*	(0)	103
Long	3,195	2,610		
	314*	234*	77	(236)
Total	——	——	83	(104)

Notes)
1. Calculation methods for the fair value
   (1) Credit derivatives
   The fair value is based on the price quoted by counterparties.
   (2) Weather derivatives
   The fair value is calculated based on the contract term and other elements of the contract.
   (3) Earthquake derivatives
   The fair value is calculated based on the contract term and other elements of the contract.
2. Amounts with an asterisk (*) represent the amount of the option premiums.

2. Derivatives transactions to which hedge accounting is applied

(1) Currency derivatives

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Due after 1 year of notional amount	Fair value
Fair value hedge	Forward foreign exchanges:	Securities available for sale			
	Short:				
	USD		142,409	−	(2,094)
	EUR		115,637	−	(4,989)
	CAD		7,899	−	(397)
	GBP		5,203	−	(113)
	AUD		4,999	−	(473)
Total			——	——	(8,068)

Note) Calculation methods for the fair value

The fair value is calculated using forward exchange rate.

(2) Interest rate derivatives

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Due after 1 year of notional amount	Fair value
Deferred hedge	Interest rate swaps: Receipt fix / Payment float	Insurance liabilities	83,000	83,000	5,545
The exceptional treatment for certain interest rate swaps	Interest rate swaps: Payment fix / Receipt float	Borrowings	60	20	(0)
Total			——	——	5,545

Note) Calculation methods for the fair value

The fair value is based on the price quoted by counterparties or the fair value calculated by discounting future cash flow to the present value.

(Business combinations)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Business integration

(1) Summary of business integration

(a) The name of acquiree and its type of business
NIPPONKOA Insurance Co., Ltd. : Property and casualty insurance business

(b) Reason for business integration
In the face of the declining birthrate and aging society - the significant challenges Japan faces in the medium to long-term period - as well as of increased risks associated with depopulating society, deteriorating global climate change, and in response to the diversified consumer demands amidst the individuals' lifestyle changes, companies are urged to take proper actions and contribute to social safety and to customers' sense of security.
Based on this shared perspective, Sompo Japan Insurance Inc. (Sompo Japan) and NIPPONKOA Insurance Co., Ltd. (Nipponkoa) decided to establish a - new solution service group which provides customers with security and service of the highest quality and contribute to social welfare, while sharing as a unitary group the strengths nurtured through 120 years of their respective history.

(c) Date of business integration
April 1, 2010

(d) Legal form of business integration
Share exchange

(e) Name of the entity after business integration
NKSJ Holdings, Inc.

(f) Percentage of voting rights acquired
100%

(g) The primary reason for defining the acquiror
Sompo Japan was defined as the acquiror based on relative ownership percentage of voting rights in general.

(2) The business term of the acquiree included in the consolidated financial statements
From April 1, 2010 to March 31, 2011

(3) Acquisition cost of the acquiree

Purchase price	444,248	million yen
Amount of stock acquisition rights	713	million yen
Total	444,962	million yen

(4) Share exchange ratio, basis of calculation for the share exchange and the number of shares allotted

(a) Share exchange ratio
One share of common stock of NKSJ Holdings, Inc. (NKSJ) was allotted and delivered for each share of common stock of Sompo Japan, and 0.9 shares of common stock of NKSJ were allotted and delivered for each share of common stock of Nipponkoa.

(b) Basis of calculation for the allotment in relation to the share exchange

In order to ensure the fairness of the share exchange ratio to be used in the share exchange, Sompo Japan appointed Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. and Goldman Sachs Japan Co., Ltd., and Nipponkoa appointed Merrill Lynch Japan Securities Co., Ltd. and Mitsubishi UFJ Securities Co., Ltd. to calculate the share exchange ratio. Based on the calculation results and a comprehensive consideration of the financial conditions, asset conditions and future outlook of both companies, Sompo Japan and Nipponkoa engaged in careful deliberation concerning the share exchange ratio. Both companies concluded and agreed that the share exchange ratio mentioned above is appropriate.

(c) Number of shares allotted

Sompo Japan	984,055,299	shares
Nipponkoa	677,207,979	shares

(5) Amount of negative goodwill and reason for recognizing negative goodwill

(a) Amount of negative goodwill

149 million yen

(b) Reason for recognizing negative goodwill

The net amounts of assets acquired and liabilities assumed on the day of business integration exceeded the amount of investment based on evaluation of entity.

