
Highlights of 1Q FY2013 Results

August 9, 2013

NKSJ Holdings, Inc.

- ◆ The top line of domestic P&C has continued to grow. - Positive impact of premium rate revisions of automobile insurance, etc.
- ◆ Improving trend of the profitability of automobile insurance is becoming apparent.
- ◆ Natural disasters were limited.
- ◆ Domestic life and overseas have been progressed in line.
- ◆ Capital level and capital buffer are maintained at the same level as the end of the previous fiscal year.
- ◆ Investment profit was within the scope of assumption. Reduction of strategic holding stocks progressed just below 40% of annual reduction in the previous FY (including stock future sales).
- ◆ There are no changes in the full year business forecasts.

Overview of 1Q FY2013 Results

- NKSJ Consolidated

- ◆ The top line has continued to grow steadily.
- ◆ Ordinary profit and net income in consolidated basis increased significantly.

(Announced on May 20, 2013)

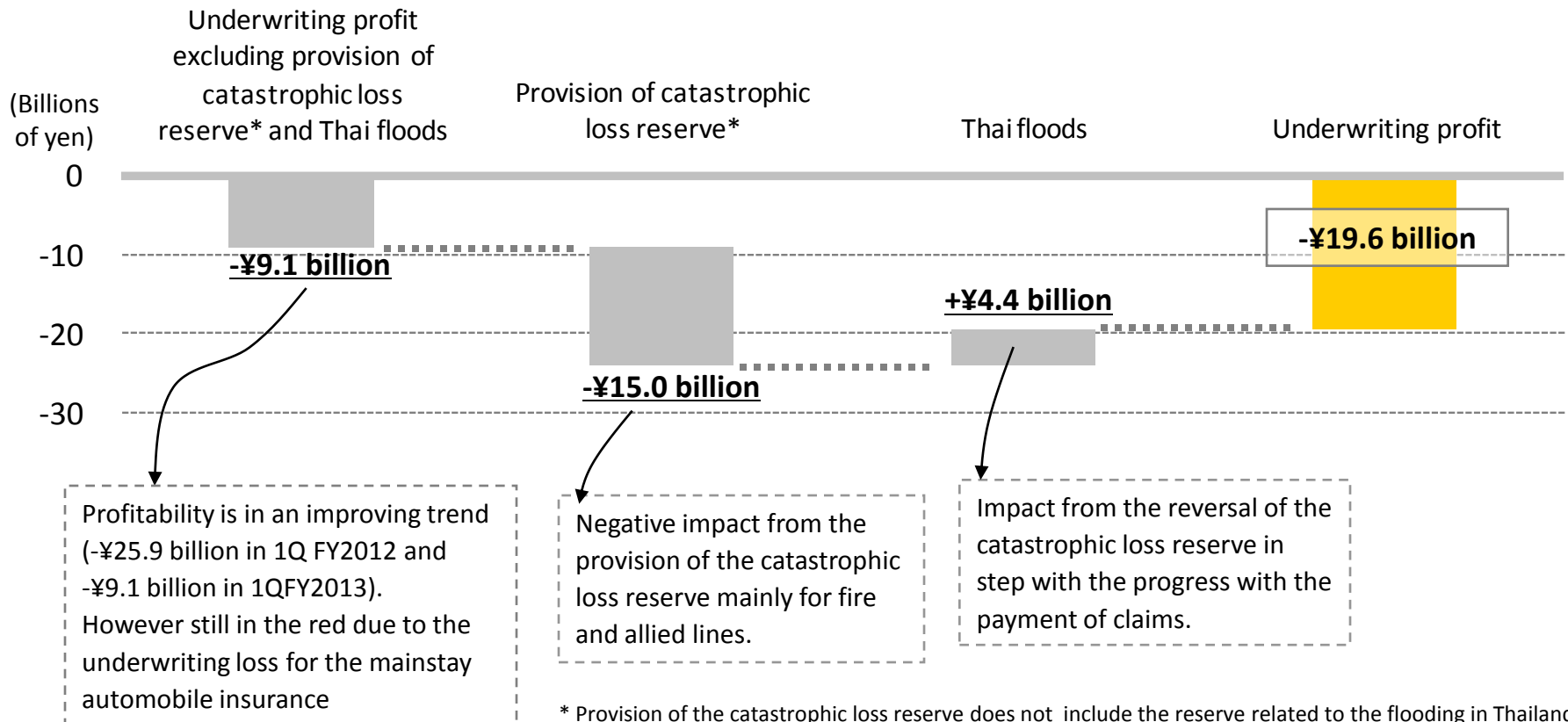
(Billions of yen)	Apr-Jun FY2012	Apr-Jun FY2013	Change	Business forecasts FY2013
Ordinary income (NKSJHD consolidated)	691.8	705.6	+13.8(+2.0%)	2,860.0
Net premiums written (P&C)	525.9	542.6	+16.7(+3.2%)	
Life insurance premiums	58.6	62.4	+3.7(+6.3%)	
Ordinary profit (NKSJHD consolidated)	-44.5	11.6	+56.1	81.0
Sompo Japan + Nipponkoa	-14.8	13.6	+28.4	
NKSJ Himawari Life	1.3	1.6	+0.3	
Overseas insurance subsidiaries	0.3	4.0	+3.6	
Consolidated adjustment*1/Others	-31.3	-7.6	+23.7	
Net income (NKSJHD consolidated)	-34.3	3.1	+37.4	34.0
Sompo Japan + Nipponkoa	-12.0	5.1	+17.1	
NKSJ Himawari Life	0.7	1.0	+0.2	
Overseas insurance subsidiaries	-0.2	3.5	+3.8	
Consolidated adjustment*1/Others	-22.7	-6.6	+16.1	

*1"Purchase method" accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa's statements and that used in NKSJ' consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc. These adjustments are included in "consolidated adjustments" shown in the above table.

- Underwriting profit

- ◆ Underwriting balance improved steadily due to the premium growth and the decrease of claims payment.
- ◆ However, posted underwriting loss due to the negative impact from the provision of the catastrophic loss reserve, etc.

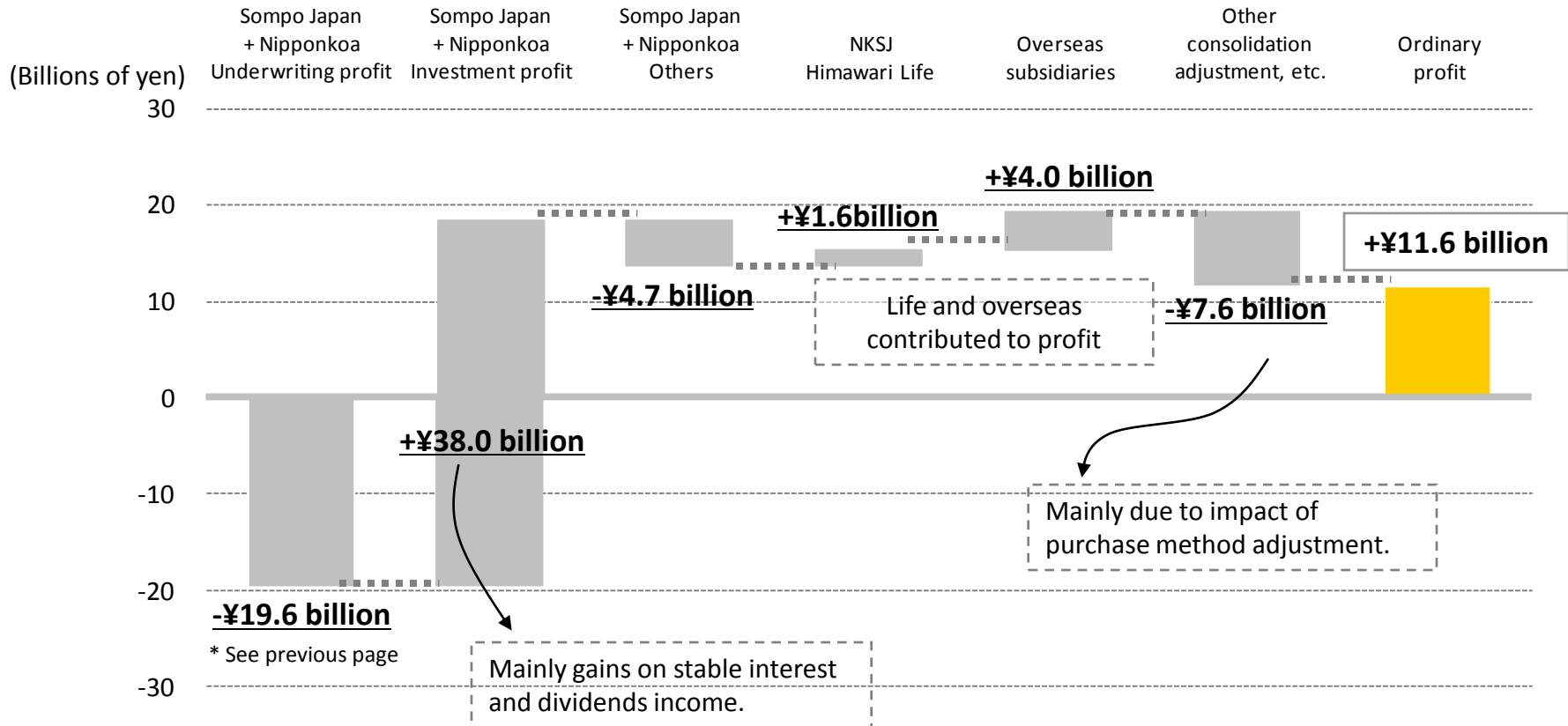
Breakdown of underwriting profit (Sompo Japan + Nipponkoa)



- Ordinary profit

- ◆ Consolidated ordinary profit was ¥11.6 billion.
- ◆ Investment profit of domestic P&C insurance as well as life and overseas contributed to profit.

