

Highlights of 1Q FY2014 Results

August 8, 2014

NKSJ Holdings, Inc.

*NKSJ Holdings, Inc. will change its name as below on September 1, 2014.



Sompo Japan Nipponkoa Holdings, Inc.

- Consolidated ordinary profit drastically improved (+¥42.1 billion), and amounted to ¥53.7 billion, which has progressed 35% against the fiscal year plan.
- Consolidated net income was -¥4.0 billion mainly due to one-time merger costs (¥51.7 billion).

*Unchanged the business forecasts for FY2014.

- In domestic property and casualty (P&C) insurance, core underwriting profit improved ¥13.3 billion year on year.
- The combined ratio in voluntary automobile insurance in 1Q improved 1.3 points year on year.
- The preparation for merger progressed in line with the fiscal year plan. One-time merger costs for 1Q FY2014 were ¥51.7 billion against the fiscal year plan ¥78.0 billion.

- In domestic life insurance, an increase in business in force contributed to the trend of premium growth and increased net income. There was also a continuing shift to protection-type products.
- The new medical insurance products launched in May 2014 had steady sales.

- In overseas insurance, the top-line has steadily grown, and the bottom-line was in line with the fiscal year plan. (Canopus is expected to contribute to profit from 2Q FY2014.)

- Internal solvency ratio keeps within target capital level (120% - 170%).
- The reduction in the exposure of strategic-holding stocks was ¥24.0 billion, and in line with the fiscal year plan.
- We conducted stock buybacks totaling ¥10.0 billion from May to June, 2014.

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Overview of 1Q FY2014 Results – NKSJ Consolidated

- ◆ The top line has continued to grow steadily, and ordinary profit significantly improved.
- ◆ One-time merger costs (¥51.7 billion) were recorded as extraordinary losses.

(Announced on May 20, 2014)

(Billions of yen)	1Q FY2013	1Q FY2014	Change	Forecast FY2014
Ordinary income (NKSJHD consolidated)	705.6	802.4	+96.8 (+13.7%)	
Net premiums written (P&C)	542.6	614.8	+72.1 (+13.3%)	2,508.0
Life insurance premiums	62.4	64.0	+1.6 (+2.6%)	279.5
Ordinary profit (NKSJHD consolidated)	11.6	53.7	+42.1	152.0
Sampo Japan + Nipponkoa	13.6	53.9	+40.3	
NKSJ Himawari Life	1.6	6.4	+4.7	
Overseas insurance subsidiaries	4.0	3.0	-0.9	
Consolidated adjustment*/Others	-7.6	-9.7	-2.0	
Net income (NKSJHD consolidated)	3.1	-4.0	-7.1	33.0
Sampo Japan + Nipponkoa	5.1	-2.5	-7.6	
NKSJ Himawari Life	1.0	4.4	+3.4	
Overseas insurance subsidiaries	3.5	2.6	-0.8	
Consolidated adjustment*/Others	-6.6	-8.7	-2.0	

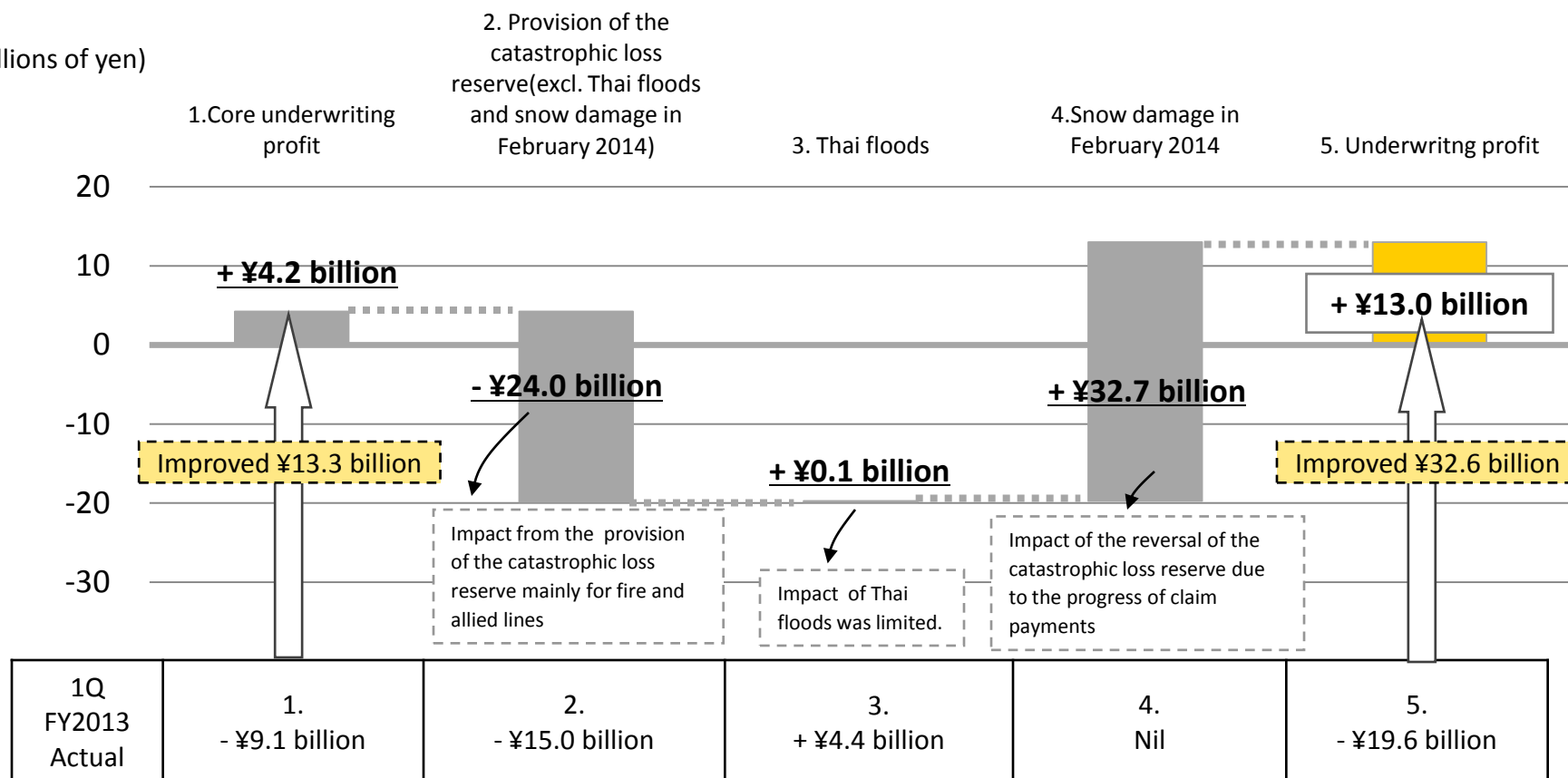
* "Purchase method" accounting was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa and some NKSJ group companies are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa and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

Main points of Consolidated Results for 1Q FY2014 – Underwriting profit

- ◆ Core underwriting profit* increased due to the improvement of profitability of voluntary automobile insurance.

Breakdown of underwriting profit (Sompo Japan + Nipponkoa)

(Billions of yen)



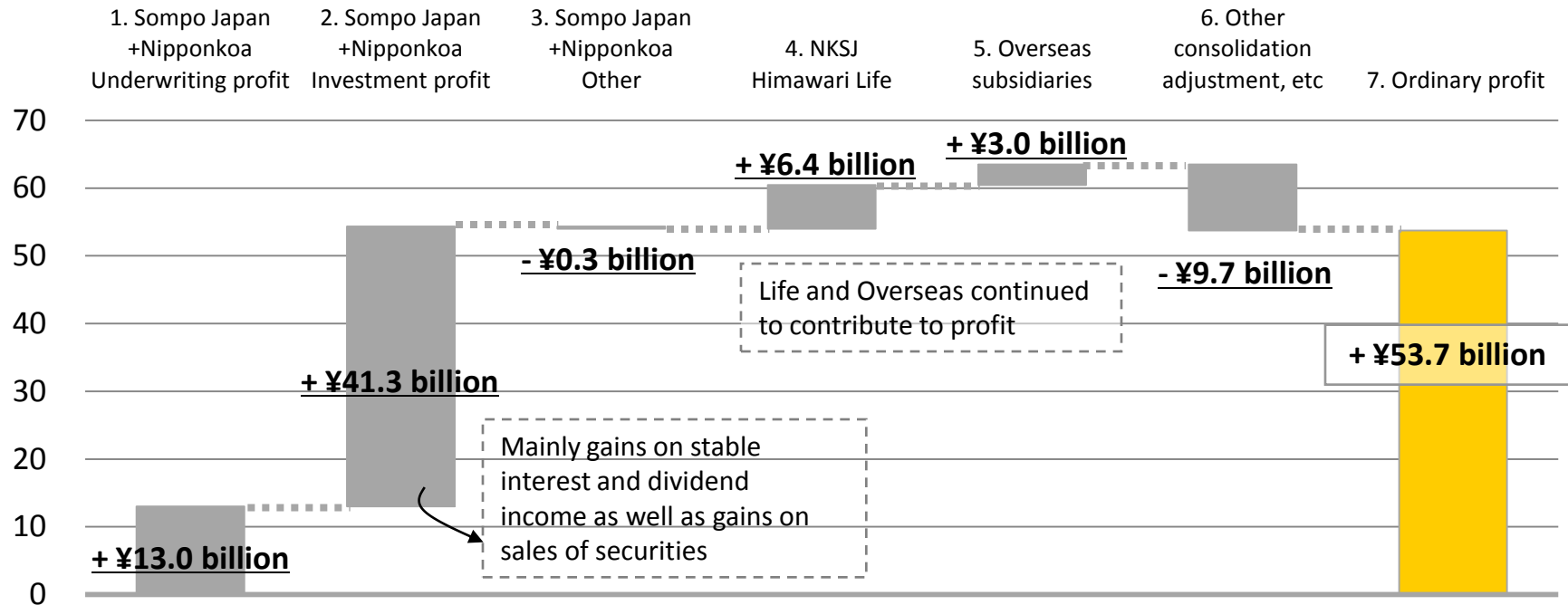
* Core underwriting profit is underwriting profit less provision of catastrophic loss reserve and the impact related to the Thai floods and snow damage in February 2014.

Main points of Consolidated Results for 1Q FY2014 - Ordinary profit

- ◆ Consolidated ordinary profit was ¥53.7 billion.
- ◆ Underwriting and investment profit of domestic P&C insurance (SJ+NK) as well as life and overseas contributed to profit.