(6) Amounts of assets acquired and liabilities assumed on the day of business integration

Total assets:	3,064,910	million yen
Securities	2,180,871	million yen
Total liabilities:	2,619,450	million yen
Underwriting funds	2,482,288	million yen

2. Business integration

(1) Summary of business integration

(a) The name of acquiree and its type of business

Tenet Insurance Company Limited (Tenet) : Property and casualty insurance business

(b) Reason for business integration

Through the acquisition of Tenet, Sompo Japan Group plans to further strengthen its solid platform and expand its operations in Singapore and Southeast Asia.

(c) Date of business integration

May 31, 2010

(d) Legal form of business integration

Acquisition of shares by cash

(e) Name of the entity after business integration

Tenet Insurance Company Limited

(f) Percentage of voting rights acquired

100%

(g) The primary reason for defining the acquiror

Sompo Japan was defined as the acquiror because Sompo Japan acquired shares of Tenet by cash.

(2) The business term of the acquiree included in the consolidated financial statements

From June 1, 2010 to December 31, 2010

(3) Acquisition cost of the acquiree

Purchase price	97	million Singapore dollars
Direct cost for the acquisition	2	million Singapore dollars
Total	99	million Singapore dollars

(4) Amount of goodwill, reason for recognizing goodwill and method and term of amortization

(a) Amount of goodwill

39 million Singapore dollars

(b) Reason for recognizing goodwill

The acquisition cost exceeded the net amounts of assets acquired and liabilities assumed on the day of business integration.

(c) Method and term of amortization

Straight-line amortization in 20 years

(5) Amounts of assets acquired and liabilities assumed on the day of business integration

Total assets:	122	million Singapore dollars
Cash and deposits	72	million Singapore dollars
Total liabilities:	62	million Singapore dollars
Underwriting funds	55	million Singapore dollars

3. Business integration

(1) Summary of business integration

(a) The name of acquiree and its type of business

Fiba Sigorta Anonim Sirketi (Fiba Sigorta) : Property and casualty insurance business

(b) Reason for business integration

Through the acquisition of Fiba Sigorta, NKSJ plans to establish a strong platform to expand NKSJ’s property and casualty insurance business in the fast-growing Turkish market.

(c) Date of business integration

November 2, 2010

(d) Legal form of business integration

Acquisition of shares by cash

(e) Name of the entity after business integration

Fiba Sigorta Anonim Sirketi

Fiba Sigorta changed its company name to Sompo Japan Sigorta Anonim Sirketi as of February 25, 2011.

(f) Percentage of voting rights acquired

90.0%

(g) The primary reason for defining the acquiror

Sompo Japan and other 5 consolidated subsidiaries of NKSJ are defined as acquirors because they acquired shares of Fiba Sigorta by cash.

(2) The business term of the acquiree included in the consolidated financial statements

From November 1, 2010 to December 31, 2010

(3) Acquisition cost of the acquiree

Purchase price	484	million Turkish liras
Direct cost for the acquisition	22	million Turkish liras
Total	507	million Turkish liras

(4) Amount of goodwill, reason for recognizing goodwill and method and term of amortization

(a) Amount of goodwill

377 million Turkish liras

(b) Reason for recognizing goodwill

The acquisition cost exceeded the net amounts of assets acquired and liabilities assumed on the day of business integration.

(c) Method and term of amortization

Straight-line amortization in 20 years

(5) Amounts of assets acquired and liabilities assumed on the day of business integration

Total assets:	381	million Turkish liras
Cash and deposits	256	million Turkish liras
Total liabilities:	251	million Turkish liras
Underwriting funds	218	million Turkish liras

4. Transactions under common control

(1) Summary of transactions

(a) The name of subject companies and its type of business

Sompo Japan Asset Management Co., Ltd. (SJAM) : Investment advisory business and mutual fund business

ZEST Asset Management Ltd. (ZEST) : Investment advisory business

(b) Date of business integration

October 1, 2010

(c) Legal form of business integration

Absorption-type merger in which SJAM (consolidated subsidiary of NKSJ) is the surviving company and ZEST (non-consolidated subsidiary of NKSJ) is the absorbed company.

