

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results
for the three months ended June 30, 2010

Supplementary Information

August 13, 2010

NKSJ Holdings, Inc.

(Stock code number : 8630)

Summary of Consolidated Financial Results for the three months ended June 30, 2010

Supplementary Information Contents

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Overview of Business Results of Principal Consolidated Subsidiaries

(Reference) Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheets

	(Millions of yen)		
	As of June 30, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	70,768	118,455	(47,686)
Call loans	72,600	46,800	25,800
Receivables under resale agreements	88,980	61,489	27,490
Monetary receivables bought	33,842	34,585	(742)
Money trusts	6,288	6,773	(485)
Securities	3,405,319	3,525,735	(120,415)
Loans	470,213	476,173	(5,960)
Tangible fixed assets	212,095	212,244	(148)
Intangible fixed assets	96	758	(662)
Other assets	370,223	437,671	(67,448)
Deferred tax assets	180,072	121,347	58,724
Allowance for possible loan losses	(4,088)	(5,068)	980
Allowance for possible investment losses	(7,734)	(7,734)	—
Total assets	4,898,677	5,029,232	(130,554)
Liabilities:			
Underwriting funds:	3,796,435	3,797,586	(1,150)
Reserve for outstanding losses and claims	677,750	687,801	(10,050)
Underwriting reserves	3,118,684	3,109,784	8,900
Bonds	128,000	128,000	—
Other liabilities	177,390	181,855	(4,464)
Reserve for retirement benefits	77,596	76,741	854
Reserve for bonus payments	4,466	13,405	(8,938)
Reserves under the special laws:	12,935	11,462	1,472
Reserve for price fluctuation	12,935	11,462	1,472
Total liabilities	4,196,824	4,209,051	(12,226)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	24,229	24,229	—
Retained earnings	328,869	338,304	(9,434)
Total shareholders' equity	423,099	432,534	(9,434)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	278,753	386,343	(107,589)
Total valuation and translation adjustments	278,753	386,343	(107,589)
Stock acquisition rights	—	1,302	(1,302)
Total net assets	701,853	820,181	(118,327)
Total liabilities and net assets	4,898,677	5,029,232	(130,554)

(Reference) Sampo Japan Insurance Inc. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	395,567	407,570	12,002	3.0 %
Underwriting income:	374,436	381,432	6,996	1.9
Net premiums written	330,758	331,126	368	0.1
Deposits of premiums by policyholders	24,989	29,466	4,476	17.9
Interest and dividend income on deposits of premiums, etc.	10,747	9,955	(792)	(7.4)
Reversal of reserve for outstanding losses and claims	7,717	10,050	2,333	30.2
Investment income:	19,999	24,632	4,632	23.2
Interest and dividend income	27,496	23,991	(3,505)	(12.7)
Investment gains on money trusts	109	0	(109)	(99.9)
Investment gains on trading securities	—	28	28	—
Gains on sales of securities	2,968	1,657	(1,310)	(44.2)
Transfer of interest and dividend income on deposits of premiums, etc.	(10,747)	(9,955)	792	—
Other ordinary income	1,131	1,504	372	33.0
Ordinary expenses:	398,706	392,212	(6,494)	(1.6)
Underwriting expenses:	329,542	324,499	(5,043)	(1.5)
Net claims paid	204,602	189,198	(15,403)	(7.5)
Loss adjustment expenses	19,036	23,595	4,558	23.9
Net commissions and brokerage fees	55,986	55,575	(410)	(0.7)
Maturity refunds to policyholders	33,231	44,770	11,538	34.7
Provision for underwriting reserves	13,329	8,900	(4,428)	(33.2)
Investment expenses:	6,981	9,020	2,038	29.2
Investment losses on money trusts	—	226	226	—
Investment losses on trading securities	136	—	(136)	(100.0)
Losses on sales of securities	1,969	900	(1,069)	(54.3)
Impairment losses on securities	856	4,146	3,290	384.2
Operating, general and administrative expenses	59,828	56,784	(3,043)	(5.1)
Other ordinary expenses:	2,353	1,908	(445)	(18.9)
Interest paid	684	1,757	1,072	156.7
Ordinary profit (loss)	(3,139)	15,358	18,497	—
Extraordinary gains:	97	3,105	3,007	3,069.2
Gains on disposal of fixed assets	97	16	(81)	(83.3)
Other extraordinary gains	—	3,088	3,088	—
Extraordinary losses:	771	2,317	1,546	200.5
Losses on disposal of fixed assets	87	78	(8)	(10.3)
Provision for reserves under the special laws:	683	1,472	788	115.3
Provision for price fluctuation reserve	683	1,472	788	115.3
Other extraordinary losses	—	766	766	—
Income (loss) before income taxes	(3,812)	16,145	19,958	—
Income taxes and deferred income taxes	(2,403)	5,899	8,303	—
Net income (loss)	(1,408)	10,246	11,654	—
Underwriting result:				
Net premiums written (+)	330,758	331,126	368	0.1
Net claims paid (—)	204,602	189,198	(15,403)	(7.5)
Loss adjustment expenses (—)	19,036	23,595	4,558	23.9
Operating expenses: (—)	111,792	108,983	(2,809)	(2.5)
Net commissions and brokerage fees	55,986	55,575	(410)	(0.7)
Operating, general and administrative expenses related to underwriting	55,805	53,407	(2,398)	(4.3)
Underwriting result	(4,673)	9,350	14,023	—
Underwriting profit (loss)	(12,378)	1,426	13,804	—
Ratios:				
Net loss ratio (%)	67.6	64.3	(3.4)	
Net expense ratio (%)	33.8	32.9	(0.9)	
Underwriting result ratio (%)	(1.4)	2.8	4.2	

(Reference) Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	43,084	12.3 %	(1.1) %	42,158	11.9 %	(2.1) %
Marine insurance	7,119	2.0	(23.3)	7,919	2.2	11.2
Personal accident insurance	35,396	10.1	(1.1)	35,722	10.1	0.9
Voluntary automobile insurance	166,185	47.3	(2.9)	164,428	46.5	(1.1)
Compulsory automobile liability insurance	45,231	12.9	(28.0)	46,412	13.1	2.6
Others	54,377	15.5	0.3	56,876	16.1	4.6
Total	351,394	100.0	(6.7)	353,517	100.0	0.6
Deposits of premiums by policyholders	24,989	—	(10.0)	29,466	—	17.9

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	33,438	10.1 %	(2.3) %	34,500	10.4 %	3.2 %
Marine insurance	5,893	1.8	(22.7)	6,203	1.9	5.3
Personal accident insurance	35,111	10.6	(1.2)	35,572	10.7	1.3
Voluntary automobile insurance	167,204	50.6	(1.9)	164,173	49.6	(1.8)
Compulsory automobile liability insurance	37,420	11.3	(25.1)	38,980	11.8	4.2
Others	51,689	15.6	2.5	51,694	15.6	0.0
Total	330,758	100.0	(5.0)	331,126	100.0	0.1

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	13,771	4.0 %	42.8 %	14,504	5.3 %	43.7 %
Marine insurance	3,241	(3.2)	60.0	4,020	24.0	69.1
Personal accident insurance	16,524	3.5	51.3	16,834	1.9	52.0
Voluntary automobile insurance	95,834	(4.3)	64.5	93,834	(2.1)	67.1
Compulsory automobile liability insurance	38,798	(2.6)	112.0	38,750	(0.1)	107.4
Others	36,431	72.7	73.4	21,254	(41.7)	44.4
Total	204,602	5.6	67.6	189,198	(7.5)	64.3

(Reference) Sompo Japan Insurance Inc. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
(A) Total Solvency Margin	1,496,886	1,671,429
Capital and funds, etc.	423,099	414,156
Reserve for price fluctuation	12,935	11,462
Contingency reserve	611	611
Catastrophic loss reserve	474,909	466,702
General allowance for possible loan losses	897	992
Unrealized gains on securities (before tax effect deductions)	393,561	536,605
Net unrealized gains and losses on real estate	52,252	52,252
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	128,000
Deductions	157,616	101,616
Others	168,235	162,261
(B) Total Risks	398,766	417,827
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	83,963	83,975
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	5,368	5,368
Investment risk (R_4)	168,492	185,633
Business management risk (R_5)	9,088	9,493
Major catastrophe risk (R_6)	196,604	199,686
(C) Solvency Margin Ratio	750.7 %	800.0 %
[(A) / {(B) × 1/2}] × 100		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of March 31, 2010.

