
Highlights of 1Q FY2011 Results

August 12, 2011

NKSJ Holdings, Inc.

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■ Consolidated ordinary income increased, while net income dropped

- Life insurance contributed much on the top line growth, whereas positive elements in net income for the same period of last fiscal year diminished, such as financial guarantee* and gains on derivatives.

■ Sign of ceasing to fall - net premiums written of domestic P&C insurance

- Effect of voluntary automobile premium rate hikes began to be realized.

■ Auto accidents slowed down, but still necessary to be watched carefully

- Net loss ratio on a written/paid basis has been improved. Number of claims reported recently, a leading indicator, is almost flat as the previous fiscal year.

■ No additional losses accrued from the Great East Japan Earthquake

- Household earthquake insurance is “no loss, no profit” by its mechanism.

- Paid losses except household earthquake are offset by reversal of reserves for outstanding losses accumulated in FY2010.

■ Domestic life insurance maintained steady growth

- Annualized premium income from new business boosted mainly in medical, cancer, income compensation, and whole life insurance. Amount of business in force is growing steadily.

- Plan to merge Sompo Japan Himawari Life and Nipponkoa Life on October 1, 2011.

■ Revenue and net income boosted in overseas insurance business

- Premium income increased mainly in emerging markets such as Asia and South America.

- SJ Sigorta (Turkey), which has been acquired last year, fully contributed on a consolidated basis.

■ No change in forecast for full fiscal 2011

* Financial guarantee recorded gains of ¥0.6 billion in 1Q FY2011, compared to ¥6.4 billion for the same period last fiscal year. Forecast for the full fiscal 2011 is a loss of ¥3.0 billion.

Overview of NKSJ Consolidated Results

Billions of yen

	1Q FY2010	1Q FY2011	Changes	%Changes
Ordinary income	663.4	732.7	+69.3	+10.5%
P&C net premiums written	504.9	508.2	+3.3	+0.7%
Life insurance premiums	48.0	57.5	+9.5	+19.8%
Ordinary profit	23.3	11.7	-11.6	-49.8%
Sompo Japan (consolidated)	14.8	6.5	-8.3	-56.1%
Nipponkoa (consolidated)	11.4	8.1	-3.3	-29.0%
Consolidated adjustments*	-2.9	-2.8	+0.0	-
Net income	13.4	12.0	-1.3	-10.2%
Sompo Japan (consolidated)	9.4	7.4	-2.0	-21.2%
Nipponkoa (consolidated)	7.6	6.2	-1.4	-18.6%
Consolidated adjustments*	-3.6	-1.6	+2.0	-
Net income per share	¥8.08	¥7.25	-¥0.83	-10.3%

* Consolidated adjustments

- "Purchase method" accounting was adopted in establishing NKSJ Holdings. "Consolidated adjustments" shown in the table above mainly results from using purchase method.
- 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's consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc.

Overview of Non-Consolidated Results of Two Major P&C Insurers

Billions of yen

	Sompo Japan		
	1Q FY2010	1Q FY2011	Change
Net premiums written	331.1	327.7	-3.3(-1.0%)
(excl. CALI)	292.1	290.3	-1.7(-0.6%)
Loss ratio	64.3%	69.8%	+5.6pt
(excl. financial guarantee * / CALI)	58.4%	63.8%	+5.3pt
Expense ratio	32.9%	33.1%	+0.2pt
(excl. CALI)	33.5%	33.6%	+0.1pt
Combined ratio	97.2%	102.9%	+5.8pt
(excl. financial guarantee* / CALI)	92.0%	97.4%	+5.4pt
Underwriting profit	1.4	-3.1	-4.6
Investment profit	15.6	13.2	-2.3
Ordinary profit	15.3	6.9	-8.4
Net income	10.2	3.3	-6.8

	Nipponkoa		
	1Q FY2010	1Q FY2011	Change
Net premiums written	160.2	160.8	+0.5(+0.4%)
(excl. CALI)	142.7	144.2	+1.4(+1.0%)
Loss ratio	65.5%	75.1%	+9.6pt
(excl. financial guarantee * / CALI)	60.3%	70.8%	+10.4pt
Expense ratio	35.1%	34.7%	-0.4pt
(excl. CALI)	35.8%	35.4%	-0.4pt
Combined ratio	100.7%	109.9%	+9.2pt
(excl. financial guarantee* / CALI)	96.1%	106.1%	+10.0pt
Underwriting profit	2.7	2.1	-0.5
Investment profit	8.9	7.2	-1.7
Ordinary profit	11.1	8.7	-2.4
Net income	7.5	6.8	-0.6

<Reference> Adjusted profit

Net income	10.2	3.3	-6.8
+) Provision for catastrophe loss reserve (net of tax)	4.5	4.0	-0.5
+) Provision for price fluctuation reserve (net of tax)	0.9	0.9	+0.0
-) Realized gains/losses and impairment losses on securities (net of tax)	-2.1	1.1	+3.2
Adjusted profit	17.9	7.2	-10.6

Net income	7.5	6.8	-0.6
+) Provision for catastrophe loss reserve (net of tax)	-0.9	-2.4	-1.4
+) Provision for price fluctuation reserve (net of tax)	0.4	-0.8	-1.3
-) Realized gains/losses and impairment losses on securities (net of tax)	0.7	-1.2	-1.9
Adjusted profit	6.3	4.7	-1.5

* "Excl. financial guarantee" is applicable only for Sompo Japan.