Breakdown of ordinary profit

(Billions of yen)



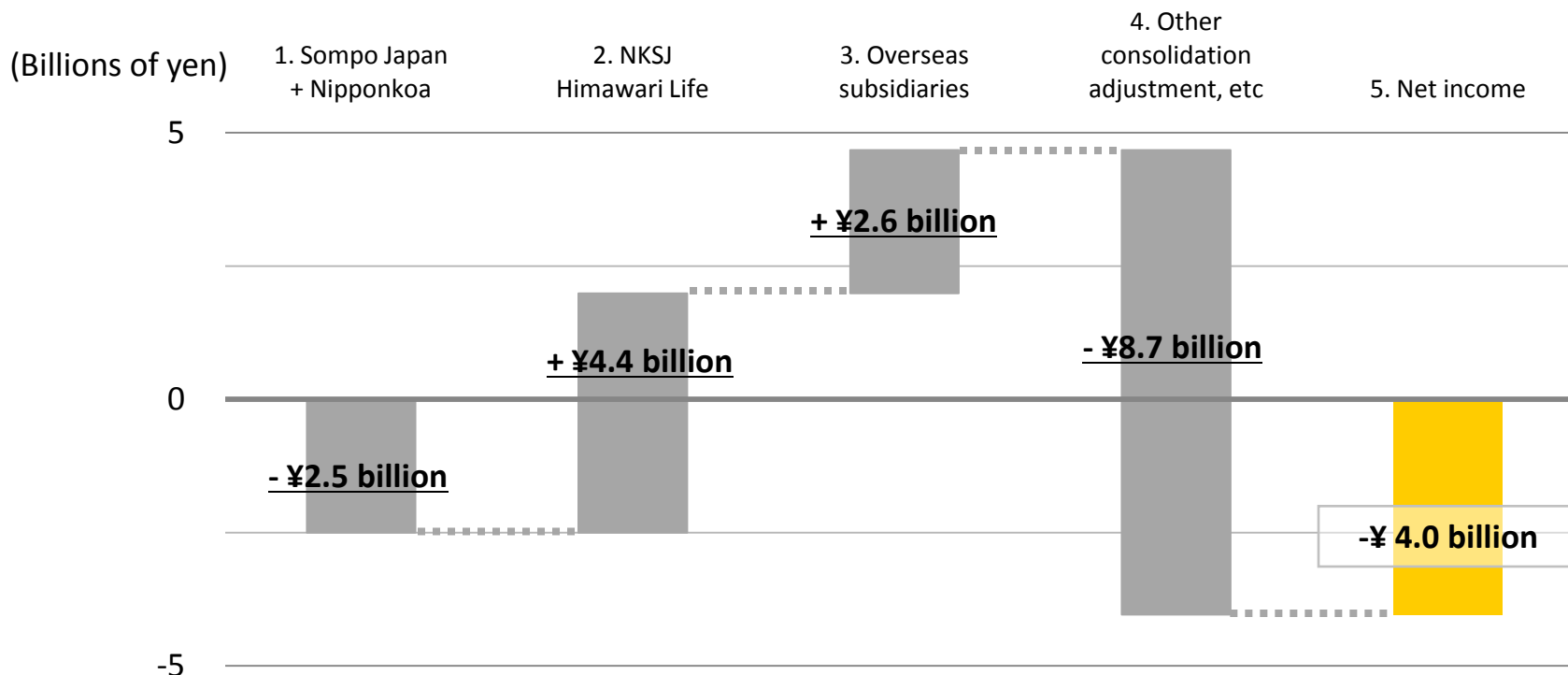
* See previous page.

1Q FY 2013 Actual	1.	2.	3.	4.	5.	6.	7.
	- ¥19.6 billion	+ ¥38.0 billion	- ¥4.7 billion	+ ¥1.6 billion	+ ¥4.0 billion	- ¥7.6 billion	+ ¥11.6 billion

Main points of Consolidated Results for 1Q FY2014 - Net income

◆ Life and overseas contributed to profit, but net income was -¥4.0 billion.

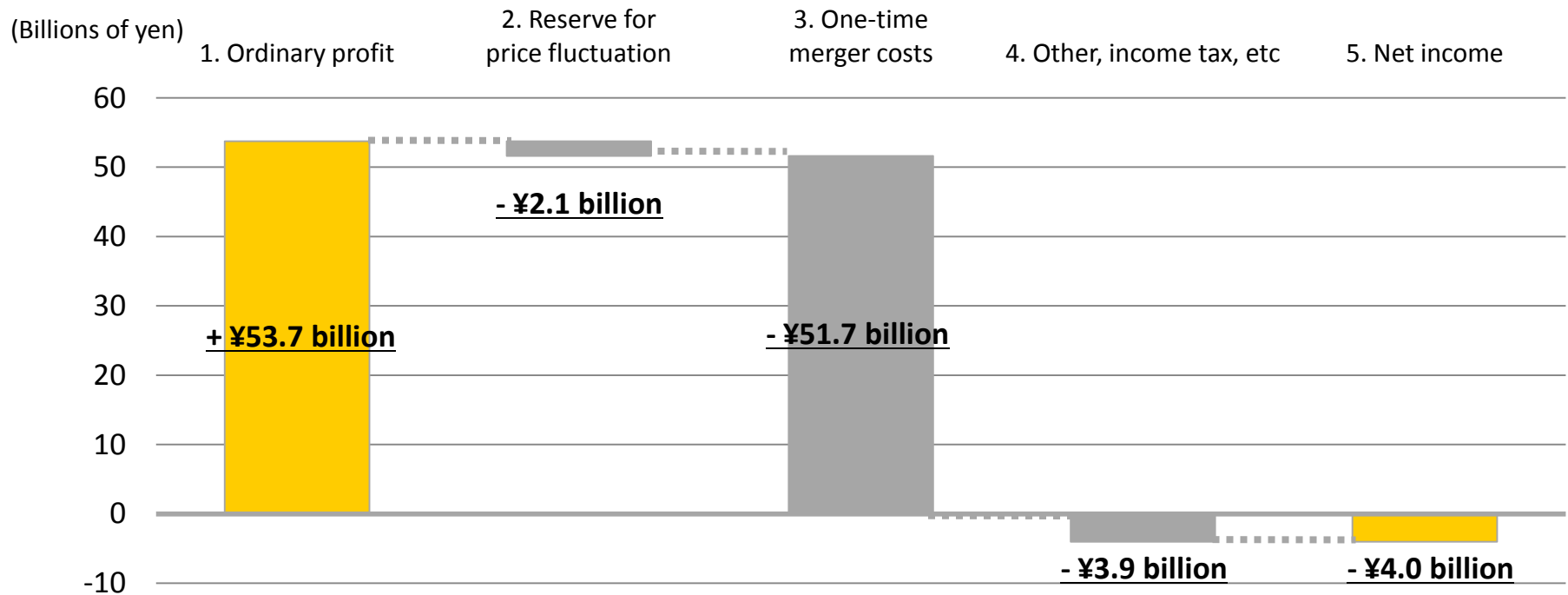
Breakdown of net income



1Q FY 2013 Actual	1. + ¥5.1 billion	2. + ¥1.0 billion	3. + ¥3.5 billion	4. - ¥6.6 billion	5. + ¥3.1 billion
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Breakdown of extraordinary gains and losses, etc

- ◆ The difference between ordinary profit and net income was mainly due to the impact of one-time merger costs related to system development (¥51.7 billion).
- ◆ If excluding one-time merger costs, net income would be larger than that of 1Q FY2013.



1Q FY2013 Actual	1. + ¥11.6 billion	2. - ¥2.0 billion	3. - ¥2.9 billion	4. - ¥3.5 billion	5. + ¥3.1 billion
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(Reference) Summary of Business Forecasts – Consolidated basis

(Billions of yen)	FY2013 Actual	FY2014 Forecasts	Change
P&C net premiums written	2,268.9	2,508.0	+239.0(+10.5%)
Life insurance premiums	277.2	279.5	+2.2 (+0.8%)
Ordinary profit (NKSJ consolidated)	112.3	152.0	+39.6(+35.2%)
Sompo Japan Nipponkoa*1	117.7	144.0	+26.3
NKSJ Himawari Life	13.7	12.7	-1.0
Overseas subsidiaries	10.9	18.4	+7.4
Consolidated adjustment *2/others	-30.1	-23.2	+6.8
Net Income (NKSJ consolidated)	44.1	33.0	-11.1(-25.3%)
Sompo Japan Nipponkoa*1	49.5	33.7	-15.7
NKSJ Himawari Life	8.0	7.5	-0.5
Overseas subsidiaries	11.5	13.5	+1.9
Consolidated adjustment*2/others	-25.0	-21.8	+3.1

*1 The actual figures in FY2013 are the sum of Sompo Japan and Nipponkoa. Meanwhile, the forecasted figures in FY2014 represent Sompo Japan Nipponkoa which will be formed on September 1.

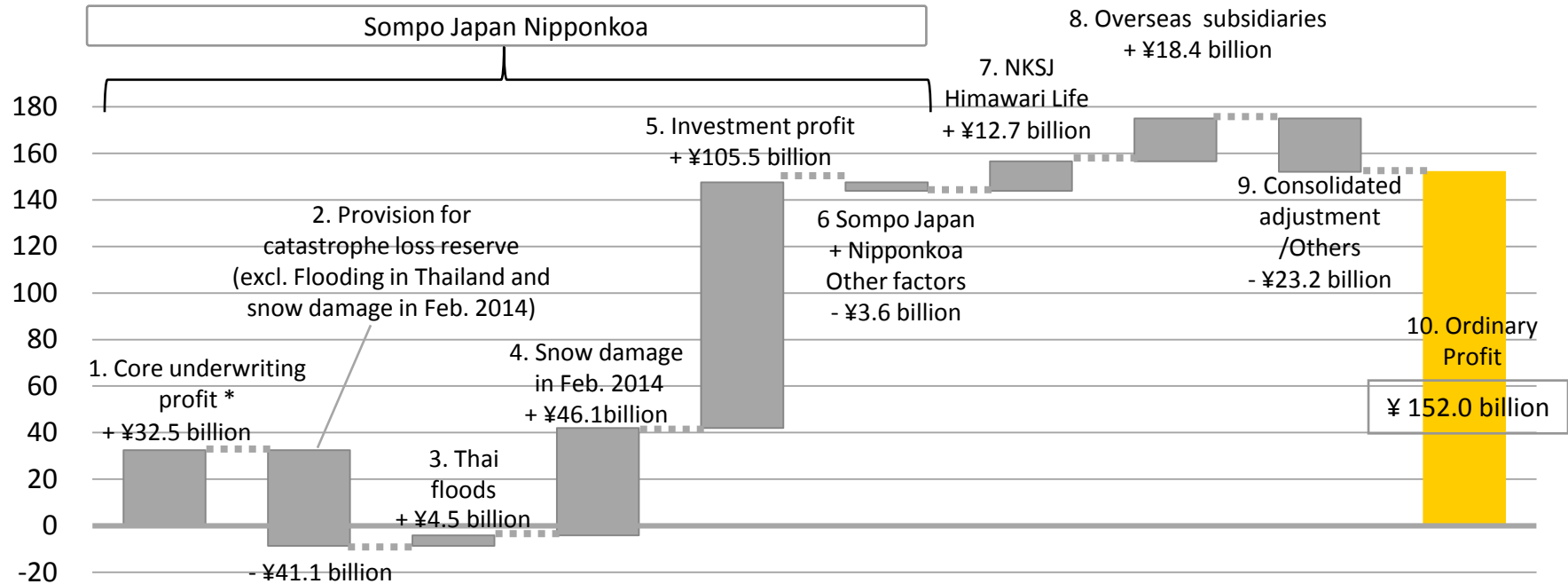
*2 "Purchase method" accounting was adopted in establishing NKSJ Holdings. In NKSJ consolidated financial statements, assets and liabilities of Nipponkoa and some NKSJ group companies are booked at the market value as of the completion of business integration. Therefore, book value used in Nipponkoa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

(Reference) Main points of Business Forecasts - (NKSJ consolidated)

- ◆ Consolidated ordinary profit is projected to be ¥152 billion.
- Underwriting profit : Steady improvement in profitability is expected due to product and premium rate revisions, etc. for voluntary automobile insurance.
- Investment profit : Stable interest and dividend income and gains on sales of securities are expected to contribute ¥105.5 billion to profit.
- Himawari Life : ¥12.7 billion profit contribution is expected.

Main components of consolidated ordinary profit

(Billions of yen)



FY2013 Actual	1. + ¥14.4 billion	2. - ¥33.6 billion	3. + ¥21.3 billion	4. - ¥64.6 billion	5. + ¥192.7 billion	6. - ¥12.3 billion	7. + ¥13.7 billion	8. + ¥10.9 billion	9. - ¥30.1 billion	10. ¥112.3 billion
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* Core underwriting profit is underwriting profit less provision of catastrophic loss reserve and the impact related to the Thai floods and snow damage in February 2014.

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Overview of 1Q FY2014 Results

- ◆ Top-line steadily improved. Loss ratio increased due to the progress of claim payments for snow damage in February 2014, but underwriting profit improved.
- ◆ While ordinary profit amounted to ¥53.9 billion and increased drastically by ¥40.3 billion, one-time merger costs of ¥51.7 billion were recorded as extraordinary losses.