Exposure to Structured Finance

As of June 30, 2010

August 13, 2010

SOMPO JAPAN INSURANCE INC.

Summary of Financial Guarantee Insurance

Gains/Losses for FY2010 1Q (Overall financial guarantee)

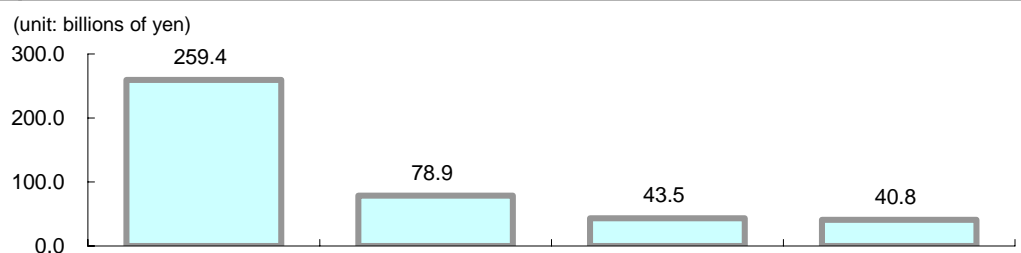
6.4 billion yen gain (Gains from ABS-CDO guarantee)
※Primarily due to some expected recovery from the past fiscal year's loss payment.

Overall financial guarantee (Gains/Losses)				(Unit: billions of yen)	
	FY2007	FY2008	FY2009	FY2009 1Q	FY2010 1Q
Loss payment (*1)	0.1	(37.9)	(63.8)	(15.8)	(0.2)
Provision/Reversal of Loss Reserves (*2)	(30.0)	(109.9)	55.7	14.1	6.6
Gains/Losses	(29.9)	(147.9)	(8.0)	(1.7)	6.4

*1 Including commutation. *2 Including gains/losses of exchange hedge transaction.

Net exposure to ABS-CDOs

Net exposure to ABS-CDOs (after deduction of loss reserves) reduced to **40.8 billion yen**. (Decreased by 2.7 billion yen since March 31, 2010)



ABS-CDOs (Insured Amount)	(Unit: billions of yen)			
	3/31/2008	3/31/2009	3/31/2010	6/30/2010
Total of Insured Amount	289.4	218.0	123.1	117.4
Outstanding Loss Reserves	(30.0)	(139.0)	(79.5)	(76.6)
Insured Amount Net of Loss Reserves	259.4	78.9	43.5	40.8

<Appendix 1> Financial Guarantee Insurance

(As of June 30, 2010, Unit: billions of yen, USD/JPY=88.51)

Categories		Insured Amount					Gains/Losses for FY2010 1Q (*9)
		Direct Insurance (*6)	Treaty Reinsurance (*7)	Total	Outstanding Loss Reserve (*8)	Insured Amount Net of Loss Reserves	
CDOs	ABS CDOs (backed by pools of asset backed securities) (*1)	116.9	0.5	117.4	76.6	40.8	6.4
	Corporate CDOs (backed by pools of single corporate credits) (*2)	146.0	1.6	147.7	-	147.7	-
	CDOs Total	262.9	2.2	265.2	76.6	188.5	6.4
ABS	RMBS (*3)						
	Global RMBS	-	10.8	10.8	0.3	10.4	-
	Domestic RMBS	36.6	-	36.6	-	36.6	-
	RMBS Total	36.6	10.8	47.4	0.3	47.0	-
	CMBS (*4)	-	-	-	-	-	-
	Other ABS						
	Global ABS (*5)	3.3	26.0	29.3	0.5	28.8	-
	Domestic ABS	8.6	-	8.6	-	8.6	-
Other ABS Total	12.0	26.0	38.0	0.5	37.5	-	
ABS Total	48.6	36.8	85.5	0.9	84.5	-	
Public Finance		-	179.5	179.5	0.0	179.4	-
Total		311.5	218.6	530.2	77.5	452.6	6.4

*1 ABS CDOs (backed by pools of asset backed securities): The securities backed by securitized assets such as the RMBS, CDOs and CLOs.

*2 Corporate CDOs (backed by pools of single corporate credits): The securities backed by assets such as corporate bonds, loans and CDS.

*3 RMBS: Asset Backed Securities where underlying assets are residential mortgages. 93% of RMBS are rated investment grade (BBB or above) including AAA ratings for 79%.

*4 CMBS: Asset-backed securities where underlying assets are commercial mortgage loans.

*5 8% of global ABS are U.S. consumer loan-related ABS, while others are mainly related to corporate credit (e.g., leasing receivables).

*6 "Direct Insurance" includes facultative reinsurance policies and 9.0 billion yen of Direct Insurance to cover U.S. monoline guaranteed notes.

*7 "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by an original insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed by the original insurer and the reinsurer.

*8 Recoverable reserve for the transaction which was terminated by claim payment is not included in "Outstanding Loss Reserve".

*9 Total amount of 6.4 billion yen gain is comprised of 0.2 billion yen of loss payment offset by 8.1 billion yen of reversal of loss reserve and 1.5 billion yen losses of foreign exchange hedge transaction for loss reserve. Financial Guarantee Insurance is not supposed to book mark-to-market unrealized gains/losses through income statement as it is an insurance policy.

<Appendix 2> List of Guarantee for ABS CDOs (Excl. Treaty Reinsurance)

(As of June 30, 2010, Unit: billions of yen, USD/JPY=88.51)

Policy No. (*1)	Issue Rating (*2) (S&P/MDY)	Fiscal Year Issued	Insured Amount (*3)	Sub-ordination Ratio (*4)	Distribution of underlying assets rating						Ratio of subprime RMBS
					AAA	AA	A	BBB	Below BBB	Default (*5)	
Guarantee for CDO①	AAA/Caa3	2003	8.8	17%	29%	8%	5%	19%	39%	5.5%	0%
Guarantee for CDO② (*6)	AAA/Aa3	2004	5.5	53%	33%	35%	0%	0%	32%	23.2%	0%
	AAA/Aa3	2004	10.0	30%							
Guarantee for CDO④	CCC-/Caa3	2004	11.0	14%	9%	17%	11%	8%	55%	4.9%	9%
Guarantee for CDO⑤	CC/Caa2	2005	10.6	14%	1%	8%	3%	3%	85%	12.9%	15%
Guarantee for CDO⑦	CCC+/C	2006	17.7	9%	1%	15%	14%	5%	65%	0.0%	31%
Guarantee for CDO⑨	-/C	2006	26.5	23%	3%	7%	3%	4%	84%	23.3%	9%
Guarantee for CDO⑪	B-/Caa1	2004	26.5	19%	3%	17%	19%	14%	47%	16.3%	-
Total of ABS CDOs			116.9	18%	6%	13%	8%	6%	67%	10.9%	-

Insured Amount Net of Loss Reserves	40.3
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*1 Previously listed Guarantee for CDO③, ⑥, ⑧, ⑩ and ⑫ have been excluded from above as they have been terminated due to the commutation or the full redemption of tranches guaranteed by us.

*2 Issue ratings are as of July 31, 2010. CDO④ and ⑤ are facultative reinsurance policies, and the issue ratings of which are the ratings for the ceding company's tranche including those senior class to our tranche.

*3 Insured amount is amount of principal insured, and some policies also insure interest payments. If a principal/interest shortfall occurs, Sompo Japan will become liable for the guarantee obligation.

