

NKSJ
HOLDINGS

ANNUAL REPORT
2013

NKSJ Holdings, Inc.

NKSJ Holdings, Inc. is the joint holding company formed between Sompo Japan Insurance Inc. (Sompo Japan) and NIPPONKOA Insurance Company, Limited (Nipponkoa) in April 2010.

Underpinned by our Group Management Philosophy, all executives and employees of the NKSJ Group shall take actions consistent with the Group Action Guidelines to provide customers with the highest quality of service. We will enhance our corporate value, aiming to establish our position among customers as the most highly evaluated service company.



Masaya Futamiya
Representative Director,
Chairman and
Executive Officer

Kengo Sakurada
Representative Director,
President and
Executive Officer

Group Management Philosophy

The NKSJ Group will contribute to society by extending the highest quality of service across a wide range of business activities building on its core business of insurance to provide security and peace of mind to its customers, always carefully considering the customer's perspective in our business actions.

Group Action Guidelines

To provide the highest quality of customer service, we commit ourselves to:

1. listening closely to our customers, aware that each employee represents the entire NKSJ Group;
2. always setting ambitious goals thinking for ourselves and continuously learning;
3. emphasizing speed, simplicity, and clarity; and,
4. acting with integrity and high ethical standards.

Group Vision

As part of our effort to build a globally competitive organization, we aim to establish our position among customers as the most highly evaluated service company.

Group Slogan

First

"First" expresses our determination to take the first step ahead of others, while emphasizing speed and the willingness to embrace challenges. At the same time, we will remain mindful of the fact that every employee represents the entire NKSJ Group.

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Forward-looking Statements:

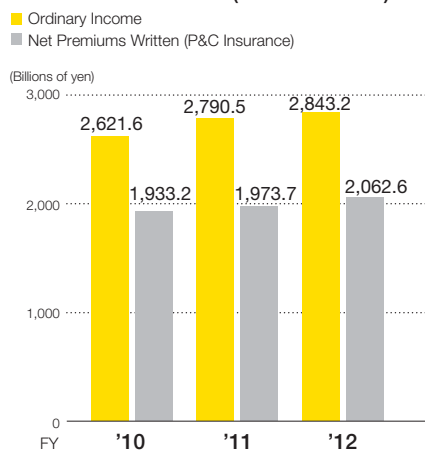
This annual report contains certain forward-looking statements relating to future plans and targets, and related operating investments. We caution that there can be no assurance that such targets and plans can or will actually be achieved.

NKSJ Holdings

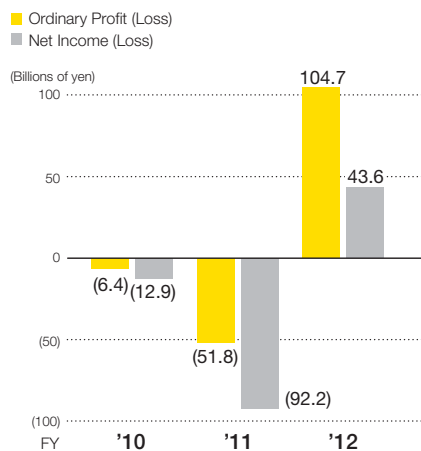
	Millions of yen			Millions of U.S. dollars
	FY2012	FY2011	FY2010	FY2012
Ordinary Income	2,843,226	2,790,555	2,621,689	30,180
Net Premiums Written (P&C Insurance)	2,062,606	1,973,777	1,933,283	21,894
Life Insurance Premiums	264,732	250,193	238,178	2,810
Ordinary Profit (Loss)	104,783	(51,815)	(6,437)	1,112
Net Income (Loss)	43,618	(92,262)	(12,918)	463
Comprehensive Income	319,047	(48,098)	(143,120)	3,387
Net Income (Loss) per Share (yen, dollars)	105.10	(222.30)	(31.11)	1.12
Diluted Net Income per Share (yen, dollars)	104.87	—	—	1.11
Total Net Assets	1,283,488	1,000,577	1,079,446	13,624
Total Assets	9,178,198	8,893,378	8,981,974	97,423
Equity Ratio	13.9%	11.2%	12.0%	13.9%
Consolidated Solvency Margin Ratio	688.3%	549.8%	—	688.3%
Number of Shares (Excluding treasury stock)	414,726,157 shares	414,825,205 shares	415,106,429 shares	414,726,157 shares
Adjusted Consolidated Profit (billions of yen)	111.6	1.2	80.7	1,184
Adjusted Consolidated ROE	5.4%	0.1%	4.2%	5.4%

- Notes: 1. NKSJ Holdings, Inc. carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. Number of shares, and Net income per share are calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2011.
2. Diluted net income per share (yen) for FY2011 and FY2010 is not shown due to net loss per share.
3. Consolidated solvency margin ratio as the standard of consolidated financial soundness is calculated in accordance with the Ordinance for Enforcement of the Insurance Business Act revised on March 31, 2011 and such.
4. See page 30 about the calculation method for Adjusted consolidated profit and Adjusted consolidated ROE.
5. U.S. dollar amounts are translated from yen at the rate of ¥94.21=U.S.\$1.00, the approximate rate prevailing at March 31, 2013.

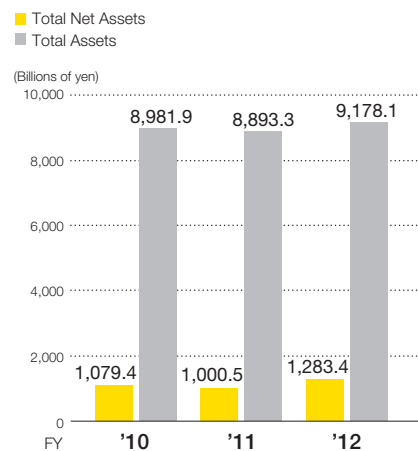
Ordinary Income/ Net Premiums Written (P&C Insurance)



Ordinary Profit (Loss)/Net Income (Loss)



Total Net Assets/Total Assets



Business Domains and Major Group Companies

The NKSJ Group deploys various businesses: Domestic P&C Insurance as our core business, Domestic Life Insurance, Overseas Insurance and other businesses.



● Domestic P&C Insurance

This is the NKSJ Group's core business, through which we provide high-quality products and services that ensure our customers' peace of mind and safety. Sompo Japan and Nipponkoa market through insurance agencies, while Sonpo 24 sells policies directly to customers marketed by agencies, and Saison Automobile & Fire sells directly to customers.

Sompo Japan and Nipponkoa will legally merge on September 1, 2014 to form a new company Sompo Japan Nipponkoa Insurance Inc.* Going forward, we will strive to maximize our profitability by leveraging the strengthened operating base of the new company. Simultaneously, we will accelerate efforts to develop the full potential of the new company by combining the strengths accumulated at both companies.

* Subject to approval by the relevant authorities

● Overseas Insurance

We position overseas insurance as a key business to bolster the Group's growth strategy. We concentrate our management resources on countries and regions that are strategically selected, thereby striving to increase the Group's earnings power. While continuing with the provision of high-quality insurance services for Japanese companies expanding overseas operations, which has constituted the core of this business segment, we are expanding into local markets abroad.

Sompo Japan and Nipponkoa have already begun integrating their overseas business network prior to the legal merger scheduled for September 2014 by combining bases of operations in regions across the world.

● Domestic Life Insurance

We position domestic life insurance as a major business pillar second only to the domestic P&C insurance business. Boasting particularly high-growth potential, we are striving to spur its growth even further.

NKSJ Himawari Life markets its services mainly through P&C insurance agencies and promotes cross-sales of life insurance products targeted to P&C insurance policyholders, while Sompo Japan DIY Life engages mainly in direct marketing. Through these two Group members, we are providing attractive products and services that meet diverse customer needs.

● Other Businesses

We are striving to expand our field of business beyond the traditional boundary of the insurance business. To this end, we are assisting customers with asset formation through the asset management and defined contribution pension businesses, providing policyholders with road assistance and other services through the assistance business, supporting customers with risk management through the risk consulting business, and helping them maintain and promote physical and mental health through the healthcare business.

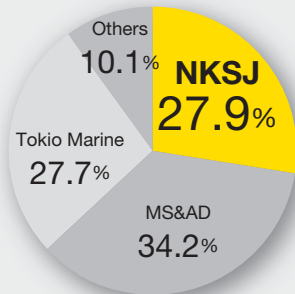
Characteristics of Each Business Domain

Domestic P&C Insurance

High Market Presence

- Realizing Group synergies and strengthening domestic competitiveness
- Enhancing earning capacity by increasing premium income and improving efficiency of operations
- Promoting standardization and streamlining of operations prior to the merger of the two P&C insurance companies

Net Premiums Written in FY2011



Domestic P&C Market: ¥6,941.9 billion
Source: Statistics of Japanese Non-Life Insurance, 2011, Hoken Kenkyujo

Domestic Life Insurance

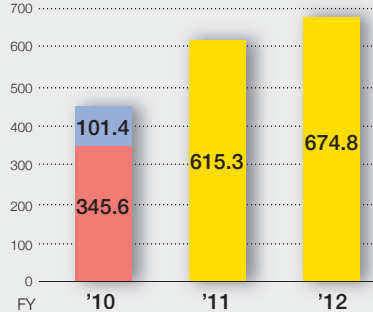
Steady Growth

- Growth in embedded value (EV) in step with the progress of shift to protection-type products
- Broadening the range of cross-selling activities targeting P&C insurance customers by leveraging the Group's strengths in P&C distribution channels

EV

■ Ex Sampo Japan Himawari Life (MCEV)
■ Ex Nipponkoa Life (TEV)
■ NKSJ Himawari Life (MCEV)

(Billions of yen)



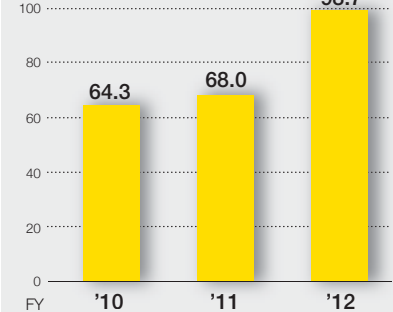
Overseas Insurance

Growth Driver

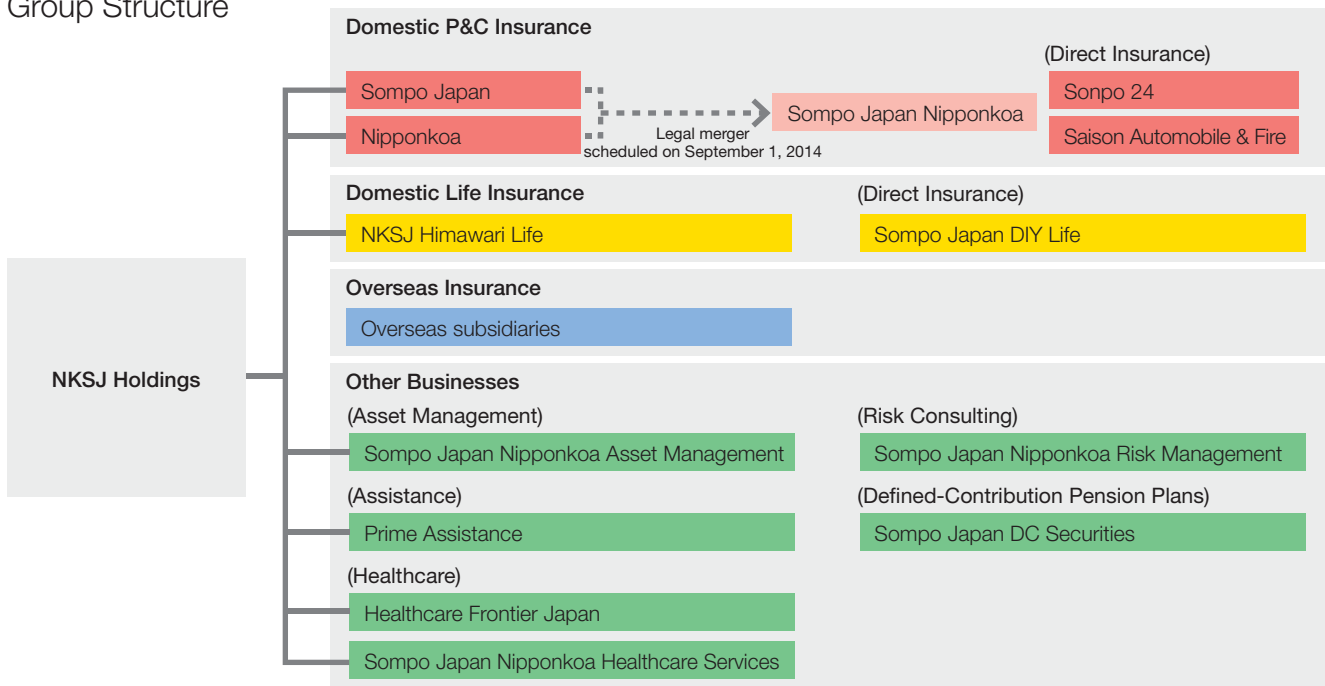
- Achieving sustained growth as the Group's growth driver and enhancing shareholder value
- Executing selective and disciplined investment by establishing targeted markets among countries the Group has already entered.
- Operating in 213 cities in 29 countries through Sampo Japan and Nipponkoa subsidiaries etc.

Net Premiums Written

(Billions of yen)



Group Structure



Non-Consolidated Indicators for Sompo Japan

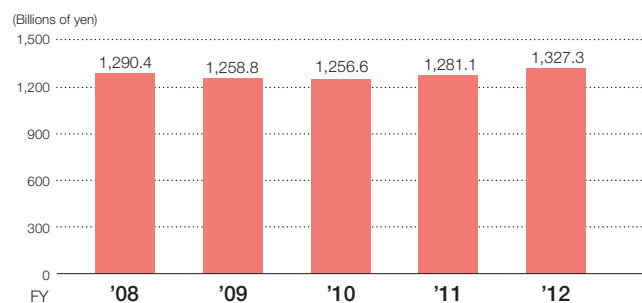
	Millions of yen					Millions of U.S. dollars
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2012
Net Premiums Written	1,290,464	1,258,896	1,256,639	1,281,155	1,327,361	14,089
Net Losses Paid	832,768	855,048	817,961	939,541	843,762	8,956
Net Loss Ratio	70.3%	73.9%	72.5%	80.6%	70.6%	70.6%
Underwriting Expenses	445,389	428,728	423,365	423,376	434,824	4,615
Net Expense Ratio	34.5%	34.1%	33.7%	33.0%	32.8%	32.8%
Underwriting Result	(62,665)	(99,801)	(77,706)	(174,293)	(44,600)	(473)
Underwriting Profit (Loss)	(92,274)	(2,585)	(9,716)	(24,994)	(25,704)	(273)
Combined Ratio	104.9%	107.9%	106.2%	113.6%	103.4%	103.4%
Investment Assets	4,221,207	4,458,771	4,221,756	3,947,664	4,203,360	44,617
Assets in Saving-Type Account	1,247,295	1,177,782	1,069,884	1,004,327	908,196	9,640
Interest and Dividend Income	102,511	91,009	86,463	78,375	79,498	844
Income Yield	2.49%	2.28%	2.21%	2.13%	2.28%	2.28%
Investment Profit (Realized Basis)	(11,764)	105,749	79,858	67,874	136,161	1,445
Realized Yield	(0.29)%	2.68%	2.07%	1.86%	3.93%	3.93%
Investment Profit (Mark-to-Market Basis)	(578,808)	385,039	(60,367)	65,188	313,759	3,330
MTM Yield	(11.66)%	9.03%	(1.36)%	1.59%	8.01%	8.01%
Ordinary Profit (Loss)	(153,884)	50,318	20,541	3,964	65,058	691
Net Income (Loss)	(73,943)	42,774	12,124	(37,518)	29,137	309
Return on Equity (ROE)	(8.8)%	6.0%	1.6%	(5.9)%	4.5%	4.5%
Non-Consolidated Solvency Margin Ratio	624.7%	800.0%	748.6%	502.5%	645.6%	645.6%
Total Net Assets	615,721	820,181	696,037	578,607	704,843	7,482
Catastrophic Loss Reserve	377,788	394,687	420,671	383,247	377,941	4,012

Notes: 1. ROE is calculated as net income/total net assets (average of totals at the start and end of the fiscal year).

2. In the non-consolidated solvency margin ratios presented above, the figures for FY2010 and before and the figures for FY2011 and later are calculated on a different basis, reflecting the law revision concerning the standards for the calculation of solvency margin ratio that was enforced at the end of FY2011.

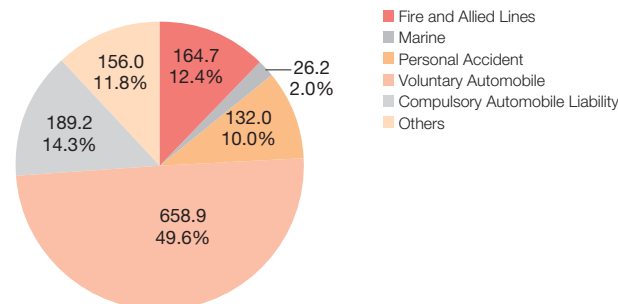
3. U.S. dollar amounts are translated from yen at the rate of ¥94.21=U.S.\$1.00, the approximate rate prevailing at March 31, 2013.

Net Premiums Written

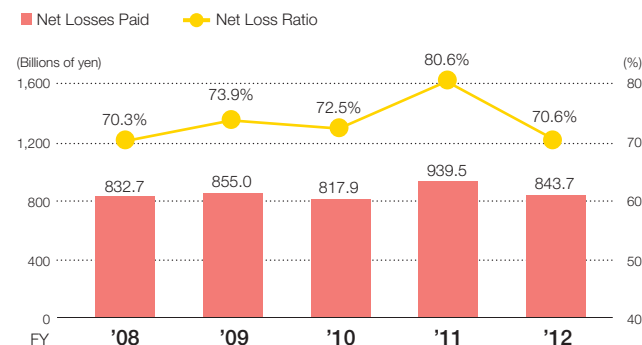


Breakdown of Net Premiums Written (FY2012)

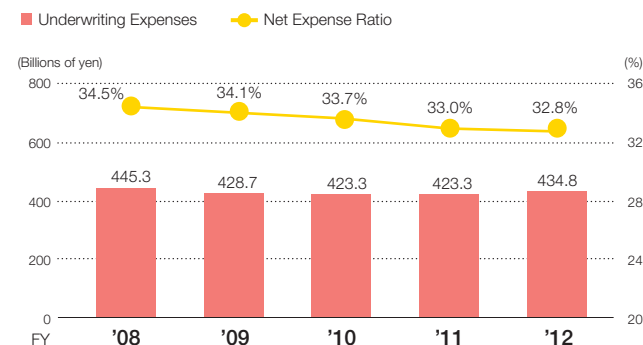
(Billions of yen, %)



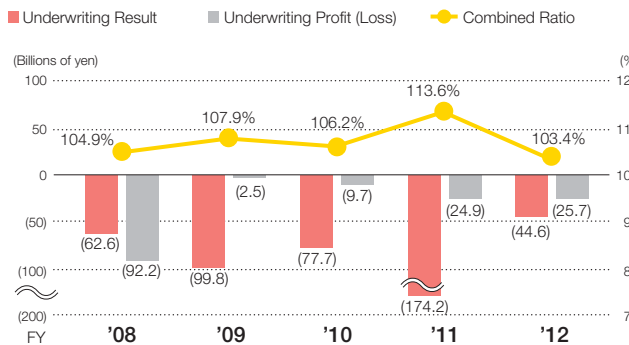
Net Losses Paid/Net Loss Ratio



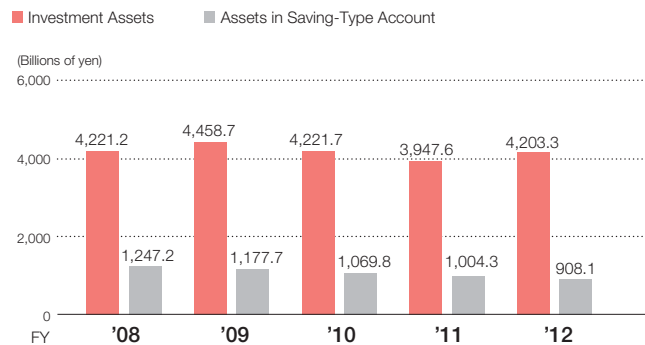
Underwriting Expenses/Net Expense Ratio



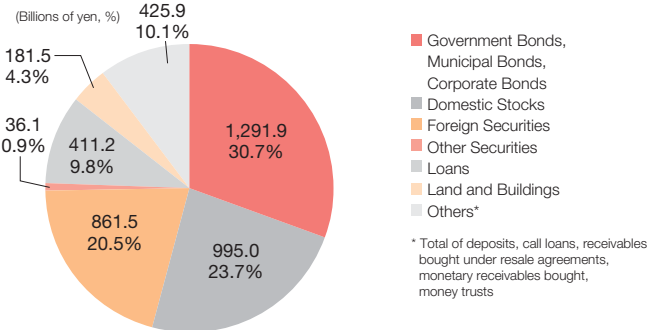
Underwriting Result/Underwriting Profit (Loss)/Combined Ratio



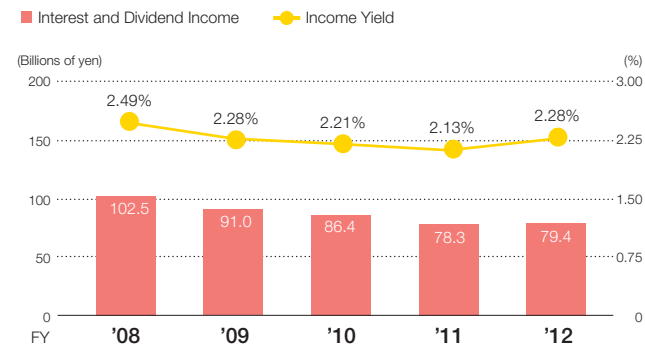
Investment Assets/Assets in Saving-Type Account



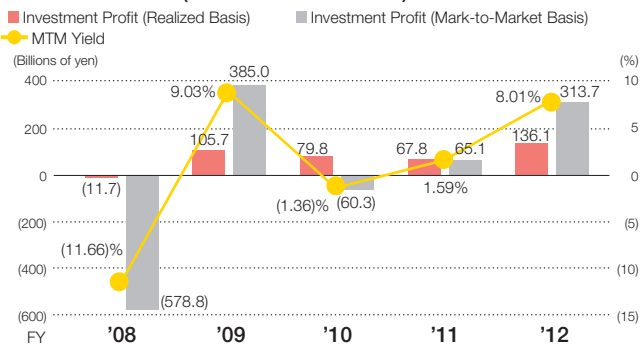
Breakdown of Investment Assets (FY2012)



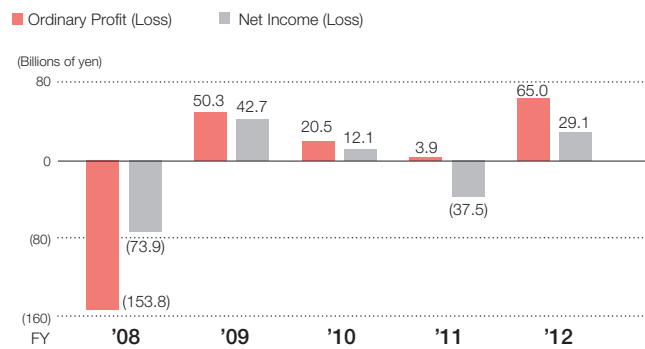
Interest and Dividend Income/Income Yield



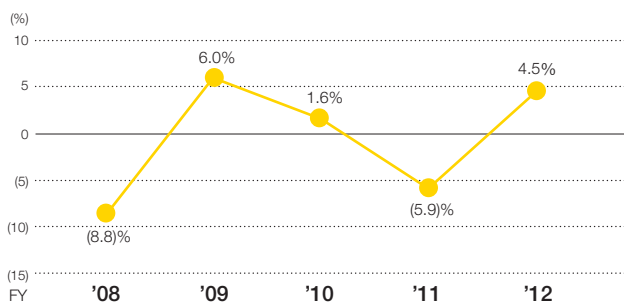
Investment Profit (Realized Basis)/Investment Profit (Mark-to-Market Basis)/MTM Yield



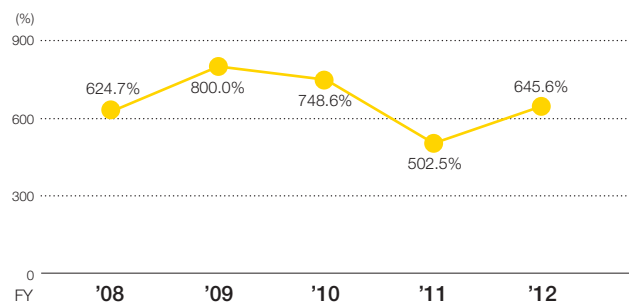
Ordinary Profit (Loss)/Net Income (Loss)



Return on Equity (ROE)



Non-Consolidated Solvency Margin Ratio



Note)
In FY2011, the calculation of the solvency margin ratio was revised.

Non-Consolidated Indicators for Nipponkoa

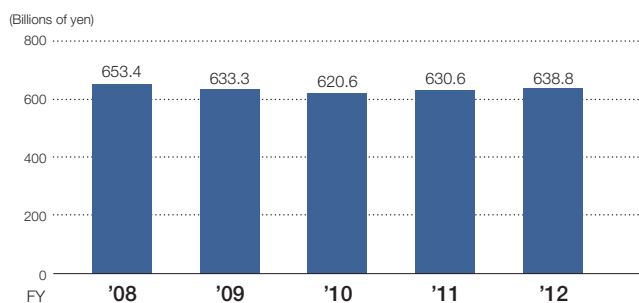
	Millions of yen					Millions of U.S. dollars
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2012
Net Premiums Written	653,400	633,336	620,615	630,605	638,863	6,781
Net Losses Paid	400,790	403,857	397,444	493,011	436,647	4,635
Net Loss Ratio	66.7%	69.4%	69.6%	84.7%	74.8%	74.8%
Underwriting Expenses	229,096	226,792	221,935	220,691	222,618	2,363
Net Expense Ratio	35.1%	35.8%	35.8%	35.0%	34.8%	34.8%
Underwriting Result	(11,799)	(33,126)	(33,134)	(124,222)	(61,738)	(655)
Underwriting Profit (Loss)	5,445	2,293	(24,991)	(41,118)	8,786	93
Combined Ratio	101.8%	105.2%	105.3%	119.7%	109.7%	109.7%
Investment Assets	2,412,896	2,367,667	2,202,069	2,086,194	2,119,815	22,501
Assets in Saving-Type Account	898,704	813,343	744,194	692,183	629,121	6,678
Interest and Dividend Income	51,124	44,999	42,722	41,211	39,183	416
Income Yield	2.19%	2.06%	2.08%	2.12%	2.15%	2.15%
Investment Profit (Realized Basis)	19,850	53,358	49,100	49,701	75,079	797
Realized Yield	0.85%	2.47%	2.40%	2.59%	4.15%	4.15%
Investment Profit (Mark-to-Market Basis)	(271,343)	173,995	(17,688)	68,662	198,428	2,106
MTM Yield	(9.76)%	7.55%	(0.76)%	3.23%	9.78%	9.78%
Ordinary Profit (Loss)	(2,851)	29,384	(319)	(7,737)	64,580	685
Net Income (Loss)	10,111	13,123	(6,437)	(22,584)	33,332	354
Return on Equity (ROE)	2.3%	3.4%	(1.6)%	(6.5)%	8.7%	8.7%
Non-Consolidated Solvency Margin Ratio	711.9%	742.5%	642.9%	470.8%	534.0%	534.0%
Total Net Assets	347,329	433,642	365,539	329,580	440,100	4,671
Catastrophic Loss Reserve	229,598	234,593	240,067	202,953	172,172	1,828

Notes: 1. ROE is calculated as net income/total net assets (average of totals at the start and end of the fiscal year).

2. In the non-consolidated solvency margin ratios presented above, the figures for FY2010 and before and the figures for FY2011 and later are calculated on a different basis, reflecting the law revision concerning the standards for the calculation of solvency margin ratio that was enforced at the end of FY2011.

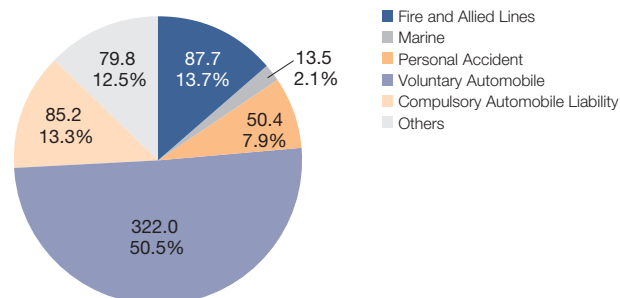
3. U.S. dollar amounts are translated from yen at the rate of ¥94.21=U.S.\$1.00, the approximate rate prevailing at March 31, 2013.

Net Premiums Written

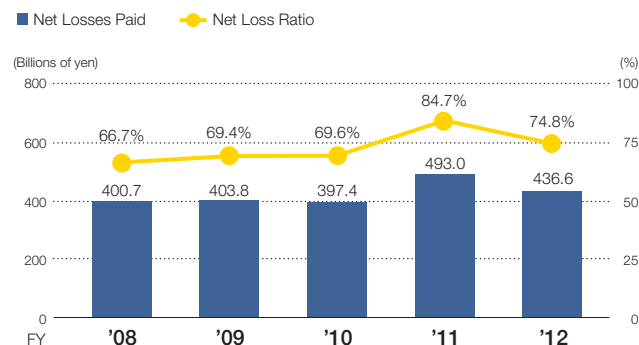


Breakdown of Net Premiums Written (FY2012)

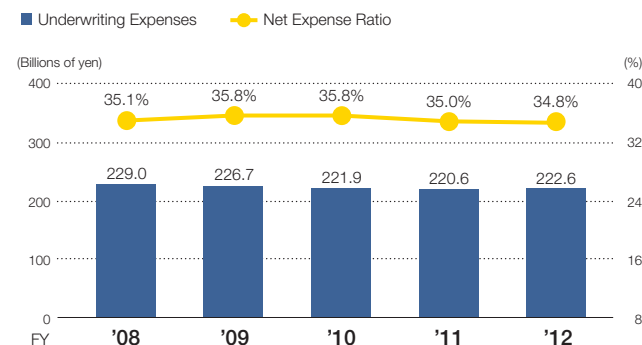
(Billions of yen, %)



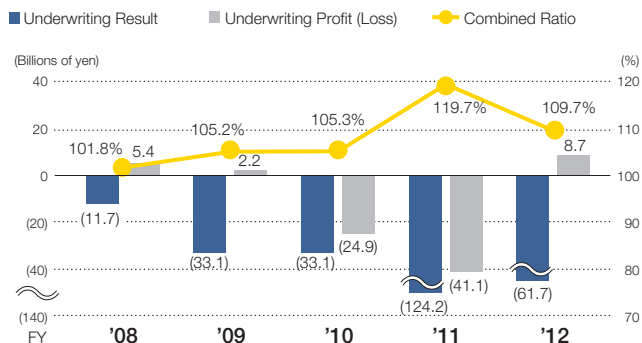
Net Losses Paid/Net Loss Ratio



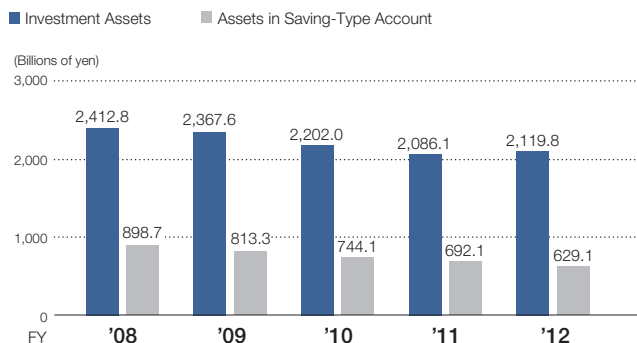
Underwriting Expenses/Net Expense Ratio



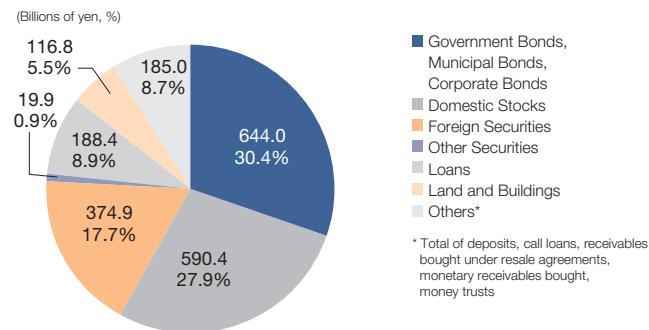
Underwriting Result/Underwriting Profit (Loss)/Combined Ratio



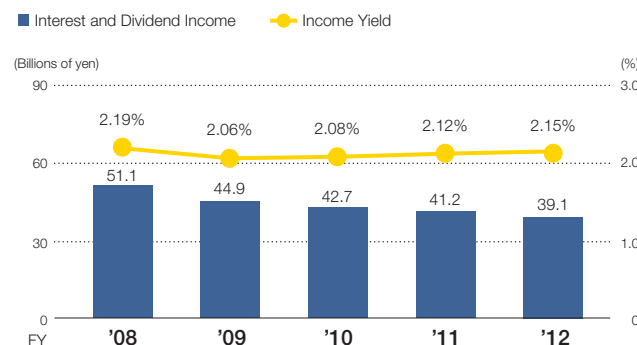
Investment Assets/Assets in Saving-Type Account



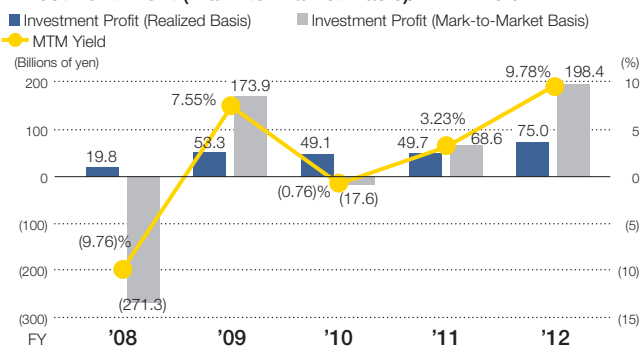
Breakdown of Investment Assets (FY2012)



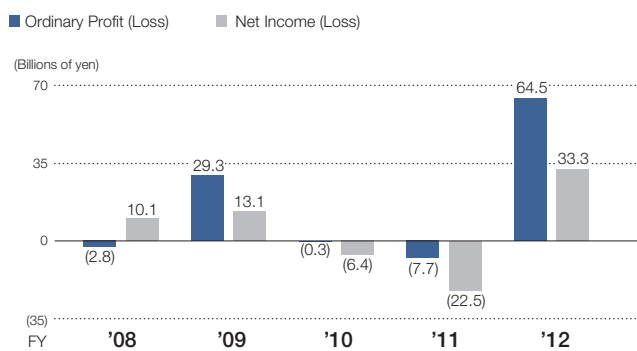
Interest and Dividend Income/Income Yield



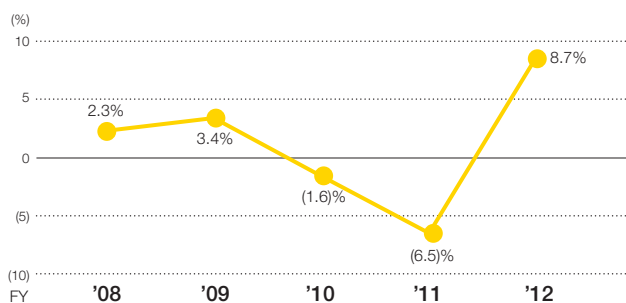
Investment Profit (Realized Basis)/Investment Profit (Mark-to-Market Basis)/MTM Yield



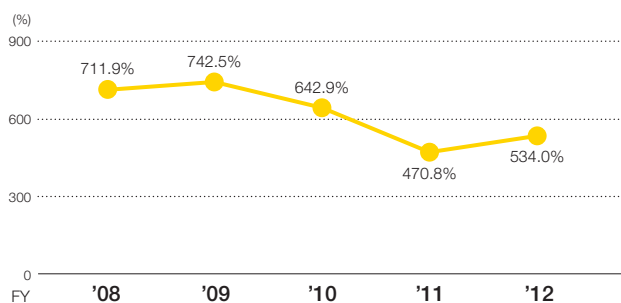
Ordinary Profit (Loss)/Net Income (Loss)



Return on Equity (ROE)



Non-Consolidated Solvency Margin Ratio

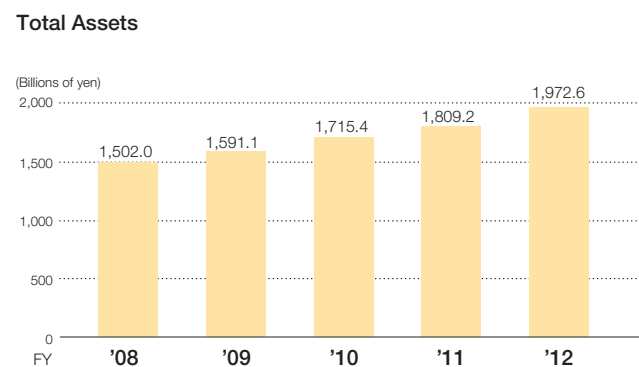
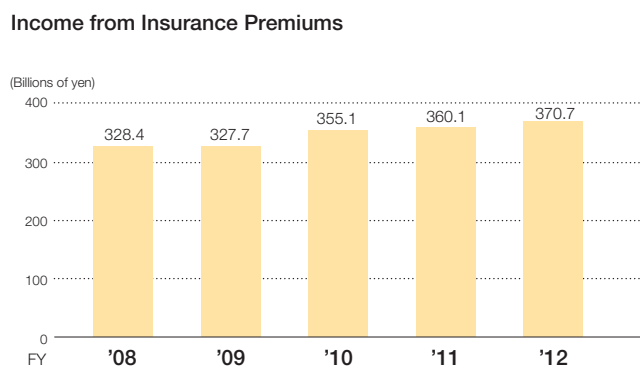
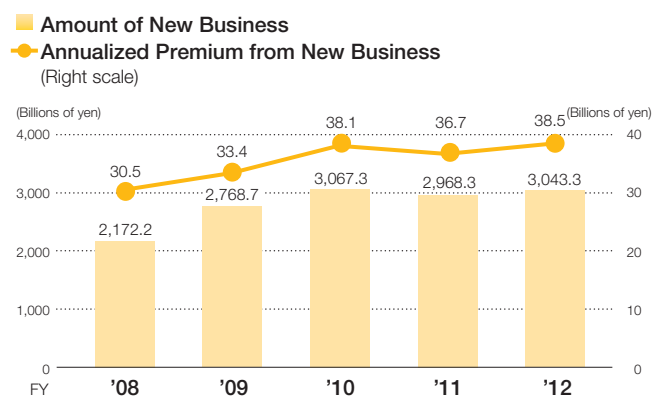
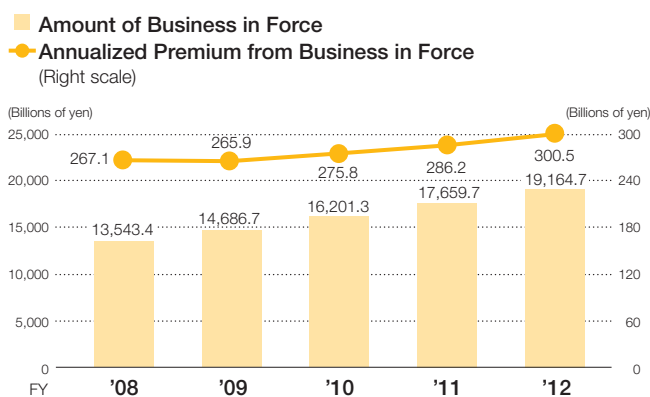


Note)
In FY2011, the calculation of the solvency margin ratio was revised.