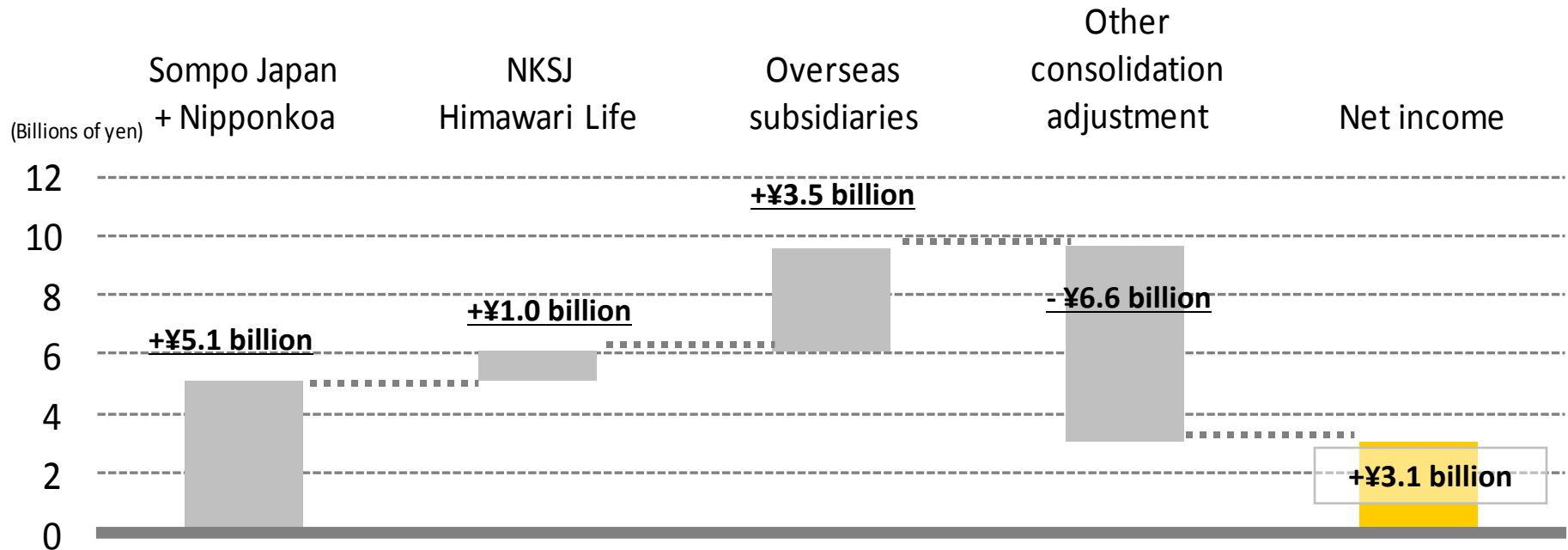
Breakdown of ordinary profit



- Net income

- ◆ Net income was ¥3.1 billion with Sompo Japan, Nipponkoa, NKSJ Himawari Life and overseas subsidiaries contributing to profit.

Breakdown of net income



Domestic P&C Insurance Business

(1) Overview of 1Q FY2013 Results

- ◆ Underwriting profit decreased due to a technical factor (increase in provision of the catastrophic loss reserve due to the decrease of natural disasters) though combined ratio improved drastically.
- ◆ Investment profit increased mainly due to the recovery of the stock market, boosting ordinary profit and net income substantially.

(Billions of yen)	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Net premiums written	501.5	512.2	+10.6(+2.1%)	347.3	+7.5(+2.2%)	164.8	+3.1(+2.0%)
excl. CALI	438.3	450.7	+12.4(+2.8%)	304.9	+8.7(+3.0%)	145.7	+3.6(+2.6%)
Loss Ratio	71.2%	63.6%	-7.6pt	62.2%	-6.7pt	66.4%	-9.5pt
excl. CALI	67.1%	59.0%	-8.1pt	57.4%	-7.2pt	62.4%	-10.0pt
Expense Ratio	33.3%	32.8%	-0.5pt	31.8%	-0.5pt	34.9%	-0.5pt
excl. CALI	34.6%	34.0%	-0.6pt	32.7%	-0.7pt	36.6%	-0.4pt
Combined Ratio	104.5%	96.4%	-8.1pt	94.0%	-7.2pt	101.3%	-10.0pt
excl. financial guarantee losses and CALI	101.7%	93.0%	-8.7pt	90.1%	-7.9pt	99.1%	-10.4pt
Underwriting profit	-2.6	-19.6	-17.0	-15.1	-9.7	-4.5	-7.3
Investment profit	-8.9	38.0	+46.9	17.6	+40.1	20.4	+6.8
Ordinary profit	-14.8	13.6	+28.4	-2.4	+28.6	16.0	-0.1
Net income	-12.0	5.1	+17.1	-3.0	+19.1	8.1	-1.9
【reference】 Adjusted profit							
Net income	-12.0	5.1	+17.1	-3.0	+19.1	8.1	-1.9
+Provisions for catastrophic loss reserve (after tax)	-12.7	8.2	+20.9	7.6	+11.1	0.5	+9.8
+Provisions for reserve for price fluctuation (after tax)	-8.3	1.3	+9.6	0.8	+9.6	0.4	-0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	-22.2	8.8	+31.0	1.9	+25.3	6.8	+5.7
-Special factors (after tax)*1	-	-1.5	-1.5	-1.0	-1.0	-0.4	-0.4
Adjusted profit	-10.8	7.3	+18.2	4.6	+15.6	2.7	+2.5

*1 Special factors are one-time merger costs, etc.

- ◆ Top line has continued to grow.
- ◆ Premium growth on automobile insurance mainly because of positive impact from premium rate revision.

(Billions of yen)

	Sum of two companies		Sompo Japan		Nipponkoa	
	Amount	Change	Amount	Change	Amount	Change
Fire & Allied lines	55.0	+0.5 (+1.1%)	35.1	-0.9 (-2.6%)	19.8	+1.5 (+8.3%)
Marine	11.0	+1.8 (+19.7%)	7.3	+1.2 (+20.3%)	3.6	+0.5 (+18.4%)
Personal Accident	52.6	+0.7 (+1.5%)	37.7	+0.4 (+1.3%)	14.9	+0.2 (+1.9%)
Voluntary Automobile	255.9	+5.8 (+2.3%)	173.0	+5.3 (+3.2%)	82.9	+0.4 (+0.5%)
CALI	61.5	-1.7(-2.7%)	42.4	-1.2 (-2.9%)	19.0	-0.4 (-2.4%)
Other	76.0	3.4(4.8%)	51.7	+2.5(+5.3%)	24.2	+0.8(+3.6%)
of which, liability	50.4	2.3 (+4.9%)	36.5	+1.9 (+5.5%)	13.8	+0.4 (+3.3%)
Total	512.2	+10.6 (+2.1%)	347.3	+7.5 (+2.2%)	164.8	+3.1 (+2.0%)
Total (excl. CALI)	450.7	+12.4 (+2.8%)	304.9	+8.7 (+3.0%)	145.7	+3.6 (+2.6%)

Domestic P&C Insurance Business

(3) Loss Ratio (written paid basis)

- ◆ The loss ratio for fire & allied lines dropped due to the decrease of domestic natural disasters.
- ◆ The loss ratio for voluntary automobile dropped due to the positive impact of premium rate revision, etc.

(Billions of yen)