(Billions of yen)	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2013	Apr-Jun 2014	Change	Apr-Jun 2014	Change	Apr-Jun 2014	Change
Net premiums written	512.2	555.4	+ 43.2(+8.4%)	382.6	+35.2 (+10.1%)	172.8	+7.9 (+4.9%)
excl. CALI	450.7	484.8	+34.1(+7.6%)	333.7	+28.7(+9.4%)	151.0	+ 5.3(+3.7%)
Loss Ratio	63.6%	66.9%	+3.3pt	65.7%	+3.5pt	69.4%	+3.1pt
excl. CALI	59.1%	64.0%	+4.9pt	62.7%	+5.3pt	66.9%	+4.4pt
Expense Ratio	32.8%	32.0%	-0.8pt	31.1%	-0.7pt	34.0%	-0.9pt
excl. CALI	34.0%	33.5%	-0.5pt	32.4%	-0.3pt	36.0%	-0.6pt
Combined Ratio	96.3%	98.9%	+2.5pt	96.8%	+2.8pt	103.4%	+2.1pt
excl. CALI	93.0%	97.5%	+4.5pt	95.1%	+5.0pt	102.8%	+3.8pt
Underwriting profit	-19.6	13.0	+32.6	7.3	+22.5	5.6	+10.1
Investment profit	38.0	41.3	+3.3	21.4	+3.8	19.8	-0.5
Ordinary profit	13.6	53.9	+40.3	28.2	+30.6	25.7	+9.6
Net income	5.1	-2.5	-7.6	-7.2	-4.1	4.7	-3.4
【Reference】 Adjusted profit							
Net income	5.1	-2.5	-7.6	-7.2	-4.1	4.7	-3.4
+Provisions for catastrophic loss reserve (after tax)	8.2	-6.0	-14.2	-1.8	-9.5	-4.1	-4.7
+Provisions for reserve for price fluctuation (after tax)	1.3	1.3	+0.0	0.9	+0.0	0.4	-0.0
-Gains/losses on sales of securities and impairment losses on securities (after tax)	8.8	8.4	-0.4	3.6	+1.6	4.8	-2.0
-Special factors (after tax)*	-1.5	-40.0	-38.4	-27.1	-26.0	-12.9	-12.4
Adjusted profit	7.3	24.5	+17.1	15.3	+10.7	9.1	+6.3

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

Net premiums written

◆ Top-line has continued to grow in all lines.

(Billions of yen)	Sum of two companies			Sompo Japan			Nipponkoa		
	Amount	Change		Amount	Change		Amount	Change	
Fire & Allied lines	73.7	+18.7	(+34.1%)	49.5	+14.3	(+41.0%)	24.2	+4.3	(+21.9%)
Marine	12.5	+ 1.5	(+13.9%)	8.5	+1.2	(+16.6%)	4.0	+0.3	(+8.5%)
Personal Accident	53.0	+ 0.3	(+0.7%)	38.5	+0.8	(+2.3%)	14.4	-0.4	(-3.2%)
Voluntary Automobile	262.8	+6.8	(+2.7%)	179.9	+6.9	(+4.0%)	82.8	-0.0	(-0.1%)
CALI	70.6	+9.0	(+14.8%)	48.8	+6.4	(+15.2%)	21.7	+2.6	(+14.0%)
Other	82.6	+6.6	(+8.7%)	57.1	+5.3	(+10.4%)	25.4	+1.2	(+5.1%)
of which, liability	53.4	+3.0	(+6.1%)	39.3	+2.7	(+7.6%)	14.1	+0.2	(+2.1%)
Total	555.4	+43.2	(+8.4%)	382.6	+35.2	(+10.1%)	172.8	+7.9	(+4.9%)
Total (excl. CALI)	484.8	+34.1	(+7.6%)	333.7	+28.7	(+9.4%)	151.0	+5.3	(+3.7%)

(Reference) Year-on-Year comparison of voluntary automobile insurance (end of June, 2014) *Performance evaluation basis

	Sompo Japan			Nipponkoa		
	# of vehicles	Premium /vehicle	Total Premium	# of vehicles	Premium /vehicle	Total Premium
Non-fleet	+2.2%	-0.5%	+1.6%	-1.3%	-0.4%	-2.7%
Fleet	+2.1%	+1.1%	+3.2%	-0.9%	+3.3%	+2.5%
Total	+2.2%	-0.3%	+1.9%	-1.2%	+0.2%	-1.8%

Loss Ratio (Written paid basis)

◆ The loss ratio (written paid basis) rose mainly due to the progress of claim payments for snow damage in February 2014.

(Billions of yen)

	Sum of two companies				Sompo Japan		Nipponkoa	
	Net claims paid		Loss Ratio		Loss Ratio		Loss Ratio	
		Change		Change		Change		Change
Fire & Allied lines	75.1	+38.7	103.7%	+34.7pt	96.8%	+37.1pt	117.6%	+32.3pt
Marine	5.0	-0.1	42.7%	-7.6pt	44.7%	-10.8pt	38.4%	-1.5pt
Personal Accident	24.7	-0.4	51.2%	-1.5pt	52.2%	-1.6pt	48.7%	-1.3pt
Voluntary Automobile	143.9	+1.4	62.5%	-1.2pt	62.5%	-0.9pt	62.4%	-1.9pt
CALI	55.6	+1.4	86.4%	-10.1pt	86.0%	-10.6pt	87.2%	-9.0pt
Other	34.5	+5.1	44.9%	+2.9pt	43.7%	+4.6pt	47.7%	-0.7pt
of which, Liability	19.8	+2.4	40.0%	+2.5pt	39.7%	+3.9pt	40.7%	-1.0pt
Total	339.0	+46.1	66.9%*	+3.3pt	65.7%	+3.5pt	69.4%	+3.1pt
Total (excl. CALI)	283.4	+44.7	64.0%	+4.9pt	62.7%	+5.3pt	66.9%	+4.4pt

* The impact of snow damage is about 7.9pt in here.

Reference

(1) In 1Q FY2014, net claim paid for Thai floods (sum of two companies) was ¥0.2 billion. (¥4.0 billion in 1Q FY2013)

(2) In 1Q FY2014, net claim paid for financial guarantee (Sompo Japan) was ¥20 million. (¥70 million in 1Q FY2013)

Net Expense Ratio

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

(Billions of yen)

Net expense ratio	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		Net expense ratio		Amount		Net expense ratio		Amount		Net expense ratio	
		Change		Change		Change		Change		Change		Change
Net commissions and brokerage fees	100.8	+9.7	18.2%	+0.4pt	68.4	+8.0	17.9%	+0.5pt	32.4	+1.7	18.8%	+0.2pt
Operating, general and administrative expenses *	76.9	+0.0	13.8%	-1.2pt	50.6	+0.6	13.2%	-1.2pt	26.3	-0.5	15.2%	-1.1pt
Total	177.8	+9.8	32.0%	-0.8pt	119.0	+8.6	31.1%	-0.7pt	58.7	+1.1	34.0%	-0.9pt
Total (excl. CALI)	162.5	+9.3	33.5%	-0.5pt	108.1	+8.3	32.4%	-0.3pt	54.3	+0.9	36.0%	-0.6pt

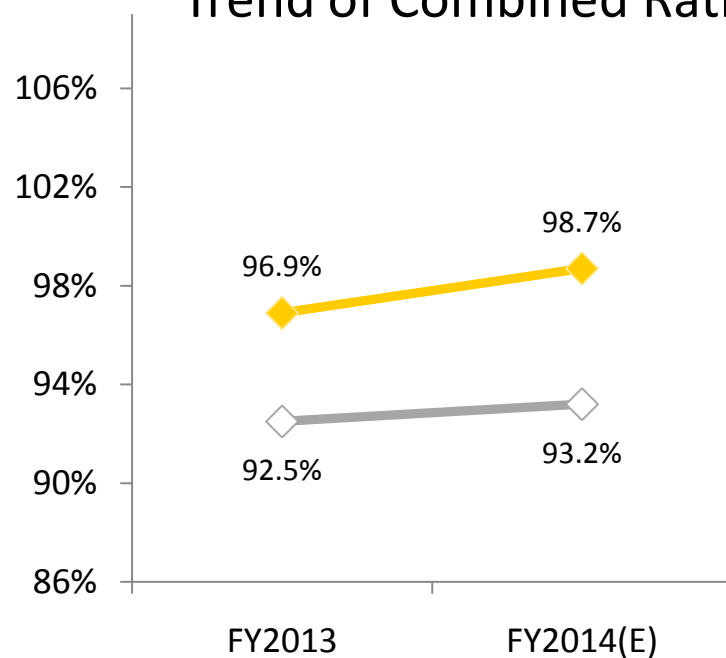
* Only for underwriting

Company expenses	Sum of two companies				Sompo Japan				Nipponkoa			
	Amount		% of net premium		Amount		% of net premium		Amount		% of net premium	
		Change		Change		Change		Change		Change		Change
Personnel expenses	58.5	-1.7	10.5%	-1.2pt	39.3	+0.0	10.3%	-1.0pt	19.1	-1.7	11.1%	-1.6pt
Non-Personnel expenses	46.9	+1.0	8.5%	-0.5pt	31.3	+0.4	8.2%	-0.7pt	15.6	+0.5	9.1%	-0.1pt
Tax and contributions	7.0	+0.2	1.3%	-0.1pt	5.2	+0.2	1.4%	-0.1pt	1.7	+0.0	1.0%	-0.0pt
Total	112.6	-0.4	20.3%	-1.8pt	75.9	+0.7	19.9%	-1.8pt	36.6	-1.2	21.2%	-1.8pt

Combined Ratio

- ◆ Combined ratio rose due to the progress of claim payments for snow damage in February 2014, but combined ratio excluding domestic natural disasters improved.

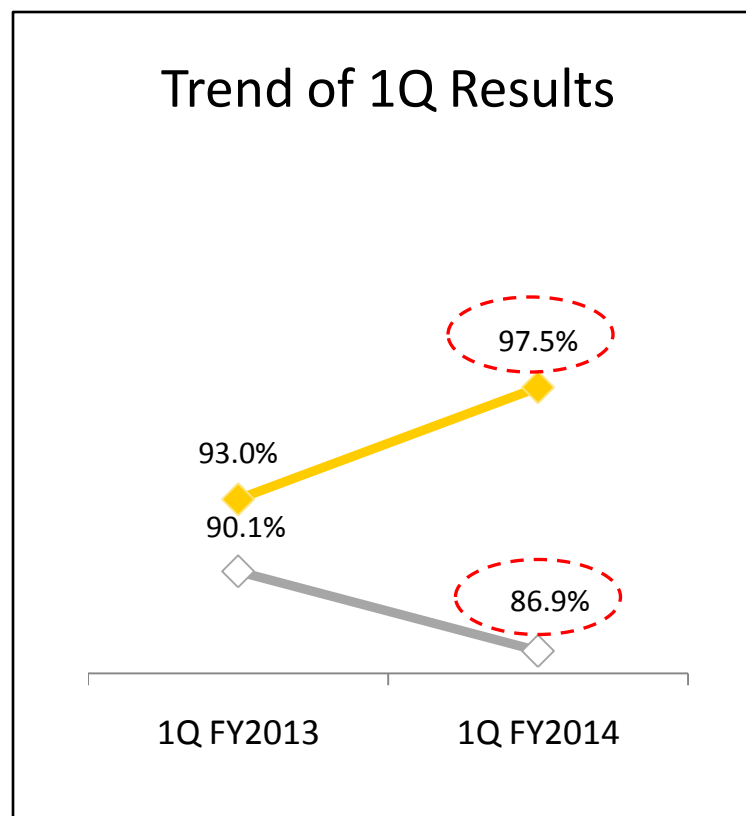
Trend of Combined Ratio



◆ Combined Ratio (excl. CALI)