Net Premiums Written (Two Major P&C Insurers, Non-consolidated basis)

- Net premiums written of two companies total (excl. CALI) decreased by 0.1%, showing the sign of bottoming out.
- Premiums of voluntary auto increased by 0.1% reflecting past rate revisions.

<Fire & allied lines> Nipponkoa: Large policies contributed premium growth
 <Personal accident> Sompo Japan: Increased mainly by group and corporate products
 <Voluntary auto> Sompo Japan: Shrink in new car sales offset positive effect of rate revision, and premiums slightly decreased
 Nipponkoa: Rate revision contributed premium growth
 <CALI> Both companies: Decreased due to a shrink in new car sales, etc
 <Other> Sompo Japan: Decrease in liability insurance was due to contractual amendments of large policies, etc

	Sompo Japan			Nipponkoa			Sum of two companies
	Premiums	Change	%Change	Premiums	Change	%Change	%Change
Fire & allied lines	34.1	-0.3	-1.0%	21.4	+1.3	+6.6%	+1.8%
Marine	6.1	-0.0	-0.4%	3.0	-0.2	-7.4%	-2.8%
Personal accident	36.5	+0.9	+2.7%	14.4	-0.0	-0.5%	+1.8%
Voluntary automobile	164.0	-0.1	-0.1%	81.4	+0.4	+0.5%	+0.1%
CALI*	37.4	-1.5	-4.0%	16.6	-0.8	-5.1%	-4.3%
Other	49.4	-2.2	-4.4%	23.7	+0.0	+0.2%	-2.9%
of which, liability	35.2	-1.6	-4.5%	13.2	+0.1	+1.3%	-3.0%
All lines	327.7	-3.3	-1.0%	160.8	+0.5	+0.4%	-0.6%
All lines excl. CALI	290.3	-1.7	-0.6%	144.2	+1.4	+1.0%	-0.1%

Billions of yen

* Compulsory Automobile Liability Insurance.

Net Loss Ratio - Written / Paid Basis (Two Major P&C Insurers, Non-consolidated basis)

- Paid claims of fire and marine increased due to the Great East Japan Earthquake. However, there is no negative impact on underwriting profit thanks to the reversal of outstanding loss reserves.
- Excluding the Great East Japan Earthquake, net loss ratio has been decreased.
<Voluntary auto> Net loss ratio dropped attributable to calm down of auto accidents.
In Nipponkoa, part of claims paid has been shifted to loss adjustment expenses due to the absorption of loss adjustment subsidiary.

Billions of yen

W/P Net Loss Ratio	Sompo Japan				Nipponkoa			
	Net claims paid		Net Loss ratio		Net claims paid		Net Loss ratio	
		Change		Change		Change		Change
Fire & allied lines	30.4	+15.9	91.1%	+47.4pt	27.9	+18.8	134.2%	+84.4pt
excl. G.E.J. Earthquake	14.3	-0.1	43.7%	-0.0pt	12.2	+3.1	60.9%	+11.1pt
Marine	4.6	+0.6	79.1%	+10.0pt	1.5	-0.0	50.3%	+0.9pt
Personal accident	17.3	+0.4	52.0%	-0.0pt	7.0	-0.4	53.2%	-3.6pt
Voluntary automobile	94.6	+0.8	67.1%	-0.0pt	47.4	-2.7	65.5%	-2.4pt
CALI	38.3	-0.4	111.0%	+3.6pt	17.6	-0.1	113.0%	+5.0pt
Others	20.3	-0.8	45.1%	+0.7pt	9.7	-0.2	44.8%	-2.3pt
of which, liability	11.8	-1.1	36.7%	-1.2pt	4.3	-0.5	35.8%	-5.1pt
All lines	205.8	+16.6	69.8%	+5.6pt	111.3	+15.1	75.1%	+9.6pt
All lines excl. CALI, financial guarantee losses*, and G.E.J. Earthquake	146.2	-3.9	57.2%	-1.2pt	76.5	-1.7	58.9%	-1.4pt

* "Financial guarantee loss is applicable only for Sompo Japan.

No additional losses accrued from the Great East Japan Earthquake.

Household earthquake insurance

Billions of yen

	Sampo Japan		Nipponkoa		Sum total	
	FY2010	1Q FY2011	FY2010	1Q FY2011	FY2010	1Q FY2011
Paid claims	-	-13.5	-	-9.3	-	-22.9
Provision/reverse of outstanding loss reserve	-8.9	-48.7	-6.1	-33.5	-15.0	-82.2
Incurred losses	-8.9	-62.3	-6.1	-42.8	-15.0	-105.1
Reversal of underwriting reserve of earthquake insurance	+8.9	+62.3	+6.1	+42.8	+15.0	+105.1
Underwriting profit	-	-	-	-	-	-

No loss will accrue because losses are offset by the reversal of the underwriting reserve of earthquake insurance. ("no loss, no profit")