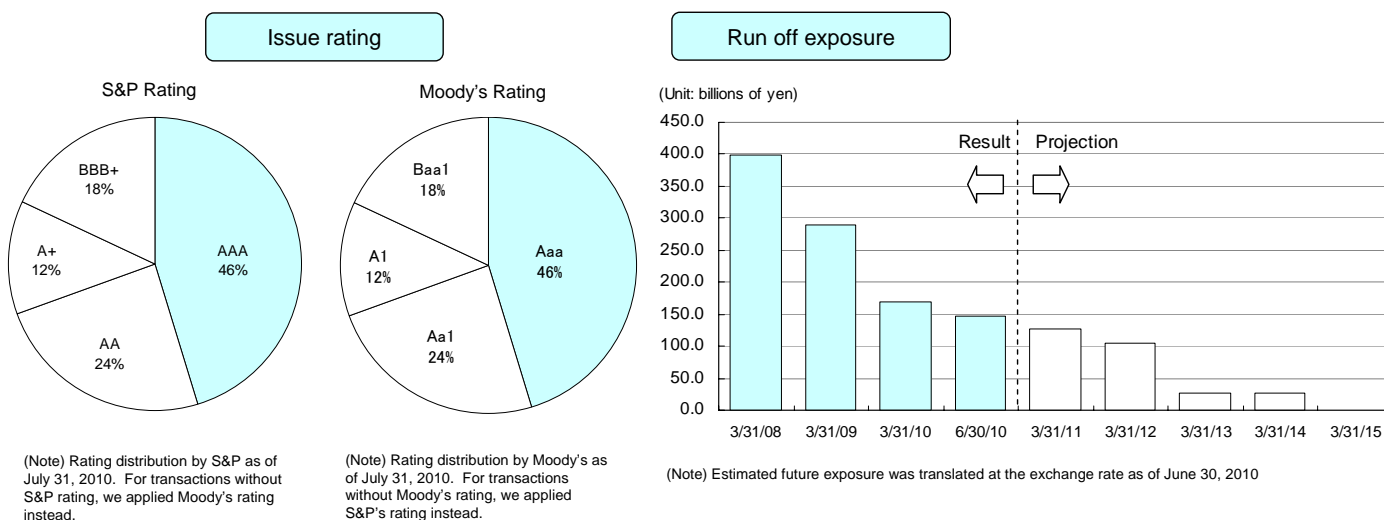
*4 Subordination Ratio is a ratio of portions subordinated to our guaranteed tranche for the underlying assets. A redemption of senior tranche results in an increase of Sub-ordination Ratio.

*5 Default of underlying assets is determined by the default definition of each transaction through detailed scrutiny and the default amount is determined based on adjustment by recovery.

*6 Guarantee for CDO② insures different two classes of the same CDO.

<Appendix 3> Summary of Guarantee for Corporate CDOs (Excl. Treaty Reinsurance)

- The total outstanding of insured corporate CDO (direct underwriting) amounted to 146.0 billion yen as of June 30, 2010. As a result of overall scrutiny of the individual contracts, there are no losses expected at this point.
- Average residual period of all direct underwritten corporate CDO guarantees is approximately 2.4 years. Approximately 82% of our exposure or 120.0 billion yen is to be redeemed by the end of FY2012.
- Each corporate CDO is well diversified with approximately 150 reference corporations. Thus a potential impact by default of one reference company would be limited.
- We don't see any concentration to particular sector or corporation. For example, exposure to financial institutions which is the largest sector in the reference corporations accounts for around 13%.



<Appendix 4> Structured Finance Exposure in Our Investment Portfolio

(As of June 30, 2010, Unit: billions of yen, USD/JPY=88.51)

Categories		Outstanding Balance	Gains/Losses for FY 2010 1Q		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	ABS CDOs (backed by pools of asset backed securities) (*1)	0.0	0.0	0.0	0.0
	Corporate CDOs (backed by pools of single corporate credits) (*2)	-	-	-	-
	CDOs Total	0.0	0.0	0.0	0.0
ABS	RMBS (*3)				
	Global RMBS	2.1	-	(0.4)	(0.4)
	Domestic RMBS	29.1	-	1.0	1.0
	RMBS Total	31.3	-	0.5	0.5
	CMBS				
	Global CMBS	0.8	-	(0.1)	(0.1)
	Domestic CMBS	12.2	-	(0.4)	(0.4)
	CMBS Total	13.1	-	(0.5)	(0.5)
	Other ABS				
	Global ABS	0.4	-	(0.1)	(0.1)
Domestic ABS	-	-	-	-	
Other ABS Total	0.4	-	(0.1)	(0.1)	
ABS Total	44.9	-	(0.1)	(0.1)	
Investment in SIV		-	-	-	-
Leveraged Finance (*4)		2.1	-	-	-
Total		47.0	0.0	(0.1)	(0.1)
Reference: Hedge funds (U.S. subprime loans related exposure)		1.1	Net of the long position and the short position		

*1 Global transactions only (Below BBB).

*2 Excluding public finance CLO.

*3 Excluding RMBS issued by government sponsored enterprises. Most of the RMBS are rated investment grade (BBB or above), and 82% are rated AAA. Exposure to U.S. housing related government-sponsored enterprises (GSEs)'s RMBS and Agency Bonds amounted to 60.2 billion yen (Decreased by 1.1 billion yen since March 31, 2010). No impairment losses were recognized for the 1st quarter of the fiscal year ended March 31, 2011.

*4 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies. Domestic transactions only.

(Reference) NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

	(Millions of yen)		
	As of June 30, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	70,242	80,793	(10,551)
Call loans	25,000	50,000	(25,000)
Monetary receivables bought	33,491	6,129	27,361
Money trusts	56,789	56,752	37
Securities	1,756,202	1,822,848	(66,645)
Loans	221,087	227,417	(6,329)
Tangible fixed assets	129,322	130,437	(1,115)
Intangible fixed assets	531	534	(3)
Other assets	162,744	159,263	3,480
Deferred tax assets	78,684	60,392	18,291
Allowance for possible loan losses	(2,073)	(2,106)	33
Total assets	2,532,023	2,592,464	(60,441)
Liabilities:			
Underwriting funds:	2,044,167	2,059,290	(15,123)
Reserve for outstanding losses and claims	266,522	267,872	(1,349)
Underwriting reserves	1,777,644	1,791,418	(13,773)
Other liabilities	57,910	65,184	(7,274)
Reserve for retirement benefits	23,090	22,583	506
Reserve for bonus payments	1,455	6,078	(4,622)
Reserve for bonus payments to directors	—	41	(41)
Reserves under the special laws:	6,421	5,643	778
Reserve for price fluctuation	6,421	5,643	778
Total liabilities	2,133,044	2,158,821	(25,777)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus	46,702	46,702	—
Retained earnings	118,686	117,202	1,484
Total shareholders' equity	256,637	255,153	1,484
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	138,223	175,808	(37,584)
Deferred gains or losses on hedges	4,117	2,115	2,001
Total valuation and translation adjustments	142,340	177,924	(35,583)
Stock acquisition rights	—	565	(565)
Total net assets	398,978	433,642	(34,663)
Total liabilities and net assets	2,532,023	2,592,464	(60,441)