◇ Reference; Combined Ratio (excl. CALI, household earthquake, domestic natural disasters)

Trend of 1Q Results



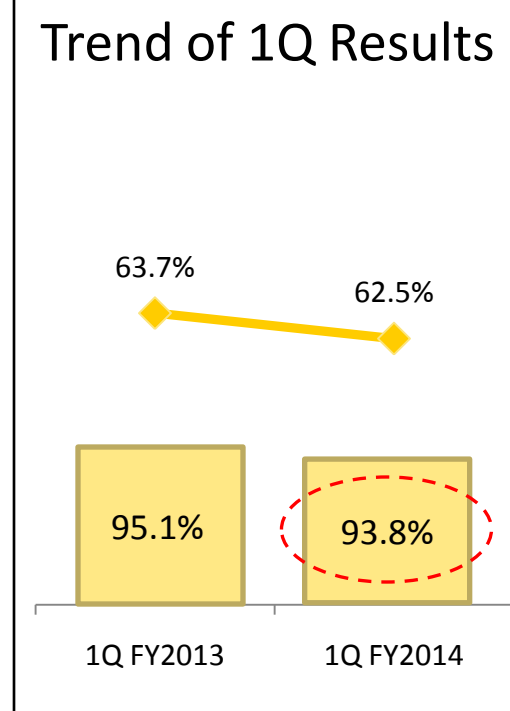
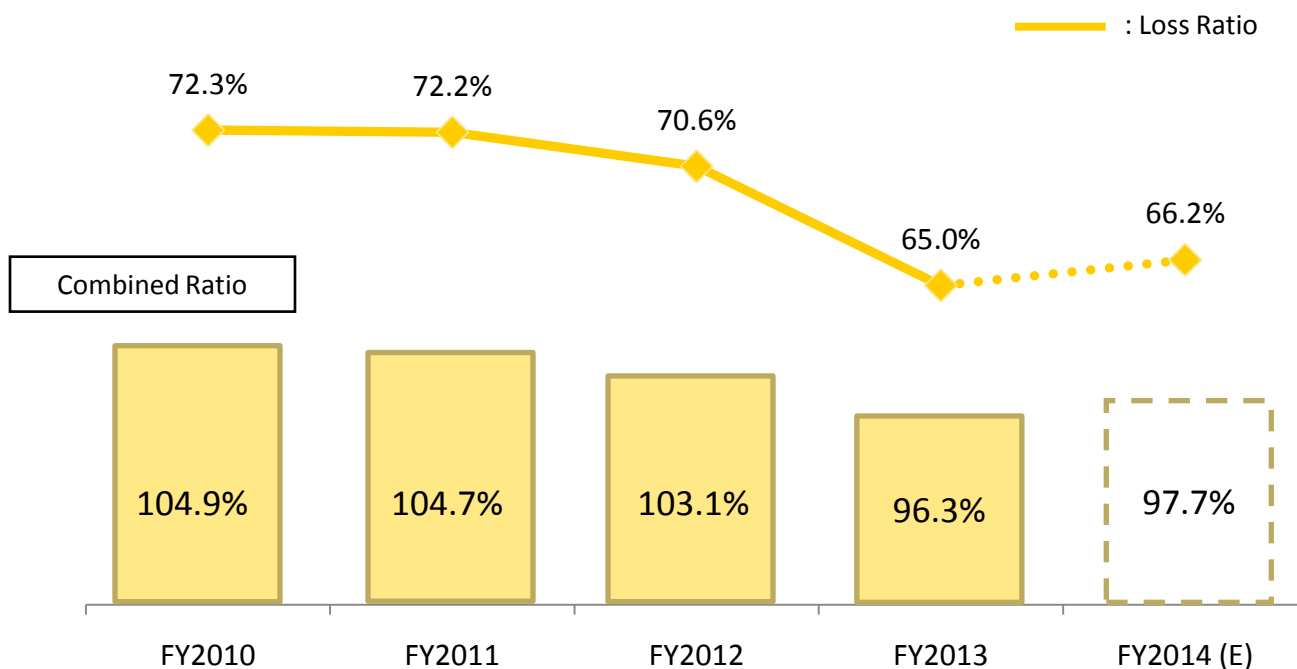
1Q FY2013

1Q FY2014

* The actual figures in FY2013, 1Q FY2013, and 1Q FY2014 are the sum of Sampo Japan and Nipponkoa. Meanwhile, the forecasted figures in FY2014 represent Sampo Japan Nipponkoa which will be formed on September 1.

Profitability of Voluntary Automobile Insurance

- ◆ Loss ratio continued to be on a downward trend in 1Q FY2014.
 - Positive impact of product and premium rate revisions has appeared, and decreasing trend of the number of reported claims is on going (see next page).
 - On the other hand, increasing trend of unit repair costs continues.

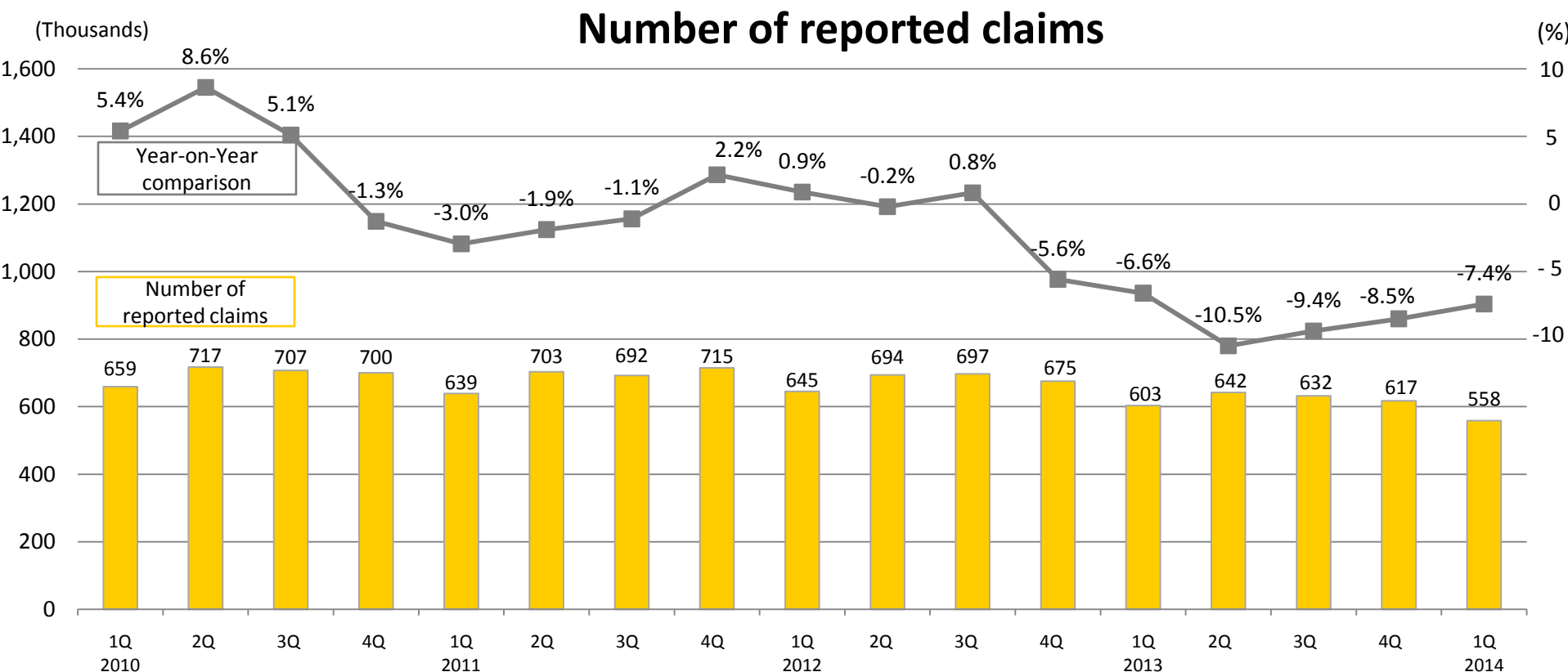


* The actual figures are the sum of Sampo Japan and Nipponkoa. Meanwhile, the forecasted figures in FY2014 represent Sampo Japan Nipponkoa which will be formed on September 1.

* Loss Ratio is on a written paid basis (including loss adjustment expense).

Voluntary Automobile Insurance - Number of reported claims

◆ Decreasing trend (Year-on-Year comparison) has been on going since 4Q FY2012.



* Sum of Sompo Japan and Nipponkoa

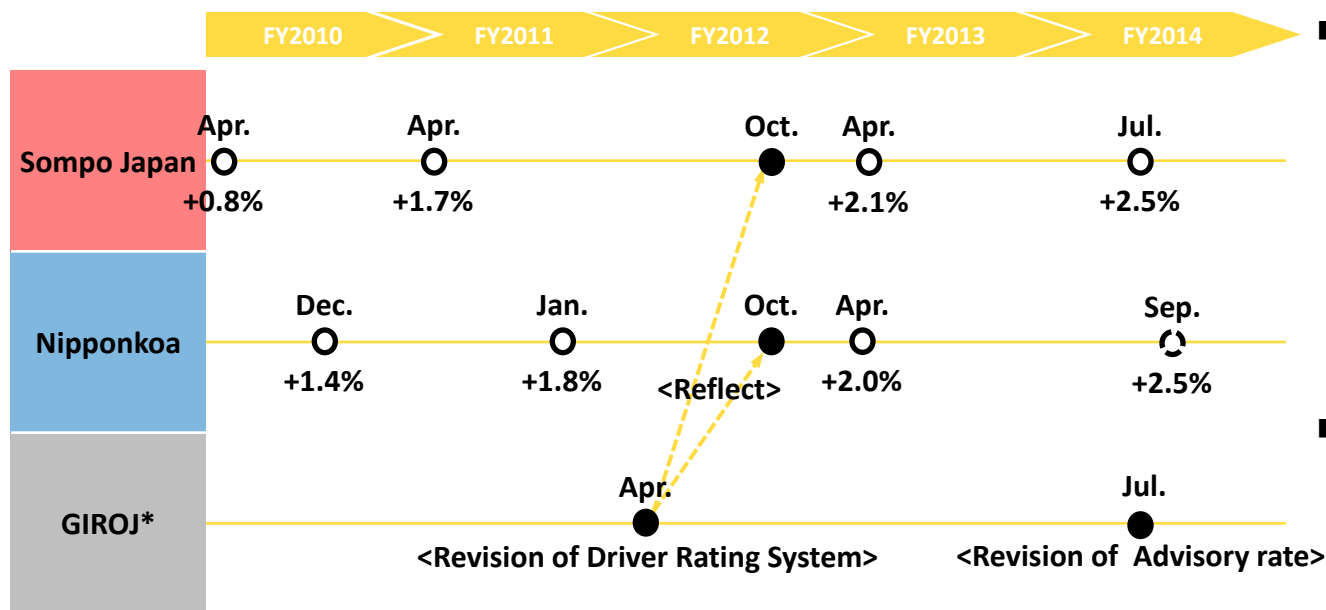
* Year on Year comparison is adjusted based on calendar.

* Special factors in each fiscal year (The Great East Japan Earthquake, typhoon No.12 and 15 in FY2011, the severe storm in April 2012, and snow damage in February 2014) are excluded.

(Reference) Measures to Improve Profitability of Automobile Insurance

Profitability of our voluntary automobile insurance business is expected to improve as a result of revisions of product, premium rate, and the Driver Rating System.

- Historical Premium Rate Revisions & Driver Rating System Revision (non-fleet) - Measures to Improve Profitability



*General Insurance Rating Organization of Japan

- Since 2010, Sompoto Japan has raised premiums for automobile insurance 4 times, and Nipponkoa has done so 3 times and plans to do so again in September 2014.
 - The effects will continue to materialize gradually.
- The Driver Rating System was revised in April 2012 and the revision has been reflected in our automobile insurance policies written after October 1, 2012.
 - Expected to improve profitability in the mid-and-long term.