Other than household earthquake

Billions of yen

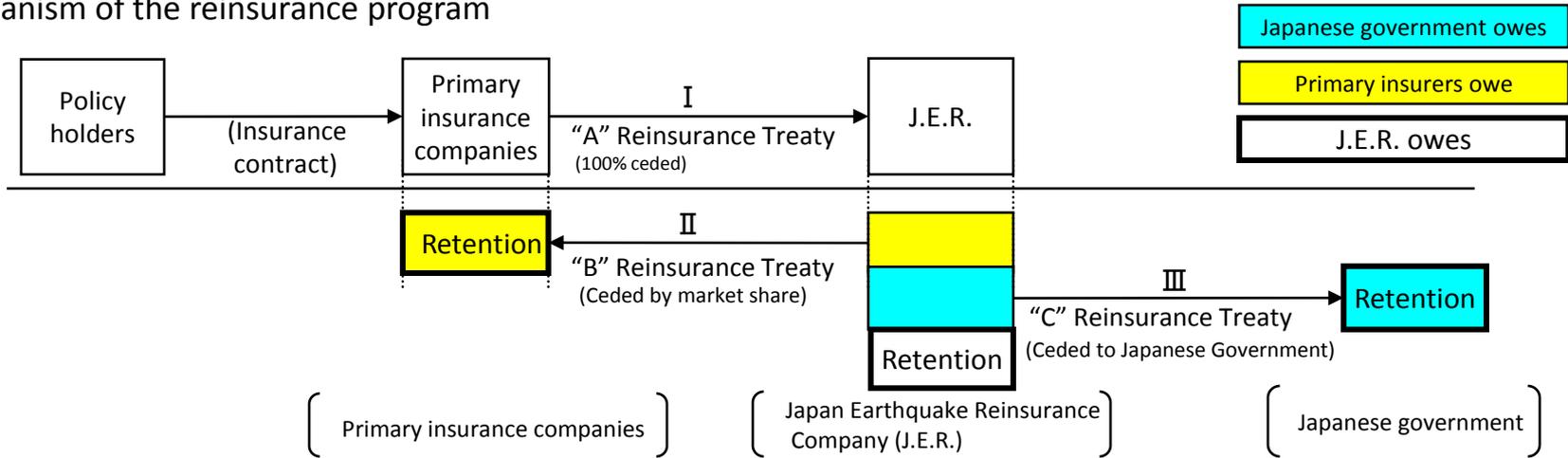
	Sampo Japan		Nipponkoa		Sum total	
	FY2010	1Q FY2011	FY2010	1Q FY2011	FY2010	1Q FY2011
Paid claims	-0.0	-5.4	-0.0	-7.7	-0.0	-13.2
Provision/reverse of outstanding loss reserve	-38.5	+5.4	-19.3	+7.7	-57.9	+13.2
Incurred losses	-38.5	-	-19.4	-	-57.9	-
Reversal of catastrophic loss reserve	+0	+0.3	+0	+6.2	+0	+6.6
Underwriting profit	-38.5	+0.3	-19.4	+6.2	-57.9	+6.6

Incurred losses for this period was nil by the reversal of o/s loss reserve as much as paid claims.

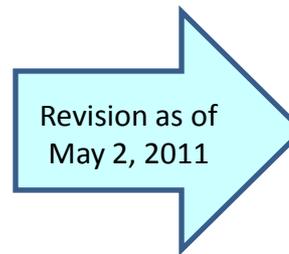
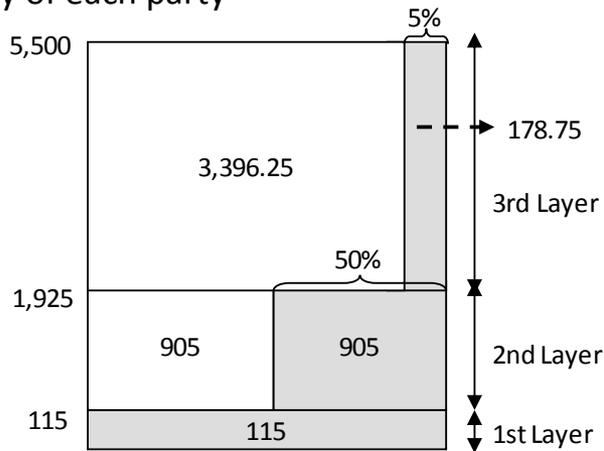
Reversal of catastrophic loss reserve after claim payment became a profit.