Non-Consolidated Indicators for NKSJ Himawari Life

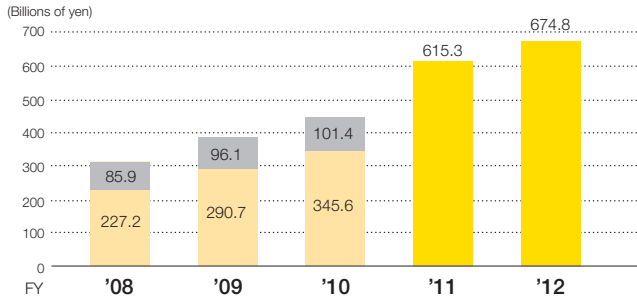
	Millions of yen					Millions of U.S. dollars
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2012
Amount of Business in Force	13,543,489	14,686,763	16,201,321	17,659,712	19,164,751	203,426
Annualized Premium from Business in Force	267,142	265,907	275,815	286,252	300,504	3,190
Amount of New Business	2,172,216	2,768,734	3,067,388	2,968,353	3,043,304	32,303
Annualized Premium from New Business	30,573	33,421	38,121	36,766	38,505	409
Income from Insurance Premiums	328,406	327,745	355,109	360,180	370,725	3,935
Total Assets	1,502,075	1,591,121	1,715,400	1,809,210	1,972,630	20,939
Embedded Value (billions of yen)	Sompo Japan Himawari Life	227.2	290.7	345.6		
	(MCEV)	(MCEV)	(MCEV)	615.3	674.8	7,163
	Nipponkoa Life	85.9	96.1	101.4	(MCEV)	(MCEV)
Non-Consolidated Solvency Margin Ratio	Sompo Japan Himawari Life	2,459.3%	2,437.9%	2,300.9%	1,449.5%	1,555.3%
	Nipponkoa Life	2,947.5%	2,750.4%	2,596.3%		

- Notes: 1. The figures prior to FY2011 are the sum of the figures of Sompo Japan Himawari Life and Nipponkoa Life except for the non-consolidated solvency margin ratio and the embedded value.
 2. The items regarding "Business in Force" and "New Business" represent the sum of Individual insurance and Individual annuities.
 3. Amount of new business, annualized premiums from new business and income from insurance premiums for FY2011 represent the sum of Sompo Japan Himawari Life and Nipponkoa Life from April to September 2011 and NKSJ Himawari Life from October 2011 to March 2012.
 4. In FY2012, NKSJ Himawari Life adopted the interest rates of Japanese government bonds as the benchmark for determining the risk-free interest rate used to calculate Market Consistent Embedded Value (MCEV). The risk-free interest rate for FY2011 and before was determined based on swap rates.
 5. In the non-consolidated solvency margin ratios presented above, the figures for FY2010 and before and the figures for FY2011 and later are calculated on a different basis, reflecting the law revision concerning the standards for the calculation of solvency margin ratio that was enforced at the end of FY2011.
 6. U.S. dollar amounts are translated from yen at the rate of ¥94.21=U.S.\$1.00, the approximate rate prevailing at March 31, 2013.



Embedded Value

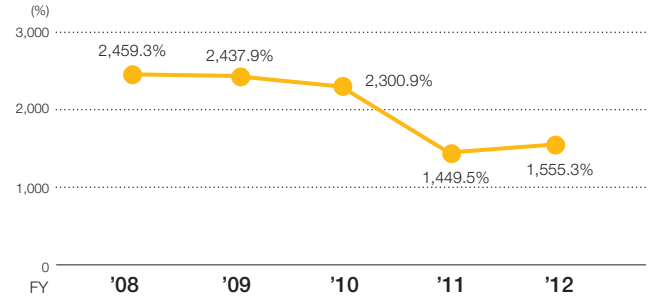
■ Sampo Japan Himawari Life ■ Nipponkoa Life ■ NKSJ Himawari Life



Note)

The embedded value of Nipponkoa Life is calculated based on Traditional Embedded Value (TEV) while the embedded values of Sampo Japan Himawari Life and NKSJ Himawari Life are calculated based on Market Consistent Embedded Value (MCEV).

Non-Consolidated Solvency Margin Ratio



Notes)

1. In FY2011, the calculation of the solvency margin ratio was revised.
2. Figures from FY2008 to FY2010 were those of Sampo Japan Himawari Life, the pre-merger company.



To Become the Most Highly Evaluated Service Company

A handwritten signature in white ink on a dark grey background, reading "Kengo Sakurada".

Kengo Sakurada
President

NKSJ Holdings, Inc.

I would like to express my gratitude for all of your continued support.

In November 2012, we formulated the new NKSJ Group Management Plan, and are now working to achieve the plan's management targets.

In the mainstay domestic property and casualty (P&C) insurance business, preparations are steadily under way to effect the planned merger in September 2014 of Sompo Japan and Nipponkoa.

We have already taken a range of measures in the run-up to the official merger date. Effective April 2013, officers and

employees of Sampo Japan and Nipponkoa have begun serving concurrent roles; the head offices of the two companies have become one (joint Head Office structure); and sales and claim offices have been co-located to start integrating operations ahead of the merger. Employees of both companies are united in their resolve to realize business synergies as soon as possible. Sampo Japan Nipponkoa Insurance Inc., the new company to be formed by the merger, will be Japan's largest P&C insurance company in terms of premiums written on a stand-alone basis and will become the main driver behind the Group's growth.

In the domestic life insurance business, we are working to expand our business scale through product and sales strategies focused on driving sustained embedded value (EV) growth. In the overseas insurance business, we are striving to generate earnings after clarifying our strategies for personal lines and commercial lines. In financial and other services, we are giving priority to growth investments in service businesses that have a high degree of affinity with our insurance businesses.

The NKSJ Group aims to improve its corporate value by establishing our position among customers as the most highly evaluated service company, always carefully considering the customer's perspective in our business actions.

We are firmly convinced that the actions of each and every one of our employees will be of utmost importance to contributing to society. To this end, we will extend the highest quality of service in order to provide security and peace of mind to our customers. This conviction is encapsulated in our Group slogan "First". With this in mind, the Group's employees will work as one to live up to the expectations of all stakeholders.

I ask for your continued support as we undertake this challenge.

September 2013



Question:

Three years have passed since NKSJ Holdings was formed in 2010. How is management integration progressing?

Answer:

Sompo Japan and Nipponkoa will merge in September 2014, forming the largest domestic Property & Casualty (P&C) insurance company based on premiums. The new company will be known as Sompo Japan Nipponkoa Insurance Inc.

Since the creation of NKSJ Holdings, we have promoted the merger and integration of group companies, including NKSJ Himawari Life, to improve our corporate value and strengthen our operating base for sustainable growth. In our mainstay domestic P&C insurance business, we will merge Sompo Japan and Nipponkoa into Sompo Japan Nipponkoa Insurance Inc. in September 2014, forming the largest domestic P&C insurance company based on premiums.

Although the legal merger of these two P&C companies is scheduled in 2014, we have started integrated management of these companies ahead of schedule with the aim of accelerating the pace of decision-making. By doing so, we seek to capture synergies equivalent to the legal merger. We began by combining the headquarters functions of Sompo Japan and Nipponkoa in April 2013, aiming to improve their efficiency. We will also take similar steps to establish integrated sales and claim

offices by October 2013. In addition, we are working to minimize the risk of problems emerging from IT system integration by establishing a structure that regularly monitors the progress of such integration to promptly identify and address any issues.

Question:

Could you explain the progress of the management plan?

Answer:

In November 2012, we revised the NKSJ Group Management Plan, taking into consideration changes in the operating environment, including the merger of Sampo Japan and Nipponkoa, as well as recent economic trends. Profitability is steadily being improved.

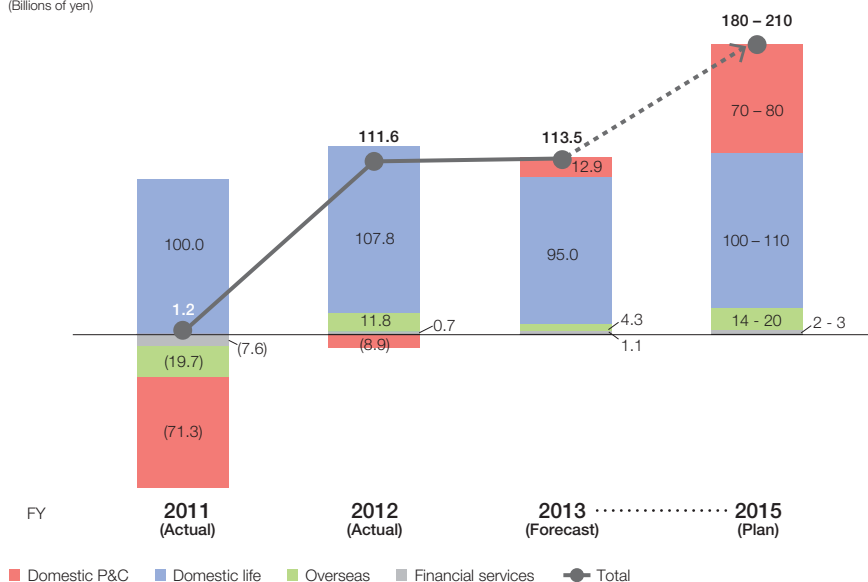
We aim to achieve adjusted consolidated profit in the range of ¥180 billion to ¥210 billion and adjusted consolidated ROE of 7% or more as targets set for fiscal 2015.

In our mainstay domestic P&C insurance business, we aim to achieve a combined ratio of 95% through such initiatives as cost reduction leveraging the synergies of the merger and the implementation of premium rates strategies in the automobile insurance business. As of May 2013, profitability is being improved even earlier than forecasted when we revised the plan. However, we aren't about to be satisfied. Rather, we will redouble our managerial efforts, pursuing further cost reduction through integration and by constantly working to optimize our products and insurance rates.

Fiscal 2015 is just only one milestone, and we will achieve further growth in the subsequent fiscal years.

Change in Adjusted Consolidated Profit

(Billions of yen)



Question:

In fiscal 2012, natural disasters including typhoons struck Japan in the first half and the stock market rose in the second half. What impact did these factors have on the Group's performance?

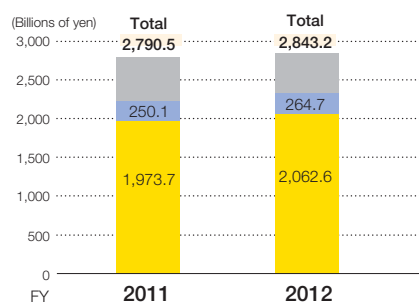
Answer:

Thanks to an increase in premiums and improvements in the asset management environment on the back of the recovering stock market, both ordinary profit and net income moved into the black, achieving strong turnarounds.

Ordinary income grew steadily reflecting such factors as a 4.5% increase in net premiums written and a 5.8% increase in life insurance premiums written, along with the accumulation of asset management profits backed by favorable trends in the stock market. In fact, these factors more than offset the impact of domestic natural disasters, raising ordinary income to ¥104.7 billion and net income to ¥43.6 billion.

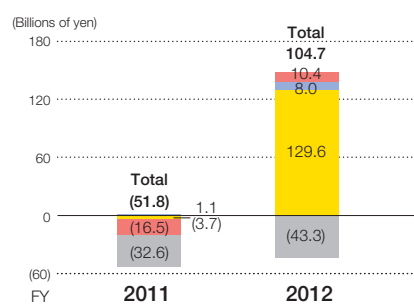
In addition, adjusted consolidated profit, the Group's strategic management indicator, significantly increased from ¥1.2 billion to ¥111.6 billion. In particular, the domestic P&C insurance business experienced rapid recovery, narrowing its loss from ¥71.3 billion to ¥8.9 billion. The profitability of the automobile insurance business also improved, suggesting better prospects ahead. Moreover, in the domestic life insurance business, adjusted embedded value increased by ¥107.8 billion reflecting favorable sales of protection-type products that are highly profitable. The overseas insurance business ran in the black, along with financial services.

Ordinary Income (NKSJ consolidated)



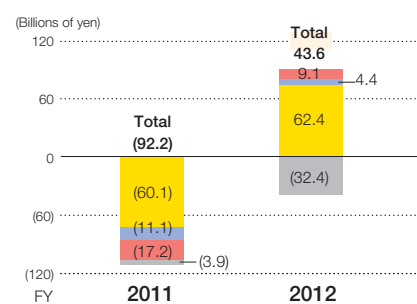
■ P&C net premiums written
■ Life insurance premiums
■ Others

Ordinary Profit (NKSJ consolidated)



■ Somo Japan + Nipponkoa
■ NKSJ Himawari Life
■ Overseas subsidiaries
■ Consolidated adjustments/others

Net Income (NKSJ consolidated)



■ Somo Japan + Nipponkoa
■ NKSJ Himawari Life
■ Overseas subsidiaries
■ Consolidated adjustments/others

Question:

Looking ahead, what is NKSJ's forecast for performance in fiscal 2013?

Answer:

We anticipate the domestic P&C insurance business will soon make a turnaround, and expect earnings from the domestic life insurance business will continuously remain at high levels. Taking these into consideration, we expect a slight increase in adjusted consolidated profit.

Adjusted consolidated profit will slightly increase to ¥113.5 billion. In the domestic P&C insurance business, adjusted profit will reach ¥12.9 billion, due to sales growth in the automobile insurance business reflecting such factors as the effects of upward rate revision in April 2013. As for the domestic life insurance business, we expect adjusted profit of ¥95.0 billion, anticipating a significant contribution to earnings.

Question:

Could you tell us about the future business strategies for the domestic life insurance and overseas insurance businesses?

Answer:

While seeking to further accelerate the growth of the domestic life insurance, we will expand business overseas through mergers and acquisitions.

We will strategically devote the management resources of the NKSJ Group to the domestic life insurance business, a business pillar second only to the domestic P&C insurance business, while thoroughly promoting cross-sales of life insurance alongside P&C insurance. In this way, we will achieve sustainable growth.

As for our products strategies, our focus is fixed on highly-profitable protection-type products, such as medical insurance and income compensation insurance. We plan to devote more resources into promoting these products.

Regarding the overseas insurance business, we recognize this is also one of the Group's growth drivers. Through constant cultivation, the overseas insurance business will become a strong earnings pillar to rival the domestic P&C and life insurance businesses. We are executing selective and disciplined investment targeting strategic markets in countries where the Group has already embarked. Although the NKSJ Group ranks around tenth in key overseas markets, namely Brazil, Turkey and Malaysia, we intend to execute additional investment to secure greater significance in these regions and establish a structure to secure stable profit.

Question:

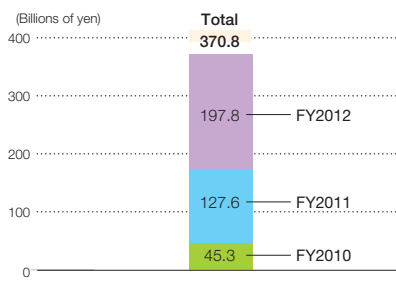
Could you explain your capital management policy?

Answer:

Striking the balance between three factors “maintaining financial soundness”, “improving capital efficiency” and “increasing shareholder returns”, we will strive to improve our corporate value.

In fiscal 2012, the Group increased its capital level significantly thanks to such factors as an increase in unrealized gains on stocks held reflecting rising stock prices and increased EV in the domestic life insurance business. We manage risk and capital on a consolidated basis, with a target credit rating of AA. As of March 31, 2013, the Group's ratio of capital to risk level is 146% when measured with the Value at Risk method adopting a 99.95% confidence level.

In terms of the risk category, we are exposed to larger asset-management risk, especially through concentration in domestic equities. To properly address this risk, we had set the target of achieving a reduction of ¥300.0 billion in strategic-holding stocks by the end of fiscal 2012 in the previous management plan. We actually succeeded in reducing strategic-holding stocks by more than ¥370 billion, exceeding our initial target. Under the revised management plan that covers four years from fiscal 2012 to 2015, we will continue to reduce our strategic-holding stocks, taking due consideration to the trend in stock prices. Although the outcome might be affected by stock price fluctuations, we hope to reduce these stocks in fiscal 2013 by an amount equivalent to the reduction we achieved in fiscal 2012, which totaled ¥197.8 billion.

Net Reduction of Strategic-Holding Stocks

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

Question:

Could you describe initiatives underway in corporate social responsibility?

Answer:

We established “Five Material Issues of the NKSJ Group”, reviewing the material CSR issues identified by Sampo Japan and Nipponkoa, respectively.



In August 2012, we announced the “Five Material Issues of the NKSJ Group”, namely:

1. Providing Safety and Security for Society
2. Tackling Global Environmental Issues; Focusing on Climate Change
3. Providing Sustainable and Responsible Financial Services
4. Community Involvement and Development; Partnership with NGOs, and
5. Developing Human Resources and Promoting Diversity.

The NKSJ Group’s CSR initiatives are highly regarded globally. NKSJ Holdings was again included as a stock in the Dow Jones Sustainability World Index. Also, NKSJ Holdings is included or a candidate for inclusion in the FTSE4Good Index and other socially responsible investment funds as of April 1, 2013.

Question:

Is there anything else you’d like to share with your shareholders?

Answer:

Our efforts to improve profitability in the automobile insurance business are bearing fruits. Without relaxing our efforts, we will pursue further profit improvement in the domestic P&C insurance business, leveraging synergies brought about by the merger of Sampo Japan and Nipponkoa. Simultaneously, we will aggressively devote our management resources to such growth fields as the domestic life insurance and overseas insurance businesses to solidify our operating base for sustainable growth. We look forward to your continuing support and value the encouragement you bring to the NKSJ Group.

Overseas

Integrating the Overseas Business Networks of Somo Japan and Nipponkoa

With the official merger of Somo Japan and Nipponkoa approaching in September 2014, these companies are already planning and implementing the integration of their overseas business networks, combining bases of operations in regions across the world. Somo Japan's subsidiaries in Thailand and Hong Kong have even changed their names to "Somo Japan Nipponkoa Insurance (Thailand) Public Company Limited" and "Somo Japan Nipponkoa Insurance (Hong Kong) Company Limited". Somo Japan and Nipponkoa have begun to unify their underwriting business in these regions. In addition, two Indonesian subsidiaries owned by Somo Japan and Nipponkoa merged in June 2013, forming a new company PT. Asuransi Somo Japan Nipponkoa Indonesia.

In regions other than those stated above, Somo Japan and Nipponkoa are accelerating the integration of their operation bases with the aim of enhancing the efficiency of operations and strengthening their customer support.

Making Marítima Seguros S.A. a Subsidiary



Headquarters of Marítima Seguros

In Brazil, Somo Japan has made Marítima Seguros S.A. a subsidiary by acquiring additional shares of Marítima Seguros through its local subsidiary Yasuda Seguros, S.A. in June 2013. On the backdrop of continued economic growth, the insurance market in Brazil has experienced steady growth that is expected to continue in the future. The NKSJ Group will strive to achieve further expansion and success in this country, utilizing the brand strength and sales capability of Marítima Seguros and Yasuda Seguros in the insurance field.

Acquiring Martin & Boulart SAS (France)



In October 2012, Nipponkoa acquired all shares of Martin & Boulart SAS (M&B), a France-based insurance underwriter.* M&B specializes in marine and transport risks in France, and generates stable profit from its insurance underwriting business. With the aim of expanding business, NIPPONKOA Insurance Company

(Europe) Limited, a subsidiary of Nipponkoa, has commenced sales of insurance policies underwritten by M&B for local customers, at its branch in France.

* An entity operating in specific fields that require highly specialized expertise (e.g., marine insurance) on behalf of insurance companies to determine whether to provide insurance and on what terms, as well as to conduct damage investigations.

Partnership with Royal Insurance Corporation of Bhutan Regarding Technical Support



Signing ceremony between Nipponkoa and RICB

In August 2012, Nipponkoa entered into a partnership agreement with Royal Insurance Corporation of Bhutan Limited (RICB), the largest insurer in the Kingdom of Bhutan. Under the partnership, Nipponkoa is providing RICB technical support, and

working to contribute to the popularization of P&C insurance and the development of the insurance industry in the Kingdom of Bhutan. By doing so, Nipponkoa aims to help this country achieve economic growth while deepening friendship between Japan and Bhutan. Simultaneously, Nipponkoa will also draw on this partnership in its efforts aimed at enhancing its human resource capabilities and achieving greater significance in global markets.

Launching Operations at the Shandong Branch of Chinese Subsidiary



In November 2012, NIPPONKOA Insurance Company (China) Limited (NKC), a subsidiary of Nipponkoa, began operations at its Shandong Branch, Nipponkoa's second base of operations established in China. The branch became the first Japanese affiliated P&C insurer to operate in this area, where numerous Japanese companies are expanding into such

cities as Qingdao and Yantai. By establishing the new base, NKC will be able to provide insurance services better tailored for the needs of local customers in Shandong province.

Looking ahead, Nipponkoa will continue to develop its service network in China.

Releasing “Safety Sight” a Free Smartphone Application for Drivers in Thailand



Approaching car in front alert



Safe driving diagnosis

In June 2013, Sampo Japan and Nipponkoa commenced the provision of the Thai translated version of “Safety Sight”, a free smartphone application for automobile drivers, as a part of initiatives aimed at expanding this application worldwide. Although “Safety Sight” was previously released in Japan, Sampo Japan and Nipponkoa decided to provide it in Thailand, noting that the increasing number of car owners in

the country, as well as the rapid adoption of smartphones. The Thai translated version of the application is provided through a Group subsidiary, Sampo Japan Nipponkoa Insurance (Thailand) Public Company Limited, which is offering this convenient tool to help users avoid traffic accidents.

Looking ahead, Sampo Japan and Nipponkoa are considering the release of this application in other countries around the world.

Proactively Participating in Global Initiatives



Sato speaking at the pavilion of the Japanese Government

In May 2012, Masatoshi Sato, Chairman of Sampo Japan, assumed the Chairmanship of the Keidanren Committee on Nature Conservation (KCNC). Attending RIO+20, the United Nations Conference on Sustainable Development held in June 2012, as Chairman of KCNC, Sato introduced initiatives undertaken by KCNC at the “KIZUNA MESSAGE for Biodiversity”, an event held at the Japanese Government pavilion.

Establishing “NKSJ Global University”



In October 2012, Sampo Japan and Nipponkoa established the corporate university “NKSJ Global University” in tandem with the National University of Singapore Business School.

Sampo Japan and Nipponkoa recognize that, to achieve their goal of “Becoming Japan’s Best / No. 1 in terms of employees’ skills and appeal of agencies”, it is indispensable to nurture business leaders who possess advanced expertise on management;

wide-ranging knowledge on such matters as economy, finance and world affairs; skills to negotiate in English; and capability for prompt decision making. To this end, NKSJ Global University will provide high-quality programs that extend from group training to overseas assignment which entails commensurate responsibilities. In this way, NKSJ Global University will strive to nurture business leaders capable of winning success on the global stage.

Japan

Our Approach to the Merger of Sompō Japan and Nipponkoa

NKSJ Holdings, Sompō Japan and Nipponkoa have agreed that Sompō Japan and Nipponkoa will merge as Sompō Japan Nipponkoa Insurance Inc., on September 1, 2014. In advance of the legal merger, Sompō Japan and Nipponkoa unveiled an integrated management structure on April 1, 2013, under which their respective officers and employees will concurrently serve each other's operations.



Sompō Japan Nipponkoa

We decided the new company's corporate mark, and call it "The Global Ring". The red sphere symbolizes perfect harmony and stability, while simultaneously representing our nation of Japan.

The overlaid platinum ring is a leader guiding towards our future, representing

Sompō Japan Nipponkoa's future in connecting with people of the world to create a "new level of trust".

Dynamic combination of the sphere and ring is an expression of our vision to build a globally competitive company, as a leading brand in Japan.

Expanding Group Operations (Road Assistance and Nursing-Care Services)

Prime Assistance Inc., a Group subsidiary established in April 2012, initiated its own road assistance services in October 2012. Prime Assistance aims to enhance services for automobile insurance policyholders through the provision of assistance services, such as the prompt arrangement of towing when a policyholder is involved in an accident.

Also, in September 2012 Sompō Japan acquired shares of Cedar Co., Ltd., a company that operates nursing-care services across Japan, through an investment LPS to enter the nursing-care service business. Sompō Japan and Cedar will integrate knowhow of each company to develop and provide new services to a progressively graying society.

Releasing a New Automobile Insurance Product that Employs Telematics

Sompō Japan released "Dra-Log",* a new automobile insurance product for individual policyholders. Applying cutting-edge telematics** technology that transmits an automobile's driving data, Dra-Log provides not only feedback on driving behavior of cars covered by policies, but also tracks them when they have been stolen. This product adjusts premiums in line with the actual record of each policyholder's driving

distance. Coverage under the new Dra-Log insurance policies has been provided since July 1, 2013.

* Coined from "drive" and "log" to represent the feature of the product that employs driving data to provide unique services and to determine the optimal premium amount.

** Coined from "telecommunication" and "informatics", this refers to an information service provided through the combination of such mobile objects as automobiles and telecommunication systems.

Assisting Safe Driving with a Smartphone Application



Approaching car in front alert

In August 2012, Sompō Japan and Nipponkoa released "Safety Sight", a free smartphone application for automobile drivers. Noting the growing customer need for a convenient tool that helps avoid traffic accidents, Sompō

Japan and Nipponkoa have developed "Safety Sight", with an eye on utilizing increasingly popular smartphones, focusing especially on their portability and user-friendliness.

This application identifies the distance from the car in front and provides services such as alerting the driver using sound and voices when the distance gets too close or cars ahead start moving. Along with other functions, the application can evaluate the driver's skills and keep driving records.

Enriching Road Assistance Services

Sompō Japan released the "Road Assistance Rider", a rider for automobile insurance policyholders to provide additional coverage for such expenses as towing and immediate repairs, to assist drivers whose cars are damaged by troubles including car accidents and malfunction. Coverage under the newly released "Road Assistance Rider" has been applied from April 1, 2013. With the aim of enriching its roadside assistance services, Sompō Japan has provided coverage for vehicles ranging from motorbikes to large cars into the scope of services as it strives to enhance service quality.

Nipponkoa has also enriched the "Kuruma no Anshin road assistance service", expanding the towing distance covered under its automobile insurance policy from 50km to 100km. By doing so, Nipponkoa strives to provide even better service to policyholders who are involved in traffic accidents or experience mechanical problems, expanding convenience and improving customer satisfaction. The increased service distance has been applied from April 1, 2013 onward.

Releasing “Business Interruption Coverage for Specified Suppliers of Renewable Electricity”

On October 1, 2012, Sompo Japan released the “Business Interruption Coverage for Specified Suppliers of Renewable Electricity”. Following the July 2012 launch of the “Feed-in-Tariff Scheme under the Renewable Electric Power Act” supporting the purchase of renewable energy, companies across many industries are considering entry into the solar power generation business. Entry, however, raises concerns over the risks that might beset these activities. This has spurred demand for insurance products capable of countering such risks. Sompo Japan has developed this product with the aim of addressing the needs of those companies. When a solar power supplier who has power purchase agreements with electric utility operators fails to achieve the electricity output set forth in their business plan due to power generation system damage resulting from such causes as fire and natural disasters, this product provides coverage for loss of profit, thereby mitigating a major operational risk. By providing this product, Sompo Japan is striving to promote the expansion of renewable energy.

NKSJ Himawari’s “Medical Insurance (08)”: 1,000,000 Policies Sold



In February 2013, NKSJ Himawari Life achieved the sale of over 1,000,000 policies of “Medical Insurance (08)”, a whole-life insurance nicknamed “Kenko no Omamori” that has been sold since August 2008. This product boasts a simple, easy-to-understand basic coverage system while also offering a range of additional coverage options to meet

diverse customer needs. These options include “Dan Dan Wari”, which provides no-claim discounts that may reduce premiums by up to 50%; “Coverage for Ambulatory Treatment of Cancers” that covers expenses for outpatient hospital visits and house visits undertaken by doctors to treat cancer; and “Exemption of Premiums for Those Suffering Specified Diseases”. Backed by these and other features, “Kenko no Omamori” is garnering solid reputation from policyholders.

Up Close: Helping Female Workers Achieve Success

Appointing Female Managers

Sompo Japan and Nipponkoa have set a proactive target of appointing female managers with the aim that women will soon account for 10% or more of all managers working at Sompo Japan Nipponkoa Insurance Inc., the new company to be created through the merger scheduled in September 2014. Aiming to achieve this target by the end of fiscal 2015, Sompo Japan and

Nipponkoa are actively promoting capable female workers.

In fiscal 2012, training sessions entitled the “Business Management Course for Women” were held at Sompo Japan and Nipponkoa in order to facilitate the career development of female workers who aim to be managers or members of top management. The sessions comprised a 10-month program to train participants who were selected for their competencies to be leaders of companies or branches.

In addition, similar training sessions were held under the name of “Pre-Business Management Course for Women” and “Career Development Training”, inviting a broader range of female workers to participate.



Becoming a Signatory of Women’s Empowerment Principles (WEPs)

Fully upholding the purpose of the “Women’s Empowerment Principles”, the NKSJ Group became a signatory in June 2012. With the aim of encouraging women’s empowerment by strengthening their independence to achieve their own targets and improving decision-making capabilities, WEPs provide international standards consisting of seven steps designed for businesses and other private entities to guide their efforts in promoting and empowering female workers.

Looking ahead, the NKSJ Group will strive to create an open and vibrant workplace encouraging female workers to achieve success. Simultaneously, the NKSJ Group will help the general public better understand the importance of promoting diversity.

Corporate Governance, Internal Control and Compliance

NKSJ Holdings is continually working to improve the transparency and fairness of its corporate governance, and strengthen its relationships of trust with all stakeholders. The Board of Directors sets corporate governance policies and defines the overall vision for the governance organization and its mechanisms.

Corporate Governance

1. Overall Governance Structure

NKSJ Holdings is structured as a company with an Audit & Supervisory Board. The Board of Directors, which is responsible for principal management decisions and the supervision of operations, and the Audit & Supervisory Board Members and Audit & Supervisory Board, which are independent from the Board of Directors, both work to maintain and enhance the effectiveness of supervisory functions and checks and balances. To ensure timely decision-making and clarify chains of authority and accountability, the Company has also adopted an executive officer system.

With the aim of creating a highly transparent group-wide corporate governance structure, NKSJ Holdings has also established a Nomination and Compensation Committee to advise the Board of Directors. The committee is chaired by an independent director, and independent directors make up the majority of committee members.

2. Directors and the Board of Directors

Alongside performing its statutory duties, the Board of Directors makes decisions on important management matters and supervises the performance of operations. In principle, the Board of Directors meets monthly, with the appropriate number of members required to allow timely decision making.

Directors must improve their knowledge and accumulate experience pertaining to important matters, so that they can perform their management duties appropriately, fairly and efficiently. To provide clear management accountability within each fiscal year, the term of office of directors expires at the conclusion of the final ordinary General Meeting of Shareholders pertaining to the fiscal year that ends within one year of their appointment.

3. Audit & Supervisory Board Members and Audit & Supervisory Board

Alongside performing their statutory duties, audit & supervisory board members conduct audits concerning the legality and appropriateness of business operations, taking into account the importance of customer protection.

The Audit & Supervisory Board formulates audit policies and plans, etc., to ensure that these audits are conducted effectively. The term of office of audit & supervisory board members expires at the conclusion of the final ordinary General Meeting of Shareholders pertaining to the fiscal year that ends within four years of their appointment.

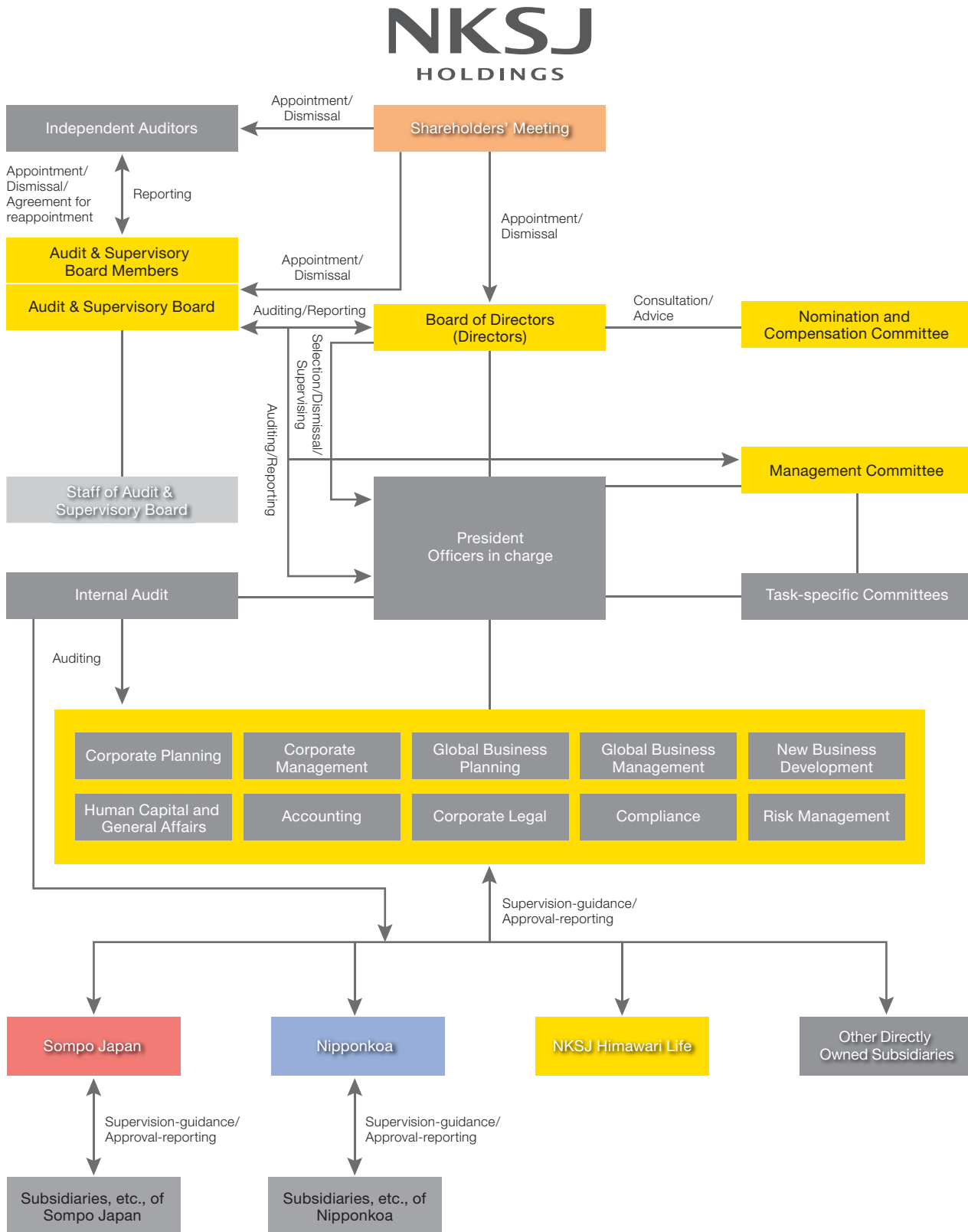
4. Nomination and Compensation Committee

To ensure transparency in the appointment and compensation of directors and executive officers, the Nomination and Compensation Committee determines policies and standards for the appointment of directors and executive officers and makes decisions on the proposal of candidates, and also advises the Board of Directors on the assessment of directors and executive officers, compensation structures and compensation.

The Nomination and Compensation Committee is also involved in determining the appointment and conditions of directors and executive officers of subsidiaries, in accordance with factors including their scope and scale of operations. The Committee should have no more than five members, who are appointed from among the directors. To ensure the independence and neutrality of the Committee, the majority of members must be independent directors. The chairperson is elected from among the independent directors who are members of the committee.

Management Structure of Holding Company

(As of July 1, 2013)



Development of Internal Control Systems

NKSJ Holdings' Board of Directors has resolved to establish the Basic Policy on the Development of Internal Control Systems for the purpose of ensuring that the NKSJ Group's business operations are appropriately performed and that corporate governance is continually reinforced and qualitatively improved.

Under this basic policy, the Company continuously seeks to monitor and verify the Group's control systems and works to improve related structures.

Compliance

The NKSJ Group aims to be a corporate group trusted by society by providing customers with the highest quality services and absolute peace of mind. Toward this end, the Group conducts appropriate corporate activities in compliance with laws, other applicable rules, societal norms and corporate ethics, based on a constant recognition of the public mission of insurance and financial service businesses and social responsibility.

1. Formulation of Basic Policies and Code of Conduct

The NKSJ Group has formulated the NKSJ Group Basic Policy on Compliance and the NKSJ Group Compliance Code of Conduct as group-level policies. In line with these, all of the Group executives and employees now recognize compliance as a basic requirement for the administration of business operations, and are working to implement effective compliance measures.

2. Promotion of Compliance through Compliance Programs

Insurance companies in the NKSJ Group work to resolve issues by formulating compliance programs for each business year. NKSJ Holdings monitors initiatives by these companies, including the progress made, and gives instructions for improvement as necessary. NKSJ Holdings also shares information about other insurance companies' initiatives within the Group to facilitate the resolution of compliance issues.