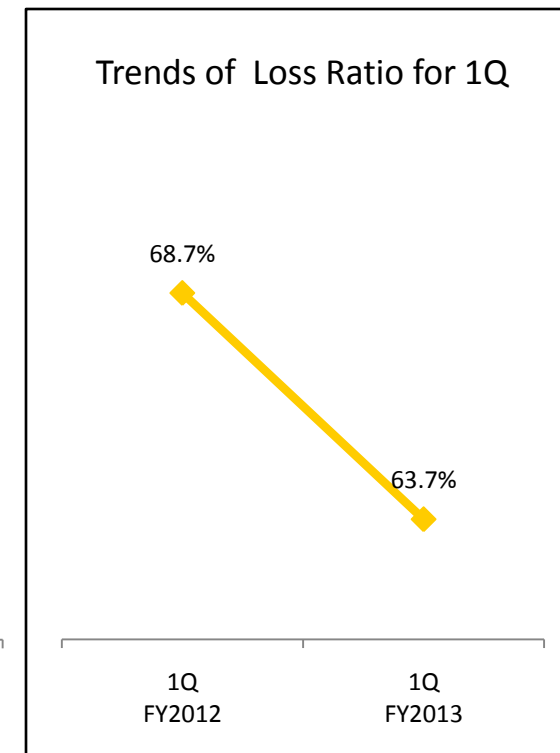
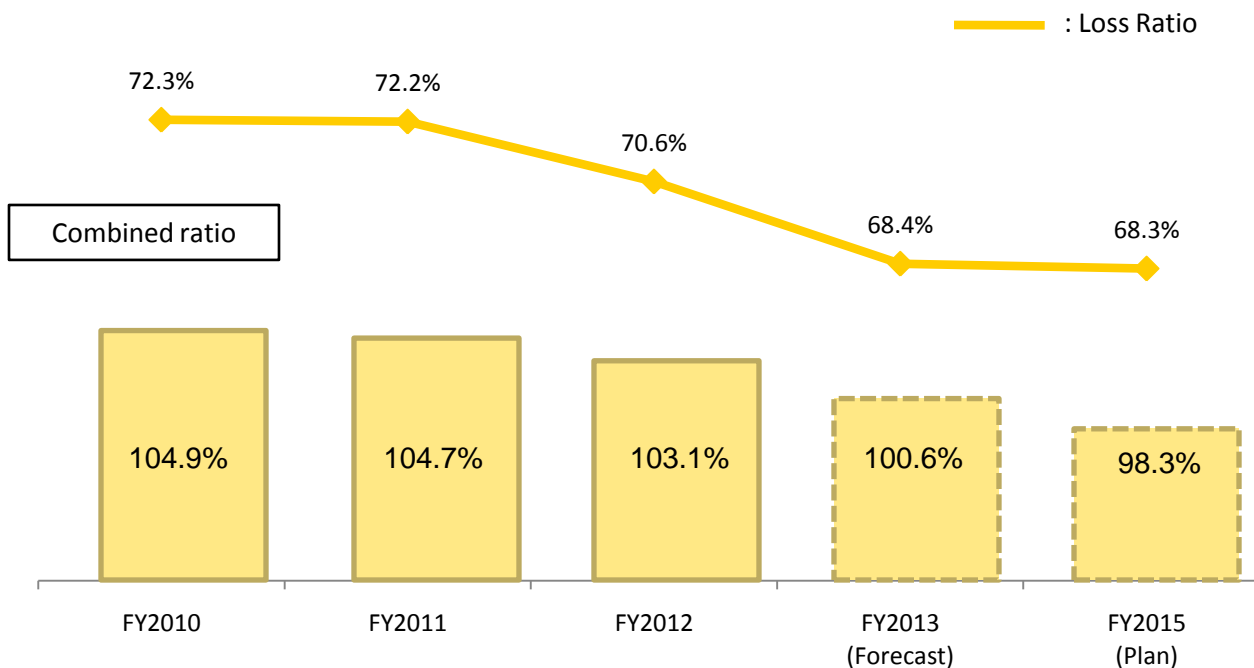
	Sum of two companies				Sompo Japan		Nipponkoa	
	Net claims paid		Loss Ratio		Loss Ratio		Loss Ratio	
		Change		Change		Change		Change
Fire & Allied lines	36.4	-21.5	69.0%	-41.4pt	59.7%	-36.2pt	85.3%	-53.6pt
excl. the Great East Japan Earthquake and Thai floods	33.7	-19.7	61.3%	-36.9pt	55.8%	-31.5pt	70.9%	-48.6pt
Marine	5.2	+0.6	50.3%	-2.9pt	55.5%	+0.8pt	39.9%	-10.2pt
Personal Accident	25.1	+1.0	52.7%	+1.8pt	53.9%	+2.5pt	49.9%	+0.2pt
Voluntary Automobile	142.4	-9.0	63.7%	-5.0pt	63.3%	-5.1pt	64.3%	-4.8pt
CALI	54.2	-3.4	96.5%	-2.7pt	96.6%	-1.9pt	96.3%	-4.7pt
Other	29.4	+0.8	42.1%	-0.8pt	39.1%	-0.8pt	48.4%	-0.6pt
of which, Liability	17.3	+0.4	37.4%	-0.6pt	35.8%	-0.8pt	41.7%	-0.1pt
Total	292.8	-31.4	63.6%	-7.6pt	62.2%	-6.7pt	66.4%	-9.5pt
Total (excl. CALI, the Great East Japan Earthquake, and Thai floods)	262.0	-25.3	58.1%	-7.4pt	57.0%	-6.7pt	60.6%	-8.9pt

Domestic P&C Insurance Business

(4) Automobile insurance – Profitability

◆ Loss ratio is on a downward trend.

- Positive impact of rate revision has appeared.
- Decreasing trend of the number of reported claims is on going. (See next page)
- On the one hand, increasing trend of unit repair costs continues.

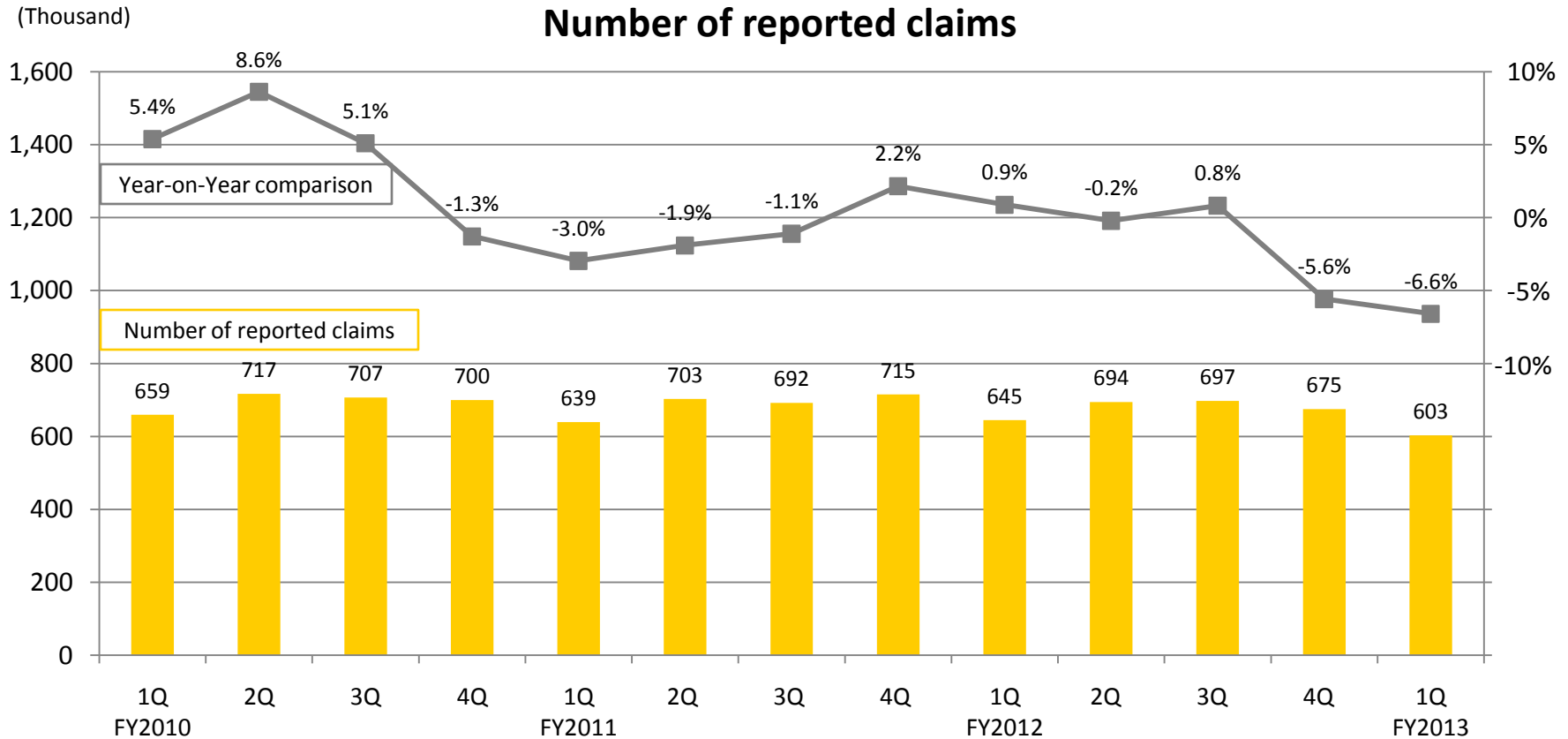


* Sum of Sompo Japan and Nipponkoa

* Loss Ratio includes loss adjustment expenses.

(5) Voluntary Automobile Insurance – Number of reported claims

◆ Decreasing trend is obvious since 4Q FY2012.



* Year-on Year comparison is adjusted based on calendar.

* Special factors in each fiscal year (The Great East Japan Earthquake, typhoon No.12 and 15 in fiscal 2011, and the severe storm in April 2012) are excluded.

Domestic P&C Insurance Business

(6) Impact of domestic natural disasters

◆ Net claims paid decreased greatly from the previous year because there were no major natural disasters.

(Billions of yen)

Net claims paid	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Fire & Allied lines	14.3	1.9	-12.3	0.9	-7.1	1.0	-5.1
Marine	0	0	-0	-	-	-	-0
Personal Accident	0	0	-0	0	-0	0	-0
Voluntary Automobile	2.4	0.2	-2.1	0.1	-1.5	0	-0.6
Other	0.3	0	-0.2	0	-0	0	-0.1
Total	17.1	2.3	-14.8	1.1	-8.7	1.2	-6.0

Of which ¥14.0 billion of the severe storm in April 2012.

* Net claims paid for full fiscal year 2012 arising from the severe storm above is ¥19.3 billion.

Assumption of full FY forecasts

¥38.0 billion
(Sum of two companies)

*Above figures are net claims paid caused from domestic natural disasters incurred in the fiscal year. Net claims paid incurred in the previous year are not included.

* Since outstanding loss reserve is worked out by compendium method in the quarterly results, incurred losses related to natural disasters were not aggregated.

(Reference) Flooding in Thailand

◆ Posted ¥5.8 billion profit due to reversal of catastrophic loss reserve etc. (of which, ¥4.4 billion posted by two domestic P&C insurance companies.)