(Reference) Reinsurance Mechanism of Household Earthquake Insurance

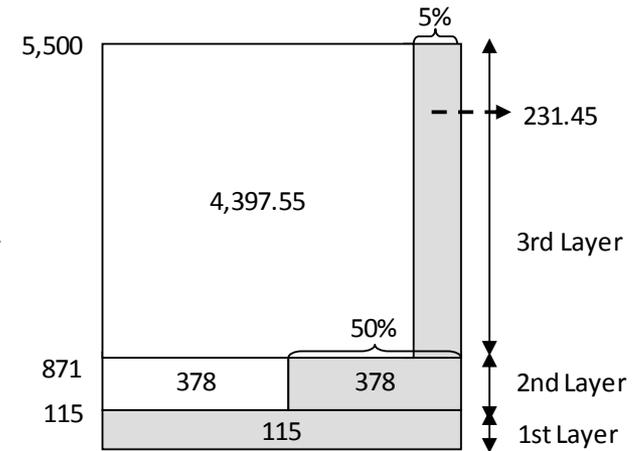
1. Mechanism of the reinsurance program



2. Liability of each party



Private insurers' liability has been decreased



Private insurers (primary insurers / JER)
 $115 + 905 + 178.75 = 1,198.75$

Japanese government
 $905 + 3,396.25 = 4,301.25$

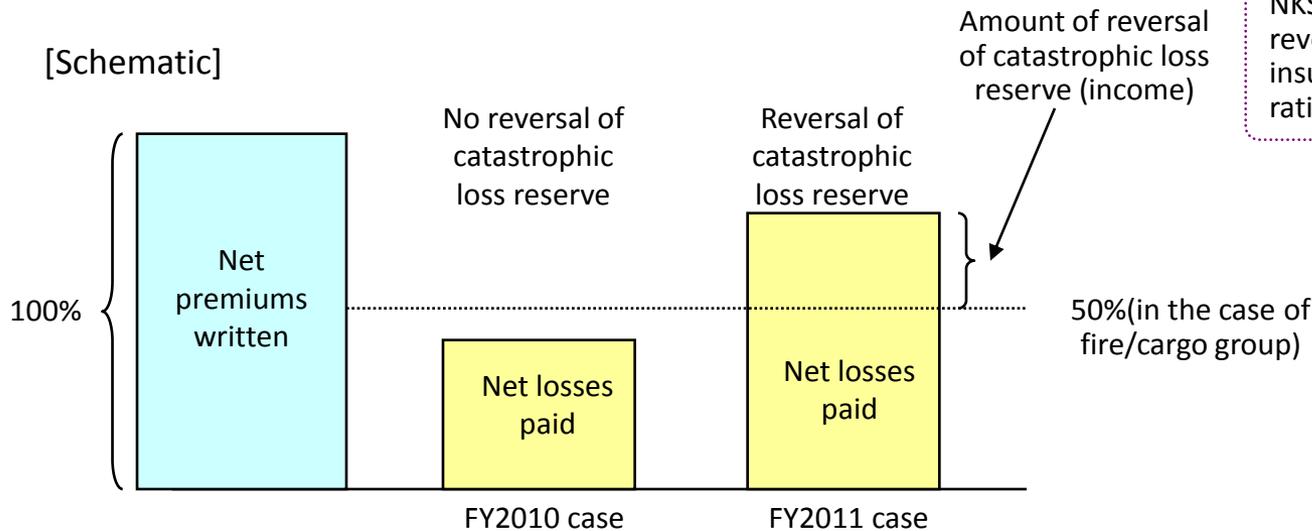
Private insurers (primary insurers / JER)
 $115 + 378 + 231.45 = 724.45$

Japanese government
 $378 + 4,397.55 = 4,775.55$

What is the catastrophic loss reserve?

- The catastrophic loss reserve is provided for losses for which the law of large numbers does not apply, such as typhoons and major disasters.
- A certain percentage of net premiums written are set aside as a reserve and accounted as an expense every fiscal year.
- The catastrophic loss reserve can be reversed and recorded as income in the event that the loss ratio (ratio of insurance claims paid to net insurance premiums) exceeds a certain level.
- The catastrophic loss reserve is a mechanism for smoothing out such impacts on period earnings and ensuring that insurance companies have adequate capacity to pay insurance claims.

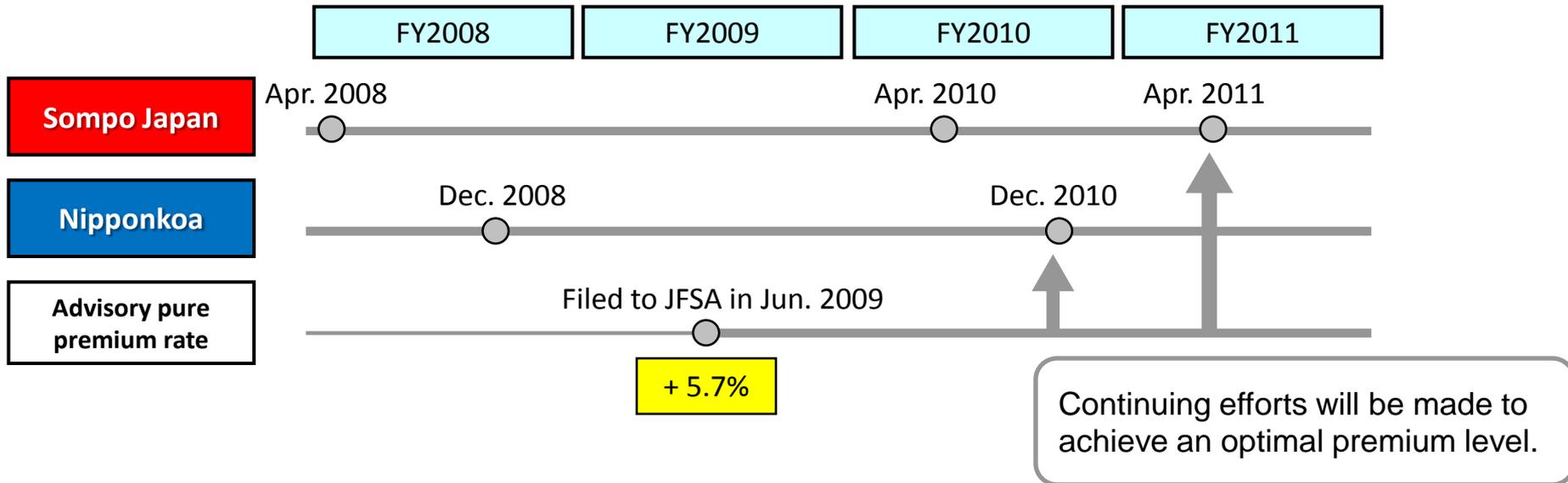
[Schematic]



NKSJ reverses the portion exceeding the reversal threshold determined for each insurance line (group), when the net loss ratio exceeds the threshold.

- The reversal calculation is based on net losses paid. The provision of loss reserves is not reflected in the calculation of the loss ratio.