3. Compliance Committee

A Compliance Committee has been established to improve the effectiveness of compliance systems by deliberating on and checking related matters, such as the development of systems and implementation of measures by the Group companies. Members of the committee include directors and department heads from NKSJ Holdings, as well as compliance department heads from Sampo Japan, Nipponkoa and NKSJ Himawari Life. This committee works to improve the effectiveness of group-level compliance activities by sharing up-to-date information and extending effective initiatives undertaken by individual companies across the Group.

4. Responding to Serious Breaches

A system has been established requiring any Group company affected by serious compliance-related problems, including serious breaches, to report the matter to NKSJ Holdings. In such cases, the entire Group will work together to implement countermeasures based on multiple perspectives, and to maximize the effectiveness of customer-related actions and initiatives designed to prevent recurrences.

Internal and External Audits

NKSJ Holdings is audited by its audit & supervisory board members, internal audit department, and independent auditors. Group companies conduct internal audits that help each respective management to accomplish the objectives by evaluating management activities and operations, identifying issues, recommending remedial measures and requesting improvements of the audited departments, based on the NKSJ Group Basic Policy on Internal Audits.

Directors, Audit & Supervisory Board Members and Executive Officers

(As of July 1, 2013)



Standing from left: Hiroyuki Tokuoka, Kazufumi Yunome, Shoichiro Takemoto, Keiji Nishizawa, Toshiyuki Takata, Haruo Kasama, Motoyoshi Nishikawa, Shinji Tsuji, Yuichi Yamaguchi, Shigeru Ehara, Atsushi Kumanomido, Eiichi Yoshimitsu
 Seated from left: Chikami Tsubaki, George C. Olcott, Kengo Sakurada, Masaya Futamiya, Yoshiharu Kawabata, Sawako Nohara

Representative Director,
Chairman and Executive Officer

Masaya Futamiya

Representative Director,
President and Executive Officer

Kengo Sakurada

Director, Senior Managing Executive Officer

Shinji Tsuji

Director, Managing Executive Officer

Toshiyuki Takata

Directors, Executive Officers

Yuichi Yamaguchi

Keiji Nishizawa

Shigeru Ehara

Shoichiro Takemoto

Director

Atsushi Kumanomido

Executive Officer

Hiroyuki Tokuoka

Independent Directors

Yoshiharu Kawabata

George C. Olcott

Sawako Nohara

Audit & Supervisory Board Members
(Full-Time)

Kazufumi Yunome

Eiichi Yoshimitsu

Independent Audit & Supervisory
Board Members

Motoyoshi Nishikawa

Chikami Tsubaki

Haruo Kasama

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Risk Management, Capital Strategy and Asset Management

The NKSJ Group has established risk management systems to appropriately assess, evaluate and control risks while accurately responding when risks emerge through enterprise risk management (ERM) designed to maximize the Group's corporate value.

Based on these systems, the Group aims to enhance corporate value by balancing financial soundness, capital efficiency and shareholder returns. The Group's asset management is conducted with this Capital Strategy.

Risk Management Systems in the NKSJ Group

The NKSJ Group has developed the following risk management systems:

1. To manage operations with due consideration for the risks, NKSJ Holdings has established an organizational unit to comprehensively manage the various risks that exist within the Group and risks inherent to a group structure, such as intragroup risk contagion. NKSJ Holdings has also established the Risk Management Committee to deliberate on the systems and methods of risk management and to monitor the current state of risk management.
2. To maintain sufficient net capital commensurate with risk, NKSJ Holdings shall manage risks by measuring the various risks that affect Group operations with uniform yardsticks, aggregating them, and comparing the results with capital resources.
3. Group companies are required to establish risk management frameworks, including those for the assessment and evaluation of risks in line with the content, scale, and characteristics of their business activities. NKSJ Holdings has also set forth matters that require its approval and matters that must be reported to NKSJ Holdings.
4. NKSJ Holdings has established systems to ensure the continuity and early restoration of the Group's key operations during times of crisis, including major natural disasters, and ensured the stability and soundness of the Group's operational foundation in times of emergency.

Roles of NKSJ Holdings and Group Companies

In the NKSJ Group, NKSJ Holdings and Group companies are each fulfilling specific roles and developing appropriate risk management systems.

1. The role of NKSJ Holdings

NKSJ Holdings has established systems to accurately assess and manage risks that may confront the Group as a whole, including risks inherent to a group structure and unmanageable for individual Group companies such as intragroup risk contagion. The details follow.

The NKSJ Group Basic Policy on Risk Management has been established and disseminated to executives and employees within the Group to establish and develop risk management systems of the Group as a whole. NKSJ Holdings has also set forth matters that require its approval and matters that must be reported to NKSJ Holdings with the aim of ensuring the prompt reporting of matters that could have a material impact on Group management.

2. The role of Group companies

As independent legal entities, Group companies establish their own risk management systems to ensure that they operate soundly and appropriately in accordance with the principle of self responsibility. In line with NKSJ Group Basic Policy on Risk Management, Group companies manage their risks by establishing their own basic policies, suitable for the scope and scale of their operations, while disseminating such policies to their executives and employees.

NKSJ Group Basic Policy on Risk Management

In accordance with the NKSJ Group Management Policy, NKSJ Holdings has established the NKSJ Group Basic Policy on Risk Management outlined as follows. This Basic Policy governs our efforts to accurately assess the Group's risk exposure, avoid unforeseen losses, and thereby secure financial soundness through appropriate risk management. This Basic Policy also supports our development of an ERM framework designed to maximize the Group's corporate value.

1. Capital management

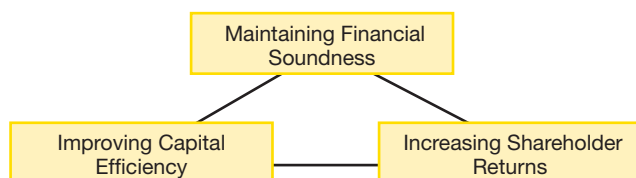
NKSJ Holdings shall establish a system to maintain financial soundness and maximize corporate value. This system centers on appropriate capital management by means of a comparison of the Group's economic risk capital, which is the aggregate of the Group's various risks measured with uniform yardsticks, and the Group's adjusted capital (meaning the difference between assets and liabilities on an economic value basis).

2. Comprehensive risk management

In addition to accurately assessing the Group's various risk exposure, NKSJ Holdings shall comprehensively manage risks by monitoring risks inherent to a group structure, such as contagion, uneven distribution, and concentration of risk. Also, Group companies shall establish systems to ensure that they operate soundly and appropriately in accordance with the principle of self responsibility.

Capital Strategy

The NKSJ Group aims to enhance corporate value by balancing three imperatives: "maintaining financial soundness", "improving capital efficiency", and "increasing shareholder returns".



1. Maintaining financial soundness

We conduct risk and capital management on a group-wide basis, with a target credit rating of AA.

We will reduce strategic-holding stocks continuously.

2. Improving capital efficiency

We are aiming to achieve adjusted consolidated ROE of 7% or more in fiscal 2015 by increasing adjusted profit.

We will allocate part of the risk buffer generated through the reduction of strategic-holding stocks to investments in growth businesses such as overseas M&As.

3. Increasing shareholder returns

We aim to return profit to shareholders primarily by paying a stable dividend supplemented by stock buybacks where warranted by capital conditions.

We set a medium-term target for a total payout ratio of 50%, such that total shareholder returns amount to 50% of adjusted profit (excluding the domestic life insurance business).

Asset Management

The NKSJ Group recognizes investment as the Group's key strategic area. To improve our investment performance, we have implemented various measures aimed at strengthening investment capabilities.

1. Strengthening investment capabilities

As one of the aforementioned measures, we have transferred some front office operations with regard to the management of securities held, which had been undertaken by Sompo Japan and Nipponkoa with the aim of pure investment, to Sompo Japan Nipponkoa Asset Management. By doing so, we strive to enhance the efficiency of asset management capabilities and create synergies with third-party businesses.

2. Management of strategic-holding stocks

We have succeeded in reducing our strategic-holding stocks by 370 billion yen from fiscal 2010 to fiscal 2012, exceeding our reduction target of 300 billion yen for the same period. Especially in fiscal 2012, the net reduction of strategic-holding stocks was brought to ¥197.8 billion. We will continue to reduce strategic-holding stocks in line with the new plan through fiscal 2015. By continuously selling strategic-holding stocks, we aim to build up a significant amount of capital.

Management Plan

The NKSJ Group seeks to realize sustainable growth and greater corporate value, based on striving to secure earnings from its domestic P&C insurance while aggressively devoting greater management resources to growth fields.

Group Basic Management Policies

1. Pursuit of Service Quality

We aim to be the customers' number one choice by raising the quality of all our operational processes and providing the highest quality of service.

2. Enhancement of Corporate Value through Sustained Growth

We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to bolster Group earnings and enhance corporate value.

3. Pursuit of Business Efficiency

By maximizing the Group's strengths through collaboration in all areas of our operations, we will enhance business efficiency and build a stable operating base.

4. Highly Transparent Governance Systems

Recognizing our social responsibilities and public mission in insurance and financial services, we will base the development of our business operations on highly transparent systems of governance, effective risk management, and compliance.

5. Fulfillment of Our Social Responsibilities

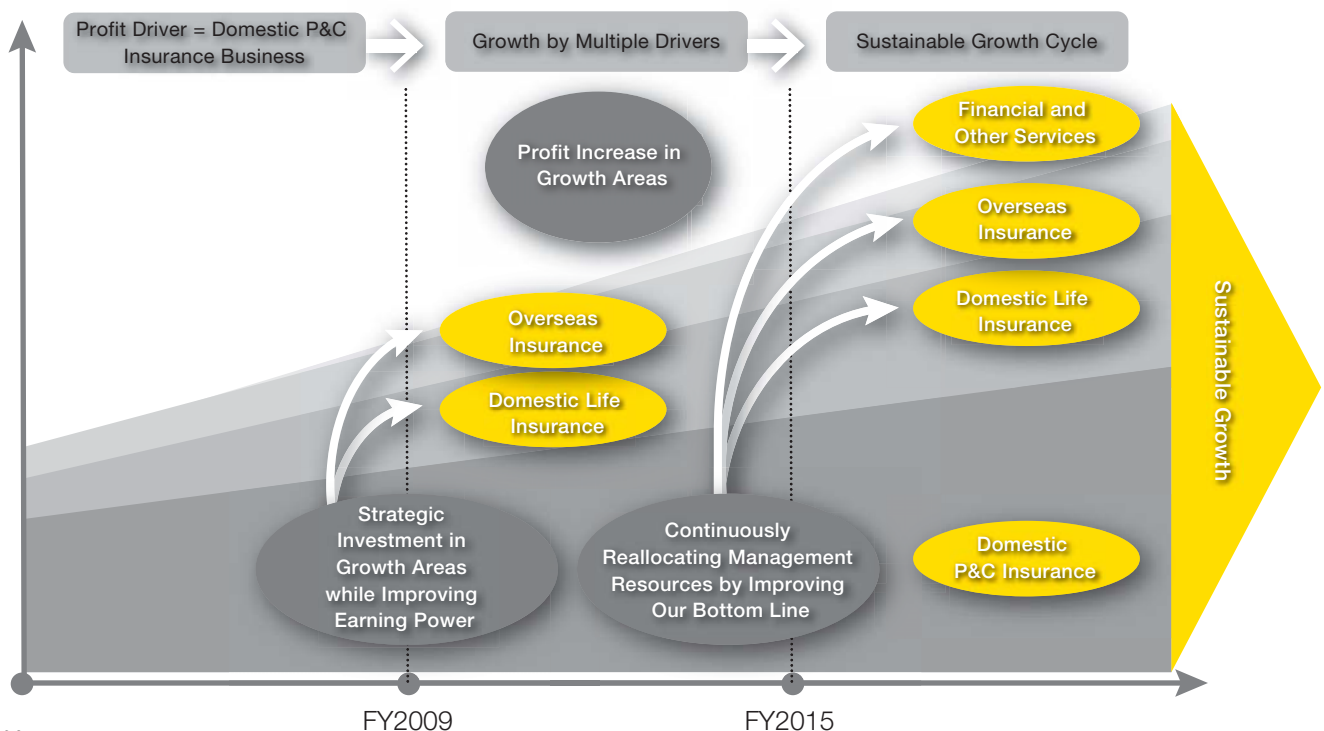
We will fulfill our corporate social responsibilities and help to build a sustainable society through active dialogue with stakeholders, utilizing the Group's core business strengths in areas of high social impact such as the environment, health and medical care.

6. Creation of a Vibrant Workplace

We will actively strive to invigorate the Group's organization in order to create a vibrant and open organization that grows together with its employees.

Basic Strategies

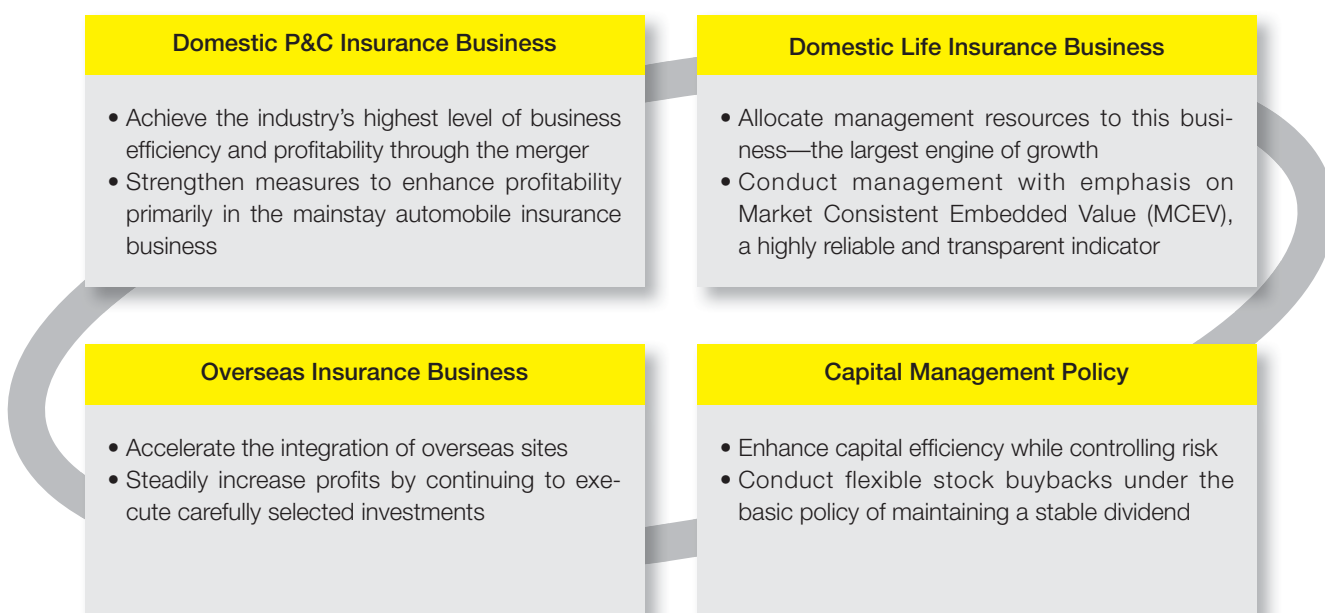
We aim to further improve our profit-earning capacity in the domestic P&C insurance business, which is a profit driver of the Group. Also, we are shifting management resources to promising areas such as domestic life insurance and overseas insurance businesses, and working to establish a more balanced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



Main Points of Management Plan (FY2012-FY2015)

- Return the Group to a sustainable growth cycle by maximizing the benefits from the merger of Sampo Japan and Nipponkoa
- Strive to enhance corporate value on a net assets basis by building an optimal business portfolio

Main Points of Strategies



Progress of Medium-Term Management Plan

During fiscal 2012, the domestic P&C insurance business succeeded in narrowing its loss significantly while the domestic life insurance business achieved favorable performance, making continued contribution to profitability. As a result, adjusted consolidated profit amounted to ¥111.6 billion.

(Billions of yen)

	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Forecast)	FY2015* (Plan)
Adjusted Consolidated Profit				
Domestic P&C Insurance	(71.3)	(8.9)	12.9	70~80
Domestic Life Insurance	100.0	107.8	95.0	100~110
Overseas Insurance	(19.7)	11.8	4.3	14~20
Financial and Other Services	(7.6)	0.7	1.1	2~3
Total	1.2	111.6	113.5	180~210
Adjusted Consolidated ROE	0.1%	5.4%	4.9%	Over 7%

* Forecast of the Medium-term Management Plan announced in November 2012

Definition of Business

Domestic P&C Insurance	Total of Sompo Japan, Nipponkoa (Sompo Japan Nipponkoa Insurance Inc. for FY2015), Sompo 24 and Saison Automobile & Fire (non-consolidated)
Domestic Life Insurance	NKSJ Himawari Life
Overseas Insurance	Overseas insurance subsidiaries
Financial and Other Services	Sompo Japan DIY Life, Financial services, Healthcare business, etc.

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

Calculation Method for Adjusted Profit**■ Domestic P&C Insurance:**

Net income for the period + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax) – Special factors

■ Domestic Life Insurance:

Growth in Embedded Value (EV) – Capital transactions such as equity issuance – Changes in EV attributable to fluctuation of interest rates, etc.

■ Overseas Insurance, Financial and Other Services:

Net income for the period as reported in financial statements

Calculation Method for Adjusted Consolidated ROE

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

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

Adjusted Consolidated Profit Results for Fiscal 2012**■ Domestic P&C Insurance:**

Net income for the period	¥55.8 billion
+ Provisions for catastrophic loss reserve (after tax)	¥(24.1) billion
+ Provisions for reserve for price fluctuation (after tax)	¥5.0 billion
- Gains/losses on sales of securities and impairment losses on securities (after tax)	¥67.3 billion
- Special factors	¥(21.7) billion
Total	¥(8.9) billion

■ Domestic Life Insurance:

Growth in Embedded Value (EV)	¥59.4 billion
- Capital transactions such as equity issuance	—
- Changes in EV attributable to fluctuation of interest rates, etc.	¥(48.4) billion
Total	¥107.8 billion

■ Adjusted Consolidated ROE:

$$\frac{\text{Adjusted consolidated profit } ¥111.6 \text{ billion}}{\text{Consolidated net assets (excluding life insurance subsidiaries' net assets) } ¥1,049.5 \text{ billion} + \text{Catastrophic loss reserve (after tax) } ¥371.0 \text{ billion} + \text{Reserve for price fluctuation (after tax) } ¥19.3 \text{ billion} + \text{Life insurance subsidiaries' EV } ¥645.0 \text{ billion}} = 5.4\%$$

Our Impact on Society

The NKSJ Group has pledged to fulfill its corporate social responsibilities and contribute to the realization of a resilient, inclusive and sustainable future by drawing on strengths based on its core business activities. Described below are approaches to our goals and medium-term priorities. Specific information about our initiatives can be found in “Corporate Responsibility Communication 2013” report scheduled to be released in September 2013.

CSR Basic Policy

In addressing corporate social responsibility as the NKSJ Group, we respect international regulations and norms of conduct and undertake business by high ethical standards while actively engaging stakeholders through forward-looking dialogue. We integrate broad environmental and social considerations into our core business operations, including tackling environmental challenges such as climate change and biodiversity loss, respect for human dignity and diversity, and proactive community involvement.

Drawing on core strengths in the insurance business cultivated over our 120-year history, we will continue to contribute towards realizing a sustainable society, create new values, and provide safety and security.

Five CSR Material Issues of the NKSJ Group

From 2012, the NKSJ Group has revised the CSR material issues through dialogue with experts on the following 5 issues.

● Material Issue 1

Providing Safety and Security for the Society

We shall provide progressive services that furnish protection from various risks in society and support the safety and security of our customers.

● Material Issue 2

Tackling Global Environmental Issues

~Focusing on Climate Change~

Besides addressing the risks of climate change by approaches combining adaptation and mitigation, we shall develop new solutions in partnership with our stakeholders.

● Material Issue 3

Providing Sustainable and Responsible Financial Services

In addition to promoting responsible investment incorporating ESG issues, we shall work to develop products and services that contribute to the resolution of social issues by making the most of our financial and insurance capabilities.

● Material Issue 4

Community Involvement and Development

~Partnership with NGOs~

Through collaboration with citizens, governments, NGOs and other principals aimed at the resolution of issues in each region, we shall contribute to the building of sustainable communities.

● Material Issue 5

Developing Human Resources and Promoting Diversity

We shall accept diverse personnel and condition environments enabling spirited work and full exercise of talents by all employees. By so doing, we shall strive to develop human resources capable of positive contribution to society through our business.

Stakeholder Engagement

The NKSJ Group sees engagement with a wide range of stakeholders as essential to fulfill its corporate social responsibilities. As a core activity it enables us to continually improve our CSR initiatives and achieve tangible results. We regard participation as a member in international organizations and initiatives significant, due to the potential to make lasting contributions to the solution of sustainability challenges and deliver real benefits to stakeholders. Listed below are main initiatives in which we are participants or signatories, also the SRI fund universes and indexes in which we are included.

■ Initiatives

United Nations Global Compact (UN GC)



Advocated by then UN Secretary-General Kofi Annan in July 2000, the UN GC is a partnership initiative between the UN and business that motivates companies to enhance better corporate citizenship by voluntarily addressing the areas of human rights, labor, the environment, and anticorruption. Somo Japan and Nipponkoa became UN GC signatories in 2006 and 2010, respectively, and in 2012, NKSJ Holdings became a signatory with the aim of involving the entire NKSJ Group in this initiative.

Principles for Sustainable Insurance (UN PSI)



UN PSI was formulated by the United Nations Environment Programme (UNEP FI) in June 2012, as a declaration by financial institutions that they will take environmental, social and governance (ESG) issues into account through their business operations. Somo Japan has participated in the development of the principles and became a signatory in June 2012.

Principles for Responsible Investment (UN PRI)



UN PRI was formulated by the United Nations Environment Programme Finance Initiative (UNEP FI) as a declaration by financial institutions that they will take ESG issues into account when making investment decisions. In 2006, Somo Japan became the first Japanese insurance company to become a signatory to these principles and Somo Japan Nipponkoa Asset Management has also become a signatory in January 2012.

United Nations Environment Programme Finance Initiative (UNEP FI)



UNEP FI is an international financial sector network of approximately 200 financial institutions from 40 countries. Since its launch in 1992, the initiative has promoted the integration of environmental considerations into all aspects of the financial sector's operations and services in pursuit of sustainable development that is conducive to both economic progress and environmental protection. Somo Japan became a signatory of this initiative in 1995 and Nipponkoa in 2002.

CDP



The CDP is a collaborative initiative by the world's leading institutional investors. This international initiative encourages businesses worldwide to adopt climate change strategies and disclose their greenhouse gas emissions. Somo Japan has been a member since 2005 as an institutional investor and joined its advisory board of Japan in 2007.

Women's Empowerment Principles (WEPs)



The WEPs are the product of collaboration between UN Women and the UNGC to establish international principles aimed at encouraging women's empowerment by strengthening their independence and capabilities to live their lives according to their decisions. WEPs consists of seven steps designed for businesses and other private entities to help their efforts in promoting and empowering female workers. NKSJ Holdings became a signatory of WEPs in June 2012.

Carbon Neutral Declaration

Nipponkoa issued a Carbon Neutrality Declaration in July 2008, stating its intention to achieve net zero CO₂ emissions by fiscal 2012 by cutting its CO₂ emissions generated through the entire business operations by at least 20% (versus fiscal 2006) and purchasing carbon credits to offset unavoidable emissions. From fiscal 2012 onward, Nipponkoa is striving to maintain its status of net zero CO₂ emissions by such means as carbon offsetting.

World Business Council for Sustainable Development (WBCSD)



The WBCSD, established in 1995, is a CEO-led global association of companies. Currently, approximately 200 company leaders from 35 countries are involved, providing industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Somo Japan is the only Japanese financial institution participating in the initiatives of the WBCSD.

Principles for Financial Action towards a Sustainable Society (PFA)

These principles were formulated in October 2011 as action principles for financial institutions to fulfill their roles and responsibilities to develop a sustainable society. Somo Japan and Nipponkoa

were actively involved in the formulation, participating as members of the drafting committee. In December 2011, Somo Japan, Nipponkoa and other eight NKSJ Group members became signatories to these principles.

■ Inclusion in SRI Fund Universes and SRI Indexes

NKSJ Holdings was selected to be included in the following SRI indexes and also as a candidate for SRI funds (as of April 2013).

Dow Jones Sustainability Indexes (DJSI World)



DJSI World is a leading global SRI index of companies that are leaders in sustainability, as assessed from their approaches towards ESG (Environment, Social and Governance) issues.

FTSE4Good Index Series



The FTSE4Good Index Series is a group of SRI indexes that evaluate the performance of companies aimed at fulfilling their corporate responsibilities, including ESG issues such as aspects on environment and human rights.

Ethibel Pioneer and Excellence Investment Registers



The Ethibel Investment Register is an investment universe that selects and includes companies which are highly recognized in terms of the performance in fulfilling their corporate social responsibility.

Morningstar Socially Responsible Investment Index



The Morningstar Socially Responsible Investment Index was developed as Japan's first SRI index covering Japanese companies.

Received "Prime" Rating from Oekom Research AG



Oekom Research AG is a global rating agency that evaluates corporate performance using unique standards which focus on the social and environmental perspectives. In January 2013, NKSJ Holdings received a "Prime" rating, a status awarded only to companies that are especially highly assessed.

Major CSR Initiatives Undertaken in Fiscal 2012

Formulating Medium- and Long-Term CO₂ Reduction Targets

To realize a low-carbon society, the NKSJ Group has formulated medium- and long-term reduction targets for its CO₂ emissions, setting fiscal 2020 and 2050 as target years, respectively. To attain these targets, the NKSJ Group will proactively implement initiatives aimed at reducing CO₂ emissions.

World's First Acquisition of ISO39001 Certification

Fully supporting the creation of an international standard for road traffic safety management systems, Sompo Japan and Nipponkoa participated in a "pilot project" undertaken during the drafting ISO39001. For their contribution to the formulation of this new ISO standard, Sompo Japan and Nipponkoa received certificates of appreciation from the ISO Secretariat and National Agency for Automotive Safety and Victims' Aid.

In September 2012, Sompo Japan and Nipponkoa simultaneously acquired the world's first-ever registration based on ISO39001 FDIS: the final draft international standard. After ISO39001 was officially adopted as an International Standard by ISO in October 2012, both companies have become the world's first ISO39001 certified companies.

Promoting SRI Funds

The NKSJ Group is helping to popularize Socially Responsible Investment (SRI)* aimed at contributing to the sustainable development of society. One of the SRI funds provided by Sompo Japan Nipponkoa Asset Management (SNAM) is "Sompo Japan Green Open". This investment trust seeks the stable increase of entrusted assets over the medium- and long-term by investing in domestic equities after assessing each company's dedication to environmental management as well as the investment value of the company's stock. As the second SRI fund established in Japan, this investment trust has been open to investors since September 1999 and has received praise from the investment industry for robust information disclosure and its long track record of stable asset management.

Currently, Sompo Japan Green Open has more assets under management than any similar SRI fund in Japan.** Both individuals and institutions seek this fund out, including businesses with defined contribution plans for their employees. As its reputation continues to grow, Sompo Japan Green Open is expected to continue expanding its assets under management over the long-term.

In August 2012, SNAM launched "SNAM Sustainable Investment Fund", a new SRI fund that puts greater emphasis on Environmental, Social and Governance (ESG) initiatives, striving to further spur the expansion of SRI.

* An investment method that evaluates possible investments based on standards which take into account initiatives aimed at addressing environmental issues, social issues such as human rights, ethical issues, and corporate governance.

** Open-ended investment trust focused on domestic equities (as of December 2012, based on SIF-Japan survey)

"SAVE JAPAN Project" Expanding across Japan

Since fiscal 2011, Sompo Japan has implemented the "SAVE JAPAN Project" to promote biodiversity protection activities involving citizens nationwide by making donations to NGOs/NPOs undertaking environmental protection initiatives. Sompo Japan is making these donations based on the number of web-based insurance contracts policyholders select for their automobile insurance policies in lieu of paper-based contracts.

In tandem with the abovementioned NGOs/NPOs, Sompo Japan is working with supportive local intermediaries and the Japan NPO Center. Sompo Japan is pursuing this project to provide people in society with good opportunities to take interest in their immediate natural environment while seeking to ensure the environment remains habitable to a healthy diversity of life.

In fiscal 2012, the scope of this project grew to include activities in all prefectures throughout Japan. Over the most recent two fiscal years, the project has gained the participation of more than 10,000 people and contributed to the preservation of approximately 80 rare species. Moreover, the project has facilitated an eco-switch from paper to web-based contracts, helping reduce the amount of paper used at Sompo Japan by approximately 740 tons.



In September 2012, the SAVE JAPAN Project was selected as a partnership project accredited by the Japan Committee for the United Nations Decade on Biodiversity (UNDB); becoming the first accredited project to be led by a private company.



Spotting biodiversity in Fukushima Prefecture

Supporting Recovery from the Great East Japan Earthquake

Since the Great East Japan Earthquake, the NKSJ Group has been engaged in initiatives to support various reconstruction efforts which meet the evolving needs of the affected areas. The Group will continuously provide necessary support to the affected areas through its core business and other initiatives.

Assisting the Reconstruction of Affected Areas through Carbon-Offset Initiatives



Contract Ceremony between J-VER Project Leaders and Nipponkoa

Nipponkoa seeks to contribute to the early reconstruction of areas affected by the Great East Japan Earthquake, as well as contributing towards the development of an environment-friendly society through the purchase of “J-VER”,* carbon offset credits issued to assist projects aimed at CO₂ reduction and absorption. By purchasing these J-VER credits, Nipponkoa is supporting projects chosen through a public call for applications and selected in consultation with Japan’s Ministry of Environment, taking into consideration such factors as the level of damage suffered by the area surrounding each project, job creation and the potential economic impact to help revitalize local communities. The volume of CO₂ offset through these projects is estimated at 8,000t-CO₂ in total, the largest J-VER offset in Japan as of April 30, 2013.

* J-VER is a scheme implemented by the Ministry of the Environment, Japan, which verifies credits generated through the emissions reduction and removal of greenhouse gases via domestic projects that can be used for carbon offsetting.

Fund to Support Social Entrepreneurs in Tohoku



In tandem with the Japan Public Resources Foundation, Nipponkoa has established a fund aimed at supporting social entrepreneurs who will go on to employ human resources in affected areas, utilize their technical capabilities, or make use of natural resources, local industries and other regional resources.

Building upon donations collected from the general public, the fund provided subsidies to 11 social entrepreneurs who aim to support the reconstruction of affected areas. They were selected from 79 applicants, taking into consideration each initiative’s social significance, business potential and likely positive spillover into local communities.

Employee Dispatch “Pro Bono” Program



Scene of a meeting between CANNUS and Sompo Japan’s staff

Sompo Japan initiated a pro bono initiative by dispatching 10 employees to “CANNUS” during July to September 2012. CANNUS is a volunteer based organization specializing in nursery care, active in helping people affected by the earthquake living near Ishinomaki-City, Miyagi Prefecture. The 10 self appointed employees provided various skills and efforts while dispatched to CANNUS, such as analyzing data and establishing manuals to enhance activities and the quality of everyday operations. The collaboration of the embedded employees with their business skills and the organization’s strong passion towards the reconstruction of the affected area were mutually beneficial for everyone sharing this experience.

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Financial Review

For the year ended March 31, 2013

Consolidated Results of NKSJ Holdings

In the 2012 fiscal year (April 1, 2012 through March 31, 2013) consolidated results of the NKSJ Group, our top line of insurance underwriting business steadily grew. This was attributable to a 4.5% increase of net premiums written to ¥2,062.6 billion and a 5.8% increase of life insurance premiums to ¥264.7 billion. Also, progress has been made on efforts of Sampo Japan and Nipponkoa to sell strategic-holding stocks. As a result, NKSJ achieved a strong turnaround, recording consolidated ordinary profit of ¥104.7 billion and net income of ¥43.6 billion.

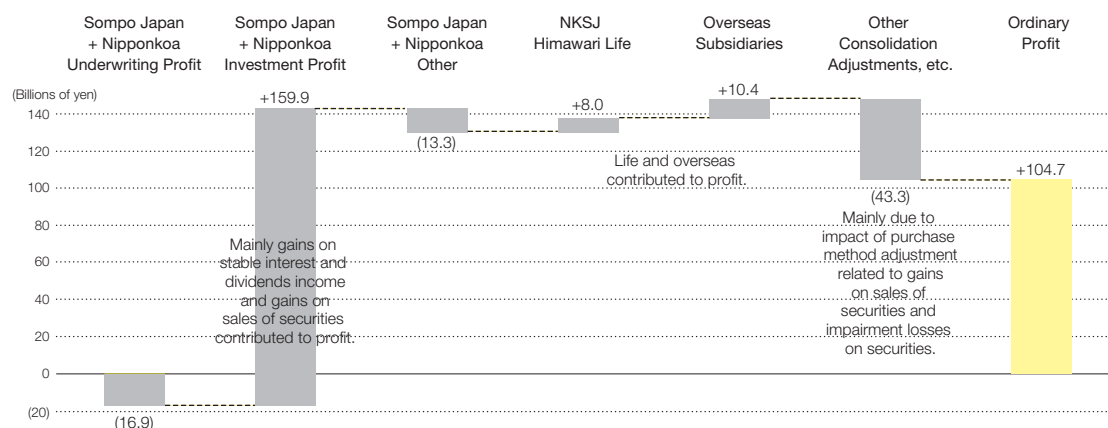
FY2012 Results

	FY2011	Billions of yen		Millions of U.S. dollars
		FY2012	Change	
Ordinary income	2,790.5	¥2,843.2	¥52.6	\$30,179
Net premiums written	1,973.7	2,062.6	88.8	21,893
Life insurance premiums	250.1	264.7	14.5	2,810
Ordinary profit (loss)	(51.8)	104.7	156.5	1,112
Net income (loss)	(92.2)	43.6	135.8	462

Note: U.S. dollar amounts are translated from yen at the rate of ¥94.21= U.S.\$1.00, the approximate rate prevailing at March 31, 2013.

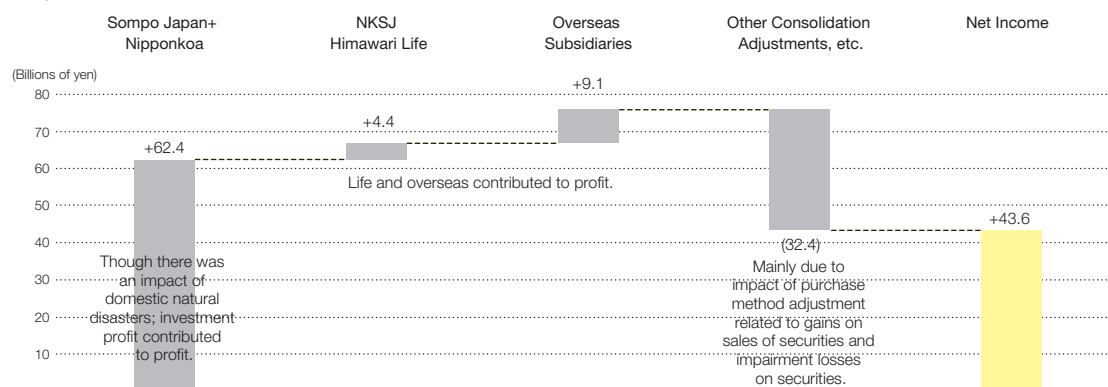
Ordinary Profit by Business Domain

FY2012



Net income by Business Domain

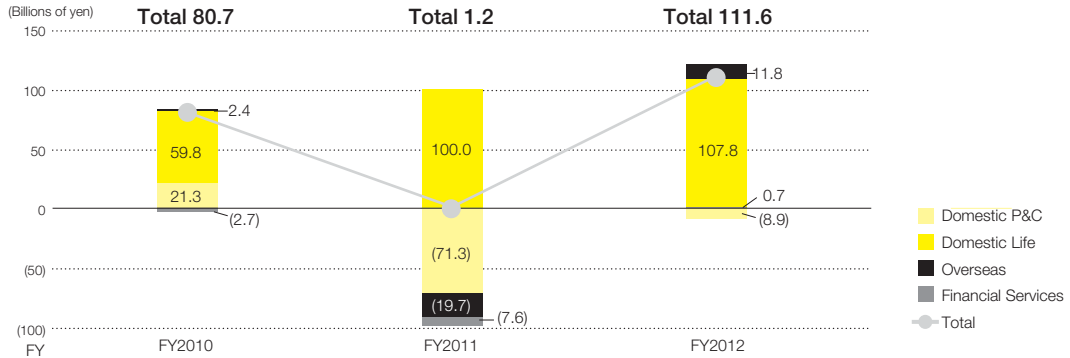
FY2012



Adjusted Consolidated Profit

NKSJ Holdings recorded adjusted consolidated profit of ¥111.6 billion, a substantial increase from the ¥1.2 billion recorded in the previous fiscal year. This was mainly attributable to an improvement in the profitability of the domestic P&C insurance business and stable Embedded Value (EV) growth of the domestic life insurance business.

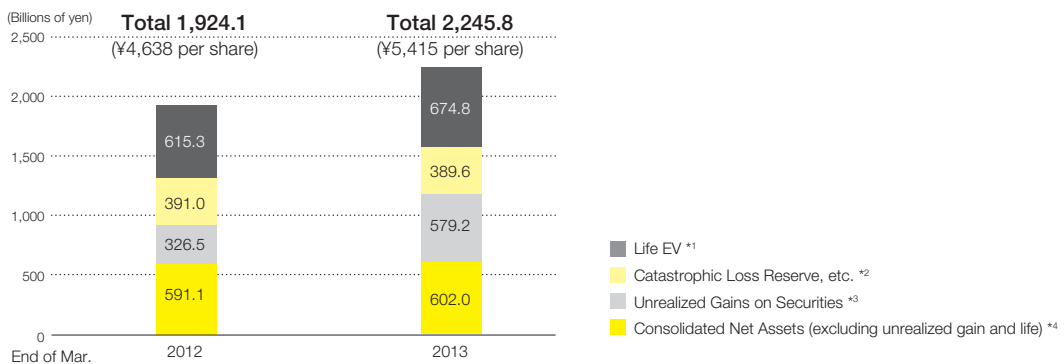
Historical Adjusted Consolidated Profit by Business Domain



Note: See page 30 about the calculation method for adjusted consolidated profit.