(d) Name of the entity after business integration

SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. (consolidated subsidiary of NKSJ)

(e) Purpose of transactions

NKSJ plans to concentrate and enhance the investment operations of NKSJ Group.

(2) Summary of accounting treatment

The transactions are accounted for as transactions under common control in accordance with the Accounting Standards Board of Japan Statement No. 21 “Accounting Standard for Business Combinations in Japan” (December 26, 2008) and the Accounting Standards Board of Japan Guidance No. 10 “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (December 26, 2008).

(Per share information)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Total net assets per share	647.00 yen
Net loss per share - Basic	(7.77) yen

Notes)

1. Diluted net income per share for the year ended March 31, 2011 is not shown due to basic net loss per share.

2. Calculation of basic net loss per share is based on the following figures.

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Net loss	(12,918)
Net loss not attributable to common stockholders	–
Net loss attributable to common stocks	(12,918)
Average number of common stocks outstanding	thousand shares 1,660,618

3. Calculation of total net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2011
Total net assets	1,079,446
Amount to be deducted from total net assets:	(5,142)
Stock acquisition rights	(2,349)
Non-controlling interests	(2,793)
Total net assets attributable to common stocks	1,074,303
Number of common stocks used for calculation of total net assets per share	thousand shares 1,660,425

(Significant subsequent events)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Acquisition of shares)

On May 9, 2011, Sompo Japan Insurance Inc. (Sompo Japan), which is a consolidated subsidiary of NKSJ Holdings, Inc. (NKSJ), has reached an agreement with Berjaya Capital Berhad (Berjaya Capital), the major shareholder of Berjaya Sompo Insurance Berhad (BSI), to additionally acquire 40% of the shares of BSI, which is an affiliate of NKSJ, through Sompo Japan's consolidated subsidiary, Sompo Japan Asia Holdings Pte. Ltd. (SJAH). This agreement will increase the shareholding ratio of SJAH in BSI from current 30% to 70% and subsequently make BSI be a subsidiary of NKSJ.

General information of BSI, purpose of the acquisition of shares, etc. are as follows:

1. General information of BSI

   Company name: Berjaya Sompo Insurance Berhad

   Head office: Kuala Lumpur, Malaysia

   Description of business: Non-life insurance business

   Net premiums written (Fiscal year ended April 30, 2010): 356 million Malaysian ringgits (9,550 million yen)

   Total assets (As of April 30, 2010): 927 million Malaysian ringgits (24,862 million yen)

2. Purpose of the acquisition of shares

   The size of the Malaysian non-life insurance market is the third biggest in Southeast Asia region after Singapore and Thailand, and it is expected that further stable market expansion would continue. This share acquisition would enable NKSJ to strengthen its insurance business operations and expand its earnings in the growing Malaysian non-life insurance market.

3. Acquisition date

   The acquisition will be completed by the end of June 2011.

4. The price of the acquisition

   The price of the acquisition is expected to be 496 million Malaysian ringgits (13,297 million yen).

Note) Yen amounts in the bracket ( ) are translated by the exchange rate (1 Malaysian ringgit = 26.81 yen) as of March 31, 2011.

5. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)
Ordinary income and expenses:	
Underwriting income:	2,480,715
Net premiums written	1,933,283
Deposits of premiums by policyholders	153,723
Life insurance premiums written	238,178
Underwriting expenses:	2,144,942
Net claims paid	1,244,450
Loss adjustment expenses	129,526
Net commissions and brokerage fees	353,193
Maturity refunds to policyholders	350,406
Life insurance claims paid	58,318
Investment income:	129,136
Interest and dividend income	156,467
Gains on sales of securities	26,359
Investment expenses:	51,524
Losses on sales of securities	9,281
Impairment losses on securities	20,993
Operating, general and administrative expenses	419,925
Other ordinary income and expenses:	102
Investment gains on the equity method	511
Ordinary loss	(6,437)
Extraordinary gains and losses:	
Extraordinary gains	3,540
Extraordinary losses	14,786
Net extraordinary losses	(11,246)
Loss before income taxes and non-controlling interests	(17,683)
Income taxes	3,240
Deferred income taxes	(7,623)
Total income taxes	(4,382)
Loss before non-controlling interests	(13,300)
Non-controlling interests	(382)
Net loss	(12,918)