- Rate hikes phased in since FY2008.
- Sompo Japan revised rate in April 2011, and Nipponkoa is also considering another revision.
- Continuing efforts will be made to achieve an optimal premium level.



Net Expense Ratio (Two Major P&C Insurers, Non-consolidated basis)

Sompo Japan: Net expense ratio slightly increased mainly due to an increase of commissions. Total company expenses were reduced.

Nipponkoa: Net expense ratio decreased despite an increase of commissions.

Billions of yen

Underwriting expenses

	Sompo Japan			
	Amount		Net expense ratio	
		Change		Change
Net commissions and brokerage fees	56.4	+0.9	17.2%	+0.5pt
Operating and administrative expenses on underwriting	52.0	-1.3	15.9%	-0.2pt
Total	108.5	-0.4	33.1%	+0.2pt

	Nipponkoa			
	Amount		Net expense ratio	
		Change		Change
Net commissions and brokerage fees	27.9	+0.7	17.4%	+0.4pt
Operating and administrative expenses on underwriting	27.9	-1.1	17.4%	-0.8pt
Total	55.8	-0.4	34.7%	-0.4pt

Billions of yen

Company expenses

	Sompo Japan			
	Amount		% of net premiums	
		Change		Change
Personnel expenses	40.8	-1.7	12.5%	-0.4pt
Non-personnel expenses	32.1	-0.3	9.8%	-0.0pt
Taxes, etc.	5.1	-0.1	1.6%	-0.0pt
Total	78.1	-2.2	23.8%	-0.4pt

	Nipponkoa			
	Amount		% of net premiums	
		Change		Change
Personnel expenses	21.9	-0.0	13.6%	-0.1pt
Non-personnel expenses	15.3	-0.1	9.5%	-0.1pt
Taxes, etc.	1.7	-0.2	1.1%	-0.2pt
Total	39.0	-0.4	24.3%	-0.4pt

Investment Profits

(Two Major P&C Insurers, Non-consolidated basis)

- Total investment profit dropped mainly because gains on derivatives for the same period of last fiscal year did not appear this year.
- Net deduction of strategic-holding stocks was ¥0.6 billion and ¥0.5 billion for Sampo Japan and Nipponkoa, respectively. Sale of stocks is currently executed to meet the fiscal reduction plan (¥90 billion for Sampo Japan and ¥40 billion for Nipponkoa).

	Sampo Japan			Nipponkoa			Billions of yen
	1Q FY2010	1Q FY2011	Change	1Q FY2010	1Q FY2011	Change	Sum of two companies Change
Interest and dividend income	23.9	23.8	-0.1	13.4	14.8	+1.4	+1.2
Assumed interest for policyholders, etc	-9.9	-9.6	+0.2	-5.2	-4.8	+0.3	+0.5
Net interest and dividend income	14.0	14.1	+0.0	8.1	9.9	+1.7	+1.8
Realized gains on securities	0.7	3.1	+2.4	1.5	0.0	-1.4	+0.9
Realized gains on domestic stocks	0.1	1.4	+1.3	1.6	0.2	-1.4	-0.0
Impairment losses on securities	-4.1	-1.4	+2.7	-0.4	-2.0	-1.5	+1.1
Impairment losses on domestic stocks	-1.2	-1.4	-0.1	-0.1	-1.6	-1.4	-1.6
Gains/losses on derivatives	8.8	-0.0	-8.9	0.7	0.5	-0.2	-9.1
Other	-3.9	-2.6	+1.3	-1.0	-1.3	-0.2	+1.0
Total investment profit	15.6	13.2	-2.3	8.9	7.2	-1.7	-4.1

Investment Asset Portfolio

(Two Major P&C Insurers, Non-consolidated basis)

(Billions of yen)		Sompo Japan			Nipponkoa		
		FY2010	1Q FY2011	Change	FY2010	1Q FY2011	Change
Savings-type account	Yen-denominated bonds, loans, etc.	1,171.8 (27.8%)	1,159.7 (27.8%)	-12.1 (+0.0pt)	692.8 (31.5%)	678.1 (31.3%)	-14.7 (-0.2pt)
General account	Yen-denominated bonds	576.2 (13.6%)	522.3 (12.5%)	-53.8 (-1.1pt)	221.1 (10.0%)	215.4 (9.9%)	-5.7 (-0.1pt)
	Foreign currency denominated bonds	197.5 (4.7%)	242.8 (5.8%)	+45.3 (+1.1pt)	226.8 (10.3%)	227.0 (10.5%)	+0.1 (+0.2pt)
	(of which, FX hedged bonds)	137.2 (3.2%)	197.6 (4.7%)	+60.4 (+1.5pt)	157.3 (7.1%)	163.4(7.5%)	+6.1 (+0.4pt)
	Alternatives, foreign stocks, etc.	372.3 (8.8%)	362.1 (8.7%)	-10.2 (-0.1pt)	84.7 (3.8%)	81.5 (3.8%)	-3.1 (-0.0pt)
	Loans	228.1 (5.4%)	227.9 (5.5%)	-0.1(+0.1pt)	64.6 (2.9%)	67.0 (3.1%)	+2.4(+0.2pt)
	Domestic stocks	1,050.6 (24.9%)	1,038.0 (24.9%)	-12.5 (-0.0pt)	567.7 (25.8%)	559.7 (25.8%)	-8.0 (+0.0pt)
	Subsidiary stocks	283.5 (6.7%)	298.5 (7.2%)	+15.0(+0.5pt)	48.7 (2.2%)	48.6 (2.2%)	-0.0 (+0.0pt)
	Others	341.4 (8.1%)	321.4 (7.7%)	-20.0 (-0.4pt)	295.2 (13.4%)	290.4 (13.4%)	-4.8 (+0.0pt)
	Subtotal	3,049.8 (72.2%)	3,013.4 (72.2%)	-36.4 (-0.0pt)	1,509.1 (68.5%)	1,489.9 (68.7%)	-19.2 (+0.2pt)
Total asset portfolio		4,221.7(100%)	4,173.2(100%)	-48.5	2,202.0(100%)	2,168.1(100%)	-33.9