(Reference) NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	205,627	202,981	(2,645)	(1.3) %
Underwriting income:	192,970	190,147	(2,823)	(1.5)
Net premiums written	162,099	160,285	(1,814)	(1.1)
Deposits of premiums by policyholders	7,477	9,517	2,040	27.3
Interest and dividend income on deposits of premiums, etc.	5,874	5,205	(668)	(11.4)
Reversal of reserve for outstanding losses and claims	—	1,349	1,349	—
Reversal of underwriting reserves	17,262	13,773	(3,488)	(20.2)
Investment income:	12,310	12,435	124	1.0
Interest and dividend income	14,347	13,403	(944)	(6.6)
Investment gains on money trusts	581	303	(277)	(47.7)
Gains on sales of securities	1,941	3,171	1,229	63.3
Transfer of interest and dividend income on deposits of premiums, etc.	(5,874)	(5,205)	668	—
Other ordinary income	345	398	53	15.4
Ordinary expenses:	194,338	191,810	(2,528)	(1.3)
Underwriting expenses:	161,135	157,594	(3,541)	(2.2)
Net claims paid	97,367	96,139	(1,228)	(1.3)
Loss adjustment expenses	8,785	8,895	110	1.3
Net commissions and brokerage fees	27,960	27,195	(764)	(2.7)
Maturity refunds to policyholders	25,540	24,497	(1,042)	(4.1)
Provision for reserve for outstanding losses and claims	1,407	—	(1,407)	(100.0)
Investment expenses:	2,418	3,439	1,021	42.2
Investment losses on money trusts	273	246	(26)	(9.7)
Losses on sales of securities	478	1,623	1,144	239.3
Impairment losses on securities	179	445	266	148.3
Operating, general and administrative expenses	30,627	30,654	26	0.1
Other ordinary expenses:	157	122	(34)	(22.1)
Interest paid	20	10	(9)	(49.2)
Ordinary profit	11,288	11,171	(117)	(1.0)
Extraordinary gains:	0	598	597	93,416.9
Gains on disposal of fixed assets	0	33	32	5,136.0
Other extraordinary gains	—	565	565	—
Extraordinary losses:	1,231	1,020	(211)	(17.1)
Losses on disposal of fixed assets	67	43	(24)	(35.7)
Impairment losses	—	36	36	—
Provision for reserves under the special laws:	649	778	128	19.7
Provision for price fluctuation reserve	649	778	128	19.7
Other extraordinary losses	513	162	(351)	(68.5)
Income before income taxes	10,057	10,748	691	6.9
Income taxes and deferred income taxes	2,641	3,244	603	22.8
Net income	7,415	7,504	88	1.2
Underwriting result:				
Net premiums written (+)	162,099	160,285	(1,814)	(1.1)
Net claims paid (—)	97,367	96,139	(1,228)	(1.3)
Loss adjustment expenses (—)	8,785	8,895	110	1.3
Operating expenses: (—)	57,100	56,335	(764)	(1.3)
Net commissions and brokerage fees	27,960	27,195	(764)	(2.7)
Operating, general and administrative expenses related to underwriting	29,140	29,139	(0)	(0.0)
Underwriting result	(1,153)	(1,084)	68	—
Underwriting profit	1,421	2,731	1,309	92.1
Ratios:				
Net loss ratio (%)	65.5	65.5	—	
Net expense ratio (%)	35.2	35.1	(0.1)	
Underwriting result ratio (%)	(0.7)	(0.7)	—	

(Reference) NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	29,348	16.7 %	(8.4) %	28,940	16.6 %	(1.4) %
Marine insurance	3,398	1.9	(29.1)	3,731	2.1	9.8
Personal accident insurance	14,544	8.3	(5.2)	14,333	8.2	(1.5)
Voluntary automobile insurance	82,717	47.2	(2.0)	81,206	46.8	(1.8)
Compulsory automobile liability insurance	19,982	11.4	(25.4)	20,334	11.7	1.8
Others	25,438	14.5	(2.4)	25,483	14.6	0.2
Total	175,431	100.0	(7.4)	174,029	100.0	(0.8)
Deposits of premiums by policyholders	7,477	—	(53.4)	9,517	—	27.3

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	21,266	13.1 %	(10.4) %	20,099	12.5 %	(5.5) %
Marine insurance	3,190	2.0	(25.4)	3,330	2.1	4.4
Personal accident insurance	14,613	9.0	(4.6)	14,520	9.1	(0.6)
Voluntary automobile insurance	82,486	50.9	(2.1)	81,083	50.5	(1.7)
Compulsory automobile liability insurance	16,837	10.4	(24.4)	17,553	11.0	4.3
Others	23,705	14.6	(3.4)	23,698	14.8	(0.0)
Total	162,099	100.0	(7.1)	160,285	100.0	(1.1)

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	10,785	13.3 %	54.9 %	9,135	(15.3) %	49.8 %
Marine insurance	1,904	48.5	61.1	1,587	(16.6)	49.4
Personal accident insurance	7,584	(5.1)	57.6	7,462	(1.6)	56.7
Voluntary automobile insurance	48,002	(1.6)	64.0	50,185	4.5	67.9
Compulsory automobile liability insurance	17,765	(3.0)	111.9	17,814	0.3	108.0
Others	11,324	(4.7)	52.6	9,952	(12.1)	47.1
Total	97,367	(0.4)	65.5	96,139	(1.3)	65.5

(Reference) NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
(A) Total Solvency Margin	800,103	840,210
Capital and funds, etc.	256,637	249,698
Reserve for price fluctuation	6,421	5,643
Contingency reserve	12	12
Catastrophic loss reserve	284,864	285,675
General allowance for possible loan losses	43	40
Unrealized gains on securities (before tax effect deductions)	190,825	242,132
Net unrealized gains and losses on real estate	24,257	24,275
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	13,269	13,269
Others	50,310	46,002
(B) Total Risks	232,775	226,293
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	39,277	39,271
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	1	1
Guaranteed interest rate risk (R_3)	3,051	3,088
Investment risk (R_4)	81,401	85,444
Business management risk (R_5)	5,164	7,492
Major catastrophe risk (R_6)	134,471	121,948
(C) Solvency Margin Ratio	687.4 %	742.5 %
[(A) / {(B) × 1/2}] × 100		

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of March 31, 2010.

(Reference) NIPPONKOA Insurance Co., Ltd. (Non-consolidated)

Investments in the securitized paper and subprime loans (As of June 30, 2010)

Investments by NIPPONKOA in the securitized paper, as of June 30, 2010, are as follows.

1. SPEs (Special Purpose Entities)
None.

2. CDOs (Collateralized Debt Obligations)

(Billions of Yen)

	As of June 30, 2010			(Reference) As of March 31, 2010		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CDO	8.0	0.1	-	7.8	0.1	-
Rated	7.5	-	-	7.2	-	-
Non-rated	0.5	0.1	-	0.6	0.1	-

(Notes)

- (1) NIPPONKOA recognized impairment on securities whose fair value is determinable as of the balance sheet date if the fair value declined by 30% or more from carrying value. Also applied to the table below.
- (2) Out of the rated CDOs, 13% is rated AAA, 13% is rated AA, 63% is rated A, and 11% is rated BB.
- (3) All of the underlying collateral pool for CDOs are assets supported by the corporate loans.
- (4) 93% of the CDOs is domestic and 7% is overseas.
- (5) The ratios for categorizations of the rated CDOs by region are calculated using the fair value.
- (6) Other than the figures in the table above, related to CDO, the Company recorded 0.2 billion yen of gains on derivative financial instruments.

3. Other subprime/Alt-A exposure
None.

4. CMBS (Commercial Mortgage-Backed Security)

(Billions of Yen)

	As of June 30, 2010			(Reference) As of March 31, 2010		
	Fair value	Unrealized gains or losses	Impairment losses	Fair value	Unrealized gains or losses	Impairment losses
CMBS	7.2	(0.3)	-	8.8	(0.3)	(0.1)
Domestic	7.2	(0.3)	-	8.8	(0.3)	(0.1)
Foreign	-	-	-	-	-	-

(Note) Amount in impairment losses includes the loss on evaluation of securities and other investment expenses.

5. Leveraged finance
None.

6. CDS (Credit Default Swap)

The Company does not hold CDS that reference the securitized paper including CDOs. The Company holds CDS that reference a single credit of a firm (7.0 billion yen of short commitment notional value, (0.0) billion yen of fair value, (0.0) billion yen of valuation loss).

[Definitions of securitized assets]

- SPEs: Special Purpose Entities. A general term of special purpose entities including SIV (Structured Investment Vehicle) that are specialized in investment of securitized papers.
- CDO: Collateralized Debt Obligation. A securitized notes, which was supported, by asset pool of number of underlying debt securities and loans.
- CMBS: Commercial Mortgage-Backed Security. An instrument that securitized the mortgage loans for commercial real estate.
- Alt-A: A type of U.S. mortgage. Alt-A (Mezzanine) is placed in the middle of Prime loan, a loan for borrowers with higher creditscore, and Subprime loan, a loan for borrowers with lower creditscore.
- CDS: Credit Default Swap. A swap contract involving trading of credits, which reference the creditworthiness of a corporate or securitized paper, called a reference credit (entity).