(Billions of yen)

	Cumulative Total by FY2012	April – June 2013				Cumulative Total
		Group Total	Sompo Japan	Nipponkoa	Overseas subsidiaries	
Paid claims	51.2	6.1	1.3	2.7	2.1	57.4
Provision of outstanding loss reserve	36.0	-9.3	-0.7	-5.0	-3.5	26.7
Net loss occurred*	87.3	-3.1	0.5	-2.3	-1.3	84.1
Provision of catastrophic loss reserve	-42.8	-2.7	-	-2.7	-	-45.5
Impact on ordinary profit*	-44.4	5.8	-0.5	5.0	1.3	-38.6
(Ref.) Payment progress rate	59%					68%

* Impairment losses on stocks of a non-consolidated subsidiary of ¥7 billion in fiscal year 2011 is not included.

Sum of two domestic P&C insurance companies were ¥4.4 billion.

◆ Net expense ratio dropped due to the reduction of company expenses and growth of net written premiums.

(Billions of yen)

Net expense ratio

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		Net expense ratio		Amount		Net expense ratio		Amount		Net expense ratio	
		Change		Change		Change		Change		Change		Change
Net commissions and brokerage fee	91.1	+3.8	17.8%	+0.4pt	60.4	+1.9	17.4%	+0.2pt	30.6	+1.8	18.6%	+0.8pt
Operating, general and administrative expenses*	76.8	-2.6	15.0%	-0.9pt	49.9	-1.1	14.4%	-0.6pt	26.8	-1.5	16.3%	-1.3pt
Total	167.9	+1.1	32.8%	-0.5pt	110.3	+0.8	31.8%	-0.5pt	57.5	+0.2	34.9%	-0.5pt

* Only for underwriting

(Billions of yen)

Company expenses

	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		% of net premium		Amount		% of net premium		Amount		% of net premium	
		Change		Change		Change		Change		Change		Change
Personnel expenses	60.2	-1.9	11.8%	-0.6pt	39.2	-1.0	11.3%	-0.6pt	20.9	-0.9	12.7%	-0.8pt
Non-Personnel expenses	45.9	-1.8	9.0%	-0.6pt	30.8	-0.8	8.9%	-0.4pt	15.0	-1.0	9.1%	-0.8pt
Tax and contributions	6.8	+0.1	1.3%	+0.0pt	5.0	+0.1	1.5%	+0.0pt	1.7	+0	1.1%	-0.0pt
Total	113.0	-3.6	22.1%	-1.2pt	75.2	-1.7	21.7%	-1.0pt	37.8	-1.9	23.0%	-1.6pt

- ◆ Increase in business in force contributes to the trend of premium growth and increase in net income.
- ◆ Shift toward protection-type products is continuing.

(Billions of yen)

	1QFY2012	1QFY2013	Change	Change%
Amount of new business	654.2	617.3	- 36.9	- 5.6%
Annualized new premium	7.9	7.2	- 0.7	- 8.8%
Premium and other income	85.4	88.2	+ 2.7	+ 3.2%
(excl. lump-sum payment)	84.6	87.2	+ 2.6	+ 3.1%
Ordinary profit	2.2	2.8	+0.5	+ 24.4 %
Net income	0.7	1.0	+0.2	+ 35.6 %

(Billions of yen)

	End of FY2012	End of 1QFY2013	Change	Change%
Amount of business in force	19,164.7	19,392.6	+ 227.9	+ 1.2%
Annualized premium in force	300.5	302.0	+ 1.5	+ 0.5%

(Billions of yen)

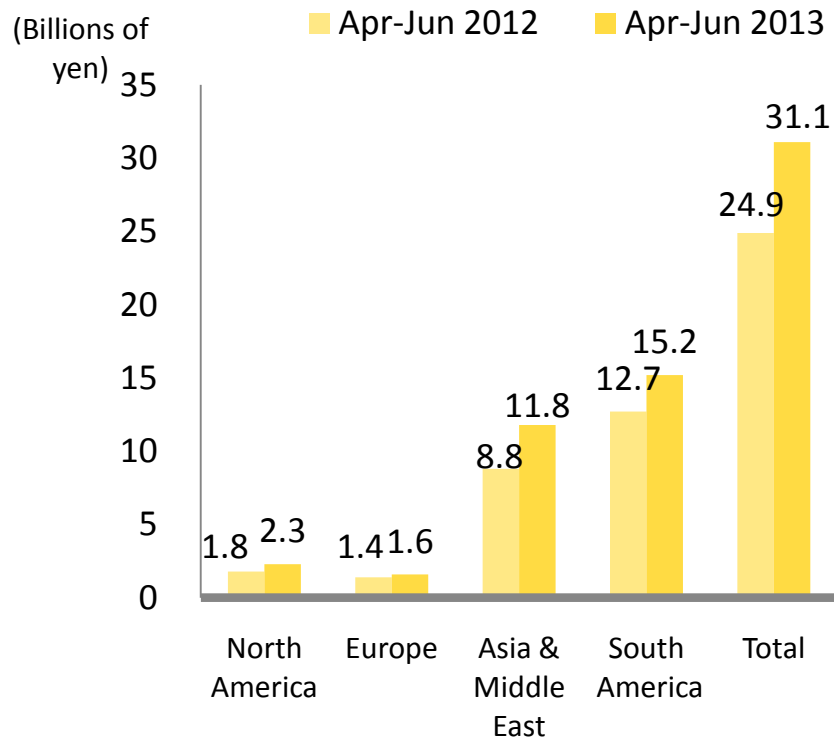
	Change
Protection-type	+ 1.7
Saving-type	- 0.9
Total	+ 0.7

* As the figures in the table on the right show annualized premium in force based on in-house standard, the total figures do not coincide with the figures in the table on the left.

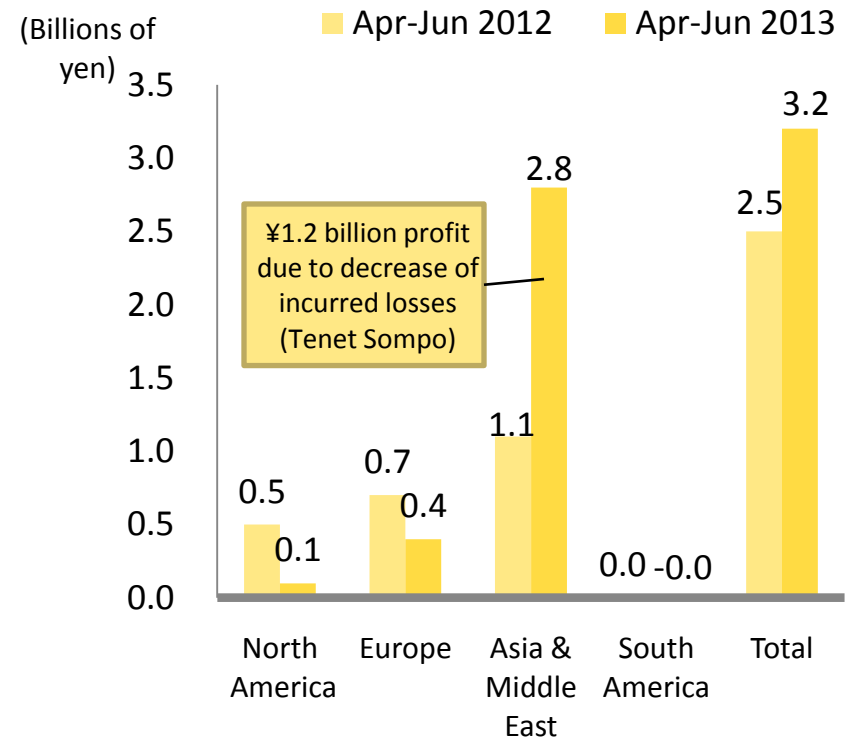
*Amount of business and annualize premium are the sum of individual insurance and individual annuities.

◆ Increased in both top-line and net income.

Net premium written



Net income



*Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

*Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding Tenet Sampo (former SJ Singapore) and SJNK Europe (former SJ Europe) for FY2012 .

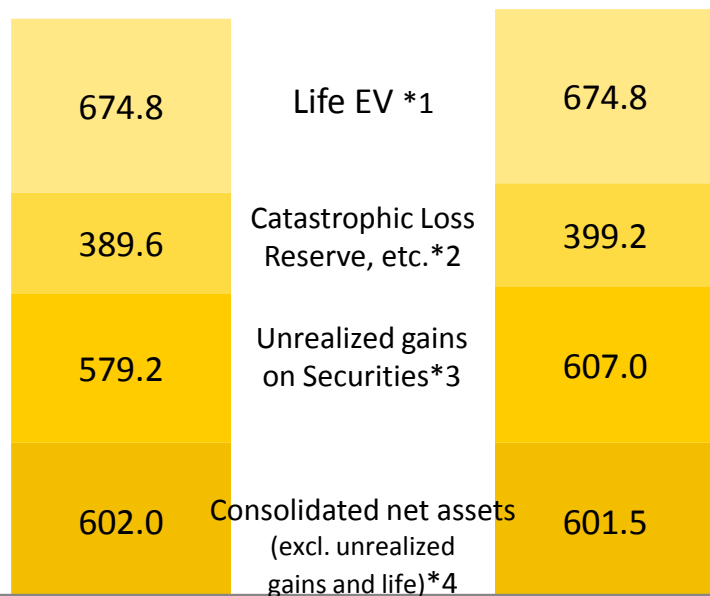
- ◆ No big change from the end of the previous FY in both total amount and breakdown.
- ◆ Adjusted consolidated net assets per share is ¥5,500.