Domestic Natural Disasters

◆ There was no major natural disaster in this quarter.

(Billions of yen)

Net claims paid	Sum of two companies			Sompo Japan		Nipponkoa	
	Apr-Jun 2013	Apr-Jun 2014	Change	Apr-Jun 2014	Change	Apr-Jun 2014	Change
Fire & Allied lines	1.9	0.2	-1.7	0.0	-0.9	0.2	-0.8
Marine	-	-	-	-	-	-	-
Personal Accident	0.0	0.0	-0.0	-	-0.0	0.0	-0.0
Voluntary Automobile	0.2	0.0	-0.2	0.0	-0.1	-	-0.0
Other	0.0	0.0	-0.0	-	-0.0	0.0	-0.0
Total	2.3	0.2	-2.0	0.0	-1.1	0.2	-0.9

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

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

Snow Damage in February 2014

◆ In 1Q FY2014, the impact on underwriting profit was +¥32.7 billion.

	(Billions of yen)				
	By the end of 4Q FY 2013 (cumulative)	April to June 2014			By the end of 1Q FY2014 (cumulative)
	Total	Total	Fire and allied lines	Voluntary Automobile	Total
Net claims paid	20.8	44.0	39.5	3.6	64.9
Provision of outstanding loss reserve	52.1	-44.0	-39.5	-3.6	8.1
Net Loss Occurred	73.0	-	-	-	73.0
Provision of catastrophic loss reserve	8.4	32.7	28.8	3.6	41.1
Impact on underwriting profit	-64.6	32.7	28.8	3.6	-31.9

* Impact of snow damage incurred from February 8, 2014 to February 19, 2014

* Sum of Sompo Japan and Nipponkoa

Investment Profit

- ◆ Net interest and dividend income and realized gain on domestic stock sales remained steady.
- ◆ Investment profit amounted to ¥41.3 billion in 1Q and has progressed 39% against the fiscal year plan of ¥105.5 billion.

(Billions of yen)

		Sum of two companies			Sompo Japan		Nipponkoa	
		Apr-Jun 2013	Apr-Jun 2014	Change	Apr-Jun 2014	Change	Apr-Jun 2014	Change
Interest and dividend income		33.6	37.2	+3.5	21.3	+0.7	15.9	+2.7
Net interest and dividend income	1	21.1	25.4	+4.3	13.4	+1.0	11.9	+3.2
Realized gain on securities	2	13.7	12.2	-1.4	5.2	+2.0	7.0	-3.4
of which, realized gain on domestic stock sales		3.8	10.4	+6.5	4.7	+3.0	5.6	+3.4
Impairment losses on securities	3	-0.4	-0.1	+0.3	-0.0	+0.2	-0.0	+0.0
of which, impairment losses on domestic stocks		-0.1	-0.0	+0.1	-0.0	+0.0	-0.0	+0.0
Gain on derivative products	4	0.0	0.3	+0.3	-0.1	+0.6	0.5	-0.3
Other investment income	5	3.6	3.3	-0.2	2.9	-0.1	0.3	-0.0
Investment profit	1+2+3+4+5	38.0	41.3	+3.3	21.4	+3.8	19.8	-0.5

(Reference) Business Forecasts - Domestic P&C Insurance Business

(Billions of yen)	FY2013 Actual	FY2014 Forecasts	Change
Net premiums written	2,082.1	2,174.1	+91.9 (+4.4%)
(Excl. CALI)	1,783.9	1,869.1	+85.1 (+4.8%)
Loss Ratio	65.7%	67.8%	+2.2pt
(Excl. CALI)	62.7%	65.4%	+2.7pt
E/I Loss Ratio (excl. CALI and household earthquake)	68.1%	64.6%	-3.5pt
Net Expense Ratio	32.2%	31.5%	-0.8pt
(Excl. CALI)	34.2%	33.3%	-0.9pt
Combined Ratio	97.9%	99.3%	+1.4pt
(Excl. CALI)	96.9%	98.7%	+1.8pt
Underwriting profit	-62.5	42.2	+104.7 (—)
Investment profit	192.7	105.5	-87.2 (-45.3%)
Ordinary profit	117.7	144.0	+26.3 (+22.3%)
Net income	49.5	33.7	-15.7 (-31.8%)

* The actual figures in FY 2013 are the sum of Sompo Japan and Nipponkoa. Meanwhile, the forecasted figures in FY 2014 represent Sompo Japan Nipponkoa which will be formed on September 1.

(Reference) Assumptions of Business Forecasts - Insurance Business

Losses from domestic natural disasters (occurring in the fiscal year)	¥43.0 billion
Thai floods	Net claims paid : ¥4.6 billion
Snow Damage in February 2014	Net claims paid : ¥59.1 billion
Catastrophic loss reserve	Net reversal : ¥16.5 billion
Provision rate of Catastrophic loss reserve	Provision rate of fire group : 10.0% Provision rate of automobile group : 5.5%
Market indicators	(Stock) Nikkei 225 : ¥14,827 (Interest yield) 10y JGB : 0.64% (Foreign exchange) 1US\$: ¥102.92, 1Euro : ¥141.65
Interest and dividend income	Gross : ¥100.7 billion Net : ¥55.6 billion
Realized gains on securities	Realized gains on security sales : ¥49.2 billion Impairment losses on securities : ¥3.0 billion
Reserve for price fluctuation	Net provision ¥8.9 billion

*Assumptions of Business Forecasts of Sompo Japan Nipponkoa which will be formed on September 1

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Annualized new premium and Annualized premium in force

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

(Billions of yen)	1Q FY2013	1Q FY2014	Change	FY2013	FY2014(E)
Amount of new business	617.3	509.3	- 26.9 (-4.4%)	2,635.0	—
Annualized new premium	7.2	7.9	+0.6 (+9.0%)	30.4	41.0
Premium and other income	88.2	89.4	+ 1.2 (+1.4%)	372.8	383.7
(excl. lump-sum payment)	87.2	88.6	+1.3 (+1.6%)	369.0	379.4
Ordinary profit	2.8	8.0	+5.1 (+183.9%)	17.2	16.2
Net income	1.0	4.4	+3.4 (+342.0%)	8.0	7.5

(Billions of yen)	End of FY2013	End of 1Q FY2014	Change	(Billions of yen)
Amount of business in force	20,245.5	20,426.9	+181.3 (+0.9%)	Change
Annualized premium in force	308.5	309.8	+1.3 (+0.4%)	Protection-type +1.3
				Saving-type +0.0
				Total +1.3

Breakdown

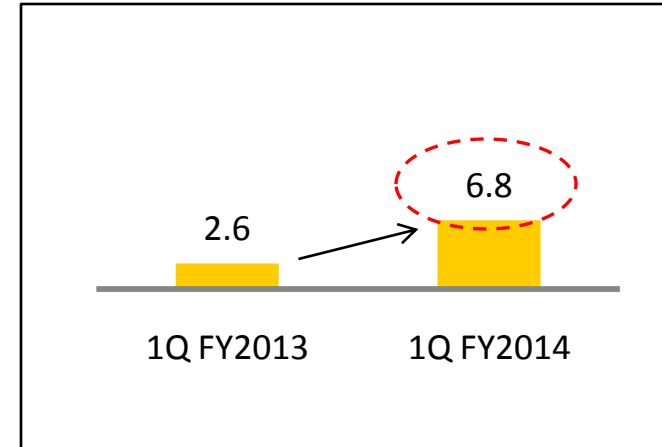
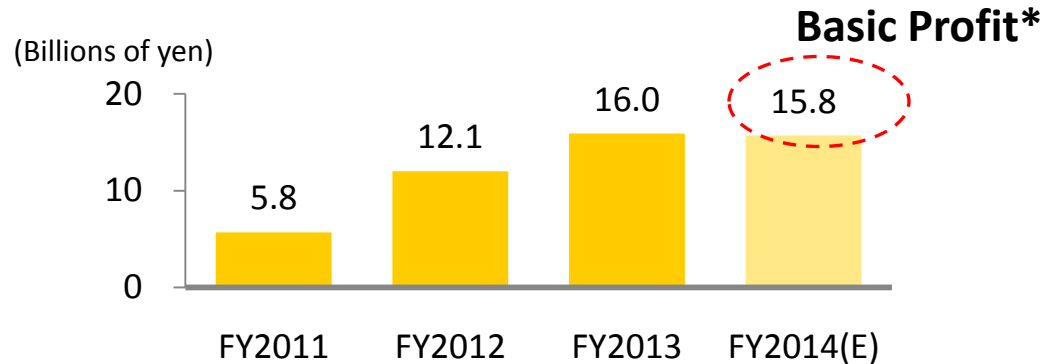
* Amount of business and annualized premium are the sum of individual insurance and individual annuities.

* The figures of this page are based on “statutory accounting for life insurance company^{*1}”. On the other hand, the figures about NKSJ Himawari Life in page 3 through 9 are based on “statutory accounting for non-life insurance company^{*2}”. The differences are as follows;

- Life insurance premiums (*2) = Insurance premiums (*1) - cancellation refunds etc.
- Ordinary profit (*2) = Ordinary profit (*1) - Provision for reserve for dividends to policyholders

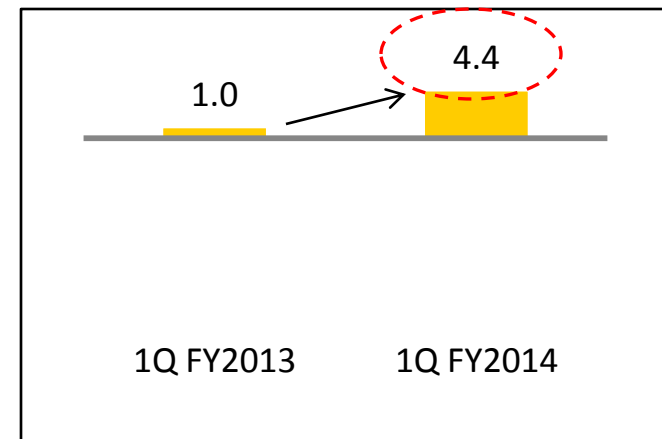
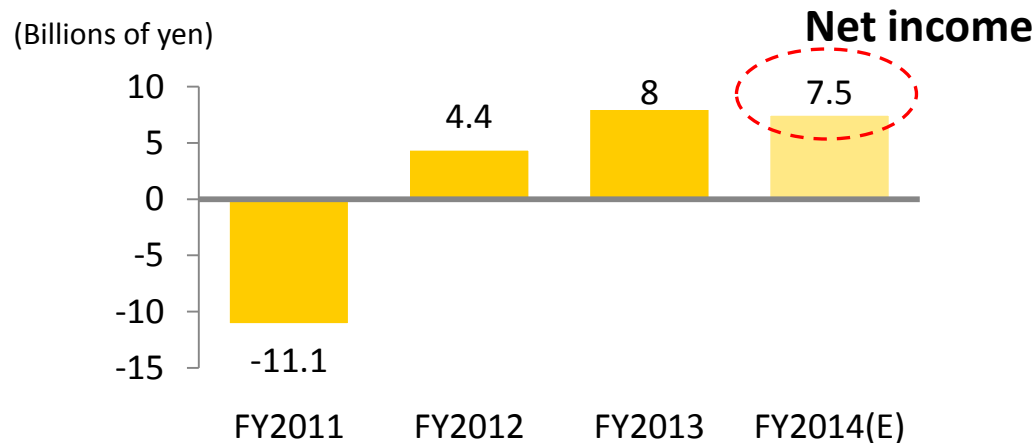
Accounting profit (J-GAAP)

◆ Both basic profit and net income in 1Q improved year on year.