(2) Premiums Written and Claims Paid by Lines of Business (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change
		%	%
Fire and allied insurance	357,842	16.2	——
Marine insurance	56,864	2.6	——
Personal accident insurance	286,517	13.0	——
Voluntary automobile insurance	982,481	44.5	——
Compulsory automobile liability insurance	254,585	11.5	——
Others	271,789	12.3	——
Total	2,210,080	100.0	——
Deposits of premiums by policyholders	153,723	7.0	——

Net premiums written

(Millions of yen)

Business line	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change
		%	%
Fire and allied insurance	239,420	12.4	——
Marine insurance	47,611	2.5	——
Personal accident insurance	180,262	9.3	——
Voluntary automobile insurance	982,028	50.8	——
Compulsory automobile liability insurance	241,625	12.5	——
Others	242,335	12.5	——
Total	1,933,283	100.0	——

Net claims paid

(Millions of yen)

Business line	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Amount	% of total amount	Rate of change
		%	%
Fire and allied insurance	97,420	7.8	——
Marine insurance	22,844	1.8	——
Personal accident insurance	100,566	8.1	——
Voluntary automobile insurance	625,461	50.3	——
Compulsory automobile liability insurance	227,136	18.3	——
Others	171,020	13.7	——
Total	1,244,450	100.0	——

Note to the above three tables:
The above figures represent amounts before offsetting internal transactions among consolidated segments.

(3) Life Insurance Business (Consolidated)

Life insurance premiums

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
	Amount	Rate of change
		%
Life insurance premiums	238,178	——

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

Total amount of policies in force

(Millions of yen)

	As of March 31, 2011	
	Amount	Rate of change
		%
Individual insurance	16,706,412	——
Individual annuities	279,100	——
Group insurance	3,064,572	——
Group annuities	–	——

Notes)
1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. Amount of "Individual annuities" represents the sum of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		
	Net increase by new policies and conversion	New policies	Net increase by conversion
Individual insurance	3,110,448	3,110,448	–
Individual annuities	14,472	14,472	–
Group insurance	37,309	37,309	–
Group annuities	–	–	–

Notes)
1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. Amount of "Net increase by new policies and conversion" for "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums of new policies (individual insurance and individual annuities)

(Millions of yen)

	Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	
	Amount	Rate of change
		%
Annualized premiums of new policies	38,367	——

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

(4) Risk-monitored Loans (Consolidated)

(Millions of yen)

	As of March 31, 2011
Loans to borrowers in bankruptcy	591
Overdue loans	2,210
Loans overdue for three months or more	1
Restructured loans	963
Total	3,767
Percent of risk-monitored loans to total loans	0.5%

(Reference)

Total loans	691,294

Note) Please refer to "4. (7) Notes to the Consolidated Financial Statements (Notes to the consolidated balance sheets)" for the definitions of each loan.

(5) Changes of Directors (Scheduled as of June 27, 2011)

1. Candidates for directors

[New position]		[Current position]
Director (outside)	Akira Matsuda	Marubeni Corporation Associate Director Sompo Japan Insurance Inc. Auditor (outside)

Note) Akira Matsuda will retire as Auditor of Sompo Japan Insurance Inc. as of June 23, 2011.

Director	Masaya Futamiya	NIPPONKOA Insurance Co., Ltd. Director, Senior Managing Executive Officer

Note) Masaya Futamiya will be appointed to Representative Director, President and CEO of NIPPONKOA Insurance Co., Ltd. as of June 23, 2011. This appointment is subject to approval to concurrently hold this position with another director position.

Director, Managing Executive Officer	Shinji Tsuji	Sompo Japan Insurance Inc. Managing Executive Officer

Note) Shinji Tsuji will retire as Managing Executive Officer of Sompo Japan Insurance Inc. as of June 23, 2011.

2. Scheduled retirement of directors

		[Current position]
Retirement	Tsunehisa Katsumata	Director (outside)
Retirement	Yasuhide Fujii	Director, Managing Executive Officer
Retirement	Hiroyuki Yamaguchi	Director, Managing Executive Officer

Note) Hiroyuki Yamaguchi will be appointed to Managing Executive Officer of Sompo Japan Insurance Inc. and President and Chief Executive Officer of Sompo Japan Insurance Company of America as of June 28, 2011.

3. Change of executive officer

[New position]		[Current position]
Director	Kengo Sakurada	Director, Executive Officer