Adjusted Consolidated Net Assets

Adjusted consolidated net assets increased year on year to ¥2,245.8 billion and adjusted consolidated net assets per share rose to ¥5,415. This was mainly attributable to the Embedded Value (EV) growth of the domestic life insurance business and a substantial increase in unrealized gains on securities due to the rising value of stocks held by Sompo Japan and Nipponkoa. The EV of the life insurance subsidiary steadily increased, highlighting the growing significance of the domestic life insurance business in the Group.



*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements.

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

*3 Unrealized gains on securities is after tax.

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

Domestic P&C Insurance Business

This section discusses the fiscal year 2012 results of Sompo Japan and Nipponkoa, the two core P&C insurance companies. Figures are shown on a non-consolidated basis for each company unless otherwise stated.

FY2012	Billions of yen						Millions of U.S. dollars		
	Sompo Japan		Nipponkoa		Total		Sompo Japan	Nipponkoa	Total
	Amount	Change	Amount	Change	Amount	Change			
Net premiums written	1,327.3	46.2	638.8	8.2	1,966.2	54.4	14,089	6,781	20,870
(excl. CALI*)	1,138.0	35.0	553.6	2.6	1,691.7	37.6	12,080	5,876	17,956
Loss ratio	70.6%	(10.0) pt	74.8%	(9.9) pt	72.0%	(10.0) pt	70.6%	74.8%	72.0%
(excl. CALI)	67.2%	(10.9) pt	72.2%	(10.6) pt	68.8%	(10.8) pt	67.2%	72.2%	68.8%
Expense ratio	32.8%	(0.3) pt	34.8%	(0.2) pt	33.4%	(0.3) pt	32.8%	34.8%	33.4%
(excl. CALI)	34.4%	(0.3) pt	37.0%	0.0pt	35.2%	(0.2) pt	34.4%	37.0%	35.2%
Combined ratio	103.4%	(10.2) pt	109.7%	(10.0) pt	105.4%	(10.2) pt	103.4%	109.7%	105.4%
(excl. CALI)	101.6%	(11.2) pt	109.2%	(10.6) pt	104.1%	(11.0) pt	101.6%	109.2%	104.1%
Underwriting result	(44.6)	129.6	(61.7)	62.4	(106.3)	192.1	(473)	(655)	(1,129)
(excl. CALI)	(18.0)	123.0	(50.8)	57.9	(68.8)	180.9	(192)	(539)	(731)
Underwriting profit (loss)	(25.7)	(0.7)	8.7	49.9	(16.9)	49.1	(273)	93	(180)
Investment profit	102.0	71.3	57.8	26.8	159.9	98.2	1,084	614	1,698
Ordinary profit (loss)	65.0	61.0	64.5	72.3	129.6	133.4	691	685	1,376
Net income (loss)	29.1	66.6	33.3	55.9	62.4	122.5	309	354	663

* CALI: Compulsory Automobile Liability Insurance

Net Premiums Written

Since fiscal year 2011, Sompo Japan and Nipponkoa enjoyed continued growth in net premiums written due mainly to the effect of rate revisions in automobile insurance. As the combined results of both companies, net premiums written for fiscal year 2012 rose ¥54.4 billion year on year backed by increases in each line of insurance.

FY2012	Billions of yen								
	Sompo Japan			Nipponkoa			Total		
	Amount	Change	% Change	Amount	Change	% Change	Amount	Change	% Change
Fire & allied lines	164.7	15.6	10.5%	87.7	(2.7)	(3.1%)	252.4	12.8	5.4%
Marine	26.2	1.6	6.5%	13.5	(0.1)	(1.2%)	39.8	1.4	3.7%
Personal accident	132.0	1.9	1.5%	50.4	0.9	1.8%	182.5	2.8	1.6%
Voluntary automobile	658.9	13.5	2.1%	322.0	3.7	1.2%	980.9	17.3	1.8%
CALI	189.2	11.1	6.3%	85.2	5.6	7.1%	274.5	16.7	6.5%
Other	156.0	2.3	1.5%	79.8	0.8	1.1%	235.9	3.2	1.4%
of which, liability	98.1	(0.2)	(0.2%)	41.5	0.8	2.2%	139.7	0.6	0.5%
All lines	1,327.3	46.2	3.6%	638.8	8.2	1.3%	1,966.2	54.4	2.8%
All lines excluding CALI	1,138.0	35.0	3.2%	553.6	2.6	0.5%	1,691.7	37.6	2.3%

	Millions of U.S. dollars		
	Sompo Japan	Nipponkoa	Total
	Amount		
Fire & allied lines	1,748	930	2,679
Marine	278	143	422
Personal accident	1,402	535	1,937
Voluntary automobile	6,994	3,418	10,412
CALI	2,009	904	2,913
Other	1,656	847	2,504
of which, liability	1,042	441	1,483
All lines	14,089	6,781	20,870
All lines excluding CALI	12,080	5,876	17,956

Net Loss

Net claims paid decreased ¥154.2 billion at Sompo Japan and Nipponkoa in step with significant improvement in the written/paid net loss ratio and the earned/incurred loss ratio. This was due mainly to the absence of negative factors, such as flooding in Thailand, that confronted both companies in fiscal year 2011 and caused major deterioration in the written/paid net loss ratio of the fire insurance business.

Written Paid Basis Loss

Billions of yen

FY2012	Sompo Japan				Nipponkoa			
	Net claims paid		Loss ratio		Net claims paid		Loss ratio	
		Change		Change		Change		Change
Fire & allied lines	111.6	(90.3)	69.9%	(69.3) pt	85.8	(47.2)	101.7%	(49.1) pt
Marine	15.7	(1.5)	63.9%	(10.9) pt	5.6	(0.7)	43.4%	(4.9) pt
Personal accident	72.5	1.7	61.0%	1.4pt	26.8	(2.2)	58.1%	(5.7) pt
Voluntary automobile	404.8	(1.0)	70.5%	(1.4) pt	202.2	(3.6)	70.9%	(1.9) pt
CALI	158.0	1.7	91.1%	(4.5) pt	72.2	0.3	91.8%	(6.1) pt
Other	80.9	(6.3)	56.2%	(5.0) pt	43.7	(2.8)	59.0%	(4.2) pt
of which, liability	52.0	0.4	57.6%	0.8pt	21.4	(2.0)	55.1%	(6.1) pt
All lines	843.7	(95.7)	70.6%	(10.0) pt	436.6	(56.3)	74.8%	(9.9) pt
All lines excluding CALI	685.7	(97.5)	67.2%	(10.9) pt	364.4	(56.7)	72.2%	(10.6) pt

	Billions of yen				Millions of U.S. dollars		
	Total				Sompo Japan	Nipponkoa	Total
	Net claims paid		Loss ratio		Net claims paid		
		Change		Change			
Fire & allied lines	197.5	(137.5)	81.0%	(62.6) pt	1,185	911	2,097
Marine	21.4	(2.2)	56.9%	(8.4) pt	167	60	227
Personal accident	99.4	(0.5)	60.2%	(0.6) pt	769	285	1,055
Voluntary automobile	607.0	(4.6)	70.6%	(1.6) pt	4,297	2,146	6,443
CALI	230.2	2.0	91.3%	(5.0) pt	1,677	766	2,444
Other	124.6	(9.1)	57.1%	(4.7) pt	858	464	1,322
of which, liability	73.4	(1.5)	56.9%	(1.2) pt	552	227	779
All lines	1,280.4	(152.1)	72.0%	(10.0) pt	8,956	4,634	13,591
All lines excluding CALI	1,050.1	(154.2)	68.8%	(10.8) pt	7,278	3,868	11,146

Note) Loss adjustment expenses are included in the calculation of Loss Ratio.

Earned Incurred Basis Loss

Billions of yen

FY2012	Sompo Japan				Nipponkoa			
	Net claims incurred		Loss ratio		Net claims incurred		Loss ratio	
		Change		Change		Change		Change
Fire & allied lines	110.5	(32.0)	71.4%	(25.8) pt	65.5	(37.6)	74.2%	(42.4) pt
Marine	16.5	(0.1)	69.3%	(3.6) pt	5.0	(0.0)	39.3%	(3.4) pt
Personal accident	71.8	1.9	62.2%	1.6 pt	26.7	(0.9)	58.1%	(1.6) pt
Voluntary automobile	398.9	3.8	70.1%	(0.4) pt	201.2	(10.1)	69.9%	(4.7) pt
Other	83.7	8.7	58.9%	5.1 pt	45.9	3.6	62.2%	3.6 pt
of which, liability	55.9	8.5	62.3%	8.9 pt	22.8	1.5	58.4%	1.7 pt
All lines	681.6	(17.6)	67.8%	(3.0) pt	344.5	(45.7)	67.7%	(9.4) pt

Billions of yen

Millions of U.S. dollars

	Total				Sompo Japan	Nipponkoa	Total
	Net claims incurred		Loss ratio		Net claims incurred		
		Change		Change			
Fire & allied lines	176.1	(69.6)	75.1%	(29.4) pt	1,173	696	1,869
Marine	21.6	(0.7)	59.8%	(2.3) pt	176	53	229
Personal accident	98.6	0.9	61.6%	1.2 pt	762	284	1,046
Voluntary automobile	600.1	(6.3)	71.4%	(0.5) pt	4,234	2,135	6,370
Other	129.6	12.3	60.8%	5.4 pt	888	487	1,375
of which, liability	78.8	10.1	61.9%	7.6 pt	593	242	836
All lines	1,026.2	(63.3)	69.1%	(3.8) pt	7,235	3,657	10,892

Notes)

1. Loss adjustment expenses are included in the calculation of Loss Ratio.
2. Household earthquake insurance and CALI are excluded in the above table.

Expense

The expense ratio improved due to the continued efforts of both companies to reduce company expenses.

Net Expenses

Billions of yen

FY2012	Sompo Japan				Nipponkoa			
	Amount *1		Ratio *2		Amount *1		Ratio *2	
		Change		Change		Change		Change
Net commissions and brokerage fees	228.9	9.3	17.2%	0.1 pt	111.7	4.4	17.5%	0.5 pt
Operating, general and administrative expenses	205.8	2.0	15.5%	(0.4) pt	110.8	(2.5)	17.3%	(0.6) pt
Net expenses	434.8	11.4	32.8%	(0.3) pt	222.6	1.9	34.8%	(0.2) pt
Net expenses excluding CALI	391.3	9.0	34.4%	(0.3) pt	204.7	1.1	37.0%	0.0 pt

Billions of yen

Millions of U.S. dollars

	Total				Sompo Japan	Nipponkoa	Total
	Amount *1		Ratio *2		Amount		
		Change		Change			
Net commissions and brokerage fees	340.7	13.8	17.3%	0.2 pt	2,430	1,186	3,616
Operating, general and administrative expenses	316.7	(0.4)	16.1%	(0.5) pt	2,185	1,176	3,361
Net expenses	657.4	13.3	33.4%	(0.3) pt	4,615	2,363	6,978
Net expenses excluding CALI	596.0	10.2	35.2%	(0.2) pt	4,154	2,173	6,327

*1. Above figures are only for underwriting expenses.

*2. Above figures are the ratio of each amount for underwriting expenses against net premiums written.

Company Expenses

Billions of yen

FY2012	Sompo Japan				Nipponkoa			
	Amount		Ratio*		Amount		Ratio*	
		Change		Change		Change		Change
Personnel expenses	169.0	(3.7)	12.7%	(0.8) pt	88.8	(1.2)	13.9%	(0.4) pt
Non-personnel expenses	127.0	4.4	9.6%	0.0 pt	60.7	(1.8)	9.5%	(0.4) pt
Tax and contributions	12.0	(0.1)	0.9%	(0.0) pt	6.6	(0.1)	1.0%	(0.0) pt
Total company expenses	308.2	0.5	23.2%	(0.8) pt	156.3	(3.1)	24.5%	(0.8) pt

FY2012	Billions of yen				Millions of U.S. dollars		
	Total				Sompo Japan	Nipponkoa	Total
	Amount		Ratio*		Amount		
		Change		Change			
Personnel expenses	257.9	(4.9)	13.1%	(0.6) pt	1,794	943	2,737
Non-personnel expenses	187.8	2.6	9.6%	(0.1) pt	1,348	644	1,993
Tax and contributions	18.7	(0.3)	1.0%	(0.0) pt	128	70	199
Total company expenses	464.5	(2.6)	23.6%	(0.8) pt	3,271	1,659	4,930

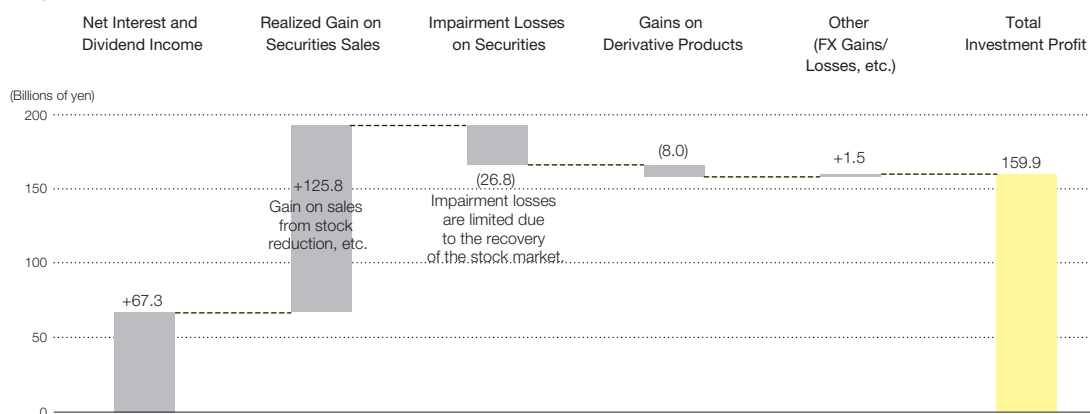
* Above figures are the ratio of each amount against net premium written.

Investment

Net interest and dividend income increased at Sompo Japan and Nipponkoa by ¥3.6 billion to ¥67.3 billion. This was mainly attributable to increased dividends on stocks held by the companies, and the depreciation of the yen that resulted in greater dividends of foreign currency denominated assets. Realized gains on securities recorded by both companies totaled at ¥125.8 billion reflecting their proactive efforts to reduce strategic-holding stocks. Impairment losses on securities were limited at ¥26.8 billion in fiscal year 2012 as the stock market began recovering from the end of 2012. As the combined results, total investment profit rose to ¥159.9 billion.

Total Investment Profit

FY2012



Investment Profit

Billions of yen

	Sompo Japan		Nipponkoa		Total	
	FY2012	Change	FY2012	Change	FY2012	Change
Net interest and dividend income	45.4	4.2	21.9	(0.5)	67.3	3.6
Interest and dividend income	79.4	1.1	39.1	(2.0)	118.6	(0.9)
Investment income on deposit premium	(34.0)	3.1	(17.2)	1.4	(51.3)	4.5
Gain on money trusts	0.4	0.4	0.9	1.3	1.4	1.8
Gain on trading securities	0.1	0.1	—	—	0.1	0.1
Realized gain on securities sales	92.4	70.5	33.3	19.1	125.8	89.7
Realized gain on domestic stock sales	82.1	49.8	26.2	8.1	108.3	58.0
Realized gain on securities redemption	(0.2)	0.6	(0.3)	0.6	(0.6)	1.3
Impairment losses on securities	(25.3)	(7.2)	(1.4)	0.2	(26.8)	(6.9)
Impairment loss on domestic stocks	(25.3)	(14.8)	(1.1)	0.4	(26.4)	(14.4)
Gain on derivative products	(10.4)	(11.0)	2.4	2.2	(8.0)	(8.8)
FX gains/losses	1.9	14.4	1.7	2.1	3.6	16.5
Other investment income	(2.3)	(0.9)	(0.6)	1.6	(2.9)	0.7
Total investment profit	102.0	71.3	57.8	26.8	159.9	98.2

Millions of U.S. dollars

	FY2012		
	Sompo Japan	Nipponkoa	Total
Net interest and dividend income	482	232	715
Interest and dividend income	843	415	1,259
Investment income on deposit premium	(361)	(183)	(544)
Gain on money trusts	5	9	14
Gain on trading securities	1	—	1
Realized gain on securities sales	981	354	1,335
Realized gain on domestic stocks sales	871	278	1,150
Realized gain on securities redemption	(2)	(4)	(6)
Impairment losses on securities	(269)	(15)	(284)
Impairment loss on domestic stocks	(268)	(12)	(280)
Gain on derivative products	(110)	26	(84)
FX gains/losses	20	18	38
Other investment income	(24)	(7)	(31)
Total investment profit	1,083	613	1,697

Investment Asset Portfolio

As of March 31, 2013	Mark-to-market basis Billions of yen						Mark-to-market basis Millions of U.S. dollars		
	Sompo Japan		Nipponkoa		Total		Sompo Japan	Nipponkoa	Total
		Proportion		Proportion		Proportion			
Securities:	3,184.6	75.8%	1,629.3	76.9%	4,814.0	76.1%	33,803	17,295	51,098
Domestic stock	995.0	23.7%	590.4	27.9%	1,585.4	25.1%	10,562	6,267	16,829
Yen-denominated securities	1,441.0	34.3%	708.9	33.4%	2,149.9	34.0%	15,295	7,524	22,820
Bonds	1,366.7	32.5%	645.1	30.4%	2,011.8	31.8%	14,507	6,847	21,355
Others	74.2	1.8%	63.7	3.0%	138.0	2.2%	788	676	1,465
Foreign securities (Foreign currency denominated)	748.5	17.8%	330.0	15.6%	1,078.6	17.1%	7,945	3,503	11,449
Bonds	250.9	6.0%	255.5	12.1%	506.4	8.0%	2,663	2,712	5,375
Others	497.6	11.8%	74.5	3.5%	572.1	9.0%	5,281	791	6,073
Monetary receivables bought	21.5	0.5%	0.4	0.0%	21.9	0.3%	228	4	233
Money trusts	28.9	0.7%	38.7	1.8%	67.7	1.1%	307	411	719
Loans	411.2	9.8%	188.4	8.9%	599.7	9.5%	4,365	2,000	6,365
Deposits	238.1	5.7%	135.8	6.4%	374.0	5.9%	2,528	1,442	3,970
Call loans	56.7	1.3%	10.0	0.5%	66.7	1.1%	601	106	707
Receivables under resale agreements	80.4	1.9%	—	—	80.4	1.3%	854	—	854
Land and buildings	181.5	4.3%	116.8	5.5%	298.4	4.7%	1,926	1,240	3,167
Total investment assets	4,203.3	100.0%	2,119.8	100.0%	6,323.1	100.0%	44,616	22,500	67,117
Change from the previous year	255.6		33.6		289.3		2,714	356	3,070

Domestic Life Insurance Business

This section discusses the results of NKSJ Himawari Life for the 2012 fiscal year.

Overview of Results

NKSJ Himawari Life has a product strategy focusing on the promotion of protection-type products that are highly profitable. At the end of fiscal year, its earned annualized premiums from business in force of third-sector products totaled ¥108.4 billion, marking a 6.2% increase, that for all products also increased 5.0% to ¥300.5 billion.

In fiscal year 2012, NKSJ Himawari Life rebounded from the impact of negative factors, such as extraordinary losses associated with merger costs and tax rate revisions, that eroded performance in fiscal year 2011. Consequentially, ordinary profit amounted to ¥11.4 billion, a year-on-year increase of ¥7.1 billion. Net income rose to ¥4.4 billion; a strong turnaround that entailed a ¥15.5 billion reversal of the ¥11.1 billion net loss in the previous fiscal year.

FY2012	Billions of yen			Millions of U.S. dollars
	Amount	Change	% Change	Amount
Amount of new business	3,079.0	67.8	2.3%	32,683
Annualized premiums from new business	38.5	1.7	4.7%	408
of which, third sector insurance* premiums	13.9	(1.5)	(10.1%)	148
Amount of business in force	22,281.9	1,520.6	7.3%	236,513
Annualized premiums from business in force	300.5	14.2	5.0%	3,189
of which, third-sector insurance* premiums	108.4	6.3	6.2%	1,151
Income from insurance premiums	370.7	10.5	2.9%	3,935
Insurance claims and other payments	172.2	(0.6)	(0.4%)	1,827
Ordinary profit	11.4	7.1	170.4%	121
Net income (loss)	4.4	15.5	—	46

* "Third sector" includes medical insurance, cancer insurance, etc.

Embedded Value (EV)

New premiums written for fiscal year 2012 rose due mainly to favorable sales of new policies in protection-type products, which have made a consistent contribution to EV growth. As a result, EV (MCEV base) increased ¥59.4 billion to ¥674.8 billion.

Adjusted EV, which is equal to growth in EV during the fiscal year minus capital account transactions (such as equity issuance) and changes in EV attributable to interest rate movements, increased ¥107.8 billion.

As of March 31, 2013	Billions of yen		Millions of U.S. dollars
	Amount	Change	Amount
Embedded Value	674.8	59.4	7,162
Adjusted net worth	208.5	71.4	2,213
Value in force	466.2	(11.9)	4,949
of which, new business value	47.0	(5.7)	499

Investment

The general account investment assets of NKSJ Himawari Life rose ¥166.9 billion to ¥1,902.1 billion thanks to its investment management efforts and the increased amount of business in force. Under its asset management policy, NKSJ Himawari Life conducts Asset Liability Management (ALM) mainly through yen-denominated securities.

General Account Investment Portfolio

As of March 31, 2013	Billions of yen		Millions of U.S. dollars
	Amount	Proportion	Amount
Yen-denominated securities	1,785.4	93.9%	18,952
Foreign currency denominated securities	30.9	1.6%	328
Loans	35.0	1.8%	371
Domestic stocks	4.6	0.2%	49
Others	46.0	2.4%	488
Total investment assets	1,902.1	100.0%	20,190

Overseas Insurance Business

We are seeing continued top-line growth, although we have yet to achieve stable profit in this business domain. Net premiums written grew ¥8.6 billion to ¥38.3 billion in Asia and the Middle East, and increased ¥6.8 billion in South America to ¥49.3 billion. Total net premiums written of the overseas insurance business increased ¥30.7 billion to ¥98.7 billion.

Net Premium Written

FY2012	Companies	Millions of yen				Millions of U.S. dollars	
		Net premiums written		Net income		Net premiums written	Net income
			Change		Change		
US	SJ America	9,061	2,593	1,663	568	96	17
Europe	SJ Europe	1,112	12,544	476	3,430	11	5
	NK Europe	917	145	111	(18)	9	1
	Other	(0)	2	(170)	(84)	(0)	(1)
Europe total		2,030	12,692	417	3,326	21	4
Turkey	SJ Sigorta	15,173	5,144	1,608	255	161	17
Singapore	Tenet Sompo	4,106	403	6,268	27,147	43	66
Malaysia	Berjaya Sompo	7,888	3,423	1,183	924	83	12
China	SJ China	5,575	1,169	(536)	(615)	59	(5)
	NK China	534	182	(51)	19	5	(0)
Hong Kong	SJNK Hong Kong	2,387	816	140	(49)	25	1
	NK Asia	792	135	163	23	8	1
Other		1,916	(2,607)	(99)	(48)	20	(1)
Asia & Middle East Total		38,376	8,668	8,676	27,656	407	92
Brazil	Yasuda Seguros	15,282	2,507	517	42	162	5
	Other	34,018	4,297	582	9	361	6
South America Total		49,301	6,805	1,100	52	523	11
Total		98,769	30,760	11,857	31,605	1,048	125

*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 (except for SJ Europe, Tenet Sompo (former SJ Singapore) and SJAH).

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

*4 During the period Berjaya Sompo was not our subsidiary in FY2011 (the equity method was applied), it is included in the column "Other".

*5 Figures of Tenet Sompo for FY2011 and FY2012 are the sum of Tenet Sompo (former SJ Singapore) and Tenet.



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho, Chiyoda-ku
Tokyo, Japan 100-0011
Tel: +81 3 3503 1100
Fax: +81 3 3503 1197
www.shinnihon.or.jp

Independent Auditor's Report

The Board of Directors
NKSJ Holdings, Inc.

We have audited the accompanying consolidated financial statements of NKSJ Holdings, Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheet as of March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NKSJ Holdings, Inc. and its consolidated subsidiaries as of March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 26, 2013

Consolidated Financial Statements

Consolidated Balance Sheets

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	As of March 31, 2012		As of March 31, 2013		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
Assets:						
Cash and deposits	*5	332,416	3.74%	513,739	5.60%	181,322
Call loans		76,300	0.86	66,700	0.73	(9,600)
Receivables under resale agreements		60,486	0.68	80,483	0.88	19,997
Monetary receivables bought		28,952	0.33	21,969	0.24	(6,983)
Money trusts		37,091	0.42	69,179	0.75	32,087
Securities	*3, *5, *6	6,317,507	71.04	6,596,246	71.87	278,739
Loans	*4, *8	654,039	7.35	635,239	6.92	(18,799)
Tangible fixed assets:	*1, *2, *5	358,530	4.03	355,792	3.88	(2,738)
Land		194,742		192,387		
Buildings		127,422		129,178		
Leased assets		6,337		6,146		
Construction in progress		4,993		2,562		
Other tangible fixed assets		25,034		25,519		
Intangible fixed assets:		55,311	0.62	56,896	0.62	1,585
Software		6,502		6,855		
Goodwill		47,740		49,311		
Other intangible fixed assets		1,067		729		
Other assets		716,711	8.06	643,596	7.01	(73,114)
Deferred tax assets		232,285	2.61	107,938	1.18	(124,347)
Customers' liabilities for acceptances and guarantees		29,370	0.33	35,200	0.38	5,830
Allowance for possible credit losses		(5,619)	(0.06)	(4,783)	(0.05)	835
Allowance for possible investment losses		(3)	(0.00)	—	—	3
Total assets		8,893,378	100.00	9,178,198	100.00	284,820

Consolidated Balance Sheets (Continued)

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	As of March 31, 2012		As of March 31, 2013		Increase (Decrease)
		Amount	Composition ratio	Amount	Composition ratio	
Liabilities:						
Underwriting funds:		7,144,799	80.34%	7,081,082	77.15%	(63,716)
Reserve for outstanding losses and claims		1,022,435		1,001,993		
Underwriting reserves		6,122,363		6,079,088		
Corporate bonds		128,000	1.44	261,560	2.85	133,560
Other liabilities	*5	430,895	4.85	352,898	3.84	(77,996)
Reserve for retirement benefits		107,983	1.21	103,244	1.12	(4,738)
Reserve for retirement benefits to directors		67	0.00	53	0.00	(13)
Reserve for bonus payments		22,839	0.26	23,088	0.25	248
Reserve for bonus payments to directors		143	0.00	290	0.00	146
Reserves under the special laws:		27,658	0.31	35,519	0.39	7,861
Reserve for price fluctuation		27,658		35,519		
Deferred tax liabilities		1,043	0.01	1,772	0.02	729
Acceptances and guarantees		29,370	0.33	35,200	0.38	5,830
Total liabilities		7,892,801	88.75	7,894,710	86.02	1,909
Net assets:						
Shareholders' equity:						
Common stock		100,045	1.12	100,045	1.09	—
Capital surplus		438,562	4.93	438,567	4.78	5
Retained earnings		172,868	1.94	181,149	1.97	8,281
Treasury stock		(1,044)	(0.01)	(1,122)	(0.01)	(77)
Total shareholders' equity		710,431	7.99	718,640	7.83	8,208
Accumulated other comprehensive income:						
Unrealized gains and losses on securities available for sale		326,591	3.67	579,284	6.31	252,692
Deferred gains and losses on hedges		5,660	0.06	7,653	0.08	1,993
Foreign currency translation adjustments		(49,141)	(0.55)	(29,309)	(0.32)	19,832
Total accumulated other comprehensive income		283,111	3.18	557,628	6.08	274,517
Stock acquisition rights		2,409	0.03	2,027	0.02	(382)
Non-controlling interests		4,624	0.05	5,191	0.06	566
Total net assets		1,000,577	11.25	1,283,488	13.98	282,910
Total liabilities and net assets		8,893,378	100.00	9,178,198	100.00	284,820

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Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Ordinary income:		2,790,555	100.00%	2,843,226	100.00%	52,670
Underwriting income:		2,628,200	94.18	2,605,798	91.65	(22,401)
Net premiums written		1,973,777		2,062,606		
Deposits of premiums by policyholders		164,628		146,309		
Interest and dividend income on deposits of premiums, etc.		55,932		51,359		
Life insurance premiums written		250,193		264,732		
Reversal of reserve for outstanding losses and claims		—		30,978		
Reversal of underwriting reserves		180,372		42,689		
Other underwriting income		3,294		7,122		
Investment income:		151,083	5.41	223,709	7.87	72,625
Interest and dividend income		152,090		154,789		
Investment gains on money trusts		333		1,700		
Investment gains on trading securities		—		334		
Gains on sales of securities		52,522		112,139		
Gains on redemption of securities		1,011		88		
Gains on derivatives		508		—		
Investment gains on special account		353		2,019		
Other investment income		196		3,998		
Transfer of interest and dividend income on deposits of premiums, etc.		(55,932)		(51,359)		
Other ordinary income:		11,271	0.40	13,717	0.48	2,446
Investment gains on the equity method		111		713		
Other ordinary income		11,160		13,004		
Ordinary expenses:		2,842,370	101.86	2,738,443	96.31	(103,927)
Underwriting expenses:		2,340,706	83.88	2,241,571	78.84	(99,134)
Net claims paid		1,472,664		1,336,201		
Loss adjustment expenses	*1	136,324		138,019		
Net commissions and brokerage fees	*1	366,545		376,994		
Maturity refunds to policyholders		291,534		322,292		
Dividends to policyholders		52		60		
Life insurance claims paid and other payments		60,357		63,521		
Provision for reserve for outstanding losses and claims		8,473		—		
Other underwriting expenses		4,754		4,481		
Investment expenses:		72,525	2.60	58,269	2.05	(14,255)
Investment losses on money trusts		364		54		
Investment losses on trading securities		37		—		
Losses on sales of securities		34,813		7,395		
Impairment losses on securities		17,980		37,755		
Losses on redemption of securities		2,289		1,133		
Losses on derivatives		—		8,315		
Other investment expenses		17,040		3,614		
Operating, general and administrative expenses	*1	418,273	14.99	426,216	14.99	7,942
Other ordinary expenses:		10,864	0.39	12,385	0.44	1,520
Interest paid		7,566		7,563		
Provision for allowance for possible credit losses		31		—		
Losses on bad debt		8		9		
Provision for allowance for possible investment losses		3		—		
Other ordinary expenses		3,253		4,812		
Ordinary profit (loss)		(51,815)	(1.86)	104,783	3.69	156,598

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income (Continued)

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)
		Amount	% of ordinary income	Amount	% of ordinary income	
Extraordinary gains:		9,144	0.33%	3,058	0.11%	(6,085)
Gains on disposal of fixed assets		1,874		2,774		
Gains on negative goodwill		—		184		
Gains on step acquisitions		6,298		—		
Other extraordinary gains		970		99		
Extraordinary losses:		14,965	0.54	37,662	1.32	22,696
Losses on disposal of fixed assets		2,068		760		
Impairment losses	*2	992		3,962		
Provision for reserves under the special laws:		137		7,861		
Provision for reserve for price fluctuation		137		7,861		
Other extraordinary losses	*3	11,766		25,076		
Net income (loss) before income taxes and non-controlling interests		(57,636)	(2.07)	70,179	2.47	127,815
Income taxes		2,544		7,118		
Deferred income taxes		32,630		19,145		
Total income taxes		35,174	1.26	26,263	0.92	(8,911)
Net income (loss) before non-controlling interests		(92,810)	(3.33)	43,916	1.54	136,727
Income (loss) attributable to non-controlling interests		(548)	(0.02)	298	0.01	846
Net income (loss)		(92,262)	(3.31)	43,618	1.53	135,880

Consolidated Statements of Comprehensive Income

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
		Amount	Amount
Net income (loss) before non-controlling interests		(92,810)	43,916
Other comprehensive income:			
Unrealized gains and losses on securities available for sale		57,739	252,794
Deferred gains and losses on hedges		2,117	1,993
Foreign currency translation adjustments		(13,944)	20,104
Share of other comprehensive income of affiliates accounted for under the equity method		(1,200)	239
Total other comprehensive income	*1	44,712	275,131
Comprehensive income		(48,098)	319,047
(Comprehensive income attributable to)			
Comprehensive income attributable to shareholders of the parent		(47,125)	318,126
Comprehensive income attributable to non-controlling interests		(973)	921

Consolidated Statements of Changes in Net Assets

NKSJ Holdings, Inc.

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
	Amount	Amount
Shareholders' equity:		
Common stock:		
Balance at the beginning of the period	100,045	100,045
Balance at the end of the period	100,045	100,045
Capital surplus:		
Balance at the beginning of the period	438,555	438,562
Changes during the period:		
Disposal of treasury stock	6	5
Total changes during the period	6	5
Balance at the end of the period	438,562	438,567
Retained earnings:		
Balance at the beginning of the period	298,339	172,868
Changes during the period:		
Dividends	(33,208)	(33,186)
Net income (loss)	(92,262)	43,618
Changes in the scope of consolidation	—	(1,175)
Changes in the scope of application of the equity method	—	(976)
Total changes during the period	(125,470)	8,281
Balance at the end of the period	172,868	181,149
Treasury stock:		
Balance at the beginning of the period	(572)	(1,044)
Changes during the period:		
Acquisition of treasury stock	(924)	(877)
Disposal of treasury stock	452	799
Total changes during the period	(471)	(77)
Balance at the end of the period	(1,044)	(1,122)
Total shareholders' equity:		
Balance at the beginning of the period	836,367	710,431
Changes during the period:		
Dividends	(33,208)	(33,186)
Net income (loss)	(92,262)	43,618
Acquisition of treasury stock	(924)	(877)
Disposal of treasury stock	459	804
Changes in the scope of consolidation	—	(1,175)
Changes in the scope of application of the equity method	—	(976)
Total changes during the period	(125,935)	8,208
Balance at the end of the period	710,431	718,640

Consolidated Statements of Changes in Net Assets (Continued)

NKSJ Holdings, Inc.

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
	Amount	Amount
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale:		
Balance at the beginning of the period	268,976	326,591
Changes during the period:		
Net changes in items other than shareholders' equity	57,615	252,692
Total changes during the period	57,615	252,692
Balance at the end of the period	326,591	579,284
Deferred gains and losses on hedges:		
Balance at the beginning of the period	3,543	5,660
Changes during the period:		
Net changes in items other than shareholders' equity	2,117	1,993
Total changes during the period	2,117	1,993
Balance at the end of the period	5,660	7,653
Foreign currency translation adjustments:		
Balance at the beginning of the period	(34,583)	(49,141)
Changes during the period:		
Net changes in items other than shareholders' equity	(14,557)	19,832
Total changes during the period	(14,557)	19,832
Balance at the end of the period	(49,141)	(29,309)
Total accumulated other comprehensive income:		
Balance at the beginning of the period	237,936	283,111
Changes during the period:		
Net changes in items other than shareholders' equity	45,174	274,517
Total changes during the period	45,174	274,517
Balance at the end of the period	283,111	557,628
Stock acquisition rights:		
Balance at the beginning of the period	2,349	2,409
Changes during the period:		
Net changes in items other than shareholders' equity	60	(382)
Total changes during the period	60	(382)
Balance at the end of the period	2,409	2,027
Non-controlling interests:		
Balance at the beginning of the period	2,793	4,624
Changes during the period:		
Net changes in items other than shareholders' equity	1,831	566
Total changes during the period	1,831	566
Balance at the end of the period	4,624	5,191
Total net assets:		
Balance at the beginning of the period	1,079,446	1,000,577
Changes during the period:		
Dividends	(33,208)	(33,186)
Net income (loss)	(92,262)	43,618
Acquisition of treasury stock	(924)	(877)
Disposal of treasury stock	459	804
Changes in the scope of consolidation	—	(1,175)
Changes in the scope of application of the equity method	—	(976)
Net changes in items other than shareholders' equity	47,066	274,701
Total changes during the period	(78,868)	282,910
Balance at the end of the period	1,000,577	1,283,488

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Consolidated Statements of Cash Flows

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Increase (Decrease) Amount
		Amount	Amount	Amount
Cash flows from operating activities:				
Net income (loss) before income taxes and non-controlling interests		(57,636)	70,179	127,815
Depreciation		21,040	20,177	(863)
Impairment losses		992	3,962	2,970
Amortization of goodwill		3,662	4,050	388
Gains on negative goodwill		—	(184)	(184)
Increase (decrease) in reserve for outstanding losses and claims		8,282	(30,908)	(39,190)
Increase (decrease) in underwriting reserves		(183,286)	(46,047)	137,239
Increase (decrease) in allowance for possible credit losses		(354)	(900)	(545)
Increase (decrease) in allowance for possible investment losses		3	(3)	(7)
Increase (decrease) in reserve for retirement benefits		1,145	(4,872)	(6,018)
Increase (decrease) in reserve for retirement benefits to directors		(74)	(14)	60
Increase (decrease) in reserve for bonus payments		(142)	144	287
Increase (decrease) in reserve for bonus payments to directors		143	146	2
Increase (decrease) in reserve for price fluctuation		137	7,861	7,724
Interest and dividend income		(152,090)	(154,789)	(2,699)
Losses (gains) on investment in securities		1,550	(65,942)	(67,492)
Interest expenses		7,566	7,563	(2)
Foreign exchange losses (gains)		12,575	3,007	(9,567)
Losses (gains) related to tangible fixed assets		(1,002)	(1,998)	(996)
Losses (gains) related to loans		131	0	(131)
Investment losses (gains) on the equity method		(111)	(713)	(602)
Decrease (increase) in other assets		(25,263)	4,029	29,292
Increase (decrease) in other liabilities		47,823	(1,115)	(48,938)
Others		15,616	3,557	(12,058)
Subtotal		(299,288)	(182,808)	116,480
Interest and dividend received		159,264	160,334	1,069
Interest paid		(7,168)	(7,156)	11
Income taxes refund (paid)		2,637	(2,968)	(5,605)
Cash flows from operating activities		(144,555)	(32,599)	111,955
Cash flows from investing activities:				
Net decrease (increase) in deposits		(11,219)	101	11,320
Proceeds from sales and redemption of monetary receivables bought		3,723	7,341	3,617
Increase in money trusts		(807)	(45,186)	(44,378)
Decrease in money trusts		31,154	13,070	(18,083)
Purchase of securities		(1,027,133)	(1,231,982)	(204,848)
Proceeds from sales and redemption of securities		1,142,006	1,449,598	307,592
Loans made		(183,549)	(171,551)	11,997
Collection of loans		211,363	178,933	(32,430)
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions		39,510	(30,070)	(69,580)
Others		13,165	(19,787)	(32,953)
Total of investment transactions		218,214	150,467	(67,747)

Consolidated Statements of Cash Flows (Continued)

NKSJ Holdings, Inc.