Unrealized gains on securities available for sale (before tax)	455.3	447.1	-8.1	208.8	205.5	-3.3
(of which, domestic stocks)	463.5	451.6	-11.9	207.4	201.3	-6.1

Sensitivity	Conditions	Sompo Japan	Nipponkoa
Interest yield	Asset value change by 50bp increase in interest yield	- 47.6 billion yen	- 30.9 billion yen
	Net asset value change by 50bp increase in interest yield	+ 28.8 billion yen	+ 6.3 billion yen
Foreign currency	Value change in foreign currency denominated assets by 10% depreciation of US dollars and Euros against Japanese yen	(US\$) - 43.6 billion yen (Euro) - 8.4 billion yen	(US\$) - 4.2 billion yen (Euro) - 1.3billion yen
Stock price	Change in domestic stock value by 10% decrease in TOPIX	- 113.2billion yen	- 51.3 billion yen

- Annualized premium from new business increased to a great extent mainly by strong sales of medical, cancer, income compensation, and whole life insurance. Amount of business in force is also growing steadily.
- Ordinary profit and net income were negative due to an increased provision of underwriting reserves by booming revenues, as well as preparatory expenses for the coming merger.
- Preparation for the merger of the two companies (October 1, 2011) is progressing without delay.

Billions of yen

	Sampo Japan Himawari Life			Nipponkoa Life		
	1Q FY2010	1Q FY2011	Change	1Q FY2010	1Q FY2011	Change
Amount of new business*1	527.3	516.2	-2.1%	154.4	185.0	+19.8%
Annualized premium from new business*1	5.4	5.9	+8.6%	2.2	2.6	+13.9%
of which, third sector premiums*2	2.6	3.0	+17.1%	0.5	0.4	-7.6%
Income from insurance premiums	55.9	57.6	+3.2%	22.8	26.9	+18.3%
Ordinary profit	0.3	-0.1	-	0.4	-0.1	-
Net income	-0.3	-0.8	-	0.0	-0.4	-
	FY2010	1Q FY2011	Change	FY2010	1Q FY2011	Change
Amount of business in force*1	11,653.0	11,908.4	+2.2%	4,548.2	4,622.0	+1.6%
Annualized premium from business in force*1	200.8	201.6	+0.4%	74.9	76.0	+1.4%
of which, third sector premiums*2	79.0	80.6	+2.0%	14.7	14.9	+1.4%

*1 Sum of personal insurance and personal pension is shown in figures of "amount of business" and "annualized premium".

*2 Third sector products includes medical insurance, cancer insurance, etc.

- Revenue and net income of overseas insurance business boosted, mainly in emerging markets.
- Newly acquired SJ Sigorta (Turkey) fully contributed on a consolidated basis.

Billions of yen

Companies	Net premiums written* ¹			Net income* ²		
	1Q FY2010	1Q FY2011	Change	1Q FY2010	1Q FY2011	Change
Sompo Japan						
SJ America	1.1	1.5	+0.3	0.4	0.2	-0.1
SJ Europe	0.8	0.8	-0.0	0.1	0.0	-0.1
SJ Sigorta (Turkey)		3.0	+3.0		0.4	+0.4
SJ Singapore	0.6	0.6	+0.0	0.1	0.1	-0.0
Tenet (Singapore)		0.9	+0.9		0.0	+0.0
SJ China	0.6	0.9	+0.3	-0.0	0.1	+0.1
SJ Hongkong	0.2	0.4	+0.1	-0.0	0.1	+0.1
Yasuda Seguros (Brazil)	3.1	4.1	+0.9	-0.1	0.0	+0.2
Others (Malaysia, etc) * ³	8.0	11.0	+3.0	-0.1	0.4	+0.6
Subtotal	14.8	23.6	+8.8 (+59.9%)	0.4	1.8	1.3 (+280.6%)

Nipponkoa						
NK Europe	0.1	0.2	+0.0	0.0	0.1	+0.0
NK Asia	0.1	0.1	+0.0	0.0	0.0	+0.0
NK China	0.0	0.1	+0.0	-0.0	-0.0	+0.0
Others* ³	-0.0	-0.0	+0.0	-0.0	-0.0	-0.0
Subtotal	0.3	0.5	+0.1 (+35.0%)	0.0	0.0	+0.0 (+4.2%)

Total	15.2	24.2	+9.0(+59.2%)	0.5	1.8	+1.3 (+252.7%)
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*¹ Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

*² Net income reflects holding shares of each subsidiaries and affiliates, and figures are before consolidation adjustments.

*³ Affiliates accounted for under the equity method are included in "others".

No major change in net assets.