(Reference) SONPO 24 Insurance Co., Ltd. (Non-Consolidated)

Quarterly Balance Sheets

(Millions of yen)			
	As of June 30, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	1,777	1,851	(74)
Securities	15,772	15,618	153
Tangible fixed assets	169	182	(12)
Other assets	635	810	(174)
Total assets	18,355	18,463	(107)
Liabilities:			
Underwriting funds:	8,606	8,538	68
Reserve for outstanding losses and claims	2,426	2,333	92
Underwriting reserves	6,180	6,204	(24)
Other liabilities	1,198	1,443	(245)
Reserve for retirement benefits	83	79	4
Reserve for bonus payments	20	92	(72)
Reserves under the special laws:	21	20	0
Reserve for price fluctuation	21	20	0
Deferred tax liabilities	34	18	15
Total liabilities	9,965	10,193	(228)
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus	19,000	19,000	—
Retained earnings	(29,670)	(29,763)	92
Total shareholders' equity	8,329	8,236	92
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	60	32	27
Total valuation and translation adjustments	60	32	27
Total net assets	8,390	8,269	120
Total liabilities and net assets	18,355	18,463	(107)

(Reference) SONPO 24 Insurance Co., Ltd. (Non-Consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	2,332	2,619	286	12.3 %
Underwriting income:	2,307	2,569	262	11.4
Net premiums written	2,304	2,542	238	10.3
Interest and dividend income on deposits of premiums, etc.	2	2	(0)	(15.9)
Reversal of underwriting reserves	—	24	24	—
Investment income:	24	49	24	100.7
Interest and dividend income	27	21	(5)	(21.8)
Gains on sales of securities	—	30	30	—
Transfer of interest and dividend income on deposits of premiums, etc.	(2)	(2)	0	—
Other ordinary income	0	0	(0)	(2.0)
Ordinary expenses:	2,539	2,524	(14)	(0.6)
Underwriting expenses:	1,804	1,869	64	3.6
Net claims paid	1,217	1,449	231	19.0
Loss adjustment expenses	149	163	14	9.4
Net commissions and brokerage fees	153	163	10	6.6
Provision for reserve for outstanding losses and claims	153	92	(61)	(39.9)
Provision for underwriting reserves	129	—	(129)	(100.0)
Operating, general and administrative expenses	734	654	(79)	(10.8)
Other ordinary expenses	0	0	(0)	(94.5)
Ordinary profit (loss)	(207)	94	301	—
Extraordinary losses:	3	0	(2)	(75.8)
Losses on disposal of fixed assets	0	0	0	19.0
Provision for reserves under the special laws:	0	0	0	0.9
Provision for price fluctuation reserve	0	0	0	0.9
Other extraordinary losses	2	—	(2)	(100.0)
Income (loss) before income taxes	(210)	93	304	—
Income taxes and deferred income taxes	0	0	—	—
Net income (loss)	(211)	92	304	—
Underwriting result:				
Net premiums written (+)	2,304	2,542	238	10.3
Net claims paid (—)	1,217	1,449	231	19.0
Loss adjustment expenses (—)	149	163	14	9.4
Operating expenses: (—)	887	817	(70)	(7.9)
Net commissions and brokerage fees	153	163	10	6.6
Operating, general and administrative expenses related to underwriting	734	654	(80)	(10.9)
Underwriting result	49	111	62	126.5
Underwriting profit	(231)	45	277	—
Ratios:				
Net loss ratio (%)	59.3	63.5	4.2	
Net expense ratio (%)	38.5	32.1	(6.4)	
Underwriting result ratio (%)	2.2	4.4	2.2	

(Reference) SONPO 24 Insurance Co., Ltd. (Non-Consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	2,313	100.0	23.1	2,547	100.0	10.1
Compulsory automobile liability insurance	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	2,313	100.0	23.1	2,547	100.0	10.1
Deposits of premiums by policyholders	—	—	—	—	—	—

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	2,273	98.7	23.5	2,503	98.5	10.1
Compulsory automobile liability insurance	30	1.3	(24.0)	39	1.5	27.7
Others	—	—	—	—	—	—
Total	2,304	100.0	22.5	2,542	100.0	10.3

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	—	— %	— %	—	— %	— %
Marine insurance	—	—	—	—	—	—
Personal accident insurance	—	—	—	—	—	—
Voluntary automobile insurance	1,173	6.0	58.2	1,400	19.3	62.5
Compulsory automobile liability insurance	43	7.2	142.7	49	12.5	125.7
Others	—	—	—	—	—	—
Total	1,217	6.1	59.3	1,449	19.0	63.5

(Reference) SONPO 24 Insurance Co., Ltd. (Non-Consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
(A) Total Solvency Margin	8,688	8,616
Capital and funds, etc.	8,329	8,236
Reserve for price fluctuation	21	20
Contingency reserve	—	—
Catastrophic loss reserve	252	312
General allowance for possible loan losses	—	—
Unrealized gains on securities (before tax effect deductions)	85	46
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	908	895
Underwriting risk (R_1)	757	734
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	—	—
Investment risk (R_4)	154	193
Business management risk (R_5)	30	30
Major catastrophe risk (R_6)	104	104
(C) Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	1,913.2 %	1,924.8 %

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of March 31, 2010.

(Reference) Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Quarterly Balance Sheets

	As of June 30, 2010	As of March 31, 2010	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	7,511	10,796	(3,284)
Money trusts	1,291	1,316	(25)
Securities	21,603	19,223	2,379
Loans	16	20	(3)
Tangible fixed assets	288	171	117
Intangible fixed assets	1,126	897	228
Other assets	2,177	1,917	260
Allowance for possible loan losses	(0)	(0)	—
Total assets	34,014	34,342	(327)
Liabilities:			
Underwriting funds:	19,791	19,359	431
Reserve for outstanding losses and claims	4,930	4,946	(16)
Underwriting reserves	14,861	14,413	448
Other liabilities	1,395	1,431	(35)
Reserve for retirement benefits	285	364	(78)
Reserve for retirement benefits to directors	36	34	1
Reserve for bonus payments	109	206	(96)
Reserves under the special laws:	1	14	(12)
Reserve for price fluctuation	1	14	(12)
Deferred tax liabilities	60	100	(39)
Total liabilities	21,680	21,510	169
Net assets:			
Shareholders' equity:			
Common stock	8,610	8,610	—
Capital surplus	6,848	6,848	—
Retained earnings	(3,299)	(2,925)	(374)
Total shareholders' equity	12,158	12,532	(374)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	175	299	(123)
Total valuation and translation adjustments	175	299	(123)
Total net assets	12,334	12,831	(497)
Total liabilities and net assets	34,014	34,342	(327)

(Reference) Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	4,244	4,133	(110)	(2.6) %
Underwriting income:	4,066	4,008	(57)	(1.4)
Net premiums written	3,613	3,816	202	5.6
Deposits of premiums by policyholders	200	163	(37)	(18.6)
Interest and dividend income on deposits of premiums, etc.	9	12	2	32.5
Reversal of reserve for outstanding losses and claims	242	16	(226)	(93.3)
Investment income:	122	71	(50)	(41.4)
Interest and dividend income	81	82	1	2.2
Investment gains on money trusts	49	—	(49)	(100.0)
Investment gains on trading securities	—	0	0	—
Gains on sales of securities	1	0	(1)	(88.7)
Transfer of interest and dividend income on deposits of premiums, etc.	(9)	(12)	(2)	—
Other ordinary income	55	53	(2)	(3.6)
Ordinary expenses:	4,163	4,513	349	8.4
Underwriting expenses:	3,047	3,275	227	7.5
Net claims paid	1,912	1,880	(31)	(1.7)
Loss adjustment expenses	199	253	54	27.1
Net commissions and brokerage fees	466	457	(9)	(1.9)
Maturity refunds to policyholders	232	233	0	0.2
Provision for underwriting reserves	234	448	213	90.8
Investment expenses:	53	37	(16)	(30.1)
Investment losses on money trusts	—	25	25	—
Losses on sales of securities	35	—	(35)	(100.0)
Impairment losses on securities	—	10	10	—
Operating, general and administrative expenses	1,005	1,198	193	19.2
Other ordinary expenses:	56	2	(54)	(96.3)
Interest paid	1	1	0	21.5
Ordinary profit (loss)	81	(379)	(460)	(567.9)
Extraordinary gains:	0	12	11	1,713.4
Reversal of reserves under the special laws:	0	12	11	1,713.4
Reversal of price fluctuation reserve	0	12	11	1,713.4
Extraordinary losses:	0	2	2	6,075.5
Losses on disposal of fixed assets	0	2	2	6,075.5
Income (loss) before income taxes	81	(369)	(450)	(551.3)
Income taxes and deferred income taxes	5	5	—	—
Net income (loss)	76	(374)	(450)	(590.1)
Underwriting result:				
Net premiums written (+)	3,613	3,816	202	5.6
Net claims paid (—)	1,912	1,880	(31)	(1.7)
Loss adjustment expenses (—)	199	253	54	27.1
Operating expenses: (—)	1,396	1,584	187	13.5
Net commissions and brokerage fees	466	457	(9)	(1.9)
Operating, general and administrative expenses related to underwriting	929	1,127	197	21.2
Underwriting result	105	98	(7)	(7.1)
Underwriting profit	134	(353)	(487)	(363.6)
Ratios:				
Net loss ratio (%)	58.4	55.9	(2.5)	
Net expense ratio (%)	38.6	41.5	2.9	
Underwriting result ratio (%)	2.9	2.6	(0.3)	