Adjusted consolidated net assets

(Billions of yen)

Total 2,245.8
(¥5,415 per share)

Total 2,282.5
(¥5,500 per share)



End of March 2013

End of June 2013

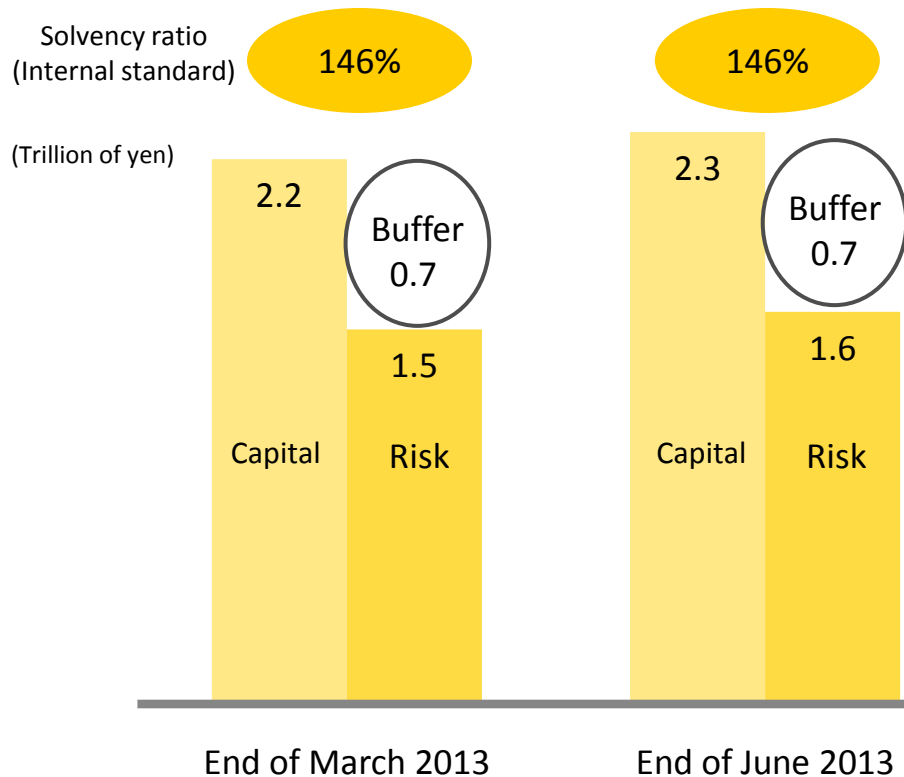
*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements. As EV is calculated annually, the figure as of the end of June 2013 is the same as of the end of March 2013.

*2 Catastrophic loss reserve, etc. is the total of catastrophic loss reserve plus price fluctuation reserve, both after tax

*3 Unrealized gains/losses on securities is after tax.

*4 Consolidated net product excludes Himawari Life Insurance's net assets and the unrealized gains/losses on securities.

◆ Solvency ratio and capital buffer are maintained at the same level as the end of the previous FY.



Financial market fluctuation sensitivity (End of June 2013)

	Capital (Billions of yen)	Solvency ratio
Change in stock price by 30% increase	+308.5	+8.2pt
Change in stock price by 30% decrease	-308.5	-10.8pt
10% depreciation in yen exchange rate	+63.0	+2.8pt
10% appreciation in yen exchange rate	-63.0	-2.9pt
50bps increase in interest rates	+28.3	+1.5pt
50bps decrease in interest rates	-42.0	-3.8pt

Definition, etc.

- Risk: 1 year holding period, 99.95% VaR (AA equivalent confidence level)
- Capital: Sum of net assets on the balance sheet, subordinated debt, catastrophic loss reserve, reserve for price fluctuations, etc.
- After-tax basis (calculated according to European Solvency II)
- Solvency ratio: Ratio of capital / risk

- ◆ The general account is managed with diversified investments, while the saving type account utilizes portfolio management based on ALM.
- ◆ The proportion of domestic stocks (=strategic holding stocks) increased 1.6 points to 35.4% compared to the end of March by rally in stock market.

Amount of investment asset : ¥6.3 trillion* Sum of Sampo Japan and Nipponkoa

End of
June 2013

General account : ¥4.7 trillion

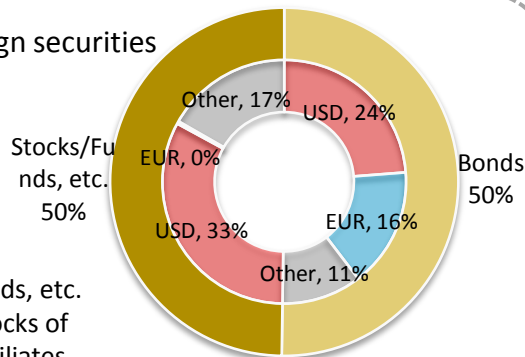
Savings-type account

¥1.5 trillion

Asset Portfolio - General account

	Domestic stocks	Yen-denominated FI assets	Foreign securities	Real estates, etc.
End of March 2013	33.8%	35.8%	22.6%	7.8%
End of June 2013	35.4%	31.6%	24.7%	8.3%

Breakdown of foreign securities
(foreign currencies)
(End of June 2013)



* 50% of Stocks/Funds, etc. includes 21% of stocks of subsidiaries and affiliates.

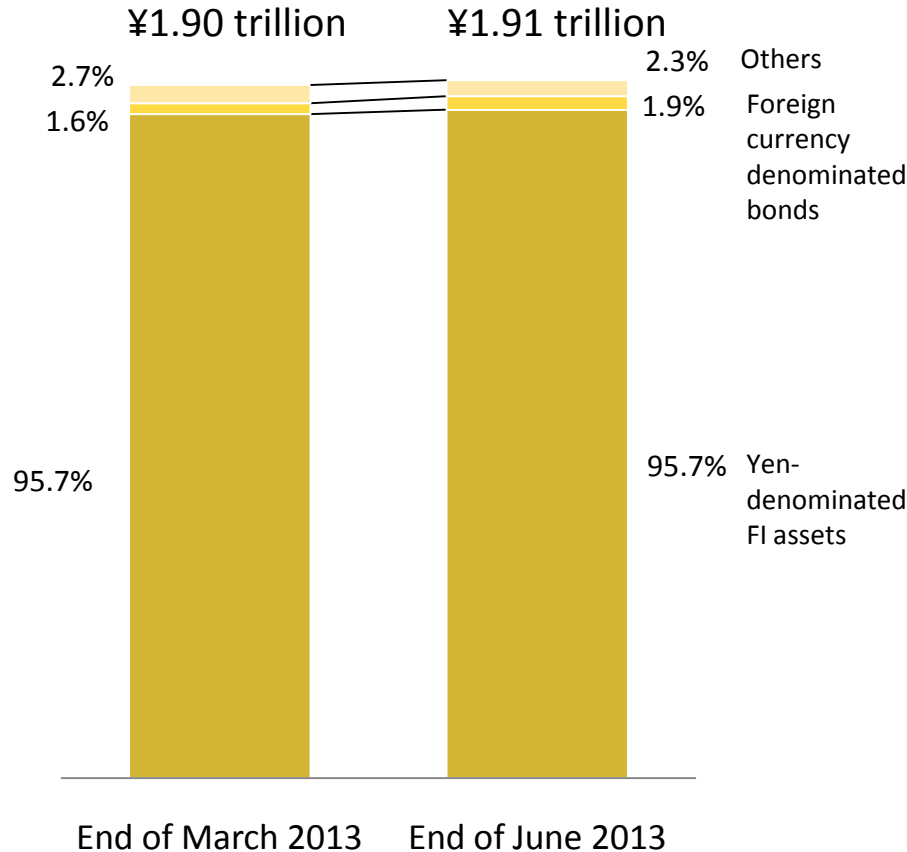
Asset Portfolio – Savings-type account

	Yen-denominated FI assets	Foreign securities
End of March 2013	98.7%	1.3%
End of June 2013	98.7%	1.3%

Duration of Savings-type account	End of March 2013	End of June 2013
Assets	Approx 5 years	Approx 5 years
Liabilities	Approx 6 years	Approx 6 years

◆ Managing asset portfolio conservatively, reflecting the high profitability of life insurance products.

Amount of investment asset * NKSJ Himawari Life



Assets/Liabilities Duration

	End of March 2013	End of June 2013
Assets	Approx 12 years	Approx 12 years
Liabilities	Approx 16 years	Approx 15 years

* The liabilities duration assumes the same interest rate sensitivities (changes in fair value) for assets and liabilities

Investment profit and loss

- Domestic P&C Insurance

- ◆ Net interest and dividend income remained steady.
- ◆ Investment profit increased significantly mainly due to the decrease of the valuation losses resulting from the stock market recovery.