Billions of yen

Net assets of two major P&C Insurers (non-consolidated basis)

	Sompo Japan			Nipponkoa		
	FY2010	1Q FY2011	Change	FY2010	1Q FY2011	Change
Net assets	696.0	694.1	-1.8	365.5	374.9	+9.4
(of which, unrealized gains on securities available for sale after tax)	295.8	290.5	-5.2	131.9	133.7	+1.7

Reference: Adjusted consolidated net assets (provisional)

	NKSJ Consolidated				
	As of the end of FY2010		As of the end of 1Q FY2011		Change
	Amount (billions of yen)	Amount per share (yen)	Amount (billions of yen)	Amount per share (yen)	Amount (billions of yen)
(a) Consolidated net assets*¹	1,074.3	647.00	1,056.7	636.50	-17.5
(of which, unrealized gains on securities available for sale)	268.9	161.99	268.6	161.83	-0.2
(b) Consolidated net assets (excl. life insurance subsidiaries' net assets)	994.8	599.17	977.0	588.53	-17.8
(c) Catastrophe loss reserve (net of tax) *²	422.2	254.29	423.3	254.98	+1.0
(d) Reserve for price fluctuation (net of tax) *²	16.5	9.97	16.6	10.02	+0.0
(e) Life insurance subsidiaries' EV *³	447.0	269.22	447.0	269.26	-
(f) Total (Adjusted consolidated net assets) (b+c+d+e)	1,880.7	1,132.66	1,864.0	1,122.80	-16.6

*1 Stock acquisition rights and non-controlling interests are deducted.

*2 "Net of tax" figure is the amount of each reserve minus tax effect. Tax rate used is non-consolidated effective basis for each of Sompo Japan and Nipponkoa.

*3 Life insurance subsidiaries' EV is as of the end of March 2011 because it is disclosed once a year.

Forecast for FY2011 (NKSJ Consolidated)

- Unchanged from the forecast as at the beginning of the FY.
- Ordinary profit and net income will recover with no additional losses accrued from the Great East Japan Earthquake.

Billions of yen				
	FY2010(A)	FY2011(E)	Change	%Change
Ordinary income	2,621.6	2,774.0	+152.3	+5.8%
P&C net premiums written	1,933.2	1,992.0	+58.7	+3.0%
Life insurance premiums	238.1	241.0	+2.8	+1.2%
Ordinary profit	-6.4	42.0	+48.4	-
Sompo Japan (consolidated)	19.8	47.0	+27.1	+136.4%
Nipponkoa (consolidated)	-0.6	20.0	+20.6	-
NKSJ Himawari Life		(2 nd half only) 3.0	-	-
Consolidated adjustments* ¹	-25.6	-28.0	-2.3	-
Net income	-12.9	16.0	+28.9	-
Sompo Japan (consolidated)	9.9	28.0	+18.0	+181.6%
Nipponkoa (consolidated)	-7.1	9.5	+16.6	-
NKSJ Himawari Life		(2 nd half only) -3.0	-	-
Consolidated adjustments* ¹	-15.7	-18.5	-2.7	-
Net income per share	20 yen	80 yen* ²		

*¹ "Purchase method" accounting was adopted in establishing NKSJ Holdings. "Consolidated adjustments" shown in the table above mainly results from using purchase method. 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's consolidated statements are different. As a result, in calculating NKSJ consolidated profit, adjustments are necessary in Nipponkoa's realized gains on securities, etc.

*² Expected dividend per share reflects planned reverse split of shares (4 into 1) as of October 1, 2011.

Forecast for FY2010 (Full Fiscal Year) (Two Major P&C Insurers, Non-consolidated basis)

Billions of yen

Unchanged from the forecast as at the beginning of the FY.

	Sompo Japan		
	FY2010(A)	FY2011(E)	Change
Net premiums written	1,256.6	1,281.0	+24.3(+1.9%)
(excl. CALI)	1,090.1	1,105.9	+15.7(+1.4%)
Net Loss ratio	72.5%	76.8%	+4.3pt
(excl. financial guarantee * / CALI)	64.3%	73.1%	+8.8pt
Net Expense ratio	33.7%	33.0%	-0.7pt
(excl. CALI)	34.8%	34.4%	-0.4pt
Combined ratio	106.2%	109.8%	+3.6pt
(excl. financial guarantee* / CALI)	99.0%	107.5%	+8.4pt
Underwriting profit	-9.7	12.0	+21.7
Investment profit	40.4	50.5	+10.0
Ordinary profit	20.5	49.0	+28.4
Net income	12.1	27.0	+14.8

	Nipponkoa		
	FY2010(A)	FY2011(E)	Change
Net premiums written	620.6	622.0	+13(+0.2%)
(excl. CALI)	546.1	543.2	-2.9(-0.5%)
Net Loss ratio	69.6%	79.3%	+9.7pt
(excl. financial guarantee * / CALI)	65.0%	76.9%	+11.9pt
Net Expense ratio	35.8%	35.6%	-0.2pt
(excl. CALI)	37.2%	37.4%	+0.2pt
Combined ratio	105.3%	115.0%	+9.7pt
(excl. financial guarantee* / CALI)	102.2%	114.3%	+12.1pt
Underwriting profit	-24.9	-5.0	+19.9
Investment profit	28.4	31.4	+3.0
Ordinary profit	-0.3	21.0	+21.3
Net income	-6.4	11.0	+17.4

<Reference> Adjusted profit

Net income	12.1	27.0	+14.8
+) Provision for catastrophic loss reserve (net of tax)	16.6	-5.8	-22.4
+) Provision for price fluctuation reserve (net of tax)	3.7	3.7	-0.0
-) Realized gains/losses and impairment losses on securities (net of tax)	4.4	15.0	+10.6
-) Extraordinary items	-	-	-
Adjusted profit	28.0	9.8	-18.1

Net income	-6.4	11.0	+17.4
+) Provision for catastrophic loss reserve (net of tax)	3.4	-6.1	-9.5
+) Provision for price fluctuation reserve (net of tax)	1.8	1.9	+0.0
-) Realized gains/losses and impairment losses on securities (net of tax)	5.7	6.5	+0.8
-) Extraordinary items	-	-	-
Adjusted profit	-6.7	0.2	+6.9

* "Excl. financial guarantee" is applicable only for Sompo Japan.