(Millions of yen)

	Notes No.	Fiscal year ended	Fiscal year ended	Increase (Decrease) Amount
		March 31, 2012 (April 1, 2011 to March 31, 2012)	March 31, 2013 (April 1, 2012 to March 31, 2013)	
		Amount	Amount	Amount
Total of operating activities and investment transactions as above		73,659	117,868	44,208
Acquisition of tangible fixed assets		(14,359)	(17,703)	(3,344)
Proceeds from sales of tangible fixed assets		2,874	3,974	1,099
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation		(5,191)	—	5,191
Others		(2,641)	(2,889)	(247)
Cash flows from investing activities		198,896	133,848	(65,047)
Cash flows from financing activities:				
Proceeds from issuance of corporate bonds		—	133,560	133,560
Proceeds from sales of treasury stock		13	2	(10)
Acquisition of treasury stock		(924)	(877)	47
Dividends paid		(33,246)	(33,152)	94
Dividends paid to non-controlling shareholders		(3)	(4)	(1)
Others		(2,698)	(2,954)	(256)
Cash flows from financing activities		(36,860)	96,573	133,434
Effect of exchange rate changes on cash and cash equivalents		(3,033)	10,599	13,632
Increase (decrease) in cash and cash equivalents		14,447	208,422	193,975
Cash and cash equivalents at the beginning of the period		398,912	415,489	16,576
Increase in cash and cash equivalents due to newly consolidated subsidiaries		—	1,269	1,269
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries		—	(831)	(831)
Increase in cash and cash equivalents due to merger		2,129	—	(2,129)
Cash and cash equivalents at the end of the period	*1	415,489	624,349	208,860

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NKSJ Holdings, Inc.

1. Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 25 companies

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

Japan Insurance Service Inc. became a consolidated subsidiary during the fiscal year ended March 31, 2013, due to an increase in its materiality. Sompo Japan Nipponkoa Holdings (Americas) Inc., which became a subsidiary of NKSJ Holdings, Inc. ("NKSJ"), was made a consolidated subsidiary of NKSJ during the fiscal year ended March 31, 2013. Nippon Insurance Company of Europe Limited is excluded from the scope of consolidation from the fiscal year ended March 31, 2013, because it ceased to be significant due to substantial completion of the dissolution proceedings in accordance with local laws as at the end of the current consolidated fiscal year. Consolidated statements of income and consolidated statements of comprehensive income include income or loss of Nippon Insurance Company of Europe Limited from April 1, 2012 to March 31, 2013.

(2) Names of major non-consolidated subsidiaries

Names of major non-consolidated subsidiaries
Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited
Ark Re Limited

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the financial conditions and results of operations of the NKSJ Group (the "Group") in terms of total assets, ordinary income, net income or loss and retained earnings (to the extent of equity position of NKSJ), etc., they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 4 companies

Hitachi Capital Insurance Corporation
Universal Sompo General Insurance Company Limited

Maritima Seguros S.A.
Maritima Saude Seguros S.A.

Yasuda Enterprise Development Co., Ltd. is excluded from the scope of application of the equity method due to a decrease in its materiality because of NKSJ policy of withdrawal from business. Consolidated statements of income and consolidated statements of comprehensive income include investment gains and losses on the equity method of Yasuda Enterprise Development Co., Ltd. from April 1, 2012 to March 31, 2013.

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

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

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

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

4. Accounting policies

(1) Valuation policies and methods for securities

- (a) Trading securities are carried at fair value.
Cost of sale is calculated based on the moving-average method.
- (b) Bonds held to maturity are carried at amortized cost based on the moving-average method.
- (c) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.
- (d) Securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) are carried at fair value based on the market price and other factors at the end of the fiscal year.
Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.
- (e) Securities available for sale which are considered extremely difficult to figure out their fair value are carried at cost based on the moving-average method.
- (f) Securities managed as trust assets in individually operated money trusts for primarily trading purposes are carried at fair value.
- (g) Securities managed as trust assets in individually operated money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

(2) Valuation policies and methods for derivative transactions

Derivative transactions are carried at fair value.

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

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

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

(b) Intangible fixed assets

Amortization of software for internal use held by the consolidated subsidiaries is calculated by using the straight-line method based on the estimated useful lives.

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

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

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

For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.

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

The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.

(b) Reserve for retirement benefits

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

Actuarial difference is amortized from the following fiscal year by using the straight-line method over certain years within the average remaining service years of employees as of each fiscal year when the difference occurs.

(c) Reserve for retirement benefits to directors

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

(d) Reserve for bonus payments

In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the amount to be paid estimated at the end of the fiscal year.

- (e) Reserve for bonus payments to directors
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the amount to be paid estimated at the end of the fiscal year.
- (f) Reserve for price fluctuation
In order to provide for possible losses arising from price fluctuation of stock, etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.

(5) Significant hedge accounting

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

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

Generally the fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated assets, etc. The assignment accounting as an exceptional treatment is applied to certain transactions to the extent that such transactions meet the conditions required for application of the assignment accounting. The assignment accounting is applied to currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated corporate bonds issued by the domestic consolidated insurance subsidiary.

Hedge effectiveness is assessed by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of assessment.

However, when the significant conditions are shared among the hedged item and the hedging instrument and its effectiveness is obviously considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the assignment accounting, the assessment of the hedge effectiveness is omitted.

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

(6) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 20 years. Immaterial amounts of goodwill are amortized at one time.

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

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

(8) Accounting methods for consumption taxes

NKSJ and its domestic consolidated subsidiaries account for consumption taxes by using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses under the tax-included method. Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over 5 years.

(Accounting standards not applied)

Accounting Standards Board of Japan Statement No.26 "Accounting Standard for Retirement Benefits" (May 17, 2012) and Accounting Standards Board of Japan Guidance No.25 "Guidance on Accounting Standard for Retirement Benefits" (May 17, 2012)

(1) Summary

These accounting standards aim mainly to change accounting methods of unrecognized actuarial difference and unrecognized prior service costs and extend disclosure items in addition to changes in calculation methods of retirement benefit obligation and service cost under the viewpoint of improving the financial reporting and international trends.

(2) Scheduled date of application

Effective from the consolidated financial statements at the end of the consolidated fiscal year beginning on April 1, 2013, the above accounting standards will be applied. However, the changes in calculation of retirement benefit obligation and service cost will be applied at the beginning of the consolidated fiscal year beginning on April 1, 2014.

(3) Impact following the application of these accounting standards

NKSJ is currently evaluating the impact on the consolidated financial statements that may occur in preparing the consolidated financial statements.

2. Notes to the Consolidated Balance Sheets

*1. The amounts of accumulated depreciation of tangible fixed assets are as follows.

(Millions of yen)

As of March 31, 2012	As of March 31, 2013
406,764	415,804

*2. The amounts of advanced depreciation of tangible fixed assets are as follows.

(Millions of yen)

As of March 31, 2012	As of March 31, 2013
28,681	28,604

*3. Investments in non-consolidated subsidiaries and affiliates are as follows.

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Securities (stocks)	36,459	37,391
Securities (equity interests)	5,721	5,152

*4. The amounts of loans to borrowers in bankruptcy, etc. are as follows.

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Loans to borrowers in bankruptcy	323	235
Overdue loans	2,076	1,394
Loans overdue for three months or more	—	—
Restructured loans	538	440
Total	2,937	2,071

Note) Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96-1-3 (the maximum amount transferable to allowance for possible credit losses) or Article 96-1-4 of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No.97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.

Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

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

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

***5. Pledged assets and secured debts are as follows.**

Pledged assets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Deposits	2,323	3,317
Securities	75,360	75,370
Tangible fixed assets	5,068	3,493
Total	82,752	82,181

Note) Other than those mentioned above, stocks of subsidiaries and affiliates of 2,794 million yen are pledged as collateral as of March 31, 2012 and 2013, but the entire amount is eliminated for the preparation of the consolidated financial statements.

Secured debts

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Other liabilities (borrowings)	1,546	1,220

***6. The amounts of lending securities under loan agreements included in securities are as follows.**

(Millions of yen)

As of March 31, 2012	As of March 31, 2013
43,523	10,067

7. Of the securities received as collateral under derivative transactions, those which the Group holds rights to dispose of by sale or use as collateral at its discretion are as follows.

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Securities which the Group does not dispose of but retains	5,307	7,592

***8. The amounts of loan commitments outstanding are as follows.**

(Millions of yen)

As of March 31, 2012	As of March 31, 2013
9,386	9,043

3. Notes to the Consolidated Statements of Income

***1. Main components of operating expenses are as follows.**

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Agency commissions, etc.	367,784	375,362
Salaries	218,893	220,872

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

*2. Components of impairment losses are as follows.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

Purpose of use	Category	Location	Impairment losses (millions of yen)			
			Land	Buildings	Others	Total
Properties for rent	Land and buildings	5 properties, including building for rent in Miyazaki	9	3	—	13
Idle properties	Land, buildings and others	11 properties, including company house in Ibaraki	744	234	0	978
Total			753	238	0	992

The domestic consolidated insurance subsidiaries categorize properties used for the insurance business as a single asset group for the entire insurance business. Each property for rent, idle property and expected disposal property is categorized individually. The other consolidated subsidiaries categorize properties used for the business as a single asset group for each subsidiary.

Concerning properties which have reduced their profitability significantly, due mainly to a decline in the prices of land, the book value of those properties is devalued to the recoverable value. These devaluations are recorded as impairment losses in extraordinary losses.

The recoverable value is calculated by using the net selling price. The net selling price is the appraisal value measured by the real estate appraisers.

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

Purpose of use	Category	Location	Impairment losses (millions of yen)			
			Land	Buildings	Software and others	Total
Properties for rent	Land and buildings	2 properties, including building for rent in Fukushima	5	49	—	54
Idle properties	Land and buildings	25 properties, including land and buildings in Fukushima	2,641	742	—	3,383
Software for business use	Software and others	Software relating to other business, etc.	—	23	501	524
Total			2,646	815	501	3,962

The domestic consolidated insurance subsidiaries categorize properties used for the insurance business as a single asset group for the entire insurance business. Each property for rent, idle property and expected disposal property is categorized individually. The other consolidated subsidiaries categorize properties used for the business as a single asset group for each subsidiary.

Concerning properties for rent and idle properties which have reduced their profitability significantly, due mainly to a decline in the prices of land, the book value of those properties is devalued to the recoverable value. These devaluations are recorded as impairment losses in extraordinary losses. The recoverable value is calculated by using the net selling price. The net selling price is the appraisal value measured by the real estate appraisers.

Concerning software for business use relating to other business, etc. whose recoverable value declines below its book value, the book value of those properties is devalued to the recoverable value. These devaluations are recorded as impairment losses in extraordinary losses.

The recoverable value is calculated by using the value in use. Future cash flow of software for business use is not estimable, so the value in use is calculated as zero.

*3. Significant items in other extraordinary losses are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Merger cost of domestic consolidated property and casualty insurance subsidiaries	—	13,195
Special extra retirement payments relating to its call for voluntary retirement, etc.	—	11,682

4. Note to the Consolidated Statements of Comprehensive Income

*1. Reclassification adjustments and the related tax effects concerning other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Unrealized gains and losses on securities available for sale		
The amount occurred during the period	49,917	423,823
Reclassification adjustments	2,337	(65,910)
Before tax effects adjustments	52,254	357,913
Tax effects	5,485	(105,118)
Unrealized gains and losses on securities available for sale	57,739	252,794
Deferred gains and losses on hedges		
The amount occurred during the period	4,158	4,256
Reclassification adjustments	(1,385)	(1,429)
Before tax effects adjustments	2,773	2,827
Tax effects	(655)	(834)
Deferred gains and losses on hedges	2,117	1,993
Foreign currency translation adjustments		
The amount occurred during the period	(13,944)	19,992
Reclassification adjustments	—	112
Foreign currency translation adjustments	(13,944)	20,104
Share of other comprehensive income of affiliates accounted for under the equity method		
The amount occurred during the period	(1,133)	267
Reclassification adjustments	(66)	(28)
Share of other comprehensive income of affiliates accounted for under the equity method	(1,200)	239
Total other comprehensive income	44,712	275,131

5. Notes to the Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

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

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding				
Common stock	1,661,409	—	1,246,056	415,352
Total	1,661,409	—	1,246,056	415,352
Treasury stock				
Common stock	983	1,260	1,716	527
Total	983	1,260	1,716	527

Notes)

- Decrease in shares outstanding of common stock of 1,246,056 thousand shares is due to the reverse split of stocks.
- Breakdown of increase in treasury stock of common stock of 1,260 thousand shares is as follows.
 - Increase due to acquisition of treasury stock in accordance with approval by board of directors: 1,200 thousand shares (before the reverse split of stocks: 1,000 thousand shares, after the reverse split of stocks: 200 thousand shares)
 - Increase due to purchase of fractional shares as the result of a reverse split of stocks: 7 thousand shares
 - Increase due to purchase of shares less than a full trading unit: 53 thousand shares (before the reverse split of stocks: 36 thousand shares, after the reverse split of stocks: 16 thousand shares)
- Breakdown of decrease in treasury stock of common stock of 1,716 thousand shares is as follows.
 - Decrease due to the reverse split of stocks: 924 thousand shares
 - Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 771 thousand shares (before the reverse split of stocks: 768 thousand shares, after the reverse split of stocks: 3 thousand shares)
 - Decrease due to sales of shares less than a full trading unit: 21 thousand shares (before the reverse split of stocks: 19 thousand shares, after the reverse split of stocks: 2 thousand shares)

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
NKSJ Holdings, Inc.	Stock acquisition rights for stock options	2,409
Total		2,409

3. Dividends**(1) Dividends paid**

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

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 27, 2012	Common stock	33,186 million yen	Retained earnings	80 yen	March 31, 2012	June 28, 2012

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

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

	Number of shares at the beginning of the period (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Number of shares at the end of the period (thousand shares)
Shares outstanding				
Common stock	415,352	—	—	415,352
Total	415,352	—	—	415,352
Treasury stock				
Common stock	527	508	409	626
Total	527	508	409	626

Notes)

- Breakdown of increase in treasury stock of common stock of 508 thousand shares is as follows.
Increase due to acquisition of treasury stock in accordance with approval by board of directors: 500 thousand shares
Increase due to purchase of shares less than a full trading unit: 8 thousand shares
- Breakdown of decrease in treasury stock of common stock of 409 thousand shares is as follows.
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 408 thousand shares
Decrease due to sales of shares less than a full trading unit: 1 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
NKSJ Holdings, Inc.	Stock acquisition rights for stock options	2,027
Total		2,027

3. Dividends**(1) Dividends paid**

Resolution	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 27, 2012	Common stock	33,186 million yen	80 yen	March 31, 2012	June 28, 2012

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
General meeting of stockholders held on June 24, 2013	Common stock	24,883 million yen	Retained earnings	60 yen	March 31, 2013	June 25, 2013

6. Notes to the Consolidated Statements of Cash Flows

*1. Reconciliation of cash and cash equivalents at the end of the period to the line items represented in the consolidated balance sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Cash and deposits	332,416	513,739
Call loans	76,300	66,700
Receivables under resale agreements	60,486	80,483
Securities	6,317,507	6,596,246
Time deposits with original maturities of more than 3 months	(58,782)	(63,142)
Securities other than cash equivalents	(6,312,437)	(6,569,677)
Cash and cash equivalents	415,489	624,349

2. Significant non-cash transactions

None.

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

7. Lease Transactions

1. Finance lease transactions

Finance lease transactions that do not transfer ownership accounted for in a manner similar to accounting treatment for ordinary rental transactions

(Lessee)

(1) Acquisition cost, accumulated depreciation, accumulated impairment losses and balance of leased assets

As of March 31, 2012

(Millions of yen)

	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Balance
Tangible fixed assets	790	707	—	82

Acquisition cost includes interest payable thereon because the balance of future lease payments accounts for a small portion of the balance of tangible fixed assets.

As of March 31, 2013

(Millions of yen)

	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Balance
Tangible fixed assets	77	63	—	13

Acquisition cost includes interest payable thereon because the balance of future lease payments accounts for a small portion of the balance of tangible fixed assets.

(2) Balance of future lease payments

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Due within one year	67	10
Due after one year	14	2
Total	82	13
Balance of reserve for impairment losses on leased assets	—	—

Balance of future lease payments includes interest payable thereon because it accounts for a small portion of the balance of tangible fixed assets.

(3) Lease payments, reversal of reserve for impairment losses on leased assets, depreciation equivalent and impairment losses

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Lease payments	435	58
Reversal of reserve for impairment losses on leased assets	—	—
Depreciation equivalent	435	58
Impairment losses	—	—

(4) Calculation of depreciation equivalent

Depreciation equivalent is calculated by using the straight-line method over the lease period, with no residual value.

2. Operating lease transactions

Future lease payments related to non-cancelable operating leases

(Lessee)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Due within one year	1,771	722
Due after one year	1,931	1,902
Total	3,702	2,625

(Lessor)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Due within one year	1,419	1,401
Due after one year	5,170	4,281
Total	6,590	5,682

8. Financial Instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

As the Group is mainly engaged in insurance businesses and fully recognizes the characteristic of investment fund for the insurance company, the Group manages the investment asset taking into consideration the optimal mix of safety, liquidity and profitability. Further, in order to appropriately manage investment assets related to long-term insurance liabilities such as life insurance and savings-type insurance, the Group intends to stabilize returns for the future maturity refunds to policyholders by the methodology based on ALM (integrated management of assets and liabilities).

In addition, with a view to strengthen the financial structure, the consolidated subsidiary increased its capital substantively by the issuance of subordinated bond (i.e. hybrid finance) which is deemed as capital to some extent by major credit rating agencies.

(2) The nature and risk of financial instruments

As financial instruments which the Group holds are mainly securities such as bonds and stocks, the Group is exposed to risks (market risks) associated with price fluctuations of investments, which are influenced by stock prices, interest rates and foreign exchange rates, as well as risks (liquidity risks) that securities may not be traded or may be forced to be traded at far more unfavorable prices than under normal conditions due to a market crisis and the like.

And the securities and the loans which the Group holds are exposed to credit risk which would cause a decrease in their value or uncollectible interest and principal due to the reasons such as deterioration of creditworthiness and bankruptcy of the issuer and the borrower.

Regarding derivative transactions, the Group utilizes derivatives to hedge risks on assets held. These also involve market risks and credit risks.

Please refer to the note on “(5) Significant hedge accounting” in “4. Accounting policies” in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements” for derivative transactions which hedge accounting is applied to.

(3) The risk management structure regarding financial instruments

NKSJ has established “the NKSJ Group risk management basic policy” to properly identify the risk profile held by the Group, in order to avoid unforeseen loss and to control the risk appropriately in order to ensure the financial soundness and to develop an enterprise risk management (ERM) structure that aims to maximize the enterprise value of the Group. In addition, NKSJ has applied risk management regulations that prescribe the system and important matters relating to execution of operation necessary for developing the Group’s risk management structure. NKSJ has also established a risk management department to supervise the Group’s risk management. The risk management department has monitored the status of the Group’s risk management based on the Basic Policy, said regulations and the like and has reported periodically to the Board of Directors on such matters.

Through the integrated management model of investment risks, NKSJ manages investment risks related to the financial assets and liabilities held by the Group on an integrated basis, covering both market risk and credit risk, and quantifies the investment risks on a daily basis pursuant to the value at risk (VaR) method, and monitors the soundness of the Group’s financial condition. In addition, NKSJ periodically makes sensitivity analyses against changes in stock price, interest rate and currency exchange rate. Further, NKSJ has established comprehensive stress scenarios covering a range of events that could cause a material impact on the management of the Group and performs stress tests to evaluate and measure risks on an integrated basis. In addition, as to credit risks, in order to avoid concentrating the risk on specific borrowers, NKSJ has set credit limits and established controls to manage the risks appropriately.

With respect to liquidity risks, NKSJ has developed a structure to implement appropriate countermeasures, such as categorizing the urgency level of funds needs as “normal”, “needs care” and “crisis”, and ensuring the fund-raising methods corresponding to such categorization, in order to be prepared for claims paid upon occurrence of large natural disasters, redemption of bonds and the like.

Domestic insurance subsidiaries have developed equivalent risk management systems and have respectively managed the risks based on their respective asset management policy and risk profile, establishing limits of their own as necessary. With respect to each finance/investment transaction, they also have developed a system concerning credit control such as credit administration, internal risk ratings assessment and post-closing monitoring.

(4) Supplemental explanation about the fair value of financial instruments

Other than the fair value of financial instruments based on the market price, fair value calculated reasonably is included if the market price is not obtainable. In view that certain assumption is employed to measure the fair value, the resulting value might differ depending on the assumption to be applied. “Notional amount” on each table in notes on “Derivative Transactions” shows contract amounts or notional amounts of derivative transactions. These amounts do not show the volume of market risk or credit risk regarding derivative transactions.

2. Fair value of financial investments

Carrying amount, fair value and unrealized gains and losses are as follows. Meanwhile, financial instruments which are considered extremely difficult to figure out their fair value are not included in the following table. (Please refer to Notes) 2 for details.)

As of March 31, 2012

(Millions of yen)

	Carrying amount	Fair value	Unrealized gains and losses
(1) Cash and deposits	332,416	332,416	—
(2) Call loans	76,300	76,300	—
(3) Receivables under resale agreements	60,486	60,486	—
(4) Monetary receivables bought	28,952	28,952	—
(5) Money trusts	36,972	36,972	—
(6) Securities:			
Trading securities	14,557	14,557	—
Bonds held to maturity	1,177,645	1,246,155	68,510
Securities available for sale	4,950,816	4,950,816	—
(7) Loans	654,039		
Allowance for possible credit losses ⁽¹⁾	(1,014)		
	653,025	660,711	7,685
Total assets	7,331,172	7,407,369	76,196
(1) Corporate bonds	128,000	129,625	1,625
Total liabilities	128,000	129,625	1,625
Derivative transactions ⁽²⁾ :			
Hedge accounting is not applied to	[1,038]	[1,038]	—
Hedge accounting is applied to	[6,244]	[6,244]	(0)
Total derivative transactions	[7,283]	[7,283]	(0)

⁽¹⁾ This figure represents deductions to loans as general and individual allowance for possible credit losses.

⁽²⁾ This table collectively shows derivative transactions which are included in other assets and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net debt in total are shown in the brackets [].

As of March 31, 2013

(Millions of yen)

	Carrying amount	Fair value	Unrealized gains and losses
(1) Cash and deposits	513,739	513,739	—
(2) Call loans	66,700	66,700	—
(3) Receivables under resale agreements	80,483	80,483	—
(4) Monetary receivables bought	21,969	21,969	—
(5) Money trusts	69,179	69,179	—
(6) Securities:			
Trading securities	19,859	19,859	—
Bonds held to maturity	1,228,646	1,369,128	140,482
Securities available for sale	5,177,783	5,177,783	—
(7) Loans	635,239		
Allowance for possible credit losses ⁽¹⁾	(507)		
	634,732	645,235	10,503
Total assets	7,813,093	7,964,078	150,985
(1) Corporate bonds	261,560	263,363	1,803
Total liabilities	261,560	263,363	1,803
Derivative transactions ⁽²⁾ :			
Hedge accounting is not applied to	210	210	—
Hedge accounting is applied to	[5,317]	[5,317]	—
Total derivative transactions	[5,107]	[5,107]	—

⁽¹⁾ This figure represents deductions to loans as general and individual allowance for possible credit losses.

⁽²⁾ This table collectively shows derivative transactions which are included in other assets and other liabilities. Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net debt in total are shown in the brackets [].

Notes)

1. Calculation methods for the fair value of financial instruments

Assets

(1) Cash and deposits

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(2) Call loans

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(3) Receivables under resale agreements

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(4) Monetary receivables bought

The fair value is based on the price quoted by counterparties.

(5) Money trusts

The fair value of the financial instruments managed as trust asset is as follows. As bank deposit, etc. are short term and the fair value approximates the book value, the book value is presented as the fair value. The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association, the price quoted by counterparties and the over-the-counter average price released by the information providers. The fair value of the domestic stocks is based on the price at exchanges. And the fair value of foreign securities is based on the price at exchanges, the price released by the industry association and the price quoted by counterparties. As for derivative transactions, the fair value of quoted derivatives is based on the price at exchanges and the fair value of forward foreign exchanges is based on forward exchange rate at the end of the fiscal year.

(6) Securities

The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association and the price quoted by counterparties. The fair value of the domestic stocks is based on the price at exchanges. And the fair value of foreign securities is based on the price at exchanges, the price quoted by counterparties and others.

(7) Loans

The fair value is the amount of future collection cash flow of each loan which is discounted by the risk free rate for the corresponding period, adding credit risk premium and liquidity premium thereto, or the total amount of principal and interest which is discounted by the expected interest rate of new loans by the types and categories of internal ratings. For the loans categorized as loans to borrowers in bankruptcy legally or substantially, borrowers who are highly probable to go bankrupt in the future and some borrowers special mention, the fair values are (a) the present values of estimated future cash flows or (b) the carrying amount less current estimated credit losses. As for (b), because the estimated credit losses are calculated based on the amount expected to be covered by collateral and guarantee, the fair value approximates the said amount.

Liabilities

(1) Corporate bonds

The fair value is the price at exchanges, the amount of future cash flow discounted by the risk free rate for the corresponding period, adding credit risk premium and liquidity premium thereto and others.

Derivative transactions

Please refer to the notes on "Derivative Transactions".

2. Carrying amounts of the financial instruments which are considered extremely difficult to figure out their fair value are as follows. These financial instruments are not included in "(5) Money trusts" or "(6) Securities".

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Money trusts	119	—
Domestic bonds	1,000	0
Domestic stocks	110,565	103,797
Foreign securities	42,865	50,981
Others	20,055	13,814
Total	174,606	168,594

As domestic stocks are unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

As foreign securities are unlisted stocks or investments mainly in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

As others are investments mainly in real estate or in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

3. The redemption amounts after the consolidated balance sheet date for monetary receivables and fixed maturity securities

As of March 31, 2012

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	327,234	4,581	—	—
Call loans	76,300	—	—	—
Receivables under resale agreements	60,487	—	—	—
Monetary receivables bought	1,214	6,487	1,000	19,605
Securities:				
Bonds held to maturity:				
Government bonds	380	25,150	70,773	711,503
Municipal bonds	11,257	38,951	—	44,400
Corporate bonds	40,002	101,679	36,997	59,500
Foreign securities	7,434	21,463	1,363	15
Fixed maturity securities available for sale:				
Government bonds	78,691	467,138	299,782	607,256
Municipal bonds	15,947	42,595	3,380	12,200
Corporate bonds	167,476	362,863	138,201	240,969
Foreign securities	37,708	204,222	239,371	57,433
Others	1,020	2,635	6,910	—
Loans ^(*)	181,035	310,527	108,272	50,109
Total	1,006,190	1,588,295	906,052	1,802,994

(*) 1,585 million yen of loans whose redemption amounts are not estimable such as loans to borrowers in bankruptcy legally or substantially and to borrowers who are highly probable to go bankrupt in the future is not included.

As of March 31, 2013

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Deposits	508,174	5,463	—	—
Call loans	66,700	—	—	—
Receivables under resale agreements	80,484	—	—	—
Monetary receivables bought	71	2,907	1,000	16,870
Securities:				
Bonds held to maturity:				
Government bonds	3,020	29,330	69,873	820,083
Municipal bonds	27,586	11,365	—	44,400
Corporate bonds	51,525	65,078	26,473	55,100
Foreign securities	5,138	8,943	553	—
Fixed maturity securities available for sale:				
Government bonds	108,411	403,604	282,801	705,795
Municipal bonds	15,804	19,807	2,980	12,200
Corporate bonds	108,332	318,720	150,319	230,471
Foreign securities	47,152	252,734	284,927	68,648
Others	11,366	2,695	11,605	—
Loans ^(*)	187,385	286,766	110,226	48,185
Total	1,221,154	1,407,415	940,758	2,001,754

(*) 1,223 million yen of loans whose redemption amounts are not estimable such as loans to borrowers in bankruptcy legally or substantially and to borrowers who are highly probable to go bankrupt in the future is not included.

4. The contractual payment amounts of the corporate bonds, long-term borrowings and lease obligations after the consolidated balance sheet date

As of March 31, 2012

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	—	128,000
Long-term borrowings	165	132	129	120	104	3,745
Lease obligations	2,564	2,001	1,227	760	223	0
Total	2,730	2,134	1,357	880	327	131,745

As of March 31, 2013

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	—	—	—	—	261,560
Long-term borrowings	120	110	105	96	82	4,324
Lease obligations	2,618	1,828	1,365	666	115	—
Total	2,738	1,939	1,470	762	197	265,884

9. Securities

1. Trading securities

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Unrealized gains and losses recognized in statements of income	318	1,643

2. Bonds held to maturity

As of March 31, 2012

(Millions of yen)

		Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,142,287	1,210,414	68,127
	Foreign securities	24,878	25,548	670
	Subtotal	1,167,165	1,235,962	68,797
Securities whose fair value does not exceed their carrying amount	Domestic bonds	4,369	4,367	(2)
	Foreign securities	6,110	5,825	(284)
	Subtotal	10,480	10,193	(287)
Total		1,177,645	1,246,155	68,510

As of March 31, 2013

(Millions of yen)

		Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,213,783	1,354,093	140,310
	Foreign securities	10,505	10,715	209
	Subtotal	1,224,289	1,364,808	140,519
Securities whose fair value does not exceed their carrying amount	Domestic bonds	—	—	—
	Foreign securities	4,357	4,319	(37)
	Subtotal	4,357	4,319	(37)
Total		1,228,646	1,369,128	140,482

3. Securities available for sale

As of March 31, 2012

(Millions of yen)

		Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,412,530	2,335,317	77,213
	Domestic stocks	992,640	514,384	478,256
	Foreign securities	591,536	551,010	40,525
	Others	47,662	44,281	3,381
	Subtotal	4,044,370	3,444,993	599,377
Securities whose carrying amount does not exceed their cost	Domestic bonds	126,342	129,135	(2,792)
	Domestic stocks	402,536	474,666	(72,130)
	Foreign securities	393,555	443,134	(49,578)
	Others	32,914	33,589	(674)
	Subtotal	955,348	1,080,525	(125,176)
Total	4,999,719	4,525,518	474,200	

Notes)

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

As of March 31, 2013

(Millions of yen)

		Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	2,465,919	2,335,246	130,673
	Domestic stocks	1,278,449	661,719	616,730
	Foreign securities	910,155	810,619	99,535
	Others	58,087	48,488	9,598
	Subtotal	4,712,611	3,856,074	856,537
Securities whose carrying amount does not exceed their cost	Domestic bonds	54,401	55,074	(672)
	Domestic stocks	167,690	180,774	(13,084)
	Foreign securities	240,399	255,984	(15,584)
	Others	45,167	45,673	(506)
	Subtotal	507,658	537,506	(29,848)
Total	5,220,270	4,393,581	826,689	

Notes)

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

4. Securities available for sale sold during the fiscal years ended March 31, 2012 and 2013

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	344,871	7,333	763
Domestic stocks	131,812	37,322	13,668
Foreign securities	325,639	7,627	20,185
Others	228	73	58
Total	802,552	52,355	34,675

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	454,965	10,757	668
Domestic stocks	199,856	87,911	4,124
Foreign securities	255,679	11,736	2,578
Others	1,487	1,033	21
Total	911,989	111,439	7,393

Note) Beneficial interests in the loan trusts classified as monetary receivables bought in the consolidated balance sheets are included in "Others" above.

5. Securities for which impairment losses are recognized during the fiscal years ended March 31, 2012 and 2013

For the fiscal year ended March 31, 2012, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 10,676 million yen (domestic bonds: 222 million yen, domestic stocks: 9,384 million yen, foreign securities: 891 million yen, others: 177 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 368 million yen (domestic stocks: 348 million yen, others: 20 million yen). Of this amount, impairment losses on beneficial interests in the loan trusts, which are classified as other investment expenses in the consolidated statements of income, amount to 177 million yen.

For the fiscal year ended March 31, 2013, impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 37,113 million yen (domestic bonds: 1,130 million yen, domestic stocks: 35,183 million yen, foreign securities: 799 million yen), and impairment losses on securities available for sale which are considered extremely difficult to figure out their fair value amount to 641 million yen (domestic stocks: 621 million yen, others: 20 million yen).

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

10. Money Trusts

1. Money trusts for trading purposes

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Unrealized gains and losses recognized in statements of income	544	1,008

2. Money trusts held to maturity

None.

3. Money trusts classified as other than trading purposes or held to maturity

As of March 31, 2012

(Millions of yen)

	Carrying amount	Cost	Unrealized gains and losses
Money trusts	362	362	—

Note) Money trusts which are considered extremely difficult to figure out their fair value are not included in the above table.

As of March 31, 2013

(Millions of yen)

	Carrying amount	Cost	Unrealized gains and losses
Money trusts	29,076	27,958	1,118

11. Derivative Transactions

1. Derivative transactions to which hedge accounting is not applied

(1) Currency derivatives

As of March 31, 2012

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Over-the-counter transactions:				
Forward foreign exchanges:				
Short:				
EUR	37,229	—	(1,043)	(1,043)
USD	17,253	—	(265)	(265)
GBP	243	—	0	0
Long:				
EUR	9,307	—	29	29
TRY	2,691	—	(5)	(5)
USD	2,368	—	(2)	(2)
Total			(1,286)	(1,286)

Note) Calculation methods for the fair value

The fair value of forward foreign exchanges is calculated by using forward exchange rate.

As for forward foreign exchanges between foreign currency and the other foreign currency, the fair value is calculated by using forward exchange rate between the other foreign currency and yen on the trade date of forward foreign exchanges.

As of March 31, 2013

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Over-the-counter transactions:				
Forward foreign exchanges:				
Short:				
USD	17,159	—	(467)	(467)
EUR	4,514	—	155	155
Long:				
EUR	4,671	—	(20)	(20)
TRY	3,521	—	(39)	(39)
Total			(372)	(372)

Note) Calculation methods for the fair value

The fair value of forward foreign exchanges is calculated by using forward exchange rate.

As for forward foreign exchanges between foreign currency and the other foreign currency, the fair value is calculated by using forward exchange rate between the other foreign currency and yen on the trade date of forward foreign exchanges.

(2) Equity derivatives

As of March 31, 2012

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Market transactions:				
Equity index futures:				
Short	39,379	—	137	137
Total			137	137

Note) Calculation methods for the fair value

The fair value is based on the closing price at major exchanges.

As of March 31, 2013

None.

(3) Bond derivatives

As of March 31, 2012

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Market transactions:				
Bond futures:				
Short	2,947	—	33	33
Long	315	—	(10)	(10)
Total			23	23

Note) Calculation methods for the fair value

The fair value is based on the closing price at major exchanges.

As of March 31, 2013

None.

(4) Others

As of March 31, 2012

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Over-the-counter transactions:				
Credit derivatives:				
Short	9,000	8,000	2	2
Weather derivatives:				
Short	1,191	788		
	42*	27*	(72)	(29)
Earthquake derivatives:				
Short	4,370	10		
	133*	0*	(0)	133
Long	3,933	2,124		
	392*	265*	156	(235)
Total			86	(129)

Notes)

1. Calculation methods for the fair value

(1) Credit derivatives

The fair value is based on the price quoted by counterparties.

(2) Weather derivatives

The fair value is calculated based on the contract term and other elements of the contract.

(3) Earthquake derivatives

The fair value is calculated based on the contract term and other elements of the contract.

2. Amounts with an asterisk (*) represent the amount of the option premiums.

As of March 31, 2013

(Millions of yen)

	Notional amount	Due after 1 year	Fair value	Unrealized gains and losses
Over-the-counter transactions:				
Credit derivatives:				
Short	6,000	—	3	3
Weather derivatives:				
Short	2,499	726		
	68*	24*	(52)	16
Earthquake derivatives:				
Short	10,440	60		
	421*	1*	(13)	407
Long	8,676	7,128		
	1,007*	866*	644	(363)
Total			582	64

Notes)

1. Calculation methods for the fair value

(1) Credit derivatives

The fair value is based on the price quoted by counterparties.

(2) Weather derivatives

The fair value is calculated based on the contract term and other elements of the contract.

(3) Earthquake derivatives

The fair value is calculated based on the contract term and other elements of the contract.

2. Amounts with an asterisk (*) represent the amount of the option premiums.

2. Derivative transactions to which hedge accounting is applied

(1) Currency derivatives

As of March 31, 2012

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Due after 1 year	Fair value	
Fair value hedge	Forward foreign exchanges: Short:	Securities available for sale				
			USD	190,753	—	(7,808)
			EUR	110,178	—	(5,752)
			GBP	12,315	—	(628)
			CAD	9,050	—	(343)
			AUD	6,588	—	(31)
Total					(14,564)	

Note) Calculation methods for the fair value

The fair value of forward foreign exchanges is calculated by using forward exchange rate.

As of March 31, 2013

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount	Due after 1 year	Fair value	
Fair value hedge	Forward foreign exchanges: Short:	Securities available for sale				
			USD	132,581	—	(7,330)
			EUR	95,428	—	(8,755)
			GBP	17,085	—	(284)
			AUD	10,272	—	(77)
			CAD	5,882	—	(16)
Assignment accounting for forward foreign exchange contracts and others	Currency swaps	Foreign currency denominated corporate bonds (liabilities)	133,560	133,560	Note 2	
Total					(16,464)	

Notes)

1. Calculation methods for the fair value

The fair value of forward foreign exchanges is calculated by using forward exchange rate.

2. Forward foreign exchange contracts and others to which assignment accounting is applied are accounted for together with foreign currency denominated corporate bonds (liabilities) that are designated as hedged items. Therefore, their fair value is included in the fair value of the corporate bonds in "Financial Instruments".

(2) Interest rate derivatives

As of March 31, 2012

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount		Fair value
				Due after 1 year	
Deferred hedge	Interest rate swaps: Receipt fix / Payment float	Insurance liabilities	83,000	83,000	8,319
Exceptional treatment for interest rate swaps	Interest rate swaps: Payment fix / Receipt float	Borrowings	20	—	(0)
Total					8,319

Note) Calculation methods for the fair value

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

As of March 31, 2013

(Millions of yen)

Methods for hedge accounting	Type	Main hedged items	Notional amount		Fair value
				Due after 1 year	
Deferred hedge	Interest rate swaps: Receipt fix / Payment float	Insurance liabilities	83,000	83,000	11,146
Total					11,146

Note) Calculation methods for the fair value

The fair value is calculated by discounting estimated future cash flow to the present value.