(Billions of yen)

		Sum of two companies			Sompo Japan		Nipponkoa	
		Apr-Jun 2012	Apr-Jun 2013	Change	Apr-Jun 2013	Change	Apr-Jun 2013	Change
Interest and dividend income		33.7	33.6	-0.1	20.5	-0.2	13.1	+0.1
Net interest and dividend income	1	20.4	21.1	+0.7	12.3	+0.3	8.7	+0.3
Realized gain on securities	2	10.7	13.7	+2.9	3.2	-2.5	10.5	+5.4
Of which, realized gain on domestic stock sales		2.2	3.8	+1.6	1.7	+1.1	2.1	+0.5
Impairment losses on securities	3	-44.0	-0.4	+43.5	-0.2	+40.4	-0.1	+3.0
of which, impairment losses on domestic stocks		-43.9	-0.1	+43.8	-0	+40.6	-0	+3.1
Gain on derivative products	4	6.4	0	-6.4	-0.8	-2.7	0.8	-3.6
Other investment income	5	-2.5	3.6	+6.2	3.1	+4.6	0.4	+1.5
Investment profit	1+2+3+4+5	-8.9	38.0	+46.9	17.6	+40.1	20.4	+6.8

Assumption of full FY forecasts
¥146.0 billion (Sum of two companies)

- ◆ In FY2013, intend to reduce strategic-holding stocks close to the amount reduced in the previous FY (¥197.8 billion). (However it depends on the level of the stock market)
- ◆ Net reduction in April - June was ¥75.8 billion including futures short positions. It was equivalent to 40% of annual reduction in the previous FY.

Net reduction *1

(Billions of yen)

April – June 2013 Actual

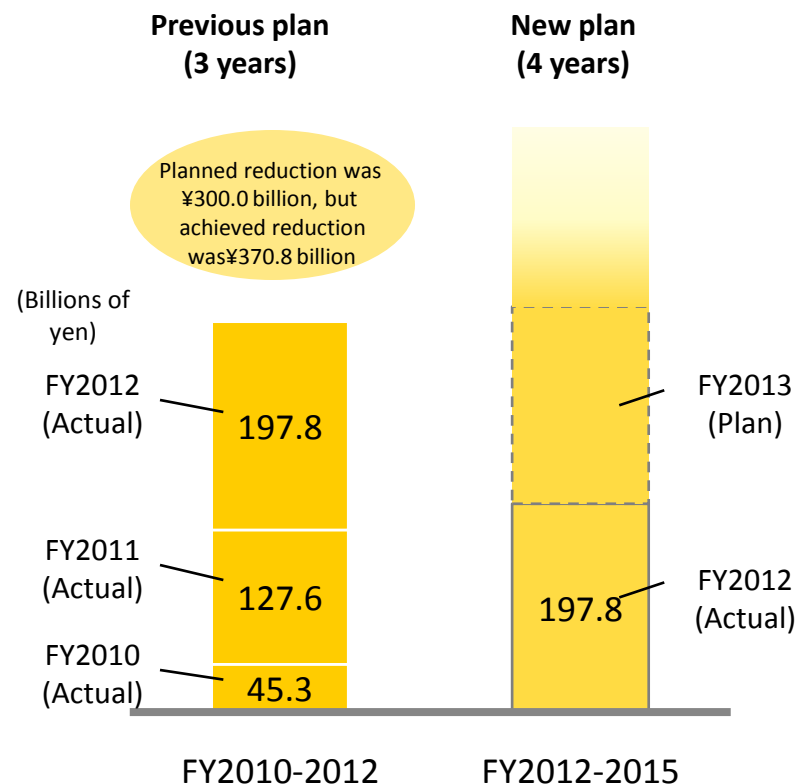
	Actual	Stock future *2	Total
Sompo Japan	7.7	37.6	45.3
Nipponkoa	4.2	26.1	30.4
Sum of two companies	11.9	63.8	75.8

*1 Net reduction = Market value of sales – Market value of purchase

*2 Short position of Nikkei 225 Futures.

Average price of the positions exceeded the level of Nikkei225 as of the end of the previous fiscal year.

Strategic holding stocks reducing plan



Business Forecasts for FY2013

— Unchanged from the forecasts announced on May 20, 2013 —

Summary of Business Forecasts

– NKSJ Consolidated

Unchanged from the forecasts
announced on May 20, 2013

NKSJ
HOLDINGS

◆ Projecting net income of ¥34 billion, assuming continued top-line growth.

(Billions of yen)	FY2012 Actual	FY2013 Forecasts	Change	
Ordinary income (NKSJ consolidated)	2,843.2	2,860.0	+16.7	(+0.6%)
P&C net premium written	2,062.6	2,227.0	+164.3	(+8.0%)
Life insurance premiums	264.7	269.5	+4.7	(+1.8%)
Ordinary profit (NKSJ consolidated)	104.7	81.0	-23.7	
Sompo Japan + Nipponkoa	129.6	114.9	-14.7	
NKSJ Himawari Life	8.0	10.0	+1.9	
Consolidated adjustment*/others	-32.8	-43.9	-11.0	
Net Income (NKSJ consolidated)	43.6	34.0	-9.6	
Sompo Japan + Nipponkoa	62.4	63.0	+0.5	
NKSJ Himawari Life	4.4	6.0	+1.6	
Consolidated adjustment*/others	-23.2	-35.0	-11.7	

*"Purchase method" accountings was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa's statements and that used in NKSJ' consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc. These adjustments are included in "consolidated adjustments" shown in the above table.

Main points of Business Forecasts

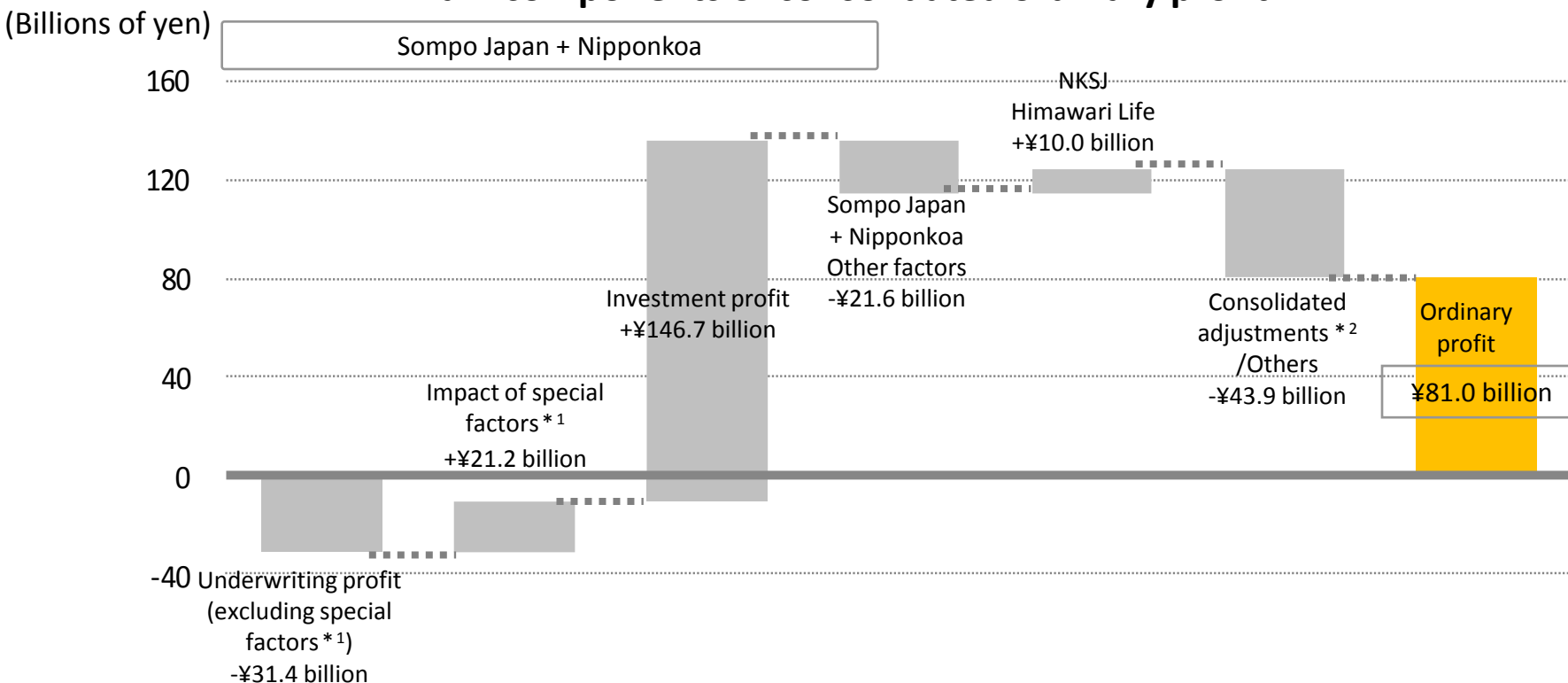
- Ordinary profit (NKSJ consolidated)

Unchanged from the forecasts
announced on May 20, 2013

NKSJ
HOLDINGS

- ◆ Consolidated ordinary profit is projected to be ¥81 billion.
 - Underwriting profit: Profitability of automobile insurance is improving, and steady progress is expected due to products and premium rate revisions, etc.
 - Investment profit : Stable interest and dividends income and gains on sales of securities contribute.
 - Himawari Life: ¥10 billion profit contribution

Main components of consolidated ordinary profit



*1 Special factors are the Great East Japan Earthquake and Flooding in Thailand

*2 Consolidated adjustments are mainly purchase method adjustments. (-¥36.8 billion)