*Basic Profit

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



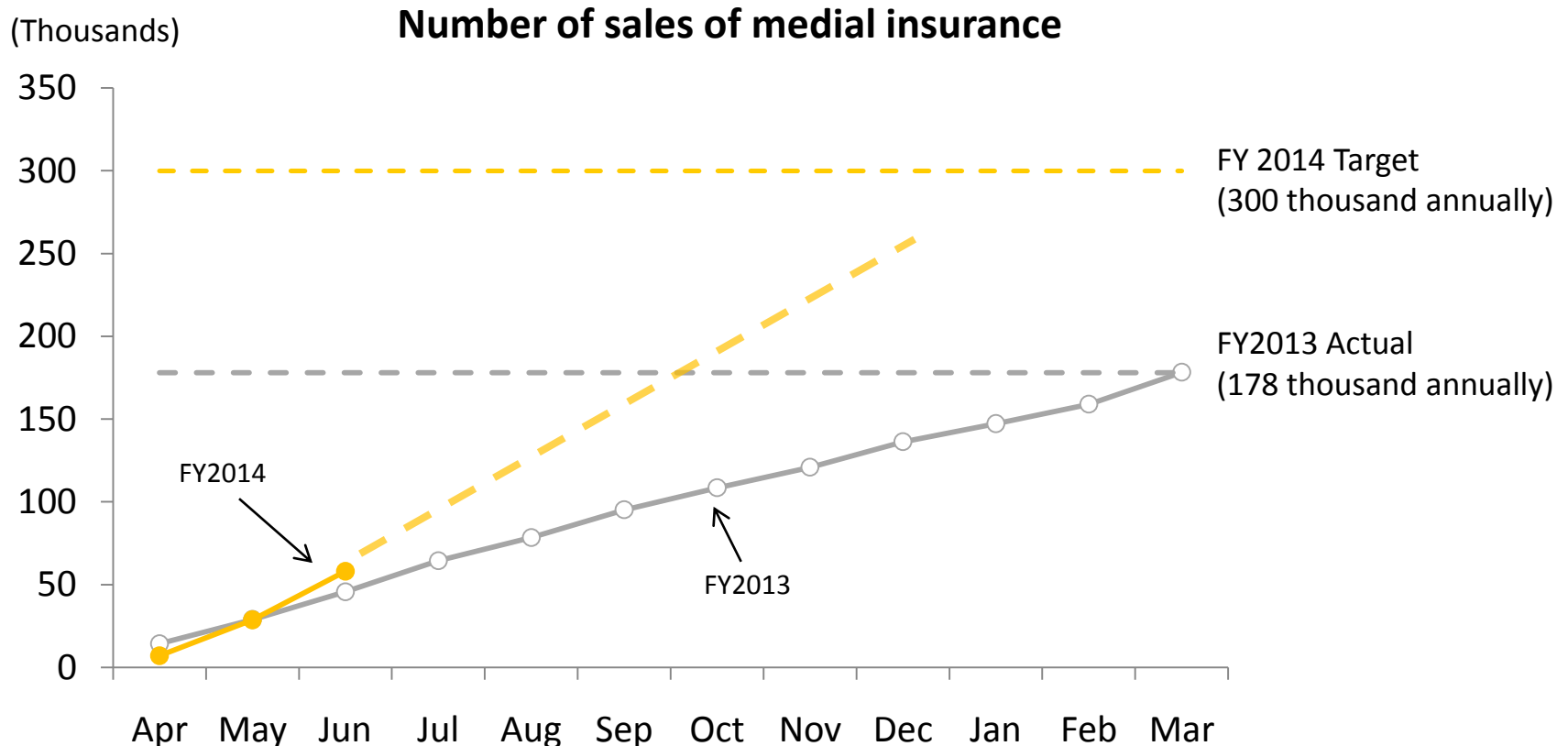
Reference: Principal special factors in fiscal 2011

(1) Extraordinary loss related to merger: -¥11.7 billion

(2) Impact of change in the corporate tax rate: -¥3.6 billion

(Reference) New Medical Insurance Products

- ◆ New medical insurance products were launched in May 2014 for the first time in six years. The points of amendment are "fullness of protection" and "price competitiveness"
- ◆ The new products made a good start to achieve FY2014 sales target of 300 thousand.
(The medical insurance products were sold 178 thousand in FY2013.)



The new medical insurance products launched in May 2014

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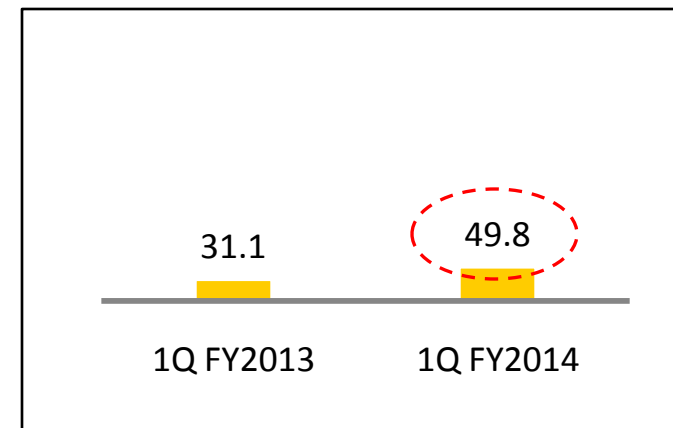
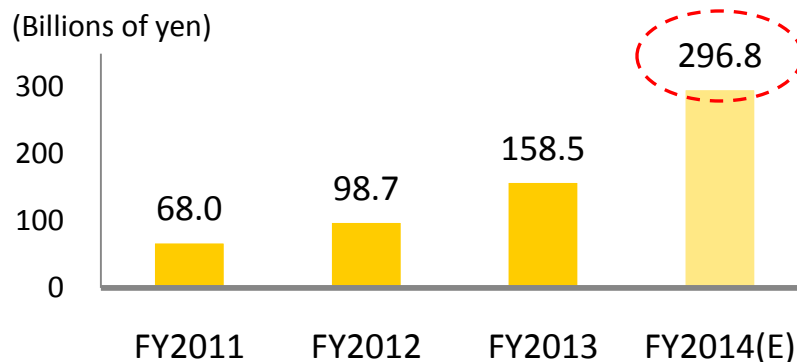
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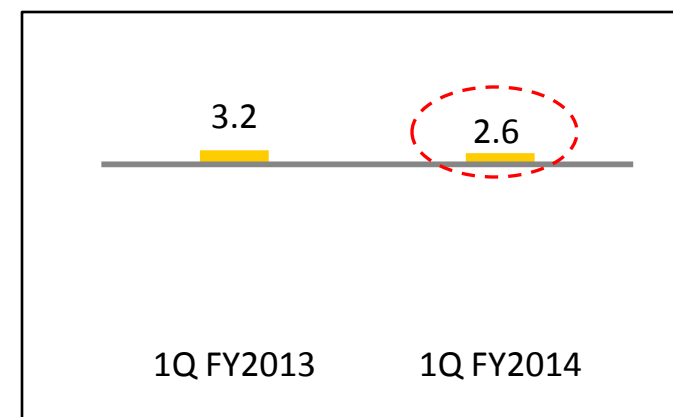
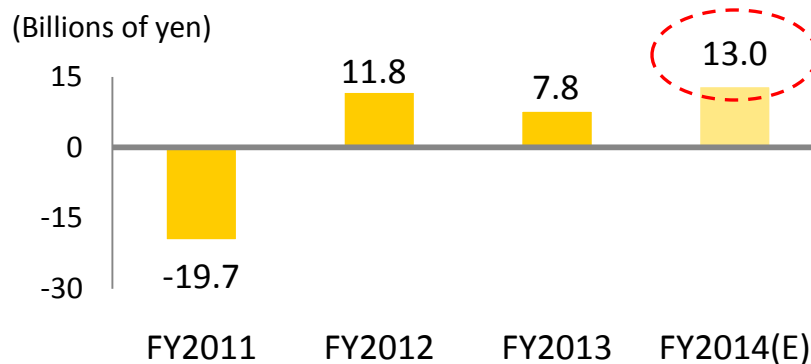
Trend of overseas insurance business

◆ Top-line has steadily grown, and bottom-line was in line with the fiscal year plan.

**Net
premiums
written**



**Net
income**



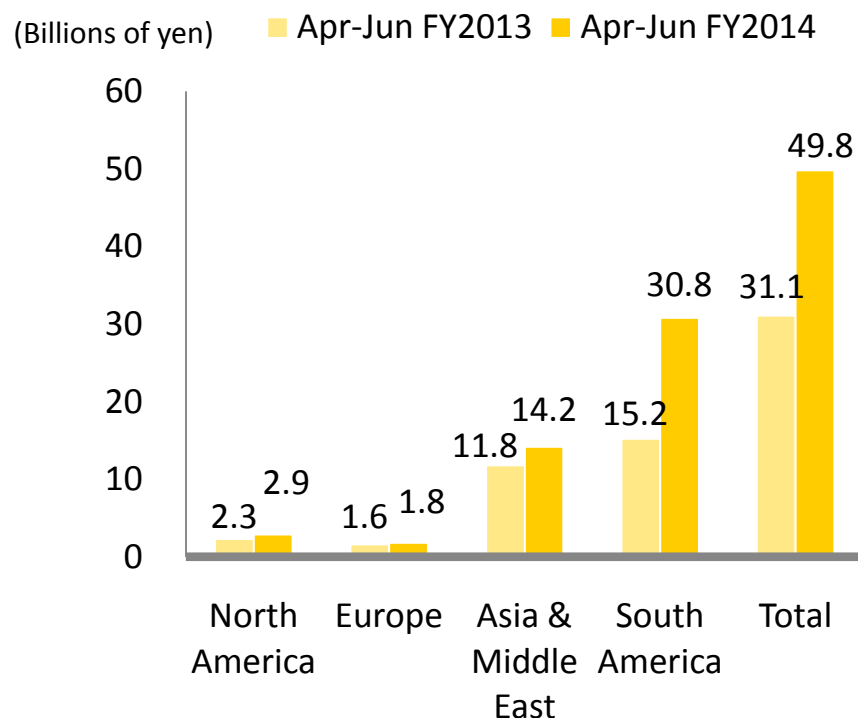
* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.

* The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements.

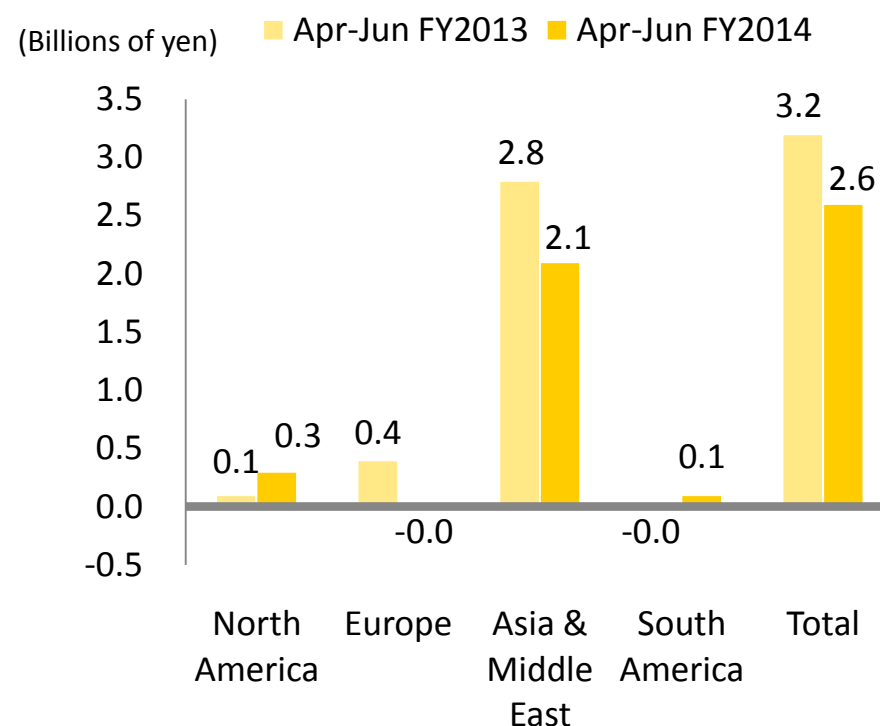
Overview of business results by area

- ◆ Net premiums written increased in each region, particularly in South America, and Asia & Middle East contributed to net income.