(Reference) Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Premiums Written and Claims Paid by Lines of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	509	12.4 %	62.1 %	871	19.6 %	70.9 %
Marine insurance	0	0.0	55.4	0	0.0	(62.9)
Personal accident insurance	931	22.7	30.0	1,034	23.2	11.1
Voluntary automobile insurance	2,329	56.7	(4.5)	2,234	50.2	(4.1)
Compulsory automobile liability insurance	96	2.4	(23.1)	91	2.1	(5.3)
Others	239	5.8	5.7	222	5.0	(6.9)
Total	4,107	100.0	7.5	4,455	100.0	8.5
Deposits of premiums by policyholders	200	—	6.2	163	—	(18.6)

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	357	9.9 %	65.6 %	637	16.7 %	78.1 %
Marine insurance	9	0.3	(19.3)	6	0.2	(32.1)
Personal accident insurance	620	17.2	16.7	652	17.1	5.2
Voluntary automobile insurance	2,307	63.9	(4.5)	2,213	58.0	(4.1)
Compulsory automobile liability insurance	94	2.6	(19.4)	102	2.7	8.4
Others	223	6.2	5.8	204	5.4	(8.8)
Total	3,613	100.0	3.1	3,816	100.0	5.6

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2009 (April 1 to June 30, 2009)			Three months ended June 30, 2010 (April 1 to June 30, 2010)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	51	(54.1) %	15.3 %	59	15.6 %	10.5 %
Marine insurance	5	(20.2)	54.4	6	16.8	92.5
Personal accident insurance	369	28.1	65.1	386	4.5	67.4
Voluntary automobile insurance	1,348	9.6	64.8	1,299	(3.6)	66.6
Compulsory automobile liability insurance	97	(4.3)	113.1	101	3.9	107.6
Others	39	(15.2)	20.0	27	(29.9)	17.7
Total	1,912	7.1	58.4	1,880	(1.7)	55.9

(Reference) Saison Automobile and Fire Insurance Company, Limited (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
(A) Total Solvency Margin	14,493	15,333
Capital and funds, etc.	11,055	11,658
Reserve for price fluctuation	1	14
Contingency reserve	8	8
Catastrophic loss reserve	3,213	3,291
General allowance for possible loan losses	0	0
Unrealized gains on securities (before tax effect deductions)	212	359
Net unrealized gains and losses on real estate	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	2	2
(B) Total Risks	1,663	1,653
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	838	838
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	6	6
Investment risk (R_4)	488	530
Business management risk (R_5)	58	59
Major catastrophe risk (R_6)	631	598
(C) Solvency Margin Ratio		
[(A) / {(B) × 1/2}] × 100	1,742.2 %	1,854.7 %

Note) The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). The figures as of June 30, 2010 are partly calculated on the simplified method, for example, some bases for the major catastrophe risk calculation are deemed same as the figures as of March 31, 2010.

(Reference) Sampo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

	As of June 30, 2010	As of March 31, 2010	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	32,027	32,988	(960)
Securities:	1,042,223	1,030,306	11,917
Government bonds	582,228	560,887	21,340
Municipal bonds	69,907	70,489	(581)
Corporate bonds	309,377	310,212	(834)
Domestic stocks	4,579	5,140	(560)
Foreign securities	76,129	83,576	(7,446)
Loans:	17,437	17,162	275
Policy loans	17,437	17,162	275
Tangible fixed assets	1,219	1,197	22
Intangible fixed assets	4,457	4,625	(168)
Agency accounts receivable	148	174	(25)
Reinsurance accounts receivable	742	1,206	(464)
Other assets	20,040	21,401	(1,360)
Deferred tax assets	12,154	13,164	(1,009)
Allowance for possible loan losses	(93)	(94)	0
Total assets	1,130,357	1,122,133	8,223
Liabilities:			
Policy reserves:	1,063,843	1,054,852	8,991
Reserve for outstanding claims	20,276	20,155	120
Policy reserves	1,041,471	1,032,371	9,100
Reserve for dividends to policyholders	2,095	2,325	(230)
Agency accounts payable	1,246	1,591	(345)
Reinsurance accounts payable	1,098	1,205	(107)
Other liabilities	5,518	7,564	(2,045)
Reserve for retirement benefits	734	663	70
Reserve for retirement benefits to directors	54	45	9
Reserves under the special laws:	897	794	103
Reserve for price fluctuation	897	794	103
Total liabilities	1,073,393	1,066,716	6,676
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	10,000	10,000	—
Retained earnings	26,979	27,283	(304)
Total shareholders' equity	54,229	54,533	(304)
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	2,735	882	1,852
Total valuation and translation adjustments	2,735	882	1,852
Total net assets	56,964	55,416	1,547
Total liabilities and net assets	1,130,357	1,122,133	8,223

(Reference) Sampo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	61,239	60,798	(440)	(0.7) %
Insurance premiums and other:	55,225	55,905	679	1.2
Insurance premiums	54,484	55,203	718	1.3
Investment income:	6,003	4,836	(1,166)	(19.4)
Interest and dividend income	4,448	4,697	248	5.6
Gains on sales of securities	360	139	(220)	(61.3)
Investment gains on special account	1,195	—	(1,195)	(100.0)
Other ordinary income	10	56	46	444.0
Ordinary expenses:	62,362	60,496	(1,866)	(3.0)
Insurance claims and other:	39,784	35,327	(4,457)	(11.2)
Insurance claims	5,265	5,340	75	1.4
Annuity payments	184	238	53	29.1
Insurance benefits	5,466	5,622	155	2.9
Surrender benefits	27,133	22,686	(4,446)	(16.4)
Other refunds	444	273	(170)	(38.4)
Provision for policy reserves and other:	8,024	9,221	1,196	14.9
Provision for reserve for outstanding claims	1,188	120	(1,068)	(89.9)
Provision for policy reserves	6,835	9,100	2,264	33.1
Provision for interest portion of reserve for dividends to policyholders	0	0	0	84.0
Investment expenses:	221	1,170	949	429.0
Interest paid	7	13	5	80.8
Losses on derivatives	195	8	(186)	(95.6)
Investment losses on special account	—	1,140	1,140	—
Operating, general and administrative expenses	13,952	14,179	227	1.6
Other ordinary expenses	379	597	218	57.6
Ordinary profit (loss)	(1,123)	301	1,425	—
Extraordinary gains:	4	0	(3)	(79.8)
Other extraordinary gains	4	0	(3)	(79.8)
Extraordinary losses:	75	265	190	250.9
Losses on disposal of fixed assets	1	5	4	373.0
Provision for reserves under the special laws:	74	103	28	38.5
Provision for price fluctuation reserve	74	103	28	38.5
Other extraordinary losses	—	156	156	—
Provision for reserve for dividends to policyholders	447	402	(45)	(10.1)
Loss before income taxes	(1,642)	(365)	1,276	—
Income taxes and deferred income taxes	65	(60)	(125)	(192.4)
Net loss	(1,707)	(304)	1,402	—

(Reference) Sompo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force and total amount of new policies