Business Forecasts

- Domestic P&C Insurance Business

Unchanged from the forecasts
announced on May 20, 2013

NKSJ
HOLDINGS

(Billions of yen)	FY2012 Actual	FY2013 Forecasts	Change
Net premiums written	1,966.2	2,035.0	+68.8 (+3.5%)
(Excl. CALI)	1,691.7	1,742.6	+50.8 (+3.0%)
Loss Ratio	72.0%	68.0%	-4.0pt
(Excl. financial guarantee and CALI)	68.8%	64.8%	-4.0pt
(Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods)	67.2%	63.3%	-4.0pt
El Loss Ratio (excl. CALI and household earthquake insurance)	67.8%	64.6%	-3.2pt
(Excl. financial guarantee, the Great East Japan Earthquake and Thai Floods)	68.2%	64.3%	-3.9pt
Net Expense Ratio	33.4%	32.8%	-0.6pt
(Excl. CALI)	35.2%	34.9%	-0.3pt
Combined Ratio	105.4%	100.8%	-4.6pt
(Excl. financial guarantee and CALI)	104.1%	99.7%	-4.4pt
(Excl. financial guarantee, CALI, Great East Japan Earthquake and Thai Floods)	102.5%	98.2%	-4.3pt
Underwriting profit	-16.9	-10.2	+6.7 (—)
Investment profit	159.9	146.7	-13.1 (-8.2%)
Ordinary profit	129.6	114.9	-14.7 (-11.4%)
Net income	62.4	63.0	+0.5 (+0.9%)

*Sum of Sompo Japan and Nipponkoa

Assumption of Business Forecasts

- Domestic P&C Insurance Business

Unchanged from the forecasts
announced on May 20, 2013

NKSJ
HOLDINGS

Losses from domestic natural disasters (occurring in the fiscal year)	¥38.0 billion
Flooding in Thailand	Net claims paid : ¥21.1billion *excluding the amount to be paid by overseas subsidiaries (Assuming that remaining amount ¥6.1 billion is paid in FY2014)
Catastrophic loss reserve	Net provision : ¥15.4 billion
Provision rate of Catastrophic loss reserve	Provision rate of fire group : Sompo Japan : 10.0%, Nipponkoa : 9.2% Provision rate of automobile group : Sompo japan : 5.5%、Nipponkoa : 6.2%
Market indicators	(Stock) Nikkei 225 : ¥12,397 (Interest yield) 10 y JGB : 0.55% (Foreign exchange) 1US\$: ¥94.05, 1Euro : ¥120.73
Interest and dividend income	Gross ¥100.0 billion Net : ¥53.7 billion
Realized gains on securities	Realized gain on securities : ¥100.0 billion Impairment losses on securities : ¥3.0 billion
Reserve for price fluctuation	Net provision ¥7.6billion

*Sum of Sompo Japan and Nipponkoa

Business Forecasts

- Domestic Life Insurance Business - EV

Unchanged from the forecasts
announced on May 20, 2013

NKSJ
HOLDINGS

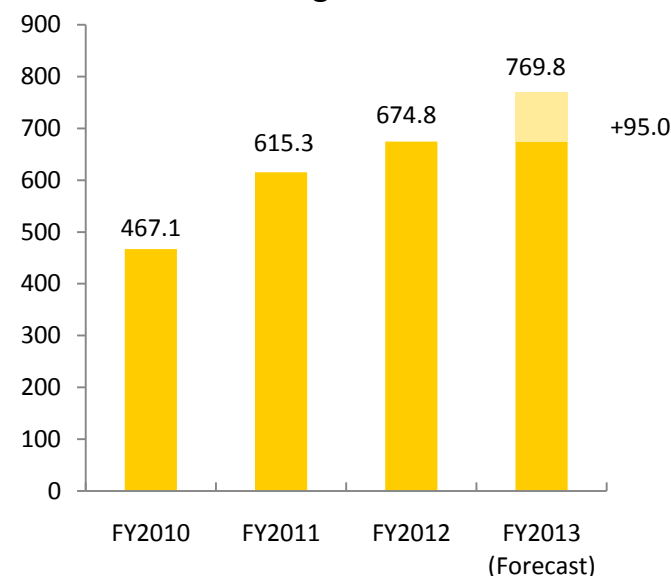
◆ A high level of growth in adjusted EV is expected to be sustained due to favorable sales of protection-type products.

(Billions of yen)

	FY2011 Actual	FY2012 Actual	FY2013 Forecast	Change
New Business Value *1	46.4	47.1	53.0	+ 5.9
Expected existing business contribution	25.7	33.8	39.0	+ 5.2
Sub-total	72.1	80.9	92.0	+ 11.1
Experience variances and assumption change	27.9	26.9	3.0	-23.9
Growth in adjusted EV	100.0	107.8	95.0	-12.8
Other operating/non-operating variances *2	64.0	-20.4	-	+ 20.4
Economic variances	-15.7	-28.0	-	+ 28.0
Change of EV amount	148.3	59.4	95.0	+ 35.6
EV as of the end of fisca year	615.3	674.8	769.8	+ 95.0

(Billions of yen)

Change of MCEV



• Change of MCEV does not agree with growth in adjusted EV because there are economic variances and other operating/non-operating variances.

*1 Excludes the impact of a 6.4 billion yen corporate income tax reduction

from the 52.8 billion yen shown in the MCEV disclosure materials for FY2011 results. (The excluded amount of 6.4 billion yen is included in other operating/non-operating variances of 64.0 billion yen.)

*2 Other operating/non-operating variances

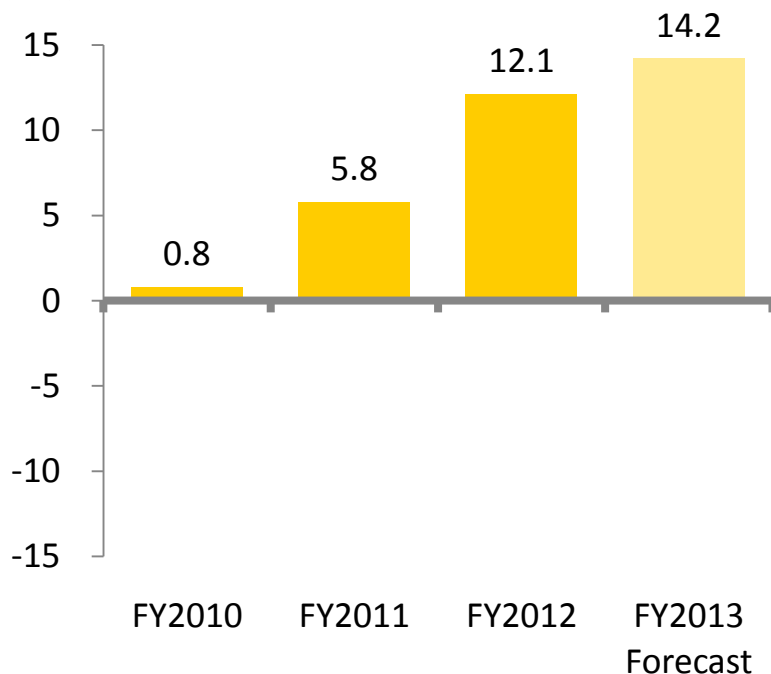
a) FY2011: Corporate tax reduction, model elaboration, etc.

b) FY2012 : Change in surrender risk factor in non-hedgeabel risks, and consumption tax rate increase, etc.

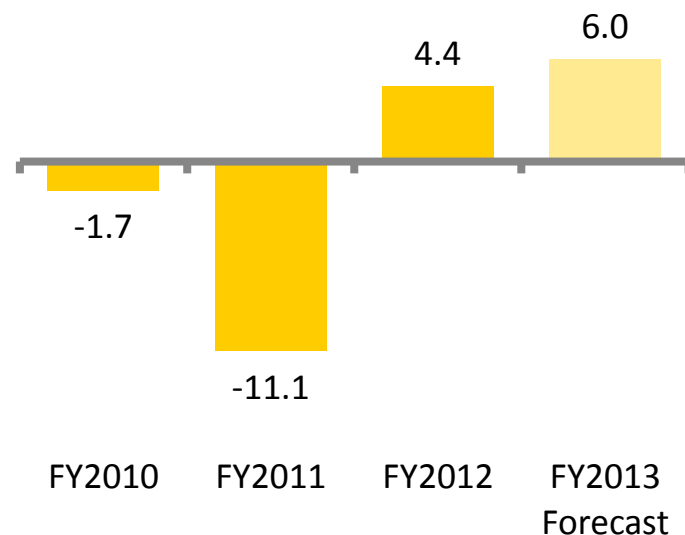
- ◆ Basic profit is expected to continue increasing due to the accumulation of business in force.
- ◆ Expects to record an increase in net income.

(Billions of yen)

Basic Profit



Net income



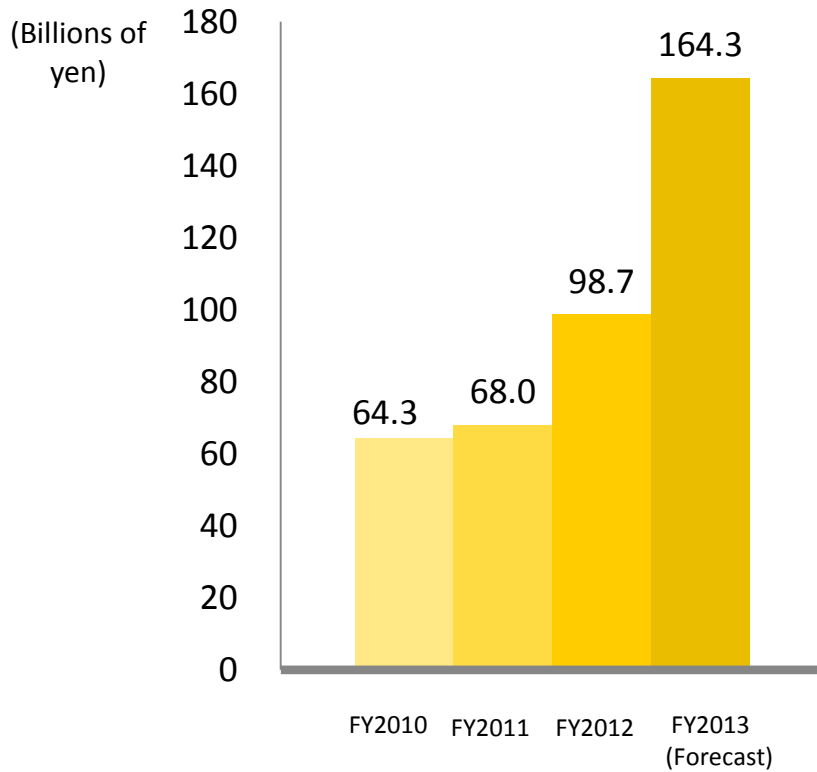
• Basic Profit

Akin to a general business corporation's operating profit or a bank's business profit, basic profit is after deduction of capital gain or loss, such as gain or loss on the sale of securities from recurring profit, and one-time gains or losses such as provision for contingency reserve.