Net premiums written



Net income



* Net premiums written of subsidiaries and affiliates reflect holding shares of each company. This treatment does not coincide with financial statements.
 * The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements.

Overview of business results by company

- ◆ Each company steadily expanded its top-line, and SJ Sigorta and Tenet Sompo were main contributors to bottom-line.
- ◆ Canopius is expected to contribute to profit from 2Q FY2014.

(Billions of yen)

		Net premiums written			Net income		
		1Q FY2014 (actual)	change	FY2014 (forecast)	1Q FY2014 (actual)	change	FY2014 (forecast)
North America	SJ America	2.9	+0.5	20.9	0.3	+0.2	1.0
Europe	SJNK Europe + NK Europe	1.8	+0.1	5.0	-0.0	-0.4	0.3
	Canopius	-	-	87.9	-	-	6.2
Asia & Middle East	SJ Sigorta (Turkey)	4.9	+0.4	20.3	0.8	+0.3	1.5
	Tenet Sompo (Singapore)	2.9	+0.9	8.3	0.5	-1.1	0.3
	Berjaya (Malaysia)	2.5	+0.2	10.2	0.3	+0.0	1.1
	SJNK China + NK China	2.2	+0.5	4.5	0.1	-0.1	0.0
	SJNK H.K. + NK Asia	0.9	+0.1	3.8	0.2	+0.0	0.3
	Other	0.5	+0.0	2.4	0.0	+0.0	0.0
South America	Yasuda Seguros	5.9	+0.6	26.8	0.0	-0.0	0.8
	Maritima	24.8	+14.9	106.3	0.1	+0.3	1.1
Total		49.8	+18.7	296.8	2.6	-0.6	13.0

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

* The net income figure has been adjusted to reflect shareholdings and other factors, and is stated on a different basis from that of the consolidated financial statements.

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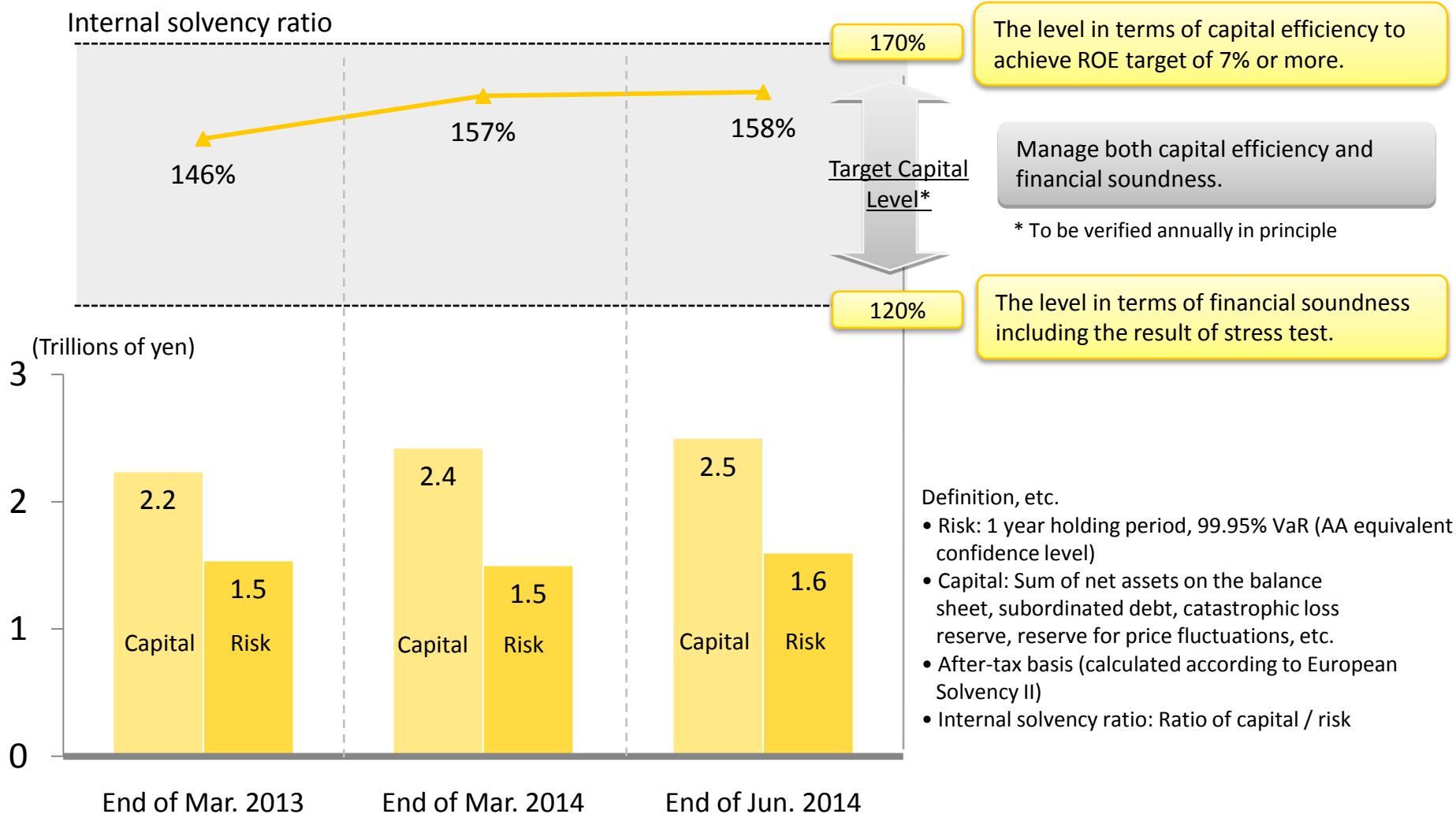
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Financial soundness – Internal standard

◆ Internal solvency ratio keeps within target capital level (120% - 170%).



Market sensitivity

- ◆ Continue to reduce strategic-holding stocks to mitigate the stock price sensitivity, etc.

	Capital	Internal Solvency Ratio
End of Jun. 2014	¥2.5 trillion	158%

After market shocks

	Capital	Internal Solvency Ratio
30% decrease in stock price	¥2.2 trillion (- ¥316.5 billion)	148% (- 10.4pt)
10% appreciation in yen exchange rate	¥2.4 trillion (- ¥77.2 billion)	154% (- 3.5pt)
50bps increase in interest rate	¥2.5 trillion (+ ¥39.8 billion)	161% (+ 2.9pt)

Adjusted consolidated net assets

◆ Adjusted consolidated net asset per share increased to ¥6,054.

Adjusted consolidated net assets

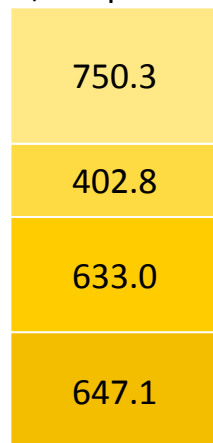
(Billions of yen)

Total 2,245.8
(¥5,415 per share)



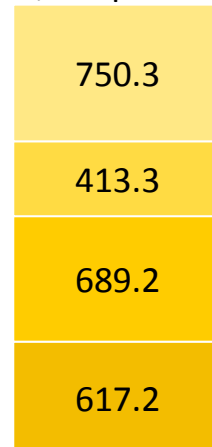
End of Mar. 2013

Total 2,433.4
(¥5,916 per share)



End of Mar. 2014

Total 2,470.2
(¥6,054 per share)



End of Jun. 2014

- Life EV *1
- Catastrophic Loss Reserve, etc.*2
- Unrealized gains on Securities*3
- Consolidated net assets (excl. unrealized gains and life)*4

*1 Life insurance EV is the nominal price before deduction of changes in EV attributable to interest rate movements. However, in the case of adjusted profit, which is the subject of the management plan, the growth in EV is the value after deduction of changes in EV attributable to interest rate movements. As EV is calculated annually, the figure as of the end of June 2014 is the same as of the end of March 2014.

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

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

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

Asset Portfolio – Domestic P&C Insurance

- ◆ The general account is managed with diversified investments, while the savings-type account utilizes portfolio management based on ALM.

Amount of investment assets * Sum of Sompo Japan and Nipponkoa



Proportion of general account

	Domestic stocks	Yen-denominated Interest-bearing assets	Foreign securities	Real estate, etc.
End of Mar. 2014	32.0%	33.3%	26.9%	7.8%
End of Jun. 2014	32.9%	30.1%	29.6%	7.4%

Breakdown of foreign securities (foreign currencies) (End of Jun. 2014)

	USD	EUR	Others	Total
Bonds	28%	16%	10%	54%
Stocks/Funds, etc.	25%	0%	21%	46%
Total	53%	16%	31%	100%

* Stocks/Funds, etc. of 46% includes stocks of subsidiaries of 24%.

Proportion of Savings-type account

	Yen-denominated interest-bearing assets	Foreign securities
End of Mar. 2014	98.5%	1.5%
End of Jun. 2014	98.5%	1.5%

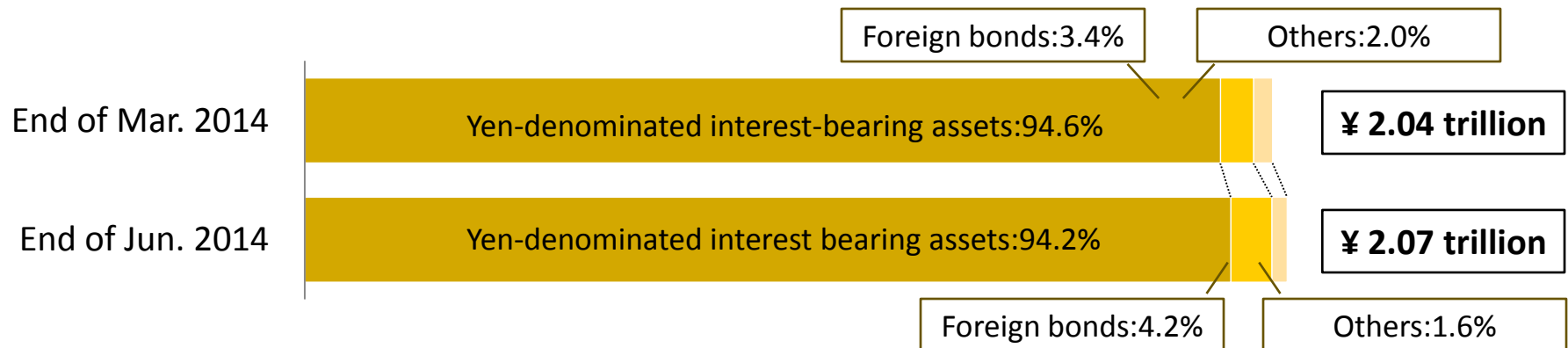
Asset/Liability Duration (Savings-type)

	End of Mar. 2014	End of Jun. 2014
Asset	Approx. 5y	Approx. 5y
Liability	Approx. 6y	Approx. 6y

Investment Portfolio – Domestic Life Insurance

- ◆ Maintained a conservative asset portfolio, which mainly consists of yen-dominated interest-bearing assets.
- ◆ Continue to reduce the duration gap between assets and liabilities gradually.

Amount of investment assets * NKSJ Himawari Life



Asset/Liability Duration

	End of Mar. 2014	End of Jun. 2014
Asset	Approx. 13y	Approx. 13y
Liability	Approx. 16y	Approx. 16y

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

Reducing strategic holding stocks

- ◆ The reduction in FY2014 is expected to be a little less than half of the reduction in FY2013, and the reduction, including stock future, amounted to ¥24.0 billion in Apr-Jun 2014.