12. Retirement Benefits

1. Outline of retirement benefit plans

In addition to a defined contribution pension plan, Sompo Japan provides a lump-sum payments retirement plan and a corporate pension fund system as defined benefit type. Sompo Japan sets up a retirement benefits trust.

In addition to a defined contribution pension plan, NIPPONKOA provides defined benefit plans with a lump-sum payments retirement plan, a contract-type corporate pension plan and a self-administered corporate pension plan both for retired employees who already receive or who is eligible for employees' benefits but have not yet reached the pension commencement age. NIPPONKOA also sets up a retirement benefit trust.

The other domestic consolidated subsidiaries provide lump-sum payments retirement plans as defined benefit type in addition to defined contribution pension plans.

Certain foreign consolidated subsidiaries have retirement benefit plans such as defined contribution type and defined benefit type.

2. Retirement benefit obligation

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
a. Retirement benefit obligation	(179,138)	(182,052)
b. Plan assets	73,129	80,788
c. Unfunded retirement benefit obligation (a+b)	(106,008)	(101,264)
d. Unrecognized actuarial difference	(1,740)	(1,866)
e. Net amount of retirement benefit obligation on the balance sheets (c+d)	(107,749)	(103,130)
f. Prepaid pension cost	233	113
g. Reserve for retirement benefits (e-f)	(107,983)	(103,244)

Note) Consolidated subsidiaries apply the simplified accounting methods for the calculation of retirement benefit obligation for certain retirement benefit plans.

3. Retirement benefit expenses

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
a. Service cost	8,189	7,943
b. Interest cost	2,850	2,826
c. Expected return on plan assets	(424)	(393)
d. Amortization of actuarial difference	2,420	2,259
e. Amortization of prior service costs	(12)	—
f. Subtotal (a+b+c+d+e)	13,024	12,636
g. Contributions paid to the defined contribution pension plan	5,808	5,884
h. Others	(608) ^{Note 2)}	—
i. Retirement benefit expenses (f+g+h)	18,223	18,520

Notes)

1. Retirement benefit expenses for retirement benefit plans under simplified accounting methods are included in "a. Service cost".
2. The amount represents profit and loss due to partial termination of the retirement benefit plan for employees of a subsidiary merged by a consolidated subsidiary.
3. 11,387 million yen of special extra retirement payments relating to its call for voluntary retirement is recognized as other extraordinary losses in addition to the above retirement benefit expenses during the fiscal year ended March 31, 2013.

4. Basis of calculation of retirement benefit obligation

- a. Allocation method of projected retirement benefits
Straight-line method, point method

- b. Discount rate

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
1.5%–1.8%	0.8%–1.5%

- c. Expected rate of return on plan assets

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
0.0%–1.5%	0.0%–1.5%

- d. Amortization period of actuarial difference

10 to 13 years (Actuarial difference is amortized from the following fiscal year by using the straight-line method over certain years within the average remaining service years of employees as of each fiscal year when the difference occurs.)

13. Stock Options

1. Recorded amount and account which includes stock option expense

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Operating, general and administrative expenses	510	519

2. Recorded amount on profit resulting from forfeiture of stock options

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Gains on reversal of stock acquisition rights	3	99

3. Contents, size and its changes of stock options

(1) Contents of stock options

1st to 16th issue of stock acquisition rights of NKSJ are stock options transferred from Sompo Japan to NKSJ and 17th to 22nd issue of stock acquisition rights of NKSJ are stock options transferred from NIPPONKOA to NKSJ on the date of establishment of NKSJ, April 1, 2010. 23rd to 25th issue of stock acquisition rights of NKSJ are stock options granted by NKSJ.

	Title and number of grantees	Number of stock options granted by types of shares	Grant date	Exercise period
1st issue of stock acquisition rights of NKSJ	Directors and executive officers of Sompo Japan: 1 Others: 7	Common stock: 125,000 [31,250] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2012
2nd issue	Directors and executive officers of Sompo Japan: 0 Others: 1	Common stock: 10,000 [2,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2012
3rd issue	Directors and executive officers of Sompo Japan: 1 Others: 1	Common stock: 20,000 [5,000] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2012
4th issue	Directors and executive officers of Sompo Japan: 0 Others: 3	Common stock: 30,000 [7,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2012
5th issue	Directors and executive officers of Sompo Japan: 3 Others: 12	Common stock: 90,000 [22,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2013
6th issue	Directors and executive officers of Sompo Japan: 3 Others: 18	Common stock: 130,000 [32,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2013
7th issue	Directors and executive officers of Sompo Japan: 5 Others: 27	Common stock: 255,000 [63,750] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 29, 2014
8th issue	Directors and executive officers of Sompo Japan: 6 Others: 26	Common stock: 262,000 [65,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 29, 2014
9th issue	Directors and executive officers of Sompo Japan: 11 Others: 34	Common stock: 363,000 [90,750] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 28, 2015
10th issue	Directors and executive officers of Sompo Japan: 11 Others: 35	Common stock: 365,000 [91,250] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 28, 2015
11th issue	Directors and executive officers of Sompo Japan: 11 Others: 31	Common stock: 324,000 [81,000] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 28, 2016
12th issue	Directors and executive officers of Sompo Japan: 11 Others: 30	Common stock: 316,000 [79,000] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 28, 2016
13th issue	Directors and executive officers of Sompo Japan: 17 Others: 24	Common stock: 403,000 [100,750] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2017
14th issue	Directors and executive officers of Sompo Japan: 17 Others: 24	Common stock: 382,000 [95,500] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 27, 2017
15th issue	Directors and executive officers of Sompo Japan: 27 Others: 1	Common stock: 297,300 [74,325] stocks	Apr. 1, 2010	Apr. 1, 2010 – Aug. 11, 2033

	Title and number of grantees	Number of stock options granted by types of shares	Grant date	Exercise period
16th issue	Directors and executive officers of Sompo Japan: 41 Others: 1	Common stock: 747,100 [186,775] stocks	Apr. 1, 2010	Apr. 1, 2010 – Aug. 10, 2034
17th issue	Directors and executive officers of NIPPONKOA: 5 Others: 7	Common stock: 143,100 [35,775] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 29, 2024
18th issue	Directors and executive officers of NIPPONKOA: 7 Others: 11	Common stock: 201,600 [50,400] stocks	Apr. 1, 2010	Apr. 1, 2010 – Jun. 29, 2025
19th issue	Directors and executive officers of NIPPONKOA: 12 Others: 2	Common stock: 110,700 [27,675] stocks	Apr. 1, 2010	Apr. 1, 2010 – Mar. 27, 2027
20th issue	Directors and executive officers of NIPPONKOA: 12 Others: 2	Common stock: 121,500 [30,375] stocks	Apr. 1, 2010	Apr. 1, 2010 – Mar. 17, 2028
21st issue	Directors and executive officers of NIPPONKOA: 16 Others: 3	Common stock: 247,500 [61,875] stocks	Apr. 1, 2010	Apr. 1, 2010 – Mar. 16, 2029
22nd issue	Directors and executive officers of NIPPONKOA: 21 Others: 3	Common stock: 353,700 [88,425] stocks	Apr. 1, 2010	Apr. 1, 2010 – Oct. 7, 2029
23rd issue	Directors and executive officers of NKSJ: 7 Directors and executive officers of Sompo Japan: 40 Directors and executive officers of NIPPONKOA: 26	Common stock: 1,397,800 [349,450] stocks	Aug. 16, 2010	Aug. 17, 2010 – Aug. 16, 2035
24th issue	Directors and executive officers of NKSJ: 8 Directors and executive officers of Sompo Japan: 43 Directors and executive officers of NIPPONKOA: 26 Directors and executive officers of NKSJ Himawari Life Insurance, Inc.: 12 Directors of SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.: 1	Common stock: 372,300 stocks	Nov. 1, 2011	Nov. 1, 2011 – Oct. 31, 2036
25th issue	Directors and executive officers of NKSJ: 7 Directors and executive officers of Sompo Japan: 43 Directors and executive officers of NIPPONKOA: 25 Directors and executive officers of NKSJ Himawari Life Insurance, Inc.: 16 Directors of SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.: 1 Directors of Prime Assistance Inc.: 2	Common stock: 391,100 stocks	Aug. 14, 2012	Aug. 14, 2012 – Aug. 13, 2037

Notes)

- Number of stock options in the column "Number of stock options granted by types of shares" is indicated by converting to number of shares. NKSJ carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. The numbers of shares in the brackets [] are calculated considering the effect of the reverse split of stocks.
- Stock options are vested on the grant date.
- Requisite service period is not shown.
- Concerning 1st to 16th issue of stock acquisition rights of NKSJ, "Others" in the column "Title and number of grantees" represents grantees at the time of grant by Sompo Japan but who already retired or resigned the position by the grant date by NKSJ.
Concerning 17th to 22nd issue of stock acquisition rights of NKSJ, "Others" in the column "Title and number of grantees" represents grantees at the time of grant by NIPPONKOA but who already retired or resigned the position by the grant date by NKSJ.
Concerning 23rd to 25th issue of stock acquisition rights of NKSJ, "Directors" in the column "Title and number of grantees" excludes outside directors and non-full time directors. Since several directors and executive officers of NKSJ are concurrently served as director/executive officer of Sompo Japan or NIPPONKOA, the actual number of the persons whom 23rd, 24th and 25th issue of stock acquisition rights of NKSJ are granted are 69, 86 and 90 respectively.

(2) Size and its changes of stock options

Number of stock options existing for the fiscal year ended March 31, 2013 is indicated by converting to number of shares.

(a) Number of stock options

As all stock options are vested at the time that they are granted, items of stock options before vested are not shown.

<Stock options after vested>

	March 31, 2012	Vested	Exercised	Forfeited	March 31, 2013
1st issue of stock acquisition rights of NKSJ	13,750	—	—	13,750	—
2nd issue	2,500	—	—	2,500	—
3rd issue	5,000	—	—	5,000	—
4th issue	5,000	—	—	5,000	—
5th issue	16,250	—	—	5,000	11,250
6th issue	16,250	—	—	5,000	11,250
7th issue	30,000	—	—	11,250	18,750
8th issue	33,000	—	—	10,500	22,500
9th issue	60,500	—	—	19,250	41,250
10th issue	63,000	—	—	20,500	42,500
11th issue	79,000	—	—	25,250	53,750
12th issue	79,000	—	—	25,250	53,750
13th issue	100,750	—	—	—	100,750
14th issue	95,500	—	—	—	95,500
15th issue	39,125	—	18,975	—	20,150
16th issue	103,150	—	37,125	—	66,025
17th issue	22,725	—	10,125	—	12,600
18th issue	34,875	—	11,925	—	22,950
19th issue	15,075	—	9,225	—	5,850
20th issue	18,225	—	12,375	—	5,850
21st issue	37,350	—	22,725	—	14,625
22nd issue	60,525	—	36,225	—	24,300
23rd issue	267,350	—	109,275	—	158,075
24th issue	372,300	—	127,600	—	244,700
25th issue	—	391,100	12,600	—	378,500

(Shares)

(b) Unit value information

	Exercise price (yen)	Average stock price at the time of exercise during the fiscal year ended March 31, 2013 (yen)	Fair value per share on the grant date (yen)
1st issue of stock acquisition rights of NKSJ	777 [3,108] (Note 1)	—	— (Note 2)
2nd issue	712 [2,848] (Note 1)	—	— (Note 2)
3rd issue	581 [2,324] (Note 1)	—	— (Note 2)
4th issue	574 [2,296] (Note 1)	—	— (Note 2)
5th issue	735 [2,940] (Note 1)	—	— (Note 2)
6th issue	901 [3,604] (Note 1)	—	— (Note 2)
7th issue	1,167 [4,668] (Note 1)	—	— (Note 2)
8th issue	1,082 [4,328] (Note 1)	—	— (Note 2)
9th issue	1,148 [4,592] (Note 1)	—	— (Note 2)
10th issue	1,665 [6,660] (Note 1)	—	— (Note 2)
11th issue	1,598 [6,392] (Note 1)	—	470 [1,880] (Note 3)
12th issue	1,623 [6,492] (Note 1)	—	515 [2,060] (Note 3)
13th issue	1,547 [6,188] (Note 1)	—	379 [1,516] (Note 3)
14th issue	990 [3,960] (Note 1)	—	236 [944] (Note 3)
15th issue	1	1,726	940 [3,760] (Note 3)
16th issue	1	1,738	623 [2,492] (Note 3)
17th issue	1	1,757	596 [2,384]
18th issue	1	1,700	596 [2,384]
19th issue	1	1,670	610 [2,440]
20th issue	1	1,714	610 [2,440]
21st issue	1	1,725	610 [2,440]
22nd issue	1	1,774	610 [2,440]
23rd issue	1	1,747	452 [1,808]
24th issue	1	1,767	1,372
25th issue	1	2,007	1,328

Notes)

1. NKSJ carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. The amounts in the brackets [] represent exercise price after the execution of the reverse split of stocks.
2. Fair value per share on the grant date is not shown because the stock acquisition rights were issued in accordance with Articles 280-20 and 280-21 of the former Japanese Commercial Code revised in 2001 and transferred to NKSJ.
3. Fair value per share at the time of grant by Sampo Japan is shown in the table. The amounts in the brackets [] are calculated considering the effect of the reverse split of stocks.

4. Method for estimating the fair value per share of stock options

Method for estimating the fair value per share of 25th issue of stock acquisition rights of NKSJ granted during the fiscal year ended March 31, 2013 is as follows. NKSJ does not make a new estimation for the fair value per share of stock acquisition rights transferred from Sampo Japan to NKSJ (1st to 16th issue of stock acquisition rights of NKSJ). NKSJ also does not make a new estimation for the fair value per share of stock acquisition rights transferred from NIPPONKOA to NKSJ (17th to 22nd issue of stock acquisition rights of NKSJ) because those are revalued under the purchase method.

(1) Model to calculate the option price per share

The Black-Scholes model

(2) The main basic numerical values used in calculation and estimation method

	25th issue of stock acquisition rights of NKSJ
Volatility (Note 1)	29.44%
Expected remaining period (Note 2)	3 years
Expected dividends (Note 3)	80 yen
Risk-free interest rate (Note 4)	0.097%

Notes)

1. The volatility is calculated based on the closing price in the regular trading of common stock of NKSJ (Sompo Japan for the period from August 14, 2009 to March 31, 2010) on each trading day from August 14, 2009 to August 13, 2012.
2. The expected remaining period is calculated based on the average terms in position until retirement under the historical data of Sompo Japan and NIPPONKOA.
3. The expected dividends is calculated based on the dividends for the fiscal year ended March 31, 2012.
4. The risk-free interest rate is based on the interest rates of Japanese government bonds with a maturity that corresponds to the expected remaining period.

5. Method for estimating the number of rights of stock options vested

As all stock options are vested at the time that they are granted, this item is not applicable.

14. Tax Effect Accounting

1. Main components of deferred tax assets and deferred tax liabilities

	As of March 31, 2012	As of March 31, 2013
(Millions of yen)		
Deferred tax assets:		
Underwriting reserves	286,541	257,714
Impairment losses on securities and real estate	45,079	47,910
Reserve for outstanding losses and claims	48,058	44,862
Losses carried forward for tax purposes	44,618	44,833
Reserve for retirement benefits	33,800	32,345
Intangible fixed assets for tax purposes	25,469	25,822
Others	33,237	39,174
Subtotal	516,805	492,662
Valuation allowance	(60,378)	(64,869)
Total deferred tax assets	456,426	427,793
Deferred tax liabilities:		
Unrealized gains and losses on securities available for sale	(206,611)	(302,060)
Unrealized gains and losses on consolidated subsidiaries	(11,935)	(12,043)
Others	(6,638)	(7,524)
Total deferred tax liabilities	(225,184)	(321,627)
Net deferred tax assets	231,241	106,165

2. Reconciliation of the significant difference between the statutory income tax rate and the effective tax rate after the application of tax effect accounting

	As of March 31, 2012	As of March 31, 2013
Japanese statutory income tax rate		38.0
(Reconciliation)		
Non-taxable revenue such as dividends received	The reconciliation is not shown due to	(11.9)
Increase of valuation allowance	net loss before	6.1
Difference in tax rate from consolidated subsidiaries	income taxes and	(5.9)
Non-deductible expenses such as entertainment expenses	non-controlling	4.1
Effect of changes in the tax rate	interests.	3.9
Others		3.1
Effective tax rate after the application of tax effect accounting		37.4

15. Segment Information

Segment information

1. Summary of reportable segments

The reportable segment of NKSJ is the component of the Group, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.

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

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

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

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

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

The accounting methods of reportable business segments are those mentioned in "Significant Accounting Policies for the Preparation of the Consolidated Financial Statements". Income or loss attributable to the reportable segments is the amounts based on net income in the consolidated statements of income.

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

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

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Property and casualty insurance business	Life insurance business	Total				
Sales (Note 1):							
Sales from transactions with external customers	1,973,777	250,193	2,223,971	5,865	2,229,837	560,718	2,790,555
Sales from internal transactions or transfers among segments	—	—	—	3,977	3,977	(3,977)	—
Total	1,973,777	250,193	2,223,971	9,843	2,233,815	556,740	2,790,555
Segment income (loss)	(78,175)	(14,687)	(92,862)	600	(92,262)	—	(92,262)
Segment assets	7,053,710	1,830,468	8,884,178	9,200	8,893,378	—	8,893,378
Other items:							
Depreciation	18,979	1,833	20,813	226	21,040	—	21,040
Amortization of goodwill	1,789	1,872	3,662	—	3,662	—	3,662
Interest and dividend income	122,838	29,958	152,796	0	152,797	(707)	152,090
Interest paid	7,461	103	7,565	2	7,568	(1)	7,566
Investment gains (losses) on the equity method	156	—	156	(45)	111	—	111
Extraordinary gains (Note 5)	12,012	—	12,012	3	12,015	(2,871)	9,144
Extraordinary losses (Note 6):	4,498	13,337	17,835	0	17,836	(2,871)	14,965
Impairment losses	992	—	992	—	992	—	992
Income tax expenses	35,951	(825)	35,126	48	35,174	—	35,174
Investment in affiliates accounted for under the equity method	16,576	—	16,576	1,108	17,684	—	17,684
Increase in tangible and intangible fixed assets	32,055	2,145	34,200	323	34,524	—	34,524

Notes)

1. Sales amounts represent the following:

Property and casualty insurance business:

Life insurance business:

"Others" and amount on the consolidated financial statements:

Net premiums written

Life insurance premiums written

Ordinary income

2. "Others" is business segments which are not included in reportable segments. It includes other operations.

3. Adjustments of sales are as follows.

Ordinary income related to property and casualty insurance business and life insurance

business excluding net premiums written and life insurance premiums written:

560,718 million yen

Elimination of internal transactions among segments:

(3,977) million yen

4. Segment income (loss) is adjusted to net loss in the consolidated statements of income.

5. Extraordinary gains for property and casualty insurance business include 6,298 million yen of gains on step acquisitions.

6. Extraordinary losses for life insurance business include 11,766 million yen of merger cost.

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Property and casualty insurance business	Life insurance business	Total				
Sales (Note 1):							
Sales from transactions with external customers	2,062,606	264,732	2,327,339	6,983	2,334,322	508,903	2,843,226
Sales from internal transactions or transfers among segments	—	—	—	3,928	3,928	(3,928)	—
Total	2,062,606	264,732	2,327,339	10,911	2,338,251	504,975	2,843,226
Segment income (loss)	40,753	2,470	43,224	394	43,618	—	43,618
Segment assets	7,177,150	1,992,184	9,169,335	8,863	9,178,198	—	9,178,198
Other items:							
Depreciation	18,390	1,579	19,970	206	20,177	—	20,177
Amortization of goodwill	2,178	1,872	4,050	—	4,050	—	4,050
Interest and dividend income	123,136	32,439	155,575	0	155,576	(787)	154,789
Interest paid	7,475	88	7,563	1	7,564	(0)	7,563
Investment gains (losses) on the equity method	644	—	644	69	713	—	713
Extraordinary gains (Note 5):	2,775	0	2,775	282	3,058	—	3,058
Gains on negative goodwill	0	—	0	183	184	—	184
Extraordinary losses (Note 6):	36,783	350	37,134	527	37,662	—	37,662
Impairment losses	3,437	—	3,437	524	3,962	—	3,962
Income tax expenses	23,197	3,030	26,227	36	26,263	—	26,263
Investment in affiliates accounted for under the equity method	17,470	—	17,470	—	17,470	—	17,470
Increase in tangible and intangible fixed assets	23,034	391	23,425	202	23,627	—	23,627

Notes)

1. Sales amounts represent the following:

Property and casualty insurance business:

Life insurance business:

"Others" and amount on the consolidated financial statements:

Net premiums written

Life insurance premiums written

Ordinary income

2. "Others" is business segments which are not included in reportable segments. It includes other operations.

3. Adjustments of sales are as follows.

Ordinary income related to property and casualty insurance business and

life insurance business excluding net premiums written and life insurance premiums written: 508,903 million yen

Elimination of internal transactions among segments: (3,928) million yen

4. Segment income (loss) is adjusted to net income in the consolidated statements of income.

5. Extraordinary gains for property and casualty insurance business include 2,774 million yen of gains on disposal of fixed assets.

6. Extraordinary losses for property and casualty insurance business include 13,195 million yen of merger cost, and 11,682 million yen of special extra retirement payments, etc. due to voluntary retirement program.

Related information

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

1. Information by products and services

(1) Property and casualty insurance business

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Sales from transactions with external customers	250,769	47,525	182,581	1,002,015	258,353	232,532	1,973,777

Note) Sales represent amounts of net premiums written.

(2) Life insurance business

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Sales from transactions with external customers	227,141	11,501	11,550	—	250,193

Note) Sales represent amounts of life insurance premiums written.

2. Information by geographic area

(1) Sales

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

(2) Tangible fixed assets

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

3. Information by major customers

None.

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

1. Information by products and services

(1) Property and casualty insurance business

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Sales from transactions with external customers	264,626	49,661	186,894	1,033,584	275,086	252,753	2,062,606

Note) Sales represent amounts of net premiums written.

(2) Life insurance business

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Sales from transactions with external customers	241,645	11,305	11,781	—	264,732

Note) Sales represent amounts of life insurance premiums written.

2. Information by geographic area

(1) Sales

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

(2) Tangible fixed assets

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

3. Information by major customers

None.

Information related to impairment losses on fixed assets by reportable segments

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Impairment losses	992	—	992	—	—	992

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Impairment losses	3,437	—	3,437	524	—	3,962

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

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Amortization for the fiscal year ended March 31, 2012	1,789	1,872	3,662	—	—	3,662
Balance as of March 31, 2012	30,260	17,480	47,740	—	—	47,740

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Amortization for the fiscal year ended March 31, 2013	2,178	1,872	4,050	—	—	4,050
Balance as of March 31, 2013	33,703	15,608	49,311	—	—	49,311

Information related to gains on negative goodwill by reportable segments

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

None.

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments			Others	Unallocated amounts and eliminations	Total
	Property and casualty insurance business	Life insurance business	Total			
Gains on negative goodwill	0	—	0	183	—	184

16. Related-Party Transactions

There is no significant related-party transaction to be represented.

17. Per Share Information

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Net assets per share	2,395.08 yen	3,077.37 yen
Net income (loss) per share	(222.30) yen	105.10 yen
Diluted net income per share	—	104.87 yen

Notes)

1. Diluted net income per share for the fiscal year ended March 31, 2012 is not shown due to net loss per share, although dilutive shares exist.
2. Calculation of net income (loss) per share and diluted net income per share is based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Net income (loss) per share		
Net income (loss)	(92,262)	43,618
Amount not attributable to common stockholders	—	—
Net income (loss) attributable to common stocks	(92,262)	43,618
Average number of common stocks outstanding	415,026 thousand shares	414,978 thousand shares
Diluted net income per share		
Adjustment of net income	—	—
Increase of common stocks:		922 thousand shares
Stock acquisition rights	—	922 thousand shares
Outline of dilutive shares which are not included in the calculation of diluted net income per share because they do not have dilutive effect	Stock acquisition rights: 14 types Number of dilutive shares: 599,500 shares	Stock acquisition rights: 10 types Number of dilutive shares: 451,250 shares

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

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Total net assets	1,000,577	1,283,488
Amount to be deducted from total net assets:	7,034	7,218
Stock acquisition rights	2,409	2,027
Non-controlling interests	4,624	5,191
Net assets attributable to common stocks	993,543	1,276,269
Number of common stocks used for calculation of net assets per share	414,825 thousand shares	414,726 thousand shares

4. NKSJ carried out a reverse split of stocks on October 1, 2011. Net assets per share, net income (loss) per share and diluted net income per share are calculated based on the assumption that the reverse split of stocks was executed at the beginning of the fiscal year ended March 31, 2012.

18. Significant Subsequent Events

NKSJ passed a resolution setting out details of the NKSJ's stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at NKSJ's Board of Directors meeting on June 24, 2013.

1. Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., NKSJ has a shareholder return policy of paying stable dividends, with the option of stock buybacks depending on capital conditions. In accordance with this policy, NKSJ will conduct stock buybacks as a part of the shareholder return.

2. Details of stock buybacks

(1) Class of shares	Common stock of NKSJ
(2) Potential total number	5,500,000 shares (upper limit)
(3) Total price	8,300,000,000 yen (upper limit)
(4) Period	July 1, 2013 — November 18, 2013

Balance Sheets and Statements of Income of Principal Consolidated Subsidiaries

(Unaudited)

Sompo Japan Insurance Inc. (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	85,164	238,184	153,020
Cash	3	3	0
Deposits	85,161	238,180	153,019
Call loans	66,300	56,700	(9,600)
Receivables under resale agreements	60,486	80,483	19,997
Monetary receivables bought	27,215	21,542	(5,672)
Money trusts	280	28,995	28,714
Securities:	3,104,476	3,184,642	80,165
Government bonds	814,062	869,545	55,482
Municipal bonds	10,633	7,259	(3,374)
Corporate bonds	486,667	415,123	(71,543)
Domestic stocks	983,826	995,062	11,236
Foreign securities	775,527	861,518	85,991
Other securities	33,759	36,132	2,372
Loans:	422,163	411,282	(10,880)
Policy loans	8,900	8,153	(747)
Ordinary loans	413,262	403,128	(10,133)
Tangible fixed assets:	208,055	208,482	426
Land	102,893	102,880	(12)
Buildings	78,688	78,651	(36)
Leased assets	4,985	4,979	(6)
Construction in progress	2,669	2,499	(169)
Other tangible fixed assets	18,819	19,471	651
Intangible fixed assets:	86	86	(0)
Other intangible fixed assets	86	86	(0)
Other assets:	458,486	411,065	(47,421)
Premiums receivable	943	2,292	1,348
Agency accounts receivable	98,057	100,970	2,912
Foreign agency accounts receivable	23,841	43,396	19,554
Coinsurance accounts receivable	17,748	10,813	(6,935)
Reinsurance accounts receivable	80,362	72,064	(8,298)
Foreign reinsurance accounts receivable	29,992	32,794	2,802
Proxy service receivable	14	0	(13)
Accounts receivable	99,947	27,824	(72,122)
Accrued income	7,303	6,639	(664)
Advance deposits	12,554	16,435	3,881
Earthquake insurance deposits	5,342	5,971	629
Suspense payments	77,972	87,877	9,905
Deposits paid for future transactions	2,950	2,694	(256)
Derivative assets	488	1,254	765
Other assets	965	35	(929)
Deferred tax assets	149,862	79,760	(70,102)
Customers' liabilities for acceptances and guarantees	29,370	35,200	5,830
Allowance for possible credit losses	(3,152)	(2,468)	683
Allowance for possible investment losses	(8,202)	(8,880)	(677)
Total assets	4,600,592	4,745,077	144,484

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Liabilities:			
Underwriting funds:	3,459,994	3,376,310	(83,684)
Reserve for outstanding losses and claims	620,037	614,979	(5,058)
Underwriting reserves	2,839,957	2,761,331	(78,625)
Corporate bonds	128,000	261,560	133,560
Other liabilities:	296,255	257,692	(38,562)
Coinsurance accounts payable	4,499	4,566	67
Reinsurance accounts payable	54,994	57,976	2,982
Foreign reinsurance accounts payable	13,424	14,878	1,454
Proxy service payable	15	14	(1)
Borrowings	3,146	3,889	743
Income taxes payable	3,435	3,568	133
Deposits received	4,976	4,359	(617)
Unearned income	462	428	(33)
Accounts payable	136,160	90,891	(45,269)
Suspense receipts	55,684	53,129	(2,554)
Securities borrowed	109	—	(109)
Derivative liabilities	12,489	17,070	4,581
Lease obligations	5,277	5,282	5
Asset retirement obligations	1,579	1,635	56
Reserve for retirement benefits	79,511	76,187	(3,323)
Reserve for bonus payments	14,316	13,753	(562)
Reserve for bonus payments to directors	101	140	39
Reserves under the special laws:	14,436	19,388	4,952
Reserve for price fluctuation	14,436	19,388	4,952
Acceptances and guarantees	29,370	35,200	5,830
Total liabilities	4,021,985	4,040,233	18,248
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus:	24,229	24,229	—
Capital reserves	24,229	24,229	—
Retained earnings:	166,424	169,069	2,645
Legal reserve	45,770	45,770	—
Other retained earnings:	120,654	123,299	2,645
Reserve for advanced depreciation	1,306	1,258	(48)
General reserve	83,300	83,300	—
Retained earnings carried forward	36,047	38,741	2,694
Total shareholders' equity	260,654	263,299	2,645
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	317,953	441,544	123,590
Total valuation and translation adjustments	317,953	441,544	123,590
Total net assets	578,607	704,843	126,236
Total liabilities and net assets	4,600,592	4,745,077	144,484

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Sompo Japan Insurance Inc. (Non-consolidated)

Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount	Increase (Decrease)	Rate of change
Ordinary income:	1,716,224	1,702,481	(13,742)	(0.8)%
Underwriting income:	1,627,195	1,553,577	(73,618)	(4.5)
Net premiums written	1,281,155	1,327,361	46,206	3.6
Deposits of premiums by policyholders	122,087	104,804	(17,283)	(14.2)
Interest and dividend income on deposits of premiums, etc.	37,176	34,065	(3,110)	(8.4)
Reversal of reserve for outstanding losses and claims	19,526	5,058	(14,468)	(74.1)
Reversal of underwriting reserves	165,483	78,625	(86,857)	(52.5)
Foreign exchange gains	—	1,253	1,253	—
Other underwriting income	1,767	2,409	641	36.3
Investment income:	83,391	142,223	58,831	70.5
Interest and dividend income	78,375	79,498	1,122	1.4
Investment gains on money trusts	0	477	476	124,942.6
Investment gains on trading securities	—	128	128	—
Gains on sales of securities	41,369	93,914	52,545	127.0
Gains on redemption of securities	39	34	(4)	(12.0)
Gains on derivatives	600	—	(600)	(100.0)
Foreign exchange gains	—	1,907	1,907	—
Other investment income	181	327	146	80.6
Transfer of interest and dividend income on deposits of premiums, etc.	(37,176)	(34,065)	3,110	—
Other ordinary income	5,637	6,681	1,043	18.5
Ordinary expenses:	1,712,259	1,637,422	(74,836)	(4.4)
Underwriting expenses:	1,435,869	1,371,853	(64,016)	(4.5)
Net claims paid	939,541	843,762	(95,778)	(10.2)
Loss adjustment expenses	92,530	93,375	844	0.9
Net commissions and brokerage fees	219,559	228,951	9,392	4.3
Maturity refunds to policyholders	180,999	203,020	22,020	12.2
Dividends to policyholders	35	7	(28)	(80.0)
Foreign exchange losses	326	—	(326)	(100.0)
Other underwriting expenses	2,876	2,735	(140)	(4.9)
Investment expenses:	52,693	40,127	(12,565)	(23.8)
Investment losses on trading securities	67	—	(67)	(100.0)
Losses on sales of securities	19,478	1,430	(18,047)	(92.7)
Impairment losses on securities	18,141	25,351	7,210	39.7
Losses on redemption of securities	928	256	(672)	(72.4)
Losses on derivatives	—	10,455	10,455	—
Foreign exchange losses	12,528	—	(12,528)	(100.0)
Other investment expenses	1,548	2,633	1,084	70.0
Operating, general and administrative expenses	215,148	214,839	(309)	(0.1)

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)	Rate of change
	Amount	Amount	Amount	Amount		
Other ordinary expenses:	8,547	10,603	2,055	24.0 %		
Interest paid	7,421	7,420	(1)	(0.0)		
Losses on bad debt	5	8	2	46.8		
Provision for allowance for possible investment losses	183	677	494	269.8		
Other ordinary expenses	936	2,496	1,559	166.5		
Ordinary profit	3,964	65,058	61,094	1,540.9		
Extraordinary gains:	3,402	91	(3,310)	(97.3)		
Gains on disposal of fixed assets	533	91	(441)	(82.8)		
Reversal of reserves under the special laws:	2,869	—	(2,869)	(100.0)		
Reversal of reserve for price fluctuation	2,869	—	(2,869)	(100.0)		
Extraordinary losses:	665	19,298	18,633	2,800.6		
Losses on disposal of fixed assets	305	367	61	20.1		
Impairment losses	359	529	169	47.3		
Provision for reserves under the special laws:	—	4,952	4,952	—		
Provision for reserve for price fluctuation	—	4,952	4,952	—		
Other extraordinary losses	—	13,449	13,449	—		
Net income before income taxes	6,701	45,852	39,150	584.2		
Income taxes	632	619	(12)	(2.0)		
Deferred income taxes	43,587	16,094	(27,493)	(63.1)		
Total income taxes	44,220	16,714	(27,505)	(62.2)		
Net income (loss)	(37,518)	29,137	66,656	—		
Underwriting result:						
Net premiums written	(+)	1,281,155	1,327,361	46,206	3.6	
Net claims paid	(-)	939,541	843,762	(95,778)	(10.2)	
Loss adjustment expenses	(-)	92,530	93,375	844	0.9	
Net operating expenses:	(-)	423,376	434,824	11,447	2.7	
Net commissions and brokerage fees		219,559	228,951	9,392	4.3	
Operating, general and administrative expenses related to underwriting		203,816	205,872	2,055	1.0	
Underwriting result		(174,293)	(44,600)	129,692	—	
Underwriting profit (loss)		(24,994)	(25,704)	(709)	—	
Ratios:						
Net loss ratio	(%)	80.6	70.6	(10.0)		
Net operating expenses ratio	(%)	33.0	32.8	(0.3)		
Underwriting result ratio	(%)	(13.6)	(3.4)	10.2		

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

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	119,708	135,943	16,235
Cash	61	76	14
Deposits	119,646	135,867	16,220
Call loans	10,000	10,000	—
Monetary receivables bought	1,737	426	(1,311)
Money trusts	35,455	38,783	3,328
Securities:	1,604,942	1,629,386	24,444
Government bonds	379,739	370,017	(9,721)
Municipal bonds	38,519	27,771	(10,748)
Corporate bonds	299,220	246,287	(52,933)
Domestic stocks	541,221	590,417	49,195
Foreign securities	331,805	374,941	43,136
Other securities	14,435	19,951	5,515
Loans:	196,512	188,452	(8,059)
Policy loans	5,193	4,648	(545)
Ordinary loans	191,318	183,803	(7,514)
Tangible fixed assets:	125,359	121,832	(3,526)
Land	66,097	63,754	(2,343)
Buildings	51,803	53,144	1,341
Leased assets	424	378	(46)
Construction in progress	2,324	62	(2,262)
Other tangible fixed assets	4,709	4,492	(216)
Intangible fixed assets:	526	514	(11)
Other intangible fixed assets	526	514	(11)
Other assets:	170,892	144,076	(26,816)
Premiums receivable	476	605	129
Agency accounts receivable	21,326	21,970	643
Foreign agency accounts receivable	13,319	9,674	(3,645)
Coinsurance accounts receivable	3,233	2,515	(717)
Reinsurance accounts receivable	43,187	32,820	(10,367)
Foreign reinsurance accounts receivable	32,062	18,003	(14,058)
Accounts receivable	10,949	12,069	1,120
Accrued income	4,256	4,338	82
Advance deposits	5,634	5,390	(244)
Earthquake insurance deposits	4,700	5,274	574
Suspense payments	19,579	18,989	(589)
Deposits paid for future transactions	2,800	—	(2,800)
Derivative assets	8,586	12,423	3,836
Other assets	779	—	(779)
Deferred tax assets	74,489	25,441	(49,048)
Allowance for possible credit losses	(1,987)	(1,687)	300
Allowance for possible investment losses	(3)	—	3
Total assets	2,337,631	2,293,170	(44,461)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Liabilities:			
Underwriting funds:	1,844,117	1,713,373	(130,743)
Reserve for outstanding losses and claims	301,967	281,518	(20,448)
Underwriting reserves	1,542,150	1,431,855	(110,294)
Other liabilities:	120,925	94,998	(25,927)
Coinsurance accounts payable	1,340	1,239	(100)
Reinsurance accounts payable	22,548	23,469	920
Foreign reinsurance accounts payable	2,776	3,188	411
Payables under securities lending transactions	40,110	10,040	(30,070)
Borrowings	1,232	950	(282)
Income taxes payable	1,658	1,827	169
Deposits received	1,597	1,388	(209)
Unearned income	825	853	28
Accounts payable	36,432	42,492	6,060
Suspense receipts	7,799	7,016	(783)
Derivative liabilities	3,846	1,813	(2,033)
Lease obligations	447	399	(48)
Asset retirement obligations	308	319	10
Other liabilities	0	0	—
Reserve for retirement benefits	25,472	24,020	(1,451)
Reserve for bonus payments	6,228	6,786	558
Reserve for bonus payments to directors	18	41	22
Reserves under the special laws:	11,289	13,849	2,560
Reserve for price fluctuation	11,289	13,849	2,560
Total liabilities	2,008,051	1,853,069	(154,981)
Net assets:			
Shareholders' equity:			
Common stock	91,249	91,249	—
Capital surplus:	21,702	21,702	—
Capital reserves	21,702	21,702	—
Retained earnings:	57,952	80,045	22,092
Legal reserve	44,196	46,444	2,248
Other retained earnings:	13,755	33,600	19,844
Reserve for advanced depreciation	3,299	3,208	(90)
Retained earnings carried forward	10,456	30,391	19,935
Total shareholders' equity	170,903	192,996	22,092
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	153,016	239,450	86,433
Deferred gains and losses on hedges	5,660	7,653	1,993
Total valuation and translation adjustments	158,677	247,104	88,427
Total net assets	329,580	440,100	110,519
Total liabilities and net assets	2,337,631	2,293,170	(44,461)