Forecast for FY2011 (Full Fiscal Year)
(Two Major P&C Insurers, Non-consolidated basis)

Unchanged from the forecast as at the beginning of the FY

Assumptions for forecast

Billions of yen

	Sompo Japan	Nipponkoa
Losses from natural disasters	25.0 No additional losses from the Great East Japan Earthquake are expected.	13.0 No additional losses from the Great East Japan Earthquake are expected.
Catastrophic loss reserve	Net reversal: 9.1 (of which, reversal as a result of loss payment of the earthquake is 36.9)	Net reversal: 9.5 (of which, reversal as a result of loss payment of the earthquake is 16.9)
Market indicators	No significant changes from the end of March 2011 are expected. <Stock> Nikkei225: 9,755.10 <Interest yield> 10y JGB: 1.26% <Foreign exchange> 1US\$ = 83 yen / 1 Euro = 117 yen	
Interest and dividend income	Gross: 71.8 Net: 37.4	Gross: 40.4 Net: 22.0
Realized gains on securities	23.5	10.3
Reserve for price fluctuation	Net provision: 5.8	Net provision: 3.0
Losses from financial guarantee insurance	3.0	

Forecast for FY2011 (Full Fiscal Year)
(Two Major P&C Insurers, Non-consolidated basis)

Unchanged from the forecast as at the beginning of the FY

Net premiums written

Billions of yen

	Sompo Japan			
	FY2010(A)	FY2011(E)	Change	%Change
Fire & allied lines	141.2	145.1	+3.8	+2.7%
Marine	25.3	24.1	-1.2	-4.9%
Personal accident	127.1	131.9	+4.7	+3.7%
Voluntary automobile	639.9	648.6	+8.6	+1.3%
CALI (Compulsory automobile liability)	166.5	175.1	+8.5	+5.1%
Other	156.3	156.2	-0.1	-0.1%
of which, liability	99.4	98.6	-0.7	-0.7%
All lines	1,256.6	1,281.0	+24.3	+1.9%
All lines excl. CALI	1,090.1	1,105.9	+15.7	+1.4%

	Nipponkoa			
	FY2010(A)	FY2011(E)	Change	%Change
	89.5	86.4	-3.1	-3.5%
	14.0	14.2	+0.1	+1.4%
	49.6	48.9	-0.7	-1.5%
	314.8	314.4	-0.4	-0.2%
	74.4	78.8	+4.3	+5.8%
	78.0	79.3	+1.2	+1.6%
	39.9	41.1	+1.1	+3.0%
All lines	620.6	622.0	+1.3	+0.2%
All lines excl. CALI	546.1	543.2	-2.9	-0.5%

Forecast for FY2011 (Full Fiscal Year)
(Two Major P&C Insurers, Non-consolidated basis)

Unchanged from the forecast as at the beginning of the FY

Net claims paid / Net loss ratio

Billions of yen

	Sompo Japan					
	Net claims paid			Loss ratio		
	FY2010 (A)	FY2011 (E)	Change	FY2010 (A)	FY2011 (E)	Change
Fire & allied lines	56.0	168.4	+112.3	41.6%	118.4%	+76.8pt
Marine	13.7	13.7	-0.0	58.1%	60.6%	+2.5pt
Personal accident	68.8	69.2	+0.3	59.4%	57.8%	-1.5pt
Voluntary automobile	398.1	399.7	+1.5	72.0%	71.1%	-0.9pt
CALI	155.1	155.8	+0.6	100.8%	96.2%	-4.6pt
Other	126.0	84.2	-41.8	85.5%	58.8%	-26.7pt
of which, liability	51.6	49.7	-1.9	56.5%	54.8%	-1.6pt
All lines	817.9	891.0	+73.0	72.5%	76.8%	+4.3pt
All lines excl. CALI	662.8	735.2	+72.3	68.2%	73.7%	+5.6pt
All lines excl. CALI / financial guarantee	620.2	727.5	+107.2	64.3%	73.1%	+8.8pt

	Nipponkoa					
	Net claims paid			Loss ratio		
	FY2010 (A)	FY2011 (E)	Change	FY2010 (A)	FY2011 (E)	Change
	39.2	97.7	+58.5	47.5%	117.2%	+69.7pt
	5.7	6.9	+1.1	42.4%	50.3%	+7.9pt
	29.7	28.7	-0.9	65.0%	64.1%	-0.9pt
	210.1	201.7	-8.4	72.9%	72.8%	-0.1pt
	71.4	70.3	-1.0	103.2%	96.2%	-7.0pt
	41.2	45.2	+3.9	57.4%	61.7%	+4.3pt
	19.9	20.5	+0.5	53.5%	54.0%	+0.5pt
	397.4	450.8	+53.3	69.6%	79.3%	+9.7pt
	326.0	380.4	+54.3	65.0%	76.9%	+11.9pt

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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