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of June 30, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	1,769	102.2	106,535	102.4	1,732	109.9	104,049	110.1
Individual annuities	15	99.6	799	99.7	15	98.2	801	98.5
Group insurance	—	—	18,587	101.1	—	—	18,379	92.0
Group annuities	—	—	—	—	—	—	—	—

Note)

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

(Number in thousands, Yen in hundred millions, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)				Three months ended June 30, 2010 (April 1 to June 30, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	77	261.9	4,574	127.3	74	95.2	5,268	115.2
Individual annuities	0	107.8	5	97.7	0	90.1	4	88.5
Group insurance	—	—	100	808.1	—	—	82	81.9
Group annuities	—	—	—	—	—	—	—	—

Note)

Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Yen in hundred millions, %)

	As of June 30, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	192,205	99.7	192,742	98.1
Individual annuities	3,498	101.7	3,439	98.9
Total	195,703	99.8	196,181	98.2
Medical and survival benefits	73,852	101.4	72,864	106.1

New policies

(Yen in hundred millions, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)		Three months ended June 30, 2010 (April 1 to June 30, 2010)	
		Rate of change		Rate of change
Individual insurance	5,739	144.1	5,445	94.9
Individual annuities	21	89.1	19	89.1
Total	5,761	143.7	5,465	94.9
Medical and survival benefits	3,031	275.7	2,644	87.2

Notes)

- Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
- Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

(Reference) Sampo Japan Himawari Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Total Solvency Margin (A)	160,853	157,431
Capital, etc.	54,234	54,533
Reserve for price fluctuation	897	794
Contingency reserve	15,621	15,355
General allowance for possible loan losses	16	18
Unrealized gains and losses on securities (90% of gain or 100% of loss)	3,858	1,245
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	70,084	69,171
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	16,139	16,312
Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	13,122	12,915
Underwriting risk (R_1)	6,556	6,382
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	3,602	3,516
Guaranteed interest rate risk (R_2)	3,193	3,188
Investment risk (R_3)	4,208	4,223
Business management risk (R_4)	357	352
Guaranteed minimum benefit risk (R_7)	326	322
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,451.6 %	2,437.9 %

Notes)

1. The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.
2. Guaranteed minimum benefit risk is calculated by the standard method.

(Reference) NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	9,362	14,371	(5,009)
Call loans	671	478	193
Receivables under securities borrowing transactions	29,720	25,382	4,338
Money trusts	20,287	19,916	371
Securities:	391,045	378,612	12,433
Government bonds	256,174	243,074	13,099
Municipal bonds	52,253	52,132	120
Corporate bonds	76,139	75,571	567
Domestic stocks	5,526	6,892	(1,366)
Foreign securities	952	941	11
Loans:	13,808	13,763	44
Policy loans	13,808	13,763	44
Tangible fixed assets	166	178	(11)
Intangible fixed assets	615	240	374
Agency accounts receivable	16	24	(7)
Reinsurance accounts receivable	64	183	(118)
Other assets	9,165	8,911	253
Deferred tax assets	6,414	6,931	(517)
Allowance for possible loan losses	(8)	(7)	(0)
Total assets	481,331	468,988	12,342
Liabilities:			
Policy reserves:	421,560	411,682	9,877
Reserve for outstanding claims	3,014	2,998	16
Policy reserves	417,139	407,193	9,946
Reserve for dividends to policyholders	1,405	1,491	(85)
Agency accounts payable	534	804	(270)
Reinsurance accounts payable	79	113	(33)
Other liabilities	31,733	30,000	1,733
Reserve for retirement benefits	326	300	25
Reserve for bonus payments to directors	—	15	(15)
Reserves under the special laws:	563	542	20
Reserve for price fluctuation	563	542	20
Total liabilities	454,796	443,459	11,337
Net assets:			
Shareholders' equity:			
Common stock	20,000	20,000	—
Retained earnings	1,583	1,564	19
Total shareholders' equity	21,583	21,564	19
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	4,950	3,964	986
Total valuation and translation adjustments	4,950	3,964	986
Total net assets	26,534	25,528	1,005
Total liabilities and net assets	481,331	468,988	12,342

(Reference) NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	24,290	25,269	979	4.0 %
Insurance premiums and other:	21,879	22,800	921	4.2
Insurance premiums	21,847	22,732	885	4.1
Investment income:	2,152	2,261	109	5.1
Interest and dividend income	1,923	2,199	276	14.4
Investment gains on money trusts	155	61	(93)	(60.2)
Gains on sales of securities	73	—	(73)	(100.0)
Other ordinary income	258	206	(51)	(20.0)
Ordinary expenses:	23,545	24,856	1,311	5.6
Insurance claims and other:	9,604	10,240	635	6.6
Insurance claims	2,196	2,558	361	16.5
Annuity payments	87	116	28	32.2
Insurance benefits	731	929	197	27.0
Surrender benefits	6,417	6,462	45	0.7
Other refunds	57	52	(4)	(8.6)
Provision for policy reserves and other:	9,430	9,963	532	5.7
Provision for reserve for outstanding claims	130	16	(114)	(87.6)
Provision for policy reserves	9,299	9,946	647	7.0
Provision for interest portion of reserve for dividends to policyholders	0	0	0	28.9
Investment expenses:	20	12	(7)	(39.7)
Interest paid	18	9	(8)	(46.9)
Operating, general and administrative expenses	4,188	4,403	214	5.1
Other ordinary expenses	301	237	(64)	(21.3)
Ordinary profit	744	412	(331)	(44.6)
Extraordinary gains	—	—	—	—
Extraordinary losses:	27	37	10	38.5
Losses on disposal of fixed assets	8	0	(7)	(93.8)
Provision for reserves under the special laws:	19	20	1	8.5
Provision for price fluctuation reserve	19	20	1	8.5
Other extraordinary losses	—	16	16	—
Provision for reserve for dividends to policyholders	337	313	(23)	(7.0)
Income before income taxes	380	61	(318)	(83.9)
Income taxes and deferred income taxes	154	41	(112)	(72.9)
Net income	225	19	(206)	(91.4)

(Reference) NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force and total amount of new policies

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of June 30, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	568	102.2	40,416	100.9	555	111.1	40,044	105.1
Individual annuities	53	99.9	1,971	100.0	53	96.3	1,971	96.3
Group insurance	—	—	11,205	101.4	—	—	11,052	109.9
Group annuities	—	—	—	—	—	—	—	—

Note)

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

(Number in thousands, Yen in hundred millions, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)				Three months ended June 30, 2010 (April 1 to June 30, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	22	126.1	1,493	103.8	22	100.8	1,517	101.7
Individual annuities	0	87.8	12	74.2	0	217.6	26	219.8
Group insurance	—	—	25	30.2	—	—	30	122.7
Group annuities	—	—	—	—	—	—	—	—

Note)

Amount of "Individual annuities" represents the amount of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of June 30, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	58,402	101.1	57,758	105.3
Individual annuities	11,956	99.9	11,966	96.5
Total	70,358	100.9	69,725	103.6
Medical and survival benefits	13,860	101.8	13,610	111.6

New policies

(Millions of yen, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)		Three months ended June 30, 2010 (April 1 to June 30, 2010)	
		Rate of change		Rate of change
Individual insurance	2,050	104.4	2,146	104.7
Individual annuities	70	81.2	138	197.1
Total	2,120	103.4	2,284	107.7
Medical and survival benefits	596	126.4	526	88.3

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits and (b) premium related to survival benefits such as specific illness.

(Reference) NIPPONKOA Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Total Solvency Margin (A)	61,637	60,078
Capital, etc.	21,302	21,564
Reserve for price fluctuation	563	542
Contingency reserve	4,950	4,859
General allowance for possible loan losses	—	—
Unrealized gains and losses on securities (90% of gain or 100% of loss)	6,982	5,592
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	26,305	25,993
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	1,532	1,527
Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	4,400	4,368
Underwriting risk (R_1)	2,960	2,930
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	1,001	970
Guaranteed interest rate risk (R_2)	166	164
Investment risk (R_3)	1,477	1,538
Business management risk (R_4)	112	112
Guaranteed minimum benefit risk (R_7)	—	—
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,801.1 %	2,750.4 %

Note) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.