Net reduction in 1Q FY2014 ^{*1}

	(Billions of yen)		
	Actual	Stock ^{*2} Future	Total
Sompo Japan	7.7	7.7	15.5
Nipponkoa	8.5	0.0	8.5
Total	16.3	7.7	24.0

^{*1} Net reduction means “market value of sales - market value of purchase.”

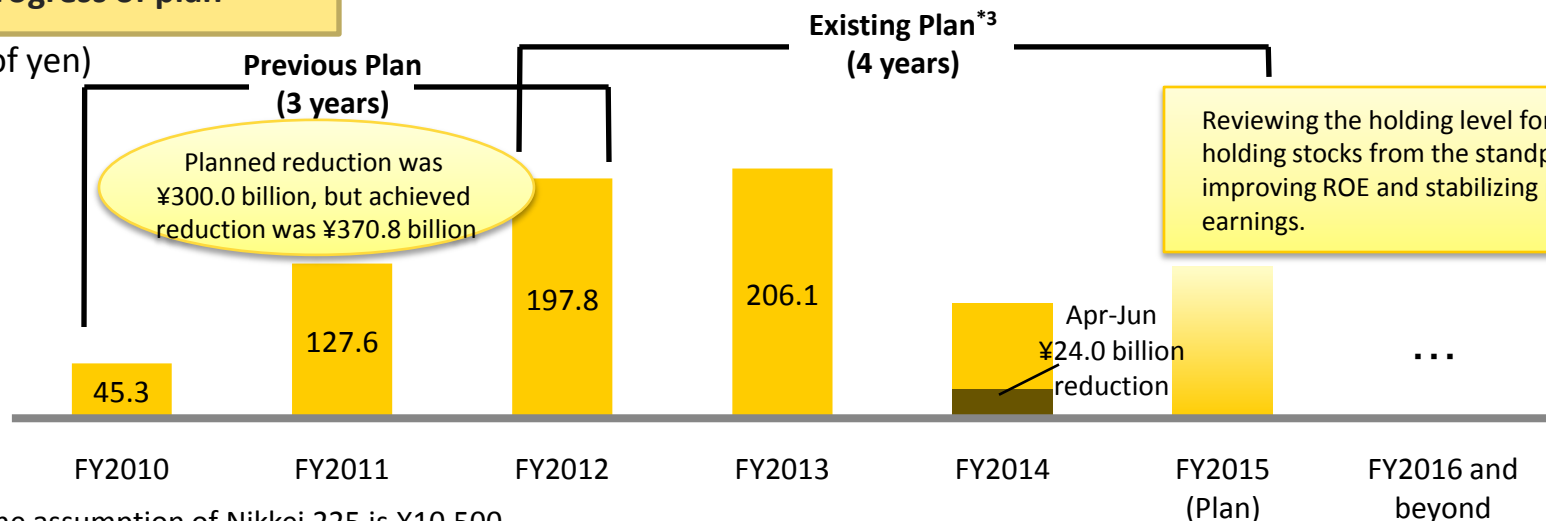
In addition to the figures shown, the exposure of domestic stock, ¥30.0 billion, decreased due to the cancellation of preferred shares.

^{*2} Short position of Nikkei 225 Futures.

Average price of the positions is the same level assumed in the FY2014 forecast.

Progress of plan

(Billions of yen)



^{*3} The assumption of Nikkei 225 is ¥10,500

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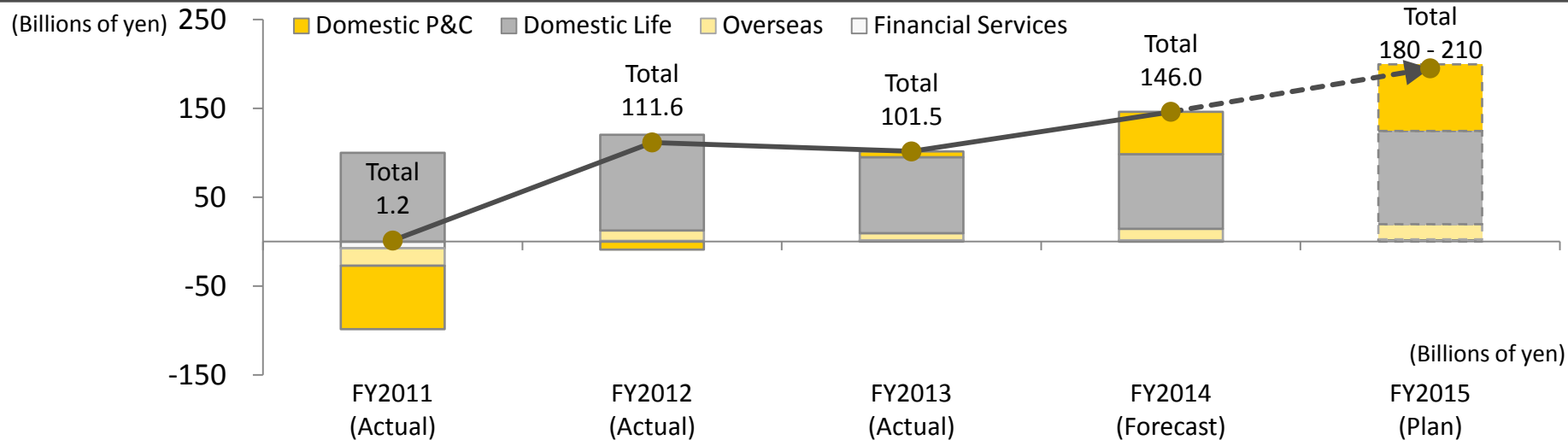
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Progress of Management Plan

- ◆ Generated adjusted consolidated profit of more than ¥100 billion in FY2013, although profit decreased year on year mainly due to snow damage in Feb. 2014 (incurred losses of ¥73.0 billion).
- ◆ Expect to see clear signs of an improvement in earnings in FY2014. This should increase the likelihood of achieving our targets for FY 2015.



	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Actual)	FY2014 (Forecast)	FY2015 (Plan)
Domestic P&C	-71.3	-8.9	6.5	47.7	70 – 80
Domestic Life	100.0	107.8	85.7	84.0	100 – 110
Overseas	-19.7	11.8	7.8	13.0	14 – 20
Financial Services	-7.6	0.7	1.5	1.3	2 – 3
Total (Adjusted consolidated profit)	1.2	111.6	101.5	146.0	180 – 210
Adjusted ROE	0.1%	5.4%	4.3%	5.9%	Over 7%

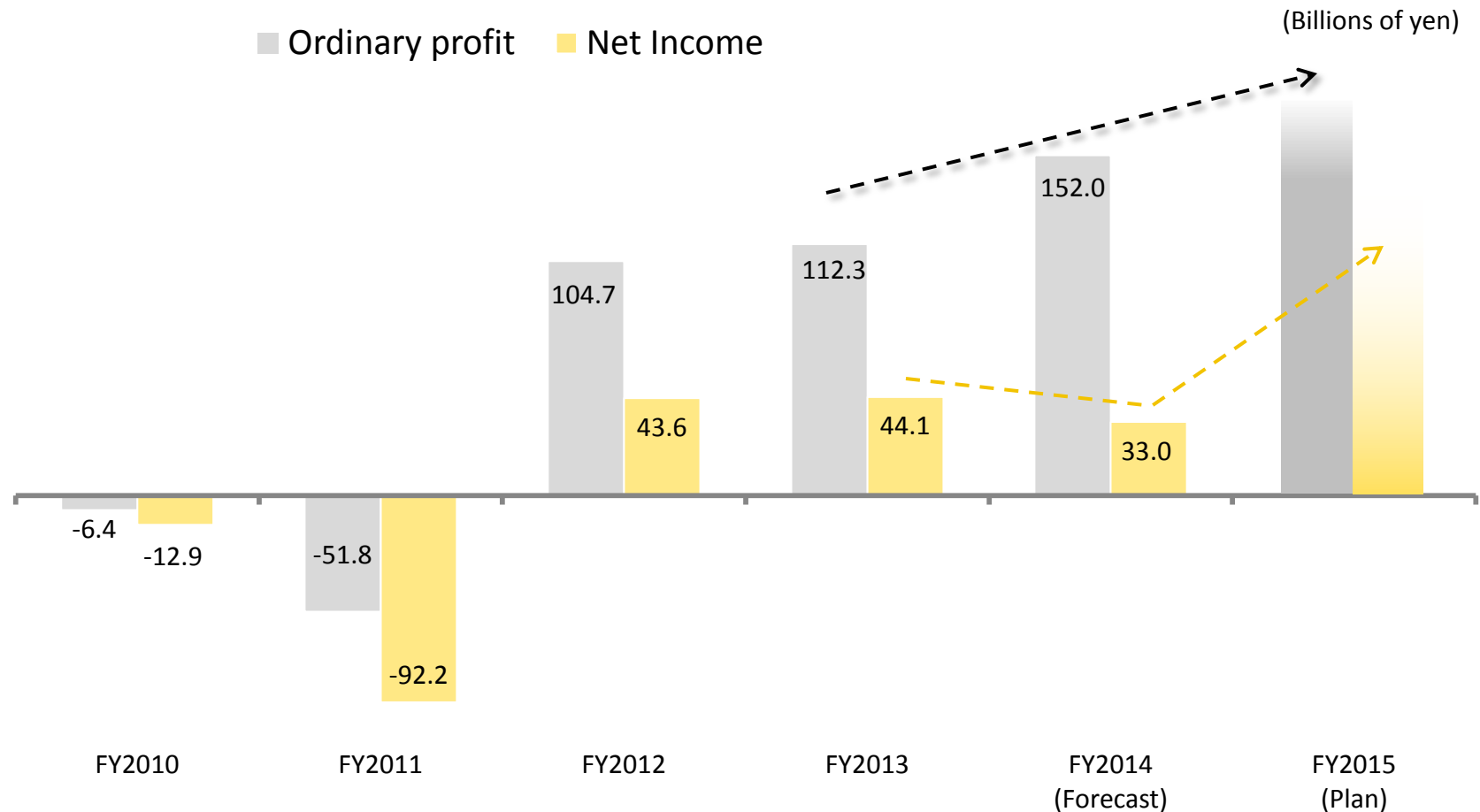
* One-time costs arising from the merger are excluded as special factors to calculate adjusted profit. The amount after tax are ¥17.6 billion in FY2012, ¥26.7 billion in FY2013, approx ¥60 billion in FY 2014 and approx ¥3.4 billion in FY2015.

* Saison Automobile & Fire and Sonpo 24 were classified as financial and other services in FY2011.

* Definition of each business, adjusted profit and adjusted ROE are shown on page 42.

Consolidated Performance (J-GAAP base)

- ◆ Ordinary profit maintains increasing trend mainly due to the improvement of profitability in domestic P&C business and the contribution of overseas business.
- ◆ Significant recovery of net income in FY 2015 is expected, while net income in FY 2014 drops due to the one-time merger costs.



Definition of Adjusted Profit

	Definition of Business	Calculation Method for Adjusted Profit
Domestic P&C Insurance	Total of Sampo Japan, Nipponkoa (Sampo Japan Nipponkoa Insurance Inc. for FY2014 & FY2015), Sonpo 24 and Saison Automobile & Fire (non-consolidated)	Net income + Provisions for catastrophic loss reserve (after tax) + Provisions for reserve for price fluctuation (after tax) - gains/losses on sales of securities and impairment losses on securities (after tax) - Special factors
Domestic Life Insurance	NKSJ Himawari Life	Growth in Embedded Value (EV) - Capital transactions such as equity issuance - Changes in EV attributable to fluctuation of interest rates, etc.
Overseas Insurance	Overseas insurance subsidiaries	Net income
Financial and Other Services	Financial services, Healthcare business, etc.	Net income

(Calculation Method for Adjusted Consolidated ROE)

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

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

Note Regarding Forward-looking Statements

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

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* E-mail address and website URL will be changed as follows from September, 2014 as we will change our company name.

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