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

Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount	Increase (Decrease)	Rate of change
Ordinary income:	895,408	897,046	1,637	0.2 %
Underwriting income:	842,967	829,442	(13,525)	(1.6)
Net premiums written	630,605	638,863	8,257	1.3
Deposits of premiums by policyholders	42,013	41,100	(912)	(2.2)
Interest and dividend income on deposits of premiums, etc.	18,698	17,241	(1,457)	(7.8)
Reversal of reserve for outstanding losses and claims	—	20,448	20,448	—
Reversal of underwriting reserves	151,636	110,294	(41,341)	(27.3)
Foreign exchange gains	—	1,432	1,432	—
Other underwriting income	12	59	47	375.5
Investment income:	50,862	66,213	15,351	30.2
Interest and dividend income	41,211	39,183	(2,028)	(4.9)
Investment gains on money trusts	21	1,005	984	4,539.4
Gains on sales of securities	27,939	38,432	10,493	37.6
Gains on redemption of securities	160	450	290	181.7
Gains on derivatives	220	2,450	2,229	1,011.5
Foreign exchange gains	—	1,745	1,745	—
Other investment income	7	186	178	2,415.4
Transfer of interest and dividend income on deposits of premiums, etc.	(18,698)	(17,241)	1,457	—
Other ordinary income	1,578	1,390	(187)	(11.9)
Ordinary expenses:	903,146	832,465	(70,680)	(7.8)
Underwriting expenses:	764,546	708,639	(55,906)	(7.3)
Net claims paid	493,011	436,647	(56,363)	(11.4)
Loss adjustment expenses	41,125	41,334	209	0.5
Net commissions and brokerage fees	107,355	111,787	4,432	4.1
Maturity refunds to policyholders	109,800	118,589	8,789	8.0
Dividends to policyholders	17	52	35	202.2
Provision for reserve for outstanding losses and claims	12,824	—	(12,824)	(100.0)
Foreign exchange losses	183	—	(183)	(100.0)
Other underwriting expenses	228	227	(0)	(0.4)
Investment expenses:	19,859	8,374	(11,484)	(57.8)
Investment losses on money trusts	475	81	(393)	(82.8)
Losses on sales of securities	13,713	5,081	(8,632)	(62.9)
Impairment losses on securities	1,773	1,495	(278)	(15.7)
Losses on redemption of securities	1,185	839	(346)	(29.2)
Foreign exchange losses	366	—	(366)	(100.0)
Other investment expenses	2,344	876	(1,467)	(62.6)
Operating, general and administrative expenses	118,378	114,984	(3,394)	(2.9)

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)	Rate of change
	Amount	Amount	Amount	Amount		
Other ordinary expenses:	361	466	104	29.0 %		
Interest paid	27	39	11	42.2		
Provision for allowance for possible credit losses	9	—	(9)	(100.0)		
Losses on bad debt	2	0	(1)	(66.0)		
Provision for allowance for possible investment losses	3	—	(3)	(100.0)		
Other ordinary expenses	318	426	108	34.0		
Ordinary profit (loss)	(7,737)	64,580	72,318	—		
Extraordinary gains:	2,112	2,058	(53)	(2.5)		
Gains on disposal of fixed assets	1,145	2,058	913	79.8		
Other extraordinary gains	967	—	(967)	(100.0)		
Extraordinary losses:	3,802	18,823	15,021	395.1		
Losses on disposal of fixed assets	491	354	(137)	(27.9)		
Impairment losses	632	2,908	2,275	359.6		
Provision for reserves under the special laws:	2,677	2,560	(117)	(4.4)		
Provision for reserve for price fluctuation	2,677	2,560	(117)	(4.4)		
Other extraordinary losses	—	13,000	13,000	—		
Net income (loss) before income taxes	(9,427)	47,816	57,243	—		
Income taxes	270	356	86	31.9		
Deferred income taxes	12,886	14,126	1,239	9.6		
Total income taxes	13,157	14,483	1,326	10.1		
Net income (loss)	(22,584)	33,332	55,917	—		
Underwriting result:						
Net premiums written	(+)	630,605	638,863	8,257	1.3	
Net claims paid	(-)	493,011	436,647	(56,363)	(11.4)	
Loss adjustment expenses	(-)	41,125	41,334	209	0.5	
Net operating expenses:	(-)	220,691	222,618	1,927	0.9	
Net commissions and brokerage fees		107,355	111,787	4,432	4.1	
Operating, general and administrative expenses related to underwriting		113,336	110,831	(2,505)	(2.2)	
Underwriting result		(124,222)	(61,738)	62,484	—	
Underwriting profit (loss)		(41,118)	8,786	49,904	—	
Ratios:						
Net loss ratio	(%)	84.7	74.8	(9.9)		
Net operating expenses ratio	(%)	35.0	34.8	(0.2)		
Underwriting result ratio	(%)	(19.7)	(9.7)	10.0		

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Sonpo 24 Insurance Company Limited (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	1,752	2,169	416
Deposits	1,752	2,169	416
Securities:	16,966	17,196	229
Government bonds	16,866	6,196	(10,670)
Other securities	100	11,000	10,900
Tangible fixed assets:	133	161	28
Buildings	30	22	(7)
Other tangible fixed assets	102	138	35
Other assets:	890	957	67
Accounts receivable	701	778	76
Accrued income	16	2	(14)
Advance deposits	166	166	(0)
Suspense payments	6	11	4
Total assets	19,743	20,484	741
Liabilities:			
Underwriting funds:	11,063	11,892	829
Reserve for outstanding losses and claims	3,751	4,026	274
Underwriting reserves	7,312	7,866	554
Other liabilities:	1,829	1,912	83
Reinsurance accounts payable	6	7	1
Income taxes payable	38	40	2
Deposits received	8	8	(0)
Accounts payable	1,098	1,103	4
Suspense receipts	677	751	74
Reserve for retirement benefits	131	158	26
Reserve for bonus payments	91	90	(1)
Reserves under the special laws:	26	30	3
Reserve for price fluctuation	26	30	3
Deferred tax liabilities	23	12	(11)
Total liabilities	13,166	14,096	930
Net assets:			
Shareholders' equity:			
Common stock	19,000	19,000	—
Capital surplus:	19,000	19,000	—
Capital reserves	19,000	19,000	—
Retained earnings:	(31,475)	(31,639)	(164)
Other retained earnings:	(31,475)	(31,639)	(164)
Retained earnings carried forward	(31,475)	(31,639)	(164)
Total shareholders' equity	6,524	6,360	(164)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	52	27	(24)
Total valuation and translation adjustments	52	27	(24)
Total net assets	6,577	6,388	(188)
Total liabilities and net assets	19,743	20,484	741

Sonpo 24 Insurance Company Limited (Non-consolidated)

Statements of Income

(Millions of yen)

	Fiscal year ended		Fiscal year ended	
	March 31, 2012 (April 1, 2011 to March 31, 2012)	March 31, 2013 (April 1, 2012 to March 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	12,070	13,415	1,344	11.1 %
Underwriting income:	11,927	13,031	1,103	9.3
Net premiums written	11,919	13,023	1,104	9.3
Interest and dividend income on deposits of premiums, etc.	8	7	(0)	(4.9)
Investment income:	131	383	251	191.4
Interest and dividend income	100	110	10	10.0
Gains on sales of securities	39	280	241	610.5
Transfer of interest and dividend income on deposits of premiums, etc.	(8)	(7)	0	—
Other ordinary income	11	0	(10)	(95.6)
Ordinary expenses:	13,402	13,566	164	1.2
Underwriting expenses:	10,546	10,574	27	0.3
Net claims paid	7,328	7,944	616	8.4
Loss adjustment expenses	863	924	61	7.2
Net commissions and brokerage fees	789	875	85	10.9
Provision for reserve for outstanding losses and claims	943	274	(668)	(70.9)
Provision for underwriting reserves	621	554	(67)	(10.9)
Other underwriting expenses	0	0	0	9.7
Investment expenses:	3	—	(3)	(100.0)
Losses on sales of securities	3	—	(3)	(100.0)
Operating, general and administrative expenses	2,852	2,990	138	4.8
Other ordinary expenses:	0	2	1	1,044.4
Other ordinary expenses	0	2	1	1,044.4
Ordinary loss	(1,331)	(151)	1,180	—
Extraordinary losses:	7	8	1	15.1
Losses on disposal of fixed assets	4	5	1	25.7
Provision for reserves under the special laws:	3	3	0	1.6
Provision for reserve for price fluctuation	3	3	0	1.6
Net loss before income taxes	(1,339)	(160)	1,179	—
Income taxes	3	3	—	—
Total income taxes	3	3	—	—
Net loss	(1,343)	(164)	1,179	—
Underwriting result:				
Net premiums written	(+) 11,919	13,023	1,104	9.3
Net claims paid	(-) 7,328	7,944	616	8.4
Loss adjustment expenses	(-) 863	924	61	7.2
Net operating expenses:	(-) 3,638	3,862	224	6.2
Net commissions and brokerage fees	789	875	85	10.9
Operating, general and administrative expenses related to underwriting	2,849	2,987	138	4.9
Underwriting result	89	290	201	226.3
Underwriting profit (loss)	(1,476)	(530)	946	—
Ratios:				
Net loss ratio	(%) 68.7	68.1	(0.6)	
Net operating expenses ratio	(%) 30.5	29.7	(0.8)	
Underwriting result ratio	(%) 0.7	2.2	1.5	

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

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	2,548	1,834	(714)
Cash	8	5	(2)
Deposits	2,539	1,828	(711)
Money trusts	1,324	1,369	45
Securities:	19,469	29,041	9,572
Government bonds	6,871	11,592	4,721
Municipal bonds	1,781	1,894	112
Corporate bonds	8,652	7,027	(1,625)
Domestic stocks	154	139	(14)
Foreign securities	805	447	(357)
Other securities	1,204	7,939	6,735
Loans:	15	10	(4)
Policy loans	15	10	(4)
Tangible fixed assets:	322	256	(65)
Buildings	15	34	19
Leased assets	305	220	(84)
Other tangible fixed assets	2	1	(1)
Intangible fixed assets:	2,411	3,224	812
Software	2,346	3,183	837
Leased assets	45	33	(11)
Other intangible fixed assets	19	6	(12)
Other assets:	2,507	2,634	127
Premiums receivable	717	917	200
Agency accounts receivable	24	14	(9)
Coinsurance accounts receivable	8	13	4
Reinsurance accounts receivable	410	148	(262)
Foreign reinsurance accounts receivable	—	121	121
Accounts receivable	399	447	48
Accrued income	56	50	(5)
Advance deposits	410	346	(64)
Suspense payments	480	575	95
Allowance for possible credit losses	(0)	(0)	(0)
Total assets	28,598	38,371	9,772

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Liabilities:			
Underwriting funds:	21,813	24,543	2,730
Reserve for outstanding losses and claims	4,972	5,234	261
Underwriting reserves	16,840	19,309	2,468
Other liabilities:	2,002	2,472	469
Coinsurance accounts payable	26	31	4
Reinsurance accounts payable	533	199	(333)
Foreign reinsurance accounts payable	—	235	235
Income taxes payable	61	74	13
Deposits received	18	15	(2)
Accounts payable	937	1,609	672
Suspense receipts	64	41	(23)
Lease obligations	361	264	(96)
Reserve for retirement benefits	176	—	(176)
Reserve for retirement benefits to directors	51	34	(17)
Reserve for bonus payments	225	228	2
Reserves under the special laws:	5	13	7
Reserve for price fluctuation	5	13	7
Deferred tax liabilities	95	255	160
Total liabilities	24,370	27,546	3,176
Net assets:			
Shareholders' equity:			
Common stock	8,610	15,110	6,500
Capital surplus:	6,848	13,348	6,499
Capital reserves	6,848	13,348	6,499
Other capital surplus	0	0	—
Retained earnings:	(11,529)	(18,378)	(6,849)
Other retained earnings:	(11,529)	(18,378)	(6,849)
Retained earnings carried forward	(11,529)	(18,378)	(6,849)
Total shareholders' equity	3,928	10,079	6,150
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	299	745	445
Total valuation and translation adjustments	299	745	445
Total net assets	4,228	10,824	6,596
Total liabilities and net assets	28,598	38,371	9,772

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

Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount	Increase (Decrease)	Rate of change
Ordinary income:	15,608	18,243	2,635	16.9 %
Underwriting income:	15,056	17,653	2,597	17.3
Net premiums written	14,479	17,204	2,724	18.8
Deposits of premiums by policyholders	527	404	(122)	(23.3)
Interest and dividend income on deposits of premiums, etc.	49	44	(4)	(9.2)
Investment income:	232	202	(30)	(13.0)
Interest and dividend income	249	172	(77)	(30.9)
Investment gains on money trusts	8	45	37	450.9
Investment gains on trading securities	0	4	3	371.4
Gains on sales of securities	16	24	7	47.9
Other investment income	7	1	(5)	(80.0)
Transfer of interest and dividend income on deposits of premiums, etc.	(49)	(44)	4	—
Other ordinary income	319	387	68	21.4
Ordinary expenses:	21,653	24,970	3,317	15.3
Underwriting expenses:	13,191	15,078	1,886	14.3
Net claims paid	8,102	9,004	901	11.1
Loss adjustment expenses	1,076	1,185	109	10.1
Net commissions and brokerage fees	1,511	1,470	(41)	(2.7)
Maturity refunds to policyholders	734	683	(51)	(7.0)
Dividends to policyholders	0	—	(0)	(100.0)
Provision for reserve for outstanding losses and claims	230	261	31	13.4
Provision for underwriting reserves	1,530	2,468	937	61.3
Foreign exchange losses	0	0	0	897.1
Other underwriting expenses	5	5	(0)	(4.1)
Investment expenses:	78	120	41	53.1
Losses on sales of securities	0	113	113	259,242.9
Losses on redemption of securities	69	0	(69)	(99.9)
Other investment expenses	8	6	(2)	(26.1)
Operating, general and administrative expenses	8,356	9,713	1,357	16.2
Other ordinary expenses:	26	58	31	119.6
Interest paid	14	11	(2)	(19.4)
Provision for allowance for possible credit losses	0	0	0	310.0
Other ordinary expenses	12	46	34	281.3
Ordinary loss	(6,044)	(6,727)	(682)	—

(Millions of yen)

	Fiscal year ended		Increase (Decrease)	Rate of change
	March 31, 2012 (April 1, 2011 to March 31, 2012)	March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount		
Extraordinary gains:	2	176	174	8,658.8 %
Reversal of reserves under the special laws:	2	—	(2)	(100.0)
Reversal of reserve for price fluctuation	2	—	(2)	(100.0)
Other extraordinary gains	—	176	176	—
Extraordinary losses:	215	277	62	29.2
Losses on disposal of fixed assets	1	4	2	168.5
Impairment losses	2	2	0	8.3
Provision for reserves under the special laws:	—	7	7	—
Provision for reserve for price fluctuation	—	7	7	—
Other extraordinary losses	210	263	52	24.9
Net loss before income taxes	(6,258)	(6,828)	(570)	—
Income taxes	21	20	(0)	(4.3)
Total income taxes	21	20	(0)	(4.3)
Net loss	(6,279)	(6,849)	(569)	—
Underwriting result:				
Net premiums written	(+) 14,479	17,204	2,724	18.8
Net claims paid	(-) 8,102	9,004	901	11.1
Loss adjustment expenses	(-) 1,076	1,185	109	10.1
Net operating expenses:	(-) 9,451	10,665	1,214	12.8
Net commissions and brokerage fees	1,511	1,470	(41)	(2.7)
Operating, general and administrative expenses related to underwriting	7,939	9,194	1,255	15.8
Underwriting result	(4,150)	(3,650)	499	—
Underwriting profit (loss)	(6,114)	(6,561)	(447)	—
Ratios:				
Net loss ratio	(%) 63.4	59.2	(4.2)	
Net operating expenses ratio	(%) 65.3	62.0	(3.3)	
Underwriting result ratio	(%) (28.7)	(21.2)	7.5	

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NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	42,764	46,850	4,086
Cash	11	8	(3)
Deposits	42,752	46,842	4,089
Securities:	1,672,594	1,836,684	164,089
Government bonds	1,126,262	1,304,484	178,221
Municipal bonds	120,094	100,045	(20,049)
Corporate bonds	382,065	372,069	(9,996)
Domestic stocks	9,869	10,366	496
Foreign securities	34,301	49,718	15,417
Loans:	34,091	35,012	921
Policy loans	34,091	35,012	921
Tangible fixed assets:	1,676	1,411	(265)
Buildings	801	682	(119)
Leased assets	619	545	(74)
Other tangible fixed assets	255	183	(71)
Intangible fixed assets:	3,101	2,088	(1,013)
Software	3,101	2,088	(1,013)
Agency accounts receivable	137	179	41
Reinsurance accounts receivable	1,467	1,761	294
Other assets:	34,092	35,259	1,166
Accounts receivable	24,822	25,903	1,081
Prepaid expenses	1,173	1,090	(83)
Accrued income	4,746	4,893	147
Advance deposits	2,851	2,838	(13)
Derivative assets	96	112	16
Suspense payments	365	382	16
Other assets	37	38	1
Deferred tax assets	19,343	13,433	(5,910)
Allowance for possible credit losses	(58)	(49)	9
Total assets	1,809,210	1,972,630	163,420

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Liabilities:			
Policy reserves:	1,717,788	1,856,426	138,637
Reserve for outstanding claims	24,615	28,345	3,730
Policy reserves	1,689,139	1,823,979	134,840
Reserve for dividends to policyholders	4,034	4,100	66
Agency accounts payable	3,466	3,711	245
Reinsurance accounts payable	1,248	1,254	5
Other liabilities:	7,294	11,886	4,591
Income taxes payable	43	3,497	3,453
Accounts payable	150	127	(22)
Accrued expenses	5,167	5,255	87
Deposits received	194	201	7
Derivative liabilities	120	13	(106)
Lease obligations	687	624	(63)
Suspense receipts	931	2,166	1,234
Reserve for bonus payments to directors	24	52	28
Reserve for retirement benefits	1,718	2,146	427
Reserves under the special laws:	1,881	2,218	337
Reserve for price fluctuation	1,881	2,218	337
Total liabilities	1,733,423	1,877,696	144,272
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus:	30,000	30,000	—
Capital reserves	10,000	10,000	—
Other capital surplus	20,000	20,000	—
Retained earnings:	15,958	20,380	4,421
Other retained earnings:	15,958	20,380	4,421
Reserve under Article 10 of the Supplementary Provisions of Ordinance for Enforcement of the Insurance Business Act	325	325	—
Retained earnings carried forward	15,633	20,054	4,421
Total shareholders' equity	63,208	67,630	4,421
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	12,578	27,304	14,726
Total valuation and translation adjustments	12,578	27,304	14,726
Total net assets	75,786	94,934	19,147
Total liabilities and net assets	1,809,210	1,972,630	163,420

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NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	395,288	409,934	14,645	3.7 %
Insurance premiums and other:	360,180	370,725	10,544	2.9
Insurance premiums	356,263	365,613	9,350	2.6
Reinsurance income	3,917	5,111	1,193	30.5
Investment income:	32,667	36,875	4,208	12.9
Interest and dividend income:	30,403	32,810	2,407	7.9
Interest on deposits	0	0	(0)	(99.7)
Interest and dividends on securities	29,265	31,661	2,396	8.2
Interest on loans	1,116	1,138	22	2.0
Other interest and dividends	22	9	(12)	(54.7)
Investment gains on money trusts	125	—	(125)	(100.0)
Gains on sales of securities	1,784	2,010	225	12.7
Foreign exchange gains	—	34	34	—
Investment gains on special account	353	2,019	1,665	471.1
Other ordinary income:	2,440	2,333	(106)	(4.4)
Fund receipt for annuity rider	659	1,143	484	73.5
Fund receipt for claim deposit payments	855	1,170	315	36.8
Reversal of reserve for outstanding claims	822	—	(822)	(100.0)
Other ordinary income	102	18	(83)	(81.9)
Ordinary expenses:	391,063	398,510	7,446	1.9
Insurance claims and other:	172,819	172,202	(616)	(0.4)
Insurance claims	32,763	32,488	(274)	(0.8)
Annuity payments	2,001	3,804	1,802	90.1
Insurance benefits	28,243	31,219	2,975	10.5
Surrender benefits	103,550	97,961	(5,588)	(5.4)
Other refunds	1,112	1,467	355	32.0
Reinsurance premiums	5,148	5,261	113	2.2
Provision for policy reserves and other:	129,826	138,573	8,746	6.7
Provision for reserve for outstanding claims	—	3,730	3,730	—
Provision for policy reserves	129,824	134,840	5,016	3.9
Provision for interest portion of reserve for dividends to policyholders	1	2	0	25.9
Investment expenses:	659	1,116	457	69.3
Interest paid	103	88	(15)	(15.2)
Losses on sales of securities	455	178	(277)	(60.9)
Impairment losses on securities	—	793	793	—
Losses on derivatives	32	30	(2)	(7.4)
Foreign exchange losses	1	—	(1)	(100.0)
Provision for allowance for possible credit losses	31	3	(27)	(87.7)
Other investment expenses	34	22	(11)	(35.2)

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount	Increase (Decrease)	Rate of change
Operating, general and administrative expenses	82,793	82,213	(579)	(0.7)%
Other ordinary expenses:	4,965	4,405	(560)	(11.3)
Claim deposit payments	754	838	84	11.2
Taxes	1,537	1,562	25	1.6
Depreciation	1,806	1,552	(253)	(14.0)
Provision for reserve for retirement benefits	615	427	(187)	(30.5)
Other ordinary expenses	252	23	(228)	(90.6)
Ordinary profit	4,225	11,423	7,198	170.4
Extraordinary gains:	—	0	0	—
Gains on disposal of fixed assets	—	0	0	—
Extraordinary losses:	12,254	349	(11,905)	(97.1)
Losses on disposal of fixed assets	46	12	(34)	(74.1)
Provision for reserves under the special laws:	326	337	10	3.2
Provision for reserve for price fluctuation	326	337	10	3.2
Other extraordinary losses	11,880	—	(11,880)	(100.0)
Provision for reserve for dividends to policyholders	3,093	3,404	310	10.1
Net income (loss) before income taxes	(11,122)	7,670	18,793	—
Income taxes	159	3,721	3,561	2,227.3
Deferred income taxes	(177)	(472)	(295)	—
Total income taxes	(17)	3,249	3,266	—
Net income (loss)	(11,105)	4,421	15,526	—

Note)

Amount for the fiscal year ended March 31, 2012 includes the result of NIPPONKOA Life Insurance Company, Limited before the merger.

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

Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Assets:			
Cash and deposits:	401	2,348	1,946
Deposits	401	2,348	1,946
Securities:	4,148	2,394	(1,753)
Government bonds	1,272	1,473	201
Domestic stocks	652	5	(647)
Other securities	2,223	915	(1,307)
Tangible fixed assets:	39	27	(12)
Buildings	14	12	(2)
Leased assets	2	1	(0)
Other tangible fixed assets	22	13	(9)
Intangible fixed assets:	—	90	90
Software	—	90	90
Agency accounts receivable	0	0	0
Reinsurance accounts receivable	26	12	(13)
Other assets:	247	242	(5)
Accounts receivable	176	177	0
Prepaid expenses	2	5	3
Accrued income	0	0	0
Advance deposits	62	57	(5)
Suspense payments	5	1	(4)
Other assets	0	0	(0)
Allowance for possible credit losses	—	(3)	(3)
Total assets	4,863	5,113	249

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(Millions of yen)

	As of March 31, 2012	As of March 31, 2013	
	Amount	Amount	Increase (Decrease)
Liabilities:			
Policy reserves:	1,128	1,060	(67)
Reserve for outstanding claims	270	217	(52)
Policy reserves	857	842	(15)
Agency accounts payable	4	4	0
Reinsurance accounts payable	30	30	(0)
Other liabilities:	173	270	96
Income taxes payable	3	31	27
Accounts payable	0	0	(0)
Accrued expenses	164	233	69
Deposits received	1	2	1
Lease obligations	2	1	(0)
Suspense receipts	0	0	(0)
Reserve for retirement benefits	29	30	1
Reserves under the special laws:	18	18	0
Reserve for price fluctuation	18	18	0
Deferred tax liabilities	99	1	(98)
Total liabilities	1,482	1,415	(67)
Net assets:			
Shareholders' equity:			
Common stock	10,100	10,100	—
Capital surplus:	2,100	2,100	—
Capital reserves	2,100	2,100	—
Retained earnings:	(9,043)	(8,504)	539
Other retained earnings:	(9,043)	(8,504)	539
Retained earnings carried forward	(9,043)	(8,504)	539
Total shareholders' equity	3,156	3,695	539
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	224	2	(222)
Total valuation and translation adjustments	224	2	(222)
Total net assets	3,380	3,698	317
Total liabilities and net assets	4,863	5,113	249

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

Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		
	Amount	Amount	Increase (Decrease)	Rate of change
Ordinary income:	4,008	4,073	65	1.6 %
Insurance premiums and other:	3,901	3,798	(102)	(2.6)
Insurance premiums	3,696	3,728	31	0.9
Reinsurance income	205	70	(134)	(65.6)
Investment income:	26	207	180	672.0
Interest and dividend income:	26	18	(8)	(31.8)
Interest on deposits	0	—	(0)	(100.0)
Interest and dividends on securities	26	18	(8)	(31.8)
Gains on sales of securities	—	188	188	—
Other ordinary income:	80	67	(12)	(15.2)
Reversal of reserve for outstanding claims	45	52	6	15.1
Reversal of policy reserves	31	15	(15)	(50.8)
Other ordinary income	3	0	(3)	(97.2)
Ordinary expenses:	3,728	3,500	(227)	(6.1)
Insurance claims and other:	1,508	1,204	(304)	(20.2)
Insurance claims	1,148	857	(291)	(25.4)
Insurance benefits	220	208	(11)	(5.2)
Other refunds	5	4	(0)	(16.7)
Reinsurance premiums	133	133	(0)	(0.3)
Investment expenses:	0	48	48	24,393.0
Interest paid	0	0	(0)	(46.1)
Losses on sales of securities	—	45	45	—
Provision for allowance for possible credit losses	—	3	3	—
Operating, general and administrative expenses	2,170	2,202	31	1.5
Other ordinary expenses:	48	45	(3)	(7.0)
Taxes	16	16	0	1.7
Depreciation	27	27	(0)	(2.0)
Provision for reserve for retirement benefits	4	1	(3)	(66.3)
Ordinary profit	280	572	292	104.3
Extraordinary losses:	1,197	0	(1,196)	(99.9)
Losses on disposal of fixed assets	1,195	0	(1,195)	(100.0)
Provision for reserves under the special laws:	1	0	(0)	(59.3)
Provision for reserve for price fluctuation	1	0	(0)	(59.3)
Net income (loss) before income taxes	(916)	572	1,488	—
Income taxes	3	32	28	755.9
Total income taxes	3	32	28	755.9
Net income (loss)	(920)	539	1,460	—

Solvency Margin Ratio of NKSJ Holdings, Inc. on a Consolidated Basis

(Unaudited)

Solvency Margin Ratio (Consolidated)

- The NKSJ Group (the “Group”) is an insurance company group and operates property and casualty insurance business and life insurance business at the NKSJ Holdings, Inc. (the “Company”)’s subsidiaries, etc.
- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance company group to maintain sufficient solvency in order to cover against risks which may exceed its normal estimates, i.e. occurrence of major catastrophes and big decline in value of assets held by insurance company group.
- (C) Solvency Margin Ratio (Consolidated), which is calculated in accordance with the Ordinance for Enforcement of the Insurance Business Act and the provisions of Public Notice No. 23 of the Financial Service Agency (2011), is the ratio of “solvency margin of insurance company group by means of its capital, reserves, etc.” ((A) Total Solvency Margin (Consolidated)) to “risks which will exceed its normal estimates” ((B) Total Risks (Consolidated)).
- “Risks which will exceed its normal estimates” are composed of risks described below.
 - <1> Underwriting risk for property and casualty insurance business, Underwriting risk for life insurance business, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance, Underwriting risk related to small amount and short term insurance companies:
Risks of rate of occurrence of insurance claims, etc. 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 for saving-type insurance and life insurance due to the aggravation of investment conditions
 - <3> Guaranteed minimum benefit risk for life insurance policies:
Risks related to guaranteed minimum benefit such as insurance claims and others for variable insurance and variable annuities, etc.
 - <4> Investment risk:
Risks of securities and other assets held fluctuating in prices in excess of normal estimates
 - <5> Business management risk:
Risks beyond normal estimates arising from business management that do not fall under other categories
 - <6> Major catastrophe risk:
Risks of the occurrence of major catastrophic losses in excess of normal estimates for property and casualty insurance policies (risks such as the Great Kanto Earthquake, Isewan Typhoon or major catastrophic losses in foreign countries)
- “Solvency margin of the Company and its subsidiaries by means of their capital, reserves, etc.” (total solvency margin (consolidated)) is the sum of total net assets of the Company and its subsidiaries, etc. (excluding appropriation of surplus), certain reserves (reserve for price fluctuation and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land in Japan, 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 and others.

NKSJ Holdings, Inc. (Consolidated)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Consolidated)	1,940,876	2,410,452
Capital and funds, etc.	636,539	654,542
Reserve for price fluctuation	27,658	35,519
Contingency reserve	23,831	25,537
Catastrophic loss reserve	601,951	566,963
General allowance for possible credit losses	519	502
Unrealized gains and losses on securities (before tax effect deductions)	429,824	748,818
Unrealized gains and losses on land	14,845	13,955
Surplus such as premium fund	112,359	121,943
Subordinated debt, etc.	128,000	261,560
Excess amount of surplus such as premium fund and subordinated debt, etc. which are excluded from total solvency margin	—	—
Total solvency margin related to small amount and short term insurance companies	—	—
Deductions	114,133	110,044
Others	79,481	91,154
(B) Total Risks (Consolidated)	706,016	700,332
$\sqrt{(\sqrt{R_1^2+R_2^2+R_3+R_4})^2+(R_5+R_6+R_7)^2+R_8+R_9}$		
Underwriting risk for property and casualty insurance business (R ₁)	170,949	176,406
Underwriting risk for life insurance business (R ₂)	11,560	12,531
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	5,720	6,135
Underwriting risk related to small amount and short term insurance companies (R ₄)	—	—
Guaranteed interest rate risk (R ₅)	35,747	34,285
Guaranteed minimum benefit risk for life insurance policies (R ₆)	337	347
Investment risk (R ₇)	358,197	381,757
Business management risk (R ₈)	17,117	17,147
Major catastrophe risk for property and casualty insurance policies (R ₉)	256,685	228,360
(C) Solvency Margin Ratio (Consolidated)	549.8%	688.3%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 of the Financial Service Agency (2011).

Solvency Margin Ratios of Principal Consolidated Subsidiaries

(Unaudited)

Solvency Margin Ratio (Non-consolidated)

- 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. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.
- (C) Solvency Margin Ratio (Non-consolidated), which is calculated in accordance with the Insurance Business Act, etc. is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." ((A) Total Solvency Margin (Non-consolidated)) to "risks which will exceed their normal estimates" ((B) Total Risks (Non-consolidated)).
- "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 rate of occurrence of insurance claims, etc. 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
 - <3> Investment risk:
 - Risks of securities and other assets held fluctuating in prices in excess of normal estimates
 - <4> Business management risk:
 - Risks beyond normal estimates arising from business management that do 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 (non-consolidated)) 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 unrealized gains and losses on land, 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 and others.

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Sompo Japan Insurance Inc. (Non-consolidated)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	1,213,539	1,493,106
Capital and funds, etc.	260,654	263,299
Reserve for price fluctuation	14,436	19,388
Contingency reserve	611	611
Catastrophic loss reserve	389,766	385,026
General allowance for possible credit losses	286	215
Unrealized gains and losses on securities (before tax effect deductions)	414,934	571,425
Unrealized gains and losses on land	24,062	22,103
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	261,560
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	79,975	92,366
Others	60,763	61,841
(B) Total Risks (Non-consolidated)	482,931	462,503
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	108,974	110,429
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	17,763	16,828
Investment risk (R ₄)	279,213	279,657
Business management risk (R ₅)	11,226	10,843
Major catastrophe risk (R ₆)	155,365	135,276
(C) Solvency Margin Ratio (Non-consolidated)	502.5%	645.6%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

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

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	598,090	710,509
Capital and funds, etc.	170,903	192,996
Reserve for price fluctuation	11,289	13,849
Contingency reserve	10	8
Catastrophic loss reserve	208,934	178,714
General allowance for possible credit losses	51	50
Unrealized gains and losses on securities (before tax effect deductions)	194,583	303,023
Unrealized gains and losses on land	12,637	13,706
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	11,769	11,769
Others	11,450	19,928
(B) Total Risks (Non-consolidated)	254,066	266,095
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	56,018	57,467
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	1	0
Guaranteed interest rate risk (R ₃)	9,872	9,261
Investment risk (R ₄)	126,578	148,113
Business management risk (R ₅)	5,863	6,145
Major catastrophe risk (R ₆)	100,700	92,411
(C) Solvency Margin Ratio (Non-consolidated)	470.8%	534.0%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

Sonpo 24 Insurance Company Limited (Non-consolidated)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	6,996	6,837
Capital and funds, etc.	6,524	6,360
Reserve for price fluctuation	26	30
Contingency reserve	—	—
Catastrophic loss reserve	376	410
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	68	36
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated)	1,700	1,930
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	1,491	1,678
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)	358	476
Business management risk (R ₅)	58	68
Major catastrophe risk (R ₆)	107	118
(C) Solvency Margin Ratio (Non-consolidated)	822.9%	708.1%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

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

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	7,177	13,821
Capital and funds, etc.	3,928	10,079
Reserve for price fluctuation	5	13
Contingency reserve	10	11
Catastrophic loss reserve	2,873	2,812
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (before tax effect deductions)	355	900
Unrealized gains and losses on land	—	—
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	—	—
Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
Deductions	—	—
Others	3	4
(B) Total Risks (Non-consolidated)	2,012	2,315
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2+R_5+R_6}$		
Underwriting risk (R ₁)	1,287	1,442
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	—	—
Guaranteed interest rate risk (R ₃)	27	28
Investment risk (R ₄)	590	825
Business management risk (R ₅)	72	85
Major catastrophe risk (R ₆)	512	554
(C) Solvency Margin Ratio (Non-consolidated)	713.2%	1,193.6%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

NKSJ Himawari Life Insurance, Inc. (Non-consolidated)

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	199,339	233,561
Capital, etc.	63,208	67,630
Reserve for price fluctuation	1,881	2,218
Contingency reserve	22,677	24,398
General allowance for possible credit losses	19	19
Unrealized gains and losses on securities (90% of gain or 100% of loss)	16,358	35,357
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	112,359	121,943
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(24,430)	(27,386)
Brought in capital, etc.	—	—
Deductions	—	—
Others	7,264	9,379
(B) Total Risks (Non-consolidated)	27,502	30,032
$\sqrt{(R_1+R_6)^2+(R_2+R_3+R_7)^2}+R_4$		
Underwriting risk (R ₁)	11,109	12,088
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₂)	5,625	6,041
Guaranteed interest rate risk (R ₃)	8,084	8,167
Investment risk (R ₄)	12,447	14,389
Guaranteed minimum benefit risk (R ₇)	337	347
Business management risk (R ₆)	752	820
(C) Solvency Margin Ratio (Non-consolidated)	1,449.5%	1,555.3%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Notes)

1. The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by the standard method.

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

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
(A) Total Solvency Margin (Non-consolidated)	3,987	4,224
Capital, etc.	3,156	3,695
Reserve for price fluctuation	18	18
Contingency reserve	521	507
General allowance for possible credit losses	—	—
Unrealized gains and losses on securities (90% of gain or 100% of loss)	292	2
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess of continued Zillmerized reserve	—	—
Subordinated debt, etc.	—	—
Excess of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	—	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	—	—
(B) Total Risks (Non-consolidated)	569	529
$\sqrt{(R_1+R_6)^2+(R_2+R_3+R_7)^2}+R_4$		
Underwriting risk (R ₁)	425	411
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	93	93
Guaranteed interest rate risk (R ₂)	0	0
Investment risk (R ₆)	175	81
Guaranteed minimum benefit risk (R ₇)	—	—
Business management risk (R ₄)	20	17
(C) Solvency Margin Ratio (Non-consolidated)	1,400.8%	1,596.1%
$[(A) / \{(B) \times 1/2\}] \times 100$		

Note) The above figures are calculated based on the provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).

Overseas Network

◆ Branch Office ■ Subsidiary or Affiliate ○ Branch Office of a Subsidiary or an Affiliate ▲ Representative Office △ Underwriting Agency ● Alliance Company

Sompo Japan

EUROPE

U.K.

London

◆ UK Branch

■ Sompo Japan Nipponkoa Insurance Company of Europe Limited (Headquarters)

■ Sompo Japan Claim Services (Europe) Limited.

■ Sompo Japan Corporate Member Limited

1st Floor, 6 Devonshire Square, London EC2M 4YE, U.K.

GUERNSEY

Saint Peter Port

■ Ark Re Limited

Maison Trinity, Trinity Square, St. Peter Port, Guernsey, Channel Islands GY1 4AT

GERMANY

Düsseldorf

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (Germany Branch)

Seestern Tower, Niederkasseler Lohweg 175-179, 40549 Dusseldorf, GERMANY

BELGIUM

Brussels

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (Belgium Branch)

Avenue Louise 283, Bte 10, 1050 Brussels, BELGIUM

NETHERLANDS

Amsterdam

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (The Netherlands Branch)

Eurocenter II, Barbara Strozzi laan 370, 1083 HN Amsterdam, THE NETHERLANDS

FRANCE

Paris

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (France Branch)

6, Square de l'Opéra Louis Jouvet, 75009 Paris, FRANCE

ITALY

Milan

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (Italy Branch)

Via Larga 13-20122, Milano, ITALY

SPAIN

Barcelona

○ Sompo Japan Nipponkoa Insurance Company of Europe Limited (Spain Branch)

Calle de la Marina, 16-18, Planta 8A, Torre Mapfre, Villa-Olimpica, 08005, Barcelona, SPAIN

RUSSIA

Moscow

● OJSC IC Allianz, NKSJ Division

▲ Moscow Representative Office
NKSJ Division, Allianz Building, 30, Ozerkovskaya Nab., Moscow, 115184, RUSSIA

MIDDLE EAST

U.A.E.