(Reference) Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Balance Sheets

	As of June 30, 2010	As of March 31, 2010	(Millions of yen) Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	186	182	3
Securities:	5,233	5,407	(174)
Government bonds	2,685	2,690	(4)
Domestic stocks	930	950	(20)
Tangible fixed assets	76	80	(4)
Intangible fixed assets	0	0	—
Agency accounts receivable	0	0	0
Reinsurance accounts receivable	18	21	(3)
Other assets	629	456	173
Allowance for possible loan losses	(0)	(0)	—
Total assets	6,144	6,149	(4)
Liabilities:			
Policy reserves:	1,034	1,041	(6)
Reserve for outstanding claims	129	141	(11)
Policy reserves	904	899	4
Agency accounts payable	3	3	(0)
Reinsurance accounts payable	33	32	1
Other liabilities	185	342	(156)
Reserve for retirement benefits	21	20	1
Reserves under the special laws:	15	15	0
Reserve for price fluctuation	15	15	0
Deferred tax liabilities	218	225	(7)
Total liabilities	1,512	1,680	(167)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus	2,100	2,100	—
Retained earnings	(7,952)	(8,128)	175
Total shareholders' equity	4,247	4,071	175
Valuation and translation adjustments:			
Unrealized gains on securities available for sale, net of tax	384	397	(13)
Total valuation and translation adjustments	384	397	(13)
Total net assets	4,631	4,468	162
Total liabilities and net assets	6,144	6,149	(4)

(Reference) Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)	Three months ended June 30, 2010 (April 1 to June 30, 2010)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	937	1,003	65	7.0 %
Insurance premiums and other:	918	976	58	6.3
Insurance premiums	889	916	26	3.0
Investment income:	19	15	(3)	(20.2)
Interest and dividend income	19	15	(3)	(20.2)
Other ordinary income:	0	11	11	13,485.7
Reversal of reserve for outstanding losses and claims	—	11	11	—
Ordinary expenses:	1,137	826	(310)	(27.3)
Insurance claims and other:	333	213	(119)	(36.0)
Insurance claims	241	128	(113)	(46.9)
Insurance benefits	42	41	(0)	(1.7)
Other refunds	0	1	0	379.8
Provision for policy reserves and other:	12	4	(7)	(61.5)
Provision for reserve for outstanding claims	1	—	(1)	(100.0)
Provision for policy reserves	10	4	(6)	(55.0)
Investment expenses:	0	0	(0)	(22.0)
Interest paid	0	0	(0)	(22.0)
Operating, general and administrative expenses	773	593	(179)	(23.3)
Other ordinary expenses	17	14	(3)	(18.1)
Ordinary profit (loss)	(199)	177	376	—
Extraordinary losses:	8	0	(8)	(96.0)
Provision for reserves under the special laws:	0	0	(0)	(8.9)
Provision for price fluctuation reserve	0	0	(0)	(8.9)
Other extraordinary losses	8	—	(8)	(100.0)
Income (loss) before income taxes	(207)	176	384	—
Income taxes and deferred income taxes	0	0	—	—
Net income (loss)	(208)	175	384	—

(Reference) Sompo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Major Business Results

Total amount of policies in force and total amount of new policies

Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

	As of June 30, 2010				As of March 31, 2010			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	46	99.5	7,970	99.1	46	101.1	8,039	99.7
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Total amount of new policies

(Number in thousands, Yen in hundred millions, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)				Three months ended June 30, 2010 (April 1 to June 30, 2010)			
	Number		Amount		Number		Amount	
		Rate of change		Rate of change		Rate of change		Rate of change
Individual insurance	1	116.4	229	111.2	0	68.1	149	65.1
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Annualized premiums

Policies in force

(Yen in hundred millions, %)

	As of June 30, 2010		As of March 31, 2010	
		Rate of change		Rate of change
Individual insurance	3,662	100.3	3,650	103.2
Individual annuities	—	—	—	—
Total	3,662	100.3	3,650	103.2
Medical and survival benefits	868	100.5	863	104.6

New policies

(Yen in hundred millions, %)

	Three months ended June 30, 2009 (April 1 to June 30, 2009)		Three months ended June 30, 2010 (April 1 to June 30, 2010)	
		Rate of change		Rate of change
Individual insurance	94	118.1	66	70.2
Individual annuities	—	—	—	—
Total	94	118.1	66	70.2
Medical and survival benefits	29	127.3	19	66.9

Notes)

- Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
- Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

(Reference) Sampo Japan DIY Life Insurance Co., Ltd. (Non-consolidated)

Solvency Margin Ratio

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Total Solvency Margin (A)	5,353	5,199
Capital, etc.	4,247	4,071
Reserve for price fluctuation	15	15
Contingency reserve	548	551
General allowance for possible loan losses	—	—
Unrealized gains and losses on securities (90% of gain or 100% of loss)	542	560
Net unrealized gains and losses on real estate (85% of gain or 100% of loss)	—	—
Policy reserves in excess of surrender values	—	—
Brought in capital, etc.	—	—
Subordinated debt, etc.	—	—
Deductions	—	—
Others	—	—
Total Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	577	582
Underwriting risk (R_1)	450	454
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	95	95
Guaranteed interest rate risk (R_2)	0	0
Investment risk (R_3)	114	118
Business management risk (R_4)	19	20
Guaranteed minimum benefit risk (R_7)	—	—
Solvency Margin Ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,853.3 %	1,785.9 %

Note) The above figures are calculated based on Articles 86, 87, 161, 162 and 190 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification No. 50 of the Ministry of Finance (1996). "Policy reserves in excess of surrender values" is calculated based on the provisions of Article 1 Paragraph 3-1 of Notification No. 50 of the Ministry of Finance.

Supplementary Explanation

< Calculation of ratios >

Underwriting profit = Underwriting income – Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*

*Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.

Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100

Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100

Underwriting result ratio = (Net premiums written - Net claims paid - Loss adjustment expenses - Operating expenses) / Net premiums written × 100

< Solvency margin ratio >

- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their normal estimates, i.e. the occurrence of major catastrophes, the fluctuation in mortality rate due to significant changes in key environmental factors and a big decline in value of assets held by insurance companies, etc.

- Solvency margin ratio, which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin: (A)) to "risks which will exceed their normal estimates" (total risks: (B)).

- "Risks which will exceed their normal estimates" are composed of risks described below.

<1> Underwriting risk, underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:

Risks of occurrence of insurance claims in excess of normal estimates (excluding risks relating to major catastrophes)

<2> Guaranteed interest rate risk:

Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions than expected

<3> Investment risk:

Risks of retained securities and other assets fluctuating in prices in excess of normal estimates

<4> Business management risk:

Risks beyond normal estimates arising from business management (That does not fall under other categories.)

<5> Major catastrophe risk:

Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan typhoon)

<6> Guaranteed minimum benefit risk:

Risks of special account assets fluctuating in prices in excess of normal estimates

- "Solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of net unrealized gains and losses on real estate, etc.

- Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims.

Note Regarding Forward-looking Statements

This document includes “forward-looking statements” that reflect the information in relation to the NKSJ Holdings, Inc. (“NKSJ”). To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of NKSJ in light of the information currently available to NKSJ, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of NKSJ, as the case may be, to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. NKSJ does not undertake or will not undertake any obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by NKSJ in their subsequent domestic filings in Japan and filings with, or submissions to, the U.S. Securities Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, those below.

- (1) Effects of deterioration of economic and business conditions in Japan
- (2) Risks associated with non-life insurance business, life insurance business, and other businesses in which NKSJ group participates
- (3) Changes to laws, regulations, and systems
- (4) Risk of natural disasters
- (5) Occurrence of unpredictable damages
- (6) Reinsurance risk
- (7) Overseas business risk
- (8) Effects of declining stock price
- (9) Effects of fluctuation in exchange rate
- (10) Effects of fluctuation in interest rate
- (11) Liquidity risk
- (12) Effects of decline in creditworthiness of investment and/or loan counterparties
- (13) Credit rating downgrade
- (14) Litigation risk
- (15) Risk concerning retirement benefit liabilities
- (16) Occurrence of personal information leak
- (17) Damage on business operations by major disasters
- (18) Effects resulting from business integration
- (19) Other risks