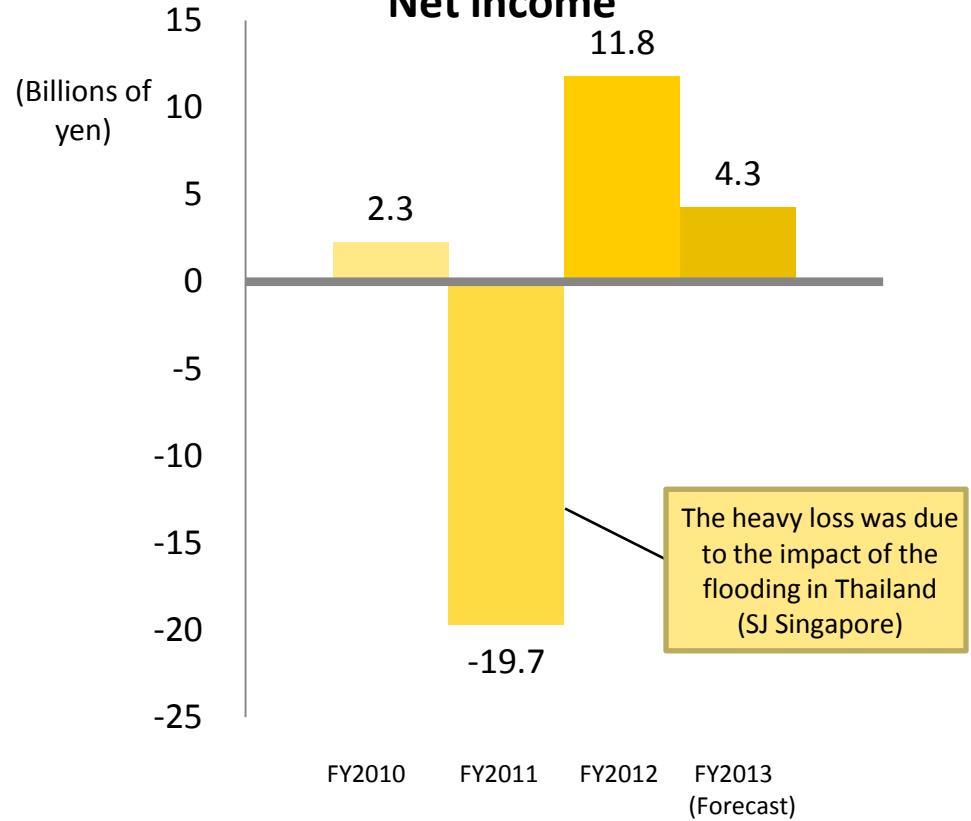
Principal special factors in fiscal 2011
 (1) Extraordinary loss related to merger -¥11.7 billion
 (2) Impact of change in the corporate tax rate -¥3.6 billion

◆ Increase steadily in top-line. Only halfway to generating stable earnings.

Net premium written



Net income



* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

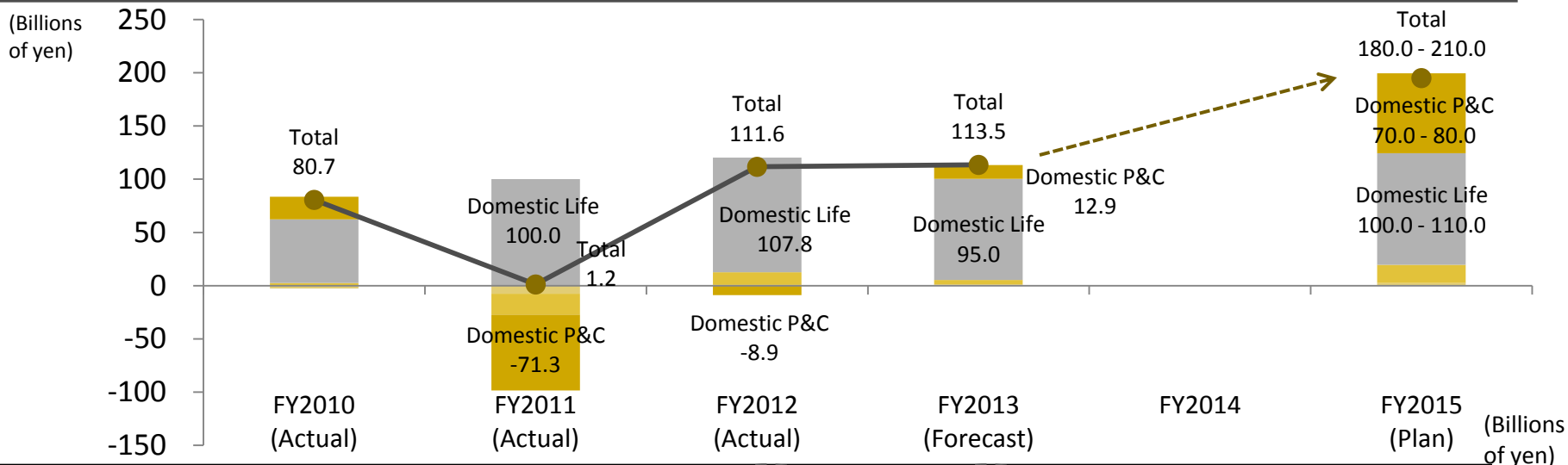
* Net income reflects holding shares of each subsidiary and affiliate, and figures are before consolidation adjustments excluding SJ Singapore, SJ Europe and SJAH.

* SJ Singapore merged with Tenet in January 2013 and became Tenet Sompoo.

Adjusted Consolidated Profit

Unchanged from the forecasts announced on May 20, 2013

- ◆ Thanks to Domestic P&C's rapid recovery (though it is still in red), adjusted consolidated profit went over ¥100 billion for FY2012.
- ◆ Domestic P&C continues to recover in FY2013, proceeding steadily toward FY2015 target.



	FY2010 (Actual)	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Forecast)	FY2014	FY2015 (Plan)
Domestic P&C	21.3	-71.3	-8.9	12.9	...	70.0 - 80.0
Domestic Life	59.8	100.0	107.8	95.0	...	100.0 - 110.0
Overseas	2.4	-19.7	11.8	4.3	...	14.0 - 20.0
Financial services	-2.7	-7.6	0.7	1.1	...	2.0 - 3.0
Total (Adjusted consolidated profit)	80.7	1.2	111.6	113.5	...	180.0 - 210.0
Adjusted consolidated ROE	4.2%	0.1%	5.4%	4.9%	...	7% or more

*One-time costs arising from the merger are excluded as special factors to compute adjusted profit. The amount are ¥30.8 billion (merger cost of ¥24.8 billion and other cost of ¥6.0 billion) in FY2012, ¥13.9 billion in FY2013, and ¥5.0 billion in FY2015.

* Sonpo 24 and Saison Automobile & Fire were reclassified from the financial and other services to the domestic P&C insurance in line with the revision of the management plan implemented in November 2012.

*Definition of each business, adjusted profit and adjusted ROE are shown on page 31.

Definition of Business		Calculation Method for Adjusted Profit
Domestic P&C Insurance	Total of Sompo Japan, Nipponkoa (Sompo Japan Nipponkoa Insurance Inc. for FY2015), Sonpo 24 and Saison Automobile & Fire (non-consolidated)	Net income for the period + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) - gains/losses on sales of securities and impairment losses on securities (after tax) - Special factors
Domestic Life Insurance	NKSJ Himawari Life	Growth in Embedded Value (EV) - Capital transactions such as equity issuance - Changes in EV attributable to fluctuation of interest rates, etc.
Overseas Insurance	Overseas insurance subsidiaries	Net income for the period as reported in financial statements
Financial and Other Services	Sompo Japan DIY, Financial services, Healthcare business, etc.	Net income for the period as reported in financial statements

* Sonpo 24 and Saison Automobile & Fire were reclassified from the financial and other services to the domestic P&C insurance in line with the revision of the management plan implemented in November 2012.

(Calculation Method for Adjusted Consolidated ROE)

$$\text{Adjusted Consolidated ROE} = \frac{\text{Adjusted consolidated profit}}{\text{Consolidated net assets (excluding life insurance subsidiaries' net assets) + Catastrophic loss reserve (after tax) + Reserve for price fluctuation (after tax) + Life insurance subsidiaries' EV}}$$

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

Note Regarding Forward-looking Statements

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.

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