Dubai

▲ Dubai Representative Office

NGI House, Office 1100A, 11th Floor, Port Saeed, Deira, Dubai, P.O. Box 25538, UNITED ARAB EMIRATES

TURKEY

Istanbul

■ Sompo Japan Sigorta Anonim Sirketi

* branches in 7 other cities
Cumhuriyet Cad.
No:10 Acarlar iş merkezi C blok 34805, Kavacık-Beykoz / Istanbul, TURKEY

NORTH AMERICA

U.S.A.

New York

■ Sompo Japan Insurance Company of America (Headquarters)

■ Sompo Japan Fire & Marine Insurance Company of America
777 Third Avenue, 28th Floor, New York, NY 10017-1414, U.S.A.

Los Angeles

○ Sompo Japan Insurance Company of America (Los Angeles Branch)

○ SJA Insurance Agency, LLC (Los Angeles Branch)

633 West Fifth Street, Suite 800, Los Angeles, CA 90071, U.S.A.

Chicago

○ Sompo Japan Insurance Company of America (Chicago Branch)

25 Northwest Point Blvd., Suite 745, Elk Grove Village, IL 60007, U.S.A.

Nashville

○ Sompo Japan Insurance Company of America (Nashville Branch)

Cool Springs I, Suite 460, 720 Cool Springs Blvd., Franklin, TN 37067, U.S.A.

Charlotte

■ SJA Insurance Agency, LLC (Headquarters)

11405 North Community House Road, Suite 500, Charlotte, NC 28277, U.S.A.

Newark

■ Sompo Japan Nipponkoa Holdings (Americas) Inc.

113 Barksdale Professional Center, Newark, DE 19711, U.S.A.

CANADA

Toronto

◆ Canada Branch

25 York Street, Suite 602, Toronto,
Ontario, M5J 2V5, CANADA

△ Ace INA Insurance

25 York Street, Suite 1400,
Toronto, Ontario, M5J 2V5, CANADA

CENTRAL AND SOUTH AMERICA

BERMUDA

Hamilton

■ Eterna Insurance Company Limited

Clarendon House 2 Church Street,
Hamilton HM11, BERMUDA

BRAZIL

Sao Paulo

■ Yasuda Seguros, S.A. (Headquarters)

* branches in 12 other cities
Rua Cubatão, 320
Paraíso São Paulo-SP
CEP04013-001-BRAZIL

■ Sompō Japan do Brasil Ltda.

Rua Cubatão, 320-15° and.
Paraíso São Paulo-SP
CEP04013-001-BRAZIL

■ Vistomar Sevcos de Vistoria Ltda.

Rua Cubatão, 320-12° and.
Paraíso São Paulo-SP
CEP04013-001-BRAZIL

■ Marítima Seguros S.A. (Headquarters)

* branches in 45 other cities
Rua Coronel Xavier de Toledo,
No.114, 9° and.
São Paulo-SP CEP01048-902-BRAZIL

■ Marítima Saude Seguros S.A.

Rua Coronel Xavier de Toledo,
No.114, 10° and.
São Paulo-SP CEP01048-902-BRAZIL

MEXICO

Mexico City

■ Sompō Japan Insurance De Mexico, S.A. de C.V.

Av. Insurgentes Sur No. 1196 Piso 12
Desp. 1201 Col. Tlacoquemecatl del Valle,
C.P. 03200 Mexico, D.F. MEXICO

ASIA

CHINA

Dalian

■ Sompō Japan Insurance (China) Co., Ltd. (Headquarters)

10th Floor, Dalian Senmao Building,
147 Zhong Shan Road, Xi Gang District,
Dalian, Liaoning Province 116011,
THE PEOPLE'S REPUBLIC OF CHINA

■ Sompō Japan System Solutions (Dalian) Co.,Ltd.

Room B501, Building 18,
Software Park, No.1
Xueyuan Square, Dalian,
Liaoning Province,
THE PEOPLE'S REPUBLIC OF CHINA

Shanghai

○ Sompō Japan Insurance (China) Co., Ltd. (Shanghai Branch)

20th Floor, Hang Seng Bank Tower,
1000 Lu Jia Zui Ring Road,
Pudong New Area, Shanghai 200120,
THE PEOPLE'S REPUBLIC OF CHINA

Guangzhou

○ Sompō Japan Insurance (China) Co., Ltd. (Guangdong Branch)

Room 4016, Tower B,
China Shine Plaza, 9 Lin He West Road,
Tian He District, Guangzhou,
Guangdong Province 510610,
THE PEOPLE'S REPUBLIC OF CHINA

Suzhou

○ Sompō Japan Insurance (China) Co., Ltd. (Jiangsu Branch)

Room 1602, 16th Floor, Genway Plaza,
188 Wang Dun Road,
Suzhou Industrial Park,
Suzhou, Jiangsu Province 215123,
THE PEOPLE'S REPUBLIC OF CHINA

Beijing

○ Sompō Japan Insurance (China) Co., Ltd. (Beijing Branch)

Room 406-407, 4th Floor, East Tower,
World Financial Center,
No.1 Dong San Huan Middle Road,
Chaoyang District, Beijing 100020,
THE PEOPLE'S REPUBLIC OF CHINA

Chongqing

▲ Chongqing Representative Office

Room 1708 A, Metropolitan Tower,
68 Zou Rong Road, Chongqing 400010,
THE PEOPLE'S REPUBLIC OF CHINA

Hong Kong

■ △ Sompō Japan Nipponkoa Insurance (Hong Kong) Company Limited

◆ Hong Kong Branch

Room 1901, Lincoln House,
Taikoo Place, 979 King's Road,
Island East, Hong Kong S.A.R.,
THE PEOPLE'S REPUBLIC OF CHINA

■ Sompō Japan Nipponkoa Reinsurance Company Limited

22/F, Bank of East Asia Harbour
View Centre, 56 Gloucester Road,
Wanchai, Hong Kong S.A.R.,
THE PEOPLE'S REPUBLIC OF CHINA

TAIWAN

Taipei

■ Sompō Japan Nipponkoa Insurance (Taiwan) Brokers Co., Ltd.

▲ Taipei Representative Office

Room C, 10th Floor, Shen Hsiang Tang
Sung Chiang Building, No. 146,
Sung Chiang Road, Taipei, TAIWAN

KOREA

Seoul

■ Sompō Japan Nipponkoa Consulting (Korea) Inc.

7th Floor, Seoul Finance Center,
84 Taepyeongno 1-ga, Jung-gu,
Seoul, 100-768 KOREA

SINGAPORE

Singapore

■ **Sompo Japan Asia Holdings Pte. Ltd.**

50 Raffles Place,
#03-03 Singapore Land Tower,
048623, REPUBLIC OF SINGAPORE

■ **Tenet Sompo Insurance Pte. Ltd.**

50 Raffles Place,
#05-01/06 Singapore Land Tower,
048623, REPUBLIC OF SINGAPORE

MALAYSIA

Kuala Lumpur

■ **Berjaya Sompo Insurance Berhad (Headquarters)**

* branches in 21 other cities
18th Floor, Menara BGI, Plaza Berjaya,
12 Jalan Imbi, 55100, Kuala Lumpur,
MALAYSIA

Labuan

◆ **Labuan Branch**

c/o Etiqa Offshore Insurance (L) Ltd,
Level 11B, Block 4 Office Tower,
Financial Park Labuan,
Jalan Merdeka 87000,
Labuan F.T. MALAYSIA

INDONESIA

Jakarta

■ **PT. Asuransi Sompo Japan Nipponkoa Indonesia**

* branches in 5 other cities
Mayapada Tower II, 19th Floor,
Jl. Jendral Sudirman Kav.27,
Jakarta 12920, INDONESIA

PHILIPPINES

Manila

■ **PGA Sompo Japan Insurance Inc.**

▲ **Manila Representative Office**
5th Floor, Corinthian Plaza,
121 Paseo de Roxas Legaspi Village,
Makati, Metro Manila, PHILIPPINES

THAILAND

Bangkok

■ **Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited**■ **Sompo Japan Nipponkoa Brokers (Thailand) Co., Ltd.**

12th Floor, Abdulrahim Place,
990 Rama 4 Road, Silom, Bangrak,
Bangkok 10500, THAILAND

Sriracha

○ **Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited**

98/16 Sukhumvit Road, Sriracha,
Cholburi 20110, THAILAND

VIETNAM

Hanoi

■ **United Insurance Company of Vietnam**

▲ **Hanoi Representative Office**
11th Floor, Hanoi Tung Shing Square,
Unit 1102, 2 Ngo Quyen Street,
Hoan Kiem District, Hanoi, VIETNAM

Ho Chi Minh City

■ **United Insurance Company of Vietnam**

▲ **Ho Chi Minh Representative Office**
16th Floor, Vincom Center,
72 Le Thanh Ton Street, District 1,
Ho Chi Minh City, VIETNAM

MYANMAR

Yangon

▲ **Yangon Representative Office**
Room No. 1205, 12th Floor,
Sakura Tower, No. 339,
Bogyoke Aung San Street,
Kyauktada Township, Yangon,
MYANMAR

INDIA

Mumbai

■ **Universal Sompo General Insurance Company Limited (Headquarters)**

* branches in 56 cities, other than
Mumbai, Chennai, Kolkata and Delhi
Unit No. 401, 4th Floor, Sangam Complex,
127, Andheri Kurla Road, Andheri (East),
Mumbai 400059, INDIA

▲ **Mumbai Representative Office**

Unit No. 402, 4th Floor, Sangam Complex,
127, Andheri Kurla Road, Andheri (East),
Mumbai 400059, INDIA

Chennai

○ **Universal Sompo General Insurance Company Limited (Chennai Office)**

Capitale Towers, 5th Floor,
554 & 555, Anna Salai, Teynampet,
Chennai - 600018, INDIA

Kolkata

○ **Universal Sompo General Insurance Company Limited (Kolkata Office)**

7th Floor, Express Towers,
42A, Shakespeare Sarani,
Kolkata - 700017, INDIA

Delhi

○ **Universal Sompo General Insurance Company Limited (Delhi Office)**

SCO 39 & 40, 1st Floor,
Sector 31, Gurgaon-122002,
Haryana, INDIA

OCEANIA

AUSTRALIA

Sydney

◆ **Australia Branch**

Allianz Australia Insurance Limited

Allianz Centre,
Forecourt Building Level 12,
2 Market Street, Sydney, N.S.W. 2000,
AUSTRALIA

Nipponkoa

EUROPE

U.K.

London

- **NIPPONKOA Insurance Company (Europe) Limited (Headquarters)**
- **NIPPONKOA Management Services (Europe) Limited**
- **Nippon Insurance Company of Europe Limited (Headquarters)**
- ▲ **London Representative Office**
1st Floor, 6 Devonshire Square,
London, EC2M 4YE, U.K.

GUERNSEY

Saint Peter Port

- **Nippon Insurance Company of Europe Limited (Guernsey Branch)**
P.O. Box 34 Albert House,
South Esplanade,
St. Peter Port Guernsey,
Channel Islands GY1 4AU

GERMANY

Düsseldorf

- **NIPPONKOA Insurance Company (Europe) Limited (Germany Branch)**
- ▲ **Düsseldorf Representative Office**
Seestern Tower,
Niederkaßeler Lohweg 175-179,
40549 Dusseldorf, GERMANY

BELGIUM

Brussels

- **NIPPONKOA Insurance Company (Europe) Limited (Belgium Branch)**
- ▲ **Brussels Representative Office**
Avenue Louise 283,
Bte 10, 1050 Brussels, BELGIUM

NETHERLANDS

Amsterdam

- **NIPPONKOA Insurance Company (Europe) Limited (The Netherlands Branch)**
- **NIPPONKOA Nederland B.V.**
Eurocenter II Barbara Strozziilaan 370,
Amsterdam, THE NETHERLANDS

FRANCE

Paris

- **NIPPONKOA Insurance Company (Europe) Limited (France Branch)**
- ▲ **Paris Representative Office**
6, Square de l'Opéra Louis Jouvet,
75009 Paris, FRANCE

Bordeaux

- **Martin & Boulart SAS**
Immeuble Le Phenix – 264 boulevard
Godard – 33000, Bordeaux France

ITALY

Genova

- **NIPPONKOA Insurance Company (Europe) Limited (Italy Branch)**
Via XX Settembre 5/9,
16121 Genova, ITALY

RUSSIA

Moscow

- **OJSC IC Allianz, NKSJ Division**
- ▲ **Moscow Representative Office**
NKSJ Division, Allianz Building, 30,
Ozerkovskaya Nab., Moscow,
115184, RUSSIA

NORTH AMERICA

U.S.A.

New York

- ◆ **U.S. Branch**
- **NIPPONKOA Management Corporation (Headquarters)**
- ▲ **New York Representative Office**
14 Wall Street, Suite 812,
New York, 10005, U.S.A.

Hartford

- **NIPPONKOA Management Corporation (Hartford Office)**
- ▲ **The Travelers Marine Corporation**
One Tower Square, Hartford,
CT 06183, U.S.A.

Chicago

- **NIPPONKOA Management Corporation (Chicago Office)**
- ▲ **Chicago Representative Office**
180 North LaSalle Street, Suite 2503,
Chicago, IL 60601, U.S.A.

Los Angeles

- **NIPPONKOA Management Corporation (Los Angeles Office)**
- ▲ **Los Angeles Representative Office**
601 South Figueroa Street, Suite 2100,
Los Angeles, CA 90017, U.S.A.

Guam

- ◆ **Guam Branch**
- ▲ **Nanbo Guam Limited**
Post Office Box 2980 Haganta,
Guam 96932, U.S.A.

CANADA

Toronto

- ◆ **Canada Branch**
- ▲ **Toronto Representative Office**
- ▲ **St. Paul Fire and Marine Insurance Company**
Suite 200 P.O. Box 5,
20 Queen St. West Toronto,
Ontario M5H 3R3, CANADA

ASIA

SINGAPORE

Singapore

- ◆ **Singapore Branch**
- **NIPPONKOA Management Service (Singapore) Private Limited**
- ▲ **Singapore Representative Office**
50 Raffles Place,
#05-01/06 Singapore Land Tower
048623, REPUBLIC OF SINGAPORE

MALAYSIA

Kuala Lumpur

- **Lonpac Insurance Bhd**
* branches in 18 other cities and
one subsidiary in CAMBODIA
- ▲ **Kuala Lumpur Representative Office**
7th Floor, Bangunan Public Bank,
No. 6, Jalan Sultan Sulaiman, 50000
Kuala Lumpur, MALAYSIA

INDONESIA

Jakarta

■ **PT. Asuransi Sampo Japan Nipponkoa Indonesia**

* branches in 5 other cities

▲ **Jakarta Representative Office**

Mayapada Tower II, 19th Floor,
J1. Jenderal Sudiman Kav. 27,
Jakarta 12920, INDONESIA

PHILIPPINES

Manila

▲ **Manila Representative Office**

C/O Pioneer Insurance &
Surety Corporation, 7th Floor,
Pioneer House, 108 Paseo de Roxas,
Makati City, PHILIPPINES

THAILAND

Bangkok

■ **Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited**

12th Floor, Abdulrahim Place,
990 Rama 4 Road, Silom, Bangrak,
Bangkok, 10500, THAILAND

■ **NIPPONKOA Insurance Broker (Thailand) Company Limited**▲ **Bangkok Representative Office**

90/53 Sathorn Thani I Bldg.,
18th Floor, North Sathorn Rd.,
Silom, Bangrak, Bangkok,
10500, THAILAND

■ **The Navakij Insurance Public Company Limited**

* branches in 24 other cities
100/48-55, 90/3-6 Sathorn Nakorn Bldg.,
26th Flr., North Sathorn Rd., Silom,
Bangrak, Bangkok, 10500, THAILAND

Sriracha

○ **Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited**

98/16 Sukhumvit Road, Sriracha,
Cholburi, 20110, THAILAND

VIETNAM

Ho Chi Minh

▲ **Ho Chi Minh Representative Office**

16th Floor, Vincom Center,
72 Le Thanh Ton Street, District 1,
Ho Chi Minh City, VIETNAM

Hanoi

▲ **Hanoi Representative Office**

Tung Shing Square, 11th floor,
2 Ngo Quyan, Hanoi, VIETNAM

INDIA

New Delhi

▲ **New Delhi Representative Office**

The Masterpiece, SUITE-17,
Ground Floor, Golf Course Road,
Sector-54, Gurgaon 122002,
Haryana, INDIA

CAMBODIA

Phnom Penh

▲ **Phnom Penh Representative Office**

7th Floor, Campu Bank Building,
No. 23, Street 114, Phnom Penh,
Kingdom of Cambodia, P.O. Box 1556

CHINA

Shenzhen

■ **NIPPONKOA Insurance Company (China) Limited (Headquarters)**

No. 903-904, Kerry Plaza Tower 2,
No. 1 Zhong Xin Si Road Futian District,
Shenzhen, Guangdong 518048,
THE PEOPLE'S REPUBLIC OF CHINA

▲ **Shenzhen Representative Office**

Room 511, Fujian Industrial Bank Building,
No. 4013 Mintian Road, Futian District,
Shenzhen, Guangdong 518046,
THE PEOPLE'S REPUBLIC OF CHINA

Beijing

▲ **Beijing Representative Office**

Room 1001A, Fortune Building 10/F,
Dongsanhuan Beilu, Chaoyang District,
Beijing 100004,
THE PEOPLE'S REPUBLIC OF CHINA

Dalian

▲ **Dalian Representative Office**

805 Dalian Asia Pacific Finance Centre 55
Ren Min Road, Dalian, Liaoning 116001,
THE PEOPLE'S REPUBLIC OF CHINA

Qingdao

■ **NIPPONKOA Insurance Company (China) Limited (Shandong Branch)**

Room 1601, The HNA Center, 234
Yan'an 3rd Road, Shinan District, Qingdao,
Shandong 266071,
THE PEOPLE'S REPUBLIC OF CHINA

Hong Kong

■ **NIPPONKOA Insurance Company (Asia) Limited**▲ **Hong Kong Representative Office**

Room 1901, Lincoln House, Taikoo Place,
979 King's Road, Island East, Hong Kong
S.A.R., THE PEOPLE'S REPUBLIC
OF CHINA

TAIWAN

Taipei

▲ **Taipei Representative Office**

Room 1403, No. 205, Sec. 1,
Tun-Hwa S Road, Taipei, TAIWAN

OCEANIA

AUSTRALIA

Sydney

◆ **Australia Branch**△ **Allianz Australia Insurance Limited**▲ **Sydney Representative Office**

Allianz Centre,
Forecourt Building, Level 12,
2 Market Street, Sydney, N.S.W. 2000,
AUSTRALIA

Shares and Shareholders

Share Information (As of July 1, 2013)

Fiscal year:	April 1 through March 31 of the following year
Annual General Meeting of Shareholders:	Held within three months of the end of each fiscal year
Record date for year-end dividends and voting rights:	March 31 * Record date for interim dividends: September 30 (When we pay an interim dividend)
Share-trading lot size:	100
Shareholder registry administrator:	Mitsubishi UFJ Trust and Banking Corporation
Public notices:	NKSJ Holdings issues public notices electronically (http://www.nksj-hd.com/) (Japanese only). *If a public notice cannot be issued electronically, it will be published in the Nihon Keizai Shimbun (newspaper).
Exchange Listings:	Tokyo Stock Exchange (First Section)

Matters for the General Meeting of Shareholders

The 3rd General Meeting of Shareholders was held on June 24, 2013. The matters to be reported and the matters to be resolved were as follows:

Matters to be Reported

1. The business report, the consolidated financial statements and the audit reports by the accounting auditors and the board of auditors for FY2012 (April 1, 2012 to March 31, 2013)
2. The financial statements for FY2012 (April 1, 2012 to March 31, 2013)

Matters to be Resolved

Proposal No. 1 Disposition of Retained Earnings

Proposal No. 2 Appointment of Twelve Directors

Proposal No. 3 Appointment of Two Auditors

The proposals were approved as initially proposed.

Distribution and Shares (As of March 31, 2013)

Summary of Issued Shares

Type of shares:	Common Share
Total number of authorized shares:	1,200,000,000
Total number of shares outstanding:	415,352,294
Total number of shareholders:	51,412

Types of Shareholders

	Number of Shareholders	Number of Shares Held (Thousands)	Portion of Shares Outstanding (%)
National and Regional Governmental Organizations	2	8	0.00
Financial Institutions	180	148,238	35.69
Securities Companies	58	16,868	4.06
Other Corporations	1,195	41,610	10.02
Foreign Investors	470	157,147	37.83
Individuals and Others	49,507	51,478	12.40
Total	51,412	415,352	100.00

Major Shareholders (As of March 31, 2013)

Name of Shareholder	Number of Shares Held (Thousands)	Portion of Shares Outstanding (%)
STATE STREET BANK AND TRUST COMPANY	23,407	5.64
Japan Trustee Services Bank, Ltd. (Trust account)	15,895	3.83
The Master Trust Bank of Japan, Ltd. (Trust account)	14,920	3.59
CBNY-ORBIS FUNDS	14,754	3.55
NKSJ Holdings Employee Shareholders Association	12,711	3.06
CBNY-ORBIS SICAV	12,479	3.00
The Dai-ichi Life Insurance Company, Limited	10,227	2.46
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	8,259	1.99
Nippon Express Co., Ltd.	8,001	1.93
Mizuho Corporate Bank, Ltd.	4,902	1.18

Notes: The number of shares held by The Dai-ichi Life Insurance Company, Limited includes 4,492 thousand shares contributed by that company as trust assets for a retirement benefit trust (In the shareholder register, the shares are listed in the name of Mizuho Trust & Banking Co., Ltd., Dai-ichi Life Insurance Retirement Benefit Trust).

Status of Shares Held

Sompo Japan

The number of companies and carrying amount on the balance sheet in which equity investments are held for purposes other than pure investment

1,638 companies ¥1,026,997 million

<Top 50 shares held>

• Specific shares held

Purpose for which shares are held: To maintain and strengthen business relationships

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
Honda Motor Co., Ltd.	21,896,600	77,842
Canon Inc.	18,799,987	63,919
Marubeni Corporation	56,110,000	39,445
The Dai-ichi Life Insurance Company, Limited	300,000	37,950
Hulic Co., Ltd.	47,578,800	36,778
NISSAN MOTOR CO., LTD.	37,928,000	34,324
SUZUKI MOTOR CORPORATION	9,500,000	20,054
ITOCHU Corporation	13,015,000	14,719
TOYOTA MOTOR CORPORATION	3,000,900	14,584
Murata Manufacturing Co., Ltd.	2,039,200	14,294
AISIN SEIKI CO., LTD.	4,100,000	14,145
Panasonic Corporation	20,000,000	13,080
NITTO DENKO CORPORATION	2,310,800	12,871
JFE Holdings, Inc.	7,038,669	12,437
JX Holdings, Inc.	23,866,580	12,434
Fuji Heavy Industries Ltd.	8,202,490	11,983
Suruga Bank Ltd.	7,655,000	11,627
YAMATO HOLDINGS CO., LTD.	6,033,900	10,498
Mizuho Financial Group, Inc.	49,427,690	9,836
BRIDGESTONE CORPORATION	2,630,000	8,337
Ajinomoto Co., Inc.	5,189,500	7,343
Tokyo Tatemono Co.,Ltd.	10,484,000	6,908
The Bank of Kyoto, Ltd.	7,512,000	6,896
East Japan Railway Company	871,200	6,725
Hitachi, Ltd.	11,681,032	6,342
AEON CO., LTD.	5,041,600	6,125
Odakyu Electric Railway Co., Ltd.	5,140,000	6,018
Keikyu Corporation	6,057,000	5,966
Sharp Corporation	21,496,000	5,846
ASAHI KASEI CORPORATION	9,123,000	5,729
The Bank of Yokohama, Ltd	10,017,000	5,459
Showa Denko K.K.	36,867,600	5,198
The Iyo Bank, Ltd.	5,471,000	4,863
Mazda Motor Corporation	17,081,000	4,799

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
NIPPON PAINT CO., LTD.	5,104,000	4,787
Nissan Chemical Industries, Ltd.	3,880,000	4,396
NICHIREI CORPORATION	7,742,000	4,343
ISUZU MOTORS LIMITED	7,751,000	4,301
ZENKOKU HOSHO Co.,Ltd	1,200,000	4,230
The Yokohama Rubber Company, Limited	3,906,000	4,226
Fuyo General Lease Co.,Ltd.	1,152,400	4,079
Fukuoka Financial Group, Inc.	8,408,793	4,061
Kawasaki Heavy Industries, Ltd.	13,239,000	3,905
KONICA MINOLTA HOLDINGS, INC.	5,551,000	3,819
Kawasaki Kisen Kaisha, Ltd.	19,107,000	3,802
MITSUBISHI GAS CHEMICAL COMPANY, INC.	5,995,850	3,723
The Hiroshima Bank, Ltd.	7,900,000	3,634
NSK Ltd.	5,074,000	3,627

• Shares subject to deemed holding

Purpose for which shares are held: To secure the ability to exercise voting rights

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
Honda Motor Co., Ltd.	8,900,000	31,639
Murata Manufacturing Co., Ltd.	550,000	3,855

Note: Specific shares for investment and shares subject to deemed holding have not been combined at the time of selecting the aforementioned companies recorded on the balance sheet.

Nipponkoa

The number of companies and carrying amount on the balance sheet in which equity investments are held for purposes other than pure investment

957 companies ¥560,302 million

<Top 50 shares held>

• Specific shares held

Purpose for which shares are held: To maintain and strengthen business relationships

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
Shin-Etsu Chemical Co., Ltd.	5,177,556	32,359
ITOCHU Corporation	27,556,714	31,166
TOSHIBA CORPORATION	51,308,000	24,217
NIPPON EXPRESS CO., LTD.	50,967,522	23,394
The Chiba Bank, Ltd.	29,998,468	20,248
RICOH COMPANY, LTD.	18,197,414	18,270
Ajinomoto Co., Inc.	12,073,994	17,084
Komatsu Ltd.	7,323,448	16,470
The Joyo Bank, Ltd.	28,973,000	15,268
Honda Motor Co., Ltd.	3,630,000	12,904
Shiseido Company, Limited	8,477,497	11,249
Mitsubishi UFJ Financial Group, Inc.	15,673,975	8,746
TOYOTA MOTOR CORPORATION	1,697,418	8,249
T&D Holdings, Inc.	7,228,810	8,211
Astellas Pharma Inc.	1,569,544	7,941
LPI CAPITAL BHD	18,902,400	7,827
NIPPON MEAT PACKERS, INC.	4,990,000	7,739
The Hiroshima Bank, Ltd.	16,687,911	7,676
THE SHIGA BANK, LTD.	11,651,260	7,480
Shionogi & Co., Ltd.	3,846,791	7,474
Seven & i Holdings Co., Ltd	2,307,002	7,186
The Keiyo Bank, Ltd.	12,619,128	6,738
Fuji Heavy Industries Ltd.	3,954,540	5,777
FUKUYAMA TRANSPORTING CO.,LTD.	10,087,304	5,406
JX Holdings, Inc.	10,251,645	5,341
YAMAZAKI BAKING CO., LTD.	4,168,396	5,335
Isetan Mitsukoshi Holdings Ltd.	3,892,767	5,286
Kawasaki Heavy Industries, Ltd.	17,338,999	5,115
NOK CORPORATION	3,780,700	5,103
The Juroku Bank, Ltd.	12,338,080	4,762
HISAMITSU PHARMACEUTICAL CO., INC.	881,102	4,528
YAKULT HONSHA CO., LTD.	1,114,760	4,241
Keio Corporation	4,938,421	3,995
The Hachijuni Bank, Ltd.	6,515,541	3,707

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
Mazda Motor Corporation	12,470,200	3,504
North Pacific Bank,Ltd.	10,866,480	3,444
The Hyakugo Bank, Ltd.	7,230,274	3,390
The Iyo Bank, Ltd.	3,762,421	3,344
AEON CO., LTD.	2,639,688	3,207
The Hokkoku Bank, Ltd.	7,883,395	3,098
NIPPON KONPO UNYU SOKO CO.,LTD.	2,006,470	2,943
OMRON Corporation	1,170,247	2,714
East Japan Railway Company	350,000	2,702
TOKYU CORPORATION	3,803,718	2,696
The Daishi Bank,Ltd.	6,947,144	2,667
Showa Sangyo Co., Ltd.	8,545,501	2,657
Sekisui Chemical Co., Ltd.	2,531,080	2,612
Keisei Electric Railway Co.,Ltd.	2,445,000	2,452

• Shares subject to deemed holding

Purpose for which shares are held: To secure the ability to exercise voting rights

Company Name	Number of Shares (Shares)	Carrying Amount on the Balance Sheet (Millions of yen)
TOSHIBA CORPORATION	9,500,000	4,484
Seven & i Holdings Co., Ltd	913,000	2,843

Note: Specific shares for investment and shares subject to deemed holding have not been combined at the time of selecting the aforementioned companies recorded on the balance sheet.

NKSJ Holdings, Subsidiaries and Affiliates

(As of March 31, 2013)

Consolidated
Financial Highlights

About
the NKSJ Group

Message from
the Management

Interview with
the President

Review of
Operations

Management
Structure

The NKSJ Group's
Approach to CSR

Financial Section

Corporate
Information

The NKSJ Group consists of NKSJ Holdings, Inc., 74 subsidiaries and 18 affiliates. The Group is engaged in property and casualty insurance business, life insurance business and other business.

Major group companies are as follows.

Property and casualty insurance business

- Sompo Japan Insurance Inc.
- NIPPONKOA Insurance Company, Limited
- Sompo 24 Insurance Company Limited
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
- Japan Insurance Service Inc.
- Sompo Japan Nipponkoa Holdings (Americas) Inc. <USA>
- Sompo Japan Insurance Company of America <USA>
- Sompo Japan Insurance Company of Europe Limited <UK>
- NIPPONKOA Insurance Company (Europe) Limited <UK>
- NIPPONKOA Management Services (Europe) Limited <UK>
- Sompo Japan Sigorta Anonim Sirketi <Turkey>
- Sompo Japan Asia Holdings Pte. Ltd. <Singapore>
- Tenet Sompo Insurance Pte. Ltd. <Singapore>
- Tenet Insurance Company Limited <Singapore>
- Berjaya Sompo Insurance Berhad <Malaysia>
- Sompo Japan Insurance (China) Co., Ltd. <China>
- NIPPONKOA Insurance Company (China) Limited <China>
- Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited <China>
- NIPPONKOA Insurance Company (Asia) Limited <China>
- Yasuda Seguros S.A. <Brazil>
- ★ Hitachi Capital Insurance Corporation
- ★ Universal Sompo General Insurance Company Limited <India>
- ★ Maritima Seguros S.A. <Brazil>
- ★ Maritima Saude Seguros S.A. <Brazil>

Life insurance business

- NKSJ Himawari Life Insurance, Inc.
- Sompo Japan DIY Life Insurance CO., LTD.

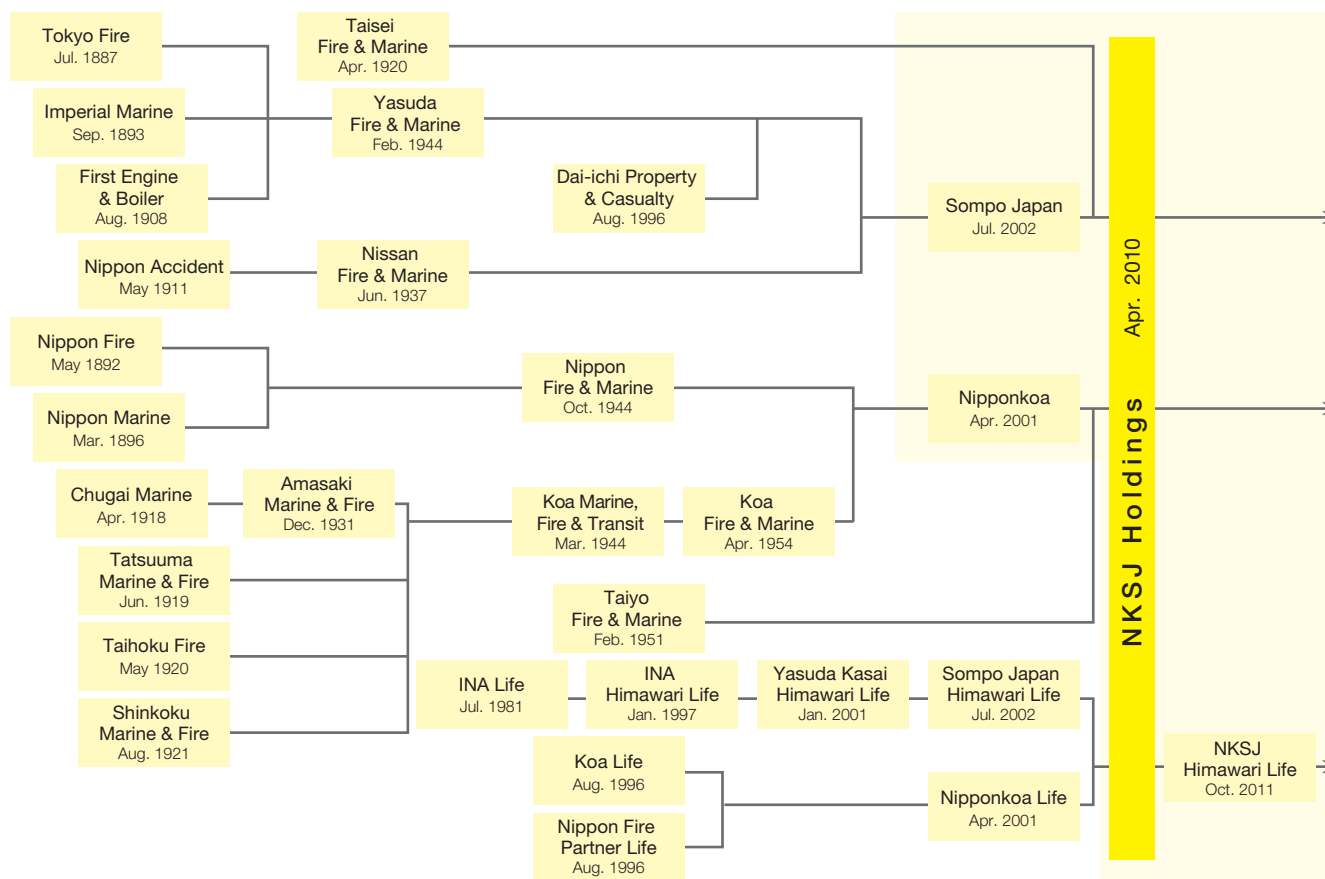
Other business

- Sompo Japan DC Securities Inc. (Defined contribution pension plan business and fund sales business)
- SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. (Investment advisory service and fund trust management service)
- Healthcare Frontier Japan Inc. (Consulting service regarding health and care such as prevention of disease)

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

NKSJ History

2010	April	NKSJ Holdings, Inc., was established. NKSJ Holdings was listed on the Tokyo Stock Exchange (First Section) and the Osaka Securities Exchange (First Section).
	May	Sompo Japan acquired 100% of shares in Tenet Insurance Company Ltd, a Singapore P&C insurance company, making Tenet a consolidated subsidiary of NKSJ Holdings.
	October	Sompo Japan Asset Management Co., Ltd. and ZEST Asset Management Ltd. were merged into Sompo Japan Nipponkoa Asset Management Co., Ltd.
	November	N.K. Risk Consulting Co., Ltd. transferred its relevant operations to Sompo Japan Risk Management, Inc. which was then renamed to NKSJ Risk Management, Inc. Sompo Japan acquired 99.07% of Fiba Sigorta Anonim Sirketi, a P&C insurance company in Turkey, making Fiba Sigorta a consolidated subsidiary of NKSJ Holdings. The company name was changed to Sompo Japan Sigorta A.S. in February 2011.
2011	April	Sompo Japan System Solutions Inc. and N.K. Systems, Limited were merged into NKSJ Systems, Inc. Sompo Japan Information Services Inc. and Nipponkoa Business Services, Co., Ltd. were merged into NKSJ Business Services, Inc.
	June	Sompo Japan acquired an additional 40% of the issued ordinary shares of Berjaya Sompo Insurance Berhad, through Sompo Japan Asia Holdings Pte. Ltd., making Berjaya Sompo a consolidated subsidiary of NKSJ Holdings and bringing our stake to 70% ownership.
	October	Sompo Japan Himawari Life Insurance Co., Ltd. and Nipponkoa Life Insurance Company, Limited were merged into NKSJ Himawari Life Insurance, Inc.
2012	April	Prime Assistance Inc. was established to enter the assistance services business.
	September	Sompo Japan acquired 34% shares of Cedar Co., Ltd. to enter the nursing care service business.
2013	January	Sompo Japan Nipponkoa Holdings (Americas) Inc., the holding company for operations in North America, was established and became a consolidated subsidiary of NKSJ Holdings.
	June	P.T. Sompo Japan Insurance Indonesia and P.T. Asuransi NIPPONKOA Indonesia were merged into PT. Asuransi Sompo Japan Nipponkoa Indonesia. Yasuda Seguros S.A. acquired an additional 37% of common shares and 21.8% of preferred shares of Maritima Seguros S.A., making Maritima Seguros S.A. and Maritima Saude Seguros S.A. subsidiaries of NKSJ Holdings.



Corporate Data

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Financial Section

Corporate
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Company name:	NKSJ Holdings, Inc.
Established:	April 1, 2010
Capital:	100 billion yen
Head office:	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan 160-8338 Telephone: 03-3349-3000 (operator)
Representative Director, Chairman and Executive Officer:	Masaya Futamiya
Representative Director, President and Executive Officer:	Kengo Sakurada
Business activities:	Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other operations incidental thereto.
Employees:	276
URL:	http://www.nksj-hd.com/
Independent auditors:	Ernst & Young ShinNihon LLC

Rating Information for NKSJ Group Companies

Listed below are credit ratings for NKSJ Group companies as of July 1, 2013.*

Rating agency	Sompo Japan	Nipponkoa	NKSJ Himawari Life	Saison Automobile & Fire
Standard & Poor's	A+	A+	A+	—
Moody's	A1	—	—	—
R&I	AA-	AA-	AA-	—
JCR	AA	—	—	A
A.M. Best	A+	A+	—	—

* Only ratings commissioned by the Group are shown.

For further information, please contact us via e-mail below:
E-mail: ir@nksj-hd.co.jp

NKSJ

HOLDINGS

NKSJ Holdings, Inc.

26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, 160-8338, Japan
<http://www.nksj-hd.